

**VSG DATALINK**  
**COMPANION EXPENSES FIELD DEFINITIONS**  
**9/18/14**

*DATALink inputs needed are in blue and underlined*

**6000 - Costs of Professional Services**

**6001 Vaccine Costs (Optional subaccount)**

Companion Animal Vaccines

**6020 Examination, Hospitalization & Treatment Costs  
(Optional subaccount)**

Muzzles and patient & staff safety devices, external splints and splinting supplies, tourniquets, pet pillers, isopropyl alcohol, blood collection and administration sets, blood, plasma, urinary catheters (rubber, polypropylene, Foley, etc.), cotton, hydrogen peroxide, syringes, needles, bandage supplies, tear test strips, tongue depressor blades, rabies tags not associated with a tax or license fee, microchips, AI supplies, tattoo supplies and equipment, exam & treatment gloves, euthanasia solutions, enema solutions, etc. for hospital use, microchips, cold laser therapy supplies, diagnostic services supplies, cost of diagnostic services, and minor non-depreciated patient care equipment costs that are used primarily in exam, hospital & treatment. Euthanasia solutions should be included in this account.

**6025 Fluid Therapy Costs (Optional subaccount)**

Includes all fluid therapy costs such as IV catheters, lines and extension sets, IV administration equipment and supplies such as IV pumps, IV stands, IV fluid products & Hetastarch etc. like products. Also included catheters & catheter supplies such as catheter caps etc.

**6040 Rehabilitation Costs (Optional subaccount)**

Rehabilitation non-capitalized equipment and supplies such as therapy pool supplies, exercise balls, balance boards, slings, goniometers and similar equipment. Does not include cost of significant equipment repairs, maintenance and service agreements which should be expensed separately under 7520 Maintenance, 7530 Service Contracts or 7570 Equipment repairs. New capital equipment over \$500 should be entered as an asset & depreciated.

**6050 Animal Disposal/Mortuary Cost (Optional subaccount)**

Burial and cremation services, caskets, urns, receptacles, headstones, paw print kits and similar supplies related to post mortem body care and patient memorials. Does not include cost of euthanasia solution.

**6095 Medical Waste Disposal Costs (Optional subaccount)**

Bio-hazardous waste disposal. Also includes cost of containers for hazardous waste disposal services

## **6100 - Pharmacy Cost of Services**

### **6110 Injection Costs (*Optional subaccount*)**

Includes all FDA injectable medications billed as pharmacy injection income. Does not include anesthetic/sedating agents which should be expensed under anesthesia 6502, euthanasia solutions (6020) nor include IV fluids, vaccines, Proheart-6 or Program injections

### **6115 FDA prescription Flea/Tick *NON* HW Parasite Control Products Cost (*Optional subaccount*)**

Includes FDA prescription products that prevent fleas and/or ticks, but not heartworm: Comfortis, Program, Nexgard & Bravecto, etc.

### **6120 FDA prescription HW or Combo HW/Parasite Control Product Cost (*Optional subaccount*)**

FDA medications that control heartworms, whether they also control other parasites or not. Includes Sentinel, Trifexis Heartguard, Advantage Multi , Revolution, Proheart-6, etc.

### **6130 Internet Pharmacy Costs (*Optional subaccount*)**

Includes cost of products resulting in sales made through a web portal either belonging to the practice or a subcontracted vendor such as VetSource, Vet Centric, MyVetDirect or Henry Schein portal. The practice may split out ancillary products if they desire and expense separately to Ancillary Internet Income 6804. Subcontracted vendors usually pay the practice the net amount of sales made to clients, so a journal entry may be required to record sales at gross (In account 5130) and the related cost here.

## **6300 - Laboratory Cost of Services**

Can be used as only lab expense if you choose to not use subaccounts.

### **6301 In-House Lab Cost (*Optional subaccount*)**

Cost of any lab supplies, reagents or expendables along with minor non-depreciable equipment used in performing in-house lab testing. Does not include cost of significant equipment repairs, maintenance and service agreements which should be expensed separately under 7520 Maintenance, 7530 Service Contracts or 7570 Equipment repairs. New capital equipment over \$500 should be entered as an asset & depreciated

### **6302 Outside (Reference) Lab Cost (*Optional subaccount*)**

Cost of supplies or charges by reference for performing outside lab testing Includes cost of mailing samples to lab. Includes consulting fees by lab pathologist.

