**BizBoost News  
Volume 12, Issue 8  
For distribution 10/17/22; publication 10/20/22**

**Checklist for Clean Books**

Keeping your business’s books clean all year long can help to provide more accurate financial statements and reports as well as an easier tax time. Here is a checklist of activities to perform periodically to keep your books clean.

1. Make sure all bank accounts are reconciled.
2. Make sure all credit card accounts are reconciled.
3. Update year-end inventory balance, if applicable.
4. Review liability accounts and balance statements.
5. Check for any old, uncleared items in the bank and credit card registers.
6. Verify that there are no negative numbers on the financial statements, or provide an explanation as to why. With limited exceptions, generally the only legitimate negative numbers would be depreciation, owner's equity and refunds.
7. Make sure the Chart of Accounts is clean. Merge duplicate or similar categories. Eliminate any "other" expenses (for example, "Advertising – Other"), as well as “miscellaneous” accounts. Sort the Chart of Accounts alphabetically.
8. Categorize any transactions listed as “Uncategorized Expenses,” “Ask my accountant,” or similar clearing account.
9. Review P&L Detail sorted by name for consistency in categorizing.
10. Enter the credit card charges through the end of December. With the cutoff date of credit cards, sometimes you must wait for the statement in February to get transactions from the last week of December.
11. Pull an Open Invoice report and clear out any old invoices that are not accurate. Deleting an invoice should only be done if a client is on a cash basis, not accrual. It will affect the tax return if you delete or change any invoice the client files on accrual basis.
12. Pull an Unpaid Bills report to see if any bills need to be deleted. Remember the rule on cash/accrual basis.
13. Ensure that the Profit & Loss is showing “Gross Wages,” not net. This helps match financial statements with payroll reports. Match to Tax & Wage Summary provided by payroll processor.
14. Separate out “Officer Gross Wages” from employee gross wages on the Profit & Loss report.
15. If the owner made any deposits to the business bank account, show the deposit as a loan or capital contribution (equity). You can also show the money deposited as an offset to the owner's draw account.
16. Check for eligible 1099 vendors, and make sure you have the proper forms in place to process their 1099 forms by January 31st.
17. If a company has more than one vehicle, make sure they are listed separately, showing gas, insurance, repairs and registration per vehicle. Get the percentage of business use for each vehicle.
18. At year end, if you are using QuickBooks, set the Closing Date Password once everything is clean. If you are using another software, find out how to lock the balances for the prior year.

Keeping your books clean will help you make better business decisions on data that is more accurate.

\*\*\*

Tweets

Insert a link to your newsletter, website or blog before you post these:

Our latest blog: “Checklist for Clean Books” is available now! Subscribe here: [link]

Keeping your business’s books clean all year long can help to provide more accurate financial statements and reports as well as an easier tax time. Learn more in our latest blog article: [link]

Do you check your business’s books throughout the year? This can help keep reports accurate and make taxes easier. Learn more in our latest blog article: [link]

#BusinessTip  
When it comes to keeping your business’s books clean:   
1. Make sure all bank accounts are reconciled.  
2. Make sure all credit card accounts are reconciled.  
3. Update year-end inventory balance, if applicable.  
4. Review liability accounts and balance statements.  
Access our full checklist here: [link]

DID YOU KNOW… Keeping your business’s books clean throughout the year can help you make better business decisions. Learn more here: [link]

Do you know how to keep your business’s books clean? Sign up for our newsletter to access our full checklist of activities to perform periodically:[link]

#BusinessTip  
When it comes to keeping your business’s books clean:  
1. Pull an Unpaid Bills report to see if any bills need to be deleted. Remember the rule on cash/accrual basis.  
2. Ensure that the Profit & Loss is showing “Gross Wages,” not net. This helps match financial statements with payroll reports. Match to Tax & Wage Summary provided by payroll processor.  
3. Separate out “Officer Gross Wages” from employee gross wages on the Profit & Loss report.  
Access our full checklist here: [link]

Keeping your business’s books clean will help you make better business decisions on data that is more accurate. Learn more in our latest blog article: [link]