

Contractor Paperwork SOP

Get the W-9 before you pay. File the 1099 in January.

THE PLAY (ONE LINE)

Get a W-9 from every possible contractor before the first payment, log how you paid them, keep records that reconcile to your bank, and send the 1099s on time in January.

Why this matters

Maya Weinreb's team keeps the books for over 150 companies, and missed 1099s are one of the messes she cleans up. Her rule: "If you want to get out of trouble, don't get in trouble in the first place." For contractors, that moment is the first payment.

150+

companies her team keeps books for

20+ yrs

doing bookkeeping since high school

\$600

1099 threshold for decades (as Maya described it)

\$2,000

new threshold this year (Maya; indexed to inflation)

The 8 steps

- 1

Assume more people count as contractors. Service providers who aren't corporations, paid over the threshold. Put them all on the list.
- 2

Get the W-9 before the first payment. No W-9, no payment. "Get them to fill out a W9 before you pay them so you can send them a 1099 in January."
- 3

Write down how you paid each one. Maya: credit card = no 1099; PayPal friends and family = file; PayPal business = don't. Log checks and transfers too.
- 4

Keep a running total per contractor. Check the current-year threshold with your CPA. Maya says it now moves with inflation.
- 5

Reconcile to your bank every month. Every contractor payment matches a statement line. That's your backup.
- 6

Put 1099s on the calendar for January. Pull the log, confirm who crossed the line, file on time.
- 7

Ask your bookkeeper if 1099s are on their list. If nobody has raised it by November, you raise it.
- 8

Keep the file ready for a notice. W-9s, payment log and reconciled statements together, by year.

Contractor log

Contractor	W-9 on file (date)	How paid	Paid this year	1099 needed?

- ☐ W-9 rule written down: no form, no payment
- ☐ Running total per contractor kept
- ☐ 1099 filing blocked on the January calendar
- ☐ Payment method logged on every payment
- ☐ Bank reconciled monthly
- ☐ Bookkeeper confirmed 1099s are in scope

Maya's rules of thumb as she gave them on the show, not tax advice. Confirm thresholds, deadlines and your situation with your CPA or tax professional.