

## General Ledger Account Explanations

**1040 Exchange** - This account is used as a holding account. For example: when having to make a manual debit & credit to two accounts to offset each other, this account is used. It is important to make certain that both the debit & credit are done at the same time! It has not been uncommon in the past to see a balance in this account when there should be none.

**1070 Parts Inventory** - This account is used to expense vendor invoices with parts for resale.

**1080 Additional Items Inventory S2K** – This account is used to expense fuel bought for customer vehicles to be resold as an Item on the Service Order

**21001 Payroll Liabilities: Child Support** – This account is used to track child support withheld from employee payroll to send to appropriate authority

**21002 Payroll Liabilities: Dental** – This account is used to track dental withheld from employee payroll to send to appropriate authority (Employee Contribution only)

**21003 Payroll Liabilities: Federal** – This account is used to track Federal Tax withheld from employee payroll to send to appropriate authority

**21004 Payroll Liabilities: FICA** – This account is used to track Social Security withheld from employee payroll to send to appropriate authority (Employee Contribution only)

**21005 Payroll Liabilities: FUTA** – This account is used to track Federal Unemployment Tax withheld from employee payroll to send to appropriate authority

**21006 Payroll Liabilities: Health Insurance** – This account is used to track health insurance withheld from employee payroll to send to appropriate authority (Employee Contribution only)

**21007 Payroll Liabilities: Life Insurance** – This account is used to track life insurance withheld from employee payroll to send to appropriate authority (Employee Contribution only)

**21008 Payroll Liabilities: State** – This account is used to track State Tax withheld from employee payroll to send to appropriate authority

**21009 Payroll Liabilities: SUTA** – This account is used to track State Unemployment Tax withheld from employee payroll to send to appropriate authority

**2150 Sales Tax S2K** – This account is used to track State, County and/or City Sales Tax collected from sales. When paying Sales Tax, this account is debited

**5010 Labor (COGS)** - This account is used to expense costs of direct labor. The technicians' gross pay goes in this account less any commissions, sick time, personal days, jury duty or vacation time. (These amounts go into employee benefits.)

**5030 Sublet (COGS)** – This account is used to expense costs that are going to be charged out to the customer in the sublet portion of the invoice. This could include machine shop labor costs, etc.

**5060 Service Supplies (COGS)** - This account is used to expense costs of supplies directly related to the repairing of automobiles. This includes seat covers, floor mats, speedy-dry, latex gloves, chemicals not billed out, welding supplies, Safety Kleen tank, nuts/bolts, etc. If not positive this is the account to expense an entry to, seek assistance of management.

**51401 Fees: Battery (COGS)** - This account is used to expense costs associated with battery disposal costs.

**51402 Fees: Environmental (COGS)** - This account is used to expense costs associated with waste disposal costs. Use this only if using the 41402 account to charge the customer for Environmental Fees.

**51403 Fees: Fluid Disposal (COGS)** - This account is used to expense costs associated with fluid disposal costs. Use this only if using the 41403 account to charge the customer for Environmental Fees.

**51404 Fees: Oil Filter Disposal (COGS)** - This account is used to expense costs associated with oil filter disposal costs. Use this only if using the 41404 account to charge the customer for Environmental Fees.

**51405 Fees: Tire Disposal - Auto (COGS)** - This account is used to expense costs associated with automotive tire disposal.

**51406 Fees: Tire Disposal – Hvy Trk (COGS)** - This account is used to expense costs associated with truck tire disposal.

**51407 Fees: Towing (COGS)** - This account is used to expense costs associated with towing customer vehicles. Use this only if using the 41407 account to charge the customer for towing, otherwise the towing costs would go to 5030 if towing is charged to the customer as a sublet sale.

**5145 Freight (COGS)** – This account is used to expense freight costs that are being charged out on a Service Invoice. See 6120 Freight Expense if freight charge is not being charged to customer.

**60101 Advertising: Postage** - This account is used to expense postage costs associated with advertising efforts.

**60102 Advertising: Printed Materials** - This account is used to expense printed materials costs associated with advertising efforts.

**60103 Advertising: Recruiting** - This account is used to expense recruiting costs associated with employment efforts.

**60104 Advertising: Website** - This account is used to expense website development, maintenance and hosting costs.

**60105 Advertising: Yellow Pages** - This account is used to expense costs associated with advertising efforts in any type of Yellow Pages advertising.

**6060 Bad Debt** - This account is used to expense costs associated with uncollectible monies owed to us.

**60901 Cash Discount: Coupon 1** - This account is used to expense a discount given to a customer that the owner wants to track the amount redeemed. The invoice is billed at full price and expense discount amount to this account.

