Understanding the aACE Chart of Accounts

Last Modified on 07/18/2026 6:13 pm EDT

This guide explains best practices for organizing a chart of accounts in aACE. It is intended for system administrators.

You can review your current accounts by navigating from Main Menu > Accounting > GL Accounts. At the detail view for an account, you can review the Check Register tab to see the list of transactions. The accounts listed here are used in your accounting preferences (https://aace6.knowledgeowl.com/help/chart-of-account-preferences) to set default accounts for various transactions.

Types of GL Account Records

aACE provides three types of general ledger account records:

- Root Header Account (e.g. Total Assets) — Occupies the root level of the chart of accounts.
- Header Account (e.g. Total Cash) — Contains and summarizes other accounts, such as Checking Account 4563, Undeposited Funds, and others. These accounts are always assigned to another header account or else to a root header account.
- Detail Account (e.g. Checking Account 4563) — Accepts transactions and is always assigned to a header account.

Header accounts can contain both header accounts and detail accounts. This allows you to build a chart of accounts with as many levels as you need, as demonstrated with this example structure:

- Total Assets (Root Header)
    - Current Assets (Header)
        - Total Cash (Header)
            - Checking Account 4563 (Detail)
            - Undeposited Funds (Header)
                - Undeposited Funds - Cash/Checks (Detail)
                - Undeposited Funds - Visa/MC (Detail)

Root Header Account Setup

aACE is designed to work with the standard nine root header accounts:

Account #	Account Name
1000	Total Assets
2000	Total Liabilities
3000	Equity
4000	Sales
5000	Cost of Sales (Cost of Goods Sold)
6000	Expenses
7000	Overhead Expenses
8000	Other Income
9000	Other Expenses

The first digit in an account number determines the natural balance of the account and its placement on various reports. For example, accounts beginning with 1 have a debit natural balance, whereas accounts beginning with 2 have a credit natural balance. This detail means that combining root header accounts can cause complications. For example, combining Other Income and Other Expenses into a single root header account of "Other" could lead to distorted numbers on later reports.

The natural balance determines whether a credit appears as a positive value or a negative value on reports (e.g. the income statement). Accounts beginning with 1—3 appear on the balance sheet, while accounts beginning with 4—9 appear on the income statement.

We recommend using account numbers that are 4—5 digits long. You may choose number ranges and account names that works for you as long as the first number for the account fits with the logical equivalent. For example, your account number for sales and revenue should begin with a 4; however, the account number could be 40, 400, or 44100, while the account name could be either Sales, Revenue, or a similar term.

Segmenting your account numbers is not required nor supported by aACE.

Header and Detail Account Setup

Header and detail accounts follow the same rules as root header accounts with regards to numbering (described above). The numbering should be logically coherent for various reasons:

- You would *not* want to assign a 2000-series detail account to a 1000-series header account.
- Grouping similar accounts into sequential ranges makes it easier to search, report, and

audit.

Accounts can be renumbered at any time in aACE, so it is not critical that you perfectly number every account the first time.

Account Types

The Account Type field adds summaries to your income statement. For example, account records with an Account Type of "Revenue" or "Cost of Sales" will be grouped together by default as "Gross Profit (Loss)" accounts.

To customize your income statement using the Account Type field, speak with your aACE Support Representative.
