Creating Accounts

You can choose whether to use the CSV Import Assistant to import accounts information or to create new account records in NetSuite.

Your user role must have the Accounts permissions to access Setup > Accounting > Manage G/L > Chart of Accounts. Accounts is a Lists permission.

Consider the following questions before you first begin creating accounts:

- How do you want to organize the hierarchy for each account type?

  You can define a parent account on each account record. A parent account must have the same type as the subaccount.

  You cannot change the account type for an account that has associated posting and non-posting transactions such as sales order and revenue commit.

- What naming conventions do you want to use for accounts?

- Do you want to use account numbering?

  If you want to use numbers as well as names to identify accounts, ensure that the related accounting preference is enabled in your account at Setup > Accounting > Preferences > Accounting Preferences. See Chart of Account Numbering.

- Do you want to limit the availability of some accounts to a single department, class, or location?

  For information, see Classifications in NetSuite.

- NetSuite OneWorld only:

  - Do you want to limit the availability of some accounts to a subset of your subsidiaries? For information, see Subsidiaries in OneWorld and Account Setup in OneWorld.

  - If you have an administrator role or have the Set Up Company permission, you can set up accounting contexts at Setup > Company > Preferences > General Preferences. An accounting context can be a one-to-one relationship between a country's local GAAP (Generally Accepted Accounting Principles) reporting requirements and a statutory chart of accounts (COA). It can also be a unique relationship that meets your company's specific needs. Accounting contexts are useful when users prefer to work in a local GAAP context, rather than in the consolidated context with one centralized COA. Accounting contexts are also useful if you have Multi-Book Accounting provisioned in your account. You can set an accounting context specific for your secondary book and use it for your secondary book reports. For more information, see Accounting Contexts. When one accounting context exists, users can select their preferred accounting context at Home > Set Preferences. When users select an accounting context, all transactions including system-generated transactions post to the defined COA account name and number. For information about user preferences, see General Personal Preferences.

  - If Multi-Book Accounting is provisioned in your account, you can create accounts for specific secondary accounting books. Secondary accounting book specific accounts are filtered for your view when you make book specific secondary book transactions. Accounts that are not available in the primary accounting book do not appear at book generic transactions. For information about book generic and book specific transactions, see Book-Generic and Book-Specific Records.

  - Be aware that you cannot create an intercompany clearing account. This account is automatically generated by the system when the Intercompany Time and Expense feature is enabled. When this feature is enabled, you cannot edit the subsidiaries associated with any existing account type except Bank. For more information, see Intercompany Clearing Account.

  - (Multiple Currencies only) What currency and what types of exchange rates do you want to associate with each account? For information, see Currency Management.

- Do you want to track non-monetary data and then use that information on reports and income

statements to view its relationship with the financial activity of your organization? For more information, see Using Statistical Accounts.

- Do you want to create a summary account record solely for reporting purposes? Summary accounts are useful when you want to create a non-posting, inactive parent account that has active child accounts. New summary accounts that are not in NetSuite OneWorld cannot have an opening balance, but you can convert an existing account with a transaction balance into a summary account. In this case, you cannot post additional transactions to the account. Summary accounts appear with their children in the chart of accounts list. You cannot merge a summary account into another account.

The chart of accounts for your company lists all of the accounts set up to use in the general ledger for your NetSuite account. You cannot customize the chart of accounts list. For more information, see Viewing the Chart of Accounts

To create a new account:

1. Go to Setup > Accounting > Manage G/L > Chart of Accounts > New.
2. Enter general account information:
   a. If you are using account numbering, enter an account number.

      Account numbers can be alphanumeric with a maximum of 60 characters.
   b. Enter a name for this account.

      This name appears in the chart of accounts list, on transactions lists, and on reports.
   c. If the **Use Legal Name in Account** accounting preference is enabled at Setup > Accounting > Preferences > Accounting Preferences, the **Legal Name** field appears. You can enter up to 400 characters in this field including special characters such as colon and semi colon. You can also enter characters such as Éé,Çç, and 2 byte characters such as 会計、科目.

      This field is useful in countries where the legal name of an entity is required by law.

      The **Legal Name** field can be added to financial reports where account is an available component. It is also available in advanced searches, SuiteScript, and ODBC. System notes maintains an audit trail specific to the activity on the Legal Name field.

