

Tax Ready Bookkeeping

Chart of Accounts: Construction Industry

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Overview

This Chart of Accounts template is designed for construction contractors, including general contractors, specialty trades, and construction service companies. It supports job costing, equipment tracking, and industry-specific reporting requirements.

Assets (1000-1999)

Current Assets (1000-1499)

Number	Account Name	Type	Notes
1000	Checking - Operating	Bank	Main operating account
1010	Checking - Payroll	Bank	Dedicated payroll account
1020	Checking - Retainage	Bank	Holding account for withheld amounts
1050	Savings	Bank	
1100	Accounts Receivable	A/R	Customer invoices
1110	Retainage Receivable	Other Current Asset	Amounts held by customers
1150	Allowance for Doubtful Accounts	Other Current Asset	Bad debt reserve
1200	Inventory - Materials	Other Current Asset	Construction materials on hand
1210	Inventory - Supplies	Other Current Asset	Consumable supplies
1250	Work in Progress (WIP)	Other Current Asset	Costs on uncompleted jobs

Number	Account Name	Type	Notes
1300	Prepaid Insurance	Other Current Asset	
1310	Prepaid License Bonds	Other Current Asset	Bond prepayments
1400	Employee Advances	Other Current Asset	
1450	Undeposited Funds	Other Current Asset	

Fixed Assets (1500-1799)

Number	Account Name	Type	Notes
1500	Vehicles	Fixed Asset	Trucks, vans, cars
1510	Accumulated Depreciation - Vehicles	Fixed Asset	
1550	Heavy Equipment	Fixed Asset	Excavators, loaders, etc.
1560	Accumulated Depreciation - Heavy Equipment	Fixed Asset	
1600	Tools & Equipment	Fixed Asset	Power tools, hand tools
1610	Accumulated Depreciation - Tools	Fixed Asset	
1650	Office Equipment	Fixed Asset	Computers, furniture
1660	Accumulated Depreciation - Office	Fixed Asset	
1700	Buildings	Fixed Asset	Shop, warehouse
1710	Accumulated Depreciation - Buildings	Fixed Asset	
1750	Land	Fixed Asset	
1800	Leasehold Improvements	Fixed Asset	
1810	Accumulated Amortization - Leasehold	Fixed Asset	

Other Assets (1900-1999)

Number	Account Name	Type	Notes
1900	Security Deposits	Other Asset	Utility, lease deposits
1950	Organization Costs	Other Asset	

Liabilities (2000-2999)

Current Liabilities (2000-2499)

Number	Account Name	Type	Notes
2000	Accounts Payable	A/P	Vendor bills
2010	Retainage Payable	Other Current Liability	Amounts withheld from subs

Number	Account Name	Type	Notes
2100	Credit Card - Company	Credit Card	
2200	Accrued Expenses	Other Current Liability	
2210	Accrued Wages	Other Current Liability	
2220	Accrued Subcontractor Costs	Other Current Liability	
2300	Payroll Liabilities	Other Current Liability	
2310	Federal Withholding	Other Current Liability	
2320	State Withholding	Other Current Liability	
2330	FICA Payable	Other Current Liability	
2340	FUTA Payable	Other Current Liability	
2350	SUTA Payable	Other Current Liability	
2360	Union Dues Payable	Other Current Liability	If applicable
2400	Sales Tax Payable	Other Current Liability	Material sales tax
2450	Billings in Excess of Costs	Other Current Liability	Over-billing on jobs
2460	Customer Deposits	Other Current Liability	Advance payments

Long-Term Liabilities (2500-2999)

Number	Account Name	Type	Notes
2500	Notes Payable	Long Term Liability	
2600	Vehicle Loans	Long Term Liability	
2650	Equipment Loans	Long Term Liability	
2700	Line of Credit	Long Term Liability	
2800	Mortgage Payable	Long Term Liability	
2900	Shareholder/Owner Loans	Long Term Liability	

Equity (3000-3999)

Number	Account Name	Type
3000	Owner's Capital	Equity
3100	Owner's Draws	Equity
3200	Retained Earnings	Equity
3900	Opening Balance Equity	Equity

Income (4000-4999)

Contract Revenue (4000-4299)

Number	Account Name	Type	Notes
4000	Contract Revenue	Income	Primary job revenue
4010	Contract Revenue - Residential	Income	Residential projects
4020	Contract Revenue - Commercial	Income	Commercial projects
4030	Contract Revenue - Government	Income	Government contracts
4100	Change Order Revenue	Income	Approved change orders
4200	Retainage Released	Income	Previously held amounts
4250	Progress Billing Revenue	Income	If using progress billing

Other Operating Income (4300-4499)

Number	Account Name	Type	Notes
4300	Service Revenue	Income	Repairs, maintenance
4350	Equipment Rental Income	Income	Renting equipment out
4400	Material Sales	Income	Selling materials
4450	Discounts Given	Income	Contra revenue

Other Income (4500-4999)

Number	Account Name	Type	Notes
4600	Interest Income	Other Income	
4700	Gain on Sale of Equipment	Other Income	
4800	Insurance Proceeds	Other Income	
4900	Other Income	Other Income	

Cost of Goods Sold / Direct Costs (5000-5999)

Direct Labor (5000-5199)

Number	Account Name	Type	Notes
5000	Direct Labor - Field	COGS	On-site workers
5010	Direct Labor - Carpenters	COGS	If tracking by trade
5020	Direct Labor - Electricians	COGS	If tracking by trade
5030	Direct Labor - Plumbers	COGS	If tracking by trade
5040	Direct Labor - HVAC	COGS	If tracking by trade
5050	Direct Labor - General	COGS	Non-specific labor
5100	Payroll Taxes - Direct	COGS	Taxes on direct labor
5150	Workers' Comp - Direct	COGS	WC on direct labor

