

## W. CALLAWAY PROFESSIONAL CORP. Chartered Professional Accountant

### Bookkeeping Checklist - Items To review before sending Year End To Accountant

Please review the following items (if applicable) before sending your books to your accountant:

- **Previous year financial statements**
  - Compare prior year book balances to financial statements. If different:
    - Have prior years adjusting entries been entered?
    - Were entries posted in prior fiscal year after books were sent to accountant?
    - Tip - Set year-end closing date in your accounting program once your year-end data is complete and after your books are sent to Accountant. This will avoid any transactions being posted and numbers changing after file is sent to accountant.
- **Bank Accounts**
  - Have the bank accounts been reconciled?
  - Determine if all outstanding cheques and deposits have cleared or will clear the bank and clean up any old outstanding transactions.
- **Term Deposits**
  - Get copy of term deposit statement at year end and compare balance to book balance.
  - Review transactions for the year if different. Post any deposits, withdrawals, interest.
- **Accounts Receivable**
  - Review aged summary of accounts receivable.
  - Write off uncollectible receivables to bad debts.
  - Identify any unlikely collectible debts to discuss with Accountant
  - Review negative balances and correct as necessary (ie. payments received and no invoice created)
- **Inventory**
  - Perform an inventory count at year end.
  - Identify any obsolete items to discuss or write them off.
  - Adjust book balance, as necessary to reflect accurate inventory from count.
- **Prepaid Expenses**
  - Review and list prepaid expenses.
  - Have you expensed the monthly portion that applies to current year end?
- **Marketable Securities**
  - Review brokerage and investment statements. Enter investment transactions and confirm the book balances agrees with broker statement eg costs
  - Confirm the cash balance is correct.
- **Fixed Assets**
  - Have any assets been expensed that should be capitalized? Generally these are assets with a cost of \$500 or more and have benefit that lasts more than 1 year.
  - Review assets on hand against assets in the books.
    - Any additions or disposals to record?

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- Any obsolete items write off the books?
  
- **Accounts Payable**
  - Review aged summary, write off any accounts payable or trade debts that are no longer owed.
  - Review negative balances, correct or adjust as necessary (ie. Exchanges made, payments made with no invoice posted for expense).
- **Credit Card Accounts**
  - Have all credit cards transactions been entered and statements reconciled?
  - Adjust old and outstanding transactions.
- **Payroll Deductions Payable**
  - Review payroll liability account to payroll remittances at year end.
  - If they do not agree, reconcile account and correct where necessary.
- **Corporate Tax**
  - Check the Canada Revenue Agency and Provincial tax assessments and statements.
  - Determine if the CRA balance agrees with book balance.
- **GST**
  - Review GST balance due or receivable. Do they look reasonable?
  - Review your GST collected on sales in your books with your GST collected claimed on your GST returns – do they agree?.
  - Review books to locate differences, if necessary.
- **Shareholder's Loan**
  - Have all transactions for business reasons been recorded?
  - Has personal cash withdrawals and contributions been recorded?
  - Have you considered taxable benefit transactions and issues?
- **Intercompany account**
  - Does the intercompany balances agree for any related companies books?
- **Opening Balance Equity**
  - This account should have a zero balance.
- **Income**
  - Compare all income accounts with the prior years. Review any significant differences to your expectations or budgets.
- **Cost of Goods Sold (COGS)**
  - Compare the COGS accounts with the prior years. Review any significant differences to expectations or budgets.
- **Expenses**
  - Compare all expense accounts with the prior year. Review significant differences to expectations or budgets.

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- Other Income and Expenses** – Compare these accounts with the prior year and review any significant differences.

#### Tips

- Compare current year profit and loss with prior years and review any large differences to expectations or budgets.
- Make sure all your income and expenses have been properly categorized to the correct account.

Ask your accountant:

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