Manufacturing Year-End Checklist

Ten checks before your books close

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Work through these ten before the year closes.
The inventory number decides almost everything after it.

- [ ] 1 **Overhead absorbed**
  Factory overhead allocated into inventory cost.
- [ ] 2 **Work in process costed**
  Completion stage estimated for materials and labour.
- [ ] 3 **Method consistent**
  Same basis as last year, FIFO or weighted average.
- [ ] 4 **Count documented**
  Sheets signed and dated as the count happens.
- [ ] 5 **Cut-off checked**
  Shipments and receipts in the correct period.
- [ ] 6 **Assets classified**
  Equipment in the right CCA class before year-end.
- [ ] 7 **Schedule 27 reviewed**
  Manufacturing and processing profits identified.
- [ ] 8 **SR&ED documented**
  Process work recorded as it was carried out.
- [ ] 9 **Import papers filed**
  Support kept with the input tax credit claim.
- [ ] 10 **Records retained**
  Six years after the tax year, all of it.

PRO TIP

Freight in belongs in inventory; freight out is an expense. Getting that one backwards shifts cost between the balance sheet and the income statement.

What happens next

1. Costing reviewed
2. Fixed fee quoted
3. Return filed

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