      > **Note:** If the Multi-Language feature is enabled, the **Legal Name** field appears on the **Localization** subtab when the account record is in edit mode. The restrictions that apply to the **Legal Name** field in the header apply to the **Legal Name** field on the subtab.

   d. To make this account the subaccount of another, select the parent account in the **Subaccount of** field.

      When you create a child account, it must be of the same type as the parent account. For example, you cannot choose **Accounts Payable** (a liability) as the parent of an expense account.
   e. Select the type of account you want to create.
      - If you are creating a Bank type account, enter the bank account number.
      - For Income and Expense type accounts, select a **Deferral Account** of the appropriate account type for revenue recognition and expense amortization.
         - For Income type accounts, select a Deferred Revenue type account.
         - For Expense type accounts, select a Deferred Expense type account.
         - Do not select the feature-specific, system-generated Deferred Revenue Clearing account.
      - If the new account is an account for which you want to include associated vendor transactions' amounts on 1099-MISC forms, select a **1099-MISC Category**.
         - These categories correspond to the boxes on the 1099-MISC form and cannot be added to or deleted.
         - An amount for a category is not reported on the 1099-MISC form until the threshold

for that category is met. As soon as the amount per vendor is greater than or equal to the threshold amount, the total amount is shown on the form.

- You can view and change the threshold amounts for each category at Setup > Accounting > Setup Tasks > Accounting Lists. Select 1099-MISC Category in the Type filter.
- This field is not available on certain types of account records, where it is not relevant.

    ○ If you are creating an Other Current Asset type account and want the balance of this account included in the total balance of the Inventory KPI, check the **Inventory** box.
    ○ If you are creating a statistical account, see Creating Statistical Accounts.

3. If the **Multiple Currencies** feature is enabled and the **Account Type** is **Bank**, select a currency to associate with the account. (For other types of accounts, this field defaults to the base currency.)

4. For NetSuite OneWorld, select rate types for exchange rates used to value financials:

    a. Select a **General Rate Type** that is used to translate amounts for accounts in the income statement, balance sheet, and other general purposes.

    b. Select a **Cash Flow Rate Type** that is used to translate amounts for accounts in the cash flow statement.

    The **Current** rate is the effective rate at the end of a selected period.

    The **Average** rate is a weighted average of rates used for transactions posted during a selected period to accounts with an average general rate type.

    The **Historical** rate is a weighted average of rates used for transactions posted during a selected period to accounts with a historical general rate type.

    Following are the default rate types for accounts:

    ○ **General Rate Type**:

        - **Current** - for all balance sheet accounts other than equity accounts.
        - **Average** - for all income statement accounts.
        - **Historical** - for all equity accounts.

    ○ **Cash Flow Rate Type**: **Average** - for all accounts.

    For more details about rate types, see Consolidated Exchange Rate Types.

    > **Note:**   By default, **Fixed Asset** type accounts have a general rate type of **Current**. If you want to this an account of this type to use a historical rate, you need to change its general rate type to **Historical**.

5. If you use the **Multiple Currencies** feature and want to be able to select this account for revaluation, check the **Revalue Open Balance for Foreign Currency Transactions** box.

    You cannot select this option for **COGS**, **Equity**, **Expense**, **Income**, **Non Posting**, **Other Expense**, and **Other Income** accounts.

6. Check the **Eliminate Intercompany Transactions** box if this is an intercompany account used only to record transactions between subsidiaries. Amounts posted to intercompany accounts are eliminated when you run the intercompany elimination process at the end of an accounting period.

7. Enter a description of the account.

8. The **Date** field indicates the date for the account's opening balance.

    It defaults to the current date. You can modify it as necessary.

9. If you **are not using NetSuite OneWorld**, enter an opening balance for this account.

    If this account is a summary account, you cannot provide an opening balance.

    If you **are using NetSuite OneWorld**, you can enter opening balances only after you have created accounts. See Entering Opening Balances.

10. Check the **Summary** box to make this a reporting account record.

Summary accounts are useful when you want to create a non-posting, inactive parent account that has active child accounts.

> **Important:**   Checking the **Summary** box automatically inactivates the account.

Checking the **Summary** box does not modify the state of the **Inventory** and **Revalue Open Balance for Foreign Currency Transactions** boxes.

