



Checklist: Complete your financial year end in Xero



Use this checklist to help you navigate the end of financial year process from start to finish.

Disclaimer: This is not an exhaustive checklist. Seek further help on [Xero Central](#), or ask your professional association, or adviser.

Step One: Check your settings

Reduce errors by checking key information before you start finalising your year end.



Make use of the file library and create an EOFY folder to store relevant documents i.e bank statements, invoices for new assets, stock report, rental summaries etc.

ACTIVITY	COMPLETE	N/A
Organisation settings - Organisation details		
Check the following details are correct in Xero;		
Legal/Trading name		
Industry		
New Zealand Business Number (NZBN)		
Organisation description		
Postal address inc. postcode		
Advanced accounting - Conversion balances		
Check your conversion date is correct.		
Check your conversion balances ensuring the adjustment balance is nil. Lock your conversion balances to avoid accidental edits to information.		
Contacts		
Check all customers and supplier details for accuracy. Merge duplicate contact records and archive records no longer in use. For more information on managing contacts, click here .		



When reconciling a statement line, type a few letters in the Who section first to see if a contact already exists before adding a new contact.



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Step Two: Review your accounts

Now you've reviewed your settings, it's time to action your accounts and stock.



Don't wait until the end of the financial year to do bank reconciliation. Look at doing it weekly or monthly so it's easier to identify and fix mistakes.

ACTIVITY

COMPLETE N/A

Accounting - Bank accounts

Review the [reconcile tab](#) on all bank accounts to ensure statement lines are reconciled.

Collate all bank statements showing the balance at year end, including any held outside of Xero.

Business - Purchase overview (Accounts payable)

Check the bills entered for the financial year. Pay close attention to the Draft tab and action any required.

Review [credit notes](#) to see if they have an allocated bill. Check [purchase orders and copy to a bill](#) where applicable.

Run the [Aged Payable Summary report](#) to review amounts you owe your suppliers.

Business - Sales overview (Accounts receivable)

Check the invoices entered for the financial year. Pay close attention to the Draft tab and action any required.

Review [credit notes](#) to see if they have an allocated invoice. Check [draft invoices and approve](#) where applicable.

Run the [Aged Receivables Summary report](#) to review amounts your customers owe you. Use the contact information in this report to follow up any overdue amounts and send statements to your customers.

Optional: Identify and write off any [bad debts](#). If unsure, speak to your advisor.

Run the [Billable Expenses - Outstanding report](#) to check for outstanding expenses.

Inventory

Perform a stocktake and record any [adjustments](#) to inventory items.

GST

Check your GST return and balance for the period.

Run a [GST Reconciliation report](#) and review the GST Audit report for each period. Check each GST category for any coding and GST treatment that looks incorrect.



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Step Three: Finalise account reconciliations

Check the total assets equal the total liabilities and equity on the balance sheet. Reconcile the balance sheet to confirm entries are correct.



Assets that have been coded directly to asset accounts will appear as drafts to be completed saving double entry.

ACTIVITY

COMPLETE N/A

Bank reconciliation

Run the [Bank Reconciliation Report](#) pack to check if your actual bank balance and the balance of the bank account in Xero match.

If the balances don't match, use the report pack to [identify](#) missing, deleted or duplicated transactions. [Fix](#) any errors that you identify.

[Compare](#) the statement balance in Xero to the balance in Xero.

[Fix](#) the difference if required.

Debtors and creditors

Run the [Aged Receivables Summary report](#) and compare the balance to accounts receivable on the balance sheet.

Run the [Aged Payables report](#) and compare the balance to accounts payable on the balance sheet.

Note: If on a cash basis, add a column for GST in both the Aged Receivable and Aged Payable reports to easily check if GST is reconciled.

Advanced accounting - Fixed Assets

Check the [assets entered into the fixed asset register](#), and [dispose or sell any assets](#) as required.

[Run depreciation](#) on registered fixed assets.

Run a [Fixed Asset Reconciliation report](#) to compare the balance sheet fixed asset account balance on the balance sheet with the fixed asset register balance. Note: the total depreciation on the depreciation schedule should be the balance of the depreciation account on the profit and loss.

If you're a small business, you should now be in a good place to hand over to your adviser, who can continue finalising your year end.

It's important to note that there is no need to roll over your Xero file for the new year; simply continue as normal.



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Step Four: Process adjustments

It's likely the business will have end of year adjustments to record. As an adviser, you can process these adjustments via manual journals.



Set up a [repeating journal](#) with placeholders to save time entering recurring transactions

TIP

ACTIVITY (ADVISER USER ROLE ONLY)	COMPLETE	N/A
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Advanced accounting - Manual journals

Review [manual journal entries](#). Reverse any that are no longer required i.e. a repeating journal entry.

Record [end of year adjustment journals](#). Common entries include; profit distributions, declared dividends, interest on finance loans and amortisation of intangible assets.



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Step Five: Finalise reports

Once you balance the transactions in Xero, reconcile the reports for year end. Then, set a lock date to prevent changes to transactions while you're preparing and publishing reports.



If you're an adviser, consider using [report templates in Xero HQ](#) and [Ask in Xero HQ](#) to streamline year end processes.

ACTIVITY (ADVISER USER ROLE ONLY)

COMPLETE N/A

Advanced accounting - Report codes

For accounting/bookkeeping practices only: Review [report code mapping](#) and [client report fields](#).

Advanced accounting - Financial settings

Before publishing any reports, set a [lock date](#). This action prevents certain users from adding or changing transactions.

Once you've finalised reports, go back and set a final lock date.

ACTIVITY

Accounting - Reports

Generate, review and [publish](#) EOFY reports. Publishing reports captures all the details from the date of finalisation. Any reports that are published can be found under the Published tab in reporting.

You and your adviser have now completed a financial year end in Xero.

There is no need to roll over your Xero file for the new year; simply continue as normal.

