

Please use the following checklist as a guideline where applicable for your unique business.

If the books of your business are maintained electronically (Sage 50, QuickBooks, etc.), please provide us with the hard copies or PDF copies of the following for the fiscal period year end date: Trial Balance, Balance Sheet, Income Statement, and General Ledger. If using Sage 50, you can send us a back-up copy of your electronic file (provide password, if required).

Assets

- Copies of bank statements at year end date for all accounts in name of company
- Copies of investment statements showing book cost of all investment holdings as at year end date
- A listing of Accounts Receivable as at year end date (list any to be deemed uncollectible)
- A listing of Prepaid Expenses as at year end date (corporate tax instalments, property taxes, insurance, etc.)
- The total inventory, at cost, as at year end date
- Details for any Capital Assets purchase or disposed of during the year (furniture, equipment, tools, vehicles, buildings, etc.)

Liabilities

- A listing of Accounts Payable and accrued liabilities as at year end date
- Copies of filed government forms for the year (GST, payroll, PST, WCB, etc.)
- Details for any bank loans or mortgages in the name of the company
- A listing of corporate expenses paid personally by shareholders that have not been reimbursed by year end date
- Customer deposits held as at year end date

Equity

- A listing of any amounts withdrawn by the shareholder(s) (amount, name, date) for possible dividend (T5s to be prepared?)
- Details of any changes in shareholders or shareholdings
- Copies of any director's resolutions documented during the year

Sales/Income

- Sales records detailing invoices/receipts from sales or services (sales journal, deposit book, etc.)
- T-slips and other documentation to report investment income earned during the year
- Details and amounts of any other income earned during the year

Expenses

- Ensure that no personal expenses are included in the expense totals provided
- If a GST registrant, expense totals should be reduced by the amount of GST included in the expense
- For any Meals and Entertainment expense claims, receipts should have a listing of who attended and the purpose of the meeting
- For any vehicle expense claims, a mileage log or kilometers driven for business purposes is required (e.g., fuel, insurance, lease payments, interest, repairs, parking, car washes, etc.)
- For any home office expense claims, only the operating costs for the portion of your home “used exclusively” for business are deductible from business income. Firstly, notice that the portion must be used exclusively for business. This means 100% for business only. The percentage deductible is based on the exclusive business area divided by the total square footage of the home. Secondly, notice that the home office expenses are only deductible from business income. If the business is in a loss position, you cannot deduct the home office expenses to increase the loss (e.g., mortgage interest, property taxes, insurance, utilities, repairs and maintenance, etc.)
- If providing us with bank or credit card statements, it is imperative for you to indicate in some manner what the amounts are for and if any of the amounts are personal
- Payroll summary for your fiscal year end (T4s to be prepared?)
- Subcontractor summary for your fiscal year end (T5018s to be prepared?)

Corporate tax payment due date, instalments, penalties, and interest

While you have 6 months to file your corporate tax return, you do not have that much time to pay the taxes. Typically, your owing balance due day is 2 months after the end of your tax year. By that day, you have to pay the remainder (if you paid instalments) or full amount of the tax you owe for the tax year. However, if your corporation qualifies for the small business deduction (“active income”), your owing balance due day is 3 months after the end of your tax year.

Generally, corporations have to pay monthly instalments. An instalment is a partial payment of the total amount of tax payable for the current year, using the prior year as an estimate. Instalment payments are due on the last day of every full month of your tax year. Essentially, the total instalments due for the current year is equal to the actual amount owing from the prior year. Once you establish a regime of paying instalments as a pre-payment for the current year, any potential for penalties and interest can be greatly minimized or eliminated completely. (See *Federal Tax Instalments* page of the T2 Corporation Tax Return of your prior year end for amounts due for the current year).

A penalty applies for filing your tax return late. The 5% penalty is calculated for the unpaid tax on the day when taxes are due. In addition, another 1% penalty for each month until the taxes are paid in full.

If you miss the monthly instalment payment deadline, the CRA will charge you instalment interest. If the instalment interest goes over \$1,000, they may charge an additional instalment penalty equal to 25% of the instalment interest.