

2026 Year-End Close Checklist

How to close your books for 2026 and start 2027 clean

Your tax return, your 1099s, and your 2027 budget all depend on the same numbers. This checklist walks through the close in the order the work happens, from the decisions that expire on December 31 to the setup that gives you a clean start in January. Use the owner column to assign each task and look for the short notes on where our team or Intuit Enterprise Suite can help.

November Section 1: year-end tax decisions with your CPA	December Sections 2 and 3: reconcile and clean up	Early January Sections 4 and 5: payroll, 1099s, inventory, and assets	Late January Sections 6 and 7: review, lock the year, and set up 2027
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Out of the Box Technology is not a public accounting firm. Tasks marked "Tax decision" are questions for your CPA, and our role is the accurate books those decisions rely on.

NOVEMBER AND EARLY DECEMBER

1. Decisions that expire on December 31

These moves end at midnight on December 31, and your CPA needs current numbers to model them. Bring statements reconciled through October.

Done	Task	Owner
☐	Book a year-end planning meeting with your CPA Bring year-to-date financial statements and projections for November and December.	
☐	Review planned equipment, vehicle, and technology purchases TAX DECISION The One Big Beautiful Bill Act made 100% bonus depreciation permanent and raised the Section 179 limit. Assets generally must be in service by December 31 to count for 2026.	
☐	Ask about research and software development costs TAX DECISION Domestic research costs, including software development, can again be deducted in the year incurred under Section 174A. Some smaller businesses can also amend earlier returns.	
☐	Decide on retirement plan contributions TAX DECISION Some plan types must be set up before year-end to accept 2026 contributions.	
☐	Review the timing of income and expenses TAX DECISION On a cash basis, when you invoice and pay bills in December decides which year they land in.	
☐	Check whether your state follows the federal changes TAX DECISION Many states do not conform to federal bonus depreciation or research expenses.	

WHERE OOTB CAN HELP

If your books are not current through October, our [accounting team](#) can catch them up before your CPA meeting.

DECEMBER, FINALIZED IN JANUARY

2. Reconcile every account

Most year-end problems surface here. Reconcile November in December so January only covers one month.

Done	Task	Owner
☐	Bank accounts Reconcile every account to its December 31 statement, including ones you rarely use.	
☐	Credit cards Reconcile each card, including employee cards, and attach receipts for large or unusual charges.	
☐	Loans and lines of credit Match balances to lender statements and split payments between principal and interest.	
☐	Merchant processors and payment platforms Record Stripe, Square, PayPal, and Shopify sales at gross, with fees as an expense, so totals agree with any Form 1099-K.	
☐	Payments waiting to be deposited Clear old items from Undeposited Funds or Payments to Deposit in QuickBooks. Items older than a month usually point to a duplicate or mismatched deposit.	
☐	Uncleared transactions older than 90 days Void, reissue, or correct them so they do not carry into 2027.	
☐	Uncategorized and suspense accounts Reclassify everything in Ask My Accountant, uncategorized, and clearing accounts until each show zero.	

WHERE OOTB CAN HELP

Months behind on reconciliations? Our [clean-up accounting team](#) can clear the backlog so your close starts with accurate numbers.

DECEMBER

3. Receivables, payables, and accruals

This section is the most likely to change your reported profit, so give it time in December.

Done	Task	Owner
☐	Review accounts receivable aging Follow up on overdue invoices and discuss write-offs with your CPA first.	

Done	Task	Owner
☐	Apply open customer credits and payments Match unapplied payments and credit memos to their invoices.	
☐	Review accounts payable aging Compare open bills to vendor statements and remove duplicates or bills paid outside QuickBooks.	
☐	Record accrued expenses Book December costs billed in January, such as utilities, professional fees, and contractor work.	
☐	Adjust prepaid expenses Spread annual insurance, software, and retainers across the months they cover.	
☐	Record deferred revenue Payments received in 2026 for work delivered in 2027 stay on the balance sheet until earned.	
☐	Reconcile sales tax Agree the sales tax liability to the returns filed and payments made.	

START IN DECEMBER, FILE BY FEBRUARY 1

4. Payroll, contractors, and 1099s

Two rules changed for 2026. The federal 1099-NEC and most 1099-MISC thresholds rose from \$600 to \$2,000, though some states may keep \$600. The 2026 Form W-2 also requires separate reporting of qualified overtime and, for tipped employers, tips.

Done	Task	Owner
☐	Collect a Form W-9 from every contractor Request W-9s from every vendor paid \$2,000 or more in 2026, or likely to be by December 31.	
☐	Run a vendor payment report by payment method Card and platform payments are reported by the processor on Form 1099-K, so they generally stay off your 1099-NEC filings.	
☐	Review how each worker is classified Anyone you manage like an employee may need to be on payroll.	
☐	Check your state 1099 rules A state that kept \$600 may require a filing for a vendor you no longer report federally.	
☐	Confirm payroll can report overtime and tips Qualified overtime goes in Box 12, code TT. Tips use code TP, with an occupation code in Box 14b.	

