



Navigating your Year-End Financial Checklist: 10 Strategies for Success

Ensuring a seamless transition into the new fiscal year becomes paramount for sustained success as we approach the year-end. At IPS, we understand the complexities involved and are here to guide you through a comprehensive year-end financial checklist. This list will empower your business to close out the fiscal period seamlessly and set the stage for a successful year ahead.

1. Review and Update Your Financial Statements:

Meticulously scrutinize your income statements, balance sheets, and cash flow statements. The following checklist will assist you in verifying the accuracy of transaction reconciliations and identifying any discrepancies.

2. Evaluate Your Tax Obligations:

Stay ahead of tax deadlines and obligations by learning the necessary steps for preparing and submitting tax documents and other relevant forms.

3. Assess Your Accounts Receivable and Payable:

Conduct a thorough review of your accounts receivable and payable. Discover practical strategies to optimize cash flow, from following up on outstanding payments to negotiating favorable terms with suppliers.

4. Inventory Management (if applicable):

For businesses managing inventory, we provide insights into effective year-end inventory management. Learn valuable tips on conducting physical counts, assessing inventory turnover, and identifying slow-moving or obsolete stock.

5. Budget Performance Analysis:

Evaluate your budget performance for the current year with confidence, and learn how to identify variances,

understand their underlying reasons, and make informed adjustments for the upcoming budget cycle.

6. Employee Benefit Reviews:

Review and update your employee benefits, including health insurance, retirement plans, and other perks. Ensure clear communication with your employees regarding any changes and maintain compliance with relevant regulations.

7. Technology and Software Updates:

Emphasize the significance of updating your accounting software and financial tools. Ensure you use the latest versions, implement necessary security measures, and fully utilize available features.

8. Documentation and Record-Keeping:

Stress the importance of maintaining organized and secure financial records. Set up document retention policies and best practices for storing records.

9. Strategic Planning for the New Year:

Reflect on your financial goals and performance. Utilize our prompts to set realistic and measurable financial objectives for the upcoming year.

10. Engage with Financial Advisors:

Schedule your year-end meetings with financial advisors or consultants. Discover the benefits of seeking professional advice to ensure financial health and compliance with industry regulations.

We hope this brief checklist provides a helpful starting guide for your year-end financial considerations. Wishing you success in the upcoming year!

HOW TO GET CUSTOMERS WHO PAY ON TIME

“Money is only a tool. It will take you wherever you wish, but it will not replace you as the driver.”-- Ayn Rand

Before banks extend credit, they undergo a due diligence process to ensure the applicant can repay the debt. When you sell on credit and extend 30/60/90-day terms, you practically lend money as part of the trade finance industry. Assessing creditworthiness should also be applied in this sector, but that is unfortunately not the norm. As a result, it is too familiar for companies to find themselves with bad debts and losses on their invoice receivables.

In this month's InfoPays, we are listing a few suggestions that you can implement in your business to ensure that you minimize any losses when selling on credit:

1. Check trade references.

When extending credit to customers, it is important to check the customer's trade references. This helps assess the customer's ability and willingness to pay and can help you make an informed decision. Checking references is a simple process that takes only a few minutes, but it can save you time and money in the long run.

When checking references, contact both current and past trade references to get a better understanding of their payment history. Ask questions about how long they have been doing business with the customer and their payment record. In addition, you should ask if there are any past due payments. This can give you an indication of how reliable the customer is when it comes to timely payment.

2. Research the company.

When offering credit to customers, a business must take the time to research each customer's credit history. This will help them determine whether the customer is a reliable borrower and if they can repay the loan. By taking this step, businesses can decide how much credit to extend and the repayment terms.

3. Access credit agencies' data.

Finally, you should also consider running a credit report through companies like DnB, Equifax and TransUnion. This allows you to verify the customer's credit history and get an overall picture of their financial standing. A credit report can provide you with more robust information, such as payment history and any public records that may be associated with the customer.

Our current clients can access the IPS Payment Index (PI) free of charge. Through dealing with thousands of companies across North America, the IPS PI provides the average Days Sales Outstanding (DSO), or the average number of days a company takes to pay its receivables. We encourage anyone seeking to extend credit to a new customer to check with us for information from our growing database as this can offer some information about a company's credit standing. A PI of 120 days will at the very least give you an alert, whereas a PI of 36 days will provide you with the much-needed reassurance to go ahead with the opportunity.

Created by the IPS Business Owner Success School (BOSS) 



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liquidity within
8 business hours**