

# The Chart of Accounts

A complete reference to every default Account Type and Detail Type in QuickBooks Online — what each one is for, and when to use it.

- **Assets**
- **Equity**
- **Expenses & COGS**
- **Liabilities**
- **Income**

## Balance Sheet Accounts

Assets · Liabilities · Equity

### Bank

<b>Cash on Hand</b>	Cash for occasional expenses. Also called petty cash.
<b>Checking</b>	All checking activity, including debit card transactions. Use the last 4 digits of the account number in the name.
<b>Money Market</b>	Amounts in money market accounts.
<b>Rents Held in Trust</b>	Deposits and rent held on behalf of the property owners.
<b>Savings</b>	Savings and CD activity. Create one for every account, even if it only has \$5 in it.
<b>Trust account</b>	Money held by you for the benefit of someone else. Used by attorneys to track clients' expense money.

### Accounts Receivable (A/R)

<b>Accounts Receivable (A/R)</b>	Money from invoices and payments. QBO automatically creates one A/R account. Most businesses need only one.
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### Other Current Assets

<b>Allowance for Bad Debts</b>	Estimate the part of A/R you think you might not collect. Use only on the accrual basis.
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<b>Development Costs</b>	Amounts deposited or set aside to arrange financing or for deposits anticipating asset purchase. Remove when refunded or purchased.
<b>Employee Cash Advances</b>	Wages or non-salary money issued to an employee early. Remove once caught up through Payroll.
<b>Inventory</b>	Price paid for items purchased for resale but not yet sold. When sold, transfer to Cost of Goods Sold.
<b>Investment – Mortgage/Real Estate Loans</b>	Balances of any mortgage or real estate loans your business has given or purchased.
<b>Investment – Tax-Exempt Securities</b>	Investments in state and local bonds, or mutual funds that invest in them.
<b>Investment – U.S. Government Obligations</b>	Bonds issued by the U.S. government.
<b>Investments – Other</b>	Value of investments not covered by other types. E.g. publicly-traded stocks, coins, or gold.
<b>Loans to Others</b>	Money your business loans to other people or businesses. Also called Notes Receivable.
<b>Loans To Officers</b>	Corporations or S Corporations use this to track business loans to its officers.
<b>Loans to Stockholders</b>	Corporations or S Corporations use this to track business loans to its stockholders.
<b>Other Current Assets</b>	Current assets not covered by other types. Converted to cash or used up in a year.
<b>Prepaid Expenses</b>	Expenses incurred as a lump sum but allocated through the year. Journal entry to the proper expense account when recognized.
<b>Retainage</b>	For customers who hold back a contract portion until a project completes. Common in construction on accrual basis.
<b>Undeposited Funds</b>	Payments that haven't been deposited or cleared the bank yet.
<b>Uncategorized Asset</b>	Default account created by QBO to assign unknown balance sheet transfers from the Banking Feed.
<b>Fixed Assets</b>	
<b>Accumulated Amortization</b>	Track how much you amortize intangible assets.
<b>Accumulated Depletion</b>	Track how much you deplete a natural resource.

<b>Accumulated Depreciation</b>	Depreciate a fixed asset.
<b>Buildings</b>	The cost of structures you own and use for your business.
<b>Depletable Assets</b>	Natural resources such as timberlands, oil wells, and mineral deposits.
<b>Fixed Asset Computers</b>	Computers over \$2,500 purchased and tracked at fair-market value with depreciation over time.
<b>Fixed Asset Copiers</b>	Copiers / copying equipment over \$2,500 at fair-market value with depreciation over time.
<b>Fixed Asset Furniture</b>	Furniture over \$2,500 at fair-market value with depreciation over time.
<b>Fixed Asset Other Tools Equipment</b>	Other tools and equipment over \$2,500 at fair-market value with depreciation over time.
<b>Fixed Asset Phone</b>	Phone systems over \$2,500 at fair-market value with depreciation over time.
<b>Fixed Asset Photo Video</b>	Photo and video equipment over \$2,500 at fair-market value with depreciation.
<b>Fixed Asset Software</b>	Software purchased over \$2,500 at fair-market value and depreciation.
<b>Furniture &amp; Fixtures</b>	Furniture & fixtures over \$2,500, like a dental chair or sales booth.
<b>Intangible Assets</b>	Intangible assets you plan to amortize, like franchises, customer lists, copyrights, patents.
<b>Land</b>	Land or property you don't depreciate.
<b>Leasehold Improvements</b>	Improvements to a leased asset that increase its value, e.g. carpeting a leased office at your own cost.
<b>Machinery &amp; Equipment</b>	Computer hardware and non-furniture equipment owned and used for your business.
<b>Other fixed assets</b>	Fixed assets not covered by other types. Property you use but don't expect to sell or use up in a year.
<b>Vehicles</b>	Value of vehicles your business owns and uses solely for business. For mixed use, consult your accountant.
<b>Other Assets</b>	
<b>Accumulated Amortization of Other Assets</b>	How much you've amortized assets whose type is Other Asset.

