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What are NetSuite Statistical Accounts and Why They are Amazing

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Introduction

The NetSuite statistical accounts feature enables your finance department to track non-monetary data in the form of accounts in your ledger and then use that information on not only reports and income statements, but they can also be used in expense allocation schedules as outlined in our post for project cost allocations.

Your finance department can use NetSuite statistical accounts to track and examine the non-monetary data of the company and view its relationship with the financial activity of your organization.

Understanding what NetSuite statistical accounts are is important, but using them to their full capacity is where the real power lies. Managing all your reporting needs is difficult even in the best of circumstances and NetSuite statistical accounts can be a very useful tool to wield.

Without NetSuite statistical accounts it would be very difficult to, say, have an income statement by area of material used (in this example, for a windows & door manufacturer who orders sheets of material as their main raw material).

No matter your business model, you can have NetSuite statistical accounts be a part of your business reporting.

In this post, we'll go over what a NetSuite statistical account is, why they are important, and how to create them.

What are NetSuite Statistical Accounts?

A NetSuite statistical account is used to track non-monetary data to include in financial reporting. The statistical accounts feature in NetSuite is part of the [Advanced Financial](#) module. Typical users of these accounts are those who are responsible for accounting maintenance, period close activities, journal entries, cost and revenue allocation, and financial reporting using ratios. The output of using NetSuite statistical accounts is usually used by management to gain various insights into the business that would otherwise be lost.

Understanding Statistical Journal Entries

In NetSuite, users can manually generate statistical account journal entries or have them automatically generated through a saved search used by a statistical schedule. If desired, when making a manual statistical journal entry in NetSuite can record an absolute statistical balance instead of tracking changes.

For example, if you receive a monthly Income Statement for your professional organization on revenue and cost per headcount, you can create a statistical journal entry in NetSuite that overwrites all previous entries rather than recording the difference.

Understanding Statistical Schedules

Using a statistical schedule, you can automate the posting of your statistical journal entries to your accounts. This is extremely useful and can be based on a saved search which makes it dynamic.

To create a statistical schedule, navigate to Transactions -> Financial -> Create Statistical Schedule (administrator). In the statistical account field, select the appropriate account with which the statistical schedule should be associated. Select the saved search you have created and assign it to the schedule.

Once created, define the frequency at which the schedule should run and voilà, you have automated your statistical journal entries.

This can be used, for example, in a professional services organization to record the headcount every month. The headcount can then be used to perform revenue and expense allocation or can be used on the Income Statement to perform calculations there.

Understanding Dynamic Allocations

The objective of using dynamic allocations in NetSuite is to allocate financial data weighted by a NetSuite statistical account balance.

To enable this feature, navigate to Setup -> Company -> Enable Features -> Accounting. Once the feature is enabled, you will be able to assign any statistical account to an allocation schedule. The weight for the allocation is based on the statistical account balance (through statistical journal entries) and is dynamically calculated at the moment the allocation journals are created. In other words, NetSuite takes a snapshot of the balance in the NetSuite statistical accounts at the moment it creates allocation journal entries.

Allocation schedules are common in Activity Based Costing but can be very powerful when used wisely and creatively.

It is also possible to run multiple allocation schedules using a specific sequence. To do this, you can create allocation batches to define the sequence.

If you have a budget for non-monetary data, you can also enter a budget for NetSuite statistical accounts. For example, if you are tracking headcount by department, you can enter a budget for each.

Why are NetSuite Statistical Accounts Important?

NetSuite statistical accounts provide additional reporting and key performance indicator capability above and beyond what financial and operational data can provide. Statistical accounts allow you the ability to draw additional insights to make better business decisions.

So, why are NetSuite statistical accounts so important? Well, let's dive into a use case to see how statistical accounts can be leveraged to enhance the power of NetSuite.

Use Case

Problem Statement

- Fictional company is Prof. Services 1
- Prof. Services 1 sells a variety of services including the following:
 - Business Analysis
 - Customization
 - Implementation
 - Support
 - Integration
- Prof. Services 1 wants to track revenue by headcount by service type

Assumptions

This use case assumes that NetSuite is being used to track time against projects and that the accounts receivables process is also being done in NetSuite.

Solution

1. In this use case, Prof. Services 1 would create a saved search that would output the headcount of the company at any given moment by department. We will call this saved search "SS-Headcount".

2. Once the applicable saved search has been created, create the corresponding statistical account in your Chart of Accounts. In this case, we will call this account “Acc-Headcount”.
3. Next, Prof Services 1 will create a statistical schedule by selecting the account “Acc-Headcount” and the saved search “SS-Headcount”. Select to run it on a monthly basis on the last day of the month at midnight.

Now, with only this in place, Prof. Services 1 can customize their Income Statement to see what the revenue per headcount is and can now establish a target by department.

But what if we want to go a step further and allocate cellphone expenses using this statistical account?

In this case, Prof Services 1 would have to create a dynamic allocation schedule and use the “Acc-Headcount” account to weigh the allocation schedule of the cellphone expenses.

The possibilities are endless and can really give you a competitive edge.

3 Tips and Reminders for NetSuite Statistical Accounts

1. Statistical account balances are preserved unless you adjust them to zero.
2. The statistical account register can be used to obtain the date the last statistical journal was recorded into the system.
3. You can access saved searches for NetSuite statistical accounts by navigating to the saved transaction search page, clicking on the criteria subtab, then standard subtab, and in the filter column type: Statistical.

Conclusion

In all of our experience, we have not seen NetSuite statistical accounts be used even though they potentially can offer some extremely powerful insights into the business. Following the steps outlined above will help get you started on the way to creating your very own statistical accounts, reports, and key performance indicators.

Have you been using statistical accounts in a creative way? We'd love to hear about it! Contact us using the form below.

