AAHA/VMG
Companion Animal
Chart of Accounts
Field Definitions
AAHA/VMG CHART OF ACCOUNTS

BALANCE SHEET ACCOUNTS

ASSETS

Current Assets
1010 · Petty Cash
1020 · Cash in Daily Drawer
1030 · Undeposited Funds
1050 · Primary Checking Account
1060 · Secondary Checking Account
1150 · Savings Account
1200 · Certificates of Deposit
1250 · Money Market Account
1300 · Accounts Receivable
1305 · Allowance for Uncollectable Accounts
1350 · Drugs and Medical Supply Inventory
1400 · Employee Advances
1450 · Advances – Related Party
1500 · Note Receivable – Related Party
1590 · Note Receivable – Other
1600 · Prepaid Expenses
1800 · Deposits for New Equipment
1850 · Construction In Progress

Fixed Asset Accounts
2000 · Professional Medical Equipment
2050 · Computer Hardware
2100 · Office Equipment, Furniture & Fixtures
2150 · Practice Vehicles
2200 · Leasehold/Building Improvements
2300 · Buildings
2350 · Land Improvements
2400 · Land
2450 · Accumulated Depreciation

Other Asset Accounts
2500 · Computer Software
2520 · Goodwill
2560 · Covenant Not to Compete
2580 · Organizational & Startup Costs
2585 · Loan Costs
2599 · Accumulated Amortization
2600 · Note Receivable Long Term Portion
2700 · Refundable Deposits
2850 · Other Assets
LIABILITIES
Current Liabilities
3000 · Accounts Payable
3010 · Credit Cards Payable
3020 · Line of Credit
3030 · Current Portion of Long Term Loans & Capital Leases Payable
3050 · Loan Payable – Related Party
3055 · Unearned Revenue
Employer Payroll & Benefit Liabilities
3110 · Payroll Tax Payable
3140 · Workers Compensation Payable
3150 · Accrued Payroll and Bonuses
3160 · Accrued Payroll Taxes
3170 · Employer Retirement Plan Contribution Payable
Employee Payroll and Benefit Liabilities
3200 · Employee Payroll Tax Withholding Payable
3260 · Employee Withholding Payable
Other Tax Liabilities
3400 · Sales & Use Tax Payable
3420 · Accrued Property Tax
3500 · Corporate Income Tax Payable
Long Term Liabilities
3800 · Long Term Portion of Loans & Capital Lease Payable

OWNER EQUITY OR CAPITAL ACCOUNTS *(see below for difference by entity type)
S Corporation*
4000 · Common Stock
4100 · Additional Paid In Capital
4200 · Retained Earnings /(Deficit)
4300 · Distributions/Dividends/Draws
4400 · Treasury Stock

Proprietorship*
4000 · Owner's Capital
4100 · Additional Paid In Capital
4200 · Owner's Equity /(Deficit)
4300 · Distributions/Dividends/Draws

Partnership*
4000 · Partner's Capital - Partner One
4010 · Partner's Capital - Partner Two
4200 · Partner's Equity /(Deficit)
4300 · Distributions/Dividends/Draws
Limited Liability Company*
4000 · Member's Capital - Partner One
4200 · Member's Equity /(Deficit)
4300 · Distributions/Dividends/Draws

REVENUE AND EXPENSE ACCOUNTS
Revenue Account Series
5000 · Professional Services Revenue
   5001 · Vaccine Revenue
   5010 · Exam Revenue
   5020 · Hospitalization & Treatment Revenue
   5025 · Fluid Therapy Revenue
   5030 · Diagnostic Services Revenue
   5040 · Rehabilitation Revenue
   5045 · Laser Therapy Revenue
   5050 · Mortuary Revenue
   5060 · Behavior Service Revenue
   5070 · Alternative and Complementary Medicine Revenue
   5080 · Specialist Revenue
   5095 · Medical Waste Revenue
   5099 · Large Animal Services Revenue
5100 · Pharmacy Revenue
   5105 · FDA Prescription Meds, Pill, Cap, Liquid, Etc. Revenue
   5110 · Injection Revenue
   5115 · FDA Prescription Flea/Tick Non-HW Parasite Control Revenue
   5120 · FDA Prescription HW or Combination HW/Parasite Control Revenue
   5130 · Internet Pharmacy Revenue
5200 · Dietary Product Revenue
   5201 · Therapeutic Diet Revenue
   5202 · Retail Diet Revenue
5300 · Laboratory Revenue
   5301 · In-House Lab Revenue
   5302 · Outside (Reference) Lab Revenue
5400 · Imaging Revenue
   5403 · X-Ray Revenue
   5404 · Dental X-Ray Revenue
   5405 · CT Services Revenue
   5410 · Ultrasound Services Revenue
   5415 · MRI Services Revenue
   5420 · Specialist (Imaging) Consultation Revenue
5500 · Surgery Revenue
   5510 · Non-Specialist Surgery Revenue
   5520 · Specialist Surgery Revenue
5600 · Anesthesia Revenue
5700 · Dentistry Revenue
5800 · Ancillary Products & Services Revenue
   5801 · OTC Products, Shampoos, & Nutraceutical Revenue
5802 · Pet Supplies Retail Revenue
5803 · Non-FDA Flea & Tick Control Product Revenue
5804 · Internet Ancillary Product Revenue
5825 · Boarding Revenue
5850 · Grooming Revenue
5900 · Fee Discounts & Client Returns
  5905 · Fee Discounts
  5910 · Returns and Allowances

**Direct Costs or Cost of Goods and Services Account Series**

6000 · Professional Services Costs
  6001 · Vaccine Costs
  6020 · Examination, Hospitalization, & Treatment Costs
  6025 · Fluid Therapy Costs
  6040 · Rehabilitation Costs
  6050 · Animal Disposal/Mortuary Costs
  6095 · Medical Waste Disposal Costs
  6099 · Large Animal Costs

6100 · Pharmacy Costs
  6105 · FDA Prescription Meds, Pill, Cap, Liquid, Etc. Costs
  6110 · Injection Costs
  6115 · FDA Prescription Flea/Tick Non-HW Parasite Control Product Costs
  6120 · FDA Prescription HW or Combo HW/Parasite Control Product Costs
  6130 · Internet Pharmacy Costs

6200 · Dietary Product Costs
  6201 · Therapeutic Diet Product Costs
  6202 · Retail Diet Product Costs

6300 · Laboratory Costs
  6301 · In-House Lab Costs
  6302 · Outside (Reference) Lab Costs

6400 · Imaging-Costs
  6403 · X-Ray Costs
  6404 · Dental X-Ray Costs
  6405 · CT Costs
  6410 · Ultrasound Costs
  6415 · MRI Costs
  6420 · Specialist (Imaging) Consultation Costs

6500 · Surgery Costs
6600 · Anesthesia Costs
6700 · Dentistry Costs
6800 · Ancillary Products & Services Costs
  6801 · OTC Products, Shampoos, & Nutraceutical Costs
  6802 · Pet Supply Costs
  6803 · Non-FDA Flea/Tick Control Costs
  6804 · Internet Ancillary Retail Sales Costs

6825 · Boarding Costs
6850 · Grooming Costs
General and Administrative Expenses Accounts

Labor Expense Account Series
7000 · Owner Veterinarian Compensation
7005 · Owner Management Compensation
7080 · Associate Veterinarian Compensation
7083 · Relief Veterinarian - Contractor Payments
7085 · Veterinary Specialist - Contractor Payments
7090 · Intern Veterinarians Compensation
7100 · Other Support Staff Compensation
7130 · Registered Veterinary Technicians Compensation
7135 · Veterinary/Technical Assistants Compensation
7140 · Client Service Reps/Receptionists Compensation
7145 · Other (Non-DVM) Temporary Services - Contractor Payments
7150 · Maintenance Personnel Compensation
7160 · Administrative Personnel Compensation
7162 · Practice Manager/Administrator Compensation
7164 · Office Manager/Executive Assistant Compensation
7166 · Bookkeeper Compensation
7168 · Clerical/Secretarial Personnel Compensation
7170 · Groomers Compensation
7175 · Kennel Assistants Compensation

Employer Payroll Taxes Account Series
7210 · FICA Tax Expense – Employer’s Portion
7220 · Federal Unemployment Tax Expense
7230 · State Unemployment Tax Expense
7250 · Other Employer Payroll Tax Expense

Employee Fringe Benefits Account Series
7300 · Employee Benefit Program Expense
   7301 · Group Health Insurance Premium Expense
   7302 · S Corporation Shareholder Health Insurance Premium
   7303 · Group Dental Insurance Premium Expense
   7304 · Group Disability Insurance Premium Expense
   7305 · Group Term Life Insurance Premium Expense
7310 · Employer Retirement Contribution Expense
7320 · Professional Liability Insurance Premium Expense
7340 · Workers Compensation Premium/Tax Expense
7360 · Continuing Education Registration Expense
   7361 · Meeting/Course Registration Fees
   7362 · Business & Professional Book, Journals, VIN subscriptions
   7363 · Staff Training Fees and Costs
7365 · Travel and Lodging Expense
   7366 · Air Fare
7367 · Lodging
7368 · Transportation
7369 · Mileage Reimbursement (CE Travel)

Other Employee Expense Account Series
7400 · Study Group Fees
7440 · Business Meals & Entertainment
7445 · Staff Events & Recreation
7450 · Employee Recruitment
7460 · Laundry & Uniform
7470 · Employment Practices Liability Insurance

