

# Non Profit Chart of Accounts

## Introduction to the Non Profit Chart of Accounts

The chart of accounts for a non profit organization differs from a normal business in that the balance sheet is referred to as the statement of financial position, the income statement is referred to as the statement of activities or statement of operations, and as the non profit organization is governed by trustees and does not have owners, the equity side of the accounting equation is replaced by the term net assets or funds.

A chart of accounts, sometimes abbreviated to COA, is a list of all the names of the accounts found in the general ledger with an account code (chart of accounts numbers) allocated to it.

The chart of accounts simply sets out the structure of your accounts system so that all similar accounts are grouped together. For example, statement of financial position fixed operating assets accounts might have codes from 1600, or revenue accounts might have codes from 4000.

A simple structure allows you to easily identify accounts and helps in the posting of transactions and the preparation of the trial balance and financial statements. It is usually best to use numbers for account codes as this will speed up the process of entering transactions as the numeric key pad can be used.

### What Should a Non Profit Chart of Accounts look like?

The nonprofit chart of accounts should be split into statement of financial position and statement of activities sections, each of which is then subdivided into groups (e.g. cash, accounts receivable, revenue, expenses etc). Generally the most used accounts should be kept near the top of each group.

A sample non profit chart of accounts is shown in the interactive table below.

### Non Profit Chart of Accounts Guide and Key

1. **Account Name:** The name of the account in the general ledger
2. **FS:** The Financial Statement in which the account appears
3. **SFP:** Statement of Financial Position
4. **SA:** Statement of Activities:
5. **Group:** The type of account.
6. **Code:** A suggested account code for the account

Non Profit Chart of Accounts

Account Name	FS	Group	Code
Cash in bank	SFP Cash		1010
Petty cash	SFP Cash		1040
Savings & short-term investments	SFP Cash		1070
Accounts receivable control	SFP Accounts receivable		1110
Doubtful accounts allowance	SFP Accounts receivable		1115
Prepaid expenses	SFP Other assets		1450
Accrued revenue	SFP Other assets		1460
Investments	SFP Investments		1580
Leasehold improvements	SFP Fixed operating assets		1630
Furniture, fixtures, and equipment	SFP Fixed operating assets		1640
Accum amort – leasehold improv	SFP Accum depreciation		1735
Accumulated deprec – ff & e	SFP Accum depreciation		1745
Accounts payable	SFP Payables		2010
Accrued expenses	SFP Accrued liabilities		2150
Deferred revenue	SFP Accrued liabilities		2310
Short-term liabilities – other	SFP Short-term notes & loans		2570
Long-term liabilities – other	SFP Long-term notes & loans		2770
Unrestricted net assets (funds)	SFP Funds		3010
Temp. restricted net assets (funds)	SFP Funds		3110
Perm. restricted net assets (funds)	SFP Funds		3210
Contributions	SA Direct contributions revenue		4010
Donations	SA Donated goods & services revenue		4110
Non Government grants	SA Non government grants revenue		4230
Fundraising	SA Indirect contributions revenue		4430
Government grants	SA Government grants revenue		4510
Program service fees	SA Program-related sales & fees		5180
Membership dues	SA Revenue from dues		5210
Interest-savings/short-term invest	SA Revenue from investments		5310
Miscellaneous revenue	SA Revenue from other sources		5490
Officers & directors salaries	SA Salaries & related expenses		7210
Wages and salaries	SA Salaries & related expenses		7220
Pension costs	SA Salaries & related expenses		7230
Employee benefits – not pension	SA Salaries & related expenses		7240
Payroll taxes, etc.	SA Salaries & related expenses		7250
Accounting fees	SA Contract service expenses		7520
Legal fees	SA Contract service expenses		7530

Professional fees – other	SA Contract service expenses	7540
Rent	SA Facility & equipment expenses	8210
Occupancy costs	SA Facility & equipment expenses	8215
Utilities	SA Facility & equipment expenses	8220
Equipment rental & maintenance	SA Facility & equipment expenses	8260
Depreciation	SA Facility & equipment expenses	8270
Depreciation and amortization	SA Facility & equipment expenses	8270
Travel	SA Travel & meetings expenses	8310
Conferences, conventions, meetings	SA Travel & meetings expenses	8320
Interest	SA Other expenses	8510
Insurance	SA Other expenses	8520
Membership dues	SA Other expenses	8530
Staff development	SA Other expenses	8540
Outside computer services	SA Other expenses	8560
Advertising expenses	SA Other expenses	8570
Contingency provisions	SA Other expenses	8580
Other expenses	SA Other expenses	8590
Bad debt expense	SA Business expenses	8610
Sales taxes	SA Business expenses	8620
Taxes – other	SA Business expenses	8650

Notice how each account in the non profit chart of accounts is classified as statement of financial position or statement of activities and then further classified into a group such as for example other assets. The account names will depend on your type of business, but the classification and grouping should be similar to the table above.

When allocating account codes (chart of accounts numbers) don't forget to leave space in the non profit chart of accounts for additional accounts and codes to be inserted in a group at a later stage. For example the revenue codes run from 4000 to 5999 so there is plenty of room to incorporate new categories of revenue if needed.

Source: <http://www.double-entry-bookkeeping.com/nonprofit/non-profit-chart-of-accounts/>