Enter Beginning Balances

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After a database is established in CenterPoint with vendors, customers, accounts, etc. you must enter beginning balances so the program can provide accurate financial reporting. Follow the steps below to enter those beginning balances.

Balance Sheet Accounts

Accounts Payable

Accounts Receivable

Inventory

Fixed Assets

Accumulated Depreciation

Starting CenterPoint Mid-Year

Prerequisite: The database must be created (normally this is done using the New Database Wizard) and all setup (customers, vendors, fixed assets, accounts, etc) must be complete.

Balance Sheet Accounts

For all balance sheet accounts (**EXCEPT** Accounts Payable, Accounts Receivable, and Fixed Assets) beginning balances are entered through **Setup** > **Accounts > Accounts > Balances** tab.

1. Select **Setup > Accounts > Accounts,** and then select the **Balances** tab.
2. Beginning balances are entered in a spreadsheet type format. On the upper-left hand side of the screen, select the appropriate **Company/Fund**.
3. On the upper-right hand side of the screen, click the **Beginning Period** button. All beginning balances must be entered in the beginning period of the database.
4. Select **Assets** and right-click. Select **Expand All** to view all individual items. You can also expand to view individual items by clicking the plus sign.
5. Click the **Options** button and verify that **Book Value** is selected.
6. Enter the beginning balance in the **Book Value** column. If the Market Value is the same as the Book Value, leave it blank. Click **Save** after completing all of your book values for your asset items. If you need to adjust Market Values, click the **Options** button at the bottom of the screen and select **Market Values** and then enter in all of the adjusted market values and click **Save**.
7. Complete steps 3-4 again for **Liability** and **Fund Balance** accounts.

Note: Do NOT enter beginning balances for Retained Earnings as the system will automatically create it based on the beginning balances entered for other accounts.

8. Optional: Preview or print a Balance Sheet (**Reports > Reports > Financial Statements > Balance Sheet**) to review that balances were entered correctly.

Accounts Payable, Accounts Receivable, and Inventory

Beginning balances for Accounts Payable, Accounts Receivable, and Inventory will be entered as transactions. Entries should have a date prior to the beginning date of your database.

Accounts Payable

1. Beginning balances for Accounts Payable will be entered from **Processes > Expenditures > Vendor Invoices (A/P)**.
2. Create an invoice for each vendor that is currently unpaid. The date on the transaction should be prior to the beginning date of your database.
3. To ensure accurate cash and accrual reports, an expense account (for example, miscellaneous expense) should be used in the detail of the transaction. As these entries are being entered prior to your beginning date of your database, the expense account won't be affected in your actual books. The same account can be used when entering each vendor's beginning balance invoice.

Note: For more accurate aging of accounts payable vendor invoices, enter a separate transaction for each unpaid invoice with the original invoice date, invoice number, and dollar amount.

4. Optional: Print or preview a Vendor Aging Report (**Reports > Reports > Transaction Reports > Purchases & Accounts Payable > Vendor Aging**) to verify that all invoices were entered correctly.

Accounts Receivable

1. Beginning balances for Accounts Receivable will be entered from **Processes > Revenues > Customer Invoices (Basic)**.
2. Create an invoice for each customer that currently owes you for previous sales. The date of the transaction should be prior to the beginning period of your database.
3. The account(s) used in the detail of the transaction should be sales accounts and should represent the accounts used on the original transaction, or if you prefer, all beginning balance transactions can be posted to one sales account.

Note: If you would like these beginning balances to reflect accurately on your aging report, all unpaid invoices should be entered as individual invoices with their original invoice number, invoice date, and dollar amount. This is crucial if you are going to be calculating finance charges on unpaid invoices.

4. Optional: Print or preview an Invoice Aging report (**Reports > Reports > Transaction Reports > Sales & Accounts Receivable > Accounts Receivable Aging**) to verify that all customer invoices were entered correctly.

Enter Beginning Balances for Fixed Assets

If depreciable assets are being tracked, their beginning balances are added from **Setup > Fixed Assets > Fixed Assets**. The individual fixed assets do not display on a balance sheet. They are summarized by the general ledger accounts associated to the fixed assets.

1. Beginning balances for Fixed Assets will be entered from the **Setup > Fixed Asset > Balances** tab screen.
2. On the upper-left hand side of the screen, select the appropriate company/fund. Click **Beginning Period**.
3. Right-click on **Assets** and select **Expand All** to view all individual Fixed Assets.
4. Click the **Options** button and verify that **Book Value** is selected.
5. Enter the beginning balance in the **Book Value** column (this should be the value that they went on the depreciation schedule at). If the Market Value is the same as the Book Value, leave it blank. When you save the book value, it will be copied to the Market Value column if the market value is blank. Market values can be adjusted after all book values are entered and saved.
6. Click **Save** after completing the book values for the fixed asset items.

7. If you need to enter Market Values (the value at which the asset can be sold today), click the **Options** button at the bottom of the screen and select **Market Values,** enter the market value for each of the assets that you just completed book value for, and then click **Save**.

Enter Beginning Balances for Accumulated Depreciation (usually entered from a depreciation schedule)

1. Select **Setup** > **Accounts** > **Accounts**.
2. Select the **Balances** tab.
3. On the upper-left hand side of the screen, select the appropriate company/fund. Click **Beginning Period**.
4. Right-click on **Assets** and select **Expand All Child Groups Under Assets**.
5. Select the appropriate **Accumulated Depreciation account** that you want to enter the balance for, and then click the **Detail Balances** button at the bottom of the screen.
6. When maintaining fixed assets in CenterPoint, it is best to enter your beginning accumulated depreciation values by fixed asset so that a Fixed Asset Balances report can accurately report the remaining undepreciated value of an asset. In the grid that displays after you click the Detail Balances button, select each fixed asset in the **Associated Account** field and enter the beginning accumulated depreciation of that asset in the **Book Value** column using a negative number. Each fixed asset should have its own row in the grid.
7. Click **Save**.

Starting CenterPoint Mid-Year

If CenterPoint is started mid-year, then you should also enter balances to record current year year-to-date revenue and expenditures. These balances are entered as a General Journal entry. To make current year reporting more accurate, a separate entry can be entered for each month instead of one year-to-date entry.

1. Select **Processes > General Journal Entries,**
2. Select the appropriate **Company/Fund**.
3. The **Date** entered will depend on if you are entering one year-to-date entry or an entry for each period in the current year. If one year-to-date entry is being used, then the date should be the month you are starting with CenterPoint. Otherwise, the date will be the month the balances are for.
4. In the **Transaction Type** box, select **General Journal (Cash/Accrual).**
5. In the grid below, enter a separate line for each Revenue and Expenditure account that currently has a balance. Enter the balance amount in the appropriate Debit or Credit column.

Note: A revenue account with a positive balance should be entered in the credit column. An expenditure account with a positive balance should be entered in the Debit column.

6. After all revenue and expenditure accounts with balances are included in the grid, enter one last line using the Accumulated Surplus account. The amount entered should represent the same amount that you see in the **Difference** field at the bottom of the screen. If the Difference is a positive amount, it should be entered in the Debit column. A negative Difference should be entered in the Credit column.
7. In the **Notation** field, enter an appropriate comment explaining that these are year-to-date revenue and expenditure balances.
8. Click **Save**
9. Optional: Print or preview an Income Statement report (**Reports > Reports > Transaction Reports > Financial Statements > Income Statement**) to verify that all Revenue and Expenditures were entered correctly.

This documentation is for informational purposes only. For specific accounting guidance, please contact your accountant.