Facility and Equipment Related Expense Account Series
7500 · Rent on Practice Real Estate
7510 · Rent on Equipment
7515 · Outside Storage
7520 · Maintenance
    7521 · Medical Equipment Maintenance
    7522 · IT and Office Equipment Maintenance
    7523 · Facility Maintenance
7530 · Service Contracts
    7531 · Medical Equipment Service Contracts
    7532 · IT and Office Equipment Service Contracts
    7533 · Facility Service Contract
7540 · Housekeeping & Janitorial
7570 · Repairs
    7571 · Medical Equipment Repairs
    7572 · IT and Office Equipment Repairs
    7573 · Facility Repairs
7580 · Property, Casualty, & Liability Insurance Premiums
7590 · Real Estate Tax
7600 · Personal Property Tax
7620 · Practice Vehicle
7660 · Utility Services
    7661 · Electricity
    7662 · Natural Gas/Fuel Oil/Propane Gas
    7663 · Sewer
    7664 · Water
7670 · Telephone Services
    7671 · Cellular Phone Service
    7672 · Landline Phone Service
7675 · Cable & Internet Services
7680 · Answering Service
7690 · Rubbish Disposal
Administrative Expense Account Series
7705 · Licenses & Permits
7710 · Use Tax Paid
7715 · Franchise Tax
7720 · Other Tax
7725 · Veterinary & Professional Dues
7730 · Client Education Material
7735 · Business Gifts and Flowers
7740 · Charitable Contributions
7745 · Computer Supplies
7750 · Office Supplies
7755 · Postage
7760 · Printing
7765 · Accounting Fees
7770 · Bookkeeping Services
7775 · Payroll Service Fees
7780 · Employee Benefits Administration
7785 · Legal Services
7790 · Business Consultation

Advertising & Promotion Expense Account Series
7801 · Yellow Page Advertising
7802 · Website Maintenance
7803 · Internet Advertising
7804 · Direct Mailing
7805 · Client Reminders
7806 · Memorial Contributions
7808 · Sponsored Events
7809 · Marketing Consultant Fees
7810 · Advertising & Promotion - Other

Fee Income Collection Expense Account Series
7905 · Bank Charges and Service Fees
7910 · Credit Card Merchant Service Fees
7915 · Care Credit Service Fees
7920 · Collection Fees
7930 · Bad Debts
7940 · Returned Check Fees

Depreciation and Amortization Account Series
8000 · Depreciation Expense
8050 · Amortization Expense

Other Miscellaneous Revenue Account Series
9000 · Miscellaneous Revenue
9010 · Rent Revenue
9020 · Interest & Dividend Revenue
9030 · Gain/(Loss) on Asset Disposition

Other Miscellaneous Expense Account Series
9040 · Miscellaneous Expense
9050 · Fines & Penalties
9060 · Officer/Key Person Life Insurance
9070 · Officer Disability Insurance

Interest Expense Account Series
9080 · Interest Expense – Financed
9090 · Interest Expense – Shareholder/Owner
9095 · Interest Expense – Other

Income Tax Expense Account Series
9100 · Federal Income Tax Provision
9200 · State Income Tax Provision
9300 · Local Income Tax Provision

9900 · Ask My Accountant
**Current Assets Account Series**

**1010 · Petty Cash**
Petty cash is the amount of ready cash that the practice keeps available on premises for incidental needs. Examples of petty cash uses include reimbursement to employees for out-of-pocket purchases of office supplies and postage.

**1020 · Cash in Daily Drawer**
The cash drawer represents the amount of cash on hand to provide change to clients, who are making cash purchases of services and retail items, or are settling the balances of their accounts. A separate petty cash fund should be maintained for incidental expenses. See account 1010- Petty Cash

**1030 · Undeposited Funds**
This account records client payments and other receipts on premises or otherwise under practice control, and not yet deposited to the bank.

**1050 · Primary Checking Account**
The chief operating bank account used for daily fee collection deposits and for paying bills.

**1060 · Secondary Checking Account**
Many practices maintain more than one checking account, such as an account for payroll or an account that reflects the activity of a second practice location. Assign each checking account its own chronologic number in the AAHA/VMG COA-CA.

**1150 · Savings Account**
In general, a practice savings account serves as an interest-bearing repository of reserve funds for working-capital requirements or for planned investments or commitments such as employee retirement funding.

**1200 · Certificates of Deposit**
Record investments in certificate of deposits to this account. Interest earned on investments will be recorded in the 9050 account for interest revenues either at the time the interest is received (cash basis accounting) or when the right to it is earned (accrual basis accounting).

**1250 · Money Market Account**
Either a commercial bank’s account or a brokerage-held account, a practice money market account provides another interest-bearing option for reserving funds to meet working capital needs or for future practice commitments.

**1300 · Accounts Receivable**
The account used for recording client-owed amounts for veterinary services and ancillary purchases.

**1305 · Allowance for Uncollectable Accounts**
This is a contra asset account associated with accounts receivable. This account will maintain a credit balance and should be used when anticipating a portion of the accounts receivable will be uncollectible in the future.
1350 · Drugs and Medical Supply Inventory  
Inventory value should be a reasonable approximation of drugs on hand (at acquisition cost) at quarterly reporting dates, including partial packages.

1400 · Employee Advances  
Advances to employees, most often as very short-term loans against future wages are recorded in this account.

1450 · Advances – Related Party  
This account is used to record episodic and quickly repaid personal expenditures made on behalf of officers or owners of the practice.

1500 · Note Receivable – Related Party  
Notes receivable usually reflect an interest-bearing loan of a large money amount or sale of valuable company property to an individual, with the requirement for repayment of the amount or value. If the terms of the loan provide for repayment to the practice over a period of longer than one year, then the portion to be repaid in greater than twelve months’ time is recorded in account 2600, Long Term Portion of Notes Receivable. Account 1500 is explicitly reserved for amounts loaned to individuals who are related to the practice through ownership rights or through fiduciary responsibility, such as a director or officer.

1590 · Note Receivable – Other  
This account carries amounts owed to the practice, usually by non-owner employees or related entities. Occasionally, it will also include client-signed promissory notes made to the practice when the client has renegotiated large, outstanding accounts-receivable amounts for documented re-payment over time.

1600 · Prepaid Expenses  
Record in this account any payments that reflect the acquisition of services that the practice will use in a future financial period. In the financial period of their use, adjust prepaid amounts as expenses and reduces the asset value of the prepaid expense account. Some examples of prepaid expenses are airline tickets and convention registration purchased for a continuing education event scheduled some months in the future; professional dues and membership payments for a future membership period; and service contracts that cover one or several years of future financial periods. Include in this account prepaid insurance premiums, prepaid rent, prepaid federal income tax, prepaid state income and/or franchise tax, and prepaid local income tax if applicable to your practice.

1800 · Deposits for New Equipment  
Record in this account any down payments made for equipment orders and similar assets that will be received and put in service at a future date.

1850 · Construction in Progress  
When the practice is renovating or expanding facility or constructing other capital assets that have not yet been put into service, payments made for the ongoing construction project are coded here. Once the project is complete, and all costs have been accumulated, the total is re-classed to the appropriate fixed
asset accounts with adequately detailed descriptions. When the building or constructed asset is put in service, depreciation can begin.

**Fixed Asset Account Series**

**2000 · Professional Medical Equipment**
The acquisition costs of all medical, surgical, and diagnostic equipment used for service provision and revenue generation are included in this account. Examples include autoclaves and sterilization equipment; surgery and anesthetic equipment; X-ray machines and other imaging equipment such as ultrasound machines; microscopes and bench laboratory machines; and any other type of medical, patient-support, or monitoring equipment. Any item of equipment to which the practice has title or realistically will have title through acquisition contract terms should be listed in this account.

**2050 · Computer Hardware**
Record all purchased computer equipment in this account, including electronic office equipment such as electronic cash registers, computer peripheral equipment, modems, surge protectors, computer cabling, servers, video monitors, printers, fax machines and network copiers. As the practice takes computer equipment out of service (often due to obsolescence as much as to breakage), it should also dispose of and remove the equipment from the accounting records.

**2100 · Office Equipment, Furniture & Fixtures**
This fixed asset account includes all non-computer office equipment acquisitions, such as phone systems, calculators, photocopiers (not computer-networked), typewriters, paper-shredders, and similar equipment. It also includes appliances such as washers, dryers, freezers, and TVs not associated with medical equipment. The account also includes office furnishings such as desks, filing cabinets, chairs, waiting room furniture, decor, lockers, bookcases, movable lighting fixtures, signs, and other appurtenances not permanently affixed and integral features of the building.

**2150 · Practice Vehicles and Related Equipment**
Vehicles owned by and titled to the practice are coded in this account, and in general are used in the production of veterinary revenue (patient transport, house calls, business errands and travel). Debatable issues affecting appropriate accounting for leased vehicles dictate you seek the practice accountant’s input and advice so that regulatory compliance occurs. Additionally, vehicles used in companion animal practice may have mixed use for personal use and commuting, as well as for the purposes of conducting veterinary business. Once business use (which does NOT include commuting) falls below 50%, special rules apply to depreciation.

**2200 · Leasehold/Building Improvements**
Code building construction projects that upgrade and/or extend the useful life of practice-occupied buildings in this account. Integral, stationary, and permanently affixed parts of the facility, building improvements increase its value and usefulness. Improvements include renovations, additions, permanent upgrades, new roofs, and new floors. Capitalize major repairs, which add significant facility value or life expectancy, for inclusion in this account.
2300 · Buildings
Record any costs of buildings to which the practice holds ownership title in this account.

2350 · Land Improvements
Improvements made to land owned or leased by the practice, which includes such enhancements as driveways, sidewalks, landscaping, storm drainage, utilities, and septic systems.

2400 · Land
Record in this account the cost of any land purchased by the practice, to which it takes title (an estate in real property). As a non-wasting asset, land is not depreciated. As such, no accumulated depreciation account exists for this fixed asset.

2450 · Accumulated Depreciation
This is a general “catch-all” account for use in recording accumulated depreciation for all depreciable assets, in the event the practice owners (or accountant) prefers not to group accumulated depreciation with its related asset classes (professional equipment, office equipment, etc.) This provides an expedited method for tracking accumulated depreciation in a single balance sheet account.

Asset Account Series

2500 · Computer Software
Computer software purchases are capitalized and recorded in this account. Often, computer software is bundled as part of a computer system purchase. The portion of the purchase price attributable to software is identified and recorded in this account. Since tax rules change about the correct way to depreciate or amortize software, speak with the practice’s accountant to decide the best way to record system purchases which include both hardware and software components.