<b>Goodwill</b>	Intangible assets of an acquired company giving it an advantage — name, credit rating, location, management, customer lists, quality.
<b>Lease Buyout</b>	Lease payments to be applied toward purchasing a leased asset. Use Journal Entries until depleted.
<b>Licenses</b>	Non-professional licenses to engage in an activity, e.g. selling alcohol. Under \$2,500 may be expensed instead.
<b>Organizational Costs</b>	Legal, accounting, and filing costs incurred when forming a partnership or corporation.
<b>Other Long-term Assets</b>	Long-term assets not covered by other types. Expected to provide value for more than one year.
<b>Security Deposits</b>	Funds paid to cover potential costs from damage, loss, or theft. Returned at the end of the contract.
<b>Accounts Payable (A/P)</b>	
<b>Accounts Payable (A/P)</b>	Amounts you owe to vendors and suppliers. QBO automatically creates one A/P account.
<b>Credit Card</b>	
<b>Credit Card</b>	Balances for each credit card your business uses. Create one for every card using the last 4 digits.
<b>Other Current Liabilities</b>	
<b>Federal Income Tax Payable</b>	Income tax liabilities when your business is on an accrual basis.
<b>Insurance Payable</b>	Insurance amounts due. Most useful for monthly recurring insurance such as Workers' Compensation.
<b>Line of Credit</b>	The balance due on any lines of credit your business has.
<b>Loan Payable</b>	Create an account for each loan payable within the next twelve months.
<b>Other Current Liabilities</b>	Liabilities due within twelve months that don't fit the other types.
<b>Payroll Clearing</b>	Non-tax amounts deducted from paychecks or owed from payroll. Transfer to expense when you pay vendors.
<b>Payroll Tax Payable</b>	Tax amounts owed to Federal, State, and Local agencies from wages and withholding. Deduct when you pay the agency.

<b>Prepaid Expenses Payable</b>	Track items like property taxes due but not yet deductible because their period hasn't passed.
<b>Rents in trust – Liability</b>	Offsets the Rents in trust asset. A contra account so funds held for others don't appear as yours, as long as balances match.
<b>Sales Tax Payable</b>	Sales tax you have collected but not yet remitted to the State.
<b>State/Local Income Tax Payable</b>	Income tax liabilities for a corporation, S corporation, or limited partnership on the accrual basis.
<b>Trust Accounts – Liabilities</b>	Offsets Trust accounts in assets. A contra account so funds held for others don't appear as yours, as long as balances match.

<b>Undistributed Tips</b>	For retail businesses that receive tips from customers but owe them to employees.
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### Long Term Liabilities

<b>Notes Payable</b>	Amounts owed in long-term (over twelve months) loans. Create one for each loan.
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<b>Other Long Term Liabilities</b>	Liabilities due in more than twelve months that don't fit the other types.
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<b>Shareholder Notes Payable</b>	Long-term loans from shareholders.
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### Equity

