Basic Chart of Accounts

1. Sales (Revenues): Match Revenue Accounts with Cost of Goods Sold to the extent Possible

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)