

Tax Ready Bookkeeping

Chart of Accounts: Technology & Software Companies

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Overview

This Chart of Accounts template is designed for technology companies including software development firms, SaaS providers, IT consulting companies, and tech startups. It supports tracking of recurring revenue, R&D expenses, and technology-specific cost categories.

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
1050	Savings	Bank	Reserve funds
1100	Accounts Receivable	A/R	Customer invoices
1150	Allowance for Doubtful Accounts	Other Current Asset	Reserve for bad debt
1200	Prepaid Expenses	Other Current Asset	
1210	Prepaid Software Licenses	Other Current Asset	Annual software
1220	Prepaid Cloud Services	Other Current Asset	AWS, Azure, etc.
1230	Prepaid Insurance	Other Current Asset	
1300	Employee Advances	Other Current Asset	

Number	Account Name	Type	Notes
1350	Accrued Revenue	Other Current Asset	Earned but not billed
1400	Security Deposits	Other Current Asset	Office lease
1450	Undeposited Funds	Other Current Asset	

Fixed Assets (1500-1799)

Number	Account Name	Type	Notes
1500	Computer Equipment	Fixed Asset	Servers, workstations
1510	Accumulated Depreciation - Computer	Fixed Asset	
1550	Office Equipment	Fixed Asset	Furniture, misc
1560	Accumulated Depreciation - Office	Fixed Asset	
1600	Leasehold Improvements	Fixed Asset	Office build-out
1610	Accumulated Amortization - Leasehold	Fixed Asset	

Intangible Assets (1800-1999)

Number	Account Name	Type	Notes
1800	Capitalized Software Development	Other Asset	Internal-use software
1810	Accumulated Amortization - Software	Other Asset	
1850	Patents	Other Asset	If applicable
1860	Accumulated Amortization - Patents	Other Asset	
1900	Domain Names	Other Asset	Significant domains
1950	Goodwill	Other Asset	Acquired companies

Liabilities (2000-2999)

Current Liabilities (2000-2499)

Number	Account Name	Type	Notes
2000	Accounts Payable	A/P	Vendor bills
2100	Credit Card - Company	Credit Card	
2110	Credit Card - AWS/Cloud	Credit Card	If separate
2200	Accrued Expenses	Other Current Liability	
2210	Accrued Wages	Other Current Liability	
2220	Accrued Bonuses	Other Current Liability	
2230	Accrued Vacation	Other Current Liability	PTO liability
2300	Payroll Liabilities	Other Current Liability	
2310	Federal Withholding	Other Current Liability	

Number	Account Name	Type	Notes
2320	State Withholding	Other Current Liability	
2330	FICA Payable	Other Current Liability	
2340	FUTA Payable	Other Current Liability	
2350	SUTA Payable	Other Current Liability	
2400	Sales Tax Payable	Other Current Liability	SaaS tax
2450	Deferred Revenue	Other Current Liability	Prepaid subscriptions
2460	Customer Deposits	Other Current Liability	
2470	Deferred Revenue - Annual	Other Current Liability	Annual prepayments

Long-Term Liabilities (2500-2999)

Number	Account Name	Type	Notes
2500	Deferred Revenue - Long Term	Long Term Liability	Multi-year deals
2600	Notes Payable	Long Term Liability	
2700	Convertible Notes	Long Term Liability	Startup financing
2800	Line of Credit	Long Term Liability	
2900	Shareholder Loans	Long Term Liability	

Equity (3000-3999)

Number	Account Name	Type
3000	Common Stock	Equity
3100	Preferred Stock	Equity
3200	Additional Paid-In Capital	Equity
3300	Treasury Stock	Equity
3400	Stock Options Expense	Equity
3500	Retained Earnings	Equity
3600	Owner's Draws / Distributions	Equity
3900	Opening Balance Equity	Equity

Income (4000-4999)

Recurring Revenue (4000-4199)

Number	Account Name	Type	Notes
4000	SaaS Revenue - Monthly	Income	Monthly subscriptions
4010	SaaS Revenue - Annual	Income	Annual subscriptions
4020	SaaS Revenue - Enterprise	Income	Large contracts
4050	Platform Revenue	Income	Platform fees

