

Mentoring at Scale

Platform Fee and Payment Processor Reconciliation

*How Stripe, PayPal, YouTube, Patreon,
Substack, Gumroad, Kick, and Ko-fi
actually report - and how to book them
without losing your mind.*

First edition 2026
The Baratelli Institute

Why This Matters

Reconciling platform revenue against your books is the number-one recurring monthly time sink for the person doing a creator's ledger. Every platform reports differently. Every fee structure is a moving target. Every 1099-K arrives in January with a number that does not match the revenue you booked. Nobody has written the document that explains how to close the gap.

This reference closes that gap. Eight platforms, each with a sample statement showing exactly what appears on the platform's dashboard and how each fee is calculated, followed by the journal entry that ties to that statement line-by-line. Every calculation is shown. Every entry balances. The person doing the books can copy the JE straight into QuickBooks with only the dollar amounts changed to match the actual month.

Show Our Work

Every fee shown in this document includes its calculation. When Stripe charges \$3.20 on a \$100 transaction, you see the arithmetic: 2.9% times \$100 is \$2.90, plus a \$0.30 fixed fee is \$3.20. That is how the Baratelli Foundations guides are written across the whole library. The bookkeeper who understands the calculation can catch a Stripe rate change six months from now; the bookkeeper who only sees the answer cannot.

The Gross-vs-Net Principle

Before any specific platform, understand the underlying accounting rule. Revenue is what the customer paid. Fees are an expense. When a \$10 subscriber signs up on your paid Substack, Substack takes \$1 (10%), then Stripe takes about 30 cents plus 2.9% underneath. You receive roughly \$8.41. But your revenue is \$10 and your fees are \$1.59.

Book the payout net - \$8.41 credit to revenue - and you have understated revenue by \$1.59. Three problems follow. First, when the 1099-K arrives in January reporting the gross (\$10), your books will be \$1.59 short per subscriber for the year. Second, your fee expense is invisible - you cannot deduct what you never recorded. Third, your platform reports show subscriber counts that no longer tie to your P&L.

The right entry is always: debit Cash for what hit the bank, debit one or more Platform Fee Expense accounts for the fees, credit Revenue for gross. Every module below uses this pattern.

The 1099-K Gross-Reporting Rule (why net booking fails at year-end)

Five of the eight platforms in this reference - Patreon, Substack, Gumroad, Kick, and Ko-fi - file 1099-K forms with the IRS based on GROSS receipts, not net-of-fee payouts. YouTube AdSense is the sole exception (Google reports on your net share via 1099-MISC). Stripe and PayPal are the underlying processors, and they too report gross.

The consequence is arithmetic. The 1099-K sent to the IRS shows the total gross your customers paid. Your tax return reports your gross revenue. If you booked revenue at net (the amount that hit your bank), your return will report less than the 1099-K shows, and the IRS matching system will flag the discrepancy. The letter usually arrives 12-18 months later. It always favors the IRS.

Show our work. The mismatch cost, annualized at a realistic operating scale for each platform:

Platform	Annual scale example	Line item (walk down)	Amount
Patreon (Pro tier 8% + 3% processing = 11%)	500 patrons × \$10/mo × 12 mo	Gross (1099-K reports)	\$60,000
		Less: fees (11% × \$60,000)	(6,600)
		Net booked (if you err)	\$53,400
		Year-end mismatch	\$6,600
Substack (10% + Stripe 2.9%+30¢ = ~16.6% blended)	300 subs × \$8/mo × 12 mo	Gross (1099-K reports)	\$28,800
		Less: fees (16.6% × \$28,800)	(4,780)
		Net booked (if you err)	\$24,020
		Year-end mismatch	\$4,780
Gumroad (10% flat)	\$50,000 in annual product sales	Gross (1099-K reports)	\$50,000
		Less: fees (10% × \$50,000)	(5,000)
		Net booked (if you err)	\$45,000
		Year-end mismatch	\$5,000
Kick (5%)	\$30,000 in annual sub + tip revenue	Gross (1099-K reports)	\$30,000
		Less: fees (5% × \$30,000)	(1,500)
		Net booked (if you err)	\$28,500
		Year-end mismatch	\$1,500
Ko-fi (0% on tips + 2.9% PayPal processing)	\$10,000 in annual tip revenue	Gross (1099-K reports)	\$10,000
		Less: fees (2.9% × \$10,000)	(290)
		Net booked (if you err)	\$9,710
		Year-end mismatch	\$290

The Year-end mismatch on the bottom line of each calculation column is what the IRS sees on the 1099-K but not on the return. On the Patreon example, \$6,600 of underreported revenue at a 30%

blended marginal rate (income tax + SE tax) is roughly \$1,980 of underpaid tax the IRS will bill, plus interest and possibly penalties. Multiply across multiple platforms and the exposure compounds fast.