**60902 Cash Discount: Coupon 2** - This account is used to expense a discount given to a customer that the owner wants to track the amount redeemed. The invoice is billed at full price and expense discount amount to this account.

**60903 Cash Discount: Coupon 3** - This account is used to expense a discount given to a customer that the owner wants to track the amount

redeemed. The invoice is billed at full price and expense discount amount to this account.

**60904 Cash Discount: Coupon 4** - This account is used to expense a discount given to a customer that the owner wants to track the amount redeemed. The invoice is billed at full price and expense discount amount to this account.

**60905 Cash Discount: Coupon 5** - This account is used to expense a discount given to a customer that the owner wants to track the amount redeemed. The invoice is billed at full price and expense discount amount to this account.

**6100 Cash Short/Over** - This account is used to expense slight out of balance amounts which can occur with discounting invoices.

**61101 Company Automobile Expense: Fees** - This account is used to expense costs associated with the licensing and registration of company vehicles.

**61102 Company Automobile Expense: Fuel** - This account is used to expense fuel costs of company vehicles.

**61103 Company Automobile Expense: Repairs** - This account is used to expense repair costs associated with company vehicles.

**6120 Contributions** – This account is used to expense contributions made to charitable organizations.

**6130 Depreciation** – This account is used to expense depreciation of equipment based on depreciation tables provided by accountant or CPA

**6140 Dues and Subscriptions** – This account is used to expense costs associated with membership or publications. This could include AAA Approved Auto Repair dues, ASA dues, AASP dues and any trade journals requiring payment to receive.

**61601 Employee Benefits: Dental** – This account is used to expense costs associated with dental insurance for staff.

**61602 Employee Benefits: Disability Insurance** – This account is used to expense costs associated with disability insurance for staff.

**61603 Employee Benefits: Health Insurance** – This account is used to expense costs associated with health insurance for staff.

**61604 Employee Benefits: Holiday** – This account is used to expense employee costs for staff paid for any holiday.

**61605 Employee Benefits: Sick Day** – This account is used to expense employee costs for staff paid for any sick pay.

**61606 Employee Benefits: Vacation** – This account is used to expense employee costs for staff paid for any vacation.

**61607 Employee Benefits: Worker's Compensation** – This account is used to expense worker's compensation costs for staff.

**6170 Equipment Rental** - This account is used to expense equipment rental costs incurred by the shop.

**6220 Freight** - This account is used to expense freight costs that are being absorbed by the shop. Use this account only if freight is not being charged to a customer.

**6250 Goodwill** - This account is used to expense any goodwill consideration given to the customer relating to repairs that is not covered by a warranty.

Example 1: A customer comes in with a leaking water pump that is 5,000 miles beyond the warranty. You decide to split the repair with the customer. You bill it out at normal pricing and discount the amount to help the customer with the cost. The discounted amount would go in this account.

Example 2: A very good customer comes in with a bulb out. Instead of just installing the bulb with no receipt, bill the customer for the part and labor time. When it comes time to accept payment on the invoice, expense the payment to this account.

**63001 Insurance: Liability Insurance** - This account is used to expense costs of liability insurance for the shop.

**63002 Insurance: Vehicle** - This account is used to expense vehicle insurance costs.

**63101 Interest Expense: Finance Charge** – This account is used to expense finance costs incurred by the shop.

**63102 Interest Expense: Loan Interest** – This account is used to expense finance costs incurred by the shop.

**63103 Interest Expense: Mortgage Interest** – This account is used to expense mortgage interest incurred by the shop. This is only used if the real estate was purchased by the shop.

**6320 Inventory Control** - This account is used to expense manual changes to 1070 Inventory S2K account.

**6440 Licenses and Permits** - This account is used to expense costs associated with licensing of the shop or equipment.

**64701 Maintenance: Building** - This account is used to expense any supplies or sublet associated with building maintenance. This could include light bulbs for shop lighting, paint for improvements, etc. This does not include drop light bulbs, which would go to 6270 – Shop Supplies.

**64702 Maintenance: Computer** - This account is used to expense costs of shop's computer systems. This could include hardware or software.

**64703 Maintenance: Equipment** - This account is used to expense costs directly relating to the operation and/or maintenance of shop equipment.

**65501 Office Supplies: Internal Document Printing** - This account is used to expense costs of internal document printing. These would be documents printed for internal use only.

**65502 Office Supplies: Postage** - This account is used to expense postage costs associated with office administration including mailing bills to vendors or accounts receivable statements to customers.

**65503 Office Supplies: Supplies** - This account is used to expense costs of disposables such as paper, toner for the printer, pens, staples, etc.

**65901 Payroll – Support: Advisor** - This account is used to expense the direct cost of this position less any sick time, vacation time, jury duty, holidays, etc.

