SZ ACCOUNTING

CPA-LED ACCOUNTING · TAX · ADVISORY

AMAZON DROPSHIPPING

STARTUP WORKBOOK

A step-by-step planning journal for registering, launching, and sourcing your Amazon dropshipping business in Indiana

PREPARED FOR

Business Name: ________________________________

Date Started: _____________________

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WELCOME

Congratulations on taking the first step toward launching your Amazon dropshipping business. This workbook was built by SZ Accounting to walk you through the process from the ground up: registering your business in Indiana, understanding Amazon's rules for dropshipping, sourcing reliable suppliers, pricing for real profit, and setting up bookkeeping habits that will save you time and stress at tax season.

This is a working journal, not just a reading guide. Each section includes a checklist and fillable fields so you can print it out and complete it by hand, or fill it in directly on your computer and save it for your records.

How To Use This Workbook

- Work through the steps in order. Each one builds on the last.
- Check off each box as you complete it. Leave nothing half-done before moving on.
- Use the blank lines to record account numbers, dates, supplier names, and decisions so everything lives in one place.
- Keep this workbook with your business records. You and your accountant will both reference it later.

SZ ACCOUNTING TIP | This is a general starting guide.
Every business situation is different. Before you file paperwork or make tax decisions, schedule a consultation with SZ Accounting so we can tailor this plan to your specific product, structure, and goals.

ABOUT SZ ACCOUNTING

SZ Accounting is a virtual-first, CPA-led accounting and advisory firm based in Indianapolis, Indiana, built for entrepreneurs who want more than a once-a-year tax appointment. With 20+ years of tax preparation and advisory experience, SZ Accounting helps new business owners build their financial foundation correctly the first time, so growth never outpaces good bookkeeping.

Services For Growing Businesses

- Business formation and registration support, including entity selection and state filings
- Monthly bookkeeping, reconciliation, and financial reporting
- Tax preparation and planning, including real estate entities, Schedule E, and K-1 partnerships
- Personal and business credit building and advisory
- Fractional CFO and executive advisory services for scaling businesses
- AI-driven automation and workflow setup to save time on repetitive tasks
- Financial education: workshops and CPA exam coaching

Why Business Owners Choose SZ Accounting

- CPA-led: every engagement is grounded in real credentialed expertise, not just software
- 20+ years of hands-on tax and advisory experience across a wide range of industries and entity types
- Virtual-first, so you get responsive, flexible support without the overhead of an in-person office visit
- Tech-forward: SZ Accounting uses modern automation to keep your books accurate and your reporting current

SZ ACCOUNTING TIP | This workbook is just the starting point.

Registering your business and launching on Amazon is step one. SZ Accounting can help with everything that comes next: bookkeeping systems, quarterly tax planning, sales tax compliance, and advisory support as your store grows. Schedule a consultation at www.szaccountingpro.com.

STEP 1 Register Your Business in Indiana

Before you list a single product, your business needs a legal foundation. Indiana offers two common starting structures for a new dropshipping business: a sole proprietorship or a Limited Liability Company (LLC).

Sole Proprietorship

A sole proprietorship requires no state filing. It exists automatically the moment you begin doing business activity for profit. If you plan to operate under a name other than your own legal name, you will need to file an Assumed Business Name (DBA) with your County Recorder's office.

Limited Liability Company (LLC)

An LLC separates your personal assets from your business liabilities, which matters for e-commerce sellers dealing with product returns, shipping disputes, and customer claims. To form one, you file Articles of Organization with the Indiana Secretary of State through the INBiz portal for a $95 online filing fee (or $100 by mail). LLCs must maintain a Registered Agent with an Indiana address and file a Business Entity Report every two years ($32 online).

Your Registration Checklist

- ☐ Decide on a business structure: Sole Proprietorship or LLC
- ☐ Choose two to three business name options and check availability through INBiz
- ☐ If forming an LLC: file Articles of Organization through INBiz ($95 online)
- ☐ Appoint a Registered Agent with a physical Indiana address
- ☐ Draft an Operating Agreement (recommended for LLCs, though not legally required)
- ☐ Apply for a free Employer Identification Number (EIN) at irs.gov
- ☐ If operating under a name other than your legal or LLC name, register an Assumed Business Name: LLCs file through INBiz ($30); sole proprietors file with the County Recorder
- ☐ Register for an Indiana Registered Retail Merchant Certificate (RRMC) through INBiz before making taxable sales ($25 per business location)
- ☐ Open a dedicated business bank account
- ☐ If an LLC: calendar your Business Entity Report, due every two years ($32 online)

Fill In As You Go

Business structure chosen: ____________________________________

Business name options: ________________________________

Registered Agent name & address: ________________________________

EIN: ____________________________________

Indiana RRMC / sales tax ID: ________________________________

Target business launch date: ________________________________

SZ ACCOUNTING TIP | Separate your money from day one.