The fix. Book every platform at gross, with the fee as a separate expense debit. The gross number will tie to the 1099-K. The fee number will be deductible on Schedule C. Both problems solved by the same JE structure the modules below already use.

If your prior-year books were done on net, the fix is straightforward: reconstruct the gross-and-fee split from platform statements before your CPA files this year's return. Two or three hours of platform-report exports is dramatically cheaper than an IRS matching notice a year from now.

Platform Modules

Eight platforms. Same structure for each: how they report, payout schedule, fee structure, 1099-K threshold, sample statement (with the arithmetic shown), the journal entry that ties to the statement, and the common gotcha that trips bookkeepers up.

1. Stripe (the payment layer underneath most of the others)

How they report. Stripe dashboard shows gross transactions, refunds, chargebacks, and fees. Reports available as CSV export. Payouts to your bank are net of fees but Stripe DOES report gross to the IRS on 1099-K.

Payout schedule. Rolling daily payouts by default, T+2 business days. Can be reconfigured to weekly or monthly. First payout after account setup takes 7-10 days.

Fee structure. 2.9% + 30 cents per successful card charge for standard integrations. Higher for international cards (+1%), ACH (0.8% capped at \$5), and higher-risk categories. Chargeback fee \$15.

1099-K threshold. For calendar year 2026 the federal threshold is \$2,500 in gross transactions (dropping to \$600 in 2027 barring further delay). Individual states may have lower thresholds.

Sample platform statement. One \$100 successful card charge, as it appears on the Stripe dashboard:

Statement line item	Show the work	Amount
Gross card charge	—	\$100.00
Stripe fee	$2.9\% \times \$100 = \2.90 ; + \$0.30 flat = \$3.20	(3.20)
Net payout to your bank	$\$100.00 - \$3.20 =$ \$96.80	\$96.80

Journal entry from that statement. The \$100 gross charge (top of the statement) becomes the credit to Revenue. The \$3.20 Stripe fee - calculated as 2.9% of \$100 (\$2.90) plus a \$0.30 fixed processing fee - becomes the debit to Stripe Fees. The \$96.80 that actually hit your bank becomes the debit to Cash. Check the math: debits $\$96.80 + \$3.20 =$ \$100.00 credits. Balanced.

Account	Debit (Dr)	Credit (Cr)
Cash	\$96.80	
Stripe Fees	\$3.20	
Revenue (Sales)		\$100.00

Common gotcha. Chargebacks. When a customer disputes a charge, Stripe pulls the original amount back PLUS a \$15 fee. The gross revenue disappeared but the fee lingers. Book the reversal as shown in the chargeback JE below or your revenue will overstate.

Chargeback JE: reversing the \$100 sale plus recording the \$15 dispute fee

Show our work. Stripe pulls \$115 off your balance (\$100 refund to customer + \$15 dispute fee). The original \$3.20 Stripe processing fee is NOT refunded - you eat that cost too. This entry reverses the sale, records the dispute fee, and captures the net \$18.20 you are now out of pocket (\$3.20 kept from original + \$15 dispute fee).

Account	Debit (Dr)	Credit (Cr)
Revenue (Sales)	\$100.00	
Payment Processing	\$15.00	
Cash		\$115.00

Net impact after the chargeback: Revenue \$0 (original \$100 credit reversed by \$100 debit), Cash out \$18.20 (original \$96.80 in, \$115 out), Stripe Fees \$3.20 (kept), Payment Processing +\$15 (the dispute fee). The bookkeeper who reverses only the Cash side without recording the dispute fee understates fee expense and misstates the P&L. Note: this JE uses **Payment Processing** for the \$15 chargeback fee - the same account you use for regular Stripe/PayPal processor fees. A dedicated Chargeback Fees sub-account is optional; add one under Payment Processing if you want to track chargeback losses separately, but the parent account is where the dollars land.

2. PayPal

How they report. PayPal dashboard shows transactions in categorized buckets - payments received, sends, refunds, disputes. CSV export available. Reports 1099-K on gross received.

Payout schedule. Instant availability of funds in PayPal balance. Bank transfer takes 1-3 business days. Instant transfer to bank available for a 1% fee (capped).

Fee structure. 2.99% + 49 cents for standard commercial transactions (2026 rates). International transactions add 1.5%. Friends-and-family transfers are free but should NEVER be used for business income - the tax treatment gets messy and PayPal reserves the right to reverse.

