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## Course Information

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**Course Title:** Bookkeeping Guidebook #363020

**Number of continuing education credit hours recommended for this course:**

**CPA:** 15 (All states)

In accordance with the standards of the National Registry of CPE Sponsors, CPE credits have been granted based on a 50-minute hour.

National Registry of CPE Sponsors ID Number: 107615.

Sponsor numbers for states requiring sponsor registration

Florida Division of Certified Public Accountancy: 4761 (Ethics #11467)

Hawaii Board of Accountancy: 14003

New York State Board of Accountancy: (ethics) 002146

Ohio State Board of Accountancy: M0021 (.51PSR for the ethics course)

Pennsylvania Board of Accountancy: PX178025

Texas State Board of Accountancy: 009349

### Course Description

A startup business or small company may have no formal accounting system in place, which leads to endless difficulties with record keeping and producing reliable financial statements. The *Bookkeeping Guidebook* course eliminates these problems by showing how to set up and operate a double entry accounting system, create journal entries, and record information in a general ledger. With this framework in place, the course also discusses how to issue billings, process cash receipts, calculate depreciation, value inventory, pay employees and suppliers, file tax returns, and produce financial statements. In short, this is the desk reference needed by anyone who wants to create or operate an accounting system.

**Program Delivery Method:** NASBA QAS Self-Study (interactive)

**Subject Codes/Field of Study:** Accounting

### Course Level, Prerequisites, and Advance Preparation Requirements

Program level: Overview

Prerequisites: Basic familiarity with accounting practices.

Advance Preparation: None

## Course Content

Publication/Revision date: 7/21/2020.

Author: Steven M. Bragg, CPA.

Final exam: Seventy-five questions (multiple-choice).

## Instructions for taking this course

**Note: Downloading the PDF of this course will enable Bookmarks for easier navigation (on the left side of the document window, open the bookmarks pane).**

You must complete this course within one year of the date of purchase (if you do not complete the course within one year, contact us to determine whether an updated edition of the course is available, in which case we will provide you with a PDF of the updated course and the online exam at no charge).

A passing grade of at least 70% is required on the final exam for this course. You may retake the exam if you do not pass it on the first attempt (no charge).

Complete the course by following the learning objectives on the following page, studying the text, and studying the review questions at the end of each major section (or at the end of the course). Once you have completed studying the course and you are confident that the learning objectives have been met, answer the final exam questions (online).

## Instructions for Taking the Final Exam Online

- Login to your account online at [www.bhfe.com](http://www.bhfe.com).
- Go to "My Account" and view your course.
- Select "Take Exam" for this course and follow instructions.

### Additional Information

- The exam may be started, stopped, then resumed at a later date.
- The exam is "open book," it is not timed, and it may be retaken if not passed on the first attempt (no charge).
- Results (correct, incorrect answers) and certificate appear immediately upon passing the exam.

**Have a question?** Call us at 800-588-7039 or email us at [contact@bhfe.com](mailto:contact@bhfe.com).

# Learning Objectives

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- Cite the responsibilities of the bookkeeper.
- Recognize the underlying principles of accounting, and the nature of the accounting cycle.
- Identify the situations in which different chart of account structures should be used, and the issues relating to the reduction of the chart of accounts.
- Specify the types of subsidiary ledgers, and the uses to which the trial balance can be put.
- Recognize the steps involved in closing the books and reviewing the financial statements.
- Identify the different formats in which the financial statements can be presented, and the accounts used in each of the statements.
- Identify ratios that can be used to interpret the information in the financial statements.
- Cite the controls used in the processing of billings, cash receipts, payables, expense reports, petty cash, and payroll.
- Specify the documents used in the processing of credit requests, billings, and communications with customers.
- State the responsibilities of the parties involved in cash processing, and the causes of errors in that processing.
- Identify the situations in which procurement card billings can be called into question, and the types of reimbursements allowed on an expense report.
- Cite the reimbursement rules related to expense reports.
- Describe the elements of a petty cash system.
- Recognize the types of inventory tracking systems, and the methods available for estimating the cost of ending inventory.
- Cite the key concepts relating to the calculation of depreciation, as well as the methods of depreciation.
- Describe the depreciation rules related to land.
- Identify the causes of a loan balance difference in the records of the borrower and lender.
- Recognize the government forms associated with payroll activities.
- Specify the methods for calculating gross pay and determining income tax withholdings.
- Recognize the accounting for payroll transactions.
- Recognize the timing of payroll tax deposits, and the penalties applicable to late payments.
- Describe how the FUTA tax is calculated.
- Cite the forms used by the different types of businesses to report their income tax liabilities.
- Describe the loss recognition by partners in a partnership.

