**PROFIT AND LOSS
CHECKLIST TEMPLATE**

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| **PRIORITY MENU** |
| HIGH | MEDIUM | LOW |

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| **P&L PREPARATION CHECKLIST** | **NOTES** | **TASK PRIORITY** | **DUE DATE** |
| **X** | Gather Financial Documents | Credit card statement, bank account statement, receipts, and invoices. | MEDIUM | X/X/XX |
| **X** | Total All Sales & Income  | Pre-tax amounts.  | LOW | X/X/XX |
| **X** | Separate Cost of Goods Sold from Operating Expenses | Organize operating expenses into categories and itemize. Repeat with COGS if necessary.  | HIGH | X/X/XX |
|  | Itemize Taxes, Interest, Depreciation & Amortization  | Omit depreciation & amortization if not available | MEDIUM | X/X/XX |
|  | Calculate Gross Revenue & Create Line Item(s) | Total sales (and additional income if applicable) pre-tax. | MEDIUM | X/X/XX |
|  | Total COGS & Create Line Item | Make sure these are not operating expenses.  | MEDIUM | X/X/XX |
| **X** | Calculate Gross Profit & Create Line Item  | Gross Profit = Gross Revenue - COGS  | HIGH | X/X/XX |
|  | Itemize Operating Expenses & ITDA | Clearly list non-operating expenses (interest, taxes, depreciation, or amortization) below all operating expenses. | HIGH | X/X/XX |
| **X** | Total Expenses & Create Line Item  | Operating expenses + non-operating expenses | LOW | X/X/XX |
|  | Optional: Calculate Operating Profit as a Separate Line Item | Operating Profit = Gross Revenue – Operating Expenses | HIGH | X/X/XX |
|  | Calculate Net Profit  | Net Profit = Gross Revenue - Expenses | LOW | X/X/XX |
| **VERTICAL ANALYSIS CHECKLIST** | **NOTES** | **TASK PRIORITY** | **DUE DATE** |
| **X** |  Identify Accounting Method | Cash or Accrual Basis | HIGH | X/X/XX |
| **X** |  Calculate Gross Profit Margin | Gross Profit$ /$ Gross Revenue x 100   | HIGH | X/X/XX |
|  |  Calculate Operating Profit Margin | Operating Profit / Gross Revenue x 100  | MEDIUM | X/X/XX |
|  |  Calculate Net Profit Margin | Net Profit / Gross Revenue x 100 | LOW | X/X/XX |
|  |  Analyze Profit Margins  | What went well this period to replicate for next? What changes do you hypothesize before comparing statements in context? | LOW | X/X/XX |
|  |  Analyze Profit Margins in Context  | Return to a vertical analysis after a horizontal analysis to discover which changes will increase profit margins. | LOW | X/X/XX |
| **HORIZONTAL ANALYSIS CHECKLIST** | **NOTES** | **TASK PRIORITY** | **DUE DATE** |
|  | Create Net Profit Margin Graph | Use a line graph. | HIGH | X/X/XX |
|  | Optional: Map Operating Profit & Gross Profit onto Map | Either on the same graph or a new graph. | LOW | X/X/XX |
|  | Analyze Trends | Capture quarterly and annually. Summarize in writing. | MEDIUM | X/X/XX |
|  | Return to the Vertical Analysis  | Review line items on the statement to make informed decisions based on trends. | HIGH | X/X/XX |
| **X** | Create Financial Forecast  | Project trends into the future.  | MEDIUM | X/X/XX |
| **X** | Measure Strategic Direction |  Use data to measure the effectiveness of past strategic decisions. | MEDIUM | X/X/XX |
| **ADDITIONAL TASKS** | **NOTES** | **TASK PRIORITY** | **DUE DATE** |
|  |   |   |  | X/X/XX |
|  |   |   |  | X/X/XX |
|  |   |   |  | X/X/XX |

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