2520 · Goodwill
Goodwill recorded in the practice books depends on the fact of a transaction involving goodwill acquisition at some time in the entity’s history. Goodwill represents the amount paid for an existing practice entity (target) that is in excess of the target’s other assets at the time of purchase. This account is only used for recording the purchase of preexisting goodwill from another entity.

2560 · Covenant Not to Compete
The negotiated price assigned to the covenant not to compete in the course of allocating the total practice purchase is recorded in this account.

2580 · Organizational & Startup Costs
Costs related to veterinary practice start up and organization are capitalized and recorded to this account, including legal, accounting, site selection, appraisals, and any other fees incurred prior to the actual opening of the doors for business.

2585 · Loan Costs
Loan costs should be amortized over the life of the loan. Fees such as legal, accounting, registration and
bank fees incurred in conjunction with obtaining or refinancing a loan are considered loan fees. Record all such loan fees in this account and amortize them by debiting amortization expense account 8050 and crediting 2599 Accumulated Amortization monthly over the life of the loan.

2599 · Accumulated Amortization
This is a general “catch-all” account for use in recording accumulated amortization for all intangible and amortizable assets. This provides an expedited method for tracking accumulated amortization in a single balance sheet account.

2600 · Note Receivable - Long Term Portion (less Current Portion)
This account reflects the principle portion of promissory notes and secured notes for which receipt occurs at greater than twelve months from the balance sheet date. Adjust the note’s current portion, that is, the principal amount receivable in 12 months or less, in accounts 1450 or 1500.

2700 · Refundable Deposits (Rent, Utilities, Etc.)
Use this account to record the amount of refundable deposits made at the initiation of a service, such as utilities. If the deposit is non-refundable, then it should be expensed when the expenditure occurred.

2850 · Other Assets
Include in this account the cash value of any practice-owned life insurance policy or other assets not specified in listed asset accounts.

Current Liabilities Account Series

3000 · Accounts Payable
Code amounts owed to vendors for purchases made on credit. Such purchases are made to acquire the supplies, services, and materials needed for the practice of veterinary medicine. This account is a control account for a subsidiary ledger of each vendor, the amounts owed to that vendor, and aged amount of the payable (showing whether the payable amounts are current, or represent credit purchases that occurred 30, 60, 90, or more days in the past).

3010 · Credit Cards Payable
This account represents all purchases made through the use of a credit card.

3020 · Line of Credit
The balance in this account represents total amount outstanding on the line of credit at any one time.

3030 · Current Portion of Long Term Loans & Capital Leases Payable
Practice debt contracted for payment over a period greater than one year is posted to two accounts. Record the loan principal portion due in less than twelve months to this account. Account for the principal portions of loans due in greater than twelve months in the 3800 series. Adjustments to long- and short-term portions are typically made at the end of the accounting period.
3050 · Loan Payable – Related Party
An officer or owner may loan money to the practice from time to time. This account represents the amount owed to the related party that will be repaid within one year. If the loan will extend beyond twelve months, then the loan should be accounted for as to the long-term and short-term portions.

3055 · Unearned Revenue
This account represents a liability account to record payments received in advance of providing goods or services. A typical example of unearned revenue in a practice would be related to wellness plans where payments are received by a hospital before goods or services are provided.

As goods and services are provided, the bookkeeper should debit this account and credit the appropriate revenue category.

Employer, Payroll, & Benefit Liabilities Account Series

3110 · Payroll Tax Payable
Include in this account employer FICA tax which consists of Medicare and OASDI (Old Age, Survivors, and Disability Insurance). The employer’s FICA obligation is recorded here, as the amount that must be remitted to the IRS coincident with the remittance of FICA payroll tax withholding from employee wages for a recently paid payroll.

Include in this account federal unemployment tax payable which includes the balance of federal unemployment tax accrued on previously paid wages but not yet paid to the IRS.

Include in this account state unemployment tax payable which reflects state unemployment tax accrued on previously paid wages but not yet paid to the state agency.

3140 · Workers Compensation Payable
This account reflects workers compensation premiums payable but not yet remitted to the insurer. Workers compensation premium cost is considered a tax (rather than insurance) by many accountants, as it is not a voluntary payment but a legally mandated one when an employer has employees.

3150 · Accrued Payroll and Bonuses
The value of employee work time that has occurred but the practice will not pay until the next payroll date is said to be accrued. The practice incurs a liability to pay the employee for his or her time, but the pay period has not yet completely run, so is not due for payment. For accrual-based practices, this account generally carries a balance at the fiscal year end, when workers have wages due to them for hours worked, that the practice will not pay until the pay date falling in the first or second week of the following year. The value of any holiday, personal, or sick time earned by employees and not yet paid is carried in this account. Cash basis practices will generally not use this account.

3160 · Accrued Payroll Taxes
This account carries the outstanding balance of employer payroll tax obligations associated with accrued wages and accrued paid time off (account 3150). It generally includes only the employer’s portion of FICA
tax, federal unemployment tax, and state unemployment tax associated with accrued wages and salary obligations. Like accrued payroll, generally only accrual based accounting method companies use this account.

3170 · Employer Retirement Plan Contribution Payable
This account carries the balance of previously committed, but not yet paid, contributions to the employer-sponsored retirement plan in accord with the plan document’s requirements. Many plans allow the employer to take a deduction for the committed amount in the year to which it pertains, whether paid or not, and regardless of whether the practice is cash or accrual based for tax purposes. The practice generally has until the extended due date of the federal tax return to pay the funding obligation.

Employee, Payroll, & Benefit Liabilities Account Series
3200 · Payroll Tax Withholding Payable
This account carries the balance of federal income tax withheld from employee wages that has not yet been paid to the IRS. The federal income taxes withheld and remitted by the employer on the employee’s behalf do not belong to the employer. The employer functions as an agent of the government to assure the timely remittance of employee tax payments through forced withholding by the employer.

This account records the balance of Social Security tax withheld from employee wages and salary payments, which the practice has not yet remitted to the IRS. As of the practice’s year-end date, any outstanding amounts withheld from wages and not yet paid are presented, both for accrual and cash based practices. Social Security is a trust fund tax.

This account records the balance of Medicare tax withheld from employee wages and salary payments, which the practice has not yet remitted to the IRS. As of the practice’s year-end date, any outstanding amounts withheld from wages and not yet paid are presented, both for accrual and cash based practices. As with Social Security, Medicare is a trust fund tax.

Similar to federal income tax withholding regulations, each state which taxes its residents on income requires the employer to enforce employee tax payment by functioning as an agent to hold back the required portion of wages as tax and submit the amount to the state in accord with its filing requirements.

Like federal and state income tax withholding, some cities and/or regions also tax resident and/or worker income. City or regional income tax may be based on where the employee works and/or where the employee lives. The employer must withhold the prescribed amount from the employee’s wages and submit the tax amounts in accord with mandated filing deadlines. The employer has no rights to the amounts withheld from employee wages, for payment as local taxes. The employer is an agent for the government, to assure timely worker tax payment on earned income.

3260 · Employee Withholding Payable
From time to time, some employees will experience court-ordered wage withholdings that are designated for use by some agency. In accord with the court order, the practice withholds the required amount and forwards it to the requisite agency on the employee’s behalf. The balance carried in this account represents all withholdings not yet remitted to the agencies.
Both accrual and cash based practice entities use this account to record the obligation for submission of employee withholdings for health insurance premiums. The balance of funds withheld from employee wages which the employer has not yet remitted for payment of the practice's group health insurance premiums is recorded in this account.

Both accrual and cash based practice entities use this account to record the obligation for submission of employee-designated retirement funding. The employee advises the employer at prescribed times about the wage amount (deferred taxable compensation) the employee wishes the employer to withhold and deposit to his or her designated retirement funds. The balance of funds withheld from employee wages which the employer has not yet deposited with the retirement fund trustee is recorded in this account. Amounts that the employer commits to retirement funding on behalf of employees are recorded to account 3170.

Code any other employer-withheld amounts from employee wages, not previously described, to this account. When the practice submits the withheld amounts to the designated payee, the account balance returns to zero.

**Other Tax Liabilities Account Series**

3400 · **Sales and Use Tax Payable**
Many states require businesses to collect sales tax from consumers when they make purchases. When the practice collects sales tax from its clients at point of sale, the tax amount is credited to this account until the time the practice remits all collected tax amounts to the state. The requirements are comparable to payroll tax withholding rules: the state requires the practice to function as its agent, by collecting the appropriate amount of tax on subject sales and remitting it to the state revenue department.

3420 · **Accrued Property Tax Payable**
If the practice owns real estate or is obligated through the lease agreement to pay taxes on the real estate, post the amount due and not yet paid to this account. Some states tax the value of personal property, either tangible property or intangible property or both. Accrual-based practices use this account to record the amount due and not yet paid.

3500 · **Corporate Income Tax Payable**
Both cash-basis and accrual-basis corporations use this account to record the amount of federal income tax owed for the most recently completed tax year. In general, the account only pertains to Subchapter C Corporations and Personal Service Corporations. All other legal entity types allow taxable practice income to pass through to individual owners for reporting on their personal tax returns. This account records any practice-owed income tax at the state, city, local or regional level that has not yet been paid.

**Long Term Liabilities Account Series**

3800 · **Long Term Portion of Loans and Capital Lease Payable**
Record the principal portion of loans scheduled for repayment over a period greater than one year. Such loans will have terms that include a stated principal amount, monthly payment amount, and a stated
interest rate. The current portion of the debt, the principal portion that will be repaid within a calendar or fiscal year, will be reported in account 3030. Most common long-term debt examples include mortgages and equipment loans with repayment schedules spanning multiple years.

Also known as a purchase lease, a capital lease provides for transferred title of ownership to the lessee at the end of the lease term, usually for some bargain price such as one dollar. This account maintains the principal balance that is due in greater than twelve months from the balance sheet report date. The current portion of a capital lease is reported in account 3030.

