

## ■ 1099-NEC Checklist for Contractors (2025)

### Before You Pay Contractors

- Collect a W-9 before the first payment
- Confirm legal name + business name (if any)
- Verify TIN (SSN/EIN) and mailing address
- Decide how you'll track totals (QuickBooks or spreadsheet)
- Set a vendor naming standard (e.g., LAST, First - Trade)

■ **Expert Tip:** A W-9 up front prevents last-minute scrambling in January.

■ **Common Mistakes:** Paying vendors without collecting W-9 details.

### During the Year (Tracking)

- Track total payments per contractor/vendor
- Separate reimbursements vs service fees (keep notes)
- Keep invoices/contracts for high-dollar vendors
- Tag contractor payments consistently in your books
- Review vendor totals quarterly (not just year-end)

■ **Expert Tip:** Quarterly reviews reduce surprises at year-end.

■ **Common Mistakes:** Inconsistent categorization of contractor payments.

**Need help applying this to your business?**

Book a free consultation: <https://garescconsulting.com/contact/>

## ■ 1099-NEC Checklist for Contractors (2025) (continued)

### Year-End (January) Checklist

- Reconcile contractor totals to bank/credit cards
- Confirm address/TIN against W-9
- Identify vendors who may need a 1099-NEC
- Send/prepare forms by the common deadline (often Jan 31)
- Store copies + proof of delivery/filing

■ **Expert Tip:** Create a single '1099 folder' with W-9s + totals + notes.

■ **Common Mistakes:** Waiting until the last week of January to start.

### Notes to Bring to Your Accountant

- List of contractors + totals paid
- Any vendors paid via payment platforms (note method)
- Any corrections from prior years
- Questions about exceptions/special cases
- Your current bookkeeping export (vendor detail report)

■ **Expert Tip:** Ask for a vendor detail report from your bookkeeping system.

■ **Common Mistakes:** Missing payment method details for certain vendors.

**Need help applying this to your business?**

Book a free consultation: <https://garescconsulting.com/contact/>