



Growing Your Business Thru QuickBooks®

FROM THE OFFICE OF



ACCOUNTING ADVANTAGE

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## December 2015

### Get Ready for 2016: QuickBooks Can Help

*We'll be ringing in the New Year soon. Will you have wrapped up your 2015 finances by then?*

There's something very satisfying about turning our calendars to January. It always feels like a fresh start. We resolve to develop new, better ways of using our work and leisure time. We reflect on what we accomplished in the last 12 months, and we look forward to achieving even more in the next 12.

But sometimes we have a nagging feeling that we forgot something. And it often has to do with our finances, both personal and professional.

You can take steps now to make New Year's Day less worrisome. Doing some extra work in QuickBooks during December will ensure that you'll start 2016 ready to move ahead, rather than scrambling to see what you missed on January 2.

### Thinking Ahead

Where to start? Depending on how conscientiously you entered transactions and ran reports, you might need to set some extra time aside in the midst of your other year-end and holiday-related commitments.

For example, did you instruct QuickBooks to "close your books" at the end of the year? QuickBooks will automatically make year-end adjustments if you entered December 31 as a closing date in **Preferences**. However, it's not required, and there are both advantages and disadvantages to doing so. We can help you decide if this is the best decision for your company.

Figure 1: If you set a closing date of December 31 in QuickBooks' **Preferences**, you need to prepare your company file for this deadline in advance. We can help you get ready.

Prior to this, though, there's another important task you should complete before the end of the year. It's common sense, but not everyone thinks of it during the December rush: **Make sure you've entered all transactions and payments that should be included in your QuickBooks file for 2015.**

If anyone else on your staff works in QuickBooks, make sure they know that you're trying to wrap up the year. If they're holding anything back because of questions and comments, now's the time to confer with you.

### Taxes and Accounts

You may have already been working with us on tax planning for the 2015 tax year. If you haven't, and you haven't been doing so on your own, you need to look at your incoming and outgoing funds for the year before it's over. Do you need to hold until 2016 some income and/or expenses that haven't been recorded until 2016? This kind of question really needs to be resolved now.

Income by Customer Summary		Jan 1 - Dec 15, 19
January 1 through December 15, 2019		
Abercrombie, Kristy		
Family Room		811.05
Kitchen		2,147.00
Remodel Bathroom		1,333.27
Abercrombie, Kristy - Other		32.00
<b>Total Abercrombie, Kristy</b>		<b>4,323.32</b>
Allard, Robert		
Remodel		14,510.00
Allard, Robert		0.00

Figure 2: Time is short, but we may be able to help you make some decisions about carrying some 2015 income and/or expenses over to 2016 if it will help reduce your tax obligation.

**Talk to us about your tax situation** if you think this may be necessary. We can't prepare your taxes yet, of course, but we can create some reports and advise you on any situations where you might want to put off – or accelerate – some actions. Is your income running high and your offsetting expenses low? If so, this may be a good time to make a fairly major purchase you've been considering.

### **Odds and Ends**

How do you back up your QuickBooks company file? On a local drive or in the cloud? How often do you do this? **Archiving your data is critical.** Think about what would happen if you lost your customer records or a month's worth of transactions or multiple payments. This is an area where we can provide guidance. Is there a better, safer way to ensure data security? Are there special backup activities you should do at year's end?

Some companies wait until January to do a **physical inventory count.** Rather than being surprised in January, you may want to consider doing this now if it's feasible.

And when you think you've entered everything but payments or transactions that may come in at the last minute (unless you're going to defer these until 2016), **all accounts should be reconciled.** QuickBooks makes it easy to do this regularly.

Begin Reconciliation	
Select an account to reconcile, and then enter the ending balance from your account statement.	
Account	10100 - Checking
Statement Date	12/20/2019
Beginning Balance	71,452.58
Ending Balance	68,086.45

*Figure 3: Before the end of December, you should do a final reconciliation of all accounts for 2015.*

It will be painful to open QuickBooks on January 2 if you don't feel like you paid extra attention to your finances in December. We can help you ring in the New Year on a more confident note.