**Owner Equity or Capital Accounts Series**

4000 · Common Stock
This account title pertains to practices functioning in any of the corporate formats. The account balance reflects the value of issued and outstanding shares of corporate stock, usually at their original stated value. This is an account that infrequently changes, so it is likely any adjustments will come from the practice’s accountant as a result of significant transaction events related to practice ownership. Often, the only transaction shown in the account occurs at the inception of the corporation when it issues shares to the first shareholders.

Other tax entity types, such as partnerships, sole proprietorships, and limited liability companies that have not elected treatment as corporations, will change the title of this account to reflect the entity type:

✓ Proprietorship:
  4000 · Owner’s Capital

✓ Partnership:
  4000 · Partner’s Capital – Partner One
  4010 · Partner’s Capital – Partner Two
  4020 · Partner’s Capital – Partner Three, etc.

✓ Limited Liability Company:
  4000 · Member’s Capital – Member One
  4010 · Member’s Capital – Member Two
  4020 · Member’s Capital – Member Three, etc.

4100 · Additional Paid In Capital
Record any capital paid by shareholders to the corporation in excess of the stated share value. Generally, this account is used very infrequently, often only at the corporation’s inception when it issues stock to the new shareholders in exchange for money and property. Any value in excess of the stated share value, which can be found in the original articles of incorporation, is recorded as additional paid in capital (commonly abbreviated APIC).

4200 · Retained Earnings/(Retained Deficit)
This account reflects a practice’s accumulated profits and losses over time, which have not been
distributed to owners. The account is presented separately from the Common Stock and Additional Paid in Capital accounts because it derives its balances from operational results, not from financing.

4300 · Distributions/Dividends/Draws
Any dividends (Subchapter C or a personal service corporation (PSC)) or distributions (Subchapter S Corporation) are recorded here during the fiscal year. At the beginning of the subsequent fiscal year, all dividends and distributions are closed by an account adjustment to Retained Earnings/(Deficit), account 4200. Withdrawals by members of an unincorporated entity will be booked to this account, also. Modify the account title to reflect the entity type: Owner Draws, Partner Draws, or Member Draws.

4400 · Common Stock/Treasury
Treasury stock is the amount of previously issued stock subsequently redeemed and held by the corporation. This situation usually occurs when a shareholder retires from the practice and sells his shares back to the corporation rather than to another individual. When the corporation purchases its own shares from the departing shareholder, the shares are said to be in the treasury.

Revenue Account Series
5000 · Professional Services Revenue
  5001 · Vaccine Revenue
  This revenue center includes Companion Animal Vaccine service income. Record in this account the fees charged and collected from administration of vaccines to immunize patients against disease. In the event that no physical exam fee or office charge fee is collected (or bundled with the vaccination service fee), then the entire fee is reported here. If vaccinations are given as part of an annual wellness program, the charge associated with vaccination should be recorded here if easily segregated by the VPIMS bundling option.

  5010 · Exam Revenue
  This revenue center includes outpatient exams, consultations, services, nail trims, anal glands and ear cleaning (not associated with grooming); minor outpatient treatments, poison control consultation fees, outpatient wound care, microchip implantation and health certificates. More extensive diagnostic procedures completed at time of examination, such as hematology and serum chemistry tests, are coded to laboratory revenues, whether conducted on an inpatient or an outpatient basis. Euthanasia services are included in this account (do not include mortuary services; see account 5050).

  5020 · Hospitalization & Treatment Revenue
  This revenue center includes hospitalization (day or night), and inpatient services. Includes professional care, critical care, nursing care, oxygen, heat support, stomach tubing and lavage, enemas, continuous blood pressure monitoring, heartworm treatment support, tattoo services, bandages, casts, urinary catheterization, therapeutic abdominocentesis or thoracentesis, inpatient non-surgical wound care. Includes theriogenology services such as semen collection and preparation, insemination, obstetrical assistance, and neonatal care. Also includes Stem Cell Therapy.
**5025 · Fluid Therapy Revenue**  
This revenue center includes fees charged for all routes and types of fluid and electrolyte support. Routes include subcutaneous (SC) and intravenous (IV) administration, and CRIs (continuous rate infusion administration). Fluid types include crystalloid and colloid solutions (Hetastarch, HES) and blood/plasma products (including collection fees as well as those for administration). Revenues associated with set up and use of administrative supplies are included here, such as for catheter placement, fluid administration sets, fluid pump fees, monitoring, and all other income associated with SC and IV fluid therapy administration services and products.

**5030 · Diagnostic Services Revenue**  
This revenue center includes fees charged for blood pressure measurement, EKG/ECG tracing procedures (including Holter monitor use), ophthalmology-related tests (tear/lacrimation testing, corneal staining procedures, intraocular pressure measurement), bone marrow aspiration procedures, water deprivation tests, Tensilon tests, CSF tap procedures, diagnostic abdominocentesis or thoracentesis procedures, intradermal allergy testing and necropsy procedure.

**5040 · Rehabilitation Revenue**  
This revenue center includes fees from activities involving treadmill, swimming, core muscle conditioning, massage, and similar physiotherapeutic applications to increase muscle strength, range of joint motion, flexibility, and mobility.

**5045 · Laser Therapy Revenue**  
This revenue center includes fees related to therapeutic laser therapy for accelerated wound healing, musculoskeletal disease, modulation, and pain management applications. Alternatively, laser therapy fee revenue can be set as a sub-account to rehabilitation income, if separate tracking is desired in a practice that has an emphasis on such services.

**5050 · Mortuary Revenue**  
This revenue center includes fees related to cremation, burial income, and related body care services. Include fee income for sales of cemetery plots, caskets, urns, paw prints, and associated patient memorial services or products. (Euthanasia procedure fees are included in account 5010 – Exam Revenue).

**5060 · Behavior Services Revenue**  
This revenue center includes fees related to behavior service income and includes both services related to the prevention of behavior issues that might lead to owner-pet bond breakage (behavior wellness), or consulting services addressing the modification of existing behavior issues (separation anxiety, excessive vocalization, aggression, and destructive behavior). Medications and OTC products to treat behavioral issues should be included under Pharmacy – 5105 (FDA) or Ancillary – 5801 (OTC).
5070 · Alternative and Complementary Medicine Revenue
This revenue center includes fees related to income from chiropractic, acupuncture and homeopathy services. Alternative medical products sold should be captured in 5801.

5080 · Specialist Revenue
This revenue center includes only those specialty services provided by a board-certified veterinarian with specialty credentials from an ABVS-recognized veterinary specialty organization. It would not include patient care, fluids, imaging, laboratory, diagnostics or dispensing unless directly performed by the ophthalmologist. Subaccounts for specific specialist revenue (i.e. ophthalmology, internal medicine, oncology, etc.) can be created using accounts 5081 to 5094.

5095 · Medical Waste Revenue
This revenue center includes fees related to income from hazardous waste fees collected by practice.

5099 · Large Animal Services Revenue
This account accumulates miscellaneous large animal service-related income in practices that have only a small segment of activity related to Large Animal species care (as a proposed guideline, less than 5% of revenue deriving from large animal services and product sales.)

5100 · Pharmacy Revenue

5105 · FDA Prescription Meds, Pill, Cap, Liquid, etc. Revenue
This revenue center includes revenue from the sale of FDA prescription medications such as pills, capsules, liquids, and any other FDA approved product category not listed in the 5100 to 5199 accounts.

5110 · Injection Revenue
This revenue center includes income from FDA inpatient and outpatient injections and any injection fee and any associated packaging/dispensing/injection fees. Insulin, tranquilizers and Immiticide are included in this account. Does not include income from injections for anesthetics, euthanasia solutions, sedating agents, Proheart and Program.

5115 · FDA prescription Flea/Tick NON HW Parasite Control Revenue
This revenue center includes income from FDA prescription products that prevent fleas and/or ticks, but not heartworms. Example: Comfortis, Program, NexGard & Bravecto.

5120 · FDA prescription HW or Combination HW/Parasite Control Revenue
This revenue center includes income from any FDA product that prevents heartworms or combo HW and other internal or external parasites. Example: Sentinel, Trifexis, Heartguard, Advantage Multi, Revolution, Proheart-6, etc.

5130 · Internet Pharmacy Revenue
This revenue center includes the gross revenues resulting from sales made through a practice web portal, regardless of type of product, and whether or not sales are facilitated through a subcontracted vendor (VetSource, MyVetDirect, etc.) Also include income from products billed by the practice, but shipped directly to the client. Ancillary products may be split out if desired and put in the ancillary category (5804).

5200 · Dietary Product Revenue

5201 · Therapeutic Diet Revenue
This revenue center includes fees related to any food that is sold as a medical recommendation to support a patient suffering from a diagnosed specific medical health problem. Hint: while often called prescription diets they do not by law require a veterinarian to prescribe them but manufacturers do frequently limit their sales through veterinarians and veterinary hospitals.

5202 · Retail Diet Revenue
This revenue center includes fees related to any food that is sold as a wellness/maintenance diet, pediatric diet or traditional food WITHOUT a specific therapeutic dietary formulation for a diagnosed medical health problem.

5300 · Laboratory Revenue
Segregating in-house and reference lab revenue and expense allows a practice to easily track expenses as a percentage of revenue for each. Having these metrics allows a practice to monitor lab service fee capture, reference lab price increases, use of in-house reagents, use of lab services, etc. in a timely and efficient manner.

5301 · In-House Lab Revenue
This revenue center includes fees related to in-house laboratory includes any pre-surgical operatory tests, CBCs (complete blood counts), serum/blood chemistries, urinalyses, fecal analyses, cytology analyses, and semen evaluations completed by practice employees using practice laboratory equipment and supplies. Skin scraping, phlebotomy, blind or ultrasound guided cystocentesis, or fine needle aspirate fees resulting from specimen collection (chemistry, cytology, and/or biopsy interpretation) should be included in this account.

5302 · Outside (Reference) Lab Revenue
This revenue center includes fees related to income from outside lab tests such as state diagnostic labs, private reference labs such as Antech, IDEXX, Marshfield, Phoenix, Abaxis etc. Includes phlebotomy and urine collection fees including cystocentesis for urine testing, histopathology and necropsy fees when performed by an outside lab.

