

# Nonprofit Accounting Year-End Checklist

This checklist will help you get started in reviewing your nonprofit organization's accounting at the end of the year and prepare for the next year.

## Year-End Reminders

- **Housing Allowance:** Faith-based organizations designate the housing allowances for ministers for the upcoming year.
- **W-4:** Remind employees to review their W-4 and confirm information is correct. Identify if any employees should be reclassified or withholding amounts changed in the new year.
- **Notice to Donors:** Remind donors to wait to file taxes until they have received their contribution summary. Also, if you have time, send donors an advance statement with their current donation balance and ask for a year-end donation.
- **Christmas Gifts:** Some gifts to ministers, employees or volunteers may be considered taxable income, so handle these carefully and note them as needed.

## Year-end Transactions

- **Donations:** Input all donations that were received or postmarked by December 31 of the closing year.
- **Reimbursements:** Note any year-end business expenses.
- **Payroll:** Make sure you enter all payroll and related taxes, retirement, flex spending or insurance.
- Check to make sure all revenue and expenses that have been received prior to the year end are accounted for prior to closing the books.
- Complete your normal month-end checklist and bank reconciliation for the final months of the year.
- Review year-end retirement plan reporting requirements.

## Review Accounts

- Run annual reports to check for accuracy and all accounts balance, adjust entries as needed and re-run reports and print for your records.
- Confirm bank account balances.
- Confirm fund balances carried into the next year.
- Confirm account signatories are still valid.
- Conduct health care open enrollment, if applicable.
- Review internal controls for the upcoming year.
- Prepare your budget for the next year and review your chart of accounts and designated funds based on your anticipated needs.
- Review insurance policies to confirm they are adequate.

## Tax Forms

- Review W-4 Forms from employees and note any needed changes.
- Complete IRS Form 1099 for vendors by January 31.
- Complete Contribution Statements by January 31.



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