For a **Point of Sale (POS) system**, the key accounts needed revolve around **inventory management, sales transactions, purchases, and cash handling**. Here’s a streamlined list of the most relevant accounts, grouped by function:

**Essential Accounts for a POS System**

**1. Inventory & Purchases (Goods In)**

* **Inventory** (Non-Fixed Assets) → Tracks products for sale.
* **Accounts Payable** (Current Liabilities) → Money owed to suppliers.
* **Purchases** (Operating Expenses) → Cost of goods bought (if not using COGS directly).
* **Cash** (Non-Fixed Assets) → If paying suppliers immediately.

**2. Sales & Revenue (Goods Out)**

* **Sale Revenue** (Operating Revenues) → Income from product sales.
* **Accounts Receivable** (Non-Fixed Assets) → If selling on credit.
* **Cost of Goods Sold (COGS)** (Operating Expenses) → Direct cost of sold inventory *(not listed earlier but critical for POS)*.

**3. Cash Handling**

* **Cash** (Non-Fixed Assets) → Physical money or digital payments.
* **Credit Card Receivables** (Non-Fixed Assets) → Pending card payments *(if applicable)*.

**4. Operating Expenses (Behind-the-Scenes Costs)**

* **Supplies Expense** (Operating Expenses) → POS consumables (receipt paper, bags).
* **Rent** (Operating Expenses) → If operating in a physical store.
* **Salaries** (Operating Expenses) → Staff wages.

**5. Liabilities from Sales**

* **Sales Tax Payable** (Current Liabilities) → Taxes collected from customers.
* **Unearned Revenue** (Current Liabilities) → Gift cards/store credit.

**Accounts You Can Likely Ignore (For Basic POS)**

* Fixed Assets (Equipment, Buildings) → Unless tracking POS hardware separately.
* Long-Term Liabilities (Bonds, Loans) → Not day-to-day POS concerns.
* Non-Operating Items (Interest, Investments) → Irrelevant to core sales/purchases.

**Simplified POS Accounting Flow**

1. **Purchase Goods**:
   * Debit **Inventory**, Credit **Accounts Payable** (or **Cash** if paid upfront).
2. **Sell Goods**:
   * Debit **Cash** (or **Accounts Receivable**), Credit **Sale Revenue**.
   * Debit **COGS**, Credit **Inventory** (to reduce stock).
3. **Pay Expenses**:
   * Debit **Rent/Supplies Expense**, Credit **Cash**.

Would you like a sample journal entry for a typical POS transaction?