

Reviewing and Revising Parts to ensure they are using the desired GL Accounts

What's the purpose of this setup step?

This step shows you how to review and revise your parts (equipment, labor and materials) and ensure that they are using the correct general ledger expense and accrual account ("GL accounts"). In earlier steps you set up your parts and your chart of accounts separately. Now it is time to review how parts link into those GL accounts.

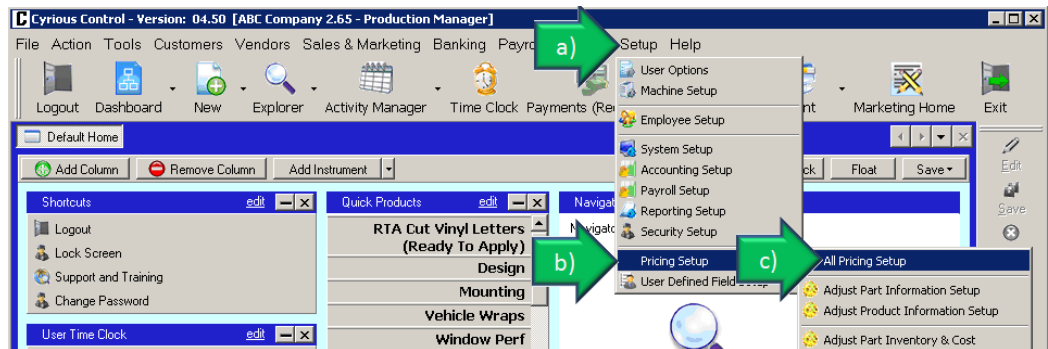
In this step you will do the following:

- A. Navigate to the Part set up screen.
- B. Educate you on the accounting and track inventory settings.
- C. For Material, Equipment and Labor categories and parts, review and revise (if desired) the accounting settings and GL accounts used.

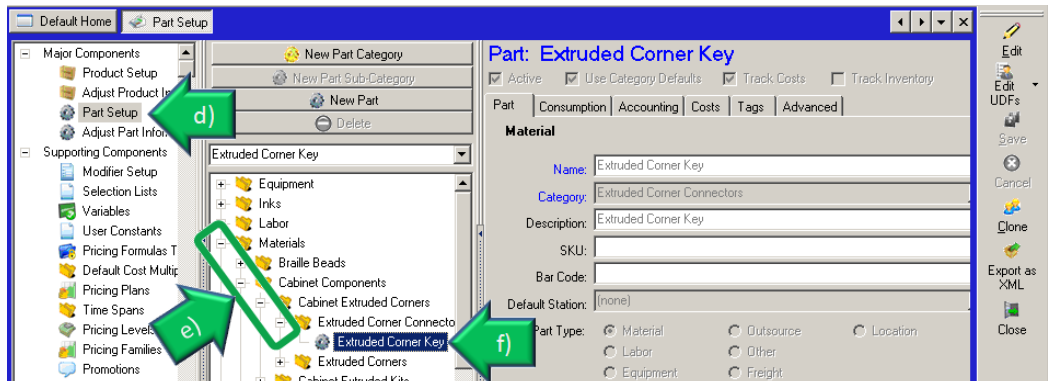
A. Navigate to the Part set up screen.

1) Follow these steps to open the Part set up screen:

- a) Click **Setup**.
- b) Click **Pricing Setup**.
- c) Click **All Pricing Setup**.



- d) Click on **Part Setup**.
- e) In the center column, click the "+" sign next to the category called **Materials**. Keep clicking the "+" signs of the categories under Materials until you can see the parts within one of the categories.
- f) Click on the first part name in the list (e.g. **Extruded Corner Key**).



B. Educate you on the accounting and track inventory settings in the part category and part screens.

- 1) Let's take a look at a **part** called **Extruded Corner Key**. It is in the **Extruded Corner Connectors** category. Here's a review of the options for accounting, tracking costs and tracking inventory:

The screenshot shows the 'Part Setup' window for 'Extruded Corner Key'. The left pane shows a tree view with 'Extruded Corner Key' selected under 'Extruded Corner Connectors'. The main pane shows the 'Part' tab with fields for Name, Category, Description, SKU, Bar Code, and Default Station. Checkboxes for 'Active', 'Use Category Defaults', 'Track Costs', and 'Track Inventory' are visible at the top. Numbered callouts 1, 2, and 3 point to the 'Active' checkbox, the 'Extruded Corner Key' part name, and the 'Extruded Corner Connectors' category respectively.

