SOP: Reconciling the Fulfillment by Amazon (FBA) Inventory Report

1. Once your product has arrived at an Amazon Fulfillment Center, Amazon can and often does move your inventory within their fulfillment network.

2. The products can and do get lost or damaged during these moves.

3. You would therefore need to keep track of this and claim for reimbursements for any losses or damages.

4. These are the adjustment reason codes and types as they relate to your FBA Inventory:

Code	Type	Description	Code group
6	-	Damaged at Amazon fulfillment center	A decrease to your carrier-damaged inventory level. It is always followed by a P code increase to your warehouse-damaged inventory level.
7	-	Damaged at Amazon fulfillment center	A decrease to your expired inventory level. It is always followed by a P code increase to your warehouse-damaged inventory level.
E	-	Damaged at Amazon fulfillment center	A decrease to your sellable inventory level. It is always followed by a P code increase to your warehouse-damaged inventory level.
H	-	Damaged at Amazon fulfillment center	A decrease to your customer-damaged inventory level. It is always followed by a P code increase to your warehouse-damaged inventory level.
K	-	Damaged at Amazon fulfillment center	A decrease to your defective inventory level. It is always followed by a P code increase to your warehouse-damaged inventory level.
U	-	Damaged at Amazon fulfillment center	A decrease to your distributor-damaged inventory level. It is always followed by a P code increase to your warehouse-damaged inventory level.
D	-	Inventory disposed of	A decrease to your inventory level because inventory has been disposed of
F	+	Inventory found	An increase to your inventory level because missing inventory has been found
N	+	Inventory found	An increase to your inventory level because previously incorrectly assigned inventory has been transferred to your account or because you received an Amazon reimbursement
M	-	Inventory misplaced	A decrease to your inventory level because inventory is missing from a bin location in a fulfillment center
5	-	Inventory misplaced	A decrease to your inventory level because inventory is missing from a bin location in a fulfillment center
3	+	Product redefinition transfer in	Two products with separate identifiers (SKUs) are determined to be the same item. One SKU will be removed from your inventory and added (code 3) as the other SKU.
4	-	Product redefinition transfer out	Two products with separate identifiers (SKUs) are determined to be the same item. One SKU will be removed from your inventory and added (code 3) as the other SKU.
O	-	Inventory correction	Units transferred out of your account because they were incorrectly received to your inventory or because Amazon has reimbursed you for them
P	+	Inventory disposition change	Units of a certain disposition are added to your inventory after the removal from a different disposition. This always follows a code 6, 7, E, H, K, U, or Q adjustment.
Q	-	Inventory disposition change	Units of a certain disposition are removed from your inventory and then added back to your inventory as a different disposition. This is always followed by a P code adjustment.

5. We need to concern ourselves mainly with the below adjustment reason codes when looking at our FBA Inventory Report:

- ▸ D - Inventory disposed of
- ▸ E - Damaged at Amazon Fulfillment Center
- ▸ M - Inventory Misplaced
- ▸ Q - Other disposition change

6. Further to this, these are the Inventory Dispositions we should also be aware of.

7. Inventory Disposition refers to the physical state of a unit or units:

Inventory disposition	Inventory state	Definition
Sellable	Sellable	Inventory that looks and functions as described in the listing
Defective	Unsellable	Inventory that does not look or function as described in the listing and is not visibly damaged, for example, a recalled product
Customer damaged	Unsellable	Inventory that was damaged by a customer
Distributor damaged	Unsellable	Inventory that was damaged by the seller, vendor, or distributor during receiving
Warehouse damaged	Unsellable	Inventory that was damaged at an Amazon fulfillment center
Carrier damaged	Unsellable	Inventory that was damaged by a carrier during receiving, while in transit to the customer, or while in transit back to Amazon due to a return
Expired	Unsellable	Inventory that has passed its expiration date as described in Date/Lot

8. You can find your FBA Inventory Report by selecting "Fulfillment" from the Drop Down Menu of the "Reports" tab on Seller Central.

9. In order to reconcile your FBA Inventory Report, you would need to first download it so that we can sort and arrange it as needed so that we can find all adjustments quickly and easily in order to know which ones we need to request a reimbursement for.

10. Select "Fulfillment" from the Drop Down Menu of the "Reports" tab on Seller Central.

11. On the next page under the "Inventory" Heading on the left side menu, click the "Inventory Adjustments" link and select the "Download" tab on the next page.

12. Select the Date Range you wish to run the report for and then click with the yellow "Request .csv download" button if you would like your report in excel format or the grey "Request .txt download" button if you would like your report in a notepad of word format.

13. Once your Report Status on the right side of your Download Line says "Download", click this "Download" button to download and open your report.

14. As mentioned previously, we need to sort by reason code and look for codes D, E, M and Q.

15. This will then allow us to reconcile where a SKU or ASIN was lost but then found or where it remains lost or damaged.

- Where an Adjustment Code is D, the product has been disposed of and you can immediately make a note to create a case for reimbursement for this ASIN.

- Where an Adjustment Code is E, the product was damaged while in the care of Amazon and you can also immediately make a note to create a case for reimbursement for this ASIN.

- Where an Adjustment Code is M, the product is missing and is considered misplaced. You would first have to see which of these M-coded ASINs appear again with an F Code as some of these items may have been found. Those that do not have a matching F Code remain missing and you can then make a note to request a reimbursement for these ASINs.

- Where an Adjustment Code is Q, the product was removed from your inventory from a specific disposition status and then added back to your inventory with a new disposition status. You would need to reconcile these ASINs with any of the same ASINs with a P Code. Anything not found with the P Code in a newly constituted Disposition may need to receive a reimbursement unless that Disposition is Defective, Customer Damaged, Distributor Damaged, Carrier Damaged by YOUR Carrier or Expired.

16. It is further important to note that Amazon will automatically seek to reimburse you for the other codes, that is, anything that is re-dispositioned as Warehouse Damaged or Carrier Damaged but it does not do any harm to open cases for these to be reimbursed anyway.

17. Armed now with your list of ASINs that need reimbursements, you can proceed to open a case for them.

See Also:

- [SOP: Forecasting for Fulfillment by Amazon (FBA) Shipments](#) ⎘
- [SOP: Creating Shipments for Fulfillment by Amazon (FBA)](#) ⎘
- [SOP: Reconciling Inbound FBA Shipments](#) ⎘
- [SOP: Creating Cases for Inbound FBA Shipment Discrepancies](#) ⎘
- [SOP: Creating Cases for Reimbursements from FBA Inventory](#) ⎘
- [SOP: Reconciling FBA Customer Returns Reimbursements](#)
- [SOP: Creating Cases for FBA Customer Returns not Refunded](#) ⎘