

Standard End of Financial Year (EOFY) Checklist for Xero

Proactive Steps Before EOFY:

- **Pre-Year-End Tax Planning:**
 - **Consult with Tax Advisor:** Schedule meetings with your tax advisor to discuss potential tax planning strategies and actions that could be taken before the year-end to optimise your tax position.
- **Superannuation Contributions:**
 - **June Quarter Superannuation:** Ensure the payment of the June quarter superannuation contributions is made before June 30 to claim a potential tax deduction in the current financial year.
- **STP Compliance Check:**
 - **Verify Year-End Totals:** Review and ensure all payroll information reported through STP is accurate and up-to-date before making the final submission.

Detailed EOFY Tasks

1. Reconcile All Transactions:

- **Bank Accounts:** Ensure all bank accounts are reconciled up to the last day of the financial year. Verify that the closing balance in Xero matches the final bank statement for the year.
- **Credit Cards and Other Payment Gateways:** Reconcile credit card accounts and other gateways like PayPal, making sure that all transactions are accounted for and properly recorded.

2. Review Accounts Receivable:

- **Outstanding Invoices:** Review all outstanding invoices and follow up on any overdue payments.
- **Bad Debts:** Write off any uncollectible debts to clear the books and reflect more accurate income figures.

3. Review Accounts Payable:

- **Outstanding Bills:** Confirm all bills are entered and up-to-date. Review any overdue bills for accuracy and ensure payment is scheduled or planned.
- **Prepayments and Accruals:** Account for expenses incurred in the current financial year but payable in the next financial year, and make necessary accruals.

4. Inventory Management:

- **Stock Take:** Conduct a physical inventory count to ensure accuracy. Adjust inventory records in Xero to match the physical count.
- **Inventory Valuation:** Update the valuation of inventory to reflect the cost or market value, whichever is lower, ensuring compliance with accounting standards.

5. Payroll and Superannuation:

- **Employee Details:** Verify that all employee details (e.g., addresses, TFN) are accurate and up-to-date.
- **Pay Runs:** Ensure all pay runs for the financial year are complete and reconciled.
- **PAYG Summaries/Income Statements:** Review and finalise PAYG payment summaries or income statements for all employees.
- **Final STP Submission:** Ensure that the final STP submission accurately reflects all payroll data for the year.

6. Review Fixed Assets:

- **Asset Register:** Ensure the asset register is current with all new assets recorded and old or disposed assets removed.
- **Depreciation:** Calculate and record depreciation expenses for the year.

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Standard End of Financial Year (EOFY) Checklist for Xero continued...

7. Loan Accounts:

- **Reconcile Loan Balances:** Check loan statements against records in Xero to ensure accuracy in interest charges and principal reductions.
- Review for debit loan account balances and discuss potential Div7A tax treatment with tax advisor

8. GST and BAS Preparation:

- **GST Reconciliation:** Review all transactions to ensure correct GST coding. Prepare and review the GST report for accuracy before finalizing the BAS for submission.

9. End of Year Adjustments:

- **Depreciation:** Post depreciation entries for all applicable assets.
- **Accruals:** Record expenses incurred but not yet billed.
- **Prepayments:** Adjust entries for expenses paid in advance.

10. Backup and Security:

- **Data Backup:** Ensure that all financial data in Xero is backed up securely.
- **Access Review:** Review who has access to your Xero account and adjust permissions if necessary.

11. Review Financial Statements:

- **Profit and Loss Statement and Balance Sheet:** Ensure these financial statements accurately reflect the business's financial status at year-end.

12. Liaise with Tax Advisor:

- **Final Review and Adjustments:** Have your financials reviewed and necessary adjustments made by your tax advisor to ensure compliance and accuracy for EOFY tax preparation & lodgement

COMPLETE

