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# End-of-Year Bookkeeping Checklist

*A Practical Guide to Close the Books and Prepare for Tax Season*

As the year wraps up, it's the perfect time to get your financial house in order. Whether you've been on top of your bookkeeping all year or you're playing a bit of catch-up, this checklist will help you tie up loose ends, stay compliant, and start the new year with clarity and confidence.

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## 1. Reconcile All Bank and Credit Card Accounts

Make sure every account (checking, savings, credit cards, PayPal, etc.) is fully reconciled:

- Compare your bank statements to your accounting records
- Investigate and resolve any discrepancies
- Make sure there are no missing or duplicate transactions

**Why it matters:** Reconciled accounts mean accurate books, which are critical for tax filing and financial reporting.

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## 2. Review & Organize W-9s and Prepare 1099s

If you paid independent contractors, freelancers, or vendors more than \$600 during the year, you're likely required to issue them a **Form 1099-NEC** by **January 31** of the following year.

Here's what to do:

- Make sure you have a **W-9** on file for each applicable vendor

- Review total payments made to them in your books
- Prepare and file 1099s via your accounting software, a payroll service, or IRS-approved e-file provider

**Pro Tip:** Collect W-9s at the start of the relationship so you're not scrambling at year-end.

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### 3. Collect Outstanding Customer Invoices

Run an **Accounts Receivable Aging Report** to identify customers with unpaid invoices. Then:

- Follow up on past-due balances
- Decide whether to write off any unrecoverable debts
- Make sure all revenue earned this year has been invoiced and recorded

**Note:** Clean A/R records improve your balance sheet and help you enter the new year with better cash flow.

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### 4. Backup Your Financial Files

Even if your accounting system is cloud-based, create a backup:

- Export key reports (P&L, Balance Sheet, General Ledger)
- Save PDF and/or spreadsheet copies of your year-end financials
- Store copies of receipts, payroll reports, and tax filings in a secure location (Google Drive, Dropbox, external hard drive, etc.)

**Tip:** Keep backups for at least 7 years to be audit-ready.

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## 5. Review Fixed Assets and Depreciation

Go over any large purchases made this year (vehicles, machinery, computers, furniture, etc.):

- Confirm they're recorded in the right category
- Identify any assets that need to be depreciated
- Flag anything sold, disposed of, or no longer in use

**Ask your CPA** whether Section 179 expensing or bonus depreciation could benefit you this tax year.

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## 6. Meet with Your Bookkeeper or CPA for Tax Planning

A short meeting now can save you money and headaches later. Topics to discuss:

- Potential deductions or tax-saving strategies
- Timing of purchases (buy now or wait?)
- Retirement contributions
- Health insurance premiums, HSA contributions
- Final quarterly estimated tax payments (due January 15)

**Goal:** Avoid surprises and make informed moves before December 31.

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## Bonus: Other End-of-Year Tasks

- Verify employee information before issuing W-2s
- Review profit/loss trends and set next year's budget

- Organize receipts and documents for potential audit requests
  - Archive or close out old projects
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## Final Thought:

Don't wait until January to look back on your books. Doing this work in December gives you time to take advantage of potential tax savings, avoid last-minute stress, and enter the new year with a clear financial picture.

If staying on top of your books feels overwhelming, you don't have to do it alone. **Verily Truly** helps small business owners and nonprofits stay organized with practical systems, clear communication, and year-round support—so when tax season rolls around, your books are clean, complete, and ready to hand off to your CPA with confidence.

Let us help you bring calm and clarity to your numbers—every month, not just at year-end.

Find us at [VERILYTRULY.COM](https://www.verilytruly.com)