

Keller Williams Realty – U.S.

Chart of Accounts

January 2021

All Market Center KW Financial Statements must conform to the KW Economic Model and current Policies and Guidelines, and all addendums. Following these guidelines results in accurate KW Financial Statements and is essential for maintaining the consistent integrity of the Profit Share program. If you have any questions, please contact mcasupport@kw.com.

Current Assets

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- 1-0100/0109 Cash – Operating Checking**
 This is the primary operating checking account for the Market Center (MC). All monthly MC expenses are paid out of this account.
 Only the Team Leader (TL) and Operating Principal (OP) and/or General Manager (GM) should be authorized signatories for the Operating Bank Account. The Market Center Administrator (MCA) should not be a signatory on this account because of a potential conflict of interest and additional liability for the MC. The MC may never have a debit or ATM card on any of their MC bank accounts!
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- 1-0200/0209 Cash – Money Market/Commissions**
 This is the MC's Depository Account and the account is set up as the WinMORE default for commission deposits.
- Maintaining a Depository Account is highly recommended; however, this account must be in the name of the Market Center and must be included on the MC's Balance Sheet.
 - The OP is the only signatory on this account and is responsible for transferring sufficient funds out of this account to the MC's Operating Account to cover the MC's expense budget each month. If the transfer does not cover the MC's monthly expenses, the TL and MCA are accountable to the OP to justify the variance when requesting additional funds.
 - The MC may never have a debit or ATM card on any of the MC bank accounts!
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- 1-0300/0309 Cash – Excess E&O Reserves**
 See Section A.6 in the current Policies and Guidelines Manual.
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- 1-0400/0409 Cash – Escrow/Trust**
 If required by the state real estate commission, this account is used by the MC to account for all escrow/earnest money/general trust funds.
- ALL transactions coded to this account are offset to the Escrow/Earnest Money Payable/General Trust liability account. The balance of these two accounts must agree. Some states and banks do require the MC to maintain a small balance (i.e., \$100) of operating funds deposited to an escrow/earnest money/general trust account to cover any bank charges. Please check on your local state laws.
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- 1-0500/0509 Cash – Escrow Commission Trust (Canada Only)**
 To be used by Canada only.
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1-0600/0609	<p>Cash – Trust Term Account (Canada Only) To be used by Canada only.</p>
1-0700/0709	<p>Cash – MC User Defined Accounts The available Cash accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Cash needs.</p>
1-0800/0809	<p>Cash – MC User Defined Accounts The available Cash accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Cash needs.</p>
1-0900/0909	<p>Cash – MC User Defined Accounts The available Cash accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Cash needs.</p>
1-1000/1009	<p>Cash – General Trust Account (Canada Only) To be used by Canada only.</p>
1-1160	<p>Undeposited Funds This account is used for batching deposits together to simplify bank reconciliations. AccountEdge tracks cash receipts in this account until the “Banking – Prepare Bank Deposit” program is run. The bank deposits are batched in the same groups as the hard copy bank deposit slip. Do not transmit until the balance is zero at EOM!</p>
1-1200	<p>Returned Checks on Hand When a deposited check is returned by the bank for insufficient funds, the total amount charged back to your bank account is entered here through a journal entry as a DR to this account and a CR to the original cash account. This allows tracking of returned items on the Balance Sheet. Once the NSF check is replaced or redeposited, the deposit should be coded to this account, thereby leaving a \$0 balance. If this is an associate’s check, rebill the associate through Accounts Receivable and code to this account to leave a \$0 balance.</p>
1-1220	<p>Petty Cash Fund An MC may choose to have a locked Petty Cash drawer maintained by the MCA and this balance has a cap of \$100 that is reconciled monthly. All expenses paid from this account should be booked as receipts are received.</p>
1-1230	<p>Transfers between Cash Accounts This account is used when making transfers from one MC bank account to another. This is a pass-through account. When writing the check or moving the funds from one account, you would credit cash and debit this account. Then when depositing the money in the new account, you would debit the new cash account and credit this account therefore having a \$0 balance at all times.</p>

1-1310	<p>Accounts Receivable – Associates There will be a \$0 balance in this account at EOM. Everyone with KW must pay their bills on time. The MC should establish policies on past-due bills and apply these policies consistently pursuant to the Profit Share Accounting Policies and Guidelines; if still unpaid after 90 days, the invoices should be written off as Bad Debt Expense. Do not code Journal Entries to this account.</p>
1-1320	<p>Accounts Receivable – Other This account is used for other AR, i.e., if a title company closing check is cut incorrectly. This account should reflect any additional amount due.</p> <ul style="list-style-type: none"> • AR is not allowed between one MC and another MC. Such entries should be in the form of loans with a signed promissory note and interest OR should be paid in full by the end of the month.
1-1330	<p>Accounts Receivable – Miscellaneous This account is for miscellaneous AR, i.e. if a title company closing check is cut incorrectly. This account should reflect any additional amount due.</p>
1-1600/1609	<p>Furniture & Fixtures Code purchases of furniture, fixtures, signs, decorating items, pictures, etc., to this account.</p> <ul style="list-style-type: none"> • Normally the “breakpoint” between capitalizing or expensing purchases of furniture, fixtures, and equipment is \$500 per unit cost.
1-1610/1619	<p>Office Equipment Code purchases of computers, telephone, copier, fax machine, and other equipment to this account.</p> <ul style="list-style-type: none"> • Normally the “breakpoint” between capitalizing or expensing purchases of furniture, fixtures, and equipment is \$500 per unit cost.
1-1620/1629	<p>Leasehold Improvements Major renovation to the MC’s lease space.</p>
1-1630/1-1639	<p>Other Fixed Assets These accounts are used for other assets that do not fit in the prior three categories.</p>
1-1700/1-1709	<p>Accumulated Depreciation The Market Center’s CPA or Tax Accountant should supply a depreciation schedule to follow.</p>
1-1800	<p>Organizational (Start-up) Costs IRS-Defined organizational costs (i.e., legal and accounting fees, state incorporation fees, etc.) that are paid before the MC opens for business as an approved KW franchise.</p>
1-1810	<p>A/A – Organizational Costs Accumulated amortization of Organizational Costs. The Market Center’s CPA or Tax Accountant should supply a depreciation schedule to follow.</p>

