

CHART OF ACCOUNTS

The Chart of Accounts is a summarizing coding system that classifies for electronic storage of all financial transactions the Company conducts through its check book, journals, and sub-journals. Your accounting software most likely comes with some preloaded accounts, many are on this list. You can add to the software's list. Here are some suggested accounts that will conform to the way most of the industry tracks their costs and will be helpful to you in benchmarking your costs to industry norms.

BALANCE SHEET ITEMS

The Balance Sheet is a statement of the financial position of the Company at a specific point in time, and includes:

ASSETS	The property and property rights of the Company
CURRENT ASSETS	Cash, and other assets or resources, expected to be realized in cash, or sold or consumed during the normal operating cycle of the Company. (The Company's normal operating cycle extends from the time required for its cash to be converted into landscape-related service or design/build materials, back into accounts receivables, and accounts receivables ultimately into cash.
CASH IN BANK	Current balance of all checking and savings accounts
BANK- OPERATING	Bank account to which all operating checks are charged
BANK- PAYROLL	Bank account to which all payroll checks are charged.

TOTAL CASH IN BANKS	The total cash assets of the Company.
ACCOUNTS RECEIVABLE	Trade accounts expected to be converted into cash in the regular course of business, usually 30 days
TRADE	Cash claims of the Company arising from trade accounts
ALLOWANCES FOR DOUBTFUL ACCOUNTS	Accounts Receivable generated but estimated uncollectable within the calendar year
EMPLOYEES	Loans receivable from employees
OFFICERS	Cash advances to Officers
OTHER	Other claims of the Company for cash, goods, or services resulting from its income endeavors
STATE INCOME TAX REFUND DUE	Cash due from tax return refunds
TOTAL ACCOUNTS RECEIVABLE	

FIXED ASSETS	Cash and cash claims restricted to use for other than current operations; receivables not expected to be collected within a twelve-month period; cash surrounding value of Life Insurance policies, land, depreciable assets, long-term payments
INVENTORIES	A fixed sum of money declared by the Officers to reflect the lower of cost or market value of items the Company holds for sale as raw materials or finished products in the normal course of business
MATERIALS	Live and hard materials held by the Company for future work
COSTS EST. EARN OVER BILL	Revenues recognized in excess of amounts billed; a bracketed number in this account represents billings in excess of revenue earned.
TOTAL INVENTORIES	
OTHER CURRENT ASSETS	
PREPAID INSURANCE	Amount paid in advance for insurance expenses not yet fully incurred

PREPAID

EMPLOYMENT

TAX

SM MOTOR

EQUIP. AMORT.

TO #828

In the first calendar quarter of each year, the Company purchases small-motor equipment having a useful life of one year or less. The equipment appears asset, and is depreciated 1/12 each month through expense account #828

PREPAID FED'L

CORPORATE

INCOME TAX

Advance payments made against an estimated, future tax liability

TOTAL OTHER

CURRENT ASSETS

Any miscellaneous items which will be refunded or converted to expense

TOTAL CURRENT

ASSETS

Total assets marked for use within the immediate, twelve-month period

FIXED ASSETS

AUTOMOBILES

& TRUCKS

Cost of all rolling stock except trailers

LEASEHOLD

IMPROVEMENTS

Capitalized improvements made by the Company to the office building and grounds it leases

MACHINERY & EQUIPMENT	Cost of all capitalized mowing, excavation, and shop equipment, trailers
OFFICE FURNITURE & FIXTURES	Cost of all office equipment owned
ACCUMULATED DEPRECIATION	Allowances for depreciation of all depreciable assets
NET BOOK VALUE	The value of all fixed assets after depreciable assets
OTHER ASSETS	
DEPOSITS	Refundable monies belonging to the Company but held by others.
NOTE REC- OFFICER	Borrowings of the Officers in prior years
TOTAL OTHER ASSETS	
LIABILITIES & STOCKHOLDERS	Creditor's legal interests in the assets of the Company are liabilities; Owner's interests in the assets (difference

EQUITY	between assets & liabilities) is Stockholder's Equity
CURRENT LIABILITIES	Company obligations whose extinguishment is reasonably expected to require the use of existing resources properly recorded as current assets; other liabilities expected to be liquidated in twelve months or less; collections received in advance of delivery of goods or services
ACCRUED PAYROLL TAXES	Payroll taxes accrued but unpaid
WITHHELD FICA	Payroll proceeds withheld from the employee under Federal Insurance Compensation act (FICA) but not yet paid to the IRS.
WITHHELD INCOME TAX	Payroll proceeds withheld from the employees' withheld income taxes but not yet paid to the IRS.
FED'L DEP.	The total of withheld proceeds is paid to the Government through one of its bank depositories.
PAYROLL TAXES FOR 941	
STATE UNEMPLOYMENT TAXES	Payroll proceeds due from the employer to Federal Government annually, or in quarterly deposits.