Even sole proprietors benefit from a dedicated business bank account and clean bookkeeping from the very first sale. It makes tax time simpler, strengthens your credibility with suppliers, and protects you if you convert to an LLC later. SZ Accounting can set up your books correctly the first time.

STEP 2

Know Amazon's Dropshipping Rules

Amazon still allows dropshipping, but only within a strict set of rules. Understanding these before you list your first product will help you avoid the account suspensions that catch many new sellers off guard.

What Amazon Requires

- You must be the seller of record for every item you list.
- Your business name and address must appear on all packing slips, invoices, and other customer-facing materials, not your supplier's.
- All third-party branding, logos, and paperwork from your supplier must be removed before the item reaches the customer.
- You must handle customer returns directly rather than routing them to your supplier.
- Your delivery times must be accurate and competitive. Amazon favors listings that can realistically deliver in 5 to 7 days.
- High-volume sellers must comply with the federal INFORM Consumers Act, which requires marketplaces to collect and verify certain seller information.

What Amazon Prohibits

The most common policy violation is retail dropshipping: buying products from another retailer, such as Walmart or Target, and having that retailer ship directly to your Amazon customer. This is not the same as working with a legitimate wholesale or dropship supplier, and Amazon treats it as a serious violation because the customer often receives packaging or receipts that expose the arrangement.

Your Compliance Checklist

- ☐ Read Amazon's official Drop Shipping Policy inside Seller Central
- ☐ Confirm each supplier can ship using neutral packaging, or your own branding, with no supplier name visible to the customer
- ☐ Confirm your supplier is a legitimate wholesaler or dropship partner, not a retail store
- ☐ Confirm your supplier's shipping timeline supports a realistic delivery promise
- ☐ Set up a returns process that you manage directly
- ☐ Review the INFORM Consumers Act requirements if you expect high sales volume

SZ ACCOUNTING TIP | Protect your account before you protect your profit.

A suspended Amazon account can freeze payouts for weeks. Build your supplier agreements around Amazon's rules from the start rather than trying to fix a violation after the fact.

STEP 3

Meet Amazon's Address & Insurance Requirements

Business Address Requirements

Amazon requires a real, verifiable street address for both your business and the account holder, a PO Box, UPS Store box, or unstaffed mailbox drop will not pass verification. Amazon confirms the address by mailing a postcard with a unique code that you enter into Seller Central, and the address you list becomes public on your seller storefront.

Your business address must match exactly across every record: your Indiana business registration, your EIN paperwork, your bank account, and your Amazon account. A mismatch on any one of these is one of the most common causes of verification delays and account holds.

If you run the business from home and want to keep that address private, a legitimate staffed virtual office or commercial mail receiving agency (one that files IRS Form 1583) can provide a compliant street address. Disposable or unstaffed mailbox services are not accepted and can trigger suspension.

- ☐ Confirmed the address you plan to use is a real street address, not a PO Box
- ☐ Confirmed the address matches your Indiana registration, EIN, and bank account exactly
- ☐ Decided whether to use your own address or a compliant virtual office/commercial mail address for privacy
- ☐ Ready to receive and enter Amazon's postcard verification code

Insurance Requirements

As the seller of record, you carry the legal liability if a product you sold causes injury or damage, even though you never touch the item and your supplier ships it. Courts generally treat the seller of record as if they were the manufacturer for liability purposes, so product liability coverage matters from your first sale, not just once you scale.

Amazon requires commercial general liability insurance of at least $1 million per occurrence once a seller's gross sales reach $10,000 in a month, with Amazon listed as an additional insured on the certificate of insurance. Most ecommerce insurance policies bundle product liability inside general liability coverage.

- ☐ Requested a general liability / product liability quote before your first sale
- ☐ Confirmed the policy is occurrence-based and covers every product you list on Amazon
- ☐ Set a reminder to secure $1M coverage with Amazon listed as additional insured before crossing $10,000 in monthly sales
- ☐ Asked your provider for an Amazon-formatted Certificate of Insurance (COI)

Business address used on Amazon: ________________________________

Insurance provider & policy number: ________________________________

Policy effective date: ________________________________

SZ ACCOUNTING TIP | Consistency protects you.