1099-K threshold. Same federal 1099-K threshold as other processors (\$2,500 in 2026).

Sample platform statement. One \$100 commercial payment received, as PayPal reports it on the transactions tab:

Statement line item	Show the work	Amount
Gross payment received	—	\$100.00
PayPal fee	2.99% × \$100 = \$2.99; + \$0.49 flat = \$3.48	(3.48)
Net to PayPal balance	\$100.00 – \$3.48 = \$96.52	\$96.52

Journal entry from that statement. Same mapping pattern as Stripe. The \$100 gross becomes Revenue credit. The \$3.48 fee - 2.99% of \$100 (\$2.99) plus \$0.49 fixed - becomes the PayPal Fees debit. The \$96.52 remainder becomes Cash debit. Debits: \$96.52 + \$3.48 = \$100.00 credits.

Account	Debit (Dr)	Credit (Cr)
Cash	\$96.52	
PayPal Fees	\$3.48	
Revenue (Sales)		\$100.00

Common gotcha. Friends-and-family payments from sponsors. Some sponsors will offer to pay F&F to save you (and them) the fee. Refuse F&F specifically - no invoice trail, no dispute rights, PayPal can reverse it. But 2.99% + 49¢ is expensive; if the sponsor wants to save the fee, offer a cheaper commercial alternative that still gives you a paper trail: ACH via your accounting stack (0-1%), a direct bank wire (\$15-25 flat), a paper check mailed to your address (free), or an invoice with net-30 terms. The rule is not "take commercial or lose the deal" - it is "take anything with an invoice and a defensible receipt, avoid F&F."

3. YouTube AdSense

How they report. AdSense dashboard shows daily earnings estimates and finalized monthly earnings. Reports on your revenue share (roughly 55% for standard videos), not on gross ad revenue collected by Google.

Payout schedule. Monthly payout on the 21st-26th of the month for the prior month's earnings. Minimum \$100 balance to trigger payout. YouTube's revenue calculation runs through mid-month, so December earnings arrive in late January.

Fee structure. YouTube keeps 45% for long-form video; you receive 55% of ad revenue. For Shorts the revenue-sharing formula is more complex (Shorts fund allocation, not per-video ad share). Membership subscriptions: YouTube keeps 30%.

1099-K threshold. Google reports on your net share, not gross. 1099-MISC (not 1099-K) issued for calendar year totals above \$600.

Sample platform statement. One month's payout on the AdSense dashboard (your 55% share, not the gross ad revenue Google collected):

Statement line item	Show the work	Amount
Estimated ad revenue (your 55% share)	Underlying gross $\sim \$3,636.36 \times 55\% =$ \$2,000 (Google keeps 45% - never on your statement)	\$2,000.00
Google withholding / adjustments	—	\$0.00
Net payout to your bank	$\$2,000 - \$0 =$ \$2,000	\$2,000.00

Journal entry from that statement. AdSense is the exception. YouTube deducts its 45% BEFORE the number appears on your statement, so your books never see the underlying gross. Your \$2,000 statement line IS your revenue and IS your cash - no separate fee expense debit, because the fee lives entirely on Google's side. Cash \$2,000 debit, AdSense Revenue \$2,000 credit. Two-account entry.

Account	Debit (Dr)	Credit (Cr)
Cash	\$2,000.00	
AdSense Revenue		\$2,000.00

Common gotcha. AdSense timing. The revenue you 'earned' in November per the dashboard might not be finalized until late December, and the actual payout hits in mid-January. On accrual books,

book November revenue in November even if the cash arrives later. On cash books, book when the payment hits.

YouTube AdSense: Year-End Accrual (accrual-basis filers only)

The timing gap. YouTube finalizes December ad revenue in late December but does not pay until the January 21st-26th window. On accrual basis, the revenue was earned in December and must be recorded in the December books. On cash basis, book when the cash arrives. This section is for accrual-basis filers only.

Show our work. Assume the AdSense dashboard on December 31 shows estimated December earnings of \$2,150. That is your accrued revenue - money earned but not yet received.

December 31 - accrue the estimated December revenue:

Account	Debit (Dr)	Credit (Cr)
Due from Platforms — AdSense	\$2,150.00	
AdSense Revenue		\$2,150.00

January (payout date) - the cash arrives and clears the receivable:

Account	Debit (Dr)	Credit (Cr)
Cash	\$2,150.00	
Due from Platforms — AdSense		\$2,150.00

The receivable (Due from Platforms - AdSense) nets to zero once cash arrives, and the December revenue stays in December where it belongs. If the actual payout differs from the accrued estimate (which happens - the December 31 dashboard number is estimated, not finalized), book the difference as a small revenue true-up in January.

