

Profit & Loss Statement instructions:

A profit and loss (P&L) statement is a summary of business income and expenses over a specific period of time, usually the most recent fiscal quarter. Any small business owner or self-employed individual should be familiar with how to prepare a P&L.

Part I: Header:

- The business name and time frame must appear at the top of the P&L. The owners name can be used if there is no official business name.
- The timeframe is usually the most recent quarter. The quarters are defined as January through March, April through June, July through September, and October through December. The date MUST be written in MM/DD/YYYY format. For example 09/01/2017 – 12/31/2017 represents the last quarter of 2017.
- Sometimes P&L can be year to date (YTD). In this case the time frame is from the beginning of the year to the most recent end of month.
For example: 01/01/2017 – 3/31/2017

Part II: Income:

- Income can be listed as a total amount or itemized if it comes from multiple sources
- All income sources should be total for Gross Profit
- NOTE: All income should match deposits into your bank account
 - Best practice is to deposit all income before spending any even if paid in cash

Part III: Expenses:

- Expenses should be listed by type. For example: administrative, supplies, labor, taxes, and travel.
 - Each type may be itemized as well. For example office rent, telephone, and office supplies may come under administrative costs, while cleaning products may be supplies if you clean houses, or nails and lumber may be supplies if you are a contractor. of expense may have parts, like
- All expenses should be totaled

Part IV: Net Summary:

- Subtract total expenses (part III) from Gross Profit (part II) to get Net Profit.
- If this number is negative, your business lost money in that quarter.
- Sign and date to affirm accuracy of the figures provided

See the enclosed samples.

Profit & Loss Statement samples:

Quarterly Profit and Loss Statement	
John Doe / Carpenter	
10/1/2015 - 12/31/2015	
<u>Income:</u>	
Labor / Sales	\$5,452.00
Supplies/Materials	\$1,050.00
Total Income	\$6,502.00
<u>Expenses:</u>	
Supplies/Materials	\$1,050.00
Phone	\$90.00
Gas	\$3,000.00
Total Expenses	\$4,140.00
<u>Net:</u>	
Total Income	\$6,502.00
Total Expenses	\$4,140.00
Net Profit/Loss	\$2,362.00
<i>John Doe 1/5/2016</i>	

YTD Profit and Loss Statement	
Jane Doe / House cleaning	
1/1/15 - 7/31/15	
<u>Income:</u>	
Wages: January	\$1,975.00
Wages: February	\$1,510.00
Wages: March	\$1,815.00
Wages: April	\$2,080.00
Wages: May	\$1,522.00
Wages: June	\$2,780.00
Wages: July	<u>\$2,005.00</u>
Total Income:	\$13,687.00
<u>Expenses:</u>	
Travel/gas:	\$530.00
Supplies:	\$250.00
Taxes: (10%)	<u>\$1,368.70</u>
Total Expenses	\$780.00
<u>Net:</u>	
Total Income	\$13,687.00
Total Expenses	<u>\$780.00</u>
Net Profit/Loss	\$12,907.00
<i>Jane Doe August 20, 2016</i>	