Account Categories

Document #:	3390	Product:	CenterPoint®

Each account is assigned an account type and account category. The account type is the highest level in the account hierarchy and its responsibility is to define if the account is an Asset, Liability, Expense, etc. The main list of accounts is grouped by account type. Under each account type are predefined account categories that describe the account type and maintains the properties of the account type. Each account in the Chart of Accounts must first fit into an account type level such as Assets, Liabilities, Equities, Revenue or Expenses and then into an account category.

The account category further defines each account. Account categories are predefined, but they can be edited to change what balance details are tracked or change to a different default template. You can access account categories from Setup > Accounts > Account Categories. Many of the CenterPoint reports are sorted by account category so that similar accounts report and are subtotaled together, for example accounts will print together for account categories Accounts Receivable, Land, Other Current Assets, Interest Income, Other Current Liabilities, etc.

An account can be a main (Level 1) account, a subaccount (Level 2), or subaccount (Level 3).

Subaccounts are used to summarize data at a higher level or get summary totals for groups of accounts on reports. Transaction activity is posted to the lowest level used on any account. If no subaccounts exist, the activity is posted to the account. If subaccounts do exist, the activity is posted to the subaccount.

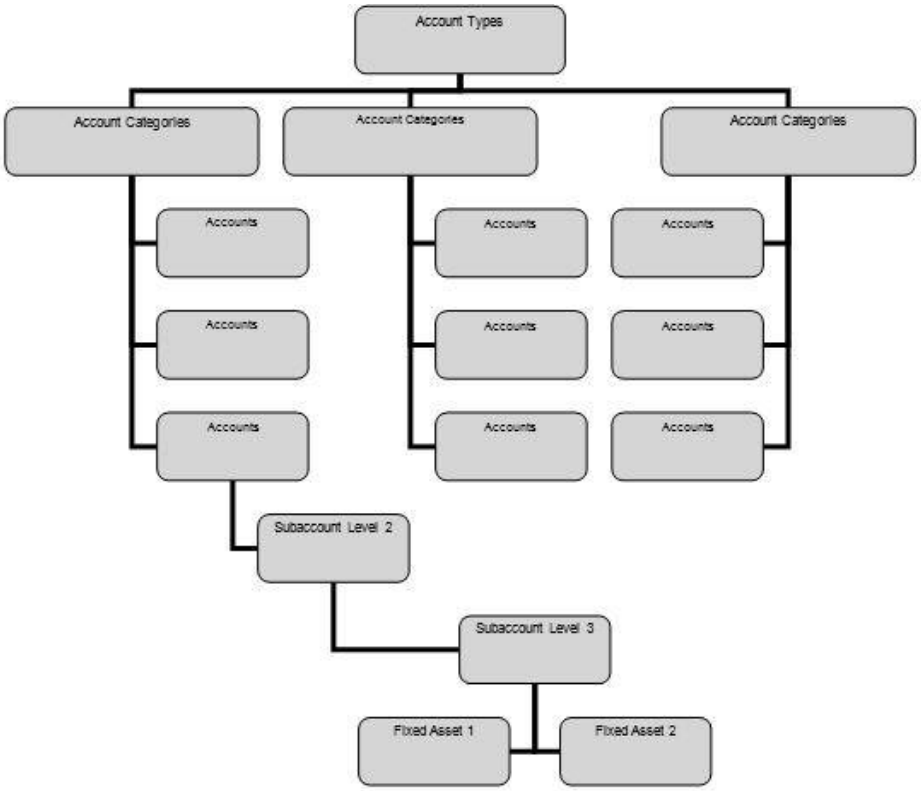
For example:

Account Type:	Expense
Account Category:	Fuel Expense
Main Account:	Gas and Diesel
Level 2 Account:	Diesel
Level 3 Account:	On Road
Level 3 Account:	Off Road

You would post transactions to On Road and Off Road, but the information can be summarized on reports to the Level 2 account, and even further to the Main account. In the above example, data may be summarized or totaled so that On Road and Off Road are found under Diesel and totaled there.

An additional level of accounts are items. Items are depreciable assets (fixed asset items) used for Fixed Asset accounts. Items do not display on a Balance Sheet in account level, but they are summarized on the Balance Sheet.

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



The following instructions can be found in this topic:

[Edit an Existing Account Category]

[Deactivate or Activate an Account Category]

1. Note: To add a time stamp to a note added or edited on the Additional Notes screen, click **Stamp**. If you are adding/editing a stamp in a database without security, the stamp will display "Edited on (current date and time)". If you are adding/editing a stamp in a database with security, the stamp will display "Edited by (username) on (current date and time)".

Edit an Existing Account Category

Note: Account categories are predefined, but they can be edited to change what balance details are tracked or change to a different default template.

1. Select **Setup** > **Accounts** > **Account Categories**.
2. Select the account category to be modified and click **Edit**.
3. If this account category is an Inventory category (purchased, finished goods, work in process, or lotted) or an Accounts Receivable or Payable category and you want to define sub-ledger detail, click the **Balance Detail** tab. This is only needed if you want to track the balance of these account categories by something other than account, company and date. On the **Balance Detail** tab, select the sub-ledger details you want to maintain by selecting the detail and then clicking to move the detail to the Selected Balance Detail Options list or drag-and-drop the detail to the Selected Balance Detail Options list. For example if you'd like to track inventory by profit center, then move Profit Center to the right side of the screen.
4. Default templates will automatically be assigned on the **Templates** tab and we do not recommend they be changed. Templates control how all the pieces of a transaction are entered.
5. Make any needed changes, and then select **Save** to save the changes.

Deactivate or Activate an Account Category

1. On the **Setup** menu, point to **Accounts**, and then click **Account Categories**.
2. Right-click on the appropriate account category and select **Deactivate** or **Activate**. Note: You can also select an active account category, click Edit and then clear the Active check box. Then click Save to save the account category.

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