January true-up if actual payout is \$2,180 (accrued \$2,150; underestimated by \$30):

Account	Debit (Dr)	Credit (Cr)
Cash	\$2,180.00	
Due from Platforms — AdSense		\$2,150.00
AdSense Revenue		\$30.00

January true-up if actual payout is \$2,120 (accrued \$2,150; overestimated by \$30):

Account	Debit (Dr)	Credit (Cr)
Cash	\$2,120.00	
AdSense Revenue	\$30.00	
Due from Platforms — AdSense		\$2,150.00

Same accrual pattern applies to any platform with a lag between earning and receiving - Patreon, Substack, Kick, any monthly payout - if you are on accrual basis. Cash-basis filers ignore the accrual entirely and book only when the cash hits.

4. Patreon

How they report. Patreon dashboard shows gross patron pledges, processing fees, platform fees, and payout amount as separate lines. Full transaction detail exportable.

Payout schedule. Monthly payouts on the 1st of the following month. Minimum threshold to trigger payout is \$25 for standard tier.

Fee structure. Patreon takes 5% (Lite), 8% (Pro), or 12% (Premium) of gross patron revenue. On top of that, payment processing fees (Stripe or PayPal) run 2.9%-5% depending on transaction size and geography. Total effective fee: 8-17%.

1099-K threshold. Patreon reports 1099-K on gross patron payments at the same federal threshold.

Sample platform statement. One month of gross patron pledges (Pro tier 8% + 3% processing), from the Patreon payout summary:

Statement line item	Show the work	Amount
Gross patron pledges	—	\$1,000.00
Patreon platform fee	8% (Pro tier) × \$1,000 = \$80	(80.00)
Payment processing fee	~3% × \$1,000 = \$30	(30.00)
Net payout to your bank	\$1,000 – \$80 – \$30 = \$890	\$890.00

Journal entry from that statement. Four statement lines map to four JE accounts. The \$1,000 gross becomes Revenue credit. The 8% Patreon fee \$(80) becomes a Platform Fee debit. The 3% processor fee (\$30) becomes a Payment Processing debit - kept separate so you see platform cost vs. processor cost distinctly in QuickBooks. The \$890 remainder becomes Cash debit. Debits: \$890 + \$80 + \$30 = \$1,000 credits.

Account	Debit (Dr)	Credit (Cr)
Cash	\$890.00	
Platform Fee - Patreon	\$80.00	
Payment Processing Expense	\$30.00	
Membership Revenue		\$1,000.00

Common gotcha. The double-fee. Patreon takes their cut AND passes through the processor's cut. Both show up on the statement. Book them as two distinct expense categories in QuickBooks so you can track platform vs. processor cost. Collapsing them into one number hides the migration

decision.

5. Substack

How they report. Substack dashboard shows subscriber counts, gross MRR, Substack's 10% cut, and Stripe's processing charge underneath. Payouts land in your Stripe account, which then pays out to bank on Stripe's schedule.

Payout schedule. Substack does not directly pay you. Substack sits on top of Stripe. Money flows: subscriber pays Substack -> Substack takes 10% -> passes remainder to your Stripe account -> Stripe pays your bank (T+2 rolling).

Fee structure. Substack 10% of gross. Stripe 2.9% + 30 cents underneath. For an \$8/month subscriber: Substack takes 80 cents, Stripe takes about 53 cents. You receive \$6.67.

1099-K threshold. Stripe issues the 1099-K on gross received. Substack does not issue a separate 1099. The 1099-K will show the full \$8 per subscriber-month, not the \$6.67 you actually received.

Sample platform statement. One \$8/month subscription flowing through the Substack + Stripe stack:

Statement line item	Show the work	Amount
Gross subscription (subscriber pays)	—	\$8.00
Substack platform fee	$10\% \times \$8.00 = \mathbf{\$0.80}$	(0.80)
Stripe processing fee	$2.9\% \times \$8.00 = \$0.232; + \$0.30 \text{ flat} = \mathbf{\$0.53}$	(0.53)
Net to your bank (via Stripe)	$\$8.00 - \$0.80 - \$0.53 = \mathbf{\$6.67}$	\$6.67

Journal entry from that statement. Two layers of fees, two separate expense debits. The \$8 gross becomes Revenue credit. The Substack 10% (\$0.80) is one expense debit. The Stripe processing fee (\$0.53, calculated as 2.9% of \$8 plus \$0.30 fixed) is a second expense debit. The \$6.67 remainder becomes Cash debit. Debits: $\$6.67 + \$0.80 + \$0.53 = \8.00 credits. Balanced.