## **6400 - Radiology & Imaging Cost of Services**

**6403 X-Ray (Non-Dental) Costs (Optional subaccount)**

**6404 X-Ray (Dental) Costs (Optional subaccount)**

**6405 Cat Scan Costs (Optional subaccount)**

**6410 Ultrasound Costs (Optional subaccount)**

**6415 MRI Costs of Sales (Optional subaccount)**

## **6502 - Anesthesia Cost of Service**

Drugs used primarily as anesthetic/sedating agents (injectables such as Midazolam, Marcaine, Bupivacaine, DexDormitor, Dormisedan, Telazole, Lidocaine etc), oxygen, F-air filters, soda lime, endotracheal tubes. Includes parts, supplies for anesthesia, monitoring and scavaging equipment. Also includes non-capitalized monitoring, anesthesia and gas scavaging equipment. Does not include cost of equipment repairs, maintenance and service agreements which should be expensed separately under 7520 Maintenance, 7530 Service Contracts or 7570 Equipment repairs. New capital equipment over \$500 should be entered as an asset and depreciated.

## **6500 - Surgery Cost of Services**

Includes all areas of surgery; plates, screws, fixators implants, suture, needles, nitrogen, ethylene oxide, suture, sterile field drapes, gowns, surgical gloves, small instruments not capitalized, other surgery disposables and supplies.

Includes non-capitalized equipment & parts for non-invasive endoscopic procedures, laser and cautery surgery equipment parts and equipment, and other surgery equipment . Includes all non-capitalized sterilization equipment and supplies. Does not include cost of equipment repairs, maintenance and service agreements which should be expensed separately under 7520 Maintenance, 7530 Service Contracts or 7570 Equipment repairs. New capital equipment over \$500 should be entered as an asset & depreciated.

## **6515 - Dentistry Cost of Services**

All non-capitalized dental instruments, equipment and supplies including dental products used on the teeth in the operatory such as doxirobe and oravet in the hospital. Home use dental hygiene products are expensed elsewhere depending on if it is an FDA or OTC product. Does not include cost of equipment repairs, maintenance and service agreements which should be expensed separately under 7520 Maintenance, 7530 Service Contracts or 7570 Equipment repairs. New capital equipment over \$500 should be entered as an asset & depreciated.

## **6200 - Dietary Product Cost of Services**

Can be used as only diet expense if you choose to not use subaccounts.

### **6201 Prescription Diets Cost (*Optional subaccount*)**

Cost of pet foods that are sold as a medical recommendation to support a patient suffering from a diagnosed specific medical health problem.

### **6202 Non-Prescription Diet Cost (*Optional subaccount*)**

Cost of pet foods that are sold as a wellness/maintenance diet, pediatric diet or traditional food WITHOUT a specific therapeutic dietary formulation for a diagnosed medical health problem.

## **6805 - Boarding Cost of Services**

Food, bedding, food/water bowls and kitty litter pans and litter used exclusively for the maintenance of boarded or hospitalized animals. Include any other expense you know to be only for boarded pets and not comingled with other areas of the hospital.

## **6810 - Grooming Cost of Services**

Include all supplies for the grooming and bathing of pet in the hospital. May include gallon sized grooming shampoos, and supplies used by groomers. All clippers, grooming scissors and grooming supplies have been pre-coded to grooming with Henry Schein product codes so if your practice does not have grooming move all grooming expenses to Exam, Hospitalization and Treatment category (6020).

## **6800 - Ancillary Cost of Products/Services**

Includes items that are ancillary but that do not fit in one of the subaccounts below. Includes City/County License Tags. Can be used as only Ancillary expense if you choose to not use subaccounts.

### **6801 OTC Prod, Shampoos, & Nutraceuticals Costs (*Optional subaccount*)**

Includes all therapeutic OTC products, dental hygiene OTC products including Greenies, nutraceuticals, vitamins, alternative medicine and acupuncture products such as needles and Chinese Herbs, Elizabethan self-mutilation type collars, non-FDA shampoos, includes behavior modifying products used in behavior therapy including Soft Paws and Thunder Shirts.

### **6803 NON FDA Flea and Tick Control Parasiticide Costs (*Optional subaccount*)**

Include all EPA non-FDA flea control products such as topical spot ons (Frontline, Activyl, Vectra, Certifect, etc.), Capstar, sprays, powders, dips, flea combs and premise treatments. Flea shampoos are all in 6801.

### **6804 Internet Ancillary Sales Costs (*Optional subaccount*)**

For use if a practice wanted to track internet retail sales separately from medical products

### **6815 Pet Supplies Costs**

Include all retail sales cost of product sold in hospital. May include all non-medical products such as leashes, harnesses, collars, toys, point of purchase items, brushes, grooming sprays, candles, milk replacers, deodorants, nail trimmers, pet carriers, pet ID tags pill cutters, etc. supplies.

