Complete your financial year end in Xero

Use this checklist to help you navigate the end of financial year process from start to finish.

Disclaimer: This is not an exhaustive checklist. For any additional help, check out Xero Central, talk to your professional association, Accountant or Bookkeeper.

Step One: Review your settings

Reduce errors by checking key information before you start finalising your year end.

💡 **TIP**: Make use of the file library and create an EOFY folder to store relevant documents.

Activity	Complete?
Organisation settings - Organisation details	
Check the Legal/Trading name, ABN and postal address inc. postcode are correct.	
Advanced settings - Conversion balances	
Check your conversion date is correct. For detailed information on conversion dates, click here.	
Check that your conversion balances have been entered and the adjustment balance is nil. Lock your conversion balances to avoid accidental edits to information. Learn more here.	
Advanced settings - Financial settings	
Set a lock date to stop users from adding or changing transactions for the financial year. For more information on financial settings, click here	
Advanced settings - Chart of accounts	
Review your account names and account codes for accuracy. Archive any old or unused accounts. For more information on the chart of accounts, click here.	
For accounting/bookkeeping practices only: Review report code mapping and client report fields for accuracy. For more information on report codes, click here. For more information on client report fields, click here.	
Contacts	
Check that all customers and supplier details are entered. Merge duplicate contact records or archive records no longer in use. For more information on managing contacts, click here.	

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Step Two: Close off your accounts

Now you've reviewed all the key details, it's time to reconcile your accounts payable, accounts receivable and inventory.

💡 **TIP**: Ask your suppliers for a statement to help confirm all transactions have been entered into Xero.

Activity	Complete?
Reconcile - Accounts payable	
Check that all bills have been entered and review any draft bills under the Draft tab.	
Check credit notes have been allocated to the relevant bill or invoice. For more information on credit notes, click here.	
Check outstanding purchase orders and copy to a bill or invoice where applicable. For more information on how to do this, click here.	
Run the Aged Payable Summary report to check outstanding amounts you owe suppliers.	
Reconcile - Accounts receivable	
Check that all invoices have been entered and review any draft invoices under the Draft tab.	
Check credit notes have been allocated to the relevant bill or invoice. For more information on credit notes, click here.	
Check outstanding quotes and copy to an invoice where applicable. For more information on how to do this, click here.	
Run the Aged Receivables Summary report, to check outstanding customer amounts. You can also use the contact information in this report to follow up any overdue amounts.	
Identity and write off any bad debts where applicable. Your accountant or bookkeeper can help you do this. For more information on recording a bad debt, click here.	
Run the Billable Expenses - Outstanding report, and check there are no outstanding expenses yet to be allocated to your customers.	
Send out customer statements to show their account activity and amounts outstanding to your business. Click here for more information on sending customer statements.	
Reconcile - Inventory	
Perform a stocktake and record any adjustments to inventory items. For more information on stock adjustments, click here. Tip: Run an Inventory Item List report to help with stocktake.	

Step Three: Complete a bank reconciliation

Check the statement lines on your bank account match transactions entered into Xero. This helps identify missing, duplicate or manual transactions, ensuring you always have accurate and timely data in Xero.

TIP: Don't wait till the end of the year to do bank reconciliation.
Look at doing it weekly or monthly so it's easier to identify and fix mistakes.

Activity	Complete?
Accounting - Bank accounts	
Check that all bank accounts have been reconciled. If they have, you'll see a green reconciled icon. For more information on completing a bank reconciliation, click here.	
Compare your bank balance in Xero to your actual bank balance- you want these amounts to balance. For more information on comparing the balances and resolving mismatches, click here.	
Accounting - Reports	
Run a Bank Reconciliation Summary report to identify any duplicate, manually entered or deleted bank statement lines.	
Fix any errors that you identified. For steps on how to do this, click here.	

Step Four: Fixed asset reconciliation

Check that on your balance sheet, the total assets equal your total liabilities and equity. Reconciling your balance sheet lets you verify that all of your entries are recorded and classified correctly.

> 💡 **TIP**: Add any new assets straight away to your fixed asset register. You can add it directly to the register or create one from a purchase transaction when you purchased it.

Activity	Complete?
Advanced features - Fixed assets	
Check that all assets have been added to your asset register. For more information on adding a fixed asset, click here.	
Dispose or sell any assets as required. For detailed steps on selling or disposing of a fixed asset, click here.	
Run depreciation on your registered fixed assets. Click here for detailed information on running depreciation.	
Run a Fixed Asset Reconciliation report to compare your balance sheet fixed asset account balance with your asset register balance.	

Step Five: Process adjustments

It's likely you'll have adjustments to do at the end of year and this can be achieved in Xero by processing a manual journal.

> 💡 **TIP**: To save time entering recurring transactions, set up a repeating journal entry with a placeholder.

Activity	Complete?
Review manual journal entries and reverse any that are no longer required i.e. a repeating journal entry. Click here for more information.	
Record end of year adjustment journals. For more information on adding a journal entry, click here.	

Step Six: Finalise reports

Before publishing any reports, check that a lock date has been entered. Lock dates stop users from adding or changing transactions and can be applied to all users or only users who don't have the adviser user role.

For detailed instructions on setting a lock date, click here.

You can now go ahead and publish the reports you've run so you can capture all the details as at the date you finalised.

For detailed instructions on publishing a report, click here.

Going further

Below is a list of courses available on Xero Central where you can delve further into topics like how best to set up your Xero account, reconcile transactions from your bank and manage fixed assets.

Set up Xero

Bank reconciliation

Fixed assets

Preparing financial statements