

Amazon Seller Bookkeeping Checklist (UK)

Monthly bookkeeping control checklist for Amazon FBA / FBM sellers - Designed for UK VAT, Making Tax Digital (MTD), and professional review

Use this checklist once per month, in order: Its purpose is to ensure your Amazon bookkeeping remains consistent, explainable, and defensible.

Section A — Amazon Settlements & Payouts

- Download all Amazon settlement reports covering the month
- Confirm all settlement periods overlapping the month are included
- Save reports using clear date-range file names

- Post each Amazon settlement to the Amazon clearing account
- Confirm gross sales, refunds, fees, VAT, and adjustments are recorded separately

- Reconcile each Amazon payout to the clearing account (not to revenue)
- Confirm payout amounts agree to settlement totals

- Confirm the Amazon clearing account balance is zero or clearly explained
- Document any timing differences (e.g. end-of-month sales, reserves)

Section C — Inventory & Cost of Goods Sold (COGS)

- Download and review the Amazon Inventory Ledger Report
- Confirm inventory movements broadly align with sales and purchases

- Confirm inventory remains on the balance sheet until sold, written off, or disposed of
- Confirm COGS is recognised when goods are shipped to customers

- Review lost, damaged, stranded, or obsolete stock
- Identify any inventory requiring write-down or follow-up

- Sense-check gross margin trends against prior months

Section B — Fees, Refunds & Reimbursements

- Review Amazon fees against settlement reports
- Confirm fees are correctly categorised (fulfilment, referral, storage, ads, etc.)

- Confirm refunds are recorded as refunds, not netted off sales
- Review refund volumes for unusual spikes or omissions

- Review reimbursement reports
- Confirm reimbursements are not treated as sales revenue
- Confirm reimbursements are matched to the original loss, write-off, or fee

Section D — VAT Checks (UK)

- Confirm current VAT registration status
- Review rolling 12-month taxable turnover monitoring

- Review VAT treatment of Amazon seller and FBA fees
- Confirm post-August 2024 Amazon fee VAT is coded correctly

- Check which sales are marketplace-facilitated vs seller-collected
- Confirm VAT treatment aligns with fulfilment method and registration status

- Sense-check VAT return logic:
 - Box 1 — Output VAT on sales
 - Box 4 — Reclaimable input VAT
 - Box 6 — Net taxable turnover (not Amazon payouts)
- Save VAT transaction reports and fee VAT invoices for the period

Section E — Multi-Channel Sales (If Applicable)

- Reconcile Stripe payouts to gross sales, fees, and net deposits
- Reconcile PayPal payouts separately from Amazon

- Review VAT treatment of Stripe fees (including reverse charge treatment where applicable)
- Confirm PayPal fees are treated as VAT-exempt

- Confirm non-Amazon sales are included in turnover monitoring
- Confirm each platform uses its own clearing account or equivalent control

Section F — Month-End Controls & Evidence

- Review all clearing accounts
- Confirm balances are zero or clearly explained and expected

- Review whether the VAT return can be prepared without routine manual “fixing” journals
- Identify any recurring adjustments that indicate system issues

- Save and back up key reports for the month:
 - Amazon settlement reports
 - VAT transaction and fee invoices
 - Inventory reports
 - Bank statements
- Log unresolved issues for follow-up (do not bury them in journals)

Notes:

This checklist supports reasonable care, consistent record-keeping, and a clear audit trail.

It does not replace professional advice for:

- Multi-country VAT
- Pan-EU inventory
- Complex restructuring
- Prior-period corrections

Used monthly, it helps ensure your Amazon bookkeeping remains structured, reviewable, and scalable.

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