Firley, Moran, Freer & Eassa, CPA, P.C.

Post-Tax Season Checklist for Small Business Owners

Filing your business return feels like crossing a finish line. Once it's filed, it's tempting to close the book and move on. But your return just told you a lot about your business, and now is the best time to listen. Today I'll walk through five things worth revisiting while the numbers are still fresh, and what to do about each.

Review how tax prep actually went

Let's start with the process itself, not the numbers on the return. Think back to how getting it done actually felt. Were your books ready when it was time to file, or did they need weeks of cleanup first? Were your accounts reconciled, or were there months of transactions to sort through? Were you chasing contractors for W-9s at the last minute so you could issue 1099s? Were you filing with time to spare, or rushing the deadline because the business just wasn't ready? These aren't just headaches. They are signs that your systems need attention. The goal is to spot what broke down so you can fix it before next season starts.

Fix your bookkeeping systems for the rest of the year

If your books weren't ready at tax time, fix the system that caused it, not just this year's mess. Start with a monthly close. That means every month you reconcile your accounts, review transactions, and confirm everything is categorized correctly. If reconciliations pile up for months, you'll always be behind when tax season comes. It helps to schedule a monthly review of your financials, so you have a deadline rather than letting things slip.

Next, look at how you manage the backup for your accounting records, such as invoices and receipts. If you were digging through email and folders for proof of an expense, set up a system that captures and files that documentation as it comes in.

And review your chart of accounts to make sure your categories still align with how your business operates. They may need some adjusting to better reflect your income, expenses, assets, and liabilities. When that's right, everything downstream gets easier.

Build a budget and forecast for this year

To file your return, you pulled together a year of financial information. The question is whether you used it. Did you turn last year's numbers into a budget and forecast for this year? If not, now is a better time than ever. Yes, a late budget still beats no budget at all. Use your actual results so far, alongside last year's financials, to build a realistic plan. A budget is your baseline. A forecast is different. You update it every month as real results come in, so you're always working with current information. The budget shows what you planned. The forecast shows what's likely to happen. Together, they help you catch problems before they grow.

Review worker classifications, benefits, and insurance

Let's discuss people and coverage. If your business grew this past year, make sure every worker is classified correctly. Here's why this matters. Someone who started as a contractor may now work set hours, use your tools, and report to a manager. That may no longer be a contractor relationship. Getting it wrong can mean back taxes and penalties that cost far more than fixing it now.

This is also a good time to look at your benefits. Are they still competitive enough to attract and keep good people? Are you getting competitive rates, since premiums and fees can drift up without anyone noticing? The right package can also create tax advantages for both the company and your team. And while you're at it, check the insurance protecting the business. As you grow, your liability, property, and workers' comp needs can shift, and a policy that fit two years ago may leave gaps today.

Revisit your tax strategy now

Let's talk about the part many people put off. After filing, it's a good time to review your tax and cash flow strategies. Your tax strategy is about minimizing what you pay and building toward retirement. Maybe you missed a retirement contribution that would have lowered your bill. Maybe your owner compensation cost more in payroll taxes than it needed to. Maybe your entity type made sense when you were smaller, but a different structure would fit better now. The worst time to deal with any of this is at year-end. Changing your structure, setting up a retirement plan, or adjusting owner pay are not last-minute moves, and some have deadlines well before December.

Your cash flow strategy is critical to ensuring your business has enough cash to operate, weather any storms, and fund your tax strategies. Evaluate your cash on hand, existing debt load, and available credit. Remember that it's generally easier to secure additional credit when you don't need it than when you do. Liquidity enables you to execute your strategies while reducing your business's financial risk.

Next Step

So here's the bottom line. Look back at how tax prep really went and fix what broke. Set up a monthly close and a clean system for receipts. Build a budget and a forecast from the numbers you already gathered. Double-check your worker classifications, your benefits, and your business insurance. And sit down to plan your tax strategy while there's still time to act on it. Think of your return as a blueprint for doing this year differently.

If you have questions about your situation, reach out to our office. A quick consultation now saves a real headache later.

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FMF&E
125 East Jefferson Street
Suite 920
Syracuse, NY 13202

(315) 472-7045

info@fmfecpa.com

www.fmfecpa.com