SZ Accounting doesn't sell insurance, but we can help you budget for it and confirm your business name and address stay consistent across your state registration, EIN, bank account, insurance policy, and Amazon account. That consistency is what keeps verification smooth.

STEP 4

Set Up Your Amazon Seller Account

Amazon offers two seller account types. Choosing the right one depends on how many items you expect to sell each month.

Plan	Cost	Best For
Individual	$0.99 per item sold, no monthly fee	Testing products, fewer than about 40 sales per month
Professional	$39.99 per month flat fee	Consistent volume above about 40 sales per month; unlocks advertising, bulk tools, and Featured Offer eligibility

Both plans are subject to Amazon's referral fee, which runs roughly 8 to 15 percent of the sale price depending on product category, with a $0.30 minimum per item. Because your supplier is fulfilling orders directly, most dropshippers sell as Fulfilled by Merchant (FBM) rather than using Fulfillment by Amazon (FBA).

Your Setup Checklist

- ☐ Gather your EIN or SSN, bank account and routing number, a credit card, a government-issued ID, and a phone number
- ☐ Choose your selling plan: Individual or Professional
- ☐ Complete Amazon's seller registration and identity verification
- ☐ Set up your Seller Central storefront and business information to match your registered business name exactly
- ☐ Check whether your product category requires additional approval before you can list

Selling plan chosen: ____

Product category: ____

Seller account approved on: ____________________________________

SZ ACCOUNTING TIP | Match your names exactly.

The business name, address, and EIN on your Amazon account should match your Indiana registration exactly. Mismatches are one of the most common causes of account verification delays.

STEP 5

Source Your Products & Vet Suppliers

Reliable sourcing is what separates a dropshipping business that lasts from one that collapses under refunds and slow shipping. Since your product is already chosen, this step is about finding a supplier you can trust and confirming they can meet Amazon's requirements.

Where To Find Suppliers

- Supplier directories that pre-vet wholesalers, such as SaleHoo, Worldwide Brands, or Wholesale Central
- Dropshipping platforms that integrate with your store and automate order routing, such as Spocket, Syncee, or CJdropshipping
- Direct outreach to manufacturers and wholesalers in your product's niche, confirming in writing that they support dropshipping

Favor domestic or US-based suppliers where possible. Customers now expect delivery within 5 to 7 days, and overseas shipping times can put your account's performance metrics at risk.

Supplier Vetting Checklist

- ☐ Requested and reviewed a product sample before committing
- ☐ Confirmed pricing, minimum order quantity, and lead time in writing
- ☐ Confirmed the supplier can ship with neutral or your own branding, with no supplier name visible
- ☐ Checked reviews and references for order accuracy and communication
- ☐ Confirmed their return and damaged-item policy
- ☐ Confirmed the supplier is a legitimate wholesaler, not a retail storefront

Supplier Comparison Worksheet

Supplier Name	Product	Unit Cost	Lead Time	Neutral Packaging?	Sample Ordered?

SZ ACCOUNTING TIP | Get it in writing.

Verbal promises about pricing and lead times tend to change once you place a real order. Confirm terms by email so you have a record to hold your supplier to, and to reference at tax time when reconciling cost of goods sold.

STEP 6	Set Up a Returns Process

As the seller of record, you are responsible for every customer return and refund, even though your supplier physically ships and may physically receive the item back. The customer should only ever interact with your business name, never with your supplier's.

Decide upfront where a returned item actually goes: back to you, to a fulfillment partner, or directly to your supplier under a pre-arranged agreement. Confirm each supplier's return and damaged-item policy in writing before you list their product, not after your first complaint.

Amazon's standard return window is 30 days after delivery for most eligible products, though some categories differ. Build your supplier's return timeline and any restocking terms into your pricing worksheet so a return doesn't quietly erase your margin.

Refund the customer through Amazon promptly once a return is confirmed, even if you are still waiting on your supplier to process it on their end. A slow refund can trigger an A-to-Z claim and hurts the account health metrics Amazon uses to evaluate you.

