

# Year-End Tax Prep Checklist

Murray & Associates, LLC  
Bookkeeping and Advisory Services



Get your books buttoned up before you hand them to your CPA

Work through this before year-end (and the first weeks of January). A clean handoff means a faster, cheaper return, fewer accountant questions, and no scramble for missing documents. Check each box as you go.

## 1 · Reconcile & Close the Books

- ☐ Reconcile every **bank account** through December 31 — statement balance ties to your books.
- ☐ Reconcile all **credit card accounts** and confirm the ending balance matches the December statement.
- ☐ Reconcile **loan and line-of-credit** balances to lender year-end statements; split principal vs. interest.
- ☐ Reconcile **merchant / payment processors** (Stripe, PayPal, Square) — deposits net of fees.
- ☐ Clear the **Uncategorized / Ask-My-Accountant** account to zero.
- ☐ Review **Undeposited Funds** — it should be \$0 or only truly in-transit deposits.

## 2 · Income & Accounts Receivable

- ☐ Confirm **all income is recorded** — cross-check deposits against invoices and sales reports.
- ☐ Review the **A/R aging**; write off genuinely uncollectible invoices (bad debt).
- ☐ Record **December revenue earned but not yet billed** if you report on an accrual basis.

## 3 · Expenses, A/P & Deductions

- ☐ Categorize **every transaction** — no blanks, no guesses.
- ☐ Match **receipts to expenses** for anything material; note business purpose for meals & travel.
- ☐ Record **December bills owed but unpaid** (accounts payable) on accrual basis.
- ☐ Confirm **owner-paid business expenses** (personal card) are captured and reimbursed/booked.
- ☐ Separate **meals (limited)** from **entertainment (nondeductible)**.
- ☐ Review **home-office** square footage and utilities if you claim it.
- ☐ Log **business mileage** total for the year.

## 4 · Payroll & Contractors (1099s)

- ☐ Verify **payroll wages, taxes, and liabilities** tie to your Q4 and annual filings (941 / 940).
- ☐ Confirm **W-2s** are issued to employees by Jan 31.
- ☐ Identify every **contractor paid \$600+** by cash/check/ACH — collect a **W-9** for each.
- ☐ Issue **1099-NEC** forms to qualifying contractors by Jan 31. (Card/third-party payments go on 1099-K from the processor, not your 1099-NEC.)
- ☐ Confirm **S-corp owner reasonable compensation** ran through payroll if applicable.

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## 5 · Balance Sheet Cleanup

- ☐ Record **depreciation** for the year (or flag fixed-asset additions for your CPA).
- ☐ Update the **fixed-asset schedule** — additions, disposals, and Section 179 candidates.
- ☐ Book **prepaid expenses** (insurance, subscriptions) and amortize what's used.
- ☐ Reconcile **owner draws / distributions** and **contributions** to equity.
- ☐ Clear stale **outstanding checks** and reconciling items.
- ☐ Confirm **inventory** count and valuation if you carry it.

## 6 · Documents to Hand Your CPA

- ☐ Year-end **P&L**, **Balance Sheet**, and **General Ledger**.
- ☐ December **bank & credit card statements** and reconciliation reports.
- ☐ **Loan statements** showing year-end balances.
- ☐ **Payroll year-end reports** and copies of W-2s / 1099s.
- ☐ **Fixed-asset / depreciation schedule** and major purchase receipts.
- ☐ Prior-year **tax return** and any IRS/state notices received during the year.
- ☐ List of **estimated tax payments** made (dates and amounts).