

Chart of Accounts Template

Professional Services / Consulting

Tax Ready Bookkeeping™

Industry: Professional Services, Consulting, IT Services, Marketing Agencies, Legal, Accounting

QuickBooks Online Compatible | Based on GAAP account numbering standards

Account Structure Overview

Range	Category	Purpose
1000-1999	Assets	What you own
2000-2999	Liabilities	What you owe
3000-3999	Equity	Owner's investment and retained earnings
4000-4999	Income/Revenue	Money earned
5000-5999	Cost of Services	Direct costs to deliver services
6000-6999	Operating Expenses	Overhead and administrative costs
7000-7999	Other Income	Non-operating income
8000-8999	Other Expenses	Non-operating expenses

ASSETS (1000-1999)

Current Assets (1000-1499)

Account #	Account Name	Type	Detail Type	Notes
1000	Checking - Operating	Bank	Checking	Primary operating account
1010	Checking - Payroll	Bank	Checking	Separate payroll account (recommended)
1020	Savings - Reserve	Bank	Savings	Operating reserve fund
1100	Accounts Receivable	AR	Accounts Receivable	QBO default - tracks client invoices
1150	Unbilled Revenue	Other Current Asset	Other Current Assets	WIP - services delivered not yet invoiced
1200	Undeposited Funds	Other Current Asset	Undeposited Funds	QBO default - holds payments before deposit
1300	Prepaid Expenses	Other Current Asset	Prepaid Expenses	Annual payments (insurance, software)

Account #	Account Name	Type	Detail Type	Notes
1310	Prepaid Insurance	Other Current Asset	Prepaid Expenses	Insurance premiums paid in advance
1320	Prepaid Software	Other Current Asset	Prepaid Expenses	Annual software subscriptions
1400	Employee Advances	Other Current Asset	Employee Cash Advances	Track advances to employees

Fixed Assets (1500-1799)

Account #	Account Name	Type	Detail Type	Notes
1500	Computer Equipment	Fixed Asset	Machinery & Equipment	Computers, servers, networking
1510	Accumulated Depreciation - Computers	Fixed Asset	Accumulated Depreciation	Contra account
1520	Office Furniture	Fixed Asset	Furniture & Fixtures	Desks, chairs, fixtures
1530	Accumulated Depreciation - Furniture	Fixed Asset	Accumulated Depreciation	Contra account
1540	Software (Capitalized)	Fixed Asset	Other Fixed Assets	Purchased software >\$2,500
1550	Accumulated Amortization - Software	Fixed Asset	Accumulated Depreciation	Contra account
1600	Leasehold Improvements	Fixed Asset	Leasehold Improvements	Office buildout costs
1610	Accumulated Amortization - Leasehold	Fixed Asset	Accumulated Depreciation	Contra account

Other Assets (1800-1999)

Account #	Account Name	Type	Detail Type	Notes
1800	Security Deposits	Other Asset	Security Deposits	Rent deposits, utility deposits
1900	Goodwill	Other Asset	Goodwill	If acquired another practice

LIABILITIES (2000-2999)

Current Liabilities (2000-2499)

Account #	Account Name	Type	Detail Type	Notes
2000	Accounts Payable	AP	Accounts Payable	QBO default - vendor bills
2100	Credit Card - Business	Credit Card	Credit Card	Primary business credit card
2110	Credit Card - Travel	Credit Card	Credit Card	If separate card for travel
2200	Payroll Liabilities	Other Current Liability	Payroll Tax Payable	Umbrella for payroll taxes
2210	Federal Taxes Withheld	Other Current Liability	Federal Tax Payable	Employee federal withholding
2220	State Taxes Withheld	Other Current Liability	State/Local Tax Payable	Employee state withholding
2230	Social Security Payable	Other Current Liability	Payroll Tax Payable	SS portion
2240	Medicare Payable	Other Current Liability	Payroll Tax Payable	Medicare portion
2250	401(k) Withholding	Other Current Liability	Payroll Clearing	Employee 401k contributions
2300	Unearned Revenue	Other Current Liability	Deferred Revenue	Client retainers, prepayments
2400	Accrued Expenses	Other Current Liability	Other Current Liabilities	Expenses incurred not yet paid
2410	Accrued Vacation	Other Current Liability	Other Current Liabilities	PTO liability

Long-Term Liabilities (2500-2999)

Account #	Account Name	Type	Detail Type	Notes
2500	Line of Credit	Other Current Liability	Line of Credit	Revolving credit line
2600	Note Payable - Equipment	Long-Term Liability	Notes Payable	Equipment financing
2700	Loan Payable - SBA	Long-Term Liability	Notes Payable	SBA or bank loans
2800	Shareholder Loan	Long-Term Liability	Notes Payable	Loans from owners (formal)

EQUITY (3000-3999)

