

Year-End Close & 1099 Checklist

Close the year cleanly and send the right 1099s on time. Start in November and finish before your CPA needs the books. This edition covers payments made in 2026, which are reported in early 2027.

BUSINESS

TAX YEAR

PREPARED BY

Who gets a 1099 for 2026 payments

PAYMENT	FORM	THRESHOLD
Contractors paid for services	1099-NEC	\$2,000
Attorney fees for legal services, even to a corporation	1099-NEC	\$2,000
Rent paid directly to a landlord	1099-MISC	\$2,000
Gross proceeds paid to an attorney, such as a settlement	1099-MISC	\$600
Royalties	1099-MISC	\$10

The contractor and rent threshold rose from \$600 to \$2,000 for payments made after December 31, 2025. Attorney gross proceeds stayed at \$600.

Key dates

February 1, 2027	1099-NEC to contractors and the IRS; 1099-MISC and W-2 to recipients; W-2 to the SSA
February 16, 2027	1099-MISC to recipients when box 8 or box 10 (attorney proceeds) is used
March 1, 2027	1099-MISC to the IRS on paper
March 31, 2027	1099-MISC to the IRS electronically

Usually not reported on a 1099

- Payments made by credit card, debit card, or a payment app like PayPal or Venmo business. The processor reports those on a 1099-K.
- Payments to C corporations, S corporations, and LLCs taxed as corporations, except attorneys.
- Payments for goods or merchandise only.
- Wages paid to employees, which go on a W-2.
- Rent paid through a property manager or real estate agent. They file the 1099 to the owner.

1. Get ready for 1099s

NOVEMBER

- ☐ Export a list of every vendor you paid this year with total payments, from QuickBooks or your bank.
This becomes the 1099 tracker. Include people you paid by Zelle, check, or cash.
- ☐ Request a Form W-9 from every contractor, landlord, and attorney who does not have one on file.
Asking in November, while they still want to get paid, is much easier than chasing them in late January.
- ☐ Check names and taxpayer ID numbers with the IRS TIN Matching service, or at least against the W-9.
A name and TIN that do not match can trigger a notice and 24% backup withholding on future payments.
- ☐ Mark 1099 vendors in QuickBooks and map their expense accounts to the right 1099 box.
QuickBooks can prepare and e-file the forms only if vendors and accounts are set up correctly.

2. Clean up the books

DECEMBER

- ☐ Reconcile every bank, credit card, and loan account through November.
December is easier to close when the first eleven months are already done.
- ☐ Clear the Uncategorized Income, Uncategorized Expense, and Ask My Accountant accounts.
- ☐ Review open invoices. Follow up on anything past due and decide what to write off as bad debt before December 31.
- ☐ Review unpaid bills and confirm each one is real and still owed.
- ☐ Move personal expenses paid from business accounts to owner's draw or distributions.
- ☐ List equipment, vehicles, and software bought this year with dates and receipts.
Your CPA needs this to decide what to depreciate and what to expense.

3. Make year-end decisions with your CPA

EARLY DECEMBER

- ☐ Get a year-to-date profit estimate and ask your CPA what you are likely to owe.
- ☐ Decide whether to buy planned equipment or prepay expenses before December 31.
Spend only on things the business needs. A deduction saves a fraction of what you spend.
- ☐ Ask about retirement contributions, such as a SEP-IRA or Solo 401(k), and their deadlines.
- ☐ If you have an S corporation, confirm owner salary and any bonus run through payroll before the last payroll of the year.

4. Close December

FIRST TWO WEEKS OF JANUARY

- ☐ Reconcile every account through December 31 against the year-end statements.
- ☐ Count inventory on hand at December 31, if you carry any.
- ☐ Tie payroll reports to the books: wages, employer taxes, and year-end payroll liabilities.
- ☐ File the final sales tax return for the year and confirm the liability account matches it.
- ☐ Match each loan balance to the lender's year-end statement and split payments into principal and interest.
- ☐ Review the full-year Profit and Loss and Balance Sheet, and compare them with last year.

5. Send 1099s and W-2s

BY FEBRUARY 1, 2027

- ☐ Finish the 1099 tracker with full-year totals, and remove card and payment app payments.
- ☐ Send 1099-NEC forms to contractors and file them with the IRS.
January 31, 2027 falls on a Sunday, so the deadline for payments made in 2026 moves to Monday, February 1.
- ☐ Send 1099-MISC forms for rent and royalties to recipients.
Recipient copies are due February 1, 2027. The IRS copy is due March 1 on paper or March 31 if you e-file.
- ☐ Send W-2s to employees and file them with the Social Security Administration.
Also due February 1, 2027. Most payroll providers do this for you; confirm that they did.
- ☐ E-file if you have 10 or more information returns in total, counting 1099s and W-2s together.
Starting with the 2027 filing season, the IRS accepts electronic 1099s only through its IRIS system.

6. Hand off to your CPA

BY MID-FEBRUARY

- ☐ Send the full-year Profit and Loss, Balance Sheet, and General Ledger.
- ☐ Include December bank, card, and loan statements that show the ending balances.
- ☐ Include copies of the 1099s and W-2s you issued, and any 1099-K or 1099 forms you received.
- ☐ Include the list of assets bought or sold, with receipts.
- ☐ Set a closing date in QuickBooks so the year cannot change after it is filed.

Tracking vendors? The free 1099 Vendor Tracker spreadsheet applies these rules for you: enter each vendor's entity type, payment type, total paid, and card payments, and it flags who needs a 1099-NEC or 1099-MISC and who is missing a W-9. Download it at pinstripeservices.com/year-end-close-checklist.

Want the year-end close done for you?

Pinstripe Business Services, a QuickBooks ProAdvisor firm, closes the books, prepares 1099s, and hands your CPA a clean file. Learn more at pinstripeservices.com/services/bookkeeping.

General bookkeeping guidance for common small business situations, not tax or legal advice. Thresholds and dates are from the IRS Instructions for Forms 1099-MISC and 1099-NEC (Rev. 12/2026) and Pub. 1099 (2026); confirm your filing requirements with your CPA.

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