Account	Debit (Dr)	Credit (Cr)
Cash	\$6.67	
Platform Fee - Substack	\$0.80	
Stripe Fees	\$0.53	
Subscription Revenue		\$8.00

Common gotcha. Double-count from misreading the 1099-K. Because Stripe issues the 1099-K on gross (\$8) and Substack takes 10% on top, some bookkeepers accidentally book revenue at \$8 AND at \$7.20 (post-Substack), creating a \$0.80 overstatement per subscriber. Read the Stripe 1099-K as the authoritative revenue figure; Substack's 10% is an EXPENSE, not a revenue reduction.

6. Gumroad

How they report. Gumroad dashboard shows sales, refunds, and their fee structure. Payouts weekly via ACH or Stripe.

Payout schedule. Weekly payouts every Friday for the prior week's net sales, once your account is verified. First payout has a 7-14 day hold.

Fee structure. Flat 10% of sales for all creators in 2026 (down from tiered pricing prior). No monthly fee. Payment processing built in.

1099-K threshold. 1099-K from Gumroad on gross sales at federal threshold.

Sample platform statement. One \$100 digital product sale, from the Gumroad payout report:

Statement line item	Show the work	Amount
Gross sale	—	\$100.00
Gumroad fee (processing included)	10% flat × \$100 = \$10.00	(10.00)
Net payout to your bank	\$100 – \$10 = \$90	\$90.00

Journal entry from that statement. Simplest of the eight. Gross sale \$100 = Revenue credit. Gumroad fee \$10 (10% flat, processing baked in - no separate Stripe or PayPal line) = one expense debit. Net \$90 = Cash debit. Debits: \$90 + \$10 = \$100 credits.

Account	Debit (Dr)	Credit (Cr)
Cash	\$90.00	
Platform Fee - Gumroad	\$10.00	
Digital Product Sales		\$100.00

Common gotcha. Refunds within 30 days. A customer buys your \$49 course, downloads it, requests a refund on day 25. Gumroad refunds them and reverses the fee back to you (you get your \$10 fee back but lose the \$100 revenue). Book the reversal correctly (credit Cash \$90, credit Gumroad Fee \$10, debit Revenue \$100). If you only reverse Cash, your books stay off.

7. Kick (Twitch alternative)

How they report. Kick dashboard shows subscription revenue, tips, and their fee share. Payouts monthly to your bank via Stripe.

Payout schedule. Monthly payouts on the 15th for the prior month's earnings, minimum \$50.

Fee structure. Kick's revenue-sharing model is 95/5 - streamer keeps 95%, Kick keeps 5%. Deliberately more-generous than Twitch's 50/50 as of 2026, intended to attract talent.

1099-K threshold. 1099-K from Kick on gross received.

Sample platform statement. One month of subscription + tip revenue on the Kick streamer dashboard:

Statement line item	Show the work	Amount
Gross subscription + tip revenue	—	\$1,000.00
Kick platform fee	$5\% \times \$1,000 = \50	(50.00)
Net payout to your bank	$\$1,000 - \$50 = \$950$	\$950.00

Journal entry from that statement. Three statement lines, three JE accounts. Gross \$1,000 = Revenue credit. Kick fee \$50 = expense debit. Net \$950 = Cash debit. Debits \$950 + \$50 = credits \$1,000.

Account	Debit (Dr)	Credit (Cr)
Cash	\$950.00	
Platform Fee - Kick	\$50.00	
Streaming Revenue		\$1,000.00

Common gotcha. Kick's 95/5 relies on the platform being subsidized by owners. The split will likely tighten as the platform matures. Model your unit economics on a more conservative 80/20 to avoid dependency; reconcile actual split each month against the dashboard.

8. Ko-fi

How they report. Ko-fi dashboard shows one-time tips, monthly memberships, shop sales, and commission fees. Direct payouts via PayPal or Stripe.

Payout schedule. Ko-fi passes payouts directly through to your PayPal or Stripe. No holding period; funds arrive on the processor's schedule.

Fee structure. Ko-fi Gold: 0% platform fee (annual subscription \$6/mo). Ko-fi Free tier: 5% for shop sales and memberships, 0% for tips. Processor fees separate.

1099-K threshold. 1099-K from the underlying processor (PayPal or Stripe) on gross received.

