

# DATALINK ENTRY REVENUE & FIELD DEFINITIONS

## REVENUE FIELD DEFINITIONS

(Required DATALINK entry fields are in *blue* and *underlined*)

### **5000 · Professional Services Revenue**

#### **5001 · Vaccine Revenue**

This revenue center includes companion animal vaccine service income. Record in this account the fees charged from administration of vaccines to immunize patients against disease. Charges for new or reissued rabies tags are recorded here, as are rabies licensing fees (not to be confused with other county licenses which are tracked in 5802).

#### **5010 · Exam Revenue**

This revenue center includes outpatient exams, consultations, and many professional services that are performed during the exam, such as nail, wing and teeth trims, anal gland expression, minor ear cleaning, soft paw application, diabetic glucose sensor application, outpatient medication administration fees, poison control consultation fees, telemedicine exam/consults, microchip implantation, health certificates, house call fees, euthanasia services and euthanasia solution. More extensive diagnostic procedures completed at time of examination are tracked elsewhere.

#### **5020 · Hospitalization & Treatment Revenue**

This revenue center includes hospitalization (day or night), and inpatient services. Includes critical and nursing care, oxygen (even though the cost for oxygen is tracked under 6600 Anesthesia), in-patient medication administration, heat support, stomach tubing and lavage, enemas, continuous blood pressure monitoring (not to be confused with diagnostic blood pressure measurement), heartworm treatment support, tattoo services, bandages, casts, urinary catheterization, therapeutic abdominocentesis and thoracentesis, inpatient non-surgical wound care. Includes theriogenology services such as semen collection and preparation, insemination, obstetrical assistance, and neonatal care and stem cell therapy. Track medical boarding here and medication administration for boarding pets. If your practice offers minimal boarding services, please track these boarding services under 6020 Prof. Services Hospitalization & Treatments (per KSM recommendation).

Inventory items sold to clients and/or used in-house/for treatments are also tracked here, i.e., syringes), needles, vet wrap and other bandage supplies, cotton balls, tongue depressors, etc. (note that no charge white good items can also be tracked under a generic "Supplies" category in your PIMS if you don't want to blend them into the Hospitalization & Treatment category, however you will still account for the costs of these items as 5020 Hosp./Treatments).

#### **5025 · Fluid Therapy Revenue**

This revenue center includes fees charged for all routes and types of fluid and electrolyte support administered for any type of service (for dentals, Sx, etc.). Routes include subcutaneous (SC) and intravenous (IV) administration, and CRIs (continuous rate infusion administration (even when giving anesthetics as part of the CRI)). Fluid types include crystalloid and colloid solutions (Hestastarch, HES) and blood/plasma products (including blood transfusion collection fees as well as those for administration). Revenues associated with set up and administration of all fluid

types such as catheter placement are included here as well as supplies, i.e. fluid administration sets, fluid pump fees, monitoring, and all other income associated with SC and IV fluid therapy administration services and products.

#### **5030 · Diagnostic Services Revenue**

This revenue center includes fees charged for blood pressure measurement, EKG/ECG tracing procedures performed in-house or by outside services (including Holter monitor), EKG/ECG consults, ophthalmology-related tests (tear/lacrimation tests, corneal staining procedures, intraocular pressure measurement), bone marrow aspiration procedures, water deprivation tests, tensilon tests, CSF tap, diagnostic abdominocentesis or thoracentesis procedures, intradermal allergy testing when performed in-house and necropsy procedure.

#### **5040 · Rehabilitation Revenue**

This revenue center includes fees from activities including treadmill, swimming, core muscle conditioning, massage, and similar physiotherapeutic applications to increase muscle strength, range of joint motion, flexibility, and mobility.

#### **5045 · Laser Therapy Revenue**

This revenue center includes fees related to therapeutic laser therapy for accelerated wound healing, musculoskeletal disease, modulation, and pain management applications. Do not include laser surgery in this account.

#### **5050 · Mortuary Revenue**

This revenue center includes fees related to cremation, burial income, and related body care services. Include income for sales of cemetery plots, caskets, urns, paw prints, and associated patient memorial services or products. (Euthanasia procedure fees and euthanasia solution are included in account 5010 Exam Revenue).

#### **5060 · Behavior Services Revenue**

This revenue center includes fees related to behavior service income and includes both services related to the prevention of behavior issues that might lead to owner-pet bond breakage (behavior wellness), or consulting services addressing the modification of existing behavior issues (separation anxiety, excessive vocalization, aggression, and destructive behavior). Medications and OTC products to treat behavioral issues should be included under Pharmacy 5105 FDA Rx Meds or 5801 Ancillary OTC Products.

#### **5070 · Alternative and Complementary Medicine Revenue**

This revenue center includes fees related to income from chiropractic, acupuncture, and homeopathy services. Alternative medical products sold should be captured in 5801 Ancillary OTC Products.

*Tip: if the PIMS category description field doesn't support the character length of this description it can be shortened to 5070 Alternative Medicine.*

#### **5080 · Specialist Revenue**

This revenue center includes only those specialty services provided by a board-certified veterinarian with specialty credentials from an ABVS-recognized veterinary specialty

organization. Additional subaccounts for specific specialist revenue (i.e. ophthalmology, internal medicine, oncology, ultrasound, etc.) can be created using accounts 5081 to 5094.

#### **5095 · Medical Waste Revenue**

This revenue center includes fees related to income from hazardous waste fees, i.e., hazardous waste from vaccines, injections, surgery, sharp container sales and disposal fees.

#### **5099 · Large Animal Services Revenue**

This revenue center accumulates miscellaneous large animal service-related income in practices that have only a small segment of activity related to Large Animal species care (as a proposed guideline, less than 5% of revenue deriving from large animal services and product sales.). To see your practice's large animal revenue broken down in more detail, we recommend referring to the Large Animal COA for specific tracking of those items.

Note, if your practice is part of a Companion Animal VMG group you will not include this revenue in DATALINK unless the majority of your group are also entering/comparing this data.

