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NONPROFIT END OF YEAR CHECKLIST



A complete working checklist for nonprofit year-end bookkeeping — covering reconciliations, fund tracking, grant compliance, payroll, board documentation, and year-end reports. With interactive checkboxes, owner assignments, and notes fields built in

more info

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NONPROFIT YEAR-END BOOKKEEPING CHECKLIST & WORKING GUIDE

Close the Year with Accuracy, Compliance, and Confidence

This working checklist covers every critical area of nonprofit year-end bookkeeping. Use the checkboxes to track completion, assign an owner, set target dates, and capture notes for each item. Work through sections in order for the cleanest close.

WHERE TO START IF YOU'RE BEHIND

Your Situation	Prioritize in This Order
More than 60 days away	Work through all 8 sections in order. Start with reconciliations — everything else depends on them.
30–60 days away	Complete Section 1 (Reconciliations) immediately. Then Section 6 (Payroll) for W-2/1099 deadlines. Then Sections 2–3. Sections 4–8 follow.
Less than 30 days away	Call your bookkeeper or CPA now. Focus on Section 1, Section 6, and Section 8. Get professional help for the rest.
Books 6+ months behind	Professional cleanup is strongly recommended before year-end. Correcting errors after Form 990 is filed costs far more.

■ Pro Tip

- If reconciliations are more than two months behind, stop entering new transactions until you've caught up from the beginning. Entering current data on top of unreconciled history creates compounding errors that are much harder to untangle.

COMMON YEAR-END ISSUES TO WATCH FOR

■■ Watch Outs

- Restricted and unrestricted funds mixed without proper class or location tracking
- Grant expenses coded to the wrong grant — or not tracked separately at all
- Functional expense allocation missing, inconsistent, or not documented
- Acknowledgment letters missing for contributions of \$250 or more
- Form 990 filing date not confirmed — risk of missing deadline



NONPROFIT COMPLIANCE DEADLINE REFERENCE

Deadline	What Is Due
January 31	W-2 forms due to employees. 1099-NEC due to contractors (\$600 threshold for 2025; increases to \$2,000 for 2026 and beyond).
February 28	1099-NEC paper filing deadline with IRS (March 31 if filing electronically).
May 15	Form 990 due for calendar-year nonprofits (15th day of 5th month after fiscal year end).
May 15	File Form 8868 for automatic 6-month extension (extends to November 15).
Quarterly	Form 941 (Employer's Quarterly Federal Tax Return) due April 30, July 31, October 31, January 31.
Annual	Form 990-T required if unrelated business income exceeds \$1,000.
Varies	State charitable registration renewals — confirm your state's requirements each year.

■ ■ Important

- Three consecutive missed Form 990 filings result in automatic loss of tax-exempt status. State charitable solicitation registration deadlines vary significantly — confirm annually.

WHAT YOUR CPA OR AUDITOR NEEDS FROM YOU AT YEAR-END

Providing these items promptly helps your CPA prepare filings accurately and on time — and can significantly reduce preparation fees.

	ITEMS TO PREPARE FOR YOUR CPA	Owner	Target Date	Notes / Action Items
<input type="checkbox"/>	Year-end Statement of Activities (Revenue & Expenses), January 1 – December 31			
<input type="checkbox"/>	Year-end Statement of Financial Position (Balance Sheet), as of December 31			
<input type="checkbox"/>	Statement of Functional Expenses showing Program, Management & General, and Fundraising			
	ITEMS TO PREPARE FOR YOUR CPA	Owner	Target Date	Notes / Action Items
<input type="checkbox"/>	General Ledger and detailed transaction report for the full year			
<input type="checkbox"/>	Bank and credit card reconciliation reports for all accounts			
<input type="checkbox"/>	All grant agreements, award letters, and funder budgets			
<input type="checkbox"/>	Donor acknowledgment records for all contributions of \$250 or more			
<input type="checkbox"/>	List of all contractors paid \$600 or more with W-9s on file			
<input type="checkbox"/>	Payroll summary reports and quarterly payroll tax filing confirmations			
<input type="checkbox"/>	Board meeting minutes documenting budget approvals and major decisions			
<input type="checkbox"/>	QuickBooks or accounting software login (read-only access)			



Section 1 ACCOUNT RECONCILIATIONS

Reconciliation confirms every transaction in QuickBooks matches your actual bank and credit card statements. It is the foundation of every other year-end task — complete reconciliations before anything else.