1-1820	Franchise Fee Initial Franchise Fee paid to KWRI for the purchase of the KW franchise. Also Franchise Renewal Fees.
1-1830	A/A – Franchise Fee Accumulated amortization of Franchise Fee. Normally expensed over the life of the Franchise Agreement. The Market Center’s CPA or Tax Accountant should supply a depreciation schedule to follow.
1-1840	Goodwill When a MC purchases another real estate company and blends it into the existing MC, the Goodwill value is essentially the total value of the business minus the total value of the purchased tangible assets. This account is rarely used and must follow IRS guidelines.
1-1850	A/A – Goodwill Accumulated amortization of Goodwill. This is a below-the-line Owner Cost.
1-1860/1869	Refundable Deposits Deposits that are to be refunded sometime in the future (i.e., office deposit or utility deposit, etc.). This account allows the MC to track these items on the Balance Sheet.
1-1870/1879	Prepaid Insurance Insurance prepaid for subsequent accounting months/years. (i.e., MC’s general liability insurance, E&O insurance, etc.)
1-1880/1889	Prepaid Expenses Expenses prepaid for subsequent accounting months/years.
1-1890	Other Asset – MC User Defined Accounts The available Other Asset accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Asset needs.
1-1900	Other Asset – MC User Defined Accounts The available Other Asset accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Asset needs.
1-1910	Other Asset – MC User Defined Accounts The available Other Asset accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Asset needs.
1-1920	Other Asset – MC User Defined Accounts The available Other Asset accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Asset needs.

1-1930	<p>Other Asset – MC User Defined Accounts</p> <p>The available Other Asset accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Asset needs.</p>
1-1940	<p>Other Asset – MC User Defined Accounts</p> <p>The available Other Asset accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Asset needs.</p>
1-1950	<p>Other Asset – MC User Defined Accounts</p> <p>The available Other Asset accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Asset needs.</p>
1-1960	<p>Other Asset – MC User Defined Accounts</p> <p>The available Other Asset accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Asset needs.</p>
1-1970	<p>Other Asset – MC User Defined Accounts</p> <p>The available Other Asset accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Asset needs.</p>
1-1980	<p>Other Asset – MC User Defined Accounts</p> <p>The available Other Asset accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Asset needs.</p>
1-1990	<p>Other Asset – MC User Defined Accounts</p> <p>The available Other Asset accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Asset needs.</p>
1-8000	<p>KW Debt Contra</p> <p>This account is the accumulation of the total KW debt expense the Market Center has taken on their Assets since the origination of the MC entity. This account offsets the corresponding accumulated KW debt depreciation account on the Balance Sheet.</p>
1-8010	<p>A/D KW Debt</p> <p>KW Debt allowance accumulated depreciation.</p>
1-9000	<p>Bank Reconciliation Adjustments</p> <p>Adjustments booked when reconciling a monthly bank account statement.</p> <ul style="list-style-type: none"> Any items that were included in the bank statement but were not entered in AccountEdge, or items entered in AccountEdge but not on the bank statement, must be researched. Enter a journal entry to move these bank reconciliation adjustments to the corresponding account on the Income Statement, which should leave a \$0 balance at end of month.

Current Liabilities

2-1000	<p>Accounts Payable Total of unpaid expenses. Invoices incurred for the current accounting month that aren't paid by the end of the month.</p> <ul style="list-style-type: none"> The MC is required to pay all invoices within 30 days of receipt. Do not code Journal Entries to this account.
2-1020	<p>KWR Excess E&O Reserve/Payable See Section A.6 in the current Policies and Guidelines Manual.</p>
2-1030	<p>Special Events Payable See Section A.6 in the current Policies and Guidelines Manual.</p>
2-2000	<p>Payroll Tax Payable – FICA This account contains Form 941 Payroll accruals and should zero out by each month end with timely payments to the IRS.</p>
2-2110	<p>Payroll Tax Payable – FUTA This account contains Form 940 Payroll accruals. Quarterly deposits are made to the IRS and the form is filed annually.</p>
2-2120	<p>Payroll Tax Payable – SUTA This account contains SUTA Payroll accruals. The SUTA form is filed and paid quarterly.</p>
2-2130/2139	<p>Payroll Tax Payable Other payroll taxes (mostly for Canada use).</p>
2-2140	<p>Escrow/Trust Payable Matches the account 1-0400 Cash – Escrow balance, less any cash minimum balance required by the state or bank.</p>
2-2150	<p>Associate Tech Fee Pass-through account used to collect and pay Associate Technology Fees to KWRI from all active associates in your MC. This account balance should be zero by each month end.</p>
2-2170	<p>Commercial Membership Fees Pass-through account used to collect and pay Commercial fees to KWRI from all active associates in the MC. This account balance should be zero by each month end.</p>

2-2200	<p>Federal Income Tax Payable Accrual for corporate Federal Income taxes that the MC will pay directly to the IRS.</p>
2-2300	<p>State Withholding Payable State Withholding is automatically accrued when payroll is processed in AccountEdge. Timely payment of payroll taxes to the state is required and this account should be zero at end of month.</p>
2-2400/2409	<p>GST/HST Taxes Payable Gross Sales Taxes are booked and paid based on your Provincial/State Requirements.</p>
2-3000	<p>Do Not Use</p>
2-3100	<p>Do Not Use</p>
2-4000	<p>Unidentified Income Commission checks received with no information or Greensheet should be deposited in the bank and coded to this account temporarily. Must be researched and resolved prior to the next transmittal.</p>
2-4010	<p>KW Cares Contribution Pass-through account used to collect and pay KW Cares donations. These amounts should be paid to KW Cares at the end of each month and this account should be zero at the end of each month. For more information, visit kwcares.org.</p>
2-4020	<p>KW Kids Can Pass-through account used to collect and pay KW Kids Can contributions. These amounts should be paid to KW Kids Can at the end of each month and this account should be zero at the end of each month. For more information, visit kwkidscan.org.</p>
2-4030	<p>Current Liabilities – MC User Defined Accounts The available Current Liabilities accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Current Liabilities needs.</p>
2-4040	<p>Current Liabilities – MC User Defined Accounts The available Current Liabilities accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Current Liabilities needs.</p>
2-4050	<p>Current Liabilities – MC User Defined Accounts The available Current Liabilities accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Current Liabilities needs.</p>

