



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. Check off each step in the process, and get links to more information.

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

Step 1: 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

Organisation settings - Organisation details <i>Check the following details are correct in Xero;</i>	Complete	N/A
Legal / Trading name		
Industry		
New Zealand Business Number		
Organisation description		
Postal address inc. postcode		
Advanced accounting - Conversion balances <i>(Only needs to be done if you have converted to Xero this financial year)</i>		
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.

Checklist: Complete your financial year end in Xero

Step 2: Review your accounts

Now you've reviewed your settings, it's time to review 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.

Accounting - Bank accounts	Complete	N/A
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 approve where applicable.		
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. <i>Note: If on a cash basis, add a column for GST to the report to easily check if GST is reconciled.</i>		
Business - Sales overview (Accounts receivable)		
Check the invoices entered for the financial year. Pay close attention to the Draft tab and approve where applicable.		
Review credit notes to see if they have an allocated invoice.		
Check quotes and copy to an invoice 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. <i>Note: If on a cash basis, add a column for GST to the report to easily check if GST is reconciled.</i>		

Checklist: Complete your financial year end in Xero

Business - Sales overview (Accounts receivable)	Complete	N/A
Optional: Identity 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.		



Ask suppliers for a customer statement. This will help you to confirm you've recorded all transactions.



Checklist: Complete your financial year end in Xero

Step 3: 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

Bank reconciliation	Complete	N/A
Run the Bank Reconciliation Report Pack to identify duplicate, manually entered or deleted bank statement lines.		
Fix any errors that you identified above.		
Compare the bank balance in Xero to the actual bank balance from the bank statement.		
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. <i>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.</i>		
Advanced account - Fixed Assets		
Check the assets entered into the fixed asset register , and dispose or sell any assets as required.		
Run depreciation on your 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. <i>Note: the total depreciation on the depreciation schedule should be the balance of the depreciation account on the profit and loss.</i>		

Checklist: Complete your financial year end in Xero

Step 4: Process adjustments

It's likely you'll have end of year adjustments. If you have the adviser user role, process these adjustments via manual journal



Set up a **repeating journal** with placeholders to save time entering recurring transactions

Advanced accounting - Manual journals (Adviser user role only)	Complete	N/A
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, amortisation of intangible assets.		



Checklist: Complete your financial year end in Xero

Step 5: Finalise reports

You've balanced the transactions in Xero and reconciled the reports for the year end. It's now a good idea to set a lock date and publish reports to limit changes being made.



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

Advanced accounting - Report codes (Adviser user role only)	Complete	N/A
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 for all users . This stops all users from adding or changing transactions. Lock dates can be set by anyone with the advisor user role.		
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've now completed a financial year end in Xero. You can jump straight into the new financial year; no need to roll over your Xero file, just continue as normal.