



# KITCHEN TABLE CONSULTANTS



## **KTC's Basic Chart of Accounts: Seven Parent Categories**

1. Income (Product or Service Sales)
2. Cost of Goods Sold (COGS)
  - a. Something you are going to re-sell...
    - i. Seeds, packaging material, feed, processing, shipping.
    - ii. Stuff you buy to resell...

*Gross Profit (\$)* vs. *Gross Margin (%)* [This is what is left over to pay all your other expenses.]

### ***Expenses***

3. Labor (Management, Admin, Production)
  - a. Payroll
  - b. Payroll Related (employer taxes, benefits, etc.)
4. General and Administrative (Owner has some discretion on these – not fixed)
  - a. Marketing/Advertising
  - b. Dues + Subscriptions
  - c. Office Supplies
  - d. Bank Fees
  - e. Travel
  - f. Phone + Internet
5. 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.
  - a. Fuel
  - b. Repairs + Maintenance
  - c. Small Tools + Supplies
  - d. Bad Debt
  - e. Utilities (unless it does not fluctuate with sales - then Fixed)
6. Fixed Expenses (Regardless of \$10k in sales or \$100k in sales, these expenses don't change, very much...)
  - a. Rent
  - b. Insurance
  - c. Property Taxes
  - d. Depreciation
  - e. Interest
7. One-Time (Non-Recurring) Expenses (These are expenses you are SURE you won't have the next year... this is for comparison purposes)

### ***Net Income (Profit)***