SMALL INCORPORATED BUSINESS

Basic Chart of Accounts Template

A simple starting structure for a small incorporated business. Customize it to fit how your business operates.

ACCOUNT #	ACCOUNT NAME	ACCOUNT TYPE	WHAT BELONGS HERE?
ASSETS			
1000	Business chequing account	Asset	Main operating bank account used for business deposits and payments.
1010	Business savings account	Asset	Business savings, tax reserves, or other corporate cash held separately.
1200	Accounts receivable	Asset	Amounts customers owe for invoices already issued.
1300	GST/HST recoverable (ITCs)	Asset	GST/HST paid on eligible business purchases that may be recoverable as input tax credits.
1500	Computer & office equipment	Asset	Computers, furniture, and equipment expected to benefit the business beyond the current period.
1510	Accumulated depreciation – equipment	Contra asset	Cumulative depreciation recorded against equipment and other capital assets.
LIABILITIES			
2000	Accounts payable	Liability	Amounts owed to suppliers for bills not yet paid.
2100	GST/HST payable	Liability	GST/HST collected on taxable sales that may be owing to CRA, subject to available ITCs.
2200	Payroll liabilities	Liability	Payroll deductions, employer contributions, and other payroll amounts awaiting remittance.
2300	Corporate income tax payable	Liability	Corporate income tax owing but not yet paid.
2400	Shareholder loan	Liability	Amounts owing between the corporation and a shareholder. The balance may require different presentation depending on who owes whom.
EQUITY			

ACCOUNT #	ACCOUNT NAME	ACCOUNT TYPE	WHAT BELONGS HERE?
3000	**Common shares**	Equity	Share capital issued by the corporation.
3100	**Retained earnings**	Equity	Cumulative corporate profits and losses retained in the business.
3200	**Dividends paid**	Equity	Dividends declared or paid to shareholders. Confirm the appropriate setup with your accountant.
REVENUE			
4000	**Sales revenue**	Revenue	Revenue from selling products.
4100	**Service revenue**	Revenue	Revenue earned from providing services.
4900	**Other income**	Other income	Income outside the main day-to-day business activities.
EXPENSES			
5000	**Cost of goods sold**	Cost of goods sold	Direct costs of products sold or direct costs tied to delivering revenue, when applicable.
5100	**Advertising & marketing**	Expense	Advertising, promotions, website marketing, printing, and similar marketing costs.
5200	**Bank charges**	Expense	Monthly bank fees, transaction fees, and other banking charges.
5210	**Interest expense**	Expense	Interest charged on business loans, credit cards, or other financing.
5300	**Insurance**	Expense	Business insurance premiums.
5400	**Meals & entertainment**	Expense	Business-related meals and entertainment. Tax deductibility may be limited.
5500	**Office supplies**	Expense	Consumable office supplies and small administrative purchases.
5600	**Professional fees**	Expense	Legal, accounting, bookkeeping, consulting, and other professional services.
5700	**Rent**	Expense	Office, retail, warehouse, or other business premises rent.
5800	**Salaries & wages**	Expense	Gross salaries and wages paid to employees.

ACCOUNT #	ACCOUNT NAME	ACCOUNT TYPE	WHAT BELONGS HERE?
5810	Contractors & subcontractors	Expense	Payments to independent contractors or subcontractors.
5900	Software & subscriptions	Expense	Accounting software, cloud applications, and recurring business subscriptions.
6000	Telephone & internet	Expense	Business telephone, mobile, and internet costs.
6100	Travel	Expense	Business travel such as airfare, hotels, and eligible travel costs.
6110	Vehicle expenses	Expense	Business-use vehicle costs such as fuel, repairs, insurance, parking, or mileage-related costs, as applicable.
6200	Utilities	Expense	Electricity, heating, water, and similar utilities for business premises.
6300	Dues & memberships	Expense	Professional memberships, business associations, and eligible dues.
6400	Repairs & maintenance	Expense	Repairs and routine maintenance of business property or equipment.
6500	Training & education	Expense	Business-related courses, seminars, and training.
6600	Merchant & payment processing fees	Expense	Credit-card processing, payment gateway, and merchant service fees.
6700	Shipping & delivery	Expense	Courier, postage, freight, and delivery costs.
6800	Bad debt expense	Expense	Customer balances written off as uncollectible, when appropriate.
6900	Depreciation expense	Expense	Periodic depreciation of capital assets, typically recorded with year-end adjustments.

How to Use This Template

This workbook is a starting point, not a one-size-fits-all chart of accounts. Keep the structure simple and adapt it to the information your business actually needs.

1 What is a chart of accounts?

A chart of accounts is the list of categories used to organize transactions and build your financial statements. A clean structure makes reports easier to understand and maintain.

2 How the numbering works

1000s	Assets
2000s	Liabilities
3000s	Equity
4000s	Revenue
5000–6000s	Expenses and cost of goods sold

3 Keep it simple

Do not create a separate account for every vendor. For example, Adobe, Microsoft, and Dropbox would normally be recorded to an account such as Software & Subscriptions rather than having a separate expense account for each vendor.

4 Customize for your business

Add or remove accounts when they help you understand the business. A product business, construction company, professional service firm, and restaurant will not need exactly the same chart of accounts.

5 A note about GST/HST

Accounting software may manage sales-tax accounts differently. Do not assume you need to manually create every GST/HST account shown in this sample. Use the setup recommended by your software and confirm your tax treatment when needed.

6 A note about shareholder transactions

Personal and corporate transactions should be kept separate. Amounts paid between a corporation and its shareholders may need to be tracked through a shareholder loan or another appropriate equity/liability account. Ask your accountant when you are unsure.

Before you start

Use this template as a reference. Your accountant or bookkeeper can help you tailor the chart of accounts to your industry, reporting needs, tax setup, and accounting software.

General information only. This template is for educational purposes and is not tax, legal, or accounting advice. Account classification and tax treatment can vary depending on the business and circumstances.