QuickBooks Year-end Closing Procedures
Run Balance Sheet as comparative to prior year

Compare prior year totals to tax return or financial statement to check for any differences
Cash

- Reconcile all bank accounts through December 31
- Review all old, uncleared transactions
  - Double-click on cash balance on Balance Sheet
  - Customize Report, Filters, Cleared – No
- May need journal entry to reverse uncleared transactions from a prior year so Retained Earnings is not affected
Undeposited Funds

• Review balance
Accounts Receivable

- Run the A/R Aging Summary report and review balances
- Enter any necessary adjustments as of December 31
Fixed Assets

• Review the detail of assets purchased and disposed of during the year
• Verify that appropriate depreciation expense has been recorded for the year
Inventory

• Review the Inventory Valuation Detail Report
• Enter any necessary adjustments as of December 31
Other Assets

- Review account balances
- Enter any necessary adjustments
Accounts Payable

- Run A/P Aging Summary and review balances
- Enter any necessary adjustments as of December 31
Credit Cards Payable

- Verify that all activity has been entered for the year
- Reconcile all credit card accounts through December 31
Payroll Liabilities

- Review amounts on the Balance Sheet and compare to amounts in ‘Pay Payroll Liabilities’ screen
Loan Balances

- Review balances as of December 31 and verify that the proper amount of interest expense has been recorded for the year.
Opening Balance Equity

- This account balance should always be zero!
Profit and Loss

- Review postings to expense accounts such as repairs and maintenance or office supplies for items that should be capitalized
- Review salaries and wages and related payroll tax expense accounts
- Review any negative income or expense account balances
- Compare amounts to prior year
- Review totals and percentages to determine if reasonable
Journal Entries

• Remember to post entries for:
  • Accruals
  • Prepays
  • Depreciation
Our QuickBooks Experts

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