

Basic Chart of Accounts

1. Sales (Revenues):
2. Cost of Goods Sold:
 - a. Something you are going to re-sell...
 - i. Seeds, packaging material, direct labor, fertilizer.
 - ii. Stuff you buy to resell...
 - iii. Direct Labor
3. Gross Profit (\$) vs. Gross Margin (%) This is What is left over to pay all your other expenses.
4. Expenses
 - a. Non-Direct Labor (Management, Sales people, Admin)
 - i. Non-Direct Payroll
 - ii. Non-Direct Payroll Related (employer taxes, benefits, etc.)
 - b. General and Administrative (CEO has some discretion on these – not fixed)
 - i. Marketing/Advertising
 - ii. Dues
 - iii. Postage
 - iv. Travel
 - v. Fees
 - vi. Phone
 - c. Operating Expenses: These are expenses that will go up and down as your sales go up and down, but not directly related to any particular saleable item.
 - i. Fuel
 - ii. Repairs
 - iii. Tools
 - iv. Bad Debt
 - v. Utilities
 - d. Fixed Expenses (If you do \$1 in sales or \$1million in sales these expense don't change, very much...)
 - i. Rent
 - ii. Insurance
 - iii. Amortization
 - iv. Depreciation
 - v. Interest
 - e. One-Time (Non-Reoccurring) Expenses (These are expenses you are SURE you won't have the next year... this is for comparison purposes)
5. Net Income (Profit)