

Recording Commodity Wages in CenterPoint

Document #:	3222	Product:	CenterPoint® Accounting for Agriculture
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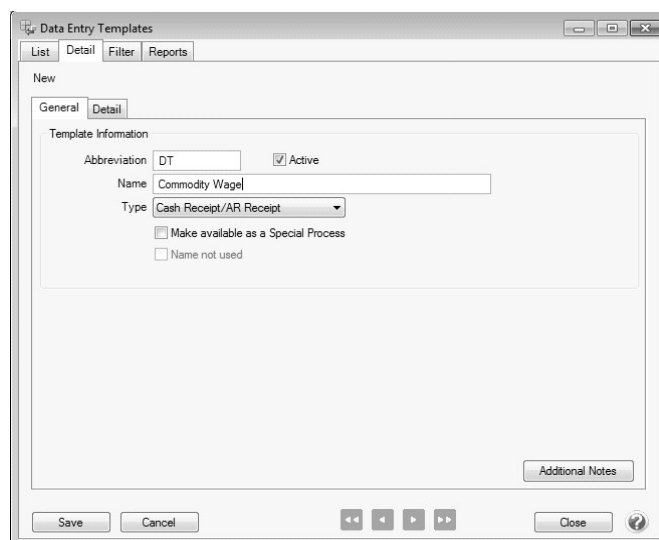
Commodity wages is an example of a non-cash transaction where crops are given to employees in lieu of wages. This is sometimes also referred to as "in kind wages". The farm needs to record this as a sale that is applied to the labor expense account. After recording a commodity wage transaction, the reports will include the revenue to the farm for the sale of the crop and the expense for wages.

[Step A - Create a Commodity Wage template \(one-time setup\)](#)

[Step B - Enter a Commodity Wage Transaction](#)

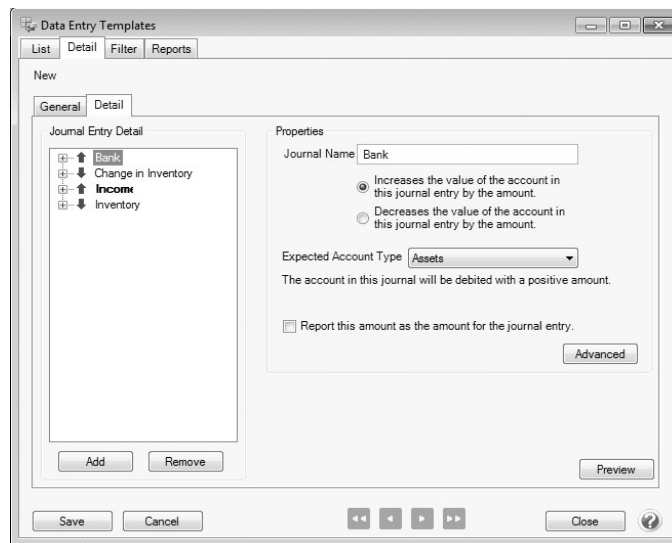
Step A - Create a Commodity Wage Template (one-time setup)

1. Select **Setup > General > Data Entry Templates**.
2. Select the template **DT – Sell Raised Inventory** and click **Copy**.
3. In the **New** field enter a title such as **Commodity Wage**.

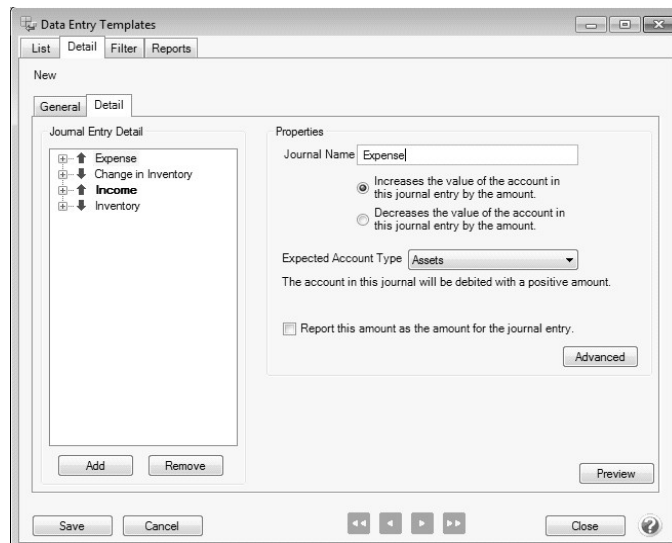


The screenshot shows the 'Data Entry Templates' window with the 'New' tab selected. The 'General' sub-tab is active. Under 'Template Information', the 'Abbreviation' is 'DT', 'Name' is 'Commodity Wage', and 'Type' is 'Cash Receipt/AR Receipt'. The 'Active' checkbox is checked. There are checkboxes for 'Make available as a Special Process' and 'Name not used', both of which are unchecked. At the bottom, there are 'Save', 'Cancel', and 'Close' buttons, along with navigation arrows and an 'Additional Notes' button.