TOTAL ACCRUED PAYROLL TAXES	Total of payroll taxes accrued
NOTES PAYABLE	
DEFERRED FIN CHARGED	Finance charges incurred but not yet charged
TOTAL NOTES PAYABLE	
OTHER CURRENT PAYABLES	
TRADE ACCTS	Accounts Payable
FED'L. CORP. INCOME TAX	Federal taxes payable based upon the earnings of the Company
STATE CORP. INCOME TAX	State taxes payable based upon the earnings of the Company
ACCRUED INSURANCE PAYABLE	Insurance expenses, usually Worker's compensation, in excess of premiums prepaid at the beginning of the fiscal year

ACCRUED PAYROLL	Payroll expense owed by the Company at the end of an accounting period, but not yet paid.
ACCRUED UNEMPLOYMENT COMP.	
OTHER CURRENT LIABILITIES	
DEFERRED FED. CORP. INC. TAX	The difference between reported and taxable income
DEFERRED FLA. CORP. INC. TAX	The difference between reported and taxable income
TOTAL OTHER CURRENT LIABILITIES	
LONG-TERM LIABILITY	Debt due in excess of one year. The portion due in within one year from the balance sheet date is recorded as a Current Liability
NOTES PAYABLE	Notes to banks when payment is due in excess of one year from date of the loan

N/P- OFFICERS	Long-term portion of officer borrowings
N/P- BANK	
DEFERRED FINANCE CHARGES	Finance charges incurred but not paid
TOTAL NOTES PAYABLE	
TOTAL LONG TERM LIABILITIES	
STOCKHOLDER'S EQUITY	The Owner's rights to the remainder of the assets less liabilities
COMMON STOCK	Par value of the total shares of the capital stock issued
ADDITIONAL PAID-IN CAPITAL	The balance of the net assets received by the stockholders, less the amount reported as capital stock
RETAINED EARNINGS	Undistributed profits from prior years

DIVIDENDS PAID	Distribution of profits among stockholders
CASH ADJ-BEG OF PERIOD	The reversal of accounts from accrual to cash
NET PTOFIT (LOSS)	Profits for the present fiscal year-to-date

INCOME STATEMENT

The Income Statement records the results of the Company's various profit-center operations on a monthly and year-to-date basis.

Revenues are recorded by Profit Center:

Landscape Maintenance –	Accounts for the maintenance contract activity of the Company
Construction Service –	Accounts for the landscape services construction activity of the Company
Enhancement Service –	Accounts for extra work performed on maintenance contracts
Irrigation Services-	Accounts for irrigation services if tracked as a separate service line

Direct, Variable, and Semi-Variable costs are categorized and allocated to each profit center. The costs are categorized according to their relationship with revenue type as follows.

Direct Costs – costs incurred directly in the production of the Company's services, direct costs fluctuate directly in relation to revenues, and are directly allocable to a specific revenue-earning source.

Variable Costs – costs incurred indirectly in the production of the Company's services, variable and semi-variable costs usually cannot be allocated, in whole, to a specific revenue-earning source, and therefore, are not, but they can be allocated to a profit center. While direct costs maintain the same relationship of proportion with revenue increases and decreases, variable costs vary as a proportion of revenue.

Variable costs of the Company are categorized as:

1. Equipment Overhead
2. Indirect Job Overhead

Fixed Costs – Fixed costs remain approximately the same through upward or downward movements in revenue. They can be but usually are not purely allocated to a profit center. Most fixed costs, such as rent are administrative costs.

REVENUE	Revenue produced by the profit center
CONTRACT BILLINGS	Contract revenue of the profit center
DIRECT COSTS	Costs which can be directly associated with the production of the service.
LABOR	All applied labor directly associated with the production of the service.
LABOR BURDEN, TAXES	State quarterly unemployment insurance; federal annual unemployment insurance; employer's share of FICA
LABOR BURDEN, WORKMAN'S COMP	State-required Worker's Compensation Insurance
MATERIAL,	Living materials used directly in the course of the services

LIVING	produced
MATERIAL, HARD	Material used directly in the course of the services produced
SUB- CONTRACTORS	Outside contractors used to support direct production of the services
EQUIPMENT RENTAL	Equipment rented to perform the direct production of the service
OTHER DIRECT COSTS	Material used to replace a client's property damaged in the service process, and other miscellaneous costs attributable to a specific job.
GROSS PROFIT	Revenue less Direct Costs
OPERATING EXPENSES	Equipment overhead and indirect job overhead
EQUIPMENT	All expenses for Company-leased cars and trucks used by a profit center.
RENT – VEHICLES	Expense for Company-leased cars and trucks used by a profit center

GAS & OIL	All gas & oil expenditures for Company-owned and leased vehicles.
TIRES & TUBES	All tires and tubes used by Company-owned and leased Vehicles
REPAIR/MAINT. VEHICLES	Costs of parts and outside repairs of trucks and cars
REPAIR/MAINT. EQUIPMENT	Cost of parts and outside repair of all Company-owned equipment
REPLACEMENT EQUIPMENT	Cost of equipment required to replace small-motor equipment recorded in Chart of Accounts #828
AMORT. SML. MOTOR EQUIP.	The monthly depreciation of Asset Account #139
DEPRECIATION VEHICLES	Depreciation for all Company-owned vehicles
DEPRECIATION EQUIPMENT	Depreciation charges for all capitalized equipment, including tractors
INSURANCE VEHICLE EQUIPMENT	Cost of general liability, and Umbrella Coverage