1. **Active:** Checking this box activates the part in the system.
Use Category Defaults: Checking this box means that this part will use the accounting settings that were selected on its parent category, including whether to Track Inventory Levels and the Accounting fields on the **Accounting** Tab. **You will find some cases where the category does NOT use category defaults. It is important for you to review each part and make sure you are satisfied with the settings.** If you have questions or would like some additional coaching, attend the daily webinar or call and schedule a private training session.

In some cases it is better to set the options on the category, not the part, for example:

- a. It makes it much easier for you to maintain the system when you don't have to check each part when working with the accounting information; and,
- b. When you later add parts to a category, they will inherit the default settings of the category.

Here are two cases where it might make sense to set these options on the part, not the category:

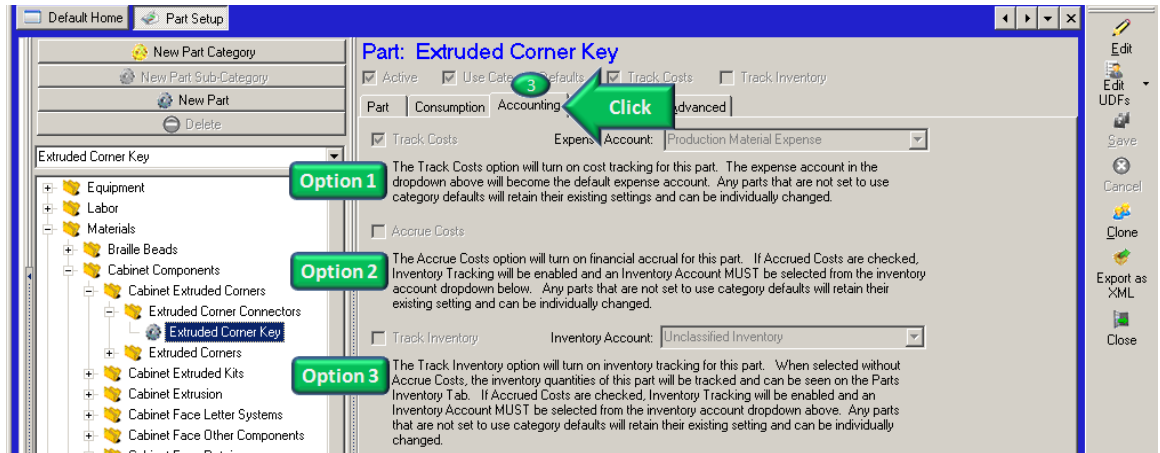
- a. Some parts in a category are inventoried while others are not; and
- b. There is a major piece of equipment that they want to be able to amortize or report on separately. (Call us if you feel you need to account for this differently).

Track Costs: Do you want to know your actual costs for this part on an order? Check this box if so. The choices for tracking costs will be discussed in "3. Accounting settings for Parts" below.

Track Inventory: Notice in this example that these are checked as they inherited the parent settings. In general, if you want track inventory on this part, check this box (or this box on the parent category). Don't worry about setting your inventory levels just yet, we'll cover that later.

2. **Name:** This is the name of this part that you are looking at now, in this case **Extruded Corner Key**.