### **6900 - Large Animal Services Expense**

For QuickBooks purposes, this expense should be added to [6000 - Professional Services](#) as this is not a companion animal expense input field in DATAlink. This account accumulates miscellaneous large animal service-related expenses in practices that have only a small segment of activity related to Large Animal species care (as a proposed guideline, less than 5% of expenses deriving from large animal services and product sales.)

### **7800 - Advertising & Promotion**

This account includes the directory advertising portion of the telephone bill, community publications, web site expense, search engine advertising, other web advertising, billboards, direct mail, reminder cards, business cards, gear and trinkets printed with the name of the practice, community sponsorships, open houses, postage for client reminders, direct mail advertising and promotions.

Optional sub-accounts depending on the expenses you wish to monitor may include:

**7801 Yellow Page Advertising Expense**

**7802 Website Maintenance Expense**

**7803 Internet Advertising Expense**

**7804 Direct Mailing Expense**

**7805 Client Reminder Expense**

**7806 Memorial Contribution Expense**

**7808 Sponsored Events Expense**

**7809 Marketing Consultant Expense**

### **Administrative Costs**

**7750 Licenses & Permits**

Include expenditures for professional and business licenses and permits, such as veterinary and technician license fees, DEA licenses, building occupancy permits, and kennel permits.

**7760 Use Tax Paid**

Use tax paid on applicable purchases can be allocated to the appropriate expense category rather than using this account, if you prefer. For example, use tax paid to the state and associated with the purchase of non-taxed office supplies could be classed to account 7870 – Office Supplies.

In all cases, the allocated amount of use tax paid on the purchases of capital assets, such as equipment, should be included in the same fixed asset account as the original purchase. For example, \$2,100 of use tax paid on the acquisition of a \$35,000 ultrasound machine should be coded to account 2000 – Professional Equipment. The total effective capitalized price of \$37,100 is then subject to depreciation.

Do not segregate sales tax from the cost of supply acquisition. Sales tax assessed by vendors on goods, services, and equipment sold to the practice is part of the asset's cost and is never classed to a separate account.

#### **7770 Franchise Tax Expense**

Record state franchise, commercial activity, or other similar state tax payments to this account.

#### **7780 Other Tax Expenses**

Use this account to record other taxes levied on the practice that do not appropriately fit elsewhere. Note well: payroll taxes, workers compensation premiums/tax, corporate income taxes, real estate taxes, personal property taxes, etc. should all be coded elsewhere.

#### **7790 Veterinary & Professional Dues Expense**

Expense to this account expenditures made for AVMA, AAHA, VHMA, state and local associations, and business associations such as chamber of commerce membership dues.

#### **7810 Client Education Material**

Use this account to expense newsletters, brochures, other client education materials, and postage related to newsletter mailings.

#### **7820 Business Gifts and Flowers**

Gifts, flowers, cards, food baskets, sympathy expression gifts.

#### **7830 Charitable Contribution Expense**

Record payments made to qualified charitable organizations to this account only if no current or future practice promotional benefit is received. If such donations have promotional and marketing benefit that advances client acquisition and growth, then consider classing such payments as advertising and marketing expense, even if made to qualified charitable organizations.

If you received a direct benefit, such as a meal, then the fair market value of the direct benefit should be coded to the appropriate account (7440, in this example), with the difference coded to charitable contributions. For example, if the practice pays \$100 to a qualified charitable organization and in return receives a meal with a value of \$20, then of the \$100 expense, \$80 should be coded to account 7830 and \$20 should be coded to account 7440, assuming there is a business purpose for attendance and business discussion relative to the practice.

### **7860 Computer Supply Expense**

Post transactions for ribbons, toner, disks, and other peripheral supplies such as cables and small dollar-value software to this account.

Minor equipment and software acquisitions may be expensed to this account in accord with the practice capitalization policy.

Major acquisitions of computer systems, software, or environmental changes should be capitalized and posted to account 2050 – Computer Hardware or 2070 – Computer Software.

Labor costs associated with the installation of hardware or software should also be capitalized as part of the respective computer hardware or software account.

Do not record equipment repairs, maintenance, or service contracts in this account, which should be expensed separately under 7520 Maintenance, 7530 Service Contracts, or 7570 Repairs.

### **7870 Office Supply Expense**

Expenditures in this account include typical general office supplies such as pens, paper, paper and binder clips, binders, paper files, inexpensive calculators and small equipment. Also, reception area magazine subscriptions can be expensed to this account.