Sample platform statement. One month of one-time tips (Free tier - Ko-fi charges 0% on tips):

Statement line item	Show the work	Amount
Gross tip revenue	—	\$50.00
Ko-fi platform fee	0% on tips (Free tier) × \$50 = \$0.00	\$0.00
PayPal processing fee	~2.9% × \$50 = \$1.45	(1.45)
Net to your PayPal balance	\$50 – \$0 – \$1.45 = \$48.55	\$48.55

Journal entry from that statement. Ko-fi charges 0% on Free-tier tips - the platform-fee line on the statement is \$0 and there is no corresponding expense debit in the JE. The only fee that hits your books is PayPal's \$1.45 processing charge. Revenue \$50 credit, PayPal Fees \$1.45 debit, Cash \$48.55 debit. Debits \$48.55 + \$1.45 = \$50 credits.

Account	Debit (Dr)	Credit (Cr)
Cash	\$48.55	
PayPal Fees	\$1.45	
Tip Revenue		\$50.00

Common gotcha. Tip vs. shop-sale distinction. Ko-fi treats tips (voluntary, no product delivered) differently than shop sales (product delivered). Both are business income in the U.S., but the accounting category differs and some states treat them differently for sales tax purposes.

The Reconciliation Matrix - Eight Platforms at a Glance

The full comparison. Rows are platforms; columns are the attributes the bookkeeper needs when reconciling any given month. Print this page and tape it inside the cabinet next to the QuickBooks workstation.

Platform	Payout schedule	Total fee to you	1099-K issuer	Reports gross or net?	Example JE (per \$100 gross)
Stripe	Rolling T+2	2.9% + 30¢	Stripe	Gross	Cash \$96.80 Dr Stripe Fees \$3.20 Dr Revenue \$100 Cr
PayPal	Instant to balance; 1-3d to bank	2.99% + 49¢	PayPal	Gross	Cash \$96.52 Dr PayPal Fees \$3.48 Dr Revenue \$100 Cr
YouTube AdSense	Monthly 21st-26th	YouTube keeps 45% You get 55% net	Google (1099-MISC)	Net	Cash \$55 Dr AdSense Rev \$55 Cr (no fee line - net share)
Patreon	Monthly 1st	8-17% total (5-12% Patreon + processor)	Patreon	Gross	Cash \$89 Dr Patreon Fee \$8 Dr Processing \$3 Dr Revenue \$100 Cr
Substack	Via Stripe (T+2)	10% Substack + Stripe 2.9%+30¢	Stripe (K)	Gross	Cash \$83.38 Dr Substack Fee \$10 Dr Stripe Fees \$6.62 Dr Revenue \$100 Cr
Gumroad	Weekly Friday	10% flat	Gumroad	Gross	Cash \$90 Dr Gumroad Fee \$10 Dr Revenue \$100 Cr
Kick	Monthly 15th	5%	Kick	Gross	Cash \$95 Dr Kick Fee \$5 Dr Revenue \$100 Cr
Ko-fi	Direct via PayPal or Stripe	0-5% Ko-fi + processor 2.9-3%	Processor (Stripe/PayPal)	Gross	Cash \$97.10 Dr PayPal Fees \$2.90 Dr Revenue \$100 Cr (Ko-fi Gold, tips)

The pattern is the same across every platform: debit Cash for what actually hit the bank, debit one or more fee-expense accounts for what the platform kept, credit Revenue for the gross amount your customer paid. YouTube AdSense is the sole exception - Google reports on your net share and there is no separate fee line to record.

Cross-Platform: Stripe Sits Underneath Most of the Others

Substack, Gumroad in some regions, Kajabi, Teachable, Thinkific, Circle, Memberful, and dozens of other creator platforms use Stripe as the underlying payment processor. That means the reader who runs a paid Substack does not really need to reconcile Substack directly - they need to reconcile the Substack activity report against the Stripe activity report against the bank deposit. Three data sources, one truth.

The pattern: Stripe is the source of truth for what actually happened at the payment layer. The platform report tells you what the platform took as its cut. The bank deposit tells you what hit your account after both fees. All three should reconcile to the penny. When they do not, the discrepancy is almost always in the platform report or in unbooked refunds.

Three-Way Reconciliation Worksheet: Platform → Stripe → Bank

A monthly workflow. Fill in the amounts from each of the three source documents. There are two check-points: Line 3 must equal Line 4, and Line 6 must equal Line 7. If either check fails, investigate that specific step. The template uses Substack as the example (10% platform fee) but the same structure works for Kajabi, Teachable, Thinkific, Circle, Memberful, or any Stripe-underneath platform - only the platform-fee percentage on Line 2 changes.

