

Your Checklist for End of Financial Year by Sophie de Somerville @ Precision Pays

End of financial year checklist

Tick

1. Transactions

Enter all transactions up to 30 June

Clear any transactions in the Suspense account if you have one

2. Initial Back ups

Take two backups name them "EOY initial backup FYxxxx". Keep one on your computer and one on a USB or disk that is kept offsite. Alternatively you can email the backup to an offsite email address (ie Gmail or Hotmail)

3. Reconcile Bank/Credit Card/Petty Cash/Loan Accounts

When you receive the printed bank statements, reconcile all bank, credit card and loan accounts to 30 June. Alternatively you can download/print them from your online banking. Also reconcile Petty Cash.

4. Reconcile Accounts Receivable

The total amount your customers owe you as at 30 June should match the Trade Debtors balance. To check this, run the Aged Receivables report and Balance Sheet as at 30 June. Compare the total of the Aged Receivables to the Trade Debtors account on the Balance Sheet.

Your accounts receivable may be out of balance if:

- An invoice is allocated to the Trade Debtors account instead of an income account.
- A customer payment is dated prior to the customer invoice's date.
- A general journal entry transaction is allocated directly to the Trade Debtors account.

5. Reconcile Accounts Payable

The total amount owed to your suppliers as at 30 June should match the Trade Creditors balance. To check this, run the Aged Payables report and compare the total of the Aged Payables to the Trade Creditors account on the Balance Sheet.

Your accounts payable may be out of balance if:

- A purchase is allocated to the Trade Creditors instead of an expense account.
- A supplier payment is dated prior to the purchase's date.
- A general journal entry has been allocated directly to the Trade Creditors account.

6. Reconcile Inventory

The total value of your inventory should match the amount in the Inventory Asset account. To check this, run an Inventory Value report as at 30 June and compare to the Inventory Asset account on the Balance Sheet.

Your inventory may be out of balance if:

- A transaction has been allocated to the inventory asset account
- Incorrectly using the inventory asset account as the allocation account. The only time this account should be used as the allocation account is when creating inventory adjustments.

7. Reconcile GST

Every time you record a transaction that attracts GST, the GST amount is recorded in the control accounts ie GST on Sales and GST on Purchases.

Reconciling your GST control accounts means checking the balances in these control accounts against your GST reports. To do this, print GST Summary reports as at 30 June and compare to the GST Control Liability accounts on the Balance Sheet.

Note: This is only applicable if you account for GST on the accrual basis

Your GST Control Accounts may be out of balance if:

Transactions have been allocated directly to a GST Control Account: You should not apply transactions directly to the GST Control Accounts except when recording your BAS payment/refund.

8. Review Reports

Print and review the following reports for anything that looks out of the ordinary. General Ledger Summary, Trial Balance, Balance Sheet and Profit and Loss.

9. Accountant

Ask your Accountant what information they want and how they prefer to receive it.

Use the following list as a starting point:

- **Profit and Loss Statement** 1 July to 30 June
- **Bank Reconciliation** as at 30 June
- **Balance Sheet** as at 30 June
- **Trial Balance** as at 30 June
- **General Ledger** 1 July to 30 June. Note: This can be a very long report, check whether the Accountant needs it *before* printing

- **GST Summary** reports for the June month or quarter (depending on whether you report GST monthly or quarterly).

IMPORTANT: Once you have provided your accountant with the information they need, ensure that no data is entered or changed in the last financial year.

10. Enter Adjustments

Your accountant will most likely prepare a list of adjustments that relate to the last financial year (eg depreciation). Depending on what software you use, these journals can either be imported or entered manually.

11. Final Backup

Take a final backup and save it with the initial backups. Name it "EOY backup FYxxxx before Rollover"

12. Rollover

Rollover the financial year and have some bubbly

* Please note this checklist is separate to End of Payroll year and is to be used as a guide only, there may be additional processes that your business requires.

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