### **7880 Postage Expense**

Expense to this account stamps, FedEx and UPS, parcel post, courier service, and postal machine rental. Postage for newsletters and other promotional items should be recorded in the appropriate category.

Semen shipping freight costs should be included with artificial insemination (A.I.) costs in account 6020.

### **7890 Printing Expense**

Post costs for printing in-office documents and using outside printing services (e.g. Kinko's or Office Max).

Print run costs such as for brochures and newsletters should be recorded in Client Education Material, account 7801.

Copier expense based on print runs and toner refills can be coded here, too. Otherwise, service contracts should be expensed to account 7530.

### **7910 Accounting Expense**

Record fees paid to accounting firms for accounting and tax services. Payroll service and/or outside bookkeeping service payments are coded to the following two accounts.

**7912 Bookkeeping Service Expense**

Payments for an independent bookkeeper who is not an employee of the practice are included here. If the bookkeeper is an employee of the practice, wages would be recorded in account 7166.

**7915 Payroll Service Expense**

Post payments to this account for an independent payroll company service involving preparation of employee paychecks, payroll-related tax returns and filings, and tax fund remittance handling, such as ADP, Paychex, Heartland, or Intuit, among many others.

**7918 Employee Benefits Administration Expense**

This account includes fees paid to a third-party administrator for maintenance of retirement plans (e.g. 401K, SIMPLE IRA, etc.) or other employee benefit plan maintenance, such as Section 125 Cafeteria Plans. Surety bond premium expense is also coded to this account.

**7920 Legal Services**

This account is used for expenses related to ordinary and necessary business expenses related to attorney and legal assistance. Expenses related to business startup, business organization, and business acquisition generally are NOT coded to this account. Special attention must be given to the exact legal services incurred to determine how they should be handled for accounting and tax purposes. These issues are beyond the scope of this handbook, and the practice accountant should be assisting in determination of correct handling.

**7940 Business Consultation Expense**

Code payments to third party companies and independent contractors for business management advice and consultatory services.

**Fee Income Collection Costs****8010 Bank Charges and Service Fee Expense**

Code payments made for bank and financial management service fees for processing deposits and bounced checks, TeleCheck, maintaining an account or safe deposit box, and providing other services.

**8014 Credit Card Merchant Service Fee Expense**

Client credit card payment of veterinary invoices results in fees assessed to the practice. This account is used to code payments made to or withheld by MasterCard, VISA, American Express, Discover and similar consumer credit cards.



**8015 CareCredit Service Fee Expense**

This account records the fees paid to CareCredit related to client use of the instant credit system to pay practice invoices. Other instant consumer credit vehicles the practice contracts would result in fees that can be expensed to this account, as well.

**8020 Collection Expense**

This account includes fees paid to a collection agency for pursuit of client accounts receivable.

**8030 Bad Debt Expense**

Bad debt expense is recorded at the time of direct write-off of specific client accounts receivable that have been pursued and collection efforts exhausted. This account will be used by accrual basis taxpayers.

**8040 Returned Check Expense**

Record check payments received from clients that did not clear the bank due to insufficient fund balances or were otherwise returned as uncollected by the practice's bank. If another means of payment is received from the client to settle the returned check, the payment should be offset here. If a re-deposited check successfully clears, then the second deposit is recorded against this account, effectively clearing it to zero. The balance of this account will only include returned checks for which no compensating payment has been received. This account will be used by cash basis taxpayers.

**7500 - Rent on Practice Real Estate**

Report actual rent or lease payments paid.

**Facility and Equipment Related Expenses****7510 Rent on Business Equipment**

This account includes one-time equipment rental fees, such as a pressure washer to clean the practice facility. *Operating lease* payments (non-purchase leases) should also be included here. Many leases are purchases in disguise and should be capitalized to the 2000 account series with an associated liability included in the 3040 account series. Talk with the practice's CPA to ensure proper accounting of the practice's leases.

**7515 Outside Storage Expense**

Payments made to rent off-premises storage space are coded to this account.

**7520 Maintenance Expense**

Expenditures made to maintain good working order and prevent failure of the practice's facility and equipment are classed to this account.

Sub-accounts may include:

- 7521 Medical Equipment Maintenance Expense**
- 7522 IT and Office Equipment Maintenance Expense**
- 7523 Facility Maintenance Expense**

### **7530 Service Contract Expense**

Service contracts associated with maintaining the practice's facility, grounds, and equipment should be included here, such as security/alarm contracts, landscaping and snow removal contracts, and heating, ventilation, and air conditioning (HVAC) maintenance contracts.

