

# Publishing Through Amazon

**Provided by: Tammie Neumiller**

I have obtained information regarding setting up a Business Number and GST number for ABA so that we can sell through Amazon ourselves.

I have discussed this with Dan. This was his response.

“I don't think it is a significant issue. It wouldn't be a bad idea to get a business number and start filing tax returns for the not-for-profit. I generally do recommend it, I just haven't done so since the numbers are so small and I didn't want the society to increase their filing obligations. We could register a business number and a GST number. I would recommend going ahead and doing it.

The process from your side wouldn't change much. The only thing you will have to remember is to add GST on invoices for taxable sales. We will take the GST paid on expenses and collect and report annually those amounts to CRA as required. When we complete the bookkeeping we will record the GST as needed. Overall, the society will end up getting more money back since you will now get reimbursed for the GST portion paid.”

## THE FEES SELLING THROUGH AMAZON

### The bottom line:

Doing it ourselves will provide ABA with these royalties based on our current pricing:

| <b>Ebook</b> | <b>Paperback</b> |
|--------------|------------------|
| USD \$4.59   | USD \$10.19      |
| CAD \$6.69   | CAD \$11.99      |

## Recommendations

I recommend that we go ahead with setting up a tax number since there seems to be very little issue with doing that according to Dan.

This will save the huge fee and commissions that would go to Lulu for extended distribution. I also recommend that we utilize the 70% royalty for the eBook which will provide better returns as well.

We will then be able to have a platform in which to claim our materials through Amazon and may have a better chance working with them to remove anyone printing and selling our book.

# SUPPORTING INFORMATION FOR RECOMMENDATION

## eBook

Amazon's Kindle Direct Publishing pays authors through royalty fees. There are 2 royalty fees to consider: the eBook royalty rates, and the paperback royalty rates.

The royalty rate for eBooks is 35% or 70%, depending on which royalty rate our book is eligible for.

We are eligible for 70% royalty. 1 fee applies - a delivery fee depending on where the books is being sold. We can set it up on Amazon.ca and Amazon.com. Other options are available as well. For Canada, US and Australia it is \$0.15.

Rules for 70% royalty:

- We must set and list the eBook at least 20% below the list price on Amazon for any physical edition of the digital book, which ours is almost 50% less.
- There is a minimum and maximum amount we can charge for our eBook. (USD and CAD \$2.99 min - \$9.99 max) which we already do.

The calculation is:

Royalty Rate x (List Price – applicable VAT) = Royalty

### **Our book listed at \$6.99 USD.**

The calculations are:

\$6.99 USD List Price

\$4.89 Royalty

- \$0.15/MB delivery fee.

\*\*Based on what I have available to me, the book would be just over 1mb - so I will calculate it at 2mb in case Amazon rounds up.

**Total Royalty \$4.89 - \$0.30 = \$4.59 USD**

### **Our book listed at \$9.99 CAD.**

For an accurate final fee, we would need to see how large our file size is once formatted for Kindle.

\*\*Based on what I have available to me, the book would be just over 1mb - so I will calculate it at 2mb in case Amazon rounds up.

\$9.99 CDN

\$6.99 Royalty

- \$0.15/MB delivery fee.

**Total Royalty - \$6.99 - \$0.30 = \$6.69 CAD**

## Additional 70% Royalty Option Terms and Conditions

**i. Book Eligibility:** Books that consist primarily of public domain content are only eligible for the 35% Royalty Option.

**ii. Distribution Territory:** If you select the 70% Royalty Option for a Digital Book, you must make it available to us for distribution in each territory for which you have appropriate distribution rights, and you must comply with any other restrictions or requirements we may provide from time to time for the 70% Royalty Option in the Program Policies.

**iii. New Features:** Any new feature incorporated into the Program will apply to all Digital Books distributed under the 70% Option even if we make the feature optional for other Digital Books.

**iv. Non-Compliance:** If at any time your Digital Book does not meet the requirements for the 70% Royalty Option, the Royalty for the Digital Book will be as provided in the 35% Royalty Option and we can adjust previously reported or paid Royalties based on the 35% Royalty Option.

If we choose 35% royalty, there is no download fee. The calculations are:

The calculation is:

Royalty Rate x (List Price – applicable VAT - Delivery Costs) = Royalty

**Our book listed at \$6.99 USD.**

The calculations are:

\$6.99 USD List Price

**\$2.45 Royalty**

**Our book listed at \$9.99 USD.**

\$9.99 CDN

**\$3.50 Royalty**

## Paperback

The royalty for paperback books is a fixed 60% royalty rate.

**Our book listed at \$16.99 USD.**

The calculations are:

\$16.99 USD List Price

**\$10.19 Royalty**

**Our book listed at \$19.99 USD.**

\$19.99 CDN

**\$11.99 Royalty**

## When Does Kindle Direct Publishing Pay?

There is a minimum threshold of \$100CAD or USD before payout is sent. Royalties are paid every month, 60 days after the end of the month that royalties were earned. It will be 60 days before we see the first round of royalties providing they are \$100 or higher.

## Cost of converting the files for Amazon

At this time, it looks like there will be very little conversion needed. It will be an easy conversion from what is submitted to Lulu and what we can import into Amazon.