

The Early Business Tax Prep Checklist

18 Ways to Get Ahead of Tax Season

Get a head start on your business tax preparation to make filing easier and organize your financials for better decision making.

1

Engage with Department Heads and New Hires

-
- Teach them how to code invoices and give short expense report orientations.

2

Be Proactive

-
- Reach out to tax and legal experts before a crisis or tax time.

3

Keep SOPs Current

-
- Conduct routine reviews and make prompt updates.

4

Review Your Month-End Timeline

-
- Ensure reconciliations, subledger review and documentation are completed in a timely manner.

5

Capture and Classify All Financial Data

-
- Ensure your accounting systems record all data from all your source systems.

6

Review Catch-All Accounts

-
- Transactions coded to 'miscellaneous' accounts should be rare.

7

Regularly Review Your Balance Sheet

-
- Comparing your investments and debts against prior quarters can alert you to discrepancies and trends.

8

Review Your Profit and Loss Statement

-
- This high-level view of income and expenses will show you where you need to investigate further.

9

Review Your Cash Flow Statement

-
- Seeing your liquidity, solvency and investment mix will help you determine when to rebalance your investment portfolio or secure a loan for expansion.

10

Stay on Top of Receivables

-
- Make sure your bills are going out on time and only valid accounts are on your books.

11

Record All Invoices as Promptly as Possible

-
- This will help you avoid missing early payment discounts.

12

Routinely Review Your Payroll Reconciliation

-
- Make sure former employees no longer have system access.

13

Reconcile Bank Statements with Your Numbers

-
- Reduce risk of fraud and errors by being meticulous in checking the numbers match up.

14

Internally Audit W-9s

-
- Each contractor needs one on file with their tax ID number. Spot check high-dollar & legal services payments.

15

Review 941s & Payments with Payroll Subledger

-
- Penalties for inaccurate or unfiled W-2 forms can be \$50-\$270 per W-2.

16

Check all Agreements, Contracts and Loans

-
- Make sure you're meeting your obligations and recording properly. Remember, lease agreements must now be documented based on ASC 842.

17

Conduct Spot Checks and Periodical Assessment of All Fixed Assets on Your Schedule

-
- Be sure to include company-owned materials and computer hardware that are housed off-site.

18

Perform Routine Inventory Checks of Raw Materials and Salable Products

-
- If you're already routinely checking, switch up your schedule and perform checks at different intervals.

Be proactive with business tax preparation.

Get expert support at paro.ai/tax-services/