Instructions – Please Read Before Filling Out

This form is a **Profit & Loss (P&L) worksheet**. If you don't keep detailed books, filling this out gives me the totals I need to prepare your taxes.

- **Enter your yearly totals (Jan 1 – Dec 31, 20XX)** in each blank. Use your bank statements, receipts, or spreadsheets to add things up.
- **Income:** Report your total sales or business revenue for the year.
- **Expenses:** Go line by line. If a category doesn't apply, leave it blank. If you're unsure where something belongs, put it under "Other."
- **COGS (Cost of Goods Sold):**
    - This section applies mainly to businesses that **sell products or have direct costs tied to jobs.**
    - COGS is the **direct cost** of making or buying what you sell — things like inventory, direct labor, materials, subcontractors, fuel used on jobs, shipping in of supplies, etc.
    - These categories may look similar to expense categories further down (like Subcontractors, Fuel, Freight). That's on purpose. They appear here again because the IRS wants direct job costs grouped in COGS, while the same items used for overhead (not tied to a job/product) belong in regular expenses.
        - Example: Fuel for job-site equipment → **COGS**. Fuel for your office truck → **Automobile Expense**.
        - Example: Subcontractor you hire to help on a job → **COGS**. Marketing consultant → **Consulting Expense**.

Why it matters:

The IRS requires COGS to be reported separately from general expenses. This allows them (and us) to calculate your **gross profit** (Income – COGS) before expenses. Gross profit is a key tax number and also helps you measure how profitable your business really is.

👉 **Don't stress:** Do your best. If you're not sure, fill in what you can and I'll clean it up.

Comments for Accountant

Company Name: ___________________________
Your Name: ___________________________
Your Phone Number: ___________________________

Statement of Income and Expenses

Reporting Period: January 1st, 20____ through December 31st 20____

Income

Sales	__________	
Returns and allowances	__________	
Discounts	__________	
Total Income		__________

Cost of Goods Sold

Purchases (cost of products you bought to resell)	__________	
Direct materials (supplies used directly in products/services)	__________	
Direct labor (wages paid to employees directly producing product/service)	__________	
Subcontractors (labor hired to help fulfill jobs)	__________	
Equipment fuel (if directly tied to producing/servicing jobs)	__________	
Freight and shipping in (to get materials/products to you)	__________	
Other: ____	__________	
Other: ____	__________	
Other: ____	__________	
Other: ____	__________	
Total Cost of Goods Sold		__________

Expenses

Accounting	__________
Advertising	__________
Automobile and truck expense	__________
Bank charges	__________
Cell phone	__________
Commissions	__________
Computer	__________
Consulting	__________
Credit and collection costs	__________
Delivery fees	__________
Discounts	__________
Dues and subscriptions	__________
Education and training	__________
Employee benefit programs	__________
Entertainment	__________
Equipment rental or lease	__________
Freight	__________
Equipment fuel	__________
Gifts (max $25 per person allowed)	__________
Subcontractors	__________
Building and equipment insurance	__________
Liability insurance	__________
Workers compensation insurance	__________
Other insurance: _______________________	__________
Interest expense	__________
Internet	__________
Janitorial	__________
Laundry and cleaning	__________
Legal and professional	__________
Marketing	__________
Meals	__________
Meetings	__________
Office expense	__________
Outside services and contractors	__________

Parking fees and tolls	___________
Payroll processing expenses	___________
Pension, profit-sharing, and other plans	___________
Permits and fees	___________
Postage and shipping	___________
Printing	___________
Recruiting	___________
Rents	___________
Repairs and maintenance	___________
Salaries and wages to non-shareholders (employees – W2s)	___________
Salaries and wages to shareholders (officers of company – W2s)	___________
Security	___________
Software	___________
Supplies	___________
Taxes and licenses	
Real estate taxes: ___________	
Payroll taxes: ___________	
Occupancy taxes: ___________	
Business licenses: ___________	
Other: ________________________ ___________	
Total taxes and licenses	___________
Telephone	___________
Tools	___________
Travel	___________
Uniforms	___________
Utilities	___________
Waste removal	___________
Other: ____	___________
Other: ____	___________
Other: ____	___________
Other: ____	___________
Other: ____	___________
(Do not use Miscellaneous or Other Expenses – they have to be categorized)	
Total Expenses	___________
Net Income	___________