5400 · Imaging Revenue

5403 · X-Ray Revenue
This revenue center includes fees for radiographs and interpretation of radiographic studies, including Penn Hip and OFA fees. Radiograph revenue associated with dental procedures should be included in account 5404.
5404 · Dental X-Ray Revenue
This revenue center includes fees related to income from dental radiographs and interpretation fees.

5405 · CT Scan Services Revenue
This revenue center includes income from fees derived from image studies via computerized tomography technology, and including any interpretation fees, whether or not bundled with the procedure fee.

5410 · Ultrasound Services Revenue
This revenue center includes income from fees derived from ultrasound imaging procedures and their interpretation. Include income for needle aspirate along with ultrasound guided fine needle and Trucut biopsies procedure fees. Ultrasound guided urine cystocentesis fees should be included in lab services account 5301.

5415 · MRI Services Revenue
This revenue center includes income from fees derived from MRI (Magnetic Resonance Imaging) scan procedures, and study interpretation.

5420 · Specialist (Imaging) Consultation Revenue
This revenue center would include imaging consultations by a radiology service or board-certified veterinarian with specialty credentials from the ABVS/AVMA.

5500 · Surgery Revenue
5510 · Non-Specialist Surgery Revenue
This revenue center includes income from fees resulting from surgery room usage, surgical instrument or pack usage, surgical disposables and supplies (sutures, surgical drapes, gloves, etc.), surgeon fees, surgical implants, and plates and screws. Include orthopedic surgery, soft tissue surgery, and cryotherapy fee income, as well as laparoscopy and endoscopy income. If ovariohysterectomy (OHE/Spay), castration (neuter), and declaw procedures are bundled with anesthesia/analgesia as a single fee, the total fee charged should be included here. It would not include patient care, fluids, imaging, laboratory, diagnostics or dispensing.

5520 · Specialist Surgery Revenue
This revenue center includes only those surgery services provided by a board-certified veterinarian with specialty credentials from an ABVS/AVMA-recognized veterinary surgery specialty organization. Services could be provided either by a traveling contract surgeon or a boarded staff surgeon if an employee of the practice. It should also include income from fees resulting from surgery room usage, surgical instrument or pack usage, surgical disposables and supplies (sutures, surgical drapes, gloves, etc.), surgeon fees, surgical implants, and plates and screws. Include orthopedic surgery, soft tissue surgery, and cryotherapy fee income, as well as laparoscopy and endoscopy income. If ovariohysterectomy (OHE/Spay), castration (neuter), and declaw procedures are bundled with anesthesia/analgesia as a single fee, the total fee charged should be included here. It would not include patient care, fluids, imaging, laboratory, diagnostics or dispensing.
or dispensing unless directly performed by the surgeon.

5600 · Anesthesia Revenue
This revenue center includes income from fees from gas or IV anesthesia charged as a service. Includes all anesthetic “cocktails” & sedations (injectables such as Midazolam, Fentanyl, Marcaine, Bupivicaine, DexDormitor, Dormisedan, Telazole, Lidocaine, Propofol, Alfaxan, etc.), epidural nerve blocks, local & dental nerve blocks. Also includes income from anesthetic monitoring. Does not include tranquilizers which should be captured in 5110.

5700 · Dentistry Revenue
This revenue center includes income from fees from dental prophylaxis. Also includes income from extractions, orthodontics, endodontics, and products applied to teeth or defects in the dental operatory. Includes oral surgery related to dental procedures such as gingival flaps etc.

5800 · Ancillary Products & Services Revenue
5801 · OTC Products, Shampoos, & Nutraceuticals Revenue
This revenue center includes income from fees from OTC/Nutraceuticals - all therapeutic over-the-counter (non-prescription) products, including non-FDA shampoos, flea shampoos, Chinese herbs and homeopathic products, dental hygiene products including Greenies and chews and nutraceuticals, probiotics, vitamins. Also includes Elizabethan anti-self-mutilation type collars, behavior modifying non-FDA therapeutics and other products used in behavior therapy, including Soft Paws and Thundershirts.

5802 · Pet Supplies Retail Revenue
This revenue center includes income from fees income from non-therapeutic, retail sales of leashes, harnesses, collars, toys, point of purchase items, brushes, flea combs, grooming sprays, candles, milk replacers, pet treats, deodorants, nail trimmers, pet carriers, pet ID tags, pill cutters, cat litter, etc. Includes city and county license tags.

5803 · Non-FDA Flea and Tick Control Product Revenue
This revenue center includes income from fees from EPA non-FDA flea control products such as topical application products (Frontline, Activyl, Vectra, Certifect, Cheristin, etc.), non-FDA oral flea treatments such as Capstar, flea sprays, powders, dips, and premise treatments.

5804 · Internet Ancillary Product Revenue
Include in this revenue center income from fees related to internet ancillary product sales if you wish to separate them from pharmacy items. Otherwise put everything under Pharmacy (see above 5130 Internet Pharmacy Revenue).

5825 · Boarding Revenue
This revenue center includes income from fees from boarding and daycare services. If revenues from daycare services are substantial, a separate subaccount of boarding income can be used. If hospital housing is required due to medical condition treatment, doctor observation and nursing need, use hospitalization account 5020.
5850 · Grooming Revenue
This revenue center includes income from bathing & grooming services and associated anal sac expression and nail trim procedures, when bundled and provided by grooming personnel. Do not include fees related to treatment of medical conditions discovered during grooming services, such as ear care. If anesthesia or sedation is required to perform grooming services, these procedures are coded to anesthesia account 5600 unless bundled with grooming.

5900 · Fee Discounts and Client Returns
  5905 · Fee Discounts
This revenue center includes client and employee discounts and fee accommodations are posted to this account. In the veterinary profession, the level of fee discounting can be relatively significant. For this reason, discounts are recorded as a debit directly offsetting operational revenues, so that management has an improved awareness of discounting impact on overall cost of operations. When offset against gross revenues charged, discounts reduce the total operating revenue figure that is used to calculate each expense as a percent of it. One challenge is that all fee discounts are not recorded in practice records. Many times, veterinarians provide free services (either intentionally or accidentally) that are never shown on the practice’s records, thus understating the true level of client discounts. This oversight creates yet another problem: no recorded history of what was done for the patient exists.

  5910 · Returns and Allowances
Returns and allowances are fee amounts the practice returns to clients for disputed work, such as when a client is billed twice for the same procedure or when a client returns dispensed product they believe is not efficacious. The practice bookkeeper prepares a check or other payment to the client as settlement. This account carries a debit balance and as such, is an offsetting account to revenues (revenue accounts normally carry a credit balance). Transaction postings to this account decrease the practice gross revenue.

Direct Costs or Cost of Goods and Services Account Series

6000 · Professional Services Costs
  6001 · Vaccine Costs
Companion animal vaccines, including the cost of rabies tags. The cost of companion animal vaccine products are coded to this account. In general, the vaccine-administration paraphernalia such as needles and syringes are coded to the next account, 6020.

  6020 · Examination, Hospitalization & Treatment Costs
Muzzles and patient & staff safety devices, external splints and splinting supplies, tourniquets, pet pillers, isopropyl alcohol, urinary catheters (rubber, polypropylene, Foley, etc.), cotton, hydrogen peroxide, syringes (including insulin syringes), needles, bandage supplies, tear test strips, tongue depressor blades, microchips, artificial insemination supplies, tattoo supplies and equipment, exam & treatment gloves, silver nitrate sticks, euthanasia solutions, enema solutions, etc. for hospital use, microchips, cold laser therapy supplies, VetStem service expenses, diagnostic
service supplies, cost of diagnostic services, identification neckbands, hospital supply costs such as disinfectants, sanitizers, hand soap, cleaners, OSHA training aids and posters and minor non-depreciated patient care equipment costs that are used primarily in exam, hospital & treatment. Include outside EKG and other diagnostic consultation fees. Necropsy fees and euthanasia solutions should be included in this account.

**6025 · Fluid Therapy Costs**
Includes all fluid therapy costs such as IV catheters, lines and extension sets, IV administration supplies and equipment usage such as IV pumps, IV stands, IV fluid products & Hetastarch, etc. like products. Also include blood collection and administration sets, blood, plasma, catheters & catheter supplies such as catheter caps, etc.

**6040 · Rehabilitation Costs**
Rehabilitation non-capitalized equipment and supplies such as therapy pool supplies, exercise balls, balance boards, slings, goniometers and similar equipment. Does not include cost of significant equipment repairs, maintenance and service agreements which should be expensed separately under 7520 Maintenance, 7530 Service Contracts or 7570 Repairs. New capital equipment over $500 should be entered as an asset & depreciated.

**6050 · Animal Disposal/Mortuary Costs**
Burial and cremation services, caskets, urns, receptacles, headstones, paw print kits and similar supplies related to post mortem body care and patient memorials. Does not include cost of euthanasia solution.

**6095 · Medical Waste Disposal Costs**
Bio-hazardous waste disposal. Also includes cost of containers for hazardous waste disposal services. This account segregates expenses related to compliance with OSHA and EPA requirements. Some state EPAs include animal bodies in the definition of medical waste; regardless, costs for body disposal should be coded to 6050.

**6099 · Large Animal Costs**
This account accumulates miscellaneous large animal service-related expenses in practices that only have a small segment of activity related to large animal species care (as a proposed guideline, less than 5% of expenses deriving from large animal services and product sales.)

**6100 · Pharmacy Costs**

**6105 · FDA Prescription Meds, Pill, Cap, Liquid, Etc. Costs**
FDA prescription medications such as pills, capsules, liquids, and any other FDA approved product category not listed in the 6100 to 6199 accounts. Also include pharmacy dispensing supplies such as prescription containers and labels.

**6110 · Injection Costs**
Includes all FDA injectable medications billed as pharmacy injection income. It does include insulin and Immiticide injections. Does not include anesthetic/sedating agents which should be
recorded under Anesthesia 6600, euthanasia solutions 6020, nor does it include IV fluids, vaccines, Proheart-6 or Program injections. Tranquilizers are included in 6110 or 6105.