Materials (5200-5399)

Number	Account Name	Type	Notes
5200	Materials - General	COGS	General construction materials
5210	Materials - Lumber	COGS	Wood, framing
5220	Materials - Concrete	COGS	Concrete, masonry
5230	Materials - Electrical	COGS	Electrical supplies
5240	Materials - Plumbing	COGS	Plumbing supplies
5250	Materials - HVAC	COGS	HVAC materials
5260	Materials - Finishes	COGS	Paint, trim, flooring
5270	Materials - Roofing	COGS	Roofing materials
5300	Freight - Materials	COGS	Delivery charges
5350	Material Returns	COGS	Returns contra

Subcontractors (5400-5599)

Number	Account Name	Type	Notes
5400	Subcontractor Costs	COGS	General subcontractor
5410	Subcontractor - Electrical	COGS	Electrical subs
5420	Subcontractor - Plumbing	COGS	Plumbing subs
5430	Subcontractor - HVAC	COGS	HVAC subs
5440	Subcontractor - Concrete	COGS	Concrete subs
5450	Subcontractor - Framing	COGS	Framing subs
5460	Subcontractor - Roofing	COGS	Roofing subs
5470	Subcontractor - Drywall	COGS	Drywall subs
5480	Subcontractor - Painting	COGS	Painting subs
5500	Subcontractor - Other	COGS	Specialty subs

Equipment Costs (5600-5799)

Number	Account Name	Type	Notes
5600	Equipment Rental	COGS	Rented equipment
5650	Equipment - Fuel	COGS	Job site fuel

Number	Account Name	Type	Notes
5700	Equipment - Repairs	COGS	Job equipment repairs
5750	Small Tools & Supplies	COGS	Consumable tools

Other Direct Costs (5800-5999)

Number	Account Name	Type	Notes
5800	Permits & Fees	COGS	Building permits
5850	Blueprints & Plans	COGS	Design costs
5900	Job Site Costs	COGS	Porta-potties, dumpsters
5950	Job Site Utilities	COGS	Temporary power, water

Operating Expenses (6000-6999)

Facilities (6000-6199)

Number	Account Name	Type
6000	Rent - Office/Shop	Expense
6050	Utilities - Office	Expense
6100	Repairs & Maintenance - Office	Expense
6150	Property Taxes	Expense

Personnel - Indirect (6200-6399)

Number	Account Name	Type
6200	Salaries - Office	Expense
6210	Salaries - Management	Expense
6220	Salaries - Estimators	Expense
6230	Salaries - Project Managers	Expense
6250	Payroll Taxes - Indirect	Expense
6300	Employee Benefits	Expense
6310	Health Insurance	Expense
6320	Retirement Contributions	Expense
6350	Workers' Comp - Office	Expense

Office & Administrative (6400-6599)

Number	Account Name	Type
6400	Office Supplies	Expense
6420	Postage & Shipping	Expense

Number	Account Name	Type
6450	Telephone & Internet	Expense
6480	Software - Estimating	Expense
6485	Software - Project Management	Expense
6490	Software - Accounting	Expense
6500	Equipment Rental - Office	Expense
6550	Bank Service Charges	Expense

Professional Services (6600-6699)

Number	Account Name	Type
6600	Accounting & Bookkeeping	Expense
6620	Legal Fees	Expense
6650	Engineering/Architecture	Expense
6680	Consulting	Expense

Insurance (6700-6749)

Number	Account Name	Type
6700	Insurance - General Liability	Expense
6710	Insurance - Builders Risk	Expense
6720	Insurance - Umbrella	Expense
6730	Insurance - Property	Expense
6740	Insurance - Auto	Expense

Bonding (6750-6799)

Number	Account Name	Type
6750	Bond Premiums	Expense
6760	License & Permit Bonds	Expense

Marketing & Sales (6800-6849)

Number	Account Name	Type
6800	Advertising	Expense
6810	Marketing	Expense
6820	Website	Expense
6830	Trade Shows	Expense
6840	Client Entertainment	Expense

Vehicle Expenses (6850-6899)

Number	Account Name	Type
6850	Vehicle - Fuel	Expense
6860	Vehicle - Repairs	Expense
6870	Vehicle - Insurance	Expense
6880	Vehicle - Registration	Expense
6890	Vehicle - Lease/Payments	Expense

Other Operating (6900-6999)

Number	Account Name	Type
6900	Dues & Memberships	Expense
6910	Licenses & Permits	Expense
6920	Training & Safety	Expense
6930	Uniforms & Safety Gear	Expense
6950	Depreciation Expense	Expense
6980	Bad Debt Expense	Expense
6990	Miscellaneous Expense	Expense

Other Income/Expense (7000-7999)

Number	Account Name	Type
7000	Interest Expense	Other Expense
7100	Loss on Sale of Equipment	Other Expense
7500	Income Tax Expense	Other Expense

Job Costing Notes

Setting Up Jobs in QBO

1. Enable “Projects” or “Customers” to track jobs
2. Link all transactions to specific jobs
3. Use Classes for job types if needed

Key Reports

- Job Profitability Report
- Unbilled Costs by Job
- Work in Progress Report
- Cost to Complete Analysis

WIP Schedule Requirements

- Track costs incurred vs. costs estimated
- Track billings vs. revenue recognized
- Calculate over/under billing by job
- Required for accrual-based contractors

For more resources: projectbits.com/taxready/ch1

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