

# CLEANING

## Income Statement Template

### WHAT AN INCOME STATEMENT IS USED FOR

Cleaning companies use income statements to track revenue and expenses over a specific period. This template is vital for business owners to understand their financial performance, helping them make informed operational and strategic decisions.



### EVERY INCOME STATEMENT SHOULD INCLUDE

#### REVENUE DETAILS

Comprehensive breakdown of all income sources

#### EXPENSE TRACKING

Detailed recording of operating and direct costs

#### PROFIT CALCULATION

Summary of net profit or loss

### DOWNLOAD THE TEMPLATE

This template streamlines your financial documentation process, saving you time and providing you with clear insights into your business's profitability. Download it now to start tracking your financial progress more effectively.

Business name:	
Preparer name:	

Fiscal Year	Quarter	Reporting Period Start	Reporting Period End

### Tips for Collecting Financial Data

- **Keep Consistent Records:** Regularly update financial records to avoid backlogs and discrepancies.
- **Categorize Transactions Properly:** Assign every income and expense to appropriate categories.
- **Save Receipts and Invoices:** Keep all physical and digital copies of receipts and invoices to verify P&L transactions.
- **Reconcile Accounts Regularly:** Compare internal financial records with bank statements and correct errors early.

These tips can enhance the accuracy of your financial reporting for more effective financial management.

### Income Sources

*This section of the income statement is crucial for understanding where your revenue is coming from and managing different revenue streams effectively.*

- **Identify Revenue Sources:** List each income-generating service, such as residential cleaning, commercial cleaning, special project cleaning, or product sales.
- **Provide Descriptions:** Briefly describe each service for accurate financial categorization.
- **Enter Amounts:** Input the total income received from each service during the reporting period.
- **Include Discounts:** Revenue amounts should include any discounts provided to customers.
- **Calculate Total Revenue:** Sum up all the amounts to get the total revenue for the period.

Revenue Source	Description	Discounts (\$)	Amount (\$)
Residential Cleaning Services	Cleaning services for apartments, homes, condos, etc.	[Enter Amount, if Applicable]	[Enter Amount]
Commercial Cleaning Services	Cleaning for office buildings, HOAs, retail stores, restaurants, etc.		

Revenue Source	Description	Discounts (\$)	Amount (\$)
Specialized Cleaning Services	Post-construction cleaning, deep cleaning, pressure washing		
Product Sales	Cleaning supplies sold to clients		
Additional Services	Window cleaning, carpet cleaning, floor refinishing, etc.		
Total Revenue	Sum of all revenue sources		[Enter Amount]

### Other Income

Revenue Source	Description	Discounts (\$)	Amount (\$)
Miscellaneous Income	Income from sources undefined as other revenue sources		[Enter Amount]

### Cost of Goods Sold

- **Identifying Direct Costs:** Identify and categorize the costs directly tied to service delivery and vary with the volume of services provided.
- **Common Direct Costs in Cleaning Services:** Include typical expenses such as labor, cleaning supplies, and any subcontractor fees.

Cost Category	Description		Amount (\$)
Cleaning Supplies	Costs for consumables like detergents, gloves, and trash bags used in providing services.	Record the quantity of each type of supply used and its cost per unit to calculate the total cost.	(Quantity Used) x (Cost per Unit)
			[Enter Amount]
Direct Labor	This includes wages for cleaners and supervisors directly involved in providing services.	Record total hours worked and the hourly rate. Multiply these to find the total labor cost.	(Hours worked) x (Hourly rate)
			[Enter Amount]

Cost Category	Description		Amount (\$)
Equipment Purchases	Cost of using vacuum cleaners, floor buffers, power washers, etc.	Costs for purchasing new equipment.	[Enter Amount]
Equipment Maintenance	Regular maintenance and necessary repairs to keep equipment in optimal working condition.	Record costs associated with each maintenance session or repair incident.	[Enter Amount]
Subcontractor Fees	Payments made to third-party service providers for specialized cleaning tasks.	Record each service fee and the number of services provided.	(Fee per service) x (Number of services)
			[Enter Amount]
Total COGS	Sum of all direct costs		[Enter Amount]