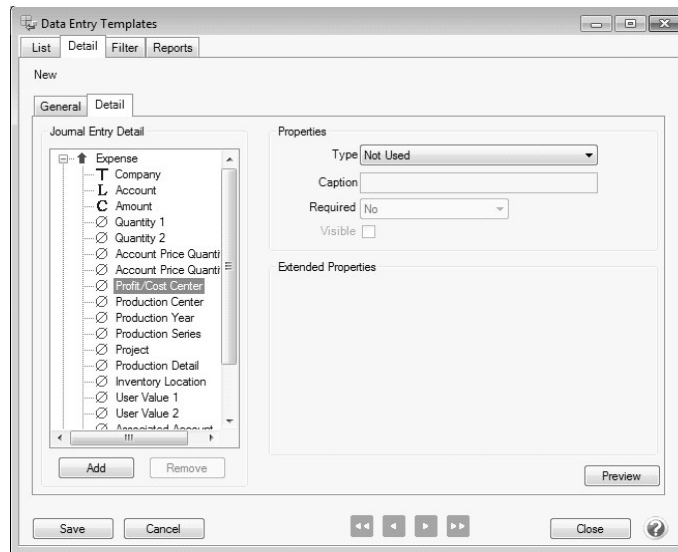
4. Change the **Type** to **General Journal**.
5. Select the option "**Make available as a Special Process**".
6. Select the **Detail** tab.



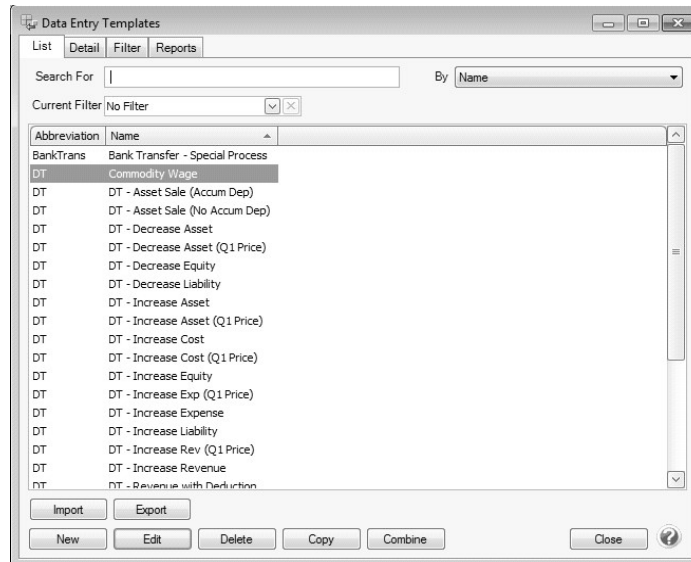
7. In the **Journal Entry Detail** area on the left, select **Bank**.
8. Change the **Journal Name** on the right to **Expense**.



9. Change the **Expected Account Type** to **Expenses**.
10. The original Bank journal will now be listed on the left as Expense. Expand the journal by clicking on the + found to the left.
11. Select **Account** under Expense. On the right, change the **Type** to **Choose From a List**.
12. Enter **Labor Expense Account** in the **Caption** field.
13. Click on the **green filter button** to the right of the **Property to Use** field.
14. In the next screen, select **Account Types** in the upper left.
15. In the list of types on the right side of the screen, move **Expenses** from the **Available** box to the **Selected** box, using the green arrow button.
16. Click **Add Filter**, and then **click OK**.
17. Skip to step 23 if you are not tracking production details.
18. If you are tracking production details, they can also be added to the labor expense if desired. Select **Profit/Cost Center** under the **Expense** journal.



19. Select **Copy** in the **Type** field and **Income** in the **Journal Entry Items** box.
20. Select **Production Year** under the **Expense** journal.
21. Select **Copy** in the **Type** field, **Income** in the **Journal Entry Items** box, and then click **Save**.



Step B - Enter a Commodity Wage Transaction

1. Select **Processes > Special Transactions**.
2. Select **Commodity Wage** in the **Process Template** field.

Process Template	Commodity Wage	Current Batch	No Batch
Company	CenterPoint Farms	Transaction #	
Name		Date	01/22/2013
Transaction Type	General Journal (Accrual)		

Labor Expense Account		Production Center	
Quantity 1	0.0000	Profit Center	
Quantity 2	0.0000	Production Year	2013
Inventory		Production Series	0
Income Account		Production Ctr	
Amount	\$0.00	Inventory Location	
		Inventory Offset	
		Inventory Adjustment \$	\$0.00
		Inventory Price	0.00000000
		Sales Price	0.00000000

Memo Line 1		Line 2	
<div>Notation</div>			

Save

Clear

Recall

Options

Preview

Close

3. Enter the **Company**.
4. In the **Name** field, select the employee.
5. The **Transaction Type** defaults to **General Journal (Accrual)**. If want this transaction to be included in tax reports, change the **Transaction Type** to **General Journal (Cash/Accrual)**.
6. Select your **Labor Expense Account**, and specify the quantity of crops given in the **Quantity 1** field.
7. Select the appropriate **Inventory** and the appropriate crop sale revenue account in **Income Account**.
8. Enter the value of the sale/wage in the **Amount** field.
9. On the right enter any production details for the sale.
10. In the **Memo Line 1** box, enter an optional memo for the transaction. In the **Line 2** box, if the transaction is assigned a name that was setup with a default memo, it will display automatically and can be overridden.
11. Click **Save**.