YEAR-END BOOKKEEPING GUIDE · 2026

Uncategorized Transactions Cleanup Guide

Clear Uncategorized Income, Uncategorized Expense, Uncategorized Asset and Ask My Accountant before you close the year.

Inside

1. Where uncategorized balances come from
2. Step 1 – Export the rows
3. Step 2 – Paste, add rules, read the flags
4. Step 3 – Ask the owner the right questions
5. Step 4 – Fix in QuickBooks Desktop
6. Step 4 – Fix in QuickBooks Online
7. 12 real-world cases and edge cases
8. Year-end checklist, 1099 check and sources

Works with QuickBooks Desktop and QuickBooks Online exports, or any accounting software that can export a transaction list to Excel or CSV.
Built by a US tax and bookkeeping practice with 20+ years of bookkeeping experience.
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1 Where uncategorized balances come from

Uncategorized accounts are a parking lot. QuickBooks (and you) put money there when nobody decided where it belongs. A few dollars is normal during the year. A large balance at year-end means your profit, your balance sheet and your 1099 list may all be wrong.

Account	How it usually fills up	Why it matters
Uncategorized Expense	Bank or card transactions added without a category; imported or converted data	Expenses may be missed, double counted or personal
Uncategorized Income	Deposits added without a category	Customer payments may be counted twice (invoice + deposit); loans or owner money may look like sales
Uncategorized Asset	Transfers, opening balances or transactions brought in without an account	Balance sheet does not tie; equity may be wrong
Ask My Accountant	Items someone parked on purpose to ask about later	Often never asked; the question gets lost

The goal

Every row gets a real category, and each uncategorized account shows $0 (or a balance you can explain in one sentence) before you hand the books to your tax preparer.

> **Before you start:** back up your company file (Desktop) or export your reports (Online). Change only the category of each transaction — keep the date, amount and bank account the same so your reconciliations stay intact.

2 Step 1 – Export the rows

Run one report per uncategorized account for the whole year, then export it to Excel.

QuickBooks Desktop

1. Go to **Reports › Accountant & Taxes › Transaction Detail by Account**.
2. Click **Customize Report**. On **Display**, set the dates (for example 01/01/2026 to 12/31/2026).
3. On **Filters**, choose **Account** and pick the uncategorized account (for example Uncategorized Expenses or Ask My Accountant).
4. Click **Excel › Create New Worksheet** and save the file.

QuickBooks Online

1. Go to **Reports** and search for **Transaction Detail by Account**.
2. Set the report period to the full year.
3. Open the report filters and limit it to the uncategorized account. (Depending on your report view the filter is labelled Account or Distribution account.)
4. Run the report and use the **Export** icon › **Export to Excel**.

> Tip for Online: in **Chart of accounts**, the action next to an income or expense account opens a report of just that account — a quick way to see the same rows.

Which columns you need

Date · Type · Num · Name · Memo/Description · Amount. In the workbook you also choose which uncategorized account the rows came from. Leave out the Balance column.

3 Step 2 – Paste, add rules, read the flags

1. Open the **Cleanup** tab. Delete the example rows (yellow cells only).
2. Paste your rows into Date · Type · Num · Name · Memo · Amount, in that order.
3. In **Uncategorized account**, pick where the rows came from (fill it down for each report).
4. Open **Rules** and add keywords for vendors that repeat. A keyword is any part of the Name or Memo, for example **SHELL** or **COMCAST**.
5. Back on Cleanup, the **Suggested category** fills in. Check it. To override, choose **Your category**.

Flag in "What to check"	What to do
Possible duplicate	Same date, name and amount. Look for a bank-feed row and a manual entry of the same payment.
Deposit: already on an invoice?	Search open invoices for the amount. If found, the deposit should be the invoice payment, not new income.
Asset: transfer, loan, or opening balance?	Check the other bank or loan statement for the same amount.
Large amount	Ask for the receipt. Equipment, loans and owner money hide here. Change the alert amount if you like.
Negative amount	A refund or return: use the same category as the original purchase.
Round amount	$500, $1,000, $5,000… usually a transfer, owner money or a loan, not a purchase.

The green cells at the top tell you how many rows still need an answer and how much money that is.

4 Step 3 – Ask the owner the right questions

Some rows only the business owner can explain. The **Owner Questions** tab lists them automatically, with a plain question for each one. Print it or save it as PDF and send it.

Make it easy to answer

- Send one list, once — not twenty separate messages.
- Sort by amount if the list is long; the big items matter most.
- Ask for a short answer: "fuel", "personal", "loan from my brother-in-law's company", "customer #1021".
- Ask for receipts for anything over the large-amount alert.

Turn answers into categories

Type each answer into **Your category** on the Cleanup row shown in the last column. Add a Rule when the same vendor will come back next year.

> **Privacy:** you never need bank passwords, Social Security numbers or full account numbers to finish this list. Do not put them in the file or in email.

When the owner does not know

Use **Ask accountant**, write a one-line note in the Memo column of your report, and move on. One clear list of open questions is far better than a large uncategorized balance.

5 Step 4 – Fix in QuickBooks Desktop

Use the **Summary** tab as your to-do list. Work from the largest amounts down.

One transaction at a time (all Desktop editions)

1. Open your Transaction Detail by Account report (Step 1) inside QuickBooks.
2. Double-click a row to open the check, deposit, bill or journal entry.
3. Change the account on that line to the Final category. Do not change the date, amount or bank account.
4. Click **Save & Close**. Refresh the report; the row disappears from the uncategorized account.

