NEW YORK · STATE-AWARE GUIDE

How to complete a Profit & Loss Statement in New York

Itemized P&L; (income statement) with revenue, COGS, operating expenses and net income calculation.

What this form is for

Banks require a Profit & Loss Statement to evaluate your business's operational performance and profitability over a specific period, typically monthly, quarterly, or annually. Lenders use this document to assess whether your revenue consistently exceeds expenses and to calculate debt-service coverage ratios before approving commercial loans.

Before you start

- Sales records, invoices, and revenue reports for the reporting period
- Cost of goods sold documentation including inventory purchases, direct labor, and materials
- Operating expense receipts covering rent, utilities, payroll, insurance, marketing, professional fees, and supplies
- Bank and credit card statements to verify all expense categories
- Previous P&L statements if updating or comparing to prior periods

Step-by-step

1. Enter your business legal name, reporting period dates, and preparation date at the top of the form. New York lenders expect the period to align with your tax reporting calendar.

2. List all revenue streams separately in the Revenue section. Include product sales, service income, and any other income sources. Total all revenue lines to calculate Gross Revenue.

3. Itemize Cost of Goods Sold, including direct materials, product purchases, freight, direct labor tied to production, and manufacturing overhead. Subtract total COGS from Gross Revenue to determine Gross Profit.

4. Break down Operating Expenses into standard categories: salaries and wages, rent or lease payments, utilities, insurance, marketing and advertising, professional fees, office supplies, vehicle expenses, repairs and maintenance, and depreciation.

5. Include a separate line for interest expense on business debt. New York businesses should verify that any state-specific taxes or fees appear in the correct expense category.

6. Sum all operating expenses. Subtract this total from Gross Profit to calculate Operating Income.

7. Add any non-operating income or subtract non-operating expenses such as one-time gains, losses, or extraordinary items.

8. Calculate Net Income by combining Operating Income with non-operating items. Double-check that all line items sum correctly and that your bottom line matches your accounting software or bookkeeper's records.

9. Review percentage margins: Gross Profit Margin (Gross Profit divided by Revenue) and Net Profit Margin (Net Income divided by Revenue). Lenders scrutinize these ratios closely.

What lenders look for

- Banks compare your P&L against industry benchmarks for your sector and look for gross margins above 30 percent and consistent net profitability over at least two years. Avoid rounding numbers or estimates; use actual figures from your accounting system.

- Red flags include unexplained revenue fluctuations, COGS higher than industry norms, or operating expenses exceeding 70 percent of revenue. Ensure owner compensation appears as salary, not hidden in distributions, especially for New York S-corporations and LLCs.

- Attach a brief narrative explaining any unusual one-time expenses, seasonal patterns, or significant year-over-year changes to help underwriters understand your business model.

Generated June 19, 2026 · FormStack Legal · AI-drafted guidance, not legal advice — consult a licensed attorney for filings.