**65902 Payroll – Support: Bookkeeper** - This account is used to expense the direct cost of this position less any sick time, vacation time, jury duty, holidays, etc.

**65903 Payroll – Support: Maintenance** - This account is used to expense the direct cost of this position less any sick time, vacation time, jury duty, holidays, etc.

**65904 Payroll – Support: Manager** - This account is used to expense the direct cost of this position less any sick time, vacation time, jury duty, holidays, etc.

**65905 Payroll – Support: Office Manager** - This account is used to expense the direct cost of this position less any sick time, vacation time, jury duty, holidays, etc.

**65906 Payroll – Support: Parts** - This account is used to expense the direct cost of this position less any sick time, vacation time, jury duty, holidays, etc.

**66101 Professional Fees: Accounting** - This account is used to expense accounting costs.

**66102 Professional Fees: Collection** - This account is used to expense collection costs.

**66103 Professional Fees: Consulting** - This account is used to expense consulting costs.

**66104 Professional Fees: Legal** - This account is used to expense legal costs.

**6670 Rent** - This account is used to expense costs of building rent.

**66801 Repairs: Building Repairs** - This account is used to expense costs of repairs to the building.

**66802 Repairs: Computer Repairs** - This account is used to expense costs of repairs to the shop's computer systems.

**66803 Repairs: Equipment Repairs** - This account is used to expense costs directly relating to the repair of shop equipment.

**67201 Service Charges: American Express** - This account is used to expense costs charged monthly for accepting the Discover & other Novus Cards.

**67202 Service Charges: Bank** - This account is used to expense costs charged monthly for bank charges and fees.

**67203 Service Charges: Discover** - This account is used to expense costs charged monthly for accepting the Discover & other Novus Cards.

**67204 Service Charges: Mastercard** - This account is used to expense costs charged monthly for accepting MasterCard.

**67205 Service Charges: Telecheck** - This account is used to expense costs charged monthly for using Telecheck check guarantee services.

**67206 Service Charges: Visa** - This account is used to expense costs charged monthly for accepting Visa.

**6725 Shop Supplies** - This account is used to expense supplies related to upkeep in the shop. This could include brooms, trash barrels, drop light bulbs, toilet paper, etc.

**67301 Taxes: Federal** - This account is used to expense any federal taxes paid to the government.

**67302 Taxes: Local** - This account is used to expense any local taxes paid to the government.

**67303 Taxes: Payroll** - This account is used to expense any payroll taxes paid to the government.

**67304 Taxes: Property** - This account is used to expense any property taxes paid to the government.

**67305 Taxes: State** - This account is used to expense any state taxes paid to the government.



**6740 Telephone** - This account is used to expense costs of telephone, long distance, cell phone & pagers.

**6750 Tools** - This account is used to expense small tools the shop purchases for technician use. These tools are the property of the shop.

**67601 Training: Management Training** - This account is used to expense training costs of management employees and owner.

**67602 Training: Technical Training** - This account is used to expense training costs of employees.

**67701 Travel & Ent.: Entertainment** - This account is used to expense costs associated with entertainment or business meetings where there is discussion of business.

**67702 Travel & Ent.: Meals** - This account is used to expense costs of meals out.

**67703 Travel & Ent.: Travel** – This account is used to expense business travel costs.

**6790 Uniforms Expense** - This account is used to expense any costs associated with uniform cost or upkeep of employees. This would not include rags, which should be broken out to the 5060 Service Supplies (COGS) account.

**68101 Alarm/Security** – This account is used to expense security costs.

**68102 Utilities: Gas** - This account is used to expense gas/oil heat costs.

**68103 Utilities: Water** - This account is used to expense water/sewer costs.

**68104 Utilities: Electric** - This account is used to expense electrical costs.

**68105 Utilities: Rubbish Removal** - This account is used to expense rubbish removal costs.

**6840 Vendor Prompt Payment Discount** - This account is used to track discounts taken by the shop for paying bills to take advantage of any additional discounting from vendors.

**68601 Warranty / Advisor Error** - This account is used to expense any amount of repairs not expected by the customer. For example: The customer is quoted \$300 for repairs. When invoiced, the invoice amount is higher than authorized. The difference would be expensed to this account.

**68602 Warranty / Labor Defect** - This account is used to expense a comeback caused by a labor error. The invoice is billed out at zero dollars and backed out of the invoice count at the end of the day, as this is not considered an up sell opportunity.

**68603 Warranty / Part Defect** - This account is used to expense a comeback caused by a defective part. The invoice is billed out using normal pricing and expensed to this account. Any credits from the parts manufacturer in the way of parts credit or labor reimbursement would also be put to this account as a debit.

**7010 Interest Income** – This account is used to track any interest income.