

Tax-Ready Financials Checklist for Canadian Small Businesses

Avoid costly mistakes and stay CRA-compliant!

1. Monthly Bookkeeping Tasks

- Digitize receipts using apps like Dext, Hubdoc, or QuickBooks.
- Reconcile bank accounts with accounting software (e.g., Xero, FreshBooks).
- Categorize expenses (e.g., office supplies, utilities, travel).
- Track income (invoices paid/unpaid).
- Back up records to cloud storage or external drives.

CRA Requirement: Keep records for 6 years.

2. Quarterly Deadlines

Mark these dates in your calendar:

Task	Deadline
Corporate instalments	Mar 15, Jun 15, Sep 15, Dec 15
GST/HST remittance	One month after the quarter ends
Payroll deductions	15th of the following month

- Set email reminders or use CRA's My Business Account alerts.
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3. Annual Tax Prep

- Confirm fiscal year-end and file T2 return within *6 months*.
- Review eligible deductions:
 - Home office expenses (utilities, rent, maintenance prorated by workspace %).
 - Vehicle mileage (track km driven for business).
 - Professional fees (accountants, legal services).
 - Capital Cost Allowance (CCA) on equipment.
- Verify small business deduction eligibility (9% federal rate on first \$500k income).

4. GST/HST Compliance

- Register for GST/HST if *taxable supplies > \$30k in 4 quarters*.
- Track GST/HST collected vs. GST/HST paid (Input Tax Credits).
- Remit GST/HST by deadline (use accounting software to auto-calculate).

Penalty Alert: 6% interest + 5% late fee on overdue amounts.

5. Avoid Audit Triggers

- Separate personal/business accounts (no mixed spending!).
 - Document business-purpose for ambiguous expenses (e.g., meals, travel).
 - Retain signed contracts and proof of income (e.g., invoices, payment records).
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6. Year-End Best Practices

- Review payroll totals (T4 slips issued by Feb 28).
 - Update shareholder loans (if applicable).
 - Consult a CPA for complex issues (e.g., tax planning, CCA optimization).
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Sources: Canada Revenue Agency (corporation tax, GST/HST rules), PCMag (software recommendations), TurboTax Canada (deductions).

This checklist is a guide. Consult a tax professional for tailored advice.