

Accounts that Reckon Accounts sets up for you



Reckon Accounts creates these accounts automatically when you need them:

- [Accounts Payable](#)

Account type

The record of the outstanding bills of a business. Accounts Payable is called A/P for short. (Even though the word accounts is plural, Reckon Accounts uses a single account on the chart of accounts to track all outstanding bills span skus="PRO+">unless you are using multicurrency. (Multicurrency is available only in Reckon Accounts Pro or better.) If your company deals with foreign suppliers, you will need an A/P account for each currency in which you

- [Accounts Receivable](#)

Account type

Accounts receivable is a term that accountants (and Reckon Accounts) use to refer to money that is owed to you for sales that you have already made that have not been paid for yet. Accounts Receivable is called A/R for short. (Even though the word "accounts" is plural, Reckon Accounts uses a single account on the chart of accounts to track all outstanding invoices unless you are using multicurrency. If your company deals with foreign

- [Opening Bal Equity](#)

Equity is the net worth of a company. This represents the difference between what you owe (liabilities) and what you have (assets). If you sold all your assets today, and if you paid off your liabilities with the money received from the sale of your assets, the money you would have left would be equity.

Your equity represents the health of your business since it is the amount of money left after all of your debts are satisfied.

Equity comes from two sources:

- [Payroll Expenses](#)

An expense account that Reckon Accounts automatically adds to your chart of accounts the first time you turn on payroll.

The Payroll Expenses account tracks payroll items that are an expense to your company. These include salaries, wages, bonuses, and commissions.

- [Payroll Liabilities](#)

The Payroll Liability account is a current liability account that Reckon Accounts automatically adds to your chart of accounts when you turn on payroll.

The Payroll Liabilities account tracks taxes that you deduct from employees' pays and hold temporarily until you turn them over to the government. These include federal and state income withholding taxes, local taxes.

- [Purchase Orders](#) 

Reckon Accounts creates this account the first time you create a purchase order. This is a non-posting account that does not affect your balance sheet or income statement.

- [Retained Earnings](#) 

An equity account that Reckon Accounts automatically adds to your chart of accounts when you set up a new company. Reckon Accounts uses this account to track profits from earlier periods that have not yet been distributed to owners. At the beginning of a new financial year, Reckon Accounts automatically transfers net income into your Retained Earnings account.

- [Tax Payable](#) 

When you set up Reckon Accounts to track tax for your business, Reckon Accounts created a Tax Payable account to track all the tax you collect, owe (your liability), and pay, even if you collect tax for more than one tax agency. Each time you fill out an invoice, sales receipt, adjustment note, or other sales form that includes tax, Reckon Accounts enters the amount as an increase in this account register. When you pay tax to a tax agency, Reckon Accounts enters the amount as a decrease in this account register.

- [Uncategorised Expense](#) 

An account that Reckon Accounts automatically adds to your chart of accounts the first time you enter an opening balance for a supplier.

- [Uncategorised Income](#) 

An account that Reckon Accounts automatically adds to your chart of accounts the first time you enter an opening balance for a customer.

- [Undeposited Funds](#) 

An account that Reckon Accounts automatically adds to your chart of accounts the first time you receive a payment from an invoice or sales receipt. Reckon Accounts uses this account to hold money you've collected until you deposit it in a bank account.

- [Cost of Goods Sold](#) 

An account that Reckon Accounts automatically adds to your chart of accounts the first time you add an inventory item. Reckon Accounts uses this account to track how much you paid for goods and materials held in inventory that you eventually sold. After you enter a sale, Reckon Accounts adjusts your costs of goods sold by multiplying the quantity sold times the average cost of each item.

Your chart of accounts lists the **type** for this account as "Cost of Goods Sold." You can set up subaccounts

- [Inventory Asset](#) 

This account tracks the current value of your inventory.

Most businesses use just one asset account for tracking inventory value. However, if it makes sense for you to track the value of different types of inventory in different asset accounts, you can create additional accounts of the type Other Current Asset and select them as you create new inventory items.

Reckon Accounts automatically adds the Inventory Asset account to your Chart of Accounts the first time

- [Reconciliation Discrepancies](#) 

An expense account that Reckon Accounts automatically adds to your chart of accounts when you enter an adjustment to reconcile small accounting discrepancies. Reckon Accounts uses this account to track all reconciliation differences.