2-4060	<p>Current Liabilities – MC User Defined Accounts The available Current Liabilities accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Current Liabilities needs.</p>
2-4070	<p>Current Liabilities – MC User Defined Accounts The available Current Liabilities accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Current Liabilities needs.</p>
2-4080	<p>Current Liabilities – MC User Defined Accounts The available Current Liabilities accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Current Liabilities needs.</p>
2-4090	<p>Current Liabilities – MC User Defined Accounts The available Current Liabilities accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Current Liabilities needs.</p>
2-4100	<p>Current Liabilities – MC User Defined Accounts The available Current Liabilities accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Current Liabilities needs.</p>
2-4110	<p>Current Liabilities – MC User Defined Accounts The available Current Liabilities accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Current Liabilities needs.</p>
2-4120	<p>Current Liabilities – MC User Defined Accounts The available Current Liabilities accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Current Liabilities needs.</p>
2-4130	<p>Current Liabilities – MC User Defined Accounts The available Current Liabilities accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Current Liabilities needs.</p>
2-4140	<p>BOLD Scholarship Contributions Pass-through account used to collect and pay KW BOLD Scholarship contributions. These amounts should be paid to Keller Williams at the end of each month, along with royalty, Profit Share, and other fees, and this account should be zero at the end of each month. For more information, visit mapscoaching.kw.com/bold.</p>
2-4150	<p>KW Family Fund Pass-through account used to collect and pay KW Family Fund donations. These amounts should be paid to Keller Williams at the end of each month, along with royalty, Profit Share, and other fees, and this account should be zero at the end of each month.</p>

Long-Term Liabilities

2-8000	Note Payable All long-term note payables are listed separately on the Balance Sheet. Each must be backed by a signed promissory note on file at the MC. See the current Policies and Guidelines manuals regarding interest charged in Owner Notes Payable. The available Notes Payable accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Long Term Note needs.
2-8100	Note Payable All long-term note payables are listed separately on the Balance Sheet. Each must be backed by a signed promissory note on file at the MC. See the current Policies and Guidelines manuals regarding interest charged in Owner Notes Payable. The available Notes Payable accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Long Term Note needs.
2-8200	Note Payable All long-term note payables are listed separately on the Balance Sheet. Each must be backed by a signed promissory note on file at the MC. See the current Policies and Guidelines manuals regarding interest charged in Owner Notes Payable. The available Notes Payable accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Long Term Note needs.
2-8210	Note Payable All long-term note payables are listed separately on the Balance Sheet. Each must be backed by a signed promissory note on file at the MC. See the current Policies and Guidelines manuals regarding interest charged in Owner Notes Payable. The available Notes Payable accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Long Term Note needs.
2-8220	Note Payable All long-term note payables are listed separately on the Balance Sheet. Each must be backed by a signed promissory note on file at the MC. See the current Policies and Guidelines manuals regarding interest charged in Owner Notes Payable. The available Notes Payable accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Long Term Note needs.
2-8230	Note Payable All long-term note payables are listed separately on the Balance Sheet. Each must be backed by a signed promissory note on file at the MC. See the current Policies and Guidelines manuals regarding interest charged in Owner Notes Payable. The available Notes Payable accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Long Term Note needs.
2-8240	Note Payable All long-term note payables are listed separately on the Balance Sheet. Each must be backed by a signed promissory note on file at the MC. See the current Policies and Guidelines manuals regarding interest charged in Owner Notes Payable. The available Notes Payable accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Long Term Note needs.

2-8250 **Note Payable**
All long-term note payables are listed separately on the Balance Sheet. Each must be backed by a signed promissory note on file at the MC. See the current Policies and Guidelines manuals regarding interest charged in Owner Notes Payable. The available Notes Payable accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Long Term Note needs.

2-8260 **Note Payable**
All long-term note payables are listed separately on the Balance Sheet. Each must be backed by a signed promissory note on file at the MC. See the current Policies and Guidelines manuals regarding interest charged in Owner Notes Payable. The available Notes Payable accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Long Term Note needs.

2-8270 **Note Payable**
All long-term note payables are listed separately on the Balance Sheet. Each must be backed by a signed promissory note on file at the MC. See the current Policies and Guidelines manuals regarding interest charged in Owner Notes Payable. The available Notes Payable accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Long Term Note needs.

2-8280 **Note Payable**
All long-term note payables are listed separately on the Balance Sheet. Each must be backed by a signed promissory note on file at the MC. See the current Policies and Guidelines manuals regarding interest charged in Owner Notes Payable. The available Notes Payable accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Long Term Note needs.

Equity

3-1000/1009 **Common Stock**
If the MC's legal entity is a corporation and issues stock to shareholders, the money received for the stock is entered in this account.

3-1100/1350 **Owner Dividends/Distributions**
Used when the MC issues checks to the owners based on their percentage ownership, including tax distributions to the owners. This account should be an accumulated balance from the beginning of the Market Center's formation.

3-1500/1750 **Paid In Capital**
This is the money invested by the owners in the business and is never distributed to the owners.

3-8000 **Beginning Retained Earnings**
The accumulated profit/loss through the prior year end. For KW purposes, these historical balances should be left in this account even when the MC's CPA adjusts the tax return prior profit/loss into other Owner Equity accounts for tax purposes. For further details, see the MCA Reference Guide.

3-9000 **Current Earnings – Do NOT book anything to this account. This is autogenerated.**
This account reflects the net profit or loss from the Income Statement YTD activity.

3-9999 Historical Balancing Account – **Do Not Use**

Income & Cost of Sales

NOTE: KWRI requires the Income and Cost of Sales accounts to reconcile monthly between the KW WinMORE and Accounting programs.

Income Accounts

4-0010 Listings Sold
Do not make journal entries to this account. The \$'s are imported from WinMORE and must balance monthly to the WinMORE EOM reports.

4-0020 Sales Sold
Do not make journal entries to this account. The \$'s are imported from WinMORE and must balance monthly to the WinMORE EOM reports.

4-0030 Leasing
Do not make journal entries to this account. The \$'s are imported from WinMORE and must balance monthly to the WinMORE EOM reports.

4-0040 Referrals
Do not make journal entries to this account. The \$'s are imported from WinMORE and must balance monthly to the WinMORE EOM reports.

Cost of Sales Accounts

5-0010 Listings Commission
Do not make journal entries to this account. The \$'s are imported from WinMORE and must balance monthly to the WinMORE EOM reports.