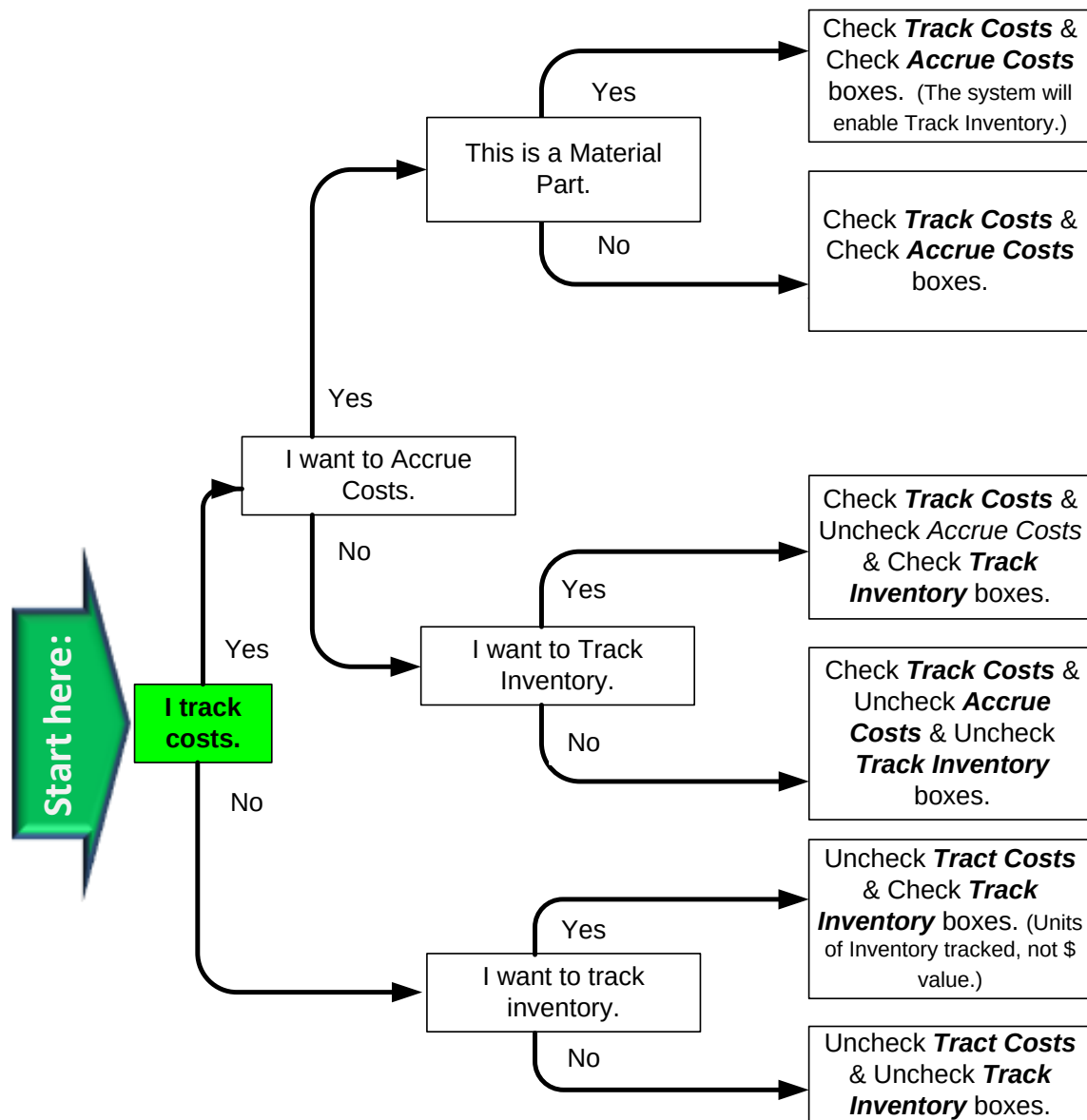
Category: This is the name of the category that the part called **Extruded Corner Key** is in, or is a child of. In this case is the **Extruded Corner Connectors** category.



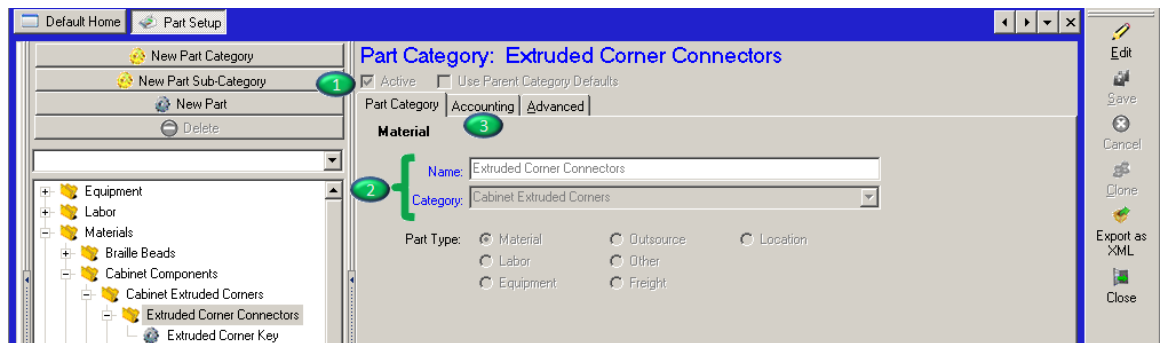
3. Accounting settings for Parts: Click on the **Accounting** Tab to view the options for accounting for parts in the system. Notice these are using the category defaults since the **Use Category Defaults** box is checked. Control gives you three choices when it comes to accounting for parts:

