ZAZEN TAX

Monthly Close Checklist

For online sellers. About ninety minutes, once a month, and January stops being frightening.

Month .... **Completed by** .... **Date** ....

Work through it in order. The sections build on each other: you cannot judge a margin until the fees are recorded, and you cannot judge the fees until the payouts are reconciled.

1. Sales and payouts — about 25 minutes

- [ ] **Pull the sales report for the month**
  Gross charges taken from customers, before any fees. This is your turnover, not the deposit.
- [ ] **List every payout that cleared the bank**
  From the bank statement, not the dashboard. Dates differ and that difference is most of the gap.
- [ ] **Record the processing fees as an expense**
  They came off before the money arrived, so they never appear unless you go looking for them.
- [ ] **Record refunds separately from sales**
  A refund is not a negative sale. It has its own cost, and the fee usually is not returned with it.
- [ ] **Check for chargebacks and their fees**
  Charged separately from the disputed sale, and easy to miss entirely.
- [ ] **Note any reserve held or released**
  It is still your money, so it belongs on the balance sheet rather than in the drain.
- [ ] **Reconcile: charges less deductions should equal the deposits**
  Zero is the goal. A small gap is worth chasing; a large one usually means a missing payout.
- [ ] **Log sales taken through other payment methods**
  PayPal, Klarna and offline orders never appear in the main processor's payouts at all.

> IF IT WILL NOT TIE
> Check in this order: a payout that cleared just outside the period, a refund against an older order, an unlogged chargeback, and any manual adjustment. If a gap survives all four and repeats monthly, it is a setup problem rather than a mistake, and it compounds quietly.

2. Costs that did not come through the platform about 15 minutes

- [ ] **Enter this month's supplier and service invoices**
  Software, accountancy, insurance, packaging, subscriptions. The small recurring ones add up to hundreds a year.
- [ ] **Record advertising spend from every ad account**
  Per platform, and ideally per product. Ad spend allocated to one lump hides which products it is actually working for.
- [ ] **Log business mileage for the month**
  55p a mile for the first 10,000 business miles from April 2026, then 25p. Trips to the post office and suppliers count.
- [ ] **Add the working from home claim**
  A flat rate or an apportionment of actual costs. Sole traders can claim either; a company reimburses the director instead.
- [ ] **Check nothing personal has crept into the business account**
  Ten seconds a month, and it prevents the single most tedious conversation at the year end.

3. Stock about 15 minutes

- [ ] **Record stock purchases at landed cost**
  Supplier price plus freight, duty and clearance. The invoice on its own understates it, often by a third.
- [ ] **Allocate shipment costs across the products in the box**
  By value share, consistently. Freight is charged for the container, not for the mugs.
- [ ] **Update stock on hand**
  Buying stock is not a cost. It is swapping cash for an asset, and the cost only lands when the goods sell.
- [ ] **Flag anything damaged, obsolete or being cleared**
  Stock is carried at the lower of cost and what you could actually sell it for. Write-downs reduce tax in the year the stock went bad.

4. The five numbers to actually look at about 15 minutes

- [ ] **Gross margin this month, against last month**
  A margin drifting down without a price change means supplier costs moved and prices did not follow.
- [ ] **Contribution per unit on your main products**
  Price less landed cost, fulfilment and fees. It decides your break-even volume and your maximum cost per sale.
- [ ] **Advertising return against your break-even ROAS**
  Break-even ROAS is one divided by your contribution margin. A 3x return is excellent on some products and loss-making on others.
- [ ] **Return rate, and what returns cost**
  A refund costs the postage out, the fee kept, the postage back and the handling, before the item itself.
- [ ] **Rolling twelve-month turnover against £90,000**
  Any twelve consecutive months, not your accounting year. It climbs faster than monthly sales do.

THE ONE THAT CATCHES PEOPLE

> The rolling twelve months. A shop at £66,600 in June can be over the threshold by September, because each growing month replaces a smaller one from a year ago as well as adding itself. Check it every month, not every year.

5. Move the money you already owe about 10 minutes

- [ ] **Transfer the tax set-aside to a separate account**
  A fixed percentage of every payout. Around 30 per cent covers most basic-rate sole traders once Class 4 is counted.
- [ ] **Move the VAT you collected, if you are registered**
  It is in your bank and it is not yours. Businesses that spend it are the ones that struggle to pay the return.
- [ ] **Check the cash position for the next thirteen weeks**
  Stock orders and the VAT quarter landing in the same week is the most common cash squeeze in e-commerce, and it is visible a quarter ahead.

6. Deadlines about 10 minutes

- [ ] **PAYE paid by the 22nd, if you run a payroll**
  The 22nd of the month following the tax month, paying electronically.
- [ ] **CIS return filed by the 19th, if it applies**
  Nil returns are still required, and the penalty starts the day after.
- [ ] **VAT return due this month?**
  One month and seven days after the quarter end. Points-based penalties now apply to late returns.
- [ ] **Making Tax Digital update due?**
  Quarterly, by the 7th of August, November, February and May, if your qualifying income is over £50,000.
- [ ] **Any annual date within the next sixty days?**
  Accounts, corporation tax, the confirmation statement or Self Assessment. The tax payment falls three months before the return that calculates it.
- [ ] **Diarise anything found**
  A deadline noticed and not written down is a deadline missed with extra steps.

> IF ANY SECTION TOOK MUCH LONGER THAN THE ESTIMATE
> That is worth noticing rather than enduring. Payouts taking an hour usually means the sales and the fees are not being captured separately. Stock taking an hour usually means landed cost is being worked out from scratch each time instead of once per shipment.

Free tools for the whole list

Payout reconciliation, landed cost, break-even ROAS, SKU margins, the returns log, the VAT threshold tracker, the thirteen week cash flow forecast and the tax calendar are all free workbooks on zazentax.com. They use the same figures as this checklist.

Zazen Tax

Accountants for people who sell things. zazentax.com/contact

General information, not advice for your circumstances. Rates are 2026/27 for England, Wales and Northern Ireland and change from time to time.