6115 · FDA Prescription Flea/Tick NON HW Parasite Control Products Costs
Includes FDA prescription products that prevent fleas and/or ticks, but not heartworm. Examples: Comfortis, Program, Nexgard, Bravecto etc.

6120 · FDA Prescription HW or Combo HW/Parasite Control Product Costs
Includes purchases of any FDA product that prevents heartworms or combination products that prevent heartworms and other internal or external parasites. Examples: Sentinel, Trifexis, Heartguard, Advantage Multi, Revolution, Proheart-6, etc.

6130 · Internet Pharmacy Costs
Includes cost of products resulting in sales made through a web portal either belonging to the practice or a subcontracted vendor such as VetSource, Vet Centric, MyVetDirect or Henry Schein portal. The practice may split out ancillary products if they desire and expense separately to 6804 Ancillary Internet Costs. Subcontracted vendors usually pay the practice the net amount of sales made to clients, so a journal entry may be required to record sales at gross (in account 5130) and the related cost here.

6200 · Dietary Product Costs
Can be used as the only diet expense if you choose not to use subaccounts.

6201 · Therapeutic Diet Product Costs
Cost of pet foods that are sold as a therapeutic medical recommendation to address a patient’s diagnosed medical health.

6202 · Retail Diet Product Costs
Cost of pet foods that are sold as a wellness/maintenance diet, pediatric diet or traditional food WITHOUT a specific therapeutic dietary formulation for a diagnosed medical health problem.

6300 · Laboratory Costs

6301 · In-House Lab Costs
Cost of any lab supplies, reagents or expendables along with minor non-depreciable equipment used in performing in-house lab testing. Does not include cost of significant equipment repairs, maintenance and service agreements which should be expensed separately under 7520 Maintenance, 7530 Service Contracts or 7570 Repairs. New capital equipment over $500 should be entered as an asset & depreciated.

6302 · Outside (Reference) Lab Costs
Cost of supplies or charges by reference lab for performing outside lab testing, histopathology and necropsy. Includes cost of mailing samples to lab. Includes consulting fees by lab pathologist.

6400 · Imaging Costs
Includes imaging consultations provided by outside consultants. Includes purchases of radiographic film, processing chemicals and supplies, contrast materials, lead shields, radiation monitoring badge contracts, and labeling supplies. Also include OFA and PennHIP fees and outside radiologist/ cardiologist imaging service consultant fees to this account.

6403 · X-Ray Costs
6404 · Dental X-Ray Costs
6405 · CT Scan Costs
6410 · Ultrasound Costs
6415 · MRI Costs
6420 · Specialist (Imaging) Consultation Costs
If radiology services are provided off-site by a boarded radiologist or radiology service, those consultation costs should be recorded here. However, if the consultation is performed at your hospital by a boarded radiologist, their wages should be included in 7085.

6500 · Surgery Costs
Includes all areas of surgery; plates, screws, fixators implants, suture, needles, penrose drains, nitrogen, ethylene oxide, sterilization supplies, instrument cleaning supplies, suture, sterile field drapes, gowns, surgical gloves, small instruments not capitalized, other surgery disposables and supplies.

Includes non-capitalized equipment & parts for non-invasive endoscopic procedures, laser and cautery surgery equipment parts and equipment, and other surgery equipment. Includes all non-capitalized sterilization equipment and supplies. Does not include cost of equipment repairs, maintenance and service agreements which should be expensed separately under 7520 Maintenance Expense, 7530 Service Contract Expense or 7570 Repair Expense. New capital equipment over $500 should be entered as an asset & depreciated.

If a surgery is performed in another hospital, but billed by your hospital, invoice the client in the normal way, splitting it into anesthesia, surgery and other appropriate fees. The fee paid to the other surgeon or hospital should also be split between 7085 Veterinary Specialist - Contractor Payments, 6500 Surgery Costs, and any other appropriate categories.

Mobile surgeons who perform surgeries in hospital are paid under 7085 Veterinary Specialist – Contractor Payments.

6600 · Anesthesia Costs
Drugs used primarily as anesthetic/sedating agents (injectables such as Midazolam, Marcaine, Bupivicaine, DexDormitor, Dormisedan, Telazole, Lidocaine etc), oxygen, F-air filters, soda lime, endotracheal tubes. Includes parts, supplies for anesthesia, monitoring and waste gas scavaging equipment. Also includes non-capitalized monitoring, anesthesia and waste gas scavaging equipment. Tranquilizers are not included in anesthesia but should be expensed in Pharmacy (either 6105 or 6110).

Does not include cost of equipment repairs, maintenance and service agreements which should be expensed separately under 7520 Maintenance Expense, 7530 Service Contract Expense or 7570 Repair Expense. New capital equipment over $500 should be entered as an asset and depreciated.
6700 · Dentistry Costs
All non-capitalized dental instruments, equipment and supplies including dental products used on the teeth in the operatory such as doxirobe and oravet in the hospital. Home use dental hygiene products are expensed elsewhere depending on if it is an FDA or OTC product. Does not include cost of equipment repairs, maintenance and service agreements which should be expensed separately under 7520 Maintenance Expense, 7530 Service Contract Expense or 7570 Repair Expense. New capital equipment over $500 should be entered as an asset & depreciated.

6800 · Ancillary Service & Product Costs

6801 · OTC Products, Shampoos & Nutraceuticals Costs
Includes all therapeutic OTC products, probiotics, dental hygiene OTC products including Greenies, nutraceuticals, vitamins, alternative medicine and acupuncture products such as needles and Chinese herbs, Elizabethan self- mutilation type collars, non-FDA shampoos, behavior modifying products used in behavior therapy including Soft Paws and Thunder Shirts.

6802 · Pet Supply Costs
Include all retail costs of product sold in hospital. May include all non-medical products such as leashes, harnesses, collars, toys, point of purchase items, brushes, flea combs, grooming sprays, candles, milk replacers, pet treats, Pill Pockets, deodorants, nail trimmers, pet carriers, pet ID tags, pill cutters, air fresheners, etc. Include city/county license tags in this account.

6803 · NON-FDA Flea/Tick Control Costs
Include all EPA non-FDA flea control products such as topically applied products (Frontline, Activyl, Vectra, Certifect, Cheristin, etc.), Capstar, sprays, powders, dips, and premise treatments. Flea shampoos are all in 6801 OTC Products, Shampoos & Nutraceutical Costs.

6804 · Internet Ancillary Retail Sales Costs
Record costs in this account resulting from ancillary product sales made through a practice web portal. If not separated from Internet pharmacy costs, include all in account number 6130 Internet Pharmacy Costs.

6825 · Boarding Costs
Food, bedding, food/water bowls and kitty litter pans and litter used exclusively for the maintenance of boarded or hospitalized animals. Include any other expense you know to be only for boarded pets and not comingled with other areas of the hospital.

6850 · Grooming Costs
Include all supplies for the grooming and bathing of pets in the hospital. May include gallon sized grooming shampoos and supplies used by groomers.

General and Administrative Expenses Accounts
Labor Expense Account Series
7000 · Owner Veterinarian Compensation
The gross amount (before tax withholdings) of salaries, wages, bonuses, commissions, and guaranteed payments paid to owner-employees post to this account. LLC member distributions, partner draws, and sole proprietor draws are recorded in account 4300. Each veterinarian employee-owner can be listed individually with a sub-account (7001, 7002, etc.) if desired for additional detail within financial reports. This account should include the wages paid to owner veterinarians for clinical time (excludes compensation for management time which should be expensed in 7005 Owner Management Compensation).

7005 · Owner Management Compensation
If owners (veterinarian or non-veterinarian) are paid an additional or separate amount of salary, bonuses, etc. as compensation for management duties, the gross amount (before tax withholdings) of payments should be coded to this account.

7080 · Associate Veterinarian Compensation
The gross amount (before tax withholdings) of salaries, wages, bonuses, and commissions, paid to employed veterinarians, including credentialed specialists (with no ownership rights) posts to this account.

7083 · Relief Veterinarian – Contractor Payments
Use this account to code payments made to veterinarians who perform services on an episodic and temporary spot-labor basis to relieve regular employee veterinarians from services. Contracted relief veterinarians (“independent contractors”) usually have their own companies and offer their services to multiple practices within a practice area, rather than exclusively or predominantly to a single practice.

7085 · Veterinary Specialist - Contractor Payments
Use this account to code payments made to veterinarians with specialty credentials who perform services on an episodic and temporary spot-labor basis to provide specialty patient care. Contracted specialist veterinarians (“independent contractors”) usually have their own companies and offer their services to multiple practices within a practice area, rather than exclusively or predominantly to a single practice. If radiology services are provided on-site by a boarded radiologist, their wages should be included in 7085. If radiology reading services are provided by an outside service at another location, the reading fees should be coded in 6420 Specialist (Radiologist) Consultation Costs. Mobile surgeons who perform surgeries in the hospital are expensed in this account.

If a surgery is performed in another hospital, but billed by your hospital, invoice the client in the normal way, splitting it into anesthesia, surgery and other appropriate fees. The fee paid to the other surgeon or hospital should also be split between 7085 Veterinary Specialist - Contractor Payments, 6500 Surgery Costs, and any other appropriate categories.

7090 · Intern Veterinarians Compensation
Use this account to post the gross amount (before tax withholdings) of salaries, wages, bonuses, and commissions, paid to newly graduated veterinarians filling work-study positions.

7100 · Other Support Staff Compensation
7130 · Registered Veterinary Technicians Compensation
Recommended sub-account for registered technicians.

7135 · Veterinary/Technical Assistants Compensation
Recommended sub-account for un-registered veterinary and technical assistants. Can include patient medical transport drivers or may create another 7100 sub-account

7140 · Client Service Reps/Receptionists Compensation
Recommended sub-account for receptionists and client service representatives (CSRs).

7145 · Other (Non-DVM) Temporary Services – Contractor Payments

7150 · Maintenance Personnel Compensation

7160 · Administrative Personnel Compensation
Gross wages, commissions, and/or bonuses for employees providing predominantly administrative, managerial, or back office services.

7162 · Practice Manager/Administrator Compensation
Recommended sub-account for designated practice manager and/or administrator.