If you're behind: *Work backward from the most recent statement, one month at a time. Each month must reconcile to \$0.00 before moving to the next. Flag any discrepancy you cannot resolve for your CPA.*

SECTION 1: ACCOUNT RECONCILIATIONS		Owner	Target Date	Notes / Action Items
<input type="checkbox"/>	All bank accounts reconciled through December 31			
<input type="checkbox"/>	All credit card accounts reconciled through December 31			
<input type="checkbox"/>	Donation platforms (PayPal, Stripe, donor management systems) reconciled to QuickBooks			
SECTION 1: ACCOUNT RECONCILIATIONS		Owner	Target Date	Notes / Action Items
<input type="checkbox"/>	Investment and brokerage accounts reconciled (if applicable)			
<input type="checkbox"/>	All reconciling differences investigated and resolved — no forced balances			
<input type="checkbox"/>	Prior reconciled periods locked in QuickBooks to prevent accidental changes			
<input type="checkbox"/>	Ending balances confirmed against December statements			

Section 2 FUND TRACKING — RESTRICTED VS. UNRESTRICTED

Accurate fund tracking is a core nonprofit compliance requirement. Restricted funds must be spent only on their designated purpose — and your records must prove it. Every restricted fund balance needs to be confirmed and every restriction release documented.

If you're behind: *Run a Profit & Loss by Class report for the full year. Recode any transactions with missing classes. If restrictions were released without journal entries, create them now with a memo explaining the release.*

SECTION 2: FUND TRACKING		Owner	Target Date	Notes / Action Items
<input type="checkbox"/>	Restricted and unrestricted funds tracked separately using QuickBooks Classes or Locations			
<input type="checkbox"/>	Naming conventions for all grants and restricted funds are consistent and clear			
<input type="checkbox"/>	Fund balances reviewed and confirmed as of December 31			
SECTION 2: FUND TRACKING		Owner	Target Date	Notes / Action Items
<input type="checkbox"/>	All restriction releases documented with proper journal entries when conditions were met			
<input type="checkbox"/>	No restricted funds spent on unallowable expenses			
<input type="checkbox"/>	Profit & Loss by Class (or Location) report run and reviewed for the full year			
<input type="checkbox"/>	Net asset balances (restricted vs. unrestricted) confirmed and reconciled			



Section 3 GRANT COMPLIANCE REVIEW

Each active grant has its own budget, allowable expense rules, and reporting requirements. A year-end grant compliance review confirms every dollar spent was allowable, coded correctly, and within budget — and documentation will hold up to funder scrutiny or an audit.

If you're behind: *Pull a Profit & Loss by Class report for each grant and compare to your approved budget line by line. Correct any miscoded or unallowable expenses. Prioritize grants with upcoming reporting deadlines.*

SECTION 3: GRANT COMPLIANCE		Owner	Target Date	Notes / Action Items
<input type="checkbox"/>	All grant expenses assigned to the correct Class or Location in QuickBooks			
<input type="checkbox"/>	Grant expenses verified as allowable under each grant agreement			
<input type="checkbox"/>	Grant budgets compared to actual spending — no significant over- or underspending			
SECTION 3: GRANT COMPLIANCE		Owner	Target Date	Notes / Action Items
<input type="checkbox"/>	Grant balances reconciled — remaining balances confirmed or returned as required			
<input type="checkbox"/>	All grant agreements, award letters, and budgets organized and accessible			
<input type="checkbox"/>	Grant reporting deadlines reviewed and upcoming reports identified			
<input type="checkbox"/>	Indirect cost rates applied correctly (if applicable)			
<input type="checkbox"/>	Grant-specific financial reports pulled from QuickBooks and ready for funder submission			

Section 4 FUNCTIONAL EXPENSE ALLOCATION

Nonprofits must report every expense in one of three functional categories: Program Services, Management & General, or Fundraising. This is required by Form 990 and closely reviewed by funders, auditors, and watchdog organizations.

If you're behind: *Review all expense transactions and assign each to the correct functional class. For shared costs, apply your written allocation methodology retroactively. If you don't have a written methodology, create one now — even a simple percentage split is defensible if documented.*

SECTION 4: FUNCTIONAL EXPENSE ALLOCATION		Owner	Target Date	Notes / Action Items
<input type="checkbox"/>	All expenses assigned to Program, Management & General, or Fundraising throughout the year			
<input type="checkbox"/>	Shared costs (rent, utilities, salaries, insurance) allocated using a documented methodology			
<input type="checkbox"/>	Allocation methodology is written, consistent, and defensible for Form 990			
SECTION 4: FUNCTIONAL EXPENSE ALLOCATION		Owner	Target Date	Notes / Action Items
<input type="checkbox"/>	Statement of Functional Expenses generated from QuickBooks and reviewed for accuracy			
<input type="checkbox"/>	Any corrections to allocation made and documented before year-end close			