### **5100 · Pharmacy Revenue**

#### **5105 · FDA Prescription Meds, Pill, Cap, Liquid, etc. Revenue**

This revenue center includes income from the sale of FDA prescription medications in the form of pills, capsules, liquids, topicals and some sprays, including oral and transdermal controlled substance medications, FDA hyposensitization (allergy) treatment sublingual drops, and other FDA approved products.

*Tip: If the PIMS category description field doesn't support the character length of this description it can be shortened to 5105 FDA Rx Meds.*

#### **5110 · Injection Revenue**

This revenue center includes income from FDA inpatient and outpatient injections and any injection fee and any associated packing/dispensing fees. Insulin, Immiticide®, Cytopoint®, Solensia®, and Librela® are included in this account as well as FDA hyposensitization treatment (allergy) injections. Does not include income from injectable anesthetics, analgesics, tranquilizers, anxiolytic agents, sedating agents, euthanasia solutions or injectable heartworm preventatives. See 5600 Anesthesia, Sedatives, and Tranquilizers for details on items included in the Anesthesia revenue center; injectable parasite preventatives should be coded as 5125 FDA RX Injectable Parasite Prevention.

#### **5115 · FDA Prescription Flea/Tick Non-injectable Prevention Revenue**

This revenue center includes income from FDA prescription products that prevent fleas and/or ticks, but not heartworms, and excludes injectable forms (injectable parasite control products are coded to 5125). Example: Comfortis®, Simparica®, Credelio®, NexGard® & Bravecto® chews. Note that non-FDA Flea/Tick preventatives are tracked under 5803 Ancillary non-FDA Flea & Tick Products and includes items such as Frontline®, Seresto®, Capstar®, Vectra®, and others.

*Tip: If the PIMS category description field doesn't support the character length of this description it can be shortened to 5115 FDA Rx Flea/Tick Prevention.*

**5120 · FDA Prescription HW Non-injectable Prevention Revenue**

This revenue center includes income from any orally or topically administered (non-injectable) FDA Rx product that prevents heartworms or combination of heartworms, fleas, ticks, intestinal and external parasites. Example: Sentinel®, Trifexis®, Heartgard®, Advantage Multi®, Revolution®, Simparica Trio®, Bravecto Plus®, NexGard Combo®. (Injectable parasite control products are coded to 5125).

*Tip: If the PIMS category description field doesn't support the character length of this description it can be shortened to 5120 FDA Rx Heartworm/Combo.*

**5125 · Injectable Parasite Prevention Revenue**

This revenue center includes income from any injectable FDA product that prevents infestations associated with heartworms fleas, ticks, intestinal and external parasites. These injections can target individual parasite types or a combination of parasite types. Example: ProHeart® 6 & 12 month and Bravecto Quantum®.

*Tip: If the PIMS category description field doesn't support the character length of this description it can be shortened to 5125 FDA Rx Inj. Parasite Prev.*

**5130 · Internet Pharmacy Revenue**

This revenue center includes the gross revenues resulting from Pharmacy sales made through a practice via portal regardless of whether it is through a subcontracted vendor (VetSource, MyVetDirect, etc.). Also includes income from products billed by the practice but shipped directly to the client. Note: Internet sales are not generated through the practice's PIMs, therefore, this revenue center does not need to be set up in your practice's PIMs. Use the vendor reports to find the gross revenue to enter into DATALINK (in the Non-PIMs section on the revenue window). Several of the online store providers email a report to the practice owner each quarter. Check with your online store provider for details.

**5200 · Dietary Product Revenue****5201 · Therapeutic Diet Revenue**

This revenue center includes fees related to any food that is sold as a medical recommendation to support a patient suffering from a diagnosed specific medical health problem. While often called prescription diets, they do not by law require a veterinarian to prescribe them but manufacturers do frequently limit their sales through veterinarians and veterinary hospitals. Do not include therapeutic brand treats, they are tracked in 5802 Ancillary Pet Supplies/Retail

**5202 · Retail Diet Revenue**

This revenue center includes fees related to any food that is sold as a wellness/maintenance diet, pediatric diet or traditional food WITHOUT a specific therapeutic dietary formulation for a diagnosed medical health problem. Do not include treats, they are tracked in 5802 Ancillary Pet Supplies/Retail.

**5203 · Internet Diet Revenue**

This revenue center includes gross revenues resulting from dietary sales made through a practice via portal regardless of whether it is through a subcontracted vendor (Hills to Home, Purina, vRxPro, VetSource, etc.) Also include income from dietary products billed by the practice but shipped directly to the client. Note: Internet sales are not generated through the practice's PIMs,

therefore, this revenue center does not need to be set up in your practice's PIMs. Use the vendor reports to find the gross revenue to enter into DATALINK (in the Non-PIMs section on the revenue window). Several of the online store providers email a report to the practice owner each quarter. Check with your online store provider for details.

#### **5300 · Laboratory Revenue**

Segregating in-house and reference lab revenue and expense allows a practice to easily track expenses as a percentage of revenue for each. Having these metrics allows a practice to monitor lab service fee capture, reference lab price increases, use of in-house reagents, use of lab services, etc. in a timely and efficient manner.

##### **5301 · In-House Lab Revenue**

This revenue center includes fees related to in-house laboratory includes any pre-surgical operatory tests, CBCs (complete blood counts), serum/blood chemistries, urinalyses, fecal analyses, cytology analyses, and semen evaluations completed by practice employees using practice laboratory equipment and supplies. Skin scraping, phlebotomy, blind or ultrasound guided cystocentesis, or fine needle aspirate fees resulting from specimen collection (chemistry, cytology, and/or biopsy interpretation) should be included in this account.

##### **5302 · Outside (Reference) Lab Revenue**

This revenue center includes fees related to income from outside lab tests such as state diagnostic labs, private reference labs such as Antech, IDEXX, etc. Includes phlebotomy and urine collection fees including cystocentesis for urine testing, histopathology and necropsy fees when performed by an outside lab.

#### **5400 · Imaging Revenue**

##### **5403 · X-Ray Revenue**

This revenue center includes fees for radiographs and in-house interpretation of radiographic studies, including Penn Hip and OFA fees.

##### **5404 · Dental X-Ray Revenue**

This revenue center includes fees related to income from dental radiographs and in-house interpretation.