7164 · Office Manager/Executive Assistant Compensation
Recommended sub-account for designated office manager and/or administrative assistant to practice owner(s).

7166 · Bookkeeper Compensation
Recommended sub-account for designated practice bookkeeper who is paid as an employee of the practice (not an outside subcontractor).

7168 · Clerical/Secretarial Personnel Compensation
Recommended sub-account for personnel functioning in clerical and transcriptionist positions, not described in other accounts. An example would be a medical record transcriptionist or secretary for a DVM specialist in the practice.

7170 · Groomers Compensation
Gross wages, commissions, and/or bonuses for pet groomers.

7175 · Kennel Assistants Compensation
Gross wages and bonuses for kennel and ward assistants.

Employer Payroll Taxes Expense Account Series
The following accounts are recommended to provide detail of tax expenditures for budgeting and tax return purposes.

7210 · FICA Tax– Employer’s Portion
This account expenses the employer’s portion of social security (OASDI) and Medicare tax matching funds (to those withheld from employee wages).

**7220 • Federal Unemployment Tax**
Employers must pay federal taxes to fund unemployment claims. The unemployment tax amounts required by state law are coded to the next account.

**7230 • State Unemployment Tax**
Employers must pay state taxes to fund unemployment claims. The unemployment tax amounts required by federal law are coded to the prior account.

**7250 • Other Employer Payroll Tax**
Some states require other tax payments by employers, and these more unique employment tax payments should be coded to this account.

**Employee Fringe Benefit Expense Account Series**

**7300 • Employee Benefit Program**
Code to this account practice payments to companies providing general qualified benefit programs to employees, such as for group health or dental insurance.

The following sub-accounts to employee benefit programs are possible options. Modify as necessary to match the specific benefits offered by your practice. Accounts 7301 through 7309 are reserved for this purpose.

- **7301 • Group Health Insurance Premium**
- **7302 • S Corporation Shareholder Health Insurance Premium**
- **7303 • Group Dental Insurance Premium**
- **7304 • Group Disability Insurance Premium**
- **7305 • Group Term Life Insurance Premium**

**7310 • Employer Retirement Contribution**
This account should include the employer contributed portion of retirement funding only. Amounts withheld from employee wages towards retirement contribution (qualified deferred compensation under ERISA) are coded in account 3170 Employer Retirement Plan Contribution Payable until properly remitted to the employee’s designated institutional fund, then bringing account 3170 to a zero balance.

**7320 • Professional Liability Insurance Premium**
Premiums paid for practice and individual DVM coverage related to managing the risk of claims alleging professional negligence.

**7340 • Workers Compensation Premium/Tax**
Tax or premiums paid for practice insurance that manages the risk of claims related to employee injury on the job, and provides wage replacement and medical benefits in exchange for mandatory relinquishment of the employee’s right to sue the employer for negligence. Direct payment for small dollar value medical payments related to on the job injuries in order to mitigate workers' comp. insurance
increases (a subaccount such as 7341 can be created for such expenses).

7360 · Continuing Education Registration
Payments made to enroll employees in webinars, seminars, conferences and conventions for the purposes of expanding skills and knowledge, as well as complying with regulatory guidelines to maintain professional licensure in that particular state.

Sub-accounts for continuing education may include:
   7361 · Meeting/Course Registration Fees
   7362 · Business & Professional Book, Journals, VIN subscriptions
   7363 · Staff Training Fees and Costs

7365 · Travel and Lodging
This account tracks practice expenditures for travel related to bona fide (ordinary and necessary business-related) education and training.

Sub-accounts for travel and lodging may include the following, but should exclude any meal and entertainment expenses which are limited as to deductibility:
   7366 · Airfare
   7367 · Lodging
   7368 · Transportation
   7369 · Mileage Reimbursement (CE Travel)

Other Employee Expense Account Series

7400 · Study Group Fees
This account includes annual dues/expenses, quarterly fees, travel expenses, hotel/lodging expenses, materials & production expenses associated with study groups.

7440 · Business Meals & Entertainment
Expense amounts paid for feeding employees who are working on behalf of the practice to recruit new employees, clients, gain training, skills, networking etc.

7445 · Staff Events & Recreation
Expenditures coded to this account typically include staff picnics and holiday parties, but can include other practice financial support of events wherein 100% of all current employees are invited and included in the event.

7450 · Employee Recruitment
Expenses coded to this account may include the cost of background checks, pre-employment drug screening, reimbursed airfare for purpose of interview visits, reimbursed moving expenses, etc.

7460 · Laundry & Uniform
7470 · Employment Practices Liability Insurance
Code here the premium cost of insurance contracts for managing risk of employee litigation related to alleged unlawful employer policies and employment practices.

Facility and Equipment Related Expense Account Series

7500 · Rent on Practice Real Estate

7510 · Rent on Equipment
This account includes one-time equipment rental fees, such as a pressure washer to clean the practice facility. Operating lease payments (non-purchase leases) should also be included here. Many leases are purchases in disguise and should be capitalized to the 2000 account series with an associated liability included in the 3030 account series. Talk with the practice’s CPA to ensure proper accounting of the practice’s leases.

7515 · Outside Storage
Payments made to rent off-premises storage space are coded to this account.

7520 · Maintenance
Expenditures made to maintain good working order and prevent failure of the practice’s facility and equipment are classed to this account.

Sub-accounts may include:
   7521 · Medical Equipment Maintenance
   7522 · IT and Office Equipment Maintenance
   7523 · Facility Maintenance

7530 · Service Contracts
Service contracts associated with maintaining the practice’s facility, grounds, and equipment should be included here, such as security/alarm contracts, landscaping and snow removal contracts, and heating, ventilation, and air conditioning (HVAC) maintenance contracts.

Also include service contract payments for equipment maintenance, such as digital x-ray, bench laboratory equipment, and computer equipment. Service contracts are comparable to acquiring insurance to mitigate unexpected cost of loss and downtime. To keep the cost of professional services and other accounts comparable between practices, service contract expenditures are maintained in Facility and Equipment Expenditure accounts.

Use of subaccounts is a good option if the practice has a significant number of higher cost contracts. Examples: Service Contracts: IT, Service Contracts: Landscape Services and Snow Removal, Service Contracts: Medical Equipment.

Sub-accounts may include:
   7531 · Medical Equipment Service Contracts
   7532 · IT and Office Equipment Service Contracts
7533 · Facility Service Contract

7540 · Housekeeping & Janitorial
This account includes payments to a contracted cleaning, maid, or janitorial service as well as supplies associated with facility cleaning.

7570 · Repairs
Expenditures related to facility and equipment repairs are included here. May include expenses for facility equipment repairs such as washing machine repair. Repairs are different from maintenance as they are used to restore broken property to its condition before the breakage occurred. Maintenance expenses are incurred to prevent breakage by keeping equipment and facility in good working condition.

Sub-accounts may include:
- 7571 · Medical Equipment Repairs
- 7572 · IT and Office Equipment Repairs
- 7573 · Facility Repairs

7580 · Property, Casualty, & Liability Insurance Premiums
Code premium expenses for liability insurance on the facility, inventory, contents, and business overhead insurance (BOI; sometimes called disability overhead insurance).
- Umbrella liability premiums are also coded to this account.
- Professional liability insurance should be coded to account 7320, and employment practices liability insurance should be coded to account 7470.
- Vehicle insurance premiums are expensed in 7620.
- Workers’ compensation insurance premiums (or tax) are coded to 7340.

7590 · Real Estate Tax
The lease agreement and who owns practice real estate makes determination of whether the practice or the landlord pays real estate taxes.

If the lease agreement requires the practice to pay the real estate taxes, expense the tax payments to the 7590 account. If the real estate taxes are paid by the landlord (and therefore included in rent), then the tax expense is included in 7500 Rent on Practice Real Estate.

7600 · Personal Property Tax
Record tangible and intangible personal property tax payments in this account, when applicable in your practice’s state. See account 3420 Accrued Property Tax for additional explanation.

7620 · Practice Vehicle
Costs associated with running and maintaining a practice vehicle for business purposes should be coded here, including gasoline/diesel, vehicle repairs and maintenance, vehicle insurance, and vehicle license renewals. If the vehicle is leased, lease payments are classed here.

Use this account for any reimbursed mileage for business use of employee-owned vehicles, other than for continuing education attendance (which is expensed to account 7369).
7660 · Utility Services
Sub-accounts may include:
   7661 · Electricity
   7662 · Natural Gas / Fuel Oil / Propane Gas
   7663 · Sewer
   7664 · Water

7670 · Telephone Services
This account includes expenditures for telephone and fax services via landline, but does not include directory advertising.
Sub-accounts may include:
   7671 · Cellular Phone Service
   7672 · Landline Phone Service

7675 · Cable & Internet Services
Code payments for electronic fax services, cable service, DSL, fiber-optic, T1 (exclusive of land line services for telephone -7670) and internet service providers.

7680 · Answering Service

7690 · Rubbish Disposal
Use this account for expenses related to routine rubbish services, including document shredding services. Medical waste disposal service payments are coded to account 6095.

Administrative Expense Account Series

7705 · Licenses & Permits
Include expenditures for professional and business licenses and permits, such as veterinary and technician license fees, DEA licenses, building occupancy permits, and kennel permits.

7710 · Use Tax Paid
Use tax paid on applicable purchases can be allocated to the appropriate expense category rather than using this account, if you prefer. For example, use tax paid to the state and associated with the purchase of non-taxed office supplies could be classed to account 7750 – Office Supplies.

In all cases, the allocated amount of use tax paid on the purchases of capital assets, such as equipment, should be included in the same fixed asset account as the original purchase. For example, $2,100 of use tax paid on the acquisition of a $35,000 ultrasound machine should be coded to account 2000 - Professional Equipment. The total effective capitalized price of $37,100 is then subject to depreciation. Do not segregate sales tax from the cost of supply acquisition. Sales tax assessed by vendors on goods, services, and equipment sold to the practice is part of the asset’s cost and is never classed to a separate account.
7715 · Franchise Tax
Record state franchise, commercial activity, or other similar state tax payments to this account.