## About the Author

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**Steven Bragg, CPA**, has been the chief financial officer or controller of four companies, as well as a consulting manager at Ernst & Young. He received a master's degree in finance from Bentley College, an MBA from Babson College, and a Bachelor's degree in Economics from the University of Maine. He has been the two-time President of the Colorado Mountain Club, and is an avid alpine skier, mountain biker, and certified master diver.

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# Table of Contents

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<b>Chapter 1 - The Bookkeeper Position</b> .....	<b>1</b>
The Bookkeeper Position .....	1
Bookkeeper Qualifications .....	2
The Full Charge Bookkeeper .....	2
Relations with the Company's CPA.....	3
The Difference between Accounting and Bookkeeping .....	3
<b>Chapter 2 - Bookkeeping Basics</b> .....	<b>6</b>
Financial Accounting Basics .....	6
Accounting Frameworks .....	7
Accounting Principles .....	8
The Accounting Cycle.....	9
Accounting Transactions.....	10
Types of Transaction Cycles .....	10
Source Documents.....	11
Double Entry Accounting.....	11
The Accounting Equation.....	12
Journal Entries.....	14
Major Journal Entries .....	15
The Accruals Concept .....	16
The Realization Concept .....	17
Accrual Basis of Accounting.....	18
Cash Basis of Accounting .....	18
Converting Cash Basis to Accrual Basis Accounting.....	19
<b>Chapter 3 - The Chart of Accounts</b> .....	<b>22</b>
Overview of the Chart of Accounts.....	22
The Three-Digit Chart of Accounts.....	24
The Five-Digit Chart of Accounts.....	26
Chart of Accounts Reduction .....	28
<b>Chapter 4 - The Ledger Concept</b> .....	<b>31</b>
The Ledger Concept.....	31
Posting to the General Ledger .....	32
General Ledger Overview .....	33
The Accounts Receivable Ledger.....	34
The Purchase Ledger.....	34
Reconciling the General Ledger.....	35
Overview of the Trial Balance .....	35
The Trial Balance Format.....	36
The Extended Trial Balance .....	37
Trial Balance Error Correction.....	38
The Post-Closing Trial Balance.....	39
Evaluation of the Trial Balance.....	39
<b>Chapter 5 - Closing the Books</b> .....	<b>42</b>
Journal Entries.....	42
The Accruals Concept.....	42
Adjusting Entries .....	43
Reversing Entries.....	43
Common Adjusting Entries.....	44
Closing Entries.....	46
Prior Steps: Update Reserves .....	47
Core Steps: Issue Customer Invoices .....	48
Core Steps: Reconcile the Bank Statement .....	48
Core Steps: Calculate Depreciation.....	48

Core Steps: Accounts Payable.....	48
Core Steps: Review Journal Entries .....	49
Core Steps: Reconcile Accounts .....	50
Core Steps: Close Subsidiary Ledgers.....	51
Core Steps: Create Financial Statements.....	52
Core Steps: Review Financial Statements .....	52
Core Steps: Accrue Tax Liabilities.....	52
Core Steps: Close the Month.....	53
Core Steps: Add Disclosures.....	53
Core Steps: Issue Financial Statements.....	53
Delayed Closing Steps: Closing Metrics.....	53
Delayed Closing Steps: Document Future Closing Changes.....	54
Delayed Closing Steps: Update Closing Procedures .....	54
<b>Chapter 6 - The Financial Statements .....</b>	<b>57</b>
Income Statement Overview .....	57
The Single-Step Income Statement .....	60
The Multi-Step Income Statement.....	60
The Multi-Period Income Statement .....	61
How to Construct the Income Statement.....	62
Overview of the Balance Sheet .....	64
The Comparative Balance Sheet .....	67
How to Construct the Balance Sheet .....	67
Overview of the Statement of Cash Flows .....	70
The Direct Method .....	70
The Indirect Method.....	72
How to Prepare the Statement of Cash Flows .....	73
<b>Chapter 7 - Interpretation of Financial Statements .....</b>	<b>77</b>
Interpretation of Financial Statements.....	77
Horizontal Analysis.....	78
Vertical Analysis .....	79
Current Ratio .....	81
Quick Ratio .....	82
Liquidity Index.....	83
Accounts Payable Turnover Ratio.....	84
Accounts Receivable Turnover Ratio.....	85
Inventory Turnover Ratio.....	85
Fixed Asset Turnover Ratio .....	86
Sales to Working Capital Ratio .....	87
Debt to Equity Ratio.....	87
Fixed Charge Coverage.....	88
Breakeven Point .....	88
Gross Profit Ratio.....	89
Net Profit Ratio .....	89
Return on Net Assets.....	90
Limitations of Ratio Analysis.....	91
<b>Chapter 8 - Bookkeeping Controls.....</b>	<b>94</b>
Customer Billing Controls.....	95
Collection Controls .....	97
Cash Receipts Controls .....	98
Accounts Payable Controls .....	100
Expense Report Controls.....	104
Petty Cash Controls.....	105
Payroll Controls.....	106
<b>Chapter 9 - Sales and Collection Activities.....</b>	<b>111</b>
Offering Credit to Customers .....	111
The Billing Process .....	112

