

Adams MacFarlane Corporate Year-end Checklist

This document has been put together to assist you in gathering the information that we will require to complete your financial statements and tax returns. While it is geared primarily toward clients who are having Notice to Reader or Compilation financial statements prepared, this basic information will also be required of those for whom we are conducting audits or reviews.

Although we have tried to make the list as comprehensive as possible, we may still need to contact you for additional documents or explanations.

Deadlines

Your corporate tax return must be filed within six months after year-end. This is generally the deadline that we will work to unless you notify us differently. Sometime banks may require you to provide them copies of your financial statements within a specified period or you may have other reasons that you need the statements sooner. If that is the case please be sure to let us know.

You should also be aware that payment for your corporate tax must be received by the CRA within three months of year-end. We will always assume that you have made your proper tax instalments and/or a balloon payment to cover your expected tax liability before this deadline. If you need assistance in determining what payment to make please let us know.

We do not automatically file GST returns for clients. This is usually done by clients themselves or by their bookkeeper. If you need us to file your GST returns please make sure to specifically let us know. The deadline for filing GST returns is one month after the end of each quarter for quarterly filers and three months after year-end for annual filers.

Should your financial statements include a dividend we will automatically file T5's for the corporation unless you instruct us otherwise. This must be done by the end of the following February.

We do not automatically file T4's for clients who are required to make payroll remittances. This must be done by the end of February each year. Should you require us to complete your T4's please be sure to instruct us separately and provide us with the appropriate information early in the new-year.

General Instructions

All of the documents and files that we will need from you can be loaded into our portal. For instructions on how to use the portal, please see the portal tab at our website. There you will find videos that walk you through the process of logging in and uploading and downloading documents.

In order to prepare your financial statements and complete your corporate tax returns, we first need copies of your accounting data. If you are using either Sage 50 (Simply Accounting) or Quickbooks, please backup the entire file and send the backup to us. The portal page at our website has video instructions on making backups. If you are not using these accounting packages please send your trial balance, preferably in an excel worksheet.

Before submitting your accounting information, please review it. We often get accounting files that contain diagnostic errors or contain balances that are not correct. The most common examples are where the opening retained earnings do not match the closing retained earnings on our last financials statements or where amounts owing to a related corporation do not match the amount receivable reported in the other corporation.

When preparing the financial statements, we generally try to include in our files support for each of the balance sheet accounts. For example, for an account called "bank" we would want to see the bank reconciliation and the bank statement. The checklist below goes through the most common balance sheet accounts and describes the support we would typically like to receive. If you have balance sheet accounts that we have not included on the checklist, please try to send some kind of documentation to support the balance.

If your shareholder loan account is in a debit position at year-end, we will automatically clear it by declaring a dividend unless you instruct us otherwise.

For income statement accounts, we appreciate getting an explanation of any significant changes.

New Clients

Clients who have had their last set of financial statements and corporate tax returns prepared by another accountant should also send us copies of those documents.

First-Time Filers

Clients who will be having their financial statement and corporate tax returns completed for the first time since incorporation will need to provide us with some additional information including:

- A certificate and articles of incorporation
- The corporations federal business number
- The names and social insurance numbers of shareholders

Accounting Documents Checklist

ASSETS	
Cash	<ul style="list-style-type: none"> • Bank statements for the fiscal year • Bank reconciliation as at the year-end date <i>(if outstanding cheques or deposits are applicable)</i>
Investment account (marketable securities)	<ul style="list-style-type: none"> • Investment activity statements for the fiscal year (and last statement of the prior fiscal year) • Statement of Gain/loss (date ranged from the start of fiscal year to the end of the fiscal year) • T5's or T3's received
Accounts receivable	<ul style="list-style-type: none"> • Aged AR listing (or a listing of items which make up the balance) • List of any accounts to be written-off or which were already written off in the year <i>(if applicable)</i> • Note: we will get this ourselves from Sage 50 or Quickbooks
Inventory	<ul style="list-style-type: none"> • Inventory listing (as at year-end)
Loans receivable	<ul style="list-style-type: none"> • List and dates of transactions (or account activity for the year from bookkeeping file) • Memo with purpose of loan, who the loan is to, terms of the loan, whether it is interest bearing (at what rate), and when it will be repaid (if loan is new)
Prepaid expenses	<ul style="list-style-type: none"> • A schedule showing the calculation of the prepaid amount
Capital assets	<ul style="list-style-type: none"> • Capital asset schedule (as at year-end) • Details of any additions – what CCA class, and cost (if applicable) • Details of any disposals – original cost, proceeds, gain/loss (if applicable)
Intangible assets	<ul style="list-style-type: none"> • Details as to what the intangible asset is for, and how it was calculated
LIABILITIES	
Line of credit	<ul style="list-style-type: none"> • Bank statement • Interest rate details • Loan agreement

Accounts payable	<ul style="list-style-type: none"> • Aged AP listing (or listing of items making up AP) • Note: We can get this ourselves from Sage 50 or Quickbooks
Payroll and source deductions payable	<ul style="list-style-type: none"> • Remittance forms from the month after year-end supporting the source deductions payable
Shareholder loan	<ul style="list-style-type: none"> • List of transactions in the fiscal year • If this account is in a debit balance we will declare a dividend to reduce the balance back into a credit balance to avoid adverse tax implications
Due to/from related party	<ul style="list-style-type: none"> • List of transactions for the fiscal year • Details of loan (will it be repaid, is it interest bearing, what is it for) • Details on the relationship (does it have the same owner, is it owned by a family member or spouse of the main corporation, or are they unrelated)
Corporate Tax Payable/Receivable	<ul style="list-style-type: none"> • Federal Notice of Assessment • Provincial Notice of Assessment
GST Payable/Receivable	<ul style="list-style-type: none"> • Provide GST filing(s) for the fiscal year
Deferred revenue	<ul style="list-style-type: none"> • Listing of deferred revenue • Details as to why it is deferred
Loan payable	<ul style="list-style-type: none"> • Loan statement as at year-end • Loan agreement • Loan amortization schedule (if applicable) • Details on date of payments, interest rate, terms of loan, and identification of which account is utilized for the related interest expense (if not already determined in loan agreement)
Equity	
Share capital	<ul style="list-style-type: none"> • Number of shares, price per share, class of shares, allocation of shares between owners
Dividends	<ul style="list-style-type: none"> • Inform us if T5 already prepared, or if we are to prepare the T5. • Information on which individuals the dividends should be paid to, which class of shares it is paid to, and what amounts to each. (if multiple owners / shares exist)