Also include service contract payments for equipment maintenance, such as digital x-ray, bench laboratory equipment, and computer equipment. Service contracts are comparable to acquiring insurance to mitigate unexpected cost of loss and downtime. To keep COPS and other accounts comparable between practices, service contract expenditures are maintained in Facility and Equipment Expenditure accounts.

Use of subaccounts is a good option if the practice has a significant number of higher cost contracts. Examples: Service Contracts: IT, Service Contracts: Landscape Services and Snow Removal, Service Contracts: Medical Equipment. Otherwise, these subaccounts can be used:

Sub-accounts may include:

- 7531 Medical Equipment Service Contract Expense**
- 7532 IT and Office Equipment Service Contract Expense**
- 7533 Facility Service Contract Expense**

### **7540 Housekeeping & Janitorial Expense**

This account includes payments to a contracted cleaning, maid, or janitorial service as well as supplies associated with facility cleaning.

### **7570 Repair Expense**

Expenditures related to facility and equipment repairs are included here. Repairs are different from maintenance as they are used to restore broken property to its condition before the breakage occurred. Maintenance expenses are incurred to prevent breakage by keeping equipment and facility in good working condition.

Sub-accounts may include:

- 7571 Medical Equipment Repair Expense**
- 7572 IT and Office Equipment Repair Expense**
- 7573 Facility Repair Expense**

### **7580 Property, Casualty, & Liability Insurance Premium Expense**

Code premium expenses for liability insurance on the facility, inventory, contents, and business overhead insurance (BOI; sometimes called disability overhead insurance).

- Umbrella liability premiums are also coded to this account.
- Professional liability insurance should be coded to account 7320, and employment practices liability insurance should be coded to account 7470.
- Vehicle insurance premiums are expensed in 7620 Vehicle Expenses.
- Workers compensation insurance premiums (or tax) are coded to 7340.

### **7590 Real Estate Tax Expense**

The lease agreement and who owns practice real estate makes determination of whether the practice or the landlord pays real estate taxes.

If the lease agreement requires the practice to pay the real estate taxes, expense the tax payments to the 7590 account. If the real estate taxes are paid by the landlord (and therefore included in rent), then the tax expense is included in Rent on Practice Real Estate, account 7500.

### **7600 Personal Property Tax Expense**

Record tangible and intangible personal property tax payments in this account, when applicable in your practice's state. See account 3430 – Personal Property Tax Payable for additional explanation.

### **7620 Practice Vehicle Expense**

Costs associated with running and maintaining a practice vehicle for business purposes should be coded here, including gasoline/diesel, vehicle repairs and maintenance, vehicle insurance, and vehicle license renewals.

If the vehicle is leased, lease payments are classed here.

Use this account for any reimbursed mileage for business use of employee-owned vehicles, other than for continuing education attendance (which is expensed to account 7369).

### **7660 Utility Service Expense**

Sub-accounts may include:

- 7661 Electricity**
- 7662 Natural Gas/Fuel Oil/Propane Gas**
- 7663 Sewer**
- 7664 Water**

### **7670 Telephone Service Expense**

This account includes expenditures for telephone and fax services via landline, but does not include directory advertising.

Sub-accounts may include:

**7671 Cellular Phone Service**

**7672 Landline Phone Service**

### **7675 Cable & Internet Service Expense**

Code payments for cable service, DSL, fiber-optic, T1 (exclusive of land line services for telephone -7670) and internet service providers such as AOL.

### **7680 Answering Service Expense**

### **7690 Rubbish Disposal Expense**

Use this account for expenses related to routine rubbish services. Medical waste disposal service payments are coded to account 6095.

## **Other Employee Costs**

### **7400 Study Group Expenses**

Sub-accounts should include:

**7410 VMG - Annual VMG Dues/Expenses**

**7415 VMG - Quarterly Fees**

**7420 VMG - Travel Expenses**

**7425 VMG – Meals & Entertainment Expense**

**7430 VMG – Hotel/Lodging Expense**

**7435 VMG – Materials & Production Expense**

### **7440 Business Meals & Entertainment Expenses**

Expense amounts paid for feeding employees who are working on behalf of the practice to recruit new employees, clients, gain training, skills, networking etc.

### **7445 Staff Events & Recreation Expense**

Expenditures coded to this account typically include staff picnics and Christmas parties, but can include other practice financial support of events wherein 100% of all current employees are invited and included in the event.

### **7450 Employee Recruitment Expense**

Expenses coded to this account may include the cost of background checks, pre-employment drug screening, reimbursed airfare for purpose of interview visits, reimbursed moving expenses, etc.