## Calculating Profit and Loss

- 1. Input Total Revenue:** Pull the total revenue figure from the Revenue Table.
- 2. Input Total COGS:** Enter the total from the COGS Table.
- 3. Calculate Gross Profit:** Subtract the Total COGS from the Total Revenue. This figure is the profit made from the core business activities before operational expenses are deducted.
- 4. Input Total Operating Expenses:** Add the total from the Operating Expenses Table.
- 5. Input Interest Expense/Income:** If your business has loans or investments, enter the interest expenses incurred and income earned.
- 6. Calculate Earnings Before Taxes (EBT):** Operating income adjusted for any non-operational financial gains or losses.
- 7. Estimate Taxes:** Apply the applicable tax rate to your EBT to estimate the taxes due.
- 8. Calculate Net Profit or Loss:** Subtract the Total Operating Expenses from the Gross Profit to determine the Net Profit or Loss. This is your business's bottom line, showing how much profit remains after all costs have been accounted for.

Description	Amount (\$)
Total Revenue	[Total from Revenue Table]
Total COGS	[Total from COGS Table]
<b>Gross Profit</b>	<b>[Total Revenue - Total COGS]</b>
Total Operating Expenses	[Total from Operating Expenses Table]
<b>Operating Income</b>	<b>[Gross Profit - Total Operating Expenses]</b>
Interest Expense	[Enter Amount]
Interest Income	[Enter Amount]
Earnings Before Taxes (EBT)	<b>[Operating Income + Interest Income - Interest Expense]</b>
Taxes	[Calculate by Applicable Rates]
<b>Net Profit or Loss</b>	<b>[EBT - Taxes]</b>

## Comparative Analysis Table

- **Enter Financial Metrics:** Enter the relevant amounts for each metric in the columns for the current and previous periods.
- **Calculate the Percentage Change:** Determine the percentage change for each metric with the formula:

$$\frac{(\text{Current Period} - \text{Previous Period})}{\text{Previous Period} \times 100}$$

- **Analyze the Data:** Significant changes reveal where your business has improved or may face challenges.

Financial Metric	Current Period	Previous Period	Change %
Total Revenue	[Enter Amount]	[Enter Amount]	[Calculated %]
Total COGS	[Enter Amount]	[Enter Amount]	[Calculated %]
Gross Profit	[Enter Amount]	[Enter Amount]	[Calculated %]
Total Operating Expenses	[Enter Amount]	[Enter Amount]	[Calculated %]
Net Profit or Loss	[Enter Amount]	[Enter Amount]	[Calculated %]
EBITDA	[Enter Amount]	[Enter Amount]	[Calculated %]

## Tips for Collecting and Categorizing Financial Information:

Proper collection and categorization of financial data is crucial for accurate financial reporting and analysis. Here's how to manage your financial information effectively:

- **Maintaining Receipts:** Keep all purchase receipts and invoices organized by date and category. Use a digital filing system or physical binders for easy access and reference.
- **Using Accounting Software:** Implement accounting software tailored to small businesses to streamline financial tracking. Tools like QuickBooks or Acumatica can automate expense recording and generate reports.
- **Categorizing Expenses:** Define clear categories for your expenses, such as supplies, labor, equipment, and overhead. Consistent categorization helps analyze spending patterns and manage budgets.

## Best Practices for Financial Management

Effective financial management is essential for maintaining a healthy business. Implement these best practices to enhance your financial strategy:

- **Regular Review Intervals:** Schedule weekly or monthly financial reviews to monitor your business's financial status. Use this time to update records and address discrepancies.
- **Comparing Budgeted vs. Actual Expenses:** Regularly compare your budgeted expenses against actual spending to identify variances. Understanding these differences can help pinpoint inefficiencies and forecast future financial needs.
- **Adjusting Strategies Based on Financial Insights:** Use insights from your financial data to make informed decisions. Adjust your budgets, cut unnecessary expenses, or invest in areas that show high returns based on your financial analysis.

Don't let your financial strategy become stagnant. Regular updates and proactive management of your Income Statement can turn it from a static document into a cornerstone of your business strategy.

Download updated templates and access more resources on the Aspire Software website to stay current with best practices and keep your business thriving.