##### **5405 · CT Scan Services Revenue**

This revenue center includes income from fees derived from image studies via computerized tomography technology and in-house interpretation.

##### **5410 · Ultrasound Services Revenue**

This revenue center includes income from fees derived from ultrasound imaging procedures and in-house interpretation. Include income for needle aspirate along with ultrasound guided fine needle and Trucut biopsies procedure fees. Ultrasound guided urine cystocentesis fees should be included in lab services account 5301 or 5302.

**5415 · MRI Services Revenue**

This revenue center includes income from fees derived from MRI (Magnetic Resonance Imaging) scan procedures, and in-house study interpretation.

**5420 · Specialist (Imaging) Consultation Revenue**

This revenue center includes fees derived from imaging consultations by a radiology service or a board-certified veterinarian with specialty credentials. Do not include EKG consultations here, they are tracked in 5030.

*Tip: If the PIMS category description field doesn't support the character length of this description it can be shortened to 5420 Imaging Specialist Consults.*

**5500 · Surgery Revenue****5510 · Non-Specialist Surgery Revenue**

This revenue center includes income from fees resulting from surgery room usage, surgical instrument or pack usage, surgical disposables and supplies (sutures, surgical drapes, gloves, etc.), non-specialist surgeon fees, surgical implants, and plates and screws. Include orthopedic surgery, soft tissue surgery, and cryotherapy fee income, as well as laparoscopy and endoscopy income. Do not include fluid therapy items or anesthesia items here. If any surgeries are set up as Groups or Bundles in the PIMS, ensure each item that makes up the group/bundle are coded to the correct VMG category/subcategory so that the revenue is recognized appropriately.

**5520 · Specialist Surgery Revenue**

This revenue center includes only those surgery services provided by a board-certified veterinarian with specialty credentials from an ABVS/AVMA-recognized veterinary surgery specialty organization. Services could be provided either by a traveling contract surgeon or a boarded staff surgeon if an employee of the practice. It should also include income from fees resulting from surgery room usage, surgical instrument or pack usage, surgical disposables and supplies (sutures, surgical drapes, gloves, etc.), surgeon fees, surgical implants, and plates and screws. Include orthopedic surgery, soft tissue surgery, and cryotherapy fee income, as well as laparoscopy and endoscopy income. Do not include fluid therapy items or anesthesia items here. If any surgeries are set up as Groups or Bundles in the PIMS, ensure each item that makes up the group/bundle are coded to the correct VMG category/subcategory so that the revenue is recognized appropriately.

**5600 · Anesthesia, Sedatives, Tranquilizers Revenue**

This revenue center includes income from fees from inhaled and/or injectable meds that alter the perception of consciousness, pain and/or the sensation of the animal. Includes all inhaled and injectable anesthetics, analgesics, anxiolytics, sedatives, tranquilizers and reversals such as midazolam, Marcaine®, bupivacaine, DexDomitor®, Dormosedan®, Telazol®, lidocaine, propofol, Alfaxan®, epidural nerve blocks, local and dental nerve blocks. Topical and patch items should be tracked under 5105 Pharmacy FDA Rx Meds (i.e., Zorbius, Fentanyl patch), as should NSAID/NSAID like drugs. Also, include income from anesthetic monitoring.

*Tip: if the PIMS category description field doesn't support the character length of this description it can be shortened to 5600 Anesthesia, Sed., Tranq.*

**5700 · Dentistry Revenue**

This revenue center includes income from fees from dental prophylaxis, extractions, orthodontics, endodontics, and products applied to teeth or defects in the dental operatory. Includes oral surgery related to dental procedures such as gingival flaps etc. Do not include dental treats, toothpaste/toothbrushes, they are tracked in 5801 Ancillary OTC Products. Do not include dental blocks, this is tracked in 5600 Anesthesia, Sedatives, Tranquilizers.

**5800 · Ancillary Products & Services Revenue****5801 · OTC Products, Shampoos, & Nutraceuticals Revenue**

This revenue center includes income from fees from over-the-counter nutraceuticals, and therapeutic products including shampoos, Chinese herbs and homeopathic products, dental hygiene products (including dental treats), blood glucose testing kits & strips sold/rented for at-home use, probiotics, vitamins (not injectable vitamins). Also includes Elizabethan anti-self-mutilation type collars, medical suits and sleeves/wraps, Thundershirts, behavior modifying non-FDA therapeutics and other products used in behavior therapy.

*Tip: if the PIMS category description field doesn't support the character length of this description it can be shortened to 5801 OTC Products.*

**5802 · Pet Supplies Retail Revenue**

This revenue center includes income from non-therapeutic, retail sales of leashes, harnesses, collars, toys, brushes, flea combs, grooming sprays, candles, milk replacers, pet treats, deodorants, nail trimmers, pet carriers, pet ID tags, pill cutters, cat litter and also city and county license tags/fees (not rabies tags which go under 5001 vaccinations).

**5803 · Non-FDA Flea and Tick Control Product Revenue**

This revenue center includes income from non-FDA flea control products such as Frontline®, Seresto®, Capstar®, Vectra®, as well as flea sprays, powders, dips, and premise treatments.

*Tip: if the PIMS category description field doesn't support the character length of this description it can be shortened to 5803 Non FDA Rx Flea/Tick.*

**5804 · Internet Ancillary Product Revenue**

This revenue center includes income from fees related to internet ancillary product sales made through a practice via portal regardless of whether it is through a subcontracted vendor (VetSource, MyVetDirect, etc.). Also includes income from ancillary products billed by the practice but shipped directly to the client. Note: Internet sales are not generated through the practice's PIMs, therefore, this revenue center does not need to be set up in your practice's PIMs. Use the vendor reports to find the gross revenue to enter into DATALINK (in the Non-PIMs section on the revenue window).

**5825 · Boarding Revenue**

This revenue center includes income from fees from boarding and daycare services. If revenues from daycare services are substantial, a separate subaccount can be used. If hospitalization is required due to medical condition treatment, doctor observation and nursing need, use account 5020 Prof. Services Hospitalization & Treatments. Medication administration for boarding pets should be tracked under 5020 Prof. Services Hospitalization & Treatments. If your practice offers minimal boarding services, please track these boarding services under 5020 Prof. Services Hospitalization & Treatments.

### **5850 · Grooming Revenue**

This revenue center includes income from bathing & grooming services and associated anal gland expression and nail trim procedures, when provided by grooming personnel. Do not include fees related to treatment of medical conditions discovered during grooming services, such as ear care. If anesthesia or sedation is required to perform grooming services, these procedures are coded to anesthesia account 5600. Bathing, shave downs, sanitary trims performed by Techs or Assistants are coded to 5020 Prof. Services Hospitalization & Treatments. Nail trims and anal gland expression performed by Techs or Assistants are coded to 5010 Prof. Services Exams.

### **5875 · Wellness/Pre-Paid Plans Revenue**

#### **5880 · Wellness/Pre-Paid Plans Payments**

This revenue center includes payments for services consumed under wellness plans. Example: Enrollment fees, cancellation fees, monthly payments towards wellness plans.

At the time of payment for wellness/pre-paid plans, if you are using a third party to administer your plan, in most cases you will not record the payment received in the practice management system. Instead, you will only need to record a deposit in your accounting system to this account. If you are NOT using a third party to administer your wellness plans, then you will record the receipt of payment in your practice management system. You will generate an invoice with a line item and the exact amount paid to this account.

#### **5885 · Wellness/Pre-Paid Plans Adjustments**

This revenue center includes adjustments applied to invoices for services consumed under wellness/pre-paid plans.

At the time that wellness plan services are provided, generate a normal invoice with all services performed and/or products sold during the visit. The amount that is being applied to the invoice from the client's wellness plan or pre-payment plan should be reported as a negative line item on the invoice that is attributed to this account in the accounting software. If all services/products for the visit are covered under the client's plan the net amount due for the invoice should be ZERO.

### **5900 · Fee Discounts and Client Returns**

#### **5905 · Fee Discounts**

This revenue center includes client, employee, and product discounts, coupons, rebates. Examples: Senior Citizen, Military, Referral discounts and rebates and coupons for products such as Heartworm, Flea/Tick preventatives and other products. Service discounts are tracked under the category the discount applies to – i.e., 10% off Dentistry Services is tracked under 5700 Dentistry. **Note:** when the practice receives a rebate check from a vendor, distributor, or from VMG, the rebate check amount should be applied as a credit to the COGs category that the rebates apply to, in most cases this is Pharmacy. If you receive a rebate from a vendor where you purchase multiple types of products (i.e., vaccines, pharmacy items, exam/hospitalization/treatment items), you will split and apply the rebate amount across the categories it mostly applies to.

**5910 · Returns and Allowances**

Returns and allowances are fee amounts the practice returns to clients for disputed work, such as when a client is billed twice for the same procedure or when a client returns a dispensed product they believe is not efficacious. The practice bookkeeper prepares a check or other payment to the client as settlement. This account carries a debit balance and as such, is an offsetting account to revenues (revenue accounts normally carry a credit balance). Transaction postings to this account decrease the practice gross revenue.

**5915 · Instant Rebates**

Hospitals that discount invoices for instant rebates reimbursed by manufacturers should use this category to capture the discounts from the practice management reports. When deposits (rebate checks) are received from the vendor (i.e. Greenline) they should also be credited to this account in the accounting software (not PIMs). The expectation would be that when reviewing the detail of this account you will see discounts reflected but then also see an offsetting deposit to zero out the balance in this account. Note that these instant rebates are not to be confused with discounts that vendors may call "rebates."

**Other Information Required to be Entered:****Total Number of Client Invoices\***

Total number of invoices generated for this period (quarter) for both services and merchandise regardless of number of pets per invoice.

**Number of New Clients\***

New Clients seen within this period (quarter)

**Number of Active Clients\***

Clients seen within the last 24 months (excluding inactivated clients due to move, firing, etc.)

**Number of Active Pets** (pets seen within the last 24 months, excluding deceased or inactivated patients in your database)

[Canine\\*](#)

[Feline\\*](#)

[Other\\*](#)

*\*Avimark and Impromed users: please consult the Quarterly Reporting Guide for accurate and efficient capture of these statistics to ensure uniform benchmarking.*

*\*\*Cornerstone users please be aware that standard reports count as a patient visit anytime a patient's name is associated with an invoice. This includes prescription refills which is not the same patient visit definition used by DATALink. Either contact Cornerstone to remedy or enter "0" for patient visits.*

**EXPENSE FIELD DEFINITIONS**

(Required DATALINK entry fields are in *blue* and *underlined*)

**6000 · Professional Services Costs****6001 · Vaccine Costs**

This expense center includes the costs of companion animal vaccine products, including the cost of Rabies Tags. In general, the vaccine-administration paraphernalia such as needles and syringes are coded to the next account, 6020.

**6020 · Examination, Hospitalization & Treatment Costs**

This account is used to record costs of consumable supplies used in treating patients: muzzles and patient & staff safety devices, external splints and splinting supplies, tourniquets, pet pillers, isopropyl alcohol, urinary catheters (rubber, polypropylene, Foley, etc.), cotton, hydrogen peroxide, syringes (including insulin syringes), needles, bandage supplies, tear test strips, tongue depressor blades, microchips, artificial insemination supplies, heating/warming sources, tattoo supplies and equipment, exam & treatment gloves, silver nitrate sticks, euthanasia solutions, enema solutions, etc. for hospital use, microchips, cold laser therapy supplies, VetStem service expenses, diagnostic service supplies, cost of diagnostic services, identification neckbands, hospital supply costs such as disinfectants, sanitizers, hand soap, cleaners, OSHA training aids and posters and minor non-depreciated patient care equipment costs that are used primarily in exam, hospital & treatment. Necropsy fees and euthanasia solutions should be included in this account as should fees charged to the practice by pet poison control for a one-time consultation on a specific patient. Includes Telemedicine cost (cost of 3rd party service).

**6025 · Fluid Therapy Costs**

Record all fluid therapy costs in this account including intravenous (IV) catheters, lines and extension sets, IV administration supplies and equipment usage such as IV pumps, IV stands, IV fluid products, and Hetastarch, etc. like products. Also include blood collection and administration sets, blood, plasma, catheters & catheter supplies such as catheter caps, etc.

**6030 · Diagnostic Services Costs**

This expense center includes costs associated with blood pressure measurement, EKG/ECG tracing procedures (including Holter monitor use), ophthalmology-related tests (tear/lacrimation testing, corneal staining procedures, intraocular pressure measurement), bone marrow aspiration procedures, water deprivation tests, Tensilon tests, CSF tap procedures, diagnostic abdominocentesis or thoracentesis procedures, intradermal allergy testing and necropsy procedure. Expenses associated with EKG/ECG consults are also included here.

**6040 · Rehabilitation Costs**

This account is used to track minor expenditures for non-capitalized equipment and for supplies used for rehabilitation services, such as therapy pool supplies and minor maintenance parts, exercise balls, balance boards, slings, goniometers (measure range of motion) and similar articles.

This account does not include cost of significant equipment repairs, maintenance, and services agreements which are expensed separately to account 7520 Maintenance, 7530 Service

Contracts, and 7570 Repairs. New capital equipment over \$500 should be entered as an asset & depreciated.

#### **6050 · Animal Disposal/Mortuary Costs**

This account is used to expense costs for burial and cremation services, caskets, urns, receptacles, headstones, paw print kits and similar supplies related to post-mortem body care and patient memorials. This account does not include cost of euthanasia solution which should be coded to 6020.

#### **6095 · Medical Waste Disposal Costs**

This account segregates expenses related to compliance with OSHA and EPA requirements for the disposal of medical waste, including costs of containers for hazardous waste disposal service. Some state EPAs include animal bodies in the definition of medical waste; regardless, costs for body disposal should be coded to 6050.

#### **6099 · Large Animal Costs**

This account accumulates miscellaneous large animal service-related expenses in practices that only have 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.)

### **6100 · Pharmacy Costs**

#### **6105 · FDA Prescription Meds, Pill, Cap, Liquid, Etc. Costs**

FDA prescription medications such as pills, capsules, liquids, topicals and some sprays, including oral and transdermal controlled substance medications, FDA hyposensitization (allergy) treatment sublingual drops, and any other FDA approved product category not listed in the 6100 to 6199 accounts. Also include pharmacy dispensing supplies such as prescription containers and labels.

#### **6110 · Injection Costs**

This account is used to track FDA inpatient and outpatient injectable medications invoiced as pharmacy injection income. It does include insulin and Immiticide injections. It **excludes** IV Fluids (code to account 6025), vaccines (code to account 6001), FDA parasiticides such as ProHeart® & Bravecto® Quantum (code to account 6125), euthanasia solutions (code to account 6020) and anesthetic/sedating agents (code to account 6600).

#### **6115 · FDA Prescription Flea/Tick Non-injectable Prevention Products Costs**

Record costs here for non-injectable FDA prescription products that prevent fleas and/or ticks, but not heartworms. Examples: Comfortis, Nexgard, and Bravecto. Injectable products are coded to 6125.

#### **6120 · FDA Prescription HW Non-injectable Prevention Product Costs**

This expense center includes purchases of any non-injectable FDA product that prevents heartworms or combination products that prevent heartworms and other internal or external parasites. Examples of costs to record in this account include Sentinel, Trifexis, Heartgard, Advantage Multi, and Revolution. Injectable products are coded to 6125.

**6125 · Injectable Parasite Prevention Product Costs**

Includes cost of injectable products that prevent fleas, ticks or heartworms, such as ProHeart® or Bravecto® Quantum injectable.

**6130 · Internet Pharmacy Costs**

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, Henry Schein or other online portal vendors. Internet ancillary products are expensed separately under 6804 Ancillary Internet Costs. 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.

**6200 · Dietary Product Costs**

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

**6201 · Therapeutic Diet Product Costs**

Record to this account the cost of pet foods that are sold as a therapeutic medical recommendation to address a patient's diagnosed medical health.

**6202 · Retail Diet Product Costs**

Record the 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.

**6203 · Internet Diet Costs**

Includes the cost of diets resulting from sales made through a web portal either belonging to the practice or a subcontracted vendor such as Hills to Home, Purina, Vetsource, vRxPro etc. Subcontracted vendors usually pay the practice the net sales made to clients, so you want to capture to the gross sales in account 5203 Internet Diet Revenue and the related cost here to get the net amount recorded in your financials and bank account.

**6300 · Laboratory Costs****6301 · In-House Lab Costs**

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

**6302 · Outside (Reference) Lab Costs**

This account includes the cost of supplies or charges by reference lab for performing outside lab testing, histopathology and necropsy. Includes cost of mailing samples to lab and laboratory pathologist consulting fees.

**6400 · Imaging Costs**

Includes imaging consultations provided by outside consultants. Includes purchases of radiographic film, processing chemicals and supplies, contrast materials, lead shields, radiation monitoring badge contracts, and labeling supplies. Also include OFA and PennHIP fees and outside radiologist/ cardiologist imaging service consultant fees to this account.

**6403 · X-Ray Costs**

Storage for digital radiographs should be included in 6403.

**6404 · Dental X-Ray Costs****6405 · CT Scan Costs****6410 · Ultrasound Costs****6415 · MRI Costs****6420 · Imaging Consultation Costs**

If radiology services are provided off-site by a boarded radiologist or artificial intelligence radiology service, those consultation costs should be recorded here. However, if the consultation is performed at your hospital by a boarded radiologist, their fees should be included in 7085.

**6500 · Surgery Costs**

This account is used to record all the supply costs related to surgical procedures including bone plates, screws, implants, fixators, suture material and needles, penrose drains, nitrogen, ethylene oxide, sterilization supplies, instrument cleaning supplies, sterile-field drapes, gowns, surgical gloves, small instruments not capitalized, and similar disposables, consumables, and supplies.

Include non-capitalized equipment and parts for non-invasive endoscopic procedures, laser and cautery surgery, and sterilization needs.

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.