Your Returns Checklist

- ☐ Confirmed each supplier's return and damaged/defective item policy in writing
- ☐ Decided where returned items physically go: you, a 3PL, or the supplier
- ☐ Set a standard refund turnaround time for your customers
- ☐ Built expected return and restocking costs into your Step 7 pricing worksheet
- ☐ Set up a simple log to track returns and reasons by product

Return address on file: ________________________________

Standard refund turnaround: ______________________________

Supplier return policy summary: ______________________________

SZ ACCOUNTING TIP | Slow refunds cost more than the return itself.

A refund that lags behind the customer's expectation is one of the fastest ways to trigger an A-to-Z claim. Process the customer's refund the moment a return is confirmed, then reconcile the cost with your supplier separately.

STEP 7 Price For Profit

Amazon fees add up quickly. Before you set a sale price, run the numbers so you know what you actually keep. Use this worksheet for each product you plan to list.

Cost Item	Amount
Product cost from supplier	_______________
Amazon referral fee (avg. 8-15% of sale price)	_______________
Selling plan fee ($0.99/item or $39.99/mo ÷ volume)	_______________
Shipping / fulfillment cost	_______________
Advertising / miscellaneous	_______________
Total cost per unit	_______________
Planned sale price	_______________
Net profit per unit (sale price minus total cost)	_______________
Profit margin % (net profit ÷ sale price)	_______________

SZ ACCOUNTING TIP | Price the fees in, not around them.
A healthy dropshipping margin typically needs to clear Amazon's referral fee, your selling plan cost, and your product and shipping cost, with enough left over to cover advertising and still turn a real profit. If the math is tight before you have even made a sale, it is worth reconsidering the price or the supplier.

STEP 8 Bookkeeping & Tax Basics

Good bookkeeping habits from your first sale will save you hours, and money, when tax season arrives.

- ☐ Keep business and personal finances completely separate
- ☐ Track every transaction: product cost, Amazon fees, shipping, advertising, and supplier payments
- ☐ Set aside 25 to 30 percent of profit for federal and state income taxes, and pay quarterly estimated taxes if required

- ☐ Confirm whether Amazon, as a marketplace facilitator, is collecting and remitting Indiana sales tax on your sales; either way, keep your RRMC registration active and compliant
- ☐ Keep supplier invoices and return records for at least three years
- ☐ Reconcile your Amazon Seller Central payout reports every month
- ☐ Revisit your business structure with a CPA as sales grow; an S-corp election can reduce self-employment tax once profits reach a meaningful level

SZ ACCOUNTING TIP | Stop guessing. Start growing.

SZ Accounting builds bookkeeping systems specifically for e-commerce sellers: automated expense tracking, sales tax compliance, and quarterly tax planning so nothing surprises you in April. Reach out when you are ready to hand off the numbers and focus on your store.

YOUR 30 / 60 / 90 DAY ACTION PLAN

Use this page to turn the steps in this workbook into a real timeline. Fill in specific goals and the actions that will get you there.

Days 1-30: Foundation

Goal: ____

Key actions: ____

____

Days 31-60: Launch

Goal: ____

Key actions: ____

____

Days 61-90: Optimize

Goal: ____

Key actions: ____

____

RESOURCES & GLOSSARY

Where To Go

- INBiz (Indiana business registration and RRMC): inbiz.in.gov
- IRS EIN application (free): irs.gov
- Indiana Department of Revenue: in.gov/dor
- Amazon Seller Central: sellercentral.amazon.com
- Supplier directories: SaleHoo, Worldwide Brands, Wholesale Central
- Dropshipping platforms: Spocket, Syncee, CJdropshipping
- Virtual/commercial business address providers: search "staffed virtual office" or "CMRA with Form 1583", avoid unstaffed mailbox drops
- Ecommerce general/product liability insurance: NEXT Insurance, Hiscox, The Hartford, or an independent commercial insurance agent

Glossary

- RRMC: Registered Retail Merchant Certificate, Indiana's sales tax permit
- EIN: Employer Identification Number, a federal tax ID for your business
- FBA: Fulfilled by Amazon, Amazon stores and ships your inventory
- FBM: Fulfilled by Merchant, you or your supplier ship directly to the customer
- MOQ: Minimum Order Quantity, the smallest amount a supplier will sell per order
- Referral Fee: Amazon's commission on each sale, typically 8-15% of the sale price
- Seller of Record: the party legally responsible for the sale, which must be you
- Featured Offer: the highlighted buy button on a listing, formerly called the Buy Box

READY FOR YOUR NEXT STEP?

SZ Accounting helps entrepreneurs register their business, build clean bookkeeping systems, and plan ahead for taxes, so you can focus on growing your store.

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