

Change An Account Code

This article will assist you to determine whether an account code change is possible, or has any adverse repercussions if you do make the change.

Important Note - Any changes or additions to the Chart of Accounts affects all Strata Plans, so when adding accounts, ensure it is named in such a way that it can be used for any Plan eg Investment 2 rather than Investment Driveway Repair.

This article assumes some knowledge of Accounting Practice and experience with journaling and Chart of Accounts. It is not a step by step instruction.

To Change An Account Code in Chart of Accounts

- Changes to Account Codes in Chart of Accounts are not recommended as results can have far reaching repercussions. For example, removing an account number used in a prior transaction, will result in gaps and errors in prior year financials and potentially affect current data.
- **Change to the Name** can be made however be aware that it will change historically and not 'just from now on'.
- **If an Account Code is no longer to be used**, it would be better to discreetly notate the Account Name with DNU or similar, DNU meaning Do Not Use.

To Change an Account Code on a Transaction

1. Always check Accounting > Adjustments > Search/Edit Transaction first to see if the change you want to make can be made in that screen.

2. If a Transaction has been processed to an incorrect code, it can generally be be changed by processing a journal. The journal screen is located in Accounting > Adjustments > Journal Entry.

Step through the intended journals prior to processing and review what data may change eg date, gst, report figures, will the change affect which reports reflect the transaction?

Always create a back up prior to any adjustments, and ensure other staff are aware that you may need to restore to that back up.

Cautions are to be aware of the impact of the date used in the correction journal/s -

- will the date you use affect prior period financials?
- will the date you use impact a BAS return that has already been processed to the Aust Taxation Office?

Cautions are to be aware of the impact of the accounts used in the correction journal/s?

- will the change of account recorded affect prior period financials?
- will the change of account mean a change from one account type to another eg an expense account to

an asset account? This will remove the transaction from an I&E report to the Balance Sheet.

Change of an expense code within the same Fund example :

- debit the correct Admin expense account code and credit the incorrect Admin expense account code

Change of an expense code across Funds example :

- journal 1 to reverse the incorrect expense in Admin Fund is debit cash at bank Admin and credit the incorrect Admin expense account code
- journal 2 to enter the transaction to the correct account code in Capital Works Fund is debit the correct Capital Works expense account code and credit cash at bank Capital Works
- ensure same \$ amount in both journals
- note that the cash at bank is included as a debit and credit for the same amount and therefore 'contras' or negates any change to your Bank Reconciliation.

01/10/2021 12:53 pm AEST