- **Option 1: Track Costs:** If this setting is selected, the system will turn on cost tracking for the parts in this category when set to **Use Category Defaults**. The expense account will become the default expense account for all parts in this category. Any parts that are **not** set to use category defaults will retain their existing settings and can be individually changed. Note that in the case of material you can still track inventory if you wish even if part costs aren't tracked, the inventory is treated as a \$0.00 item.
- **Option 2: Accrue Costs:** If this setting is selected, the system will accrue costs against the selected **Accrual Account** or **Inventory Account**, in the case of material, and can be seen on financial reports. You **MUST** select an **Accrual Account** or **Inventory Account** from account dropdown if this is checked.
- **Option 3: Track Inventory:** If this setting is selected, inventory will be tracked for this material part. When selected without **Accrue Costs**, the inventory quantities of each part will be tracked and can be seen on the Parts Inventory Tab. If **Accrued Costs** are checked, **Inventory Tracking** will be enabled and an **Inventory Account** **MUST** be selected from the inventory account dropdown. Any parts that are not set to use category defaults will retain their existing setting and can be individually changed.

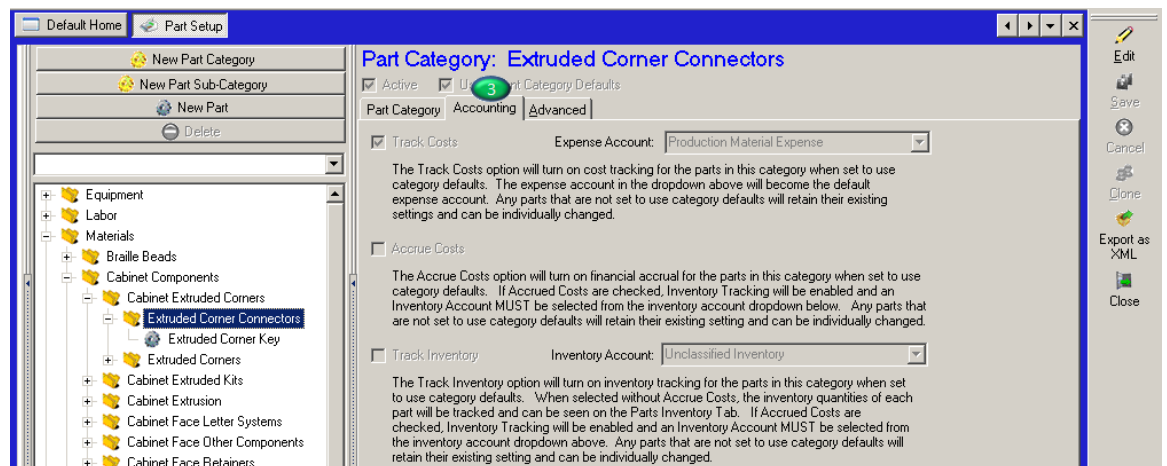
This chart will help you know which options to use on your parts and part categories. Think of a specific part (material, labor or equipment) and start at the arrow, answering the statement for that part. See which options/settings it recommends that you use.



- 2) Let's take a look at the accounting information for the **category** directly above the part we just reviewed. This category is called **Extruded Corner Connectors**.



1. **Active:** Checking this box activates the part category in the system.
- Use Parent Category Defaults:** Notice that we've unchecked this box. Checking this box means that this category will use the accounting settings that were made in its parent category, including the Accounting fields on the **Accounting** Tab. We recommend that you uncheck this box on the categories just above the parts. **It is important for you to review these part options on each part to make sure you're satisfied with them.** If you have questions or would like some additional coaching, attend the daily webinar or call and schedule a private training session.
2. **Name:** This is the name of this sub-category that you are looking at now, in this case **Extruded Corner Connectors**.
- Category:** This is the name of the category that **Extruded Corner Connectors** is in, or is a child of, which in this case is the **Cabinet Extruded Corners** category which is a child of the category **Cabinet Components**, all in the main category **Materials**.
- Part Type:** This is the type of part classification, in this case this category is a material type.

