

Top Year-End Activities that you should Undertake before 2025

2025

1 Take Stock of your Inventory

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Take stock of inventory - raw materials, sub-assemblies, parts, semi-finished and finished goods and compare them with the accounting numbers.

- ▶ Perform cycle counts or a full physical inventory check.
- ▶ Use ERP to compare physical counts with inventory data.
- ▶ Reconcile with actual stock and make adjustments accordingly.

2 Review and Update Financials

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Ensure that all financial transactions are taken into account and the balance sheet is balanced. Reconcile accounts payable, accounts receivable, bank statements, purchase receipts and general ledger.

- ▶ Conduct profitability analysis by comparing actual performance vs. budgeted targets.
- ▶ Check sales order backlogs and associated invoices ensure a healthy AR and P&L.
- ▶ Review expenditures and identify areas to reduce costs.

3 Generate Financial Reports

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Generate accurate financial reports such as balance sheets, income tax statements, profit and loss statements, sales tax reports, and cash flow statements.

- ▶ Instantly generate financial reports in prescribed templates as per the accounting standards using an ERP.
- ▶ Ensure that all financial statements comply with relevant accounting standards and government regulations.

4 Get Sales Tax Compliant

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Ensure that you are tax-compliant by ensuring on-time payments and thorough documentation of sales tax, professional tax and income and state tax numbers.

- ▶ Review and update tax codes along with rates within their ERP software.
- ▶ Generate sales tax reports and reconcile them with the financial statements.
- ▶ Correct any deviations and report for audit purposes.

5 Assess Supplier Relationships

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Manufacturers will have to go through supplier contracts and check for renewal dates, contract terms, pending supplier invoices, and account payables and receivables.

- ▶ Assess past performance, product quality, delivery timeline, history and supplier response.
- ▶ Review current vendor contracts and renegotiate product costing, delivery schedules, payment terms etc.

6 Assess Employee Performance

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Review and update employee records - payroll, medical insurance, performance appraisals, income tax exemptions, profit sharing/shares etc. Ensure accurate payroll; tax calculations, and generate annual tax statements for audit purposes.

- ▶ Analyze employee performance, goals vs. achievements, KPIs, and set new goals for 2025.
- ▶ Identify room for improvement, skill gaps, technical training and certification requirements.
- ▶ Identify top performers and reward them with incentives, rewards and recognition etc.

7 Set New Goals & Plans for 2025

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Initiate planning for the upcoming year by collaborating with their key stakeholders. Review the overall performance of the enterprise and set strategic goals.

- ▶ Set realistic, achievable and measurable sales and revenue targets.
- ▶ Identify areas to improve lead times, shop-floor efficiency, reduce scrap quantity and costs.
- ▶ Identify new product lines and potential markets for expansion.

8 Prepare for Year-end Audit

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Prepare for internal and external audits by ensuring proper documentation is in place. Ensure easy access to accurate financial statements and taxation reports and provide any further data as requested.

- ▶ Ensure the upkeep and maintenance of vital documents such as,
 - Balance sheet, income and P & L statements
 - General ledger transactions
 - Sales invoices and receipts
 - Account receivables and payables
 - Bank statements
 - Contract statements with third-party vendors
 - Investments
 - Compliance documents
 - Tax returns
- ▶ Ensure that all standard operating procedures are followed at each operational phase as auditors closely examine the processes for any deviations.

Year-end closing activities can be a real pain for manufacturers if they store enterprise data in silo-ed systems and use manual methods to close the activities. It only leads to immense wastage of time, manpower and money, not to mention the delay in the closure, missing information and eventual wrath from audit authorities.

With OmegaCube ERP's workflow automation capabilities and power-packed features, manufacturers can easily meet their year-end obligations and close the current financial year at a high.

Are your year-end activities on track and well-prepared for 2025?

Contact us for a detailed demo on
OmegaCube ERP for Manufacturing and Distribution Enterprises