5-0020 Sales Commission
Do not make journal entries to this account. The \$'s are imported from WinMORE and must balance monthly to the WinMORE EOM reports.

5-0030 Leasing Commission
Do not make journal entries to this account. The \$'s are imported from WinMORE and must balance monthly to the WinMORE EOM reports.

5-0040 Referral Commission
Do not make journal entries to this account. The \$'s are imported from WinMORE and must balance monthly to the WinMORE EOM reports.

5-0050	Other Broker Commission (Canada Only) To be used by Canada only.
5-0060	Clearing Commission This account is a pass-through account. If a check did not match according to what the DA says, this account reflects the difference between the Check For amount and the actual check amount. If your associate capped within this posted DA, the amount would equal the total overpaid to the MC. This account must ALWAYS have a zero balance at month end.
5-0070	Associate Royalty Do not make journal entries to this account. The \$'s are imported from WinMORE and must balance monthly to the WinMORE EOM reports.
5-0090	Concession to Close Do not make journal entries to this account. The \$'s are imported from WinMORE and must balance monthly to the WinMORE EOM reports.
5-2000	E&O Collected from Associates This account is for E&O collected from Associates per transaction only. Do not book anything to this account if E&O is billed to the Associates on their monthly billings.

Operating Expenses

6-1000/1009	Accounting/Tax Preparation The annual expense for preparation of tax returns, including charges for any accounting support.
6-1510/1519	Advertising – Classified All newspaper classified ads, including media such as the local MC listing magazine and classified ads for MC employment.
6-1520/1529	Advertising – Other/Marketing Used for the monthly KWRI Marketing Fee and KELLER WILLIAMS® Realty marketing materials, including the MC TL's discretionary fund to be used for associate recognition and the promotion of marketing oriented events.
6-1700/1709	Auto Expense Reimbursement to the MC's administrative employees for personal car mileage usage while on company business at the currently allowed IRS tax mileage reimbursement rate.
6-1800/1809	Bad Debt Expense When an associate's AR invoice is 90 days past due, the invoice is written off to this account.

6-1900/1909	<p>Bank Charges Monthly bank service charges, including merchant service fees for MC credit card processing, and check or deposit slip printing charges.</p> <ul style="list-style-type: none"> • Associates will reimburse the MC for any bank charges incurred if an associate’s check is returned for any reason. All fees paid to vendors for late payment, credit card interest when not paid in full, or late transmittal fees to KWRI must be coded to a below-the-line Owner Cost.
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6-2000/2009	<p>Computer Software – Office Annual AccountEdge and other software update charges for the MC.</p>
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6-2100/2109	<p>Contests & Sales Awards Monthly and annual sales contests and awards.</p>
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6-2300/2309	<p>Contract Labor/Consulting Technical support services, temporary staffing, etc.</p> <ul style="list-style-type: none"> • Reference the Policies and Guidelines Manual for further details.
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6-2600/2609	<p>Contribution/Gifts MCTL’s discretionary fund to use in promoting goodwill with customers, associates, vendors, and/or the community.</p>
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6-2800/2809	<p>Copy Machine/Copy Expense Copies made by MC staff.</p> <ul style="list-style-type: none"> • Associates are billed for their copies and this should be coded to Inside Income/Other Income – Copies according to the MC policy.
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6-3010/3019	<p>Dues/Subscriptions Market area information publications such as the local newspaper, Builders Update, etc.</p>
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6-3020/3029	<p>Dues/MLS Base cost for connecting the MC, TL, and MC Broker to the local Multiple Listing Service.</p> <ul style="list-style-type: none"> • Associates are responsible for their own MLS dues.
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6-3030/3039	<p>Dues/BOR Fees paid by the MC for the MC Broker and/or a sales TL to join and remain current in the local board.</p> <ul style="list-style-type: none"> • Associates are responsible for their own dues and must pay their BOR dues in advance as per local requirements.
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6-3040/3049	<p>Dues/Other Other membership dues for the MC (e.g., local Chamber of Commerce).</p>

6-4000/4009	<p>Depreciation/Amortization Straight line over a minimum of 5 years.</p> <ul style="list-style-type: none"> • The MC’s CPA may choose an accelerated depreciation for tax purposes. Please refer to the Policies and Guidelines Manual accounting guidelines for KW Debt Allowance.
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6-4611/4620	<p>Insurance This account is a miscellaneous insurance account to be used if other insurance accounts do not apply.</p> <p>Insurance – Life If a life insurance policy for the OP or staff member states that the beneficiary is the MC, life insurance can be paid by the MC.</p> <p>Insurance – Health Health insurance charges for the MC employee group health insurance plan that can be deducted from the employee’s paycheck or paid by the MC.</p> <ul style="list-style-type: none"> • Does not include premiums for the OP or the MC Broker. <p>Insurance – Office Coverage for physical damage or loss of the MC’s personal property (e.g., computers, desks, chairs, etc., and any additional insurance required by a financing entity) and Commercial Comprehensive General Liability Insurance at the levels required under the MC’s License Agreement, plus any additional coverage/limits recommended by the Regional Director.</p> <p>Insurance – Other Coverage for items required but not covered by the Insurance – Office category (e.g., Workers Compensation for MC employees).</p>
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6-4700/4709	<p>Interest Expense Interest expense from monthly notes payable payments.</p> <ul style="list-style-type: none"> • All fees paid to vendors for late payment, credit card interest when not paid in full, or late transmittal fees to KWRI must be coded to a below-the-line Owner Cost account.
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6-4750/4759	<p>KW Convention This account is used for the registration and travel expenses of the OP, TL, and MCA for attending the KW Family Reunion Convention.</p> <ul style="list-style-type: none"> • Reference the Policies and Guidelines Manual for further details.
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6-4800/4809	<p>Legal Expenses Legal advice that is not covered by the Excess E&O or Special Events liability account balances. In most cases, this account will have a \$0 balance at all times. See current Policy & Guidelines for more information.</p>

