Books & Payroll Readiness Checklist

A practical guide for small-business owners

How ready is your business?

Check each item that is current, documented, or already handled. Leave an item blank if it needs attention. The goal is not perfection - it is to identify the most useful next step before deadlines create pressure.

1. Business foundation

Confirm the accounts, records, and access needed to keep the books complete.

- [ ] Business legal name, entity type, EIN, and ownership records are available.
- [ ] Business and personal banking activity is kept separate.
- [ ] Business checking, savings, credit cards, loans, and payment apps are identified.
- [ ] Owner contributions, owner draws, and reimbursements are tracked separately.
- [ ] Secure access is available for bookkeeping, payroll, and banking systems when needed.

2. Monthly bookkeeping

Use these items to judge whether the latest month is truly complete.

- [ ] All income and customer payments are recorded for the latest month.
- [ ] Bank, credit card, loan, and payment-processor accounts are reconciled.
- [ ] Expenses are categorized consistently and supported by receipts or other records.
- [ ] Personal transactions paid from business accounts are identified and separated.
- [ ] Loan payments are separated between principal, interest, and fees.
- [ ] Sales tax activity is tracked and filed when applicable.
- [ ] New equipment, vehicles, furniture, and other major purchases are listed separately.
- [ ] A monthly profit-and-loss statement can be produced and reasonably explained.

3. Payroll readiness

Payroll has recurring deadlines, so incomplete records can become urgent quickly.

- [ ] Each worker's employee or contractor treatment has been reviewed based on the facts.
- [ ] Required employee onboarding forms and current addresses are retained.
- [ ] Pay rates, hours, benefits, deductions, and reimbursements are documented.
- [ ] Payroll tax deposits and federal, state, and local filings are current, when applicable.
- [ ] Payroll reports agree with the wage expense recorded in the books.
- [ ] Form W-9 is collected from applicable contractors before year-end.
- [ ] There is a plan and reliable information for Forms W-2 and 1099 at year-end.

4. Tax readiness

Good tax preparation begins with records that explain the business activity.

- [ ] Quarterly estimated tax needs and major income changes have been reviewed.
- [ ] Business mileage and other vehicle-use records are current and supported.
- [ ] Home-office and mixed-use expense records are maintained when applicable.
- [ ] Inventory, materials, or cost-of-goods-sold records are current when applicable.
- [ ] Prior returns, tax notices, payment confirmations, and agency correspondence are saved.
- [ ] Large or unusual transactions can be explained and supported.
- [ ] A clean year-to-date report can be provided without rebuilding the records at tax time.

Score the items that still need attention

Count every box you left blank on page 1. Use the ranges below as a practical starting point, not a final professional assessment.

0-2 gaps
Maintain the routine

Keep reconciling monthly and review the checklist again before year-end.

3-5 gaps
Schedule a focused review

A short review may prevent the gaps from becoming a larger cleanup project.

6+ gaps
Scope cleanup support

The records may need catch-up, reconciliation, or a more complete bookkeeping setup.

A dependable 30-minute monthly routine

A consistent closing routine is often more valuable than a complicated system that is not maintained.

- ☐ Download and save bank, credit card, loan, payroll, and payment-processor statements.
- ☐ Record missing income and expenses, then review uncategorized items.
- ☐ Reconcile every balance-sheet account through the month-end date.
- ☐ Compare payroll reports with wage expense and payroll liabilities in the books.
- ☐ Review profit, major expense changes, cash balances, and upcoming obligations.
- ☐ Back up supporting records and note questions while the transactions are still recent.

Warning signs

- Books are more than two months behind
- Bank balances do not reconcile
- Personal and business activity is mixed
- Payroll is manual, late, or uncertain
- Contractor W-9s are missing
- Profit cannot be explained confidently

Year-end records to gather

Keep this handoff package together so tax preparation starts with complete information.

- ☐ Year-to-date profit-and-loss statement and balance sheet
- ☐ General ledger or transaction detail
- ☐ Payroll summaries and payroll tax filings
- ☐ Contractor list and available Forms W-9
- ☐ Asset and equipment purchase list
- ☐ Mileage, home-office, and other supporting logs
- ☐ Loan statements and year-end interest information
- ☐ Open tax notices or agency correspondence

Not sure where to start?

Take the free two-minute online checkup for an immediate recommended next step.

SCAN TO START

allegianttaxprep.com

General information only. This checklist does not replace tax, legal, payroll, or accounting advice specific to your facts. Worker classification, filing requirements, and service scope require review of the actual circumstances. Pricing and work are confirmed before a service begins.