Many at once (Accountant and Enterprise editions)

1. **Accountant › Client Data Review › Client Data Review**, set the review date range and basis.
2. Open **Reclassify Transactions**, choose the uncategorized account on the left.
3. Select the rows, tick **Account to**, pick the new account and click **Reclassify**.

> Limits from Intuit's help article: the Reclassify tool cannot change transactions that use Accounts Receivable or Accounts Payable (invoices, bills) or transactions linked to other transactions. Open those one by one. If a bill payment or customer payment is involved, fix the bill or invoice first.

Closed periods

If you set a closing date, QuickBooks warns you before saving a change in a closed period. Do not change a period that is already filed without your accountant.

6 Step 4 – Fix in QuickBooks Online

QuickBooks Online works differently from Desktop. Read this page even if you know Desktop well.

One transaction at a time (all plans)

1. Run the report from Step 1 in QuickBooks Online and click a row. The transaction opens.
2. Change the **Category** (or Account) on that line to the Final category and save.
3. For journal entries, change the account on the uncategorized line only.

Rows that came from the bank feed

A transaction added from **Banking › Bank transactions** can also be fixed there: open the tab that lists already-added transactions (shown as Categorized or Reviewed, depending on your version), choose **Undo** on the row, and it goes back to the review list so you can pick the right category. Undo is useful when the row was matched to the wrong transaction. Intuit renames these tabs from time to time; use the tab that holds added transactions.

Many at once (QuickBooks Online Advanced, or your accountant's QuickBooks Online Accountant)

1. Open **Settings** (gear) and choose **Reclassify transactions**. In some versions it sits under **Dimensions › Dimension assignment**.
2. Pick **Profit and Loss** or **Balance Sheet** accounts and the uncategorized account.
3. Select the rows, choose **Reclassify**, pick the new account and choose **Apply**.

> Limits from Intuit's help article: the bank or card account on an expense cannot be changed there; invoices, sales receipts, checks or bills with items allow class changes only; payroll transactions cannot be changed. Moving to A/R or A/P needs a customer or vendor. Simple Start, Essentials and Plus subscribers can fix rows one at a time, or their accountant can use the tool from QuickBooks Online Accountant.

7 12 real-world cases and edge cases

These come up in almost every year-end cleanup. They are general patterns, not advice for your business.

Case	Usual handling
1. Deposit equals an open invoice	Record it as the invoice payment (Receive Payment / match). If it is already in Uncategorized Income and the invoice is also open, income is counted twice.
2. Customer paid before the invoice existed	Create the invoice, then apply the payment to it. Year-end timing matters: ask your accountant which year it belongs to.
3. Credit card payment from checking	Transfer to the credit card account. The card purchases are the expenses; booking the payment as an expense counts them twice.
4. Owner's personal purchase	Owner Draw / Distribution (sole proprietor or partnership) — or a shareholder account for a corporation. Ask which one your entity uses.
5. Owner put money in	Owner Contribution, or a loan from the owner. Not income. Entity type matters.
6. Loan proceeds and loan payments	Proceeds go to the loan liability. Split each payment into principal (liability) and interest (expense) using the lender statement.
7. Payroll provider debits	Split net pay, payroll taxes and fees from the payroll report. One lump sum to Uncategorized Expense hides payroll tax liabilities.
8. IRS or state tax payment	Payroll tax deposit (liability), business tax (expense), or the owner's personal tax (owner draw). Check the tax type and year on the notice or payment record.
9. Duplicate after reconnecting a bank	Delete or exclude one copy. If one copy is already reconciled, keep that one.
10. Transaction already reconciled	Changing only its category does not change the reconciliation. Changing the amount, date or bank account does — avoid that.
11. Prior-year item found now	Do not edit a filed year on your own. Note it and ask your accountant whether to adjust this year or amend.
12. Old Uncategorized Asset balance	Often an opening balance or a transfer with one side missing. Compare to the bank statement at the starting date and ask your accountant before moving it to equity.

8 Year-end checklist, 1099 check and sources

1. Back up / export before changes.
2. Export each uncategorized account for the full year.
3. Paste into Cleanup, choose the account.
4. Add Rules for repeat vendors.
5. Send Owner Questions; get every answer.
6. "Rows to ask the owner" = 0.
7. Fix in QuickBooks, largest first; change only the category.
8. Leave filed or closed periods to your accountant.
9. Re-run the report: $0 or explained.
10. Review payees of $2,000+ for Form 1099-NEC.
11. File / furnish 1099-NEC by February 1, 2027.
12. Save the workbook with your year-end files.

About the 1099 column

For payments made in 2026, the IRS minimum for reporting nonemployee compensation on Form 1099-NEC is **$2,000** (it was $600 before). Payments made by credit card, debit card or a payment network are reported by the card or payment company on Form 1099-K, not by you on 1099-NEC. Form 1099-NEC is due January 31; when that date falls on a weekend the due date is the next business day — **February 1, 2027** for 2026 payments. The workbook only totals rows in the file; it does not decide who needs a 1099.

Sources (checked November 11, 2026)

- IRS, Instructions for Forms 1099-MISC and 1099-NEC (Rev. December 2026): irs.gov/instructions/i1099mec
- Intuit, Reclassify or move multiple transactions (QuickBooks Online): quickbooks.intuit.com/learn-support/en-us/help-article/reclassify-transactions/reclassify-move-multiple-transactions/L249lPKyg_US_en_US
- Intuit, Accountant tools: Reclassify your client's transactions (Desktop): quickbooks.intuit.com/learn-support/en-us/help-article/reclassify-transactions/accountant-tools-reclassify-clients-transactions/L5ZJQODLR_US_en_US

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