15-Minute QuickBooks Expense Review

Find the questions now - while there is still time to answer them. Set a timer for 15 minutes. You are not preparing the tax return or changing entries you do not understand; you are identifying what needs attention.

Before you begin: choose a year-to-date reporting period and have your prior-year Profit & Loss available if the comparison is reliable.

Part One: Scan the Big Picture

1

Run a year-to-date Profit & Loss

Run the report from January 1 through today. Compare it with the same period last year when the prior-year data is reliable.

What changed enough to deserve a question?

2

Scan the major expense groups

Review advertising, automobile, fees, subscriptions, insurance, professional fees, repairs, meals, travel, rent, supplies, licences, utilities, interest, and depreciation.

Which categories look unusually high, low, empty, or unfamiliar?

3

Open the five largest or most unusual balances

Drill into the transaction detail. Look for duplicates, personal purchases, unclear vendors, inconsistent categories, or a major change from the prior period.

Does every transaction appear to belong in this account?

4

Review the holding and catch-all accounts

Check Uncategorized Expense, Ask My Accountant, Miscellaneous Expense, and owner or personal categories. Make a list; do not reclassify items you do not understand.

Which items need research or professional review?

Part Two: Check the High-Risk Details

5

Find equipment and vehicle purchases

Confirm that invoices, purchase dates, descriptions, financing details, business-use information, and placed-in-service dates are available. Flag anything that may be a fixed asset.

Which purchases need a capitalization or depreciation decision?

6

Review loan payments

Confirm that principal and interest are separated or that a lender statement or amortization schedule supports a year-end adjustment.

Do the loan balance and interest expense agree with the lender records?

7

Test three meals, travel, or vehicle transactions

Check for a receipt, date, amount, attendees or destination, specific business purpose, mileage or use record, and separation from personal or entertainment costs.

Would someone unfamiliar with the purchase understand why it served the business?

8

Send the question list and book the conversation

Send your notes to the bookkeeper or qualified tax professional. Schedule the planning conversation before year-end while records and options are still easier to address.

Who owns each follow-up, and by what date?

Do not begin by asking, "How much can I write off?" Begin by asking: What happened? How was it used? Can I prove it?

General educational information for United States small-business owners. Tax treatment depends on the facts, entity, activity, elections, and tax year. Consult your own qualified tax professional before making tax decisions.

Free QuickBooks Clarity Scorecard: lee-davis-and-company.aweb.page/unlock-clarity-free-scorecard