Key checks for a smooth contractor payment season

Getting 1099 forms right for a large group of contractors takes planning. One mistake in a single form can trigger a penalty or a frustrated phone call. For accounting teams handling dozens or hundreds of contractors, the process needs structure. A checklist keeps the team on track and reduces the chance of errors that cost time and money.

When you work with contractor data in spreadsheets, the first step is making sure that data is clean before it goes anywhere near the filing system. An Excel spreadsheet might look tidy, but hidden issues often lurk in the cells. A systematic review of your contractor records before you start the filing process saves hours of rework later.



Start with contractor data accuracy

Every 1099 form begins with the information you have on file for each contractor. If the name, address, or Taxpayer Identification Number (TIN) is wrong, the form will fail validation with the IRS. Begin by exporting your contractor list from your accounting system or CRM into a

spreadsheet. Check that every contractor who earned more than the filing threshold during the year is included. It is common to miss someone who worked only a short period or who was paid through a different department.

Next, verify the legal names. A sole proprietor might use a business name, but the 1099 needs their individual name unless they have an registered business structure. Compare each entry against the W-9 form the contractor provided. If a W-9 is missing, request one before you proceed. Filing without a valid W-9 means you might send the form to the wrong entity, and the IRS will reject the TIN match.

Addresses also change throughout the year. Send a quick verification request to each contractor before the filing deadline. A returned envelope or an outdated address leads to a penalty for incorrect delivery. A simple email asking them to confirm their mailing address on file can prevent this.

Validate TINs before you file

The IRS offers a TIN matching program that lets you check the combination of name and TIN before you submit forms. Using this service early in your process catches mismatches while you still have time to correct them. A mismatch can happen because the contractor typed their number wrong on the W-9, or because they changed their business structure and got a new EIN. Running a bulk check on all your contractor records is straightforward and well worth the effort.

When you find a mismatch, contact the contractor directly. Explain that the IRS could not match their TIN to their name, and ask them to provide a corrected W-9. Do not assume the error is on your side; ask them to double-check their own records. Once you receive the corrected information, update your spreadsheet and run the match again. Only proceed with filing after all TINs pass.

Review payment totals for each contractor

Payment totals must be accurate down to the penny. A transposed digit or a missing payment throws off the form and creates a discrepancy between your records and the contractor's. Pull a report of all payments made to each contractor during the tax year, including any reimbursements that count as income. Some payments, like those made via credit card or through a third-party payment processor, may need separate handling. Check that you are not double-counting amounts that were already reported by a payment settlement entity.

Compare your payment totals against the contractor's own records if possible. Some accounting teams send a preliminary statement to each contractor and ask them to confirm

the total before the form is filed. This step takes extra time but significantly reduces the chance of a dispute later.

When you are confident in the totals, format the amounts correctly in your spreadsheet. Use a consistent number format without commas or currency symbols, and make sure negative amounts (for corrections or adjustments) are handled properly. A simple formatting error can cause the import to fail or produce an incorrect form.

Check for duplicate records

Duplicate records are a common problem when you manage contractor data across multiple systems. A contractor might appear twice because they were entered with a slight variation in their name, or because they worked under two different departments. Before you begin importing contractor forms in bulk, run a deduplication check on your spreadsheet. Look for identical TINs that appear more than once. If the TIN is the same, the records likely refer to the same person, even if the names differ slightly.

Merge duplicate records into one entry with the correct name and address. Keep the total payments from all duplicate rows combined into one record. Filing two separate 1099 forms for the same contractor will confuse both the contractor and the IRS, and it may trigger a penalty for filing a duplicate form.

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Also watch for near-duplicates where the TIN is different but the name and address are the same. This can happen when a contractor changed their business structure mid-year and you have two separate records. In that case, you need to determine which entity received the

payments and file accordingly. The IRS expects one form per TIN, so do not combine payments across different TINs.

Standardize your data format

Filing systems expect data in a specific layout. Before you upload your spreadsheet, check that every column matches the required format. Common fields include the contractor's name, TIN, address, city, state, ZIP code, and payment amount. Some systems also ask for a second TIN field or a code for the type of payer. Look at the import template provided by your filing service and adjust your columns to match exactly.

Remove any extra columns that are not part of the import. Hidden rows, merged cells, and blank rows can cause the import to fail or produce errors. Save a clean copy of your spreadsheet as a CSV file if the system requires that format. CSV files strip out formatting and make the data easier for the system to parse. Test the import with a small sample of records first. This lets you catch any formatting issues before you run the full batch.

Plan your error review process

Even with careful preparation, some records may fail during import. The system will return error messages that tell you which records need attention. Common errors include invalid TIN format, missing required fields, or payment amounts that exceed expected limits. Set aside time to review these errors and correct the underlying data.

Have a clear process for handling errors. Assign one person on the team to review the error report and make corrections. That person should update the original spreadsheet so the fix is permanent, not just applied in the filing system. After corrections, re-import the affected records and verify that they pass validation. Keep a log of errors and their resolutions. Over time, this log helps you identify patterns in your data entry that you can address at the source.

The process of importing contractor forms in bulk becomes smoother with each season if you document what worked and what did not. A checklist that evolves based on your team's experience is far more useful than a static one.

Set a timeline with buffer

Deadlines for 1099 filing are fixed, but your internal timeline should include extra time for corrections. Work backward from the filing deadline and set milestones for each step: data collection, TIN matching, payment review, import, error correction, and final submission. Build in at least a week of buffer time for unexpected issues like a contractor who is slow to respond to a TIN mismatch request.

If you are filing electronically, remember that the system may have processing delays near the deadline. Starting early gives you room to handle those delays without rushing. A calm, methodical approach produces fewer errors than a last-minute scramble.

Finally, communicate the timeline to your team and to the contractors. Let contractors know when they should expect their form, and give them a point of contact if they have questions. A well-organized filing season reflects well on your team and keeps your contractor relationships strong.