Marketplace settlement review

LumenTrail Commerce Demo LLC | December 2024

The payout matches the bank. Why does clearing still have a balance?

The fictional bank receipts are valid. The accounting around them needs another look. A Shopify payout was credited to sales even though the settlement integration had already recorded revenue. A processing fee was also imported twice.

The review separates those errors from legitimate balances: payouts received after month-end and money still held in reserve. It demonstrates settlement reconciliation, cutoff review and supported corrections without forcing clearing to zero.

Standalone fictional scenario. It does not reconcile to the annual LumenTrail dataset or the other portfolio examples. All source extracts and financial effects are simulated.

The simulated accounting effect

Measure	Before review	After simulated entries
Net sales	$91,600.00	$73,600.00
Marketplace and processing fees	$11,080.00	$10,480.00
Result before product COGS and other costs	$80,520.00	$63,120.00
Cash	$44,800.00	$44,800.00
Settlement clearing	$44,820.00	$27,420.00
Reserve receivable	$1,500.00	$1,500.00
Total processor receivables	$46,320.00	$28,920.00

What changes and what does not

The simulated corrections reduce overstated net sales by $18,000.00 and duplicate fee expense by $600.00. The channel result decreases by $17,400.00. Cash does not change because both bank receipts were already recorded for the correct amounts.

The corrected $28,920.00 receivable remains on the Balance Sheet with specific support. There is no write-off or plug entry to make it disappear.

The channel result excludes product COGS, other operating costs and taxes. It is not a complete gross margin or business net profit measure. No live QuickBooks entries were posted.

From sales activity to the payout

A payout is what remains after the platform processes several different types of activity. Recording only the bank deposit as sales can omit refunds and fees, distort revenue, and leave the settlement clearing account unresolved.

Settlement calculation

Settlement	Net sales	Fees	Net reserve added	Expected payout
AMZ-D01	$22,800.00	$5,400.00	$600.00	$16,800.00
AMZ-D02	$17,200.00	$4,000.00	$300.00	$12,900.00
SHP-D01	$18,600.00	$600.00	$0.00	$18,000.00
SHP-D02	$15,000.00	$480.00	$0.00	$14,520.00
Total	$73,600.00	$10,480.00	$900.00	$62,220.00

Net sales = $78,000 gross sales - $700 discounts - $3,700 refunds. Expected payout = net sales - fees - reserve withheld + reserve released. Reserve movements affect receivables, not revenue or expense.

The bank date determines the cash cutoff

Settlement	Bank receipt	Amount	December 31 treatment
AMZ-D01	December 17	$16,800.00	Received cash; clearing settled
SHP-D01	December 19	$18,000.00	Received cash; correct its offset
SHP-D02	January 3	$14,520.00	Payout receivable at cutoff
AMZ-D02	January 4	$12,900.00	Payout receivable at cutoff

December bank receipts total $34,800.00. With $10,000.00 of opening bank cash, the modeled closing cash balance is $44,800.00. The January receipts support December receivables without being moved into December cash.

The reserve has a separate explanation

The Amazon reserve opens at $600.00. December withholdings add $1,400.00 and releases reduce it by $500.00. Closing reserve is $1,500.00, agreeing to the fictional RSV-CLOSE platform control. Its later release has not been verified.

Source: workbook Sources, Settlement Reconciliation and Payout Matching. The scenario excludes sales tax, currency conversion, disputes and chargebacks. Platform and bank records are invented extracts, not client attachments.

Two errors with different evidence

The bank deposit repeated revenue

BANK-SHP-01 records the valid December 19 receipt of $18,000.00. Its credit went to Product Sales - Shopify. The original SHP-D01 settlement had already recorded $20,000.00 of gross sales, $400.00 of discounts, $1,000.00 of refunds and $600.00 of processing fees.

The receipt should settle Shopify Payments Clearing. It should not create another sale. The evidence is the matching settlement ID, payout calculation, bank amount and integration posting.

Supported change: replace the deposit offset from product sales with Shopify clearing, while preserving its bank amount and receipt date. The simulated accounting effect is a debit to sales and a credit to clearing for $18,000.00.

Completion check: the original settlement revenue remains; the bank receipt is recorded once; SHP-D01 clearing is settled after the fee duplicate is addressed.

One processing fee was posted twice

SHP-D01 contains one $600.00 processing fee. The ledger also records DUP-FEE-01 for the same fee event, debiting processing expense and crediting Shopify clearing again. The synthetic integration extract identifies a repeated import rather than a new charge.

Supported change: reverse only DUP-FEE-01. Debit Shopify clearing and credit processing fee expense for $600.00. Retain the valid original fee and linked settlement activity.

Completion check: the expense agrees to the single source fee and the remaining Shopify balance agrees to SHP-D02, received January 3.

The balances that require no correction

AMZ-D02 and SHP-D02 are supported by their January bank receipts. The $1,500.00 reserve is supported separately by RSV-CLOSE. Neither the late payouts nor the reserve is an unexplained accounting difference under these facts.

This is the distinction the review needs to make visible: an error requires a supported correction; a valid receivable requires a documented explanation and follow-up. A zero balance alone proves neither.

The corrected balance has support

Supported receivables at December 31

Balance	Support	Amount
Amazon settlement clearing	AMZ-D02; received January 4	$12,900.00
Shopify payments clearing	SHP-D02; received January 3	$14,520.00
Amazon reserve receivable	RSV-CLOSE; still held at cutoff	$1,500.00
Total processor receivables	Agrees to the simulated adjusted ledger	$28,920.00

Equivalent accounting entries

Entry	Debit	Credit	Amount
AJ-01	Product Sales - Shopify	Shopify Payments Clearing	$18,000.00
AJ-02	Shopify Payments Clearing	Payment Processing Fees - Shopify	$600.00

AJ-01 illustrates the effect of recategorizing the original deposit. If that source record is safely edited, do not also post this entry. Select one method. In a live file, check closed periods, integration links and reconciliation status before changing either record.

Final completion checks

Every scheduled payout has one identified bank match and no amount difference. December cash includes only receipts dated by cutoff. Adjusted net sales and fees agree to the settlement extracts. Both clearing accounts agree to the unpaid payouts at month-end, and the reserve agrees to its separate control.

The unadjusted ledger and both simulated adjustments balance. The accounting equation remains balanced after the changes. An input test also confirmed that a changed bank receipt amount produces a visible mismatch for investigation.

The repeatable monthly control

Reconcile platform activity to settlement entries, match payouts by reference and date, explain each remaining clearing balance, and retain reserve support. Investigate duplicate imports and bank-feed coding before making a change. Explain the effect on sales, fees, cash and receivables in the monthly close.

This sample demonstrates accounting investigation and a simulated resolution. It does not represent recovered money, real client results, external confirmation or a live accounting-system change.

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