### **7460 Laundry & Uniform Expense**

### **7470 Employment Practices Liability Insurance**

Code here the premium cost of insurance contracts for managing risk of employee litigation related to alleged unlawful employer policies and employment practices.

## **7000 - Compensation – Owner Veterinarians**

### **7005 - Compensation - Owner Veterinarian Management Fees**

If owner-employee veterinarians are paid an additional or separate amount of salary, bonuses, etc. as compensation for management duties, the gross amount (before tax withholdings) of payments should be coded to this account.

### **7080 - Compensation - Non-Owner Veterinarians**

The gross amount (before tax withholdings) of salaries, wages, bonuses, and commissions, paid to employed veterinarians (with no ownership rights) posts to this account.

### **7081 Compensation – Associate Veterinarian**

Use this account to post the gross amount (before tax withholdings) of salaries, wages, bonuses, and commissions, paid to non-owner associate veterinarians.

### **7083 Contractor Payments – Relief Veterinarian**

Use this account to code payments made to veterinarians who perform services on an episodic and temporary spot-labor basis to relieve regular employee veterinarians from services. Contracted relief veterinarians (“independent contractors”) usually have their own companies and offer their services to multiple practices within a practice area, rather than exclusively or predominantly to a single practice.

### **7085 Contractor Payments – Veterinary Specialist**

Use this account to code payments made to veterinarians with specialty credentials who perform services on an episodic and temporary spot-labor basis to provide specialty patient care. Contracted specialist veterinarians (“independent contractors”) usually have their own companies and offer their services to multiple practices within a practice area, rather than exclusively or predominantly to a single practice

### **7090 Compensation – Intern Veterinarians**

Use this account to post the gross amount (before tax withholdings) of salaries, wages, bonuses, and commissions, paid to newly graduated veterinarians filling work-study positions.

## **7100 - Compensation - Other Support Staff**

### **7130 Compensation – Registered Veterinary Technicians**

Optional, recommended sub-account for registered technicians.

### **7135 Compensation – Veterinary/Technical Assistants**

Optional, recommended sub-account for un-registered veterinary and technician assistants.

### **7140 Compensation – Client Service Reps/Receptionists**

Optional, recommended sub-account for receptionists and client service representatives (CSRs).

### **7180 Contractor Payment – Other (Non-DVM) Temporary Services**

Optional, recommended sub-account for spot labor engaged to provide support services such as clerical, janitorial, assistant, bookkeeping or phone reception services.

### **7190 Compensation – Maintenance Personnel**

Optional, recommended sub-account for maintenance and janitorial personnel who are employees, rather than subcontracted spot labor.

## **7160 - Compensation - Administrative Personnel**

### **7162 Compensation – Practice Manager/Administrator**

Optional, recommended sub-account for designated practice manager and/or administrator.

### **7164 Compensation – Office Manager/Executive Assistant**

Optional, recommended sub-account for designated office manager and/or administrative assistant to practice owner(s).

### **7166 Compensation – Bookkeeper**

Optional, recommended sub-account for designated practice bookkeeper who is paid as an employee of the practice (not an outside subcontractor).

### **7168 Compensation – Clerical/Secretarial Personnel**

Optional, recommended sub-account for personnel functioning in clerical and transcriptionist positions, not described in other accounts. An example would be a medical record transcriptionist or secretary for a DVM specialist in the practice.

## **7155 - Compensation – Groomers**

## **7150 - Compensation – Kennel Assistants**

## Payroll Taxes

### **7210 FICA Tax Expense – Employer’s Portion**

This account expenses the employer’s portion of social security (OASDI) and Medicare tax matching funds (to those withheld from employee wages). This account will be reported to DATAlink as part of Employer Payroll Taxes.

### **7220 Federal Unemployment Tax Expense**

Employers must pay federal taxes to fund unemployment claims. The unemployment tax amounts required by state law are coded to the next account. Federal unemployment tax integrates with state tax amounts, with credit given to the amount paid to the state.

### **7230 State Unemployment Tax Expense**

Employers must pay state taxes to fund unemployment claims. The unemployment tax amounts required by federal law are coded to the prior account. State unemployment tax integrates with federally-mandated tax amounts, with credit given to the amount paid to the state.

### **7250 Other Employer Payroll Tax Expense**

Some states require other tax payments by employers, and these more unique employment tax payments should be coded to this account.

## Fringe Benefits

### **7300 Employee Benefit Program Expense**

Code to this account practice payments to companies providing general qualified benefit programs to employees, such as for group health or dental insurance.