If a surgery is performed in another hospital, but billed by your hospital, invoice the client in the normal way, splitting it into anesthesia, surgery and other appropriate fees. The fee paid to the other surgeon or hospital should also be split between 7085 Veterinary Specialist - Contractor Payments, 6500 Surgery Costs, and any other appropriate categories.

Mobile surgeons who perform surgeries in hospital are paid under 7085 Veterinary Specialist – Contractor Payments.

**6600 · Anesthesia, Sedatives, Tranquilizers Costs**

This cost center includes expenses for inhaled and/or injectable meds that alter the perception of consciousness, pain and/or the sensation of the animal. Includes all inhaled and injectable anesthetics, analgesics, anxiolytics, sedatives, tranquilizers and reversals (such as Midazolam, Marcaine, Bupivacaine, DexDormitor, Dormisedan, Telazol, Lidocaine, Propofol, Alfaxan, etc.), epidural nerve blocks, local & dental nerve blocks and topical anesthetics. Oral and/or patch versions of these medicines should be coded as FDA RX 6105 as should NSAID/NSAID like drugs. Injectable NSAIDs should be coded to 6110. Oxygen, F-air filters, soda lime, endotracheal tubes. Includes parts, supplies for

anesthesia, monitoring and waste gas scavenging equipment. Also includes non-capitalized monitoring, anesthesia and waste gas scavenging equipment. Does not include cost of equipment repairs, maintenance and service agreements which should be expensed under 7520 Maintenance Expense, 7530 Service Contract Expense or 7570 Repair Expense. New capital equipment over \$500 should be entered as an asset and depreciated.

#### **6700 · Dentistry Costs**

Use this account to record the costs of all non-capitalized dental instruments, equipment and supplies. Include dental products used on the teeth in the operatory, such as Doxirobe® and OraVet®. Home-use dental hygiene products are expensed elsewhere, depending on whether it is an FDA (6100) or an OTC (6801) product.

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. New capital equipment over \$500 should be entered as an asset & depreciated.

#### **6800 · Ancillary Service & Product Costs**

##### **6801 · OTC Products, Shampoos & Nutraceuticals Costs**

Includes all therapeutic OTC products, probiotics, 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, behavior modifying products used in behavior therapy including Soft Paws and Thunder Shirts.

##### **6802 · Pet Supply Costs**

Record all retail-sales costs of products sold in the veterinary hospital. Examples include non-medical products such as leashes, harnesses, collars, toys, point of purchase items, brushes, grooming sprays, candles, milk replacers, deodorants, nail trimmers, flea combs, pet treats, pet carriers, pet ID tags, pill cutters, pet booties, etc. Air fresheners purchased for resale would be expensed as 6802 Pet Supply Costs. If some are used in hospital, you may do a journal entry adjustment to shift the cost to 7870 Office Supply Expense. Include city/county license tags in this account.

##### **6803 · NON-FDA Flea/Tick Control Costs**

Include all EPA non-FDA flea control products such as topically applied products (Frontline, Activyl, Vectra, Certifect, Cheristin, etc.), Capstar, sprays, powders, dips, and premise treatments. Flea shampoos are all in 6801 OTC Products, Shampoos & Nutraceutical Costs.

##### **6804 · Internet Ancillary Retail Sales Costs**

Record costs in this account resulting from ancillary product sales made through a practice web portal. If not separated from Internet pharmacy costs, include all in account number 6130 Internet Pharmacy Costs.

#### **6825 · Boarding Costs**

Costs to record in this account include supplies, food, bedding, and litter used exclusively for the maintenance of boarded and/or hospitalized animals. If your practice does not have boarding, move all boarding expenses to 6020 Exam, Hospitalization and Treatment. Do not include medical and nursing

supplies used for hospitalized animals. See income account 5825 for more information about the boarding profit center. Labor is recorded in the 7000 account services.

#### **6850 · Grooming Costs**

Costs to record in this account include grooming supplies, gallon sized shampoos, and other products used in providing bathing and grooming services. If your practice does not provide grooming, move all grooming expenses to 6020 Exam, Hospitalization and Treatment. See income account 5850 for more information about the grooming profit center. Labor is recorded in the 7000 account services.

#### **7000 · Owner Veterinarian Compensation**

The gross amount (before tax withholdings) of salaries, wages, bonuses, commissions, and guaranteed payments paid to owner-employees post to this account. LLC member distributions, partner draws, and sole proprietor draws are recorded in account 4300. Each veterinarian employee-owner can be listed individually with a sub-account (7001, 7002, etc.) if desired for additional detail within financial reports. This account should include the wages paid to owner veterinarians for clinical time (excludes compensation for management time which should be expensed in 7005 Owner Management Compensation).

#### **7005 · Owner Management Compensation**

If owners (veterinarian or non-veterinarian) 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.

#### **Compensation – Non-Owner Veterinarians**

##### **7080 · Associate Veterinarian Compensation**

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

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

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 · Veterinary Specialist - Contractor Payments**

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.

If radiology services are provided on-site by a boarded radiologist, their wages should be included in 7085. If radiology reading services are provided by an outside service at another location, the reading fees should be coded in 6420 Specialist (Radiologist) Consultation Costs. Mobile

surgeons who perform surgeries in the hospital are expensed in this account.

If a surgery is performed in another hospital, but billed by your hospital, invoice the client in the normal way, splitting it into anesthesia, surgery and other appropriate fees. The fee paid to the other surgeon or hospital should also be split between 7085 Veterinary Specialist - Contractor Payments, 6500 Surgery Costs, and any other appropriate categories.

#### **7090 · Intern Veterinarians Compensation**

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 · Other Support Staff Compensation**

##### **7130 · Registered Veterinary Technicians Compensation**

Recommended subaccount for registered technicians.

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

Recommended subaccount for un-registered veterinary and technical assistants. Can include patient medical transport drivers or may create another 7100 subaccount

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

Recommended subaccount for receptionists and client service representatives (CSRs).

##### **7145 · Other (Non-DVM) Temporary Services – Contractor Payments**

Recommended subaccount for spot labor engaged to provide support services such as clerical, janitorial, assistant, bookkeeping, outside medical transcription services or phone reception services.