7720 · Other Tax
Use this account to record other taxes levied on the practice that do not appropriately fit elsewhere. Note well: payroll taxes, workers compensation premiums/tax, corporate income taxes, real estate taxes, personal property taxes, etc. should all be coded elsewhere.

7725 · Veterinary & Professional Dues
Expense to this account expenditure made for AVMA, AAHA, VHMA, state and local associations, and business associations such as chamber of commerce membership dues.

7730 · Client Education Material
Use this account to expense newsletters, brochures, other client education materials, and postage related to newsletter mailings.

7735 · Business Gifts and Flowers
Gifts, flowers, cards, food baskets, sympathy cards and expression of sympathy gifts.

7740 · Charitable Contribution
Record payments made to qualified charitable organizations to this account only if no current or future practice promotional benefit is received. If such donations have promotional and marketing benefit that advances client acquisition and growth, then consider classing such payments as advertising and marketing expense, even if made to qualified charitable organizations. If you received a direct benefit, such as a meal, then the fair market value of the direct benefit should be coded to the appropriate account (7440, in this example), with the difference coded to charitable contributions. For example, if the practice pays $100 to a qualified charitable organization and in return receives a meal with a value of $20, then of the $100 expense, $80 should be coded to account 7740 and $20 should be coded to account 7440, assuming there is a business purpose for attendance and business discussion relative to the practice.

7745 · Computer Supplies
Post transactions for peripheral supplies such as cables and small dollar-value software to this account. Minor equipment and software acquisitions may be expensed to this account in accord with the practice capitalization policy. Major acquisitions of computer systems, software, or environmental changes should be capitalized and posted to account 2050 Computer. Labor costs associated with the installation of hardware or software should also be capitalized as part of the respective computer hardware or software account.

Do not record equipment repairs, maintenance, or service contracts in this account, which should be expensed separately under 7520 Maintenance, 7530 Service Contracts, or 7570 Repairs.

7750 · Office Supplies
Expenditures in this account include typical general office supplies such as pens, paper, paper and binder clips, binders, paper files, inexpensive calculators and small equipment. Also, reception area magazine
subscriptions can be expensed to this account.

**7755 · Postage**
Expense to this account stamps, FedEx and UPS, parcel post, courier service, and postal machine rental. Postage for newsletters and other promotional items should be recorded in the appropriate category. Semen shipping freight costs should be included with artificial insemination (A.I.) costs in account 6020.

**7760 · Printing**
Post costs for printing in-office documents and using outside printing services (e.g. Staples or FedEx Office).

Print run costs such as for brochures and newsletters should be recorded in 7730 - Client Education Material.

Copier expense based on print runs and toner refills can be coded here, too. Otherwise, service contracts should be expensed to account 7530.

**7765 · Accounting Fees**
Record fees paid to accounting firms for accounting and tax services. Payroll service and/or outside bookkeeping service payments are coded to the following two accounts.

**7770 · Bookkeeping Services**
Payments for an independent bookkeeper who is not an employee of the practice are included here. If the bookkeeper is an employee of the practice, wages would be recorded in account 7166.

**7775 · Payroll Service Fees**
Post payments to this account for an independent payroll company service involving preparation of employee paychecks, payroll-related tax returns and filings, and tax fund remittance handling, such as ADP, Paychex, Heartland, or Intuit, among many others.

**7780 · Employee Benefits Administration**
This account includes fees paid to a third-party administrator for maintenance of retirement plans (e.g. 401K, SIMPLE IRA, etc.) or other employee benefit plan maintenance, such as Section 125 Cafeteria Plans. Surety bond premium expense is also coded to this account.

**7785 · Legal Services**
This account is used for expenses related to ordinary and necessary business expenses related to attorney and legal assistance. Expenses related to business startup, business organization, and business acquisition generally are NOT coded to this account. Special attention must be given to the exact legal services incurred to determine how they should be handled for accounting and tax purposes. These issues are beyond the scope of this handbook, and the practice accountant should be assisting in determination of correct handling.

**7790 · Business Consultation**
Code payments to third party companies and independent contractors for business management advice
and consulting services.

**Advertising & Promotion Expense Account Series**
This account series includes the directory advertising portion of the telephone bill, community publications, web site expense, search engine advertising, other web advertising, billboards, direct mail, reminder cards, business cards, gear and trinkets printed with the name of the practice, community sponsorships, open houses, postage for client reminders, direct mail advertising and promotions. Would include VetStreet, AllyDVM, etc. subscription fees.

7801 · Yellow Page Advertising
7802 · Website Maintenance
7803 · Internet Advertising
7804 · Direct Mailing
7805 · Client Reminders (include text messaging platforms in this account)
7806 · Memorial Contributions
7808 · Sponsored Events
7809 · Marketing Consultant Fees
7810 · Advertising & Promotion – Other

**Fee Income Collection Expense Account Series**
7905 · Bank Charges and Service Fees
Code payments made for bank and financial management service fees for processing deposits and bounced checks, TeleCheck, maintaining an account or safe deposit box, and providing other services. Also include fees for late credit card payments.

7910 · Credit Card Merchant Service Fee Expense
Client credit card payment of veterinary invoices results in fees assessed to the practice. This account is used to code payments made to or withheld by MasterCard, VISA, American Express, Discover and similar consumer credit cards.

7915 · CareCredit Service Fees
This account records the fees paid to CareCredit related to client use of the instant credit system to pay practice invoices. Other instant consumer credit vehicles the practice contracts would result in fees that can be expensed to this account, as well.

7920 · Collection Fees
This account includes fees paid to a collection agency for pursuit of client accounts receivable.
7930 · Bad Debts
Bad debt expense is recorded at the time of direct write-off of specific client accounts receivable that have been pursued and collection efforts exhausted. This account will be used by accrual basis taxpayers.

7940 · Returned Check Fees
Record check payments received from clients that did not clear the bank due to insufficient fund balances or were otherwise returned as uncollected by the practice’s bank. If another means of payment is received from the client to settle the returned check, the payment should be offset here. If a re-deposited check successfully clears, then the second deposit is recorded against this account, effectively clearing it to zero. The balance of this account will only include returned checks for which no compensating payment has been received. This account will be used by cash basis taxpayers.

Depreciation and Amortization Account Series

8000 · Depreciation Expense
If your practice does not have depreciation adjustments via its tax accountant, estimates for interim, non-tax reporting purposes can be made as follows, at ownership prerogative: Spread the cost of fixed asset costs (account 2000-2499) over a 10-year estimated useful life.

8050 · Amortization Expense
The periodic expense attributed to the decline in usefulness of an intangible asset. Similar to depreciation, it is the process of gradually reducing the value of an asset over its useful life, to reflect an estimate of its use in producing revenues over many financial periods.

Other Miscellaneous Revenue Account Series

9000 · Miscellaneous Revenue
Use this account to report episodic revenue for which there is no other classification. For example, an insurance payment received for damaged property in excess of its repair costs would be recorded here.

9010 · Rent Revenue
If the practice sublets real estate to other business or individual tenants, post the rent receipts to this account. For example, rental revenue associated with a practice-owned apartment would be coded here.

9020 · Interest & Dividend Revenue
Post interest income from all sources, including notes receivable and interest-bearing investment accounts to this account. If a variety of interest-bearing investments exists, each interest source can be separately presented by establishing individual interest-revenue account codes to match with the Forms 1099 – INT the practice will receive in the first quarter of the subsequent calendar year.

Dividends represent a comparable although slightly different form of investment return. The year-end balance of this account should match the total amount reported on all Forms 1099-DIV the practice receives in the first quarter of the subsequent calendar year.
9030 · Gain/(Loss) on Asset Disposition
When the practice sells a fixed asset otherwise used for the production of veterinary revenues at a gain, record the recognized gain to this account. Simultaneously, an adjustment to the fixed asset account and the related accumulated depreciation account will also be made to retire the sold asset from service.

When the practice sells or disposes of a fixed asset at a loss, post the loss amount to this count. The journal entry to record the loss will simultaneously adjust the asset account and related accumulated depreciation account to retire the asset removed from service.

Other Miscellaneous Expense Account Series

9040 · Miscellaneous Expense
In this section, record non-recurring expenses unrelated to daily veterinary practice operations. Do not post operating expenses to this account.

9050 · Fines & Penalties
Fines and penalties such as those related to late submission of tax filings or traffic tickets are coded to this category, and are non-tax-deductible by law.

9060 · Officer/Key Person Life Insurance
Premiums for practice-owned life insurance on the life of a key person(s) for which the practice is also the beneficiary are coded to this account.

9070 · Officer Disability Insurance

Interest Expense Account Series

9080 · Interest Expense – Financed
This account records the interest expense portion of debt service payments to financial institutions. The portion of payment related to principal reduction is coded to the corresponding loan account in the practice liability 3000 series.

9090 · Interest Expense – Shareholder/Owner
This account is used to record interest paid on practice debt owed to shareholders or other related parties. See liability account 3050.

9095 · Interest Expense – Other
This account records the interest expense payments related to vendor and other debt, interest assessed on outstanding credit card liability.

Income Tax Expense Account Series

9100 · Federal Income Tax Provision
Record here the federal income tax liability associated with the practice entity’s taxable income, which must be paid by the entity. Taxes owed by practice owners are not recorded on the practice’s books. This tax is not a payroll tax.
9200 · State Income Tax Provision
Record here the state income tax liability associated with the practice entity’s taxable income, which must be paid by the entity. Taxes owed by practice owners are not recorded on the practice’s books. This tax is not a payroll tax.

9300 · Local Income Tax Provision
Record here the city, regional, or other local income tax liability associated with the practice entity’s taxable income, that must be paid by the entity. Taxes owed by practice owners are not recorded on the practice’s books. This tax is not a payroll tax.

9900 · Ask My Accountant

These revenue and field definitions are intended for companion animal hospitals. If over 5% of your hospital’s total revenue and expenses are attributed to large animal services, best practice would be to use the QuickBooks class system for revenue and expense categorization.