How To Reconcile IRS 1099-K Form

Last Modified on 02/01/2024 2:26 am PST

Access the 1099-K form from the **Reports** menu option, then select the ***1099-K Report***. Click on the PDF icon on the right to open the 1099-K form. For easier reconciliation, print out the 1099-K form.

Select ***Transactions*** in the left-hand menu to reconcile the amounts on the 1099-K form to the Qualpay reporting. On the Transactions report, you will need to add multiple filters.

First, select the Transaction Date filter next to the filter icon at the top left of the screen. In the pop-up window, make sure the drop-down is set to "Is between." Then click the calendar icon on the top date row. Set this transaction date to the 1st of the month you are reconciling. Next, click the calendar icon on the lower date row. Set this transaction date to be the last day of the month you are reconciling. Then click ***Edit Filter***.

Next, select the filter icon. In the drop-down, select the Transaction Amount option. In the pop-up window, make sure the drop-down is set to "Greater than." Then, in the amount box on the right, enter 0. Then click ***Add Filter***.

Next, select the filter icon. In the drop-down, select the Status option. In the pop-up window, make sure the left drop-down is set to "Is." Then, set the right drop-down menu to "Deposit Sent." Then click ***Add Filter***.

If you are processing ACH, select the filter icon and then "Payment Type." In the pop-up window, make sure the left drop-down is "Not one of" and set the right drop-down menu to "ACH Payment." Then click ***Add Filter***.

Lastly, if you are processing directly with American Express and funds are being deposited into your account by American Express, select the filter icon and select "Payment Type." In the pop-up window, make sure the left drop-down is set to "Not one of." Then, set the right drop-down menu to "American Express." Then click ***Add Filter***.

Once all filters are added, get the monthly grand total of transactions by clicking ***Download***. Select a file type from the drop-down, and the information will automatically download to your computer. Open the file and sum the amounts in the "Funded Amount" column. The total dollar amount from the "Funded Amount" column will match the dollar amount for the month you are reconciling on your IRS 1099-K form.

Report downloads have a record limit of 50,000. If you run more than 50,000 transactions in a month, you may need to change the Transaction Date filter to pull smaller ranges of time, downloading multiple files for one month. Then, you must add the summed totals of the Funded Amount columns from each file to get a grand total for the whole month for reconciling to the 1099-K form.

You must repeat these steps each month on the 1099-K form to reconcile completely.