

Business Solutions by Design, LLC Year End Checklist (Tax Readiness)

- ✓ Gather all Documentation
 - Throughout the Year
 - Receipts
 - Contracts
 - W-9 Forms
 - Agreements
 - Invoices
 - Bills
 - Charitable Contributions
 - Tax Payments -federal/state/sales/excise/etc.
 - Home Office Expenses
 - Retirement Contributions
 - Property Tax Payments
 - Mileage Log
 - All other income documents
 - All other expenditure documents
 - Monthly
 - Bank Statements
 - Credit Card Statements
 - Loan Statements
 - Annually
 - 1099s
 - 1098
 - W-2s
 - K-1s
 - Insurance coverage document
- ✓ Organize all Documents
 - Paper filing System
 - Purchase & Implement your filing system to ensure documents are easily identified & accessed.
 - Take the time to file away all documents
 - Maintain this system regularly –do not get behind on it. Schedule a time at regular increments (daily/weekly/monthly/etc.) to do this task without fail.
 - If you are planning to deduct mileage you are required by the IRS to have a log for the year of all your business trips, mileage, date, purpose, etc.

You should begin the year with recording the odometer mileage on your vehicle.

- Ensure that all documents needed by your tax professional can be easily shared with them.
- Digital Filing System
 - Identify the correct solution(s) for your situation & budget
 - Do you need a mileage tracker?
 - Do you need expense reimbursements?
 - Do you need to be able to take pictures of receipts from your smart phone?
 - Do you need to be able to search for text?
 - Do you need it to auto-fetch documents?
 - Do you need text recognition & fill-in?
 - Test them out to ensure functionality –most programs have a free trial period, take it for a test drive before you buy. Not all programs do exactly what you think they will do, or they may do somethings well & others, not so much.
 - Implement your digital system & keep it up regularly. Make a regularly scheduled time to keep up on this without fail.
 - Many times, you can provide your tax professional access to your digital filing system to make it easier to access the documents needed to file your return.
- ✓ Bookkeeping
 - Identify the correct solution(s) for your situation & budget– QuickBooks Online Small Business is a great tool for this.
 - Record all transactions from bank, credit card, merchant, and any other financial accounts you may have (line of credit, loan, investment, etc.) regularly.
 - Reconcile all bank & credit card accounts monthly.
 - Review all other financial accounts (investments, loans, etc.) for accurate balances quarterly/annually.
 - Review financial statements for accuracy (Balance Sheet & Profit & Loss)
 - Is everything coded to the correct account?
 - Are there any negative balances?
 - Should anything be corrected/updated?
 - Is everything reflected?

- Lock your books with a password once everything is good to go. Use a different password that you do to log into the program. Before making any changes to the locked books triple check and ask your tax professional first.
- ✓ Tax Planning
 - Once your records and your books are in order schedule a time to meet with your tax professional to do a little tax planning.

 - If you have extra cash find out how you can effectively use it to legally reduce your tax liability.

 - How much will you owe?

 - Do you need to make estimated/quarterly payments? If so, how much & when?

 - Do you need to adjust your W-4 withholdings?