

# General Ledger & Chart of Account Basics

10000	Assets	Cash on hand Bank Accounts Customer accounts (receivables) Inventory Equipment Building	Debit
20000	Liabilities	Parts bills (payables) Credit card bills Line of Credit Loans for equipment, building Tax withholdings (sales tax, income tax, FICA, Medicare)	Credit
30000	Capital	Initial Investment Owner's Draw Stock Retained Earnings from previous years	Credit
40000	Income	Parts sales Labor sales Sublet sales Supply Charge sales Hazardous Material fee sales Interest earned	Credit
50000	Cost of Goods Sold	Cost of Goods Sold, Parts Cost of Goods Sold, Sublet Cost of Goods Sold, Misc. Supply Inventory adjustments (lost or damaged parts)	Debit
60000	Expenses	Wages Payroll Taxes Rent/Lease Interest Expense Insurance Advertising Credit card processing fees Office supplies Small Tools Utilities	Debit

**Balance Sheet**

**Income & Expense Report**

[Profit & Loss Statement]

Debiting a Debit account = Increases the account  
 Debiting a Credit account = Decreases the account  
 Crediting a Debit account = Decreases the account  
 Crediting a Credit account = Increases the account

“Words match, account goes up”  
 “Words don’t match, account goes down”  
 “Words don’t match, account goes down”  
 “Words match, account goes up”

	<b>Debit</b>	<b>Credit</b>
<b>Debit</b>	+	-
<b>Credit</b>	-	+