Account #	Account Name	Type	Detail Type	Notes
3000	Opening Balance Equity	Equity	Opening Balance Equity	QBO default - should be zero
3100	Owner's Equity / Capital	Equity	Owner's Equity	Sole Prop / LLC initial investment
3110	Owner's Contributions	Equity	Partner Contributions	Additional investments
3120	Owner's Draws	Equity	Partner's Equity	Money taken out (not salary)
3200	Common Stock	Equity	Common Stock	Corp: Shares issued
3210	Additional Paid-in Capital	Equity	Paid-In Capital or Surplus	Corp: Above par value
3300	Retained Earnings	Equity	Retained Earnings	QBO auto-calculates

INCOME (4000-4999)

Account #	Account Name	Type	Detail Type	Notes
4000	Consulting Revenue	Income	Service/Fee Income	Primary consulting income
4010	Project Revenue	Income	Service/Fee Income	Fixed-fee project work
4020	Retainer Revenue	Income	Service/Fee Income	Monthly retainer clients
4030	Hourly Services	Income	Service/Fee Income	Time & materials billing
4100	Training Revenue	Income	Service/Fee Income	Workshops, training sessions
4200	Software/Product Revenue	Income	Sales of Product Income	If selling software/products
4300	Reimbursed Expenses	Income	Service/Fee Income	Client expense reimbursements
4900	Discounts Given	Income	Discounts/Refunds Given	Track discounts separately

COST OF SERVICES (5000-5999)

Direct costs to deliver client services - COGS equivalent for service businesses

Account #	Account Name	Type	Detail Type	Notes
5000	Subcontractor Expense	COGS	Cost of Labor - COS	1099 contractors on client work
5100	Direct Labor	COGS	Cost of Labor - COS	Employee time billed to clients
5200	Software - Client Specific	COGS	Supplies & Materials - COGS	Tools purchased for client projects
5300	Travel - Client Billable	COGS	Other Costs of Services - COS	Travel to be reimbursed
5400	Materials - Client Specific	COGS	Supplies & Materials - COGS	Supplies for specific projects

OPERATING EXPENSES (6000-6999)

Payroll & Benefits (6000-6199)

Account #	Account Name	Type	Detail Type	Notes
6000	Salaries & Wages	Expense	Payroll Expenses	W-2 employee compensation
6010	Officer Compensation	Expense	Payroll Expenses	S-Corp: reasonable salary
6050	Payroll Taxes	Expense	Taxes Paid	Employer portion FICA, FUTA, SUTA
6100	Health Insurance	Expense	Insurance - Health	Employee health benefits
6110	Dental/Vision Insurance	Expense	Insurance - Health	Supplemental benefits
6120	401(k) Match	Expense	Retirement Plans	Employer 401k contributions
6130	Workers Compensation	Expense	Insurance - Workers Compensation	WC premiums
6150	Employee Benefits - Other	Expense	Other Business Expenses	Life insurance, HSA contributions

Professional Services (6200-6299)

Account #	Account Name	Type	Detail Type	Notes
6200	Accounting & Bookkeeping	Expense	Legal & Professional Fees	CPA, bookkeeping services
6210	Legal Fees	Expense	Legal & Professional Fees	Attorney fees

Account #	Account Name	Type	Detail Type	Notes
6220	Consulting - External	Expense	Legal & Professional Fees	Business consultants
6230	Payroll Service Fees	Expense	Legal & Professional Fees	ADP, Gusto, etc.

Facilities (6300-6399)

Account #	Account Name	Type	Detail Type	Notes
6300	Rent	Expense	Rent or Lease of Buildings	Office rent
6310	Utilities	Expense	Utilities	Electric, gas, water
6320	Internet & Phone	Expense	Utilities	Communications
6330	Office Supplies	Expense	Office/General Administrative	General supplies
6340	Equipment Rental	Expense	Equipment Rental	Copier leases, etc.
6350	Repairs & Maintenance	Expense	Repair & Maintenance	Office maintenance
6360	Janitorial	Expense	Other Business Expenses	Cleaning services

Technology (6400-6499)

Account #	Account Name	Type	Detail Type	Notes
6400	Software Subscriptions	Expense	Other Business Expenses	SaaS tools, cloud services
6410	IT Services	Expense	Other Business Expenses	MSP, IT support
6420	Web Hosting	Expense	Other Business Expenses	Website, email hosting
6430	Computer Supplies	Expense	Office/General Administrative	Keyboards, monitors, peripherals
6440	Software - One Time	Expense	Other Business Expenses	Software <\$2,500 (expense)

Marketing & Sales (6500-6599)

Account #	Account Name	Type	Detail Type	Notes
6500	Advertising	Expense	Advertising/Promotional	Google Ads, LinkedIn, print
6510	Marketing Services	Expense	Advertising/Promotional	Marketing agency fees
6520	Website Expenses	Expense	Advertising/Promotional	Domain, design, SEO
6530	Trade Shows & Events	Expense	Promotional	Conference booths, sponsorships
6540	Promotional Materials	Expense	Promotional	Brochures, swag, giveaways