The following sub-accounts to employee benefit programs are possible options. Modify as necessary to match the specific benefits offered by your practice. Accounts 7301 through 7309 are reserved for this purpose.

Sub-accounts may include:

**7301 Group Health Insurance Premium Expense**

**7302 2%-Subchapter-S Corporation Shareholder Health Insurance Premium Expense**

**7303 Group Dental Insurance Premium Expense**

**7304 Group Disability Insurance Premium Expense**

**7305 Group Term Life Insurance Premium Expense**

### **7310 Employer Retirement Contribution Expense**

### **7320 Professional Liability Insurance Premium Expense**

Premiums paid for practice and individual DVM coverage related to managing the risks of claims alleging professional negligence.

### **7340 Workers Compensation Premium/Tax Expense**

Tax or premiums paid for practice insurance that manages the risks of claims related to employee injury on the job, and provides wage replacement and medical benefits in exchange for mandatory relinquishment of the employee's right to sue the employer for negligence.

### **7360 Continuing Education Registration Expense**

Payments made to enroll employees in webinars, seminars, conferences and conventions for the purposes of expanding skills and knowledge, as well as complying with regulatory guidelines to maintain professional licensure in that particular state.

Optional sub-accounts for continuing education may include:

**7361 Meeting/Course Registration Fees**

**7362 Business & Professional Book, Journals, VIN subscriptions**

**7363 Staff Training Fees and Costs (excludes wages, travel, lodging, meals)**

### **7365 Travel and Lodging Expense**

This account tracks practice expenditures for travel related to bona fide (ordinary and necessary business- related) education and training.

Optional sub-accounts for travel and lodging may include the following, but should exclude any meal and entertainment expenses which are limited as to deductibility:

**7366 Air Fare**

**7367 Lodging**

**7368 Transportation**

**7369 Mileage Reimbursement (mileage reimbursement for business errands is classed to account 7620)**

## **Other Expenses**

### **Interest**

#### **9310 Interest Expense – Bank Financed**

This account records the interest expense portion of debt service payments to financial institutions. The portion of payment related to principal reduction is coded to the corresponding loan account in the practice liability 3000 series.

#### **9320 Interest Expense – Lease Financed**

This account records the interest expense portion of capital lease payments to lease-finance companies. The portion of payment related to principal reduction of the capitalized lease is coded to the corresponding lease account in the practice liability 3000 series.



**9330 Interest Expense – Other**

This account records the interest expense payments related to vendor and other debt, such as late payment penalties and interest assessed on outstanding credit card liability.

**9340 Interest Expense – Shareholder/Owner**

This account is used to record interest paid on practice debt owed to shareholders or other related parties. See liability account 3050.

**Federal State & Local Taxes****9600 Federal Income Tax Provision**

Record here the federal income tax liability associated with the practice entity's taxable income, that must be paid by the entity. Taxes owed by practice owners are *not* recorded on the practice's books. This tax is *not* a payroll tax.

**9700 State Income Tax Provision**

Record here the state income tax liability associated with the practice entity's taxable income, that must be paid by the entity. Taxes owed by practice **owners** are *not* recorded on the practice's books. This tax is *not* a payroll tax.

**9800 Local Income Tax Provision**

Record here the city, regional, or other local income tax liability associated with the practice entity's taxable income, that must be paid by the entity. Taxes owed by practice owners are *not* recorded on the practice's books. This tax is *not* a payroll tax.

**Other**

For DATAlink purposes, Other Miscellaneous Revenue (9000-9299) and Other Miscellaneous Expense (9400-9599) are combined into one DATAlink field

**Other Miscellaneous Revenue****9000 Gain on Asset Disposition**

When the practice sells a fixed asset otherwise used for the production of veterinary revenues at a gain, record the recognized gain to this account. Simultaneously, an adjustment to the fixed asset account and the related accumulated depreciation account will also be made to retire the sold asset from service.

**9010 Miscellaneous Revenue**

Use this account to report episodic revenue for which there is no other classification. For example, an insurance payment received for damaged property in excess of its repair costs would be recorded here.

**9020 Rent Revenue**

If the practice sublets real estate to other business or individual tenants, post

the rent receipts to this account. For example, rental revenue associated with a practice-owned apartment would be coded here.

### **9030 Client Service Charge Revenue**

Realized billing and financing charges related to client account receivable balances should be recorded here.

### **9040 Seminar & Sponsorship Revenue**

Most often payments (honorariums) received for veterinarian presentations at meetings would be classed in Other Revenue, since most veterinary practices are not in the business of educating colleagues.