Done	Task	Owner
☐	Reconcile payroll to the general ledger Agree wages, taxes, and deductions to payroll reports, and confirm employee details.	
☐	Record owner and taxable fringe benefits Include S corporation owner health insurance and other taxable benefits in wages before the final payroll.	
☐	File W-2s and 1099-NECs by February 1, 2027 January 31 falls on a Sunday, so the deadline moves to Monday.	

COUNT ON DECEMBER 31, RECORD IN JANUARY

5. Inventory and fixed assets

The balance sheet is only right when your counts and asset list match what is in the building.

Done	Task	Owner
☐	Take a physical inventory count Count as close to December 31 as possible, adjust QuickBooks to match, and write off damaged or obsolete stock.	
☐	Review cost of goods sold A sudden swing in monthly gross margin usually points to a receiving, costing, or count error.	
☐	Update the fixed asset list Add 2026 purchases with in-service dates, and remove anything sold or scrapped.	
☐	Book depreciation TAX DECISION Use your CPA's schedule so the books and the return agree.	
☐	Confirm your capitalization policy TAX DECISION Agree a dollar threshold for expensing purchases and apply it consistently.	

LATE JANUARY

6. Review and lock the year

The year is ready to close when every balance sheet line can be explained.

Done	Task	Owner
☐	Review the balance sheet line by line Every balance should tie to a statement, schedule, or reconciliation.	
☐	Compare the profit and loss by month and to 2025 Spikes and gaps are the fastest way to find miscategorized transactions.	

Done	Task	Owner
☐	Review owner equity accounts Confirm draws, distributions, contributions, and shareholder loans are in the right accounts.	
☐	Reconcile intercompany balances If you run more than one entity, intercompany balances should match exactly and eliminate on consolidation.	
☐	Send a package to your CPA Include the trial balance, reconciliations, aging reports, fixed asset list, and loan statements.	
☐	Record your CPA's adjusting entries So your 2027 opening balances match the filed return.	
☐	Set a closing date in QuickBooks Password-protect 2026 so no one can change it after filing.	

WHERE OOTB CAN HELP

A [fractional controller](#) from our team can lead the year-end review and prepare your CPA package, without a full-time hire.

LATE JANUARY

7. Set up 2027

An hour of setup now prevents next year's cleanup.

Done	Task	Owner
☐	Clean up the chart of accounts Merge duplicates, deactivate unused accounts, and add any new revenue lines or cost centers.	
☐	Build the 2027 budget from 2026 actuals Start from what the year produced, then review against actuals monthly.	
☐	Review user access in QuickBooks Remove former staff and match permissions to roles.	
☐	Collect W-9s at vendor onboarding Require a W-9 before the first payment and turn on 1099 tracking.	
☐	Set a monthly close calendar Monthly reconciliation turns year-end into a review rather than a rebuild.	
☐	Organize documentation Keep reconciliations, contracts, and loan documents ready for auditors, lenders, or buyers.	
☐	Ask whether your system kept up If the close took weeks of exports and workarounds, it is worth a conversation before 2027.	

WHERE INTUIT ENTERPRISE SUITE FITS

If budgeting and entity consolidation live in spreadsheets, [Intuit Enterprise Suite](#) handles both on the same data as your books. The [Resource Hub](#) is a good place to start.

KEEP THIS PAGE HANDY

Key dates

Date	What is due
December 15, 2026	Early pricing ends for our 1099 filing service.
December 31, 2026	Last day to place assets in service and complete most 2026 tax moves.
January 15, 2027	Fourth-quarter 2026 estimated tax payment due.
February 1, 2027	Forms W-2 and 1099-NEC due to recipients and the SSA or IRS.
March 15, 2027	Partnership and S corporation returns due, unless extended.
April 15, 2027	C corporation and individual returns due, unless extended.

Fiscal-year businesses and those with extensions will have different dates.

Need a hand with any of this?

If reconciliations are behind, vendor records are incomplete, or the close runs on spreadsheets only one person understands, our team can help with clean-up, 1099 filing, and fractional controller support on QuickBooks and Intuit Enterprise Suite.

Talk through your year-end with OOTB: [Book 30 minutes](#)

Clean-up accounting: outoftheboxtechnology.com/clean-up-accounting/

Fractional controller services: outoftheboxtechnology.com/fractional-controller-services

This checklist is general information, not tax, legal, or accounting advice. Out of the Box Technology is not a public accounting firm. Consult your CPA about your taxes.