Account #	Account Name	Type	Detail Type	Notes
6550	Business Development	Expense	Other Business Expenses	Client entertainment, prospecting

Travel & Entertainment (6600-6699)

Account #	Account Name	Type	Detail Type	Notes
6600	Travel - Airfare	Expense	Travel	Flights
6610	Travel - Lodging	Expense	Travel	Hotels
6620	Travel - Ground Transportation	Expense	Travel	Uber, rental cars, parking
6630	Travel - Meals	Expense	Travel Meals	Meals while traveling
6650	Meals - Business	Expense	Meals and Entertainment	Client/prospect meals (50% deductible)
6660	Entertainment	Expense	Entertainment	Client entertainment (limited deduction)

Insurance & Professional (6700-6799)

Account #	Account Name	Type	Detail Type	Notes
6700	Professional Liability (E&O)	Expense	Insurance	Errors & Omissions insurance
6710	General Liability Insurance	Expense	Insurance	CGL policy
6720	Cyber Insurance	Expense	Insurance	Data breach coverage
6730	Business Insurance - Other	Expense	Insurance	BOP, umbrella, etc.
6750	Professional Memberships	Expense	Dues and Subscriptions	Trade associations, chambers
6760	Licenses & Permits	Expense	Licenses	Business licenses
6770	Continuing Education	Expense	Other Business Expenses	Training, certifications
6780	Publications & Subscriptions	Expense	Dues and Subscriptions	Trade publications

Administrative (6800-6899)

Account #	Account Name	Type	Detail Type	Notes
6800	Bank Service Charges	Expense	Bank Charges	Monthly fees, wire fees
6810	Merchant Fees	Expense	Bank Charges	Credit card processing

Account #	Account Name	Type	Detail Type	Notes
6820	Postage & Shipping	Expense	Shipping, Freight & Delivery	Mail, courier services
6830	Printing & Copying	Expense	Other Business Expenses	Print services
6840	Recruiting	Expense	Other Business Expenses	Job boards, recruiting fees
6850	Bad Debt Expense	Expense	Bad Debts	Uncollectible AR written off

Depreciation & Amortization (6900-6999)

Account #	Account Name	Type	Detail Type	Notes
6900	Depreciation Expense	Expense	Depreciation	Annual depreciation
6910	Amortization Expense	Expense	Amortization	Intangibles, leasehold

OTHER INCOME (7000-7999)

Account #	Account Name	Type	Detail Type	Notes
7000	Interest Income	Other Income	Interest Earned	Bank interest
7100	Gain on Sale of Assets	Other Income	Gain/Loss on Sale of Assets	Equipment sales
7200	Other Income	Other Income	Other Miscellaneous Income	Misc non-operating income

OTHER EXPENSES (8000-8999)

Account #	Account Name	Type	Detail Type	Notes
8000	Interest Expense	Other Expense	Interest Paid	Loan interest, credit card interest
8100	Loss on Sale of Assets	Other Expense	Gain/Loss on Sale of Assets	Equipment sold at loss
8200	Penalties & Fines	Other Expense	Penalties and Settlements	Late fees, tax penalties
8900	Ask My Accountant	Other Expense	Other Miscellaneous Expense	Should always be \$0

Implementation Notes

Getting Started

1. **Review and customize** - Remove accounts you won't use, add any specific to your business

2. **Enable account numbers** in QBO: Settings → Company Settings → Advanced → Enable account numbers
3. **Import or create** - Use QBO's import feature or create accounts manually
4. **Map existing transactions** - If converting, map old accounts to new structure

Tax Ready Standards

- **Ask My Accountant (8900)** should always have a \$0 balance
- **Undeposited Funds (1200)** should be cleared weekly
- **Opening Balance Equity (3000)** should be \$0 after setup
- **Use appropriate detail types** - This drives tax categorization

Common Customizations by Sub-Industry

IT/MSP Services: Add accounts for software licensing revenue (4210), hardware resale (4220), maintenance contracts (4230)

Marketing/Creative: Add accounts for media buying (5500), production costs (5510), talent/freelancer fees (5520)

Legal/Accounting: Add accounts for trust liabilities (2350), client costs advanced (1450), retainer revenue (4020)

Need Help?

This template covers approximately 90% of accounts needed for a professional services business. Customize as needed for your specific situation.

→ **More resources at projectbits.com/taxready/book**

→ **Apply for a Tax Ready Assessment at projectbits.com/taxready/assessment**

Based on QuickBooks Online account structure and GAAP standards Template Version: 1.0 | December 2024

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Sources & References

- QuickBooks Chart of Accounts Templates
- Standard Chart of Accounts & Account Types
- Ultimate Chart of Accounts Guide