Sometimes outside sponsor support of a practice event for clients will exceed expenditures. Excess funds would be reported here, as would any fees paid by clients for attendance.

### **9050 Interest Revenue**

Post interest income from all sources, including notes receivable and interest bearing investment accounts to this account. If a variety of interest-bearing investments exists, each interest source can be separately presented by establishing individual interest-revenue account codes to match with the Forms 1099 – INT the practice will receive in the first quarter of the subsequent calendar year.

### **9060 Dividend Revenue**

Please see the immediate prior account description of interest revenue posting, as dividends represent a comparable although slightly different form of investment return. The year-end balance of this account should match the total amount reported on all Forms 1099-DIV the practice receives in the first quarter of the subsequent calendar year.

## **Other Miscellaneous Expense**

### **9400 Loss on Disposition of Business Assets**

When the practice sells or disposes of a fixed asset at a loss, post the loss amount to this account. The journal entry to record the loss will simultaneously adjust the asset account and related accumulated depreciation account to retire the asset removed from service.

### **9410 Miscellaneous Expense**

In this section, record non-recurring expenses unrelated to daily veterinary practice operations. Do *not* post **operating expenses** to this account.

### **9420 Fines & Penalties**

Fines and penalties such as related to late submission of tax filings or traffic tickets are coded to this category, and are non-tax-deductible by law. Late fees for bill and credit card payment are coded to bank fees, account 8010.

**9430 Officer/Key Man Life Insurance**

Premiums for practice-owned life insurance on the life of a key person(s) for which the practice is also the beneficiary are coded to this account.

**8100 - Depreciation Expense****8110 - Amortization Expense*****Other Information required to be entered*****Owner DVM's Gross Production**

Total revenue reported by VPIMS for owner vet's individual production

**Non Owner DVM's Gross Production**

Total revenue reported by VPIMS for all non-owner DVM's gross production. Include revenue generated by contracted veterinarians.

**Number of DVMs- Owner**

A full-time equivalent is a DVM that is scheduled to practice clinical medicine 40 hours per week. Clinical practice includes time scheduled for outpatient and inpatient procedures, surgery, diagnostics, client communication, etc. An individual who works 50 hours/week is still only 1.0 FTE DVM. An owner who does not provide veterinary services at all is a 0 FTE. A DVM who provides 25 hours/week of veterinary services is a  $(25/40) = 0.63$  FTE. Estimate the hours worked if not known. Make sure it is based on clinical practice. Time spent in administration is not included.

**Number of DVMs- Non-Owner**

A full-time equivalent is a DVM that is scheduled to practice clinical medicine 40 hours per week. Clinical practice includes time scheduled for outpatient and inpatient procedures, surgery, diagnostics, client communication, etc. An individual who works 50 hours/week is still only 1.0 FTE DVM. A DVM who provides 25 hours/week of veterinary services is a  $(25/40) = 0.63$  FTE. Estimate the hours worked if not known. Include contracted DVM when reporting FTE for non-owner vet.

**Support Staff Total Regular Hours**

Includes paid vacation, sick/personal time and holidays. Does not include administrative, groomer or kennel staff.

**Support Staff Total Overtime Hours****Inventory Balance @ Cost**

For VMG DATAlink purposes, inventory value should be a reasonable approximation of drugs on hand (at acquisition cost) at quarterly reporting dates, including partial packages. Exact counts and value are not mandatory; however, from an internal control perspective, it is reasonable to expect that well-run veterinary practices will have a good

approximation of high value pharmacy items, counts of what is on hand and correlating cost via a regularly maintained VPIMS system. Typically practices do not include white goods in the inventory value.

You may need to adjust your inventory cost if you are entering the cost as list price rather than discounted price for markup purposes which is the optimum system for recording cost of products in your VPIMS.

VMG strongly recommends practices enter inventory received at list price rather than discounted price. This will enable the practice to utilize the markup module within the software to maintain a constant markup when list prices change.

However, when the practice's software determines inventory on hand it will calculate the inventory at the values entered (list price) which will inflate the value of the practices actual inventory cost reported in the software report. Unless the practice is using the intelligent inventory module which allows the practice to track both actual discounted cost and list price there is no way to know true inventory cost from the software. The practices actual cost of inventory will be inflated 5 to 10% more than actual acquisition cost. It is OK to report inventory for DATAlink at the list price cost as reported in the practices software.

The main need to have actual acquisition cost would be to report on the practices annual property or income tax returns and the financial statements for the value of inventory and direct costs.