SECTION 4: FUNCTIONAL EXPENSE ALLOCATION		Owner	Target Date	Notes / Action Items
<input type="checkbox"/>	Allocation methodology reviewed with CPA prior to Form 990 preparation			
<input type="checkbox"/>	Program expense ratio reviewed — confirms mission-aligned spending is clearly documented			

Section 5 DONATION & CONTRIBUTION RECORDS

Accurate, complete donation records are essential for donor trust, IRS compliance, and financial reporting accuracy. Year-end is when donation records must be final — acknowledgment letters sent, restriction statuses confirmed, and in-kind contributions documented.

If you're behind: Run a Sales by Customer Summary report in QuickBooks to review all giving by donor. Check for lump-sum entries from online platforms and re-enter with individual donor detail. Confirm every contribution over \$250 has a written acknowledgment letter on file.

SECTION 5: DONATION & CONTRIBUTION RECORDS		Owner	Target Date	Notes / Action Items
<input type="checkbox"/>	All donations (cash, check, online, recurring) recorded and categorized			
<input type="checkbox"/>	Restriction status (restricted vs. unrestricted) captured for every contribution			
<input type="checkbox"/>	In-kind donations documented with written description and fair market value			

SECTION 5: DONATION & CONTRIBUTION RECORDS		Owner	Target Date	Notes / Action Items
<input type="checkbox"/>	Donor platform deposits recorded with individual donor detail — not lump sums			
<input type="checkbox"/>	Pledge revenue recorded and outstanding pledges reviewed for collectability			
<input type="checkbox"/>	Special event income separated from charitable contributions			
<input type="checkbox"/>	Acknowledgment letters sent for all contributions of \$250 or more			
<input type="checkbox"/>	Year-end donor acknowledgment statements prepared or ready to send			
<input type="checkbox"/>	Donor records reviewed for accuracy — no duplicate or missing donors in QuickBooks			

Section 6 PAYROLL, CONTRACTORS & TAX COMPLIANCE

Payroll is the most compliance-sensitive area of nonprofit bookkeeping. Year-end payroll tasks have hard legal deadlines — W-2s must be in employees' hands by January 31, and 1099-NEC forms must be filed by the same date. Do not wait until January to start.

If you're behind: Confirm every payroll run for the year has been posted to QuickBooks. Reconcile to your payroll provider's year-end reports. Identify all contractors paid \$600 or more and confirm W-9s are on file.



SECTION 6: PAYROLL, CONTRACTORS & TAX COMPLIANCE		Owner	Target Date	Notes / Action Items
<input type="checkbox"/>	All payroll runs for the year posted to QuickBooks and reconciled to payroll provider reports			
<input type="checkbox"/>	Payroll expenses allocated to the correct programs or grants using Classes			
<input type="checkbox"/>	Employer payroll taxes recorded correctly throughout the year			
SECTION 6: PAYROLL, CONTRACTORS & TAX COMPLIANCE		Owner	Target Date	Notes / Action Items
<input type="checkbox"/>	Quarterly payroll tax filings (Form 941) reconciled to QuickBooks totals			
<input type="checkbox"/>	W-2 forms prepared or ready to file (due January 31)			
<input type="checkbox"/>	All contractors paid \$600 or more identified and listed			
<input type="checkbox"/>	W-9 forms collected from all contractors before their first payment			
<input type="checkbox"/>	1099-NEC forms prepared or ready to file (due January 31; \$600 threshold for 2025)			
<input type="checkbox"/>	Employee vs. contractor classification documented and defensible			
<input type="checkbox"/>	Payroll liabilities reviewed — no unresolved balances in liability accounts			

Section 7 BOARD & GOVERNANCE DOCUMENTATION

Form 990 asks detailed questions about board governance, executive compensation, conflicts of interest, and related party transactions. If documentation is missing or inaccessible, your CPA has to work around it — which increases preparation costs.