<b>Accumulated Adjustment</b>	S corporations track adjustments to owner's equity not attributable to net income.
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<b>Common Stock</b>	Corporations track shares of common stock held by shareholders, at stated (par) value.
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<b>Estimated Taxes</b>	Personal income taxes pre-paid by the entity on behalf of owners, shareholders, or partners.
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<b>Healthcare</b>	Personal healthcare expenses paid on behalf of owners, shareholders, or partners.
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<b>Opening Balance Equity</b>	QBO records opening balances here. Transfer to Retained Earnings when finished. Should always be \$0.
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<b>Owner's Equity</b>	S corporations show cumulative net income or loss as of the beginning of the fiscal year.
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<b>Paid-In Capital or Surplus</b>	C Corporations track amounts received from shareholders for stock above the stated (par) value.
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<b>Partner Contributions</b>	Amounts partners contribute to a Partnership during the year.
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<b>Partner Distributions</b>	Amounts distributed by the partnership to its partners during the year.
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<b>Partner's Equity</b>	Income remaining in the partnership for each partner as of the end of the prior year.
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<b>Personal Expense</b>	Owner's Draw / Shareholder Distribution. Business-paid expenses that are really personal.
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<b>Personal Income</b>	Owner's Contributions. Income received by the business but paid for personally.
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<b>Preferred Stock</b>	C Corporations track shares of preferred stock held by shareholders, at stated (par) value.
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<b>Retained Earnings</b>	Default account. Cumulative net income from previous fiscal years. QBO transfers profit/loss here yearly.
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<b>Treasury Stock</b>	C Corporations track amounts paid to buy their own stock back from shareholders.
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<b>Dividends Paid</b>	C Corporations use this to pay shareholders a portion of the profits.
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## Profit & Loss Accounts

Income · Cost of Goods Sold · Expenses

### Income

<b>Discounts/Refunds Given</b>	Discounts you give to customers. Has a negative balance to offset other income.
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<b>Non-Profit Income</b>	Money coming in if you are a non-profit organization.
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<b>Other Primary Income</b>	Income from normal business operations that doesn't fall into another Income type.
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<b>Sales</b>	General revenue account to track all sales. Can't be deleted, but can be renamed.
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<b>Sales of Product Income</b>	Track income from selling tangible goods.
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<b>Service/Fee Income</b>	Income from services you perform or usage fees you charge.
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<b>Unapplied Cash Payment Income</b>	Cash-basis income from payments received but not applied. May mean a Payment is dated before its Invoice.
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<b>Uncategorized Income</b>	Default account for unknown bank deposits. A balance here is typically a Banking Feed user error.
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### Cost of Goods Sold

<b>Cost of labor – COS</b>	Direct cost of paying subcontractors to produce products or supply services. Employees are usually an Expense.
<b>Equipment Rental – COS</b>	Cost of renting equipment to produce products or services.
<b>Other Costs of Services – COS</b>	Costs related to services you provide that don't fall into another COGS type.
<b>Shipping, Freight &amp; Delivery – COS</b>	The cost of shipping products to customers or distributors.
<b>Supplies &amp; Materials – COGS</b>	Cost of raw goods and parts used or consumed producing a product or providing a service.

### Expenses

<b>Advertising/Promotional</b>	Money spent promoting your company. Consider Advertising, Marketing, and Promotional subcategories.
<b>Auto</b>	Costs for vehicles owned by the business. Consider subaccounts for gasoline, repairs, and maintenance.
<b>Auto:Fuel</b>	Gas for business vehicle usage.
<b>Auto:Parking</b>	Parking paid for business vehicle usage.
<b>Auto:Auto Insurance</b>	Insurance paid for business vehicle usage.
<b>Auto:Auto Repairs and Maintenance</b>	Repairs and maintenance paid for business vehicle usage.
<b>Auto:Auto Lease Payment</b>	Lease payment for business vehicle usage. May need to split between loan principal and interest.
<b>Auto:Mileage Reimbursement</b>	Employee reimbursement for business use of a vehicle.
<b>Bad Debts</b>	Invoices you have written off as uncollectible. Accrual basis only.
<b>Bank Charges</b>	All fees you pay to financial institutions.
<b>Charitable Contributions</b>	Gifts to charity. May NOT be deductible by the business — confirm with your accountant.
<b>Contractors</b>	Services provided by 1099 contractors, e.g. landscapers, electricians, web designers.
<b>Cost of Labor</b>	Cost of paying for labor provided to the business as overhead, not COGS.