Number	Account Name	Type	Notes
4100	Support & Maintenance Revenue	Income	Ongoing support
4150	Managed Services Revenue	Income	MSP revenue

Non-Recurring Revenue (4200-4399)

Number	Account Name	Type	Notes
4200	Professional Services Revenue	Income	Implementation, consulting
4210	Implementation Revenue	Income	Onboarding fees
4220	Training Revenue	Income	Customer training
4230	Custom Development Revenue	Income	Bespoke work
4250	Project Revenue	Income	Fixed-price projects
4300	Hardware Sales	Income	If reselling hardware
4350	License Revenue	Income	One-time licenses

Other Operating Revenue (4400-4499)

Number	Account Name	Type	Notes
4400	Usage/Overage Fees	Income	Consumption-based
4420	API Revenue	Income	API access fees
4450	Affiliate/Referral Revenue	Income	Partner referrals
4480	Reimbursable Expenses	Income	Pass-through costs

Revenue Adjustments (4500-4599)

Number	Account Name	Type	Notes
4500	Discounts Given	Income	Sales discounts (negative)
4520	Refunds	Income	Customer refunds (negative)
4550	Chargebacks	Income	Payment disputes (negative)

Other Income (4600-4999)

Number	Account Name	Type	Notes
4600	Interest Income	Other Income	
4700	Gain on Foreign Exchange	Other Income	If applicable
4900	Other Income	Other Income	

Cost of Revenue (5000-5999)

Infrastructure & Hosting (5000-5199)

Number	Account Name	Type	Notes
5000	Cloud Hosting - Production	COGS	AWS, Azure, GCP
5010	Cloud Hosting - AWS	COGS	Amazon Web Services
5020	Cloud Hosting - Azure	COGS	Microsoft Azure
5030	Cloud Hosting - GCP	COGS	Google Cloud Platform
5050	CDN Services	COGS	CloudFlare, etc.
5100	Data Storage	COGS	S3, databases
5150	Bandwidth Costs	COGS	Data transfer

Third-Party Services (5200-5399)

Number	Account Name	Type	Notes
5200	Third-Party APIs	COGS	External APIs
5210	Payment Processing	COGS	Stripe, PayPal fees
5220	SMS/Communication Services	COGS	Twilio, etc.
5250	Monitoring & Logging	COGS	DataDog, NewRelic
5300	Security Services	COGS	WAF, DDoS protection
5350	Domain & SSL Costs	COGS	DNS, certificates

Customer Success (5400-5599)

Number	Account Name	Type	Notes
5400	Customer Support Salaries	COGS	Direct support staff
5410	Customer Support - Contractors	COGS	Outsourced support
5450	Support Tools & Software	COGS	Zendesk, Intercom
5500	Implementation Labor	COGS	Direct PS labor
5550	Training Delivery	COGS	Training costs

Other Cost of Revenue (5600-5999)

Number	Account Name	Type	Notes
5600	Hardware Costs	COGS	If reselling hardware
5650	License Costs	COGS	Third-party licenses
5700	Professional Services - Subcontract	COGS	Outsourced PS work
5800	Amortization - Capitalized Software	COGS	Software amortization

Operating Expenses (6000-6999)

Research & Development (6000-6199)

Number	Account Name	Type	Notes
6000	R&D Salaries - Engineering	Expense	Software engineers
6010	R&D Salaries - Product	Expense	Product managers
6020	R&D Salaries - QA	Expense	Quality assurance
6030	R&D Salaries - Design	Expense	UX/UI designers
6050	R&D Contractors	Expense	Contract developers
6100	R&D Payroll Taxes	Expense	
6150	Development Tools	Expense	GitHub, Jira, etc.
6160	Development Infrastructure	Expense	Dev/test environments
6170	Code Signing & Certificates	Expense	

Sales & Marketing (6200-6399)