6-5010/5019	<p>Online Services – Credit Reports Used to pass through credit report charges paid by associates.</p> <ul style="list-style-type: none"> • Therefore the MC will not have an expense in this category. If the MC plans to derive income from credit report fees, make sure the appropriate “Other Income” account is set up and budgeted.
6-5020/5029	<p>Online Services – MLS Base cost for the MC’s Multiple Listing Service, including TL and Broker usage.</p> <ul style="list-style-type: none"> • Associates pay for their own MLS charges, therefore the MC will not have an expense in this category except for the TL and Broker usage. If the MC plans to derive income from MLS fees, make sure the appropriate “Other Income” account is set up and budgeted.
6-5030/5039	<p>Online Services – Property Tax Info Base cost for the MC’s online tax and information services that serve the local real estate board.</p> <ul style="list-style-type: none"> • Associates pay for their own computer usage charges.
6-5040/5049	<p>Online Services – Internet Expenses charged by the MC’s Internet Service Provider, the KELLER WILLIAMS® Technology Fee and Internet software upgrades.</p>
6-5500/5509	<p>Maintenance/Repair – Copy Machine The service agreement for the MC’s copiers and direct repair expenses.</p>
6-5510/5519	<p>Maintenance/Repair – Phone System The service agreement for the MC’s telephone system, minor telephone repairs, and necessary refurbishing.</p> <ul style="list-style-type: none"> • Equipment purchases usually qualify as a capital purchase and are instead coded to the Office Equipment asset account. See Asset Office Equipment notations for further reference.
6-5520/5529	<p>Maintenance/Repair – Computer Maintenance agreements and repairs for the MC’s computer equipment.</p> <ul style="list-style-type: none"> • Equipment purchases usually qualify as a capital purchase and are instead coded to the Office Equipment asset account. See Asset Office Equipment notations for further reference.
6-5530/5539	<p>Maintenance/Repair – Other Any minor repair (i.e., key replacement, etc.) necessary to maintain the MC facility that does not qualify as a Leasehold Improvement.</p>
6-5570/5579	<p>Meals The MCTL’s discretionary fund used for recruiting or staff business meals.</p> <ul style="list-style-type: none"> • This account should only be used for business purposes. Per the Policies and Guidelines Manual, this account should not exceed \$200/month.

6-5580/5589	<p>Meetings This account is used for renting a meeting facility. Per the Policies and Guidelines Manual, this account should not exceed \$200/month.</p>
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6-5590/5599	<p>Printing – Out of House (Office) Market Center outside printing costs for forms, handouts, stationery, etc.</p> <ul style="list-style-type: none"> • Associates pay their own costs for forms, handouts, stationery, etc.
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6-6000/6009	<p>Postage/Freight/Delivery MC's general postage, delivery, and courier charges.</p> <ul style="list-style-type: none"> • Associates pay their own postage/freight/delivery charges.
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6-6010/6019	<p>Public Relations Public relations costs once an MC is profitable and hires a PR firm or sponsors a PR event. Per the Policies and Guidelines Manual, this account should not exceed \$250/month.</p>
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6-6100/6109	<p>Recruiting Incentives All "giveaways" supplied to associates during the recruiting process. Includes business cards, signs, printed materials, etc. Reference the Policies and Guidelines Manual.</p>
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6-6210/6219	<p>Rent – Office/Occupancy Monthly cost for the Market Center's lease space, Common Area Maintenance charges, all utilities, janitorial, lawn care, and any items pertaining to office space.</p>
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6-6220/6229	<p>Rent – Other Rental expenses for storage units, and any other miscellaneous items not related to office space.</p>
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6-6230/6239	<p>Rent – Equipment Monthly cost for renting office furniture and/or equipment (e.g., helium tank, fax machine, copier, etc.).</p>
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6-6510/6519	<p>Salaries – Admin/Staff Monthly gross payroll amount paid to the MC's administrative employees. Please review federal regulations with the MC's CPA regarding hourly versus salaried positions. Special federal rules apply to salaried positions.</p>
	<p>6-6511 – Market Center Administrator Salary This account has been specified in the payroll chart of accounts range for the salary of the Market Center Administrator.</p>
	<p>6-6512 – Assistant Market Center Administrator Salary This account has been specified in the payroll chart of accounts range for the salary of the Assistant Market Center Administrator (Optional).</p>

6-6513 – Productivity Coach Salary

This account has been specified in the payroll chart of accounts range for the salary of the Productivity Coach (Optional).

6-6520/6529 Salaries – Admin/Bonus

Not initially budgeted. A KELLER WILLIAMS® Realty Incentive Plan may start when the MC is profitable and has no Loss Carry Forward. Contact your Regional Director to learn about “standard” bonus plans in your Region.

6-6521 – Market Center Administrator Bonus

This account has been specified in the payroll chart of accounts range for the bonus of the Market Center Administrator.

6-6522 – Assistant Market Center Administrator Bonus

This account has been specified in the payroll chart of accounts range for the bonus of the Assistant Market Center Administrator (Optional).

6-6523 – Productivity Coach Bonus

This account has been specified in the payroll chart of accounts range for the bonus of the Productivity Coach (Optional).

6-6530/6539 Salaries – Call Coordinator

Monthly gross payroll amount paid to the MC’s Call Coordinator.

6-6540/6549 Salaries – Team Leader

Monthly gross payroll amount paid to the MC’s TL.

6-6550/6559 Salaries – Assistant Team Leader

Monthly gross payroll amount paid to an MC’s Assistant TL.

6-6560/6569 Salaries – Team Leader & Asst TL Bonus

Not initially budgeted. A KELLER WILLIAMS® Realty Incentive Plan may start when the MC is profitable and has no Loss Carry Forward. Contact your Regional Director to learn about “standard” bonus plans in your Region.

6-6561 – Team Leader Bonus

This account has been specified in the payroll chart of accounts range for the bonus of the Team Leader.

6-6562 – Assistant Team Leader Bonus

This account has been specified in the payroll chart of accounts range for the bonus of the Assistant Team Leader (Optional).

6-6570/6579 Payroll Service Fees

Fees paid to an outside payroll company to process MC payroll. Also includes fees for leased employees.