##### **7150 · Maintenance Personnel Compensation**

Recommended subaccount for maintenance and janitorial personnel who are employees, rather than subcontracted spot labor.

#### **7160 · Administrative Personnel Compensation**

Gross wages, commissions, and/or bonuses for employees providing predominantly administrative, managerial, or back office services.

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

Recommended subaccount for designated practice manager and/or administrator.

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

Recommended subaccount for designated office manager and/or administrative assistant to practice owner(s).

##### **7166 · Bookkeeper Compensation**

Recommended subaccount for designated practice bookkeeper who is paid as an employee of the practice (not an outside subcontractor).

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

Recommended subaccount 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.

#### **7170 · Groomers Compensation**

Gross wages, commissions, and/or bonuses for pet groomers.

#### **7175 · Kennel Assistants Compensation**

Gross wages and bonuses for kennel and ward assistants.

### **7200 · Employer Payroll Taxes**

#### **7210 · FICA Tax– 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).

#### **7220 · Federal Unemployment Tax**

Employers must pay federal taxes to fund unemployment claims. The unemployment tax amounts required by state law are coded to the next account.

#### **7230 · State Unemployment Tax**

Employers must pay state taxes to fund unemployment claims. The unemployment tax amounts required by federal law are coded to the prior account.

#### **7250 · Other Employer Payroll Tax**

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**

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.

#### **7301 · Group Health Insurance Premium**

#### **7302 · S Corporation Shareholder Health Insurance Premium**

#### **7303 · Group Dental, Vision and Other Insurance Premium**

Includes insurance premiums to cover dental and vision care, Employee Assistance Plans, and any other types of insurance offered to employees.

#### **7304 · Group Disability Insurance Premium**

#### **7305 · Group Term Life Insurance Premium**

#### **7310 · Employer Retirement Contribution**

This account should include the employer contributed portion of retirement funding only. Amounts withheld from employee wages towards retirement contribution (qualified deferred compensation

under ERISA) are coded in account 3170 Employer Retirement Plan Contribution Payable until properly remitted to the employee's designated institutional fund, then bringing account 3170 to a zero balance.

#### **7320 · Professional Liability Insurance Premium**

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

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

Tax or premiums paid for practice insurance that manages the risk 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. Direct payment for small dollar value medical payments related to on the job injuries in order to mitigate workers' comp. insurance increases (a subaccount such as 7341 can be created for such expenses).

#### **7360 · Continuing Education Registration**

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.

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**

#### **7365 · Travel and Lodging**

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

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 · Airfare**

##### **7367 · Lodging**

##### **7368 · Transportation**

##### **7369 · Mileage Reimbursement (CE Travel)**

### **Other Employee Costs**

#### **7400 · Study and Buying Group Fees**

This account includes annual dues/expenses, quarterly fees, travel expenses, hotel/lodging expenses, materials & production expenses associated with study groups.

#### **7440 · Business Meals**

Meals with a current or potential business customer, client, consultant, employee, or similar business contact for business purposes. Food and/or drink provided by a hospital which are directly related to business meetings of employees, stockholders, agents, or directors. Meals

directly related, and necessary, to attendance at a business meeting or convention.

#### **7441 · Entertainment**

Expenses for client entertaining or employee entertainment not available/provided to all employees. Examples include sports tickets, concerts, country club dues, golf or other amusement expenses. All entertainment, including admission fees, tickets, and food and beverage unless the food and beverage is separately stated from the cost of the entertainment on one or more bills, invoices, or receipts. Separately stated food and beverage items should be reflected in account 7440.

#### **7442 · Staff Meals/Snacks**

Food and beverage for employees furnished on the business premises of the taxpayer facility. This includes but not limited to, coffee, water and snacks provided for employee consumption only. Meals served to employees who are required to staff their positions during breakfast, lunch, and/or dinner times; meals served to employees at in-office cafeterias. Meals provided for staff during meetings should be included in account 7440.

#### **7445 · Staff Events & Recreation**

Expenditures coded to this account typically include staff picnics and holiday 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**

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

#### **7460 · Laundry & Uniform**

#### **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.

### **7500 · Rent on Practice Real Estate**

Report actual rent or lease payments paid.

### **Facility and Equipment Related Expense**

#### **7510 · Rent on 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 3030 account series. Talk with the practice's CPA to ensure proper accounting of the practice's leases.

#### **7515 · Outside Storage**

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

**7520 · Maintenance**

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****7522 · IT and Office Equipment Maintenance****7523 · Facility Maintenance****7530 · Service Contracts**

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 the cost of professional services 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.

Sub-accounts may include:

**7531 · Medical Equipment Service Contracts****7532 · IT and Office Equipment Service Contracts****7533 · Facility Service Contract****7540 · Housekeeping & Janitorial**

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

**7570 · Repairs**

Expenditures related to facility and equipment repairs are included here. May include expenses for facility equipment repairs such as washing machine repair. 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 Repairs****7572 · IT and Office Equipment Repairs****7573 · Facility Repairs****7580 · Property, Casualty, & Liability Insurance Premiums**

Code premium expenses for liability insurance on the facility, inventory, contents, and business

overhead insurance (BOI; sometimes called disability overhead insurance).

- Umbrella liability and cyber 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.
- Workers' compensation insurance premiums (or tax) are coded to 7340.

### **7590 · Real Estate Tax**

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 7500 Rent on Practice Real Estate.

### **7600 · Personal Property Tax**

Record tangible and intangible personal property tax payments in this account, when applicable in your practice's state. See account 3420 Accrued Property Tax for additional explanation.

### **7620 · Practice Vehicle**

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 Services**

Sub-accounts may include:

#### **7661 · Electricity**

#### **7662 · Natural Gas / Fuel Oil / Propane Gas**

#### **7663 · Sewer**

#### **7664 · Water**

### **7670 · Telephone Services**

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 Services**

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

**7680 · Answering Service****7690 · Rubbish Disposal**

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

**7700 · Administrative Expenses****7705 · 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.

**7710 · 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 7750 – 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. Sales tax collected from clients goes into account 3400 sales tax payable.

