

HOA Year-End Checklist for Boards

Presented By:  Community Financials



Stay organized and meet every key financial deadline before 2026.

Budget & Dues Changes

Date	Task	Notes / Action Items
August 15, 2025	Begin Budget Planning	Start working with your Client Manager to prepare your budget. <ul style="list-style-type: none">● <i>Standard Clients:</i> Use the Budget Worksheet.● <i>Premium Clients:</i> Use the Draft Budget tool.
October 15, 2025	Finalize Budget	Complete all budget revisions and submit the final version for review.
November 15, 2025	Ratify / Approve Budget	Ensure your Board formally approves or ratifies the budget to meet year-end deadlines.
December 1, 2025	Order Coupon Books	If your HOA uses coupon books, ensure they are reviewed, approved, and ordered by this date.
December 10, 2025	Finalize Owner Fee Updates	Submit any annual changes to owner fees (effective January 1) by this cutoff to ensure timely billing.
December 15, 2025	January Statements Sent	January billing statements are distributed to homeowners.

Year-End Procedures

Date	Task	Notes / Action Items
November–December 2025	Review General Ledger & Income Statement	<p>Review the General Ledger for possible reclasses and the Income Statement for any extreme variances.</p> <p>Addressing these items before year-end helps ensure accurate reports and reduces the need for post-closing adjustments.</p>
January 31, 2026	Year-End Reports Delivered	<p>Reports will be delivered one week later than usual to allow time for December invoices to be processed.</p> <p>All year-end reports will be finalized and delivered no later than January 31.</p>
February 15, 2026	Submit Reclass & Accrual Requests	<p>Deadline for submitting adjustment or accrual requests to your Client Manager.</p> <p><i>Note: This deadline does not apply to CPA-requested Adjusting Journal Entries (AJEs).</i></p>
<i>(Ongoing)</i>	Review GL Detail Reports & Submit Adjustment Requests	<p>Review the GL Detail Reports provided by Community Financials for all HOA accounts</p> <ul style="list-style-type: none"> ● For HOAs with annual assessment income > \$75,000, focus on YTD variances greater than \$1,000. ● For HOAs with annual assessment income < \$75,000, focus on variances greater than \$500. <p>Investigate the cause of each flagged variance and submit an Adjustment Request Form if reclassifications are needed.</p>
<i>(Optional)</i>	Evaluate Excess Net Income & Consider IRS Revenue Ruling 70-604	<p>Review the Year-End Income Statement to identify any excess net operating income. If applicable, hold an annual member vote to apply IRS Revenue Ruling 70-604, which allows associations filing Form 1120 to avoid tax on non-member income (e.g., interest, dividends, capital gains).</p> <p>Once approved, Community Financials can transfer the excess net income to Reserves to support long-term capital planning.</p>

****Confirm Fiscal Year-End:** 95% of associations follow a calendar year-end (December 31). If your community uses a different fiscal year, adjust all the timelines below to match your reporting cycle.

Pro Tips

- Review your **GL Detail Reports** before February to allow time for adjustments.
- Use the **Adjustment Request Form** for any reclassifications or accrual corrections.
- Coordinate early with your **Client Manager** to stay ahead of each deadline.
- Allow time for **board approval meetings** in November.
- Keep your records ready for CPA review or audit purposes.

Need Support?

Community Financials helps HOA boards stay compliant and stress-free with year-end accounting, reporting, and billing support.

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