If you're behind: *Gather board meeting minutes for every meeting held during the year. Confirm the annual budget was formally approved by board motion. Collect any missing conflict of interest policy signatures now.*

SECTION 7: BOARD & GOVERNANCE DOCUMENTATION		Owner	Target Date	Notes / Action Items
<input type="checkbox"/>	Board meeting minutes documented for all meetings held during the year			
<input type="checkbox"/>	Annual budget formally approved by the board and on file			
<input type="checkbox"/>	Conflict of interest policy signed by all board members and key employees			
SECTION 7: BOARD & GOVERNANCE DOCUMENTATION		Owner	Target Date	Notes / Action Items
<input type="checkbox"/>	Executive and officer compensation reviewed, approved by board, and documented			
<input type="checkbox"/>	Related party transactions disclosed and documented			
<input type="checkbox"/>	Investment policy reviewed and any investment activity documented			
<input type="checkbox"/>	Form 990 filing date confirmed — on track or extension (Form 8868) filed on time			
<input type="checkbox"/>	Prior year Form 990 available and accessible for CPA reference			



Section 8 YEAR-END FINANCIAL REPORTS

Year-end financial reports are the deliverables that flow from all the work in Sections 1–7. Do not generate these reports until reconciliations are complete and all transactions have been reviewed — a report pulled from unreconciled books is not reliable.

If you're behind: Complete Sections 1–4 first, then generate reports. Save every report as a PDF in a clearly labeled year-end folder. Include all reports and reconciliation confirmations in your CPA package.

SECTION 8: YEAR-END FINANCIAL REPORTS		Owner	Target Date	Notes / Action Items
<input type="checkbox"/>	Statement of Activities (Revenue & Expenses) generated for Jan 1 – Dec 31			
<input type="checkbox"/>	Statement of Financial Position (Balance Sheet) generated as of December 31			
<input type="checkbox"/>	Statement of Functional Expenses generated and reviewed for accuracy			
SECTION 8: YEAR-END FINANCIAL REPORTS		Owner	Target Date	Notes / Action Items
<input type="checkbox"/>	Profit & Loss by Class (or Location) report run to confirm fund and program accuracy			
<input type="checkbox"/>	General Ledger (detailed transaction report) pulled for the full year			
<input type="checkbox"/>	All reports reviewed for accuracy — no unusual balances or obvious errors			
<input type="checkbox"/>	Board financial package prepared and ready for review			
<input type="checkbox"/>	Reports saved and organized in a year-end financial documentation folder			
<input type="checkbox"/>	CPA package assembled — all reports, reconciliations, and supporting documentation gathered			

YEAR-END COMPLETION CHECK

Before closing your year-end, confirm all the following are complete. This is your last opportunity to catch anything before your CPA begins their work.

FINAL CONFIRMATION		Owner	Target Date	Notes / Action Items
<input type="checkbox"/>	All accounts reconciled through December 31 with no unresolved discrepancies			
<input type="checkbox"/>	Restricted and unrestricted funds clearly separated, and fund balances confirmed			
<input type="checkbox"/>	All grant expenses properly coded, allowable, and within budget			
FINAL CONFIRMATION		Owner	Target Date	Notes / Action Items
<input type="checkbox"/>	Functional expense allocation complete, documented, and reviewed			
<input type="checkbox"/>	All donations recorded with correct restriction status and acknowledgment letters sent			
<input type="checkbox"/>	Payroll posted, allocated to programs, and W-2 / 1099-NEC filing ready			
<input type="checkbox"/>	Board documentation complete and governance records accessible			



	FINAL CONFIRMATION	Owner	Target Date	Notes / Action Items
<input type="checkbox"/>	Year-end financial reports generated, reviewed, and ready for CPA and board			
<input type="checkbox"/>	Open questions and follow-ups documented for CPA review			

SECURITY & CONFIDENTIALITY

Professional bookkeepers use secure, encrypted systems to protect financial information. Your records remain private, controlled, and accessible only to authorized users.

Trust begins with security.

ABOUT OAKPATH BOOKKEEPING SERVICES

OakPath Bookkeeping Services provides trusted, reliable bookkeeping support for nonprofits and small businesses in Jefferson County, Washington and beyond. We believe bookkeeping is more than entering numbers — it is about creating clarity, supporting compliance, and building confidence in every financial decision your organization makes.

Founded by **Marie Osborne**, a Certified QuickBooks Online ProAdvisor with 40+ years of leadership experience — including 17 years overseeing multimillion-dollar nonprofit and county administration budgets — OakPath brings deep nonprofit expertise and genuine care to every client relationship.

YOUR FREE NONPROFIT BOOKKEEPING REVIEW

OakPath offers a free 30-minute Financial Review to help you assess your current bookkeeping system.

- Year-end cleanup & reconciliation • Ongoing monthly bookkeeping support
- Form 990 and audit preparation • Grant-ready fund tracking and reporting

Schedule Your Free Bookkeeping Review

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