**7715 · Franchise Tax**

Record state franchise, commercial activity, or other similar state tax payments to this account. This does not include pass through entity tax or individual estimated tax.

**7720 · Other Tax**

Use this account to record other taxes levied on the practice that do not appropriately fit elsewhere. Note well: This account does not include payroll taxes, workers compensation premiums/tax, corporate income taxes, real estate taxes, personal property taxes, pass through entity tax or individual estimated taxes, etc. These should be all coded elsewhere.

**7725 · Veterinary & Professional Dues**

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

**7730 · Client Education Material**

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

**7735 · Business Gifts and Flowers**

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

**7740 · Charitable Contribution**

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 7740 and \$20 should be coded to account 7440, assuming there is a business purpose for attendance and business discussion relative to the practice.

**7745 · Computer Supplies**

Post transactions for 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. 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.

**7747 · Software as a Service Fees**

Includes a wide variety of office and general practice support subscription fees such as Adobe, Calendly, Vetstoria, Office 365, Google Drive, Drop Box, VizVet, PIMS subscription fees, Zoom, WhentoWork, WhenIwork, Scribblevet, CoVet, etc. These do not include remote employees such as live scribes, which should be allocated to contract labor. Storage for digital radiographs should be included in 6403.

**7750 · Office Supplies**

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.

**7755 · Postage**

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.

**7760 · Printing**

Post costs for printing in-office documents and using outside printing services (e.g. Staples or FedEx Office).

Print run costs such as for brochures and newsletters should be recorded in 7730 - Client

Education Material.

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

#### **7765 · Accounting Fees**

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.

#### **7770 · Bookkeeping Services**

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.

#### **7775 · Payroll Service Fees**

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.

#### **7780 · Employee Benefits Administration**

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.

#### **7785 · 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.

#### **7790 · Business Consultation**

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

### **7800 · Advertising & Promotion Expenses**

This account series 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. Would include VetStreet, AllyDVM, etc. subscription fees.

#### **7801 · Yellow Page Advertising**

#### **7802 · Website Maintenance**

#### **7803 · Internet Advertising**

#### **7804 · Direct Mailing**

**7805 · Client Reminders** (include text messaging platforms in this account)

**7806 · Memorial Contributions**

**7808 · Sponsored Events**

**7809 · Marketing Consultant Fees**

**7810 · Advertising & Promotion – Other**

**7900 · Fee Income Collection Expenses**

**7905 · Bank Charges and Service Fees**

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. Also include fees for late credit card payments.

**7910 · 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, Apple Pay and similar consumer credit cards. Also include any fees paid to PayPal or Venmo for processing client payments.

**7911 · Wellness/Pre-Paid Plans Service Fees**

Fees associated with third party vendor management of wellness/pre-paid plans.

**7915 · Third Party Financing Service Fees**

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.

**7920 · Collection Fees**

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

**7930 · Bad Debts**

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.

**7940 · Returned Check Fees**

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.

## Other Expenses

### **8000 · Depreciation Expense**

If your practice does not have depreciation adjustments via its tax accountant, estimates for interim, non-tax reporting purposes can be made as follows, at ownership prerogative: Spread the cost of fixed asset costs (account 2000-2499) over a 10-year estimated useful life.

### **8050 · Amortization Expense**

The periodic expense attributed to the decline in usefulness of an intangible asset. Similar to depreciation, it is the process of gradually reducing the value of an asset over its useful life, to reflect an estimate of its use in producing revenues over many financial periods.

## **Other**

For DATALINK purposes, *Other Miscellaneous Revenue* (9000-9030) and *Other Miscellaneous Expense* (9400-9599) are netted and combined into this one DATALINK field.

### **Other Miscellaneous Revenue**

#### **9000 · 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.

#### **9010 · 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.

#### **9020 · Interest & Dividend 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.

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

#### **9030 · Gain/(Loss) 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.

When the practice sells or disposes of a fixed asset at a loss, post the loss amount to this count. 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.

**Other Miscellaneous Expense****9040 · Miscellaneous Expense**

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

**9050 · Fines & Penalties**

Fines and penalties such as those related to late submission of tax filings or traffic tickets are coded to this category and are non-tax-deductible by law.

**9060 · Officer/Key Person 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.

**9070 · Officer Disability Insurance****Interest****9080 · Interest Expense – 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.

**9090 · 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.

**9095 · Interest Expense – Other**

This account records the interest expense payments related to vendor and other debt interest assessed on outstanding credit card liability.

**Federal, State & Local Taxes****9100 · Federal Income Tax Provision**

Record here the federal income tax liability associated with the practice entity's taxable income, which 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.

**9200 · State Income Tax / Pass Through Entity Tax (PTET)**

Record here the state income tax liability associated with the practice entity's taxable income, which must be paid by the entity. This account will also include any state Pass-Through Entity Tax (PTET) payments made by the hospital on behalf of the owners. Taxes owed by practice owners are *not* recorded on the practice's books. This tax is *not* a payroll, sales, or property franchise tax. These taxes should be coded elsewhere.

**9300 · 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 Information Required to be Entered:**

**Owner Veterinarian Gross Production**

Total revenue reported by practice management information system for owner veterinarian individual production.

**Non-Owner Veterinarians' Gross Production**

Total revenue reported by practice management information system for all non-owner veterinarians' gross production. Include revenue generated by contracted veterinarians.

**Number of Veterinarians - Owner**

A full-time equivalent is a veterinarian 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 veterinarian. An owner who does not provide veterinary services at all is a 0 FTE. A veterinarian 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 Veterinarians - Non-Owner**

A full-time equivalent is a veterinarian 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 veterinarian. A veterinarian who provides 25 hours/week of veterinary services is a  $(25/40) = 0.63$  FTE. Estimate the hours worked if not known. Include contracted veterinarians when reporting FTE for non-owner veterinarians.

**Support Staff Total Regular Hours**

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

**Support Staff Total Overtime Hours**

Does not include administrative, groomer, boarding or kennel staff.

**Inventory Balance @ Cost**

For 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 practice information management 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 practice information management system.

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 practice's software.

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