6-6610/6619	<p>Signs Standard signs stocked by the MC and sold to its associates.</p> <ul style="list-style-type: none"> Personalized or special signs are prepaid by the associate at the time they are ordered. The MC will typically not have an expense in this category.
6-7010/7019	<p>Supplies Basic office and computer supplies used by the MC's staff bought in quantity to take advantage of discounts and savings.</p> <ul style="list-style-type: none"> Associates supply their own office supplies for personal use such as pads, pens, scissors, etc. The Market Center usually supplies coffee.
6-8000/8009	<p>Taxes – Payroll (Canada Only) Other payroll taxes.</p>
6-8010	<p>Taxes – Payroll (FICA) The employer's portion of the MC employees' social security and Medicare taxes.</p> <ul style="list-style-type: none"> IRS Form 941 deposits are made monthly and Form 941 is filed quarterly. Review the AccountEdge payroll tax setup with the MC's CPA.
6-8020	<p>Taxes – Payroll (SUTA) The employer paid State Unemployment/Disability tax.</p> <ul style="list-style-type: none"> The State tax report is usually paid and filed quarterly. Review the AccountEdge payroll tax setup with the MC's CPA.
6-8030	<p>Taxes – Payroll (FUTA) The employer paid IRS Form 940 Federal Unemployment tax.</p> <ul style="list-style-type: none"> Form 940 tax deposits are made quarterly and Form 940 is filed annually. Review the AccountEdge payroll tax setup with the MC's CPA.
6-8040/8049	<p>Taxes – Federal Income The MC owners' Federal Income Tax expense is included in the operating budget when the MC becomes historically profitable (i.e., when the AccountEdge Balance Sheet Retained Earnings and Current Period Profit [Loss] nets to a profit).</p> <ul style="list-style-type: none"> The MC should enter at least \$1 as the budget in order that the associates get accustomed to seeing this as a line-item expense. It must reflect the actual tax liability as assessed by the federal government and approved by your CPA. This expense cannot exceed 30% of the bottom-line Net Profit. To use a percentage in excess of 30%, the MC's CPA must submit a request in writing to the KWRI Compliance Department. The MC's tax liability must be viewed as "stand-alone." (This liability cannot be commingled with other tax issues of the owner.) If the MC's prior-year losses derived a decrease in owner taxes in that prior year, the owners should not take taxes as a "before profit sharing" expense until the MC is historically profitable. This expense is allowed as an MC expense before profit sharing for all legal entity types no matter who writes the check to the federal government. If the MC is a Limited Liability Company, for example, the MC does not write the income tax check to the IRS directly. The owner receives a K-1 and writes the check to the federal government. According to the License Agreement, income tax is a valid KW Approved Expense and is recorded above the line via a journal entry in AccountEdge as expense to the account named "Taxes – Federal Income" and then reversed "below the line" using the account named "Reverse Taxes – Federal Income."

- If your MC is a corporation and the MC is paying the taxes directly to the IRS, the JE to record taxes is a debit to this account and a credit to account #2-2200 Federal Income Tax Payable.
- If your MC is not a corporation, the JE to record taxes is a debit to this account and a credit to account #9-8030 Reverse Taxes – Federal Income (below the line).

6-8100/8109	<p>Taxes – Property Property taxes assessed by the county, municipal government, or local school district.</p>
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6-8140/8149	<p>Taxes – State/Provincial State income tax expense.</p>
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6-9010/9019	<p>Telephone Service Telephone line charges plus taxes.</p>
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6-9020/9029	<p>Telephone – Long Distance Long distance charges for legitimate business activities for the MC’s staff (e.g., KWRI® communications, support needs, recruiting, etc.)</p> <ul style="list-style-type: none"> • Reference the Policies and Guidelines Manual.
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6-9030/9039	<p>Telephone – Auto TL’s cell phone reimbursement once the MC reaches a Regionally approved level of profitability.</p>
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6-9100/9109	<p>Training – Consultants/Materials KWConnect monthly fees and any additional training programs, MAPS Coaching, and/or materials for the market center.</p>
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6-9120/9129	<p>Travel/Lodging Reimbursement to MC employees for travel outside of the city for training, education, or recruiting. All travel expenses, including lodging and airfare, are booked to this account.</p> <ul style="list-style-type: none"> • Pursuant to the Policies and Guidelines Manual, OP Expenses for all training courses and events required by KWRI is an allowable “above-the-line” or before profit sharing expense.
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6-9130	<p>KW Debt Allowance</p> <ul style="list-style-type: none"> • The MC’s CPA may choose an accelerated depreciation for tax purposes. Please refer to the Policies and Guidelines Manual accounting guidelines for KW Debt Allowance.
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6-9140	<p>Loss Carry Forward Allocation Loss Carry Forward is unique to Keller Williams. This account is to be used only with the write off option. Reference the Policies and Guidelines Manual.</p>
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6-9150	<p>KW Cost Adjustment – Prior Years See the MCA Reference Guide for details.</p>
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6-9160	Salaries – OP See current Policy & Guidelines manual for accounting guidelines for this account.
6-9170	Salaries – General Manager See current Policy & Guidelines manual for accounting guidelines for this account.
6-9180	Salaries – Designated Broker See current Policy & Guidelines manual for accounting guidelines for this account.
6-9190	BOLD Reimbursements This account is used for reimbursing associates for BOLD classes.
6-9200	Expense – KPA Subscription KPA assessment fees to the market centers and any amounts received from associate billing. Market centers have the ability to bill their associates back \$20/KPA assessment (a cap of \$100/month will be applied to Mega Teams).
6-9210	Expense – MC User Defined The available Expense accounts on the KW Financial Statement are listed as MC User Defined, so each Market Center can customize for their Expense needs. Please refer to the Policies and Guidelines Manual accounting guidelines allowable “above-the-line” or before profit sharing expense.
6-9220	Expense – MC User Defined The available Expense accounts on the KW Financial Statement are listed as MC User Defined, so each Market Center can customize for their Expense needs. Please refer to the Policies and Guidelines Manual accounting guidelines allowable “above-the-line” or before profit sharing expense.
6-9230	Expense – MC User Defined The available Expense accounts on the KW Financial Statement are listed as MC User Defined, so each Market Center can customize for their Expense needs. Please refer to the Policies and Guidelines Manual accounting guidelines allowable “above-the-line” or before profit sharing expense.
6-9240	Expense – MC User Defined The available Expense accounts on the KW Financial Statement are listed as MC User Defined, so each Market Center can customize for their Expense needs. Please refer to the Policies and Guidelines Manual accounting guidelines allowable “above-the-line” or before profit sharing expense.
6-9250	Expense – MC User Defined The available Expense accounts on the KW Financial Statement are listed as MC User Defined, so each Market Center can customize for their Expense needs. Please refer to the Policies and Guidelines Manual accounting guidelines allowable “above-the-line” or before profit sharing expense.
6-9260	Expense – MC User Defined The available Expense accounts on the KW Financial Statement are listed as MC User Defined, so each Market

Center can customize for their Expense needs. Please refer to the Policies and Guidelines Manual accounting guidelines allowable “above-the-line” or before profit sharing expense.