11.   To make an account inactive, check the **Inactive** box.

12.   Enter classification information:

   a.   If the **Departments** feature is enabled and you want to restrict the use of this account to a single department, select the department.

   b.   If the **Classes** feature is enabled, and you want to restrict the use of this account to a single class, select the class.

   c.   If the **Locations** feature is enabled, and you want to restrict the use of this account to a single location, select the location.

   > **Important:**   After you select a class, department, location, or a combination of segments, this account can be selected only on transactions where those segments are also selected.

   d.   If you are using NetSuite OneWorld and you want to limit the use of this account to a subset of subsidiaries:

      a.   Select one or more subsidiaries.

      b.   Check the **Include Children** box to make the account available to all of the child subsidiaries of selected subsidiaries.

      > **Important:**   Inactivating and activating accounts may limit access to subsidiaries for users assigned custom roles.

   e.   If Multi-Book Accounting is provisioned in your account, select the secondary accounting books to which this account is restricted when you make book specific secondary book transactions. Accounts restricted to only secondary accounting books are not available at book generic transactions.

   > **Note:**   The **Restrict to Accounting Book** field displays Active and Pending accounting books. Inactive accounting books are listed only if selected before the accounting book was deactivated.

   If you do not select a secondary accounting book, the account is available in all accounting books.

   In addition to secondary accounting books, the **Restrict to Accounting Book** field lists the primary accounting book. If you select the primary accounting book, the account is not available at book specific secondary book transactions. If you select the account at primary accounting book generic transactions and mapping is not defined, the transactions are posted to the same account in the secondary accounting books. For information on mapping, see Chart of Accounts Mapping.

   > **Important:**   Secondary accounting book restricted accounts are not available for budgeting. Budgeting is available only in the primary accounting book.
   > Every page where you can select an accounting book and an account adheres to the defined restrictions. For example, for Amortization and Revenue Recognition journal entries, the **Original Account**, **Target Account**, and **Deferral Account** fields display the restricted accounting books. For Allocation Schedules and Intercompany Allocation Schedules, the **Source Account**, **Destination Account**, **Credit Account**, and **Intercompany Account** fields display the restricted accounting books. If the account is not restricted to an accounting book, journal entries are posted to the same accounts in the secondary accounting books. For Account Mappings, the **Source Account** field lists all accounts that are available in the primary accounting book and the **Destination Account** field lists accounts that are available in the restricted secondary accounting books.

Statistical accounts do not have accounting book restrictions because these accounts do not appear at book specific transactions.

You can restrict an account to additional accounting books after transactions are posted to previously restricted accounting books.

A restricted account displays in reports.

13. If you have the GL Matching SuiteApp installed, check the **Include in GL Matching** box if you want to include this account for GL Matching or account reconciliation. Including an account in GL Matching enables you to select this account type from the Account dropdown filter in the GL Matching Dashboard. For more information, see GL Matching.

> **Note:**   You cannot include the following account types in GL Matching: Cost of Goods Sold, Expense, Income, Non–Posting, Other Expense, and Other Income.

14. Click **Save**.

> **Important:**   Activation and inactivation of system-generated accounts is handled automatically by the NetSuite system.
> The following accounts cannot be inactivated from the Account page:
> * AccumDeprec
> * AdvPaid
> * COGS
> * CommPay
> * CTA-E
> * CustAuth
> * DeferExpense
> * DeferRevenue
> * DefRevClearing
> * DirectLabor
> * Estimate
> * FailedACH
> * FxRateVariance
> * IndirectLabor
> * InvInTransit
> * InvInTransitExt
> * InvtAsset
> * JobCostVariance
> * Opprtnty
> * PayAdjst
> * PSTExp
> * PSTPay
> * PurchOrd
> * PurchReq
> * RecvNotBill
> * RefundPay
> * RevArrng
> * RtnAuth
> * RtnNotCredit
> * SalesOrd
> * SalesTaxPay
> * Tax
> * TrnfrOrd
> * UnappvExpRept
> * UnappvPymt
> * UnbilledRec
> * UndepFunds
> * VendAuth
> * WorkOrd

If the account is a bank type, additional fields are now available in edit mode. See Editing an Account.

> **Note:**   If you are using the CAMT.053.001.06–formatted or BAI2-formatted files import feature, you must complete additional fields.

To review account information, see Setting Up Historical Balances in OneWorld.

To edit account names or account numbers, or to merge, inactivate, or delete accounts, see Making Changes to Accounts.

Related Topics: