Xero year-end checklist for US clients

Send the first group to the client in December. Tick the Xero tasks as you go, and set the lock date only after the accountant's journals are posted.

Client or engagement

Client documents for the Xero close

- [ ] December bank statements
  Every bank account in Xero, including closed ones.
- [ ] December credit card statements
- [ ] Lender year-end statements, and Form 1098 if issued
  Principal owed and interest paid. Form 1098 goes only to individual and sole-proprietor borrowers.
- [ ] Missing contractor W-9s
- [ ] Invoices for equipment and other assets bought
- [ ] Inventory count on the last day of the year
  Only for clients who hold stock.

Checks in Xero

- [ ] Reconcile every bank account to its December statement
  Use the Bank Reconciliation report.
- [ ] Void or follow up on old unpresented checks
- [ ] Run the receivable and payable aging summaries
  Write off bad debts the client agrees to.
- [ ] Check the sales tax returns and run a Sales Tax Audit
- [ ] Run the Trial Balance and support every balance sheet line
- [ ] Post year-end manual journals
  Depreciation, accruals, loans, tax liability, sales tax.

US year-end forms

- [ ] Tie payroll in Xero to the provider's annual register and Forms 941
- [ ] Confirm W-2s and W-3 are filed
  Due February 1, 2027 for the 2026 year.
- [ ] Run payments by contact and file 1099-NEC
  $2,000 floor for 2026 payments; corporations generally exempt, except attorneys. Due February 1, 2027.

Lock the year

- [ ] Set the lock date in Financial settings
  An administrator does this.
- [ ] Choose all roles, or all roles except administrators
- [ ] Review drafts dated in the locked year