

Stripe Reconciliation Checklist

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Purpose

To provide a structured monthly control process for reconciling Stripe activity to accounting records, VAT returns, and bank statements, and to support the demonstration of reasonable care in line with HMRC record-keeping expectations for UK ecommerce and Amazon sellers.

Frequency

Monthly, to be completed before VAT return submission and before finalising management or statutory accounts.

Retention period

Retain all supporting reports, reconciliations, and sign-off documentation for at least six years, in line with HMRC record-keeping requirements.

Scope note

This checklist assumes Stripe activity is recorded in Xero or QuickBooks using API integrations or manual CSV imports from Stripe reports. Where bank-feed-only posting or manual journal methods are used, additional verification steps may be required to achieve the same level of evidential support.

Escalation trigger

As an internal control guideline, any unreconciled variance exceeding £500, or any variance that remains unresolved for two consecutive months, should be escalated for accountant review. This threshold is a practical control point rather than an HMRC requirement.

1. Preparation: Reports to Download and Retain

Download the following reports directly from Stripe for the reconciliation period, typically a calendar month:

Stripe Balance Summary Report

Shows opening balance, activity, and closing balance, split between available, pending, and reserved funds.

Stripe Payments or Charges Export

Transaction-level detail of all customer payments, refunds, disputes, currencies, and transaction dates.

Stripe Payout Reconciliation Report

Details how Stripe balances convert into bank deposits.

Stripe Fees and Taxes Report

Itemised Stripe fees and indicators relevant to VAT and reverse charge treatment.

Also gather:

Bank statements covering all Stripe payouts received during the period

Amazon settlement reports for the same period, where Amazon is also used

Prior-month Stripe reconciliation working papers

Save all files in PDF or CSV format in a dated, retrievable folder.

2. Reconcile Gross Stripe Revenue

Objective: Confirm that accounting revenue reflects gross customer payments processed through Stripe, rather than net payouts.

- a. Total gross customer payments from the Stripe Payments or Charges Export.
- b. Compare this total to Stripe-related revenue posted in the general ledger.
- c. Confirm revenue is recorded gross, before Stripe fees and other deductions.

Investigate differences arising from:

Duplicate imports

Missing transactions

Month-end timing differences

- Currency conversion rounding

Key principle: Stripe payouts should not be used as a proxy for revenue.

3. Verify Refunds and Chargebacks

Objective: Confirm that revenue and VAT are adjusted correctly for refunds and disputes.

- Identify all refunds and chargebacks from the Stripe transaction export.
- Match each item to its original Stripe transaction ID.
- Confirm accounting entries reflect:
 - Revenue reversals in the appropriate period
 - Output VAT adjustments linked to the original supply
 - Chargeback and dispute fees posted as expenses

Refunds and chargebacks spanning accounting periods should remain traceable to the original sale.

4. Review Stripe Fees and VAT Treatment

Objective: Ensure Stripe fees are fully captured and VAT treatment is applied consistently.

- Total Stripe fees from the Fees and Taxes Report.
- Confirm fees are posted as operating expenses and not netted against revenue.
- Where the business is VAT-registered and the reverse charge applies:
 - Account for VAT at the applicable UK rate, subject to the nature of the service
 - Reflect output and input VAT in accordance with the VAT scheme and recovery entitlement

Typical VAT return treatment (depending on VAT scheme and software configuration):

Typical VAT return treatment will reflect reverse charge output and input VAT in the relevant sections of the VAT return, with the net value reported in accordance with the VAT scheme and accounting software configuration used.

If the business is partially exempt, confirm restricted input VAT recovery has been applied.

5. Reconcile the Stripe Clearing Account

Objective: Demonstrate that Stripe balances reconcile to accounting records.

- a. Review the Stripe clearing account balance in the general ledger.
- b. Compare it to the Stripe Balance Summary:
 - Available balance
 - Pending balance
 - Any reserves or holds
- c. Investigate differences caused by:
 - Pending settlements
 - Timing delays
 - Foreign exchange conversion timing
 - Chargebacks under review

At month-end, the clearing account balance should align with Stripe's reported closing balance, rather than necessarily being zero.

6. Reconcile Stripe Payouts to the Bank

Objective: Confirm cash receipts while maintaining separation between cash movement and revenue recognition.

- a. Match Stripe payout amounts to bank statement deposits.
- b. Confirm payout dates align with Stripe payout reports.
- c. Verify that Stripe payouts have not been posted directly to revenue accounts.

Bank statements evidence cash movement only and do not, by themselves, evidence turnover.

7. VAT Sense Check

Objective: Confirm VAT figures derived from Stripe activity are complete and internally consistent.

- Gross Stripe revenue is reflected in the appropriate VAT return turnover box, subject to the VAT scheme in use

Reverse charge VAT on Stripe fees is included where applicable

Refunds appropriately reduce output VAT

VAT reporting follows the transaction date, subject to the VAT scheme in use

Where Amazon is also used, confirm Stripe VAT figures align logically with Amazon VAT data.

8. Documentation and Sign-Off

Objective: Create a clear, HMRC-defensible audit trail.

Retain all reports used in the reconciliation

Save reconciliation workings and variance explanations

Document any estimates, accruals, or judgements applied

Record reviewer name and review date

Sign-off statement:

“I confirm that Stripe activity for the period has been reconciled to accounting records, VAT calculations, and bank statements, and that identified variances have been investigated and documented.”

What This Checklist Supports:

- Accurate gross revenue reporting
- Proper expense treatment of Stripe fees
- Consistent VAT reverse charge handling
- Reconciled Stripe balances
- Faster, clearer responses to HMRC enquiries
- Clean separation between Amazon and Stripe activity

Used as part of a broader bookkeeping process, it demonstrates structured controls and reasonable care in the management of Stripe accounting for UK ecommerce businesses.

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