

# **Attorney-Client: Closing the Books for year-end.**

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I created this list as a checklist for you when closing the books. It's crucial to do all of these steps and review the records now.

### **Balance sheet accounts:**

1. Tie books to prior, completed tax return
2. Reconcile: Operating bank account
3. Reconcile: Savings or money market accounts
4. Reconcile: IOLTA/Trust accounts along with the individual trust accounts
5. Reconcile: Advanced Client Cost account
6. Reconcile: any Loans
7. Address the PPP loans
8. Reconcile: payroll and payroll clearing accounts
9. Compare payroll reports with books
10. If an S-Corp did the business owners pay themselves reasonable compensation
11. Review Accounts Receivable; make adjustments
12. Review Accounts Payable
13. Review partner distribution accounts with client

### **Profit and Loss Accounts:**

1. Review income and compare to the prior year
2. Review expenses and make sure they are properly categorized
3. Look for unapplied cash payment income and expenses and make corrections on a cash basis Profit & Loss Report

### **Other housekeeping items:**

1. Look at the bank reconciliations to see if there are any hanging transactions and address this with the client
2. Review the asl/need help account
3. Review the clearing accounts and make sure they are zero
4. Review any suspense accounts

All of the above should be done every month at a bare minimum, depending on transaction volume.