The Year-End Close Checklist

A step-by-step closeout for landlords prepping for tax season. Work it in three passes: December, January, and the CPA package. Built by the bookkeepers at Real Cents Organized.

Pass 1: December (before the year ends)

These items are cheaper to fix while the year is still open. Do them between mid-December and the 31st.

- ☐ **Catch up any unreconciled months**
  If any month January through November is not reconciled, fix it now. January-you will not remember what December-you already knows.
- ☐ **Chase missing W-9s while vendors still want your business**
  Any contractor or service provider you paid $2,000 or more this year needs a W-9 on file (the threshold as of the 2026 tax year; it was $600 before). Leverage disappears after the final payment clears.
- ☐ **Pay deductible expenses you already owe**
  Invoices in hand for repairs, supplies, or services can be paid before December 31 to land the deduction this year (cash-basis taxpayers).
- ☐ **Document mileage and home office use**
  Reconstruct the log now if you have to. A December reconstruction beats an April guess.
- ☐ **Photograph and file receipts for anything over $75**
  Especially capital work: the invoice detail decides repair vs. improvement treatment.

Key deadlines (mark these now)

Date	What is due
January 31	1099-NEC to vendors and the IRS; W-2s if you have employees
March 15	Partnership (1065) and S-corp (1120-S) returns, or extensions
April 15	Personal returns (Schedule E filers), or extensions; Q1 estimated tax

Deadlines shift a day or two when they land on a weekend or holiday. An extension extends the paperwork, not the payment.

Pass 2: January (close the books)

- [ ] **Run the December monthly close**
  Same routine as any month: sync accounts, confirm rent deposits, categorize everything to a property, reconcile every account.
- [ ] **Verify all 12 reconciliations are complete**
  Every bank and credit card account, every month. This is the foundation the whole return sits on.
- [ ] **Tally owner draws and contributions by entity**
  Money in and money out of the business is equity, not income or expense. Your CPA needs the totals.
- [ ] **Collect Form 1098 from every lender**
  Mortgage interest statements arrive in January. Check that each 1098 matches the interest your books show; escrow items hide here too.
- [ ] **Split every mortgage payment: principal, interest, escrow**
  Only interest is deductible. Escrow disbursements (taxes, insurance) are deductible when paid by the servicer, not when you fund escrow.
- [ ] **Reconcile security deposit liability to deposits actually held**
  The account balance must match a tenant-by-tenant list. Deposits kept for damages become income in the year you keep them.
- [ ] **List every capital improvement with date, property, and cost**
  Your CPA builds depreciation schedules from this list. Include the invoice detail.
- [ ] **File 1099-NEC forms by January 31**
  For every non-corporate vendor paid $2,000 or more by cash, check, ACH, or Zelle (the threshold as of the 2026 tax year; it was $600 before). Card and PayPal payments are the processor's 1099-K problem, not yours.

Pass 3: The CPA package (by mid-February)

The goal is a package so complete your CPA has zero clarifying questions. Every question they ask costs you time in March.

- ☐ **Per-property profit and loss for the full year**
  One P&L; per property, not one blended portfolio number.
- ☐ **Balance sheet, if you keep one**
  Required for partnerships (Form 1065) and S-corps; good practice for everyone else.
- ☐ **The capital improvements list**
  From Pass 2, with invoices attached.
- ☐ **All 1098s, plus property tax and insurance statements**
  Include escrow analysis statements so nothing paid through escrow is missed.
- ☐ **Security deposit schedule**
  Tenant-by-tenant list tied to the liability balance.
- ☐ **Owner draw and contribution totals by entity**
- ☐ **Copies of filed 1099-NEC forms**
- ☐ **Closing statements for any property bought, sold, or refinanced**
  The settlement statement (ALTA/HUD) drives basis, points, and prorations. Send the whole document, not a summary.
- ☐ **A short note on anything unusual**
  Casualty loss, insurance payout, kept deposit, eviction costs, new entity. Two sentences each saves a phone call each.

Want year-end to be a non-event?

When the monthly close happens every month, the year-end close is an afternoon, not a crisis. Book a free 20-minute call:

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realcentsorganized.com/book-a-call