COA List- **Construction** industry - **Canadian**

20241010 Kevin

If we develop a Chart of Accounts (COA) for the **Construction industry** without using the FreshBooks template, we can create a more generalized, flexible structure that fits the needs of a construction business. The new structure would still focus on common industry requirements like handling multiple types of assets, liabilities, revenue, and expenses, but it might not be constrained by FreshBooks-specific formatting.

Here is a revised COA for the construction industry in Canada, without the FreshBooks framework:

**Assets (1000 - 1999)**

* **1000 Cash and Cash Equivalents**
  + 1010 Petty Cash
  + 1020 Bank Accounts
  + 1030 Short-Term Investments
* **1100 Accounts Receivable**
  + 1110 Trade Receivables (Invoices issued to clients)
  + 1120 Retainage Receivable (Retention from clients)
  + 1130 Allowance for Doubtful Accounts
* **1200 Inventory**
  + 1210 Construction Materials
  + 1220 Tools and Supplies Inventory
* **1300 Prepaid Expenses**
  + 1310 Prepaid Insurance
  + 1320 Prepaid Rent
  + 1330 Prepaid Licenses and Permits
* **1400 Long-Term Assets**
  + 1410 Property, Plant, and Equipment (PPE)
  + 1411 Accumulated Depreciation - PPE
  + 1420 Vehicles
  + 1421 Accumulated Depreciation - Vehicles
  + 1430 Construction Equipment
  + 1431 Accumulated Depreciation - Construction Equipment
* **1500 Other Assets**
  + 1510 Deposits (Security deposits for equipment or property leases)

**Liabilities (2000 - 2999)**

* **2000 Accounts Payable**
  + 2010 Trade Payables (Invoices from suppliers)
  + 2020 Retainage Payable (Retention withheld from subcontractors)
* **2100 Payroll Liabilities**
  + 2110 Salaries Payable
  + 2120 Employee Benefits Payable
  + 2130 CPP, EI, and Other Payroll Taxes
* **2200 Short-Term Loans and Credit Lines**
  + 2210 Bank Overdraft
  + 2220 Construction Loan Payable (Short-term construction-specific loans)
* **2300 Accrued Liabilities**
  + 2310 Accrued Interest
  + 2320 Accrued Payroll
  + 2330 Accrued Expenses (Utilities, insurance, etc.)
* **2400 Taxes Payable**
  + 2410 GST/HST Payable
  + 2420 PST/QST Payable (if applicable)
  + 2430 Income Taxes Payable
* **2500 Long-Term Liabilities**
  + 2510 Long-Term Loan Payable
  + 2520 Mortgage Payable (For owned property)
  + 2530 Lease Obligations (Long-term equipment leases)

**Equity (3000 - 3999)**

* **3000 Shareholders' Equity**
  + 3010 Common Stock
  + 3020 Preferred Stock (if applicable)
  + 3030 Additional Paid-In Capital
* **3100 Retained Earnings**
  + 3110 Retained Earnings (Prior years' profit)
  + 3120 Current Year Earnings
* **3200 Dividends**
  + 3210 Dividends Declared
  + 3220 Dividends Paid

**Revenue (4000 - 4999)**

* **4000 Construction Revenue**
  + 4010 Contract Revenue (Revenue from completed projects)
  + 4020 Retainage Released (Retainage collected from clients)
  + 4030 Change Order Revenue (Additional revenue from change orders)
* **4100 Other Revenue**
  + 4110 Equipment Rental Income (If the company rents out construction equipment)
  + 4120 Miscellaneous Revenue (Any other income that doesn't fall under main construction contracts)

**Cost of Goods Sold (COGS) (5000 - 5999)**

* **5000 Direct Material Costs**
  + 5010 Construction Materials Purchased
  + 5020 Transportation Costs (Shipping materials to sites)
  + 5030 Tools and Supplies
* **5100 Direct Labor Costs**
  + 5110 Wages - Field Workers
  + 5120 Wages - Subcontractors
  + 5130 Employee Benefits (field workers)
  + 5140 Workers’ Compensation (mandatory in the construction sector)
* **5200 Equipment Costs**
  + 5210 Equipment Rental
  + 5220 Equipment Maintenance and Repairs
  + 5230 Equipment Depreciation
* **5300 Subcontractor Costs**
  + 5310 Subcontractor Payments
  + 5320 Retainage Payable to Subcontractors

**Operating Expenses (6000 - 6999)**

* **6000 Administrative Expenses**
  + 6010 Office Supplies
  + 6020 Utilities (Office, site offices)
  + 6030 Telephone and Communication
  + 6040 Office Rent
  + 6050 Software and IT Services
* **6100 Payroll Expenses (Office/Admin Staff)**
  + 6110 Salaries - Office Staff
  + 6120 Employee Benefits - Office Staff
  + 6130 CPP, EI, and Taxes - Office Staff
* **6200 Vehicle and Travel Expenses**
  + 6210 Vehicle Fuel
  + 6220 Vehicle Maintenance
  + 6230 Vehicle Lease Payments
  + 6240 Travel Expenses (Airfare, lodging, etc.)
* **6300 Insurance**
  + 6310 General Liability Insurance
  + 6320 Builders Risk Insurance
  + 6330 Workers’ Compensation Insurance
* **6400 Advertising and Marketing**
  + 6410 Website and Digital Marketing
  + 6420 Print and Promotional Materials
  + 6430 Job Site Signage
* **6500 Professional Fees**
  + 6510 Legal Fees
  + 6520 Accounting Fees
  + 6530 Consulting Fees
* **6600 Interest and Bank Charges**
  + 6610 Loan Interest
  + 6620 Bank Charges

**Non-Operating Income and Expenses (7000 - 7999)**

* **7000 Gains and Losses**
  + 7010 Gain on Sale of Assets
  + 7020 Loss on Sale of Assets
* **7100 Miscellaneous Expenses**
  + 7110 Fines and Penalties
  + 7120 Write-Offs (Bad Debts)

**Taxes (8000 - 8999)**

* **8000 Income Taxes**
  + 8010 Federal Income Tax Expense
  + 8020 Provincial Income Tax Expense
* **8100 Sales Taxes**
  + 8110 GST/HST Collected
  + 8120 PST/QST Collected (if applicable)
  + 8130 GST/HST Paid
  + 8140 PST/QST Paid (if applicable)

**Other Accounts (9000 - 9999)**

* **9000 Miscellaneous Accounts**
  + 9010 Uncategorized Expenses
  + 9020 Suspense Accounts (for unclassified or pending items)

This COA is structured to provide greater flexibility and comprehensiveness for a construction business operating in Canada. It addresses core areas like construction-specific revenue and costs, subcontractor management, direct labor and materials, equipment costs, and regulatory requirements such as taxes and payroll liabilities.

**Differences from FreshBooks Template:**

* **More Industry-Specific Detail**: This COA includes additional industry-specific accounts, such as retainage receivables/payables and change orders.
* **Customized Account Names**: Without FreshBooks' specific formatting, this COA uses common industry terminology.
* **Flexible Numbering System**: This COA uses a more general numbering system that can be expanded or contracted based on the company's size.
* **Broader Payroll Categories**: The payroll section is expanded to accommodate the complexity of construction payroll, including taxes and benefits.

This structure should be adaptable to most accounting software used by Canadian construction companies, offering better control over project costs, taxes, and revenue. Let me know if you need further adjustments!