6-9270 **Expense – MC User Defined**
The available Expense accounts on the KW Financial Statement are listed as MC User Defined, so each Market Center can customize for their Expense needs. Please refer to the Policies and Guidelines Manual accounting guidelines allowable “above-the-line” or before profit sharing expense.

6-9280 **Expense – MC User Defined**
The available Expense accounts on the KW Financial Statement are listed as MC User Defined, so each Market Center can customize for their Expense needs. Please refer to the Policies and Guidelines Manual accounting guidelines allowable “above-the-line” or before profit sharing expense.

6-9600 **Mortgage Company Flat Fee**
This account is used if the MC is charged a flat fee monthly from their Mortgage Company partnership.

6-9610 **Closing Entity Flat Fee**
This account is used if the MC is charged a flat fee monthly from their Title Company partnership.

6-9620 **Home Warranty Flat Fee**
This account is used if the MC is charged a flat fee monthly from their Home Warranty partnership.

6-9630 **Insurance Company Flat Fee**
This account is used if the MC is charged a flat fee monthly from their Insurance Company partnership.

Inside Income

8-0010 **Other Income – Rent/Desk Fees**
This account is used when billing associates monthly rent or desk fees.

8-0020 **Other Income – Copier B&W**
This account is used when billing associates monthly for black-and-white copies in the office.

8-0030 **Other Income – Copier Color**
This account is used when billing associates monthly for color copies made in the office.

8-0040 **Other Income – Administrative Fees**
This account is used when billing associates transaction fees for their closings. See current Policy & Guidelines for more details.

8-0050 **Other Income – Interest**
This account is for any interest income the MC receives from their bank accounts.

8-0060	<p>Other Income – E&O Insurance</p> <p>This account is for booking excess E&O as per the Policies and Guidelines Manual accounting guidelines.</p>
8-0070	<p>Other Inside Income – MC User Defined</p> <p>The available Other Inside Income accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Other Income needs.</p> <p>Please refer to the Policies and Guidelines Manual accounting guidelines regarding treatment of “above the line” other inside income.</p>
8-0080	<p>Other Inside Income – MC User Defined</p> <p>The available Other Inside Income accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Other Income needs.</p> <p>Please refer to the Policies and Guidelines Manual accounting guidelines regarding treatment of “above the line” other inside income.</p>
8-0090	<p>Other Inside Income – MC User Defined</p> <p>The available Other Inside Income accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Other Income needs.</p> <p>Please refer to the Policies and Guidelines Manual accounting guidelines regarding treatment of “above the line” other inside income.</p>
8-0100	<p>Other Inside Income – MC User Defined</p> <p>The available Other Inside Income accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Other Income needs.</p> <p>Please refer to the Policies and Guidelines Manual accounting guidelines regarding treatment of “above the line” other inside income.</p>
8-0110	<p>Other Inside Income – MC User Defined</p> <p>The available Other Inside Income accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Other Income needs.</p> <p>Please refer to the Policies and Guidelines Manual accounting guidelines regarding treatment of “above the line” other inside income.</p>
8-0120	<p>Other Inside Income – MC User Defined</p> <p>The available Other Inside Income accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Other Income needs.</p> <p>Please refer to the Policies and Guidelines Manual accounting guidelines regarding treatment of “above the line” other inside income.</p>
8-0130	<p>Other Inside Income – MC User Defined</p> <p>The available Other Inside Income accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Other Income needs.</p> <p>Please refer to the Policies and Guidelines Manual accounting guidelines regarding treatment of “above the line” other inside income.</p>

8-0140 **Other Inside Income – MC User Defined**
The available Other Inside Income accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Other Income needs.
Please refer to the Policies and Guidelines Manual accounting guidelines regarding treatment of “above the line” other inside income.

8-0150 **Other Inside Income – MC User Defined**
The available Other Inside Income accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Other Income needs.
Please refer to the Policies and Guidelines Manual accounting guidelines regarding treatment of “above the line” other inside income.

Outside Income

8-7010 **Other Income – Mortgage JV**
This account is for income received from a Mortgage Company if the MC is in a Joint Venture relationship with the Mortgage Company.

8-7020 **Other Income – Mortgage MSA**
This account is for income received from a Mortgage Company if the MC has an MSA relationship with the Mortgage Company.

8-7030 **Other Income – Mortgage Desk Fee**
This account is for monthly billing to a Mortgage Company who is renting space from the Market Center. Subleases should be booked against the Rent - Office/Occupancy expense account.

8-7040 **Other Income – Mortgage Affiliate**
This account is for income received from a Mortgage Company the MC has an affiliate relationship with.

8-7050 **Other Income – Closing Entity JV**
This account is for income received from a Closing Entity (i.e., Title Co, Escrow office, Attorney’s office, etc.) if the MC is in a Joint Venture relationship with the Closing Entity.

8-7060 **Other Income – Closing Entity MSA**
This account is for income received from a Closing Entity (i.e., Title Co, Escrow office, Attorney’s office, etc.) if the MC has an MSA relationship with the Closing Entity.

8-7070 **Other Income – Closing Entity Desk Fee**
This account is for monthly billing to a Closing Entity (i.e., Title Co, Escrow office, Attorney’s office, etc.) who is renting space from the Market Center. Subleases should be booked against the Rent - Office/ Occupancy expense account.

8-7080 **Other Income – Closing Entity Affiliation**
This account is for income received from a Closing Entity (i.e., Title Co, Escrow office, Attorney’s office, etc.) the MC has an affiliate relationship with.