MECHANICS WAGES	Productive labor of mechanic repairing Company equipment
MECHANICS LABOR BURDEN, W/COMP.	Workmen's Compensation Insurance for mechanics
VEHICLE REG. FEES	The expense of sales tax, registration, and licensing of Company owned or leased vehicles
SHOP TOOLS	Welder, compressor, and other equipment used in the shop for repairs
TOTAL EQUIP. OVERHEAD	
INDIRECT JOB OVERHEAD	Job expenses which cannot be attributable to a specific job but which are attributable to a number of jobs collectively
SUPERVISORY SALARIES	Salaries paid to employees not involved in the direct production of income
SUPERVISORY TAX BURDEN	

SML. TOOLS & SUPPLIES	All expenses for job supplies used, and small tools furnished by the Company
UNAPPLIED LABOR	Labor which cannot be directly related to a specific job or specific contract function, i.e., loss of production time due to inclement weather, equipment failure, etc.
UNAPPLIED LABOR BURDEN PAYROLL TAX	Payroll tax of unapplied labor
LIVING EXPENSE ALLOWANCE	
UNAPPLIED MATERIALS	Materials which cannot be attributed to a specific job, but to a number of jobs collectively
REPLACEMENT MATERIAL	Defective material, which, installed by the Company, qualifies for guarantee
ESTIMATING & BIDDING	Expenses relating to pricing, and to contract proposals
ADMIN. OVERHEAD	Overhead expenses not costed directly to jobs

ACCOUNTING	Costs associated with accounting, data processing, and other related services
ADVERTISING	Costs of advertising
PROMOTION & ENTERTAINMENT	Costs incurred in the advancement of sales consummation
CHARITABLE CONTRIBUTIONS	Contributions to charitable organizations for which there is no reciprocating value
DEPRECIATION OFC. FURNITURE/ FIXTURES	
DEPRECIATION LEASEHOLD IMPROVEMENTS	
DUES AND SUBSCRIPTIONS	Cost of business organization dues, i.e., Chamber of Commerce, PLANET, and magazine subscriptions sent to the Office, i.e., Business Week, Fortune, etc.
EDUCATIONAL EXPENSES	Costs for trade-oriented classes, such as GIE, Horticulture Center, books, and professional fees to Consultants

PAYROLL TAXES	All payroll taxes for Office employees and Officers
INTEREST	The total amount of interest paid on loans, notes, and mortgages owed by the Company
INSURANCE— EMPLOYEE GRP.	The Company's share of health and life insurance for employees.
INSURANCE— OFFICER'S LIFE	Expense of Company-owned policies on the lives of the Officers. The policies provide money to the Company to purchase Company stock from the estate of the deceased stockholder.
SALARIES— OFFICE	Office employees' salaries and wages
LICENSES & TAXES	Sales tax on capital purchases; occupational and professional licenses.
LEGAL	Costs related to the legal conduct of the business
MAINTENANCE— BUILDING	Ongoing maintenance of the office building
COMPUTER SUPPLIES	Paper, ribbon, and other supplies required to operate the Company's computers

OFFICE EXPENSES	Supplies, stationery, copier materials and other costs related to the administration of the office.
SALARIES— OFFICERS	Salaries of the Officers
PENALTIES	Penalties imposed upon the Company
TRAVEL & ENTERTAINMENT	Expenses incurred in the course of business related travel and entertainment of the Company's customers
RENT— OCCUPANCY	Rent expenses for Company quarters
RENT— VEHICLES	Expense for Company-leased cars and trucks used by its Officers or executives
RENT— RADIO	Rent and repair of mobile radio equipment
REPAIRS— BUILDING	Minor, non-capitalized repairs to the office building
RENT— ICE MACHINES	Ice machine leases
RENT—	Computer leases

COMPUTER	
TELEPHONE	Includes office telephones, mobile telephones, and “beepers”
UTILITIES	Electrical and water utility service
INSURANCE	Comprehensive liability insurance premium costs for Company-wide liability protection
TOTAL ADMIN. OVERHEAD	
TOTAL OP. EQUIPMENT	The total cost of equipment overhead, indirect job expense, and administrative overhead
NET OPERATING PROFIT (LOSS)	The sum difference between cost and revenue
OTHER INCOME	Extraordinary income from activities outside the normal course of business
INTEREST	Interest generated by Company funds; earned discounts
REIMBURSE- MENTS	Refunds or compensation, i.e., insurance companies

GAIN ON SALE
OF ASSETS

TOTAL OTHER
INCOME

NET PROFIT Operating income increased by other revenue items and
decreased by other expense items

TOTAL SHARE- The difference between all the Company's assets and
HOLDERS liabilities

TOTAL Total of all the Company's liabilities and stockholder's
LIABILITY equity.
& STOCK-
HOLDER'S
EQUITY