#	Source and description	Show the work	Amount
1	Platform statement: Gross customer revenue for the month (subscriber pledges, course sales, membership fees, etc.)	Sum of gross transactions per platform activity report	\$_____
2	Platform statement: Platform's fee cut for the month (Substack 10%, Kajabi flat monthly + %, Circle 4%, etc.)	Line 1 × platform fee % (Substack: Line 1 × 10%)	\$(_____)
3	Amount platform passed to your Stripe account (this is what Substack forwarded to Stripe)	Line 1 – Line 2	\$_____
« CHECK 1: Line 3 should equal Line 4 »			
4	Stripe statement: Gross received for the month (what Stripe recorded as coming in from the platform)	Stripe dashboard: Gross volume filtered to the month	\$_____

#	Source and description	Show the work	Amount
5	Stripe statement: Stripe processing fees for the month (2.9% + \$0.30 per transaction, aggregated)	Stripe dashboard: Total fees for the month	\$(_____)
6	Stripe payouts: Total paid to your bank this month (sum of every payout batch Stripe sent)	Line 4 – Line 5	\$_____
<i>« CHECK 2: Line 6 should equal Line 7 »</i>			
7	Bank statement: Total Stripe deposits received this month (look for 'STRIPE PAYOUT' or similar in bank descriptions)	Sum of Stripe deposits on bank statement, filtered to month	\$_____

Where the reconciliation typically breaks

Check 1 fails (Line 3 ≠ Line 4). The platform's fee percentage moved (Substack raised its cut; Kajabi added a transaction fee), or the platform batched two months into one Stripe transfer due to a payout delay. Re-verify the fee rate on the platform's current pricing page, then check for a payout-timing shift near the month boundary.

Check 2 fails (Line 6 ≠ Line 7). Stripe payouts crossed month-end (the last batch of the month landed in the bank on the 1st or 2nd of the next month), OR you have chargebacks or refunds Stripe pulled back that hit the bank in the same period. Adjust for calendar-cutoff timing and for any reversal transactions.

If both checks tie, the platform is behaving correctly and Stripe is behaving correctly. Whatever difference remains between the bank deposits and your booked revenue is a bookkeeping problem, not a platform-or-processor problem. That is where the JE templates and the 1099-K reconciliation worksheet come in.

Do this reconciliation once a month for every Stripe-underneath platform you use. Fifteen minutes per platform per month. Over the year, you will catch the platform-fee-rate change or the batched-payout timing issue before it becomes a March scramble.

1099-K Matching Workflow

In January and February, every platform sends the creator (and the IRS) a 1099-K showing gross transactions for the prior calendar year. The number rarely matches what the creator booked as revenue. This is the annual moment of reconciliation truth.

The workflow is three steps and one worksheet. Step 1: pull the 1099-K amount from each platform, total them. Step 2: pull your booked revenue from those same platforms for the calendar year, total them. Step 3: use the reconciliation worksheet below to identify the source of any gap. If lines 1 through 12 of the worksheet net to your booked revenue on line 13, reconciliation is complete. If not, investigate the largest remaining variance and add a line for it.

1099-K to Books Reconciliation Worksheet

Start with the 1099-K total. Add or subtract each reconciling item. Arrive at booked revenue. The template covers the common items; the “Other” rows are for anything unusual.

#	Reconciliation item	Direction	Show the work	Amount
1	1099-K amount, all platforms combined (Stripe + PayPal + Patreon + Substack + Gumroad + Kick + Ko-fi + any other 1099-K issuers)	Starting	Sum of every 1099-K box 1a received in January	\$_____
2	Refunds included in 1099-K gross but netted against revenue in books	(Subtract)	Refunds shown as separate line on platform statements	\$(___)
3	Chargebacks included in 1099-K gross but booked as separate expense	(Subtract)	Chargeback totals from Stripe / PayPal dispute reports	\$(___)
4	December 31 cutoff: transactions in 1099-K but booked in the following year	(Subtract)	Bank deposits dated 12/31 that you posted in January's books	\$(___)
5	December 31 cutoff: revenue booked this year but appears on next year's 1099-K	(Add)	Accrued revenue on the balance sheet at 12/31 (see accrual JE)	\$_____
6	Cash-vs-accrual timing: revenue earned but not yet in the 1099-K	(Add)	Accrual-basis only. Amount on Due from Platforms - AdSense at 12/31	\$_____