<b>Dues &amp; subscriptions</b>	Organizational dues & magazine subscriptions for your business. For software, see Office Supplies.
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<b>Entertainment</b>	Events to entertain employees. Not deductible post-2018 tax law change.
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<b>Entertainment Meals</b>	Dining with employees to promote morale. Note who and the purpose. Working meals deductible up to 50%.
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<b>Equipment Rental</b>	Cost of renting equipment to run the business.
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<b>Finance costs</b>	Cost of using credit to leverage a purchase. Some non-banking institutions call it Finance Cost.
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<b>Insurance</b>	Insurance payments. Consider subaccounts for different types (auto, general liability, and so on).
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<b>Interest Paid</b>	All interest you pay, including mortgage interest, finance charges, and loan interest.
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<b>Job Supplies</b>	Supplies bought to complete jobs, usually durable goods like hammers & ladders (not products you sell).
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<b>Legal &amp; Professional Fees</b>	Paid to professionals to help run your business. Consider subaccounts for accountant, lawyer, consultants.
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<b>Office/General Administrative Expenses</b>	All types of general and office-related expenses.
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<b>Office Supplies &amp; Software</b>	Office, kitchen, and bathroom supplies, including software under \$2,500.
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<b>Other Business Expenses</b>	For any other expense that does not fit another category in the Chart of Accounts.
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<b>Other Miscellaneous Service Cost</b>	Service costs that don't fall into another Expense type. Default for QuickBooks Desktop files imported into QBO.
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<b>Uncategorized Expense</b>	Default account for unknown bank or credit card expenses. Money here is user error. CANNOT be deleted.
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<b>Payroll Expenses</b>	Track payroll expenses. Make subaccounts for the items below.
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<b>Payroll Expenses:Compensation of officers</b>	Subcategory of Payroll Expenses to track gross compensation of officers.
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<b>Payroll Expenses:Workers compensation</b>	Subcategory of Payroll Expenses to track Workers Compensation Insurance.
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<b>Payroll Expenses:Salaries and wages</b>	Subcategory of Payroll Expenses to track gross salaries and wages.
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<b>Payroll Expenses: Payroll taxes</b>	Subcategory of Payroll Expenses to track employer-paid payroll taxes.
<b>Guaranteed Payments</b>	Payments to partners for services in lieu of payroll, before partner's distributions. Partnerships only.
<b>Promotional Meals</b>	Dining with a customer to promote your business. Note who and the purpose. Often a subcategory of Advertising/Meals.
<b>Reimbursable Expenses</b>	Purchases made for a customer who will reimburse. Often better placed in its real category or COGS.
<b>Rent &amp; Lease</b>	Rent payments you make.
<b>Repair &amp; Maintenance</b>	Repairs and maintenance fees. Consider separate accounts for auto, equipment, landscaping, computers.
<b>Shipping, Freight &amp; Delivery</b>	Administrative postage and incidental shipping. Use COGS for shipping goods to customers.
<b>Supplies &amp; Materials</b>	Cost of materials not consumed in a single job, used across several customers.
<b>Taxes Paid</b>	Track taxes you pay.
<b>Taxes &amp; Licenses</b>	Business licenses required by local and state governments.
<b>Sales Tax Paid</b>	Used when a sales tax is paid as a cost of doing business rather than collected from customers.
<b>State Tax Paid</b>	Some entities pay state income tax.
<b>Federal Tax Paid</b>	A business's federal taxes paid quarterly or at year end (generally only for C Corporations).
<b>Travel</b>	Track travel costs.
<b>Travel Meals</b>	How much you spend on food while traveling.
<b>Unapplied Cash Bill Payment Expense</b>	Cash-basis expense from vendor checks sent but not applied to bills. May mean Payment date is before Bill date.
<b>Utilities</b>	Utility payments. Consider subaccounts for gas and electric, telephone, water, and so on.
<b>Ask My Accountant</b>	Flagged to review with your accountant. Often changed to Other Expense to move it to the bottom of the P&L;

## Other Income

<b>Dividend Income</b>	Taxable dividends from investments.
<b>Interest Earned</b>	Interest received from bank accounts, investments, and interest payments to you.
<b>Other Investment Income</b>	Other types of investment income that isn't from dividends or interest.
<b>Other Miscellaneous Income</b>	Income not from normal business operations and not in another Other Income type.
<b>Tax-Exempt Interest</b>	Interest that isn't taxable, e.g. tax-exempt retirement accounts or tax-exempt bonds.

## Other Expense

<b>Amortization</b>	Amortization of intangible assets.
<b>Depreciation</b>	Depreciation on fixed assets. Consider a depreciation account for each fixed asset.
<b>Penalties &amp; Settlements</b>	Money you pay for violating laws or regulations, settling lawsuits, or other penalties.