Number	Account Name	Type	Notes
6200	Sales Salaries	Expense	Sales team
6210	Sales Commissions	Expense	Variable comp
6220	Sales Contractors	Expense	Contract sales
6250	Marketing Salaries	Expense	Marketing team
6300	Advertising - Digital	Expense	Google, Meta ads
6310	Advertising - Content	Expense	Sponsored content
6320	SEO/SEM	Expense	Search optimization
6330	Marketing Automation	Expense	HubSpot, Marketo
6340	Events & Trade Shows	Expense	Conferences
6350	Marketing Materials	Expense	Collateral
6360	PR & Communications	Expense	Public relations
6370	Website & Landing Pages	Expense	Marketing site
6380	Customer Acquisition	Expense	Other CAC costs

General & Administrative (6400-6599)

Number	Account Name	Type	Notes
6400	G&A Salaries	Expense	Admin, HR, Finance
6410	Executive Compensation	Expense	Leadership team
6420	Recruiting & Hiring	Expense	Recruiting fees
6450	Office Rent	Expense	
6460	Office Utilities	Expense	
6470	Office Supplies	Expense	
6480	Office Equipment	Expense	Non-capitalized
6490	Remote Work Stipends	Expense	WFH allowances
6500	Business Software	Expense	Slack, Google, etc.
6510	Accounting Software	Expense	QBO, Xero

Number	Account Name	Type	Notes
6520	HR Software	Expense	Gusto, BambooHR
6530	Security Software	Expense	LastPass, Okta
6540	Productivity Software	Expense	Microsoft 365, etc.
6550	Bank Charges	Expense	
6560	Merchant Fees	Expense	Stripe, PayPal

Professional Services (6600-6699)

Number	Account Name	Type	Notes
6600	Accounting & Bookkeeping	Expense	
6610	Legal Fees	Expense	
6620	Legal - IP/Patents	Expense	IP-specific legal
6630	Legal - Contracts	Expense	Contract review
6650	Consulting	Expense	
6680	IT Consulting	Expense	External IT

Insurance (6700-6749)

Number	Account Name	Type	Notes
6700	General Liability Insurance	Expense	
6710	E&O/Professional Liability	Expense	Tech E&O
6720	D&O Insurance	Expense	Directors & Officers
6730	Cyber Liability Insurance	Expense	Data breach coverage
6740	Workers' Compensation	Expense	

Employee Benefits (6750-6849)

Number	Account Name	Type	Notes
6750	Health Insurance	Expense	Medical/dental/vision
6760	401(k) Match	Expense	Retirement
6770	Life/Disability Insurance	Expense	
6780	Employee Perks	Expense	Snacks, wellness
6790	Training & Development	Expense	Professional dev
6800	Team Events	Expense	Offsites, parties

Travel & Meals (6850-6899)

Number	Account Name	Type	Notes
6850	Travel - Airfare	Expense	
6860	Travel - Lodging	Expense	

Number	Account Name	Type	Notes
6870	Travel - Ground	Expense	Uber, rental cars
6880	Meals - Business	Expense	Client meals
6890	Meals - Team	Expense	Internal meals

Other Operating (6900-6999)

Number	Account Name	Type	Notes
6900	Dues & Subscriptions	Expense	
6910	Licenses & Permits	Expense	Business licenses
6920	Foreign Exchange Loss	Expense	If applicable
6950	Depreciation Expense	Expense	
6960	Amortization Expense	Expense	Non-COGS
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 Foreign Exchange	Other Expense
7200	Loss on Asset Disposal	Other Expense
7500	Income Tax Expense	Other Expense

SaaS-Specific Considerations

Revenue Recognition (ASC 606)

- Track contract start/end dates
- Monitor annual vs. monthly billing
- Calculate deferred revenue properly
- Consider multi-element arrangements

Key Metrics to Track

- MRR/ARR by product
- Churn rate
- CAC (Customer Acquisition Cost)
- LTV (Lifetime Value)
- Gross margin
- Net Revenue Retention

R&D Tax Credit

- Track qualifying R&D expenses separately
- Document activities for credit claims
- Consider capitalization requirements

Sales Tax (SaaS)

- Nexus requirements vary by state
- Track taxable vs. non-taxable revenue
- Monitor changing SaaS tax laws

For more resources: projectbits.com/taxready/ch1

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