8-7090	<p>Other Income – Home Warranty JV This account is for income received from a Home Warranty Company if the MC is in a Joint Venture relationship with the Home Warranty Company.</p>
8-7100	<p>Other Income – Home Warranty MSA This account is for income received from a Home Warranty Company if the MC has an MSA relationship with the Home Warranty Company.</p>
8-7110	<p>Other Income – Home Warranty Desk Fee This account is for monthly billing to a Home Warranty Company who is renting space from the Market Center. Subleases should be booked against the Rent - Office/Occupancy expense account.</p>
8-7120	<p>Other Income – Home Warranty Affiliation This account is for income received from a Home Warranty Company the MC has an affiliate relationship with.</p>
8-7130	<p>Other Income – Insurance JV This account is for income received from an Insurance Company if the MC is in a Joint Venture relationship with the Insurance Company.</p>
8-7140	<p>Other Income – Insurance MSA This account is for income received from an Insurance Company if the MC has an MSA relationship with the Insurance Company.</p>
8-7150	<p>Other Income – Insurance Desk Fee This account is for monthly billing to an Insurance Company who is renting space from the Market Center. Subleases should be booked against the Rent - Office/Occupancy expense account.</p>
8-7160	<p>Other Income – Insurance Affiliation This account is for income received from an Insurance Company the MC has an affiliate relationship with.</p>
8-7170	<p>Other Outside Income – MC User Defined The available Other Outside Income accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Other Income needs. Please refer to the Policies and Guidelines Manual accounting guidelines regarding treatment of “above the line” other outside income.</p>
8-7180	<p>Other Outside Income – MC User Defined The available Other Outside Income accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Other Income needs. Please refer to the Policies and Guidelines Manual accounting guidelines regarding treatment of “above the line” other outside income.</p>
8-7190	<p>Other Outside Income – MC User Defined The available Other Outside Income accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Other Income needs. Please refer to the Policies and Guidelines</p>

Manual accounting guidelines regarding treatment of “above the line” other outside income.

8-7200 **Other Outside Income – MC User Defined**
The available Other Outside Income accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Other Income needs. Please refer to the Policies and Guidelines Manual accounting guidelines regarding treatment of “above the line” other outside income.

8-7210 **Other Outside Income – MC User Defined**
The available Other Outside Income accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Other Income needs. Please refer to the Policies and Guidelines Manual accounting guidelines regarding treatment of “above the line” other outside income.

8-7220 **Other Outside Income – MC User Defined**
The available Other Outside Income accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Other Income needs. Please refer to the Policies and Guidelines Manual accounting guidelines regarding treatment of “above the line” other outside income.

8-7230 **Other Outside Income – MC User Defined**
The available Other Outside Income accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Other Income needs. Please refer to the Policies and Guidelines Manual accounting guidelines regarding treatment of “above the line” other outside income.

8-7240 **Other Outside Income – MC User Defined**
The available Other Outside Income accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Other Income needs. Please refer to the Policies and Guidelines Manual accounting guidelines regarding treatment of “above the line” other outside income.

8-7250 **Other Outside Income – MC User Defined**
The available Other Outside Income accounts on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their Other Income needs. Please refer to the Policies and Guidelines Manual accounting guidelines regarding treatment of “above the line” other outside income.

Profit Share/Franchise Royalty

9-0020 **Profit Share**
Money paid into the KW Profit Share pool by the MC.

9-0030 **Franchise Royalty**
The royalty paid to KWRI by the MC.

9-0040 **FR Paid by Associates**
Royalty paid to the MC by associates.

After PS Expense/Income

9-8010/8019	Reverse KW Cost Adjustments Used in conjunction with KW Cost Adj-Prior Year account for changes made in transmitted months, and/ or used for prior year CPA adjustments to the KW Owner Profit/Loss.
9-8020/8029	Reverse LCF Allocation Used in conjunction with the Loss Carry Forward Allocation account.
9-8030	Reverse Taxes – Federal Income Used in conjunction with the Taxes – Federal Income account to expense taxes above the line and reverse below the line.
9-8040/8049	Reverse KW Debt Allowance Used in conjunction with the KW Debt Allowance account to write off Fixed Asset purchases up to \$2,000 per month. Used as an alternative to Depreciation expense.
9-8050/8059	Reverse Taxes – State/Provincial Used in conjunction with the Taxes – State/Provincial account where applicable.
9-8060/8069	After PS Expense/Income – MC User Defined The available After Profit Share expense/income ranges on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their below the line expenses/income Please refer to the Policies and Guidelines Manual accounting guidelines. Any expense not allowed above the line should be placed within these ranges.
9-8070/8079	After PS Expense/Income – MC User Defined The available After Profit Share expense/income ranges on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their below the line expenses/income Please refer to the Policies and Guidelines Manual accounting guidelines. Any expense not allowed above the line should be placed within these ranges.
9-8080/8089	After PS Expense/Income – MC User Defined The available After Profit Share expense/income ranges on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their below the line expenses/income Please refer to the Policies and Guidelines Manual accounting guidelines. Any expense not allowed above the line should be placed within these ranges.
9-8090/8099	After PS Expense/Income – MC User Defined The available After Profit Share expense/income ranges on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their below the line expenses/income Please refer to the Policies and Guidelines Manual accounting guidelines. Any expense not allowed above the line should be placed within these ranges.
9-8100/8109	After PS Expense/Income – MC User Defined

The available After Profit Share expense/income ranges on the KW Financial Statement are listed as MC User Defined, so each market center can customize for their below the line expenses/income. Please refer to the Policies and Guidelines Manual accounting guidelines. Any expense not allowed above the line should be placed within these ranges.

9-8120	Currency Gains/Losses This account is used for any gains or losses on sale of assets or dollar exchange rates on any sales.
9-8200/8209	Miscellaneous Owner Cost Valid IRS business expenses for the OP and other owners that are NOT allowed above the line.
9-8210	Interest on Shareholder's Loan This account is for interest on the monies loaned to the MC from the Shareholders.
9-9000/9009	Interest Income Interest from the MC's Depository cash account.
9-9010	Associate Application Fees The \$25 new associate fee that each KW Associate pays when they join KW or transfer between MCs. This fee is either the Associate Application Fee/Orientation Fee/New Associate Fee or the Transfer Fee as mentioned in the Policies and Guidelines Manual.
9-9030	Annual Associate Renewal Fees Each MC charges all associates a \$25 Annual Renewal Fee each January and pays KWRI \$20 per associate. The \$5 per associate overage remains in this account per the Year End Process instructions.
9-9100	Depreciation/Goodwill This is a below-the-line Owner Cost since Goodwill is no longer amortized under U.S. GAAP. It is also restricted under International Accounting Standards. Instead of deducting the value of goodwill annually over a period of maximal 40 years, companies are now required to deduct fair value of the reporting items. Please check with your CPA or Tax Accountant.
9-9110/9119	Owner Expenses Any expense paid by the MC owners below the line.