#	Reconciliation item	Direction	Show the work	Amount
7	Cash-vs-accrual timing: cash received this year for revenue earned next year	(Subtract)	Deferred revenue on the balance sheet at 12/31 (annual subs)	\$(_____)
8	Sales tax included in 1099-K gross but recorded as a liability, not revenue	(Subtract)	Sales tax collected on merch; see Sales Tax Payable account	\$(_____)
9	Tips on Ko-fi or other platforms booked as tips, not sales revenue	(Subtract)	Only if you booked tips to a separate account outside of revenue	\$(_____)
10	Other: _____ (describe)	(+/-)		\$_____
11	Other: _____ (describe)	(+/-)		\$_____
12	Other: _____ (describe)	(+/-)		\$_____
13	Booked revenue per your books (should equal Line 1 ± Lines 2-12)	Ending	Sum of Platform Revenue accounts on your P&L for the calendar year	\$_____

If Line 13 (booked revenue) equals Line 1 (1099-K) plus or minus Lines 2 through 12, the reconciliation is complete. If not, investigate the largest remaining variance and add a line for it in one of the Other slots. Do not plug the difference to 'other income' at year-end - the IRS matches 1099-K to the return line by line and any material unreconciled variance invites correspondence.

Rule of thumb: reconcile within \$50 total variance across all platforms. Anything larger is a real error that will show up on either the return or an audit.

Reconciling Items Explained

What each line of the worksheet actually captures, and where to find the number.

Line 2 - Refunds included in 1099-K gross.

Platforms report gross transactions to the IRS, including transactions that were later refunded. Your books may have posted the refund as a debit to Revenue (net-of-refund treatment) instead of a separate Refunds contra-account. Pull the refund total from each platform's statement and subtract it here. The 1099-K number was inflated by that amount relative to how you booked it.

Line 3 - Chargebacks.

Same treatment issue as refunds. A chargeback reverses the original transaction plus a fee. If you booked the reversal as a Chargeback Fee expense and reduced Revenue, the platform's 1099-K still includes the original gross charge in its box 1a. Subtract chargeback totals to reconcile.

Line 4 and 5 - December 31 cutoff.

A transaction dated December 31 might land in your bank in January. On cash basis, the deposit arrives in January and you book it in the following year, but the platform's 1099-K may include it in the December year based on when the transaction was processed. Line 4 handles that direction. Line 5 handles the opposite - revenue you accrued in December (see the YouTube accrual JE earlier) that shows up on the following year's 1099-K.

Line 6 and 7 - Cash-basis versus accrual-basis timing.

Accrual-basis filers accrue revenue when earned; cash-basis filers book when the cash arrives. Line 6 captures revenue earned but not yet paid (the Due from Platforms - AdSense at 12/31 example). Line 7 captures deferred revenue - cash received for future service, like an annual Substack subscription paid in full where you have only performed one month.

Line 8 - Sales tax on merch.

If you sold physical product and collected sales tax through Gumroad, Stripe, or Shopify, the 1099-K may include the sales-tax portion in gross. Your books should have posted the tax to a Sales Tax Payable liability account, not to Revenue. Subtract the sales-tax collected to reconcile.

Line 9 - Tips booked outside revenue.

If you separately account for tips (some creators book them to a Tip Income line outside of Product Revenue), and the platform's 1099-K includes tips in its total, you need to subtract the tip amount here to keep the reconciliation clean.

Lines 10, 11, 12 - Other.

Everything else. Common candidates: a 1099-K double-counted between the platform and its underlying processor (rare but happens with Substack/Stripe), a currency-conversion adjustment on international transactions, a bank hold that delayed December revenue into January, a bookkeeper misclassification you catch during reconciliation. Describe the item, mark the direction, enter the amount.

Monthly Reconciliation Checklist

Run this the first weekend of every month for the prior month. Ninety-percent of year-end reconciliation pain is caused by skipping this monthly discipline.

Step	Task	Time
1	Export each platform's monthly activity report to CSV	15 min
2	Book each platform's revenue as a proper JE (use the templates above)	30 min
3	Reconcile each platform's total deposit to bank statement deposits	20 min
4	Match refunds and chargebacks to their original transactions	15 min
5	Verify Stripe payout report ties to Stripe dashboard total for the month	10 min
6	Note any exceptions in a running log for CPA review	10 min

Total: about 100 minutes per month per active platform. For a creator on three platforms, budget three hours the first weekend of each month.

The reader who runs this checklist monthly closes their year in half a day. The reader who skips it burns two weeks in March. Choose accordingly.

Educational reference. Not tax, legal, or investment advice. Consult a qualified professional for your specific situation.

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