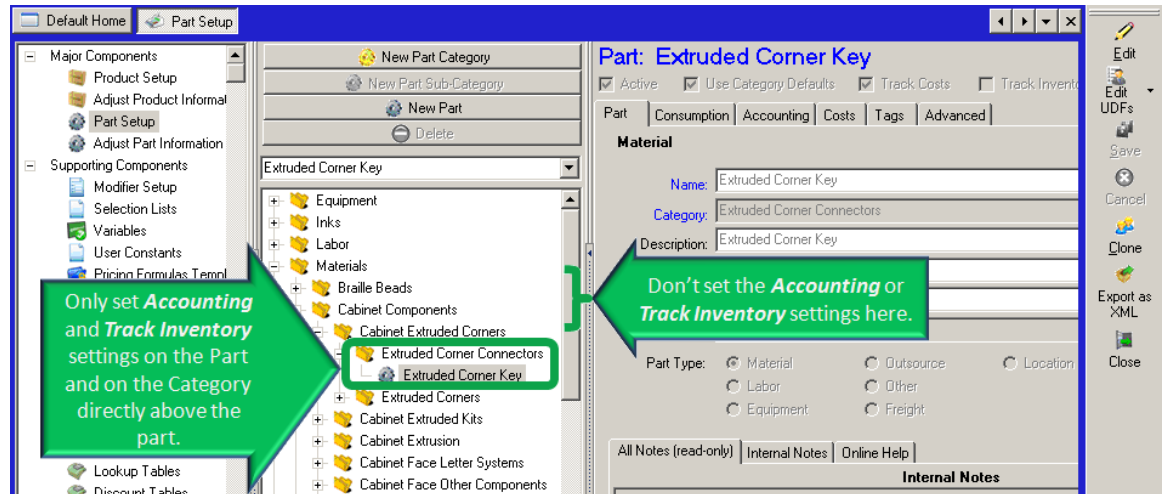


3. **Accounting settings for Parts:** These were discussed in section B1) above.

- C. For the Materials, Equipment and Labor categories and parts, review and modify, if desired, the accounting settings and GL accounts used.

Here's the game plan: Now that we've given you an overview of the parts and the choices for accounting for them, we recommend that you only set the **Accounting** and **Track Inventory** settings on the parts and on the categories directly above the parts.

[Control has the ability to set these settings at the top level category, such as **Materials**, and the mid level categories, such as **Cabinet Components**. However, we recommend that you ignore those fields and only review and revise the **Accounting** and **Track Inventory** settings on the parts (e.g. **Extruded Corner Key**) and on the categories directly above the parts (e.g. **Extruded Corner Connectors**).



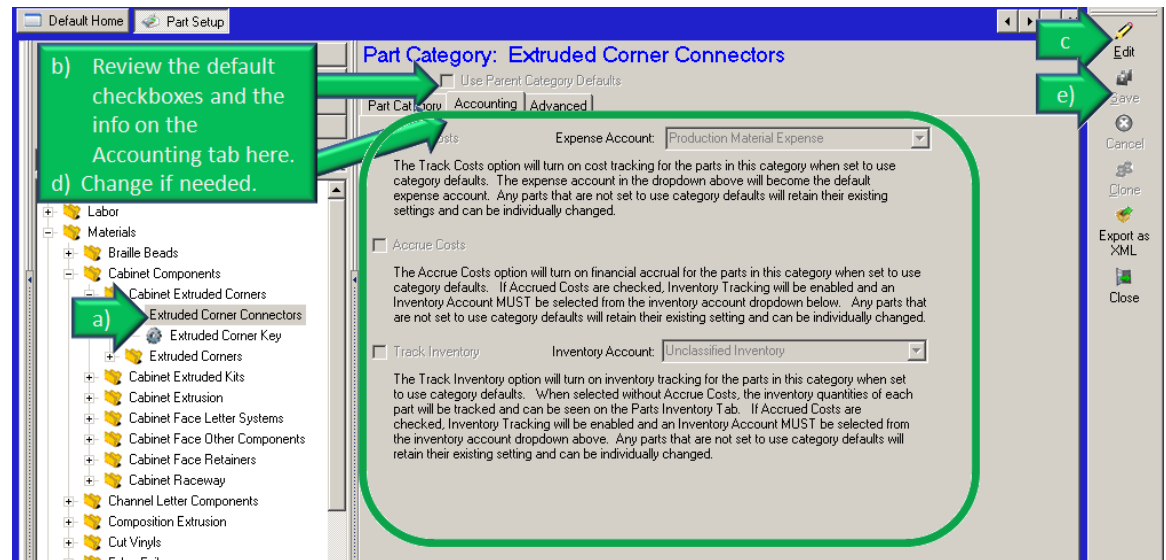
Here are a few possible scenarios:

- **Scenario A:** All parts within a category (e.g. **Extruded Corner Connectors**) will use the same accounting and inventory settings. In this case, set these settings at the category level then make sure that the Use Category Defaults checkbox is checked on all the parts in that category.
- **Scenario B:** The parts within a category will have different settings for accounting and inventory. Example: For part #1 you plan to track inventory for financial reporting purposes. For part #2 you want to be able to include it in the job costing analysis reports (actual vs. estimated), but you don't care to track inventory.

For this scenario, you can set the settings on the category and override them where necessary on the parts. Or you can just set them all up on the individual parts.

- 1) You've done the hard part! You now have an understanding of how Control is set up: both the options for accounting for parts and tracking inventory. Here's how you should review and modify (if necessary) that information for parts and categories.
 - a) Click on the category or part.
 - b) Review the settings.
 - c) If you need to change the settings, click **Edit**.
 - d) Make the changes.
 - e) Click **Save**.

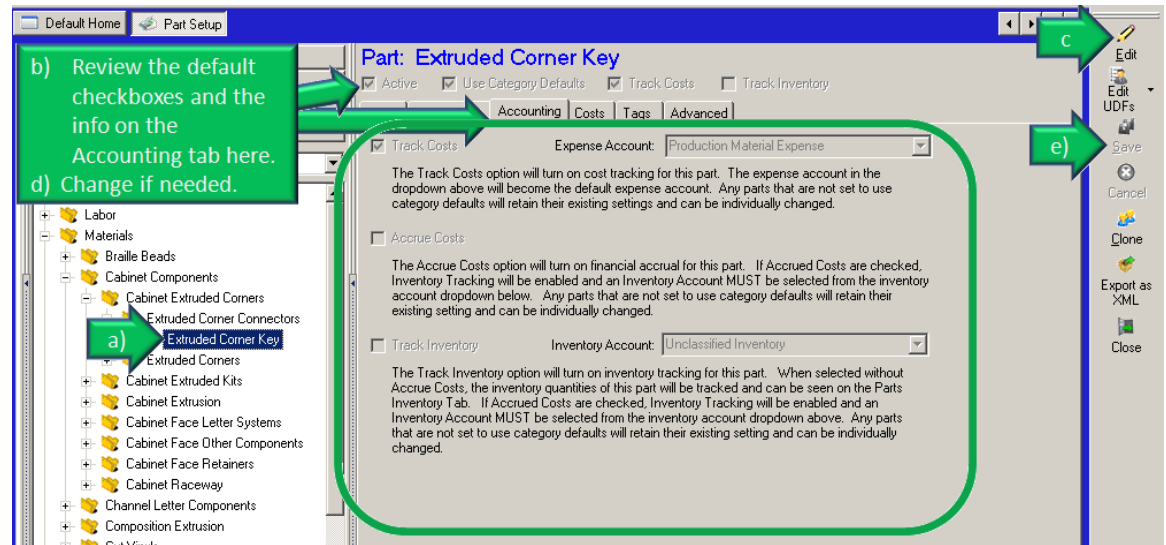
Here's an example for a category:





Warning: You'll notice that each part has several tabs. Avoid the temptation to change other settings that are not discussed in this document. Some users who have modified these settings before they fully understood the ramifications have caused themselves hours of frustration, unexpected accounting results, and hours of work fixing the problems they caused.

Here's an example for a part:



- 2) Repeat this process until all the parts and the categories directly above them have been reviewed, and if necessary revised. Repeat this until you've checked all the parts and categories for Equipment, Labor and Materials. (Skip the others)

Now the Part options for tracking costs and inventory, and the related accounts, are set up. It's time to go to the next step.