

# FACT SHEET:

## How to create good End of Financial Year prep throughout the year

March 2025



**THE END OF THE FINANCIAL YEAR ROLLS AROUND ANNUALLY. YET SOMEHOW, EVERY YEAR, IT ALWAYS SEEMS TO BE A STRESSFUL TIME AS WE RUSH TO MEET INLAND REVENUE DEADLINES.**

But, it doesn't have to be this way.

You don't need to start chewing your nails and angsting about how you will get everything done as 31st March sneaks closer and closer.

There are ways that you can prepare for EOFY well ahead of March. Let's look at what they are:

### **How to create good End of Financial Year prep throughout the year**

#### ***Prepare to be prepared***

Before we get into the specific tasks that you can action throughout the year, it is important to have the right foundations in place. So, here's how you can prepare to be prepared!

#### ***Stay organised***

The biggest tip that we can give you is to stay organised and not let ANYTHING pile up. That means staying on top of your paperwork and record keeping all year round.



We know it can be all too easy to get busy when running a small business. Often, that leaves you prioritising which tasks are most important to complete in the limited time you have. Client-facing work generally takes precedence, and admin tasks get put off. However, if you leave them too long, it can create a big mess to sort out later.

Form good routines so that you deal with all the essentials on a weekly basis. That way, nothing gets forgotten or left. Allocating an hour a day or a morning a week is a good way to do this.

## ***Have great systems***

Part of being organised is having great systems implemented in your business. The bare minimum is a fully integrated accounting system so that you can track all of your financial details in one place. Depending on your business, you may also need systems for time tracking, payroll, stock control, job management or any other aspects that will streamline your operations.

There are many cloud based accounting packages and payroll software options that seamlessly integrate and can be matched with valuable add-ons, like inventory control, when needed.

## ***Get great support***

It is really hard to run a business alone. So, building a support team is essential for giving you space to grow and progress. You can build a team regardless of the size of your business. As a solopreneur, you can still have the support of essential team members like a [bookkeeper](#), accountant, virtual assistant (VA), social media manager, web developer or content writer.

Having experts to call on frees up your time and allows you to focus on the core aspects of your business. It also ensures you will have correct records when EOFY does roll around.

## **The Specifics**

Now that the foundations are laid, there are some tasks that you need to keep up with on an ongoing basis so that you don't have a pile of things to sort out come EOFY. These tasks are:

### ***Bank Reconciliations***

As a rule of thumb, the records in your accounting system should match the transaction lines on your bank statement. The process of reconciling your accounts ensures this is the case. Most transactions will need documented proof of the credit or debit, so as you are reconciling, check that the relevant invoices or receipts are saved with the relevant transaction records.

Reconciling your accounts is a job that you want to do regularly. Left too long and it can be hard to remember what certain charges were for. We recommend reconciling all bank accounts at least monthly.

### ***Payroll***

It is an IRD requirement that you keep accurate records of your payroll transactions. These records need to be filed regularly, it is mandatory to file with every payrun that you generate. This is known as 'Payday Filing'. You also need to advise IRD each time you have a new or departing employee.

Staying on top of your payroll records regularly will ensure that any disputes are resolved in a timely manner and creating the final pay run of the financial year will be a smooth and easy process.

### ***Stock Management***

If you run a product-based business, you probably dread the thought of stocktake. Inventory management tools can help to make the



administrative side of stocktaking a lot smoother. As can conducting regular stocktakes throughout the year. That way, you aren't leaving one massive job for EOFY.

While a manual stocktake can be a tedious task, it is also a great opportunity to review what is and isn't working for the business. What stock is moving well and what is costing your company? Stocktake is something that must be done, so use the time wisely to help your business overall and set yourself up for a strong start in the new financial year.

## ***GST Records***

Lodging GST returns is an inevitable part of running a business. And, you should not leave them until the last minute. There are options to lodge your GST returns throughout the year on monthly, bi-monthly or 6-monthly frequencies. Choosing a frequency that suits your business cash flow keeps your GST payments more manageable.

Getting these returns right is essential, so you may find it more efficient to get your bookkeeper to generate them for you. That way, you can be sure all your transactions are recorded correctly and you are declaring the right amounts to IRD.

## ***Accounts Payable And Receivable***

Keeping on top of your debtors and creditors can help you to maintain healthy business cashflow. Plus, you won't have a large number of outstanding

amounts to deal with at the end of the financial year.

Throughout the year, you want to send your invoices as soon as practically possible and follow up on the payments so they are received in a timely manner. If you have regular sums of money coming in, it makes it easier to clear your own bills efficiently.

Your bookkeeper can help you run debtors and creditors reports at certain points in the year. We recommend that you run these monthly, at least. These reports not only reflect what you are owed and what you owe to others, but they also highlight any errors in payments. If errors are discovered, you can attend to them quickly leaving a tidy set of accounts for EOFY.

## **Need Some Help?**

We all know that it is vitally important to get your business finances right, but time is precious in business. Often, it is easier to let an expert handle the day-to-day financial aspects of your business. And that expert is a bookkeeper!

If you don't already have one, [search our directory of Certified and Master bookkeeping professionals](#) now.

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