

# END OF FINANCIAL YEAR PLANNING

## 4 Week Checklist

**Just as you would plan for the next financial year, you should also be prepared to end the financial year armed with all the information you need.**

**We've pulled together this checklist of relevant information, and tasks, so you can ensure everything is in order and there are no unwanted surprises come March 31st.**

### END OF YEAR PLANNING DATES

**WEEK 1** = 3-9 March

**WEEK 2** = 10-16 March

**WEEK 3** = 17-23 March

**WEEK 4** = 24-30 March

## WEEK ONE | FIRST THINGS FIRST

- ☐ Talk to your accountant or bookkeeper.
  - They'll tell you what you need to do before 31 March including what you can claim for and what you can't.
  - Remember, tax time is busy for them too, so the more prepared you are, the smoother the process, and the better the result.
- ☐ File your return on time & ensure you pay your terminal tax (7 April)
  - Don't waste your hard-earned cash on unnecessary interest and penalties.
- ☐ Draft your 2026 budget
  - With interest increases, inflation, unpredictable weather and lower commodity prices, cash flow planning is essential for next year.
  - We can also amend provisional tax payments based on actual performance if we know what it is.

## WEEK TWO | ASSETS, STOCK & DEBTORS

- ☐ Review your inventory.
  - The value of your stock affects your business's taxable profit.
  - Do a meticulous stocktake before year-end.
  - Get rid of any out-of-date or damaged items and write them off.
- ☐ Extra assets on board? Year-end is the time to ditch surplus assets.
  - If you can sell them, great, otherwise write them off.
- ☐ Bad Debts | Review your debtor's ledger.
  - In order to claim a deduction for bad debts, the debts you believe will not be collected **MUST** be written off in your debtors ledger prior to 31 March.

## WEEK THREE | SPENDING SOONER VS LATER

- ☐ If you're planning to buy any new equipment or assets (**over \$1,000**), do it on or before 31 March (rather than 1 April)
  - This will reduce your taxable income by being able to claim a full month's depreciation.
- ☐ Got invoices and receipts for your expenses?
  - It can be tricky to keep track of everything so if you're not already, go digital.
  - Scanning receipts and saving electronic invoices in the cloud saves time and space - **We can help you set this up!**

## WEEK FOUR | PAYROLL UP TO DATE?

- ☐ Check that your payroll system only includes current staff and that all their details are correct.
  - Ensure former staff don't have access to company systems.
  - The minimum wage increases to **\$23.50 from 1 April 2025**
- ☐ Remember tax on bonuses: Special bonuses this time of year can be a great way to reward and motivate staff, just remember to get the tax right on any lump sums made.
  - Also keep in mind any bonuses for the current year, and holiday pay or long service

## 31 MARCH | LOCK IT UP

- ☐ Once your month end and subsequently year end results are complete, set your accounting system's lock date for "All users" on the 31st March.

This stops anybody accidentally entering transactions into the past year(s) after they have been finalised and closed.

# WHAT ELSE DO I NEED TO BE ON TOP OF?

## ☐ BANK RECONCILIATIONS

- All bank Reconciliations, including credit card and loan accounts, should be up to date to the end of March.
- This means that all transactions have been entered, that there are no unreconciled transactions, and that the bank account balance at your bank matches the balance in your accounting software.
- Your accountant may also need to see verification of bank account balances in the form of bank statements (pdf copies are usually OK).

## ☐ ACCOUNTS RECEIVABLE

- Make sure all sales for the previous financial year have been invoiced (dated in March or prior months) and run your Aged Receivables report to verify that the information on this report – what's owed to you – is accurate.
- Follow up any overdue customer balances and consider whether or not any are uncollectible and should be written off as bad debts.

## ☐ ACCOUNTS PAYABLE

- Make sure all supplier bills for the previous financial year have been received and entered into your accounting system. Check the statements from your suppliers and verify that their balance owed is the same as what you have recorded. Run your Aged Payables report to verify that the information on this report – what you owe – is accurate.

## ☐ HOME OFFICE

- If you use part of your home for business use you can claim a portion of household expenses, such as rent, insurance, power, against your business income.
- How much you can claim depends on how much of your house you use. Total up your household bills for the year and talk to your accountant about how much you can claim.

## ☐ VEHICLES

- Your accountant will need to know if you use your personal vehicle for business use, or vice versa, so that they can accurately account for motor vehicle expense.

## ☐ CASH ON HAND

- Do you keep petty cash for small purchases? If so you will need to ensure that all cash expenditure is entered and accounted for and that you accurately account for the value of cash on hand.

## ☐ PAYROLL AND WAGE AND LEAVE LIABILITIES

- If you have staff, ensure that the final payroll for the financial year has been run and entered into your accounting software.
- You need to account for any wages owed to staff (this can sometimes happen with timing between the end of the pay week and pay day) and annual leave liabilities at the end of the financial year in order to accurately reflect the business's liabilities on the balance sheet.
- If you're using payroll software you will be able to generate a report telling you how much these are. These two liability accounts also need to be reconciled to verify the accuracy of the balances.

## ☐ LOANS AND HIRE PURCHASES

- Any loans or hire purchase balances will need to be verified and accurately accounted for at the end of year. Gather up your loan documentation that includes the balance at year end along with the interest accrued and payments made.

## ☐ TRUSTS

- Trustees will need to prepare financial statements and provide extra information with their income tax returns.
- The Trust tax rate is 39%.
- A tax review should be done in March to think about any potential tax affects for the Trust.

## ☐ EARNING OVER 180K?

- As of 1 April 2021, the top tax rate of 39% applies. If you earn more than \$180k
  - any interest you earn from New Zealand bank accounts and investments will need to have the 39% resident withholding tax (RWT) rate applied.
- Ensure that your RWT is being deducted correctly and update your records by selecting the 39% rate through your online banking portal or contact your bank or investment provider directly.
- Under-deductions of RWT may also affect provisional tax customers, including people who are already provisional taxpayers using the estimation method, or where the under-deduction will result in their residual income tax (RIT) exceeding \$60,000 for people on the standard method.

## MOVING FORWARD TOGETHER

If you need clarification on any of this information, we can work through it together at any time.

It's OUR business to know YOUR business. Let's move forward together