Additional Manual Billing Steps .....	114
The Invoice.....	114
Accounting for Sales Discounts .....	116
Credit Memo Processing .....	117
The Credit Memo .....	117
Cash Sales .....	121
Remitting Sales Taxes .....	122
Sales Tax Nexus.....	124
Economic Nexus .....	124
Sales Tax Exemptions.....	124
The Accounts Receivable Aging Report .....	127
Reconciling Accounts Receivable.....	127
The Statement of Account.....	128
Collection Activities.....	129
Calculating and Recording Bad Debts .....	131
Direct Write-Off Method .....	131
Allowance for Doubtful Accounts .....	132
<b>Chapter 10 - Cash Processing.....</b>	<b>135</b>
Check Receipts.....	135
Check Receipt Improvements .....	136
The Bank Lockbox.....	136
Remote Deposit Capture .....	137
Cash Receipts .....	137
Credit Card Receipts .....	138
The Bank Reconciliation.....	139
The Not Sufficient Funds Concept.....	140
The Daily Bank Reconciliation .....	141
The Proof of Cash .....	141
Cash Overdrafts.....	142
Bank Reconciliation Problems .....	142
<b>Chapter 11 - Payables Processing.....</b>	<b>145</b>
The Payables System.....	145
Supplier Invoice Processing.....	145
Check Request Form.....	147
Adjustment Letter .....	147
The Check Payment Issuance Process .....	148
Use Tax Payments.....	149
Expense Report Processing .....	150
Expense Report Form .....	150
The Review of Expense Reports.....	151
Procurement Cards .....	152
The Procurement Card Reconciliation .....	152
Missing Receipts Form .....	153
Disputed Expenditure Form.....	154
The Petty Cash System.....	155
Petty Cash Transfer Form .....	155
Petty Cash Voucher .....	156
Petty Cash Book.....	157
Petty Cash Reconciliation.....	158
Petty Cash Disbursement Process .....	159
Petty Cash Funding Process.....	160
Early Payment Discounts .....	160
Accounts Payable Aging Report .....	161
The 1099 Vendor.....	162
<b>Chapter 12 - Inventory Accounting .....</b>	<b>168</b>
The Periodic Inventory System .....	168

The Perpetual Inventory System .....	170
Inventory Cost Layering Overview .....	171
The First in, First Out Method.....	171
The Last in, First Out Method.....	173
The Weighted Average Method .....	174
The Specific Identification Method.....	175
Estimating Ending Inventory.....	176
Gross Profit Method.....	176
Retail Inventory Method.....	177
The Lower of Cost or Market Rule .....	178
<b>Chapter 13 - Fixed Assets and Depreciation .....</b>	<b>182</b>
What are Fixed Assets? .....	182
Fixed Asset Classifications .....	183
Accounting for Fixed Assets .....	184
The Capitalization Limit .....	184
The Base Unit.....	185
The Initial Measurement of a Fixed Asset.....	187
The Purpose of Depreciation .....	187
Depreciation Concepts .....	188
Accelerated Depreciation .....	189
Sum-of-the-Years' Digits Method .....	189
Double-Declining Balance Method .....	190
Straight-Line Method.....	191
Units of Production Method.....	192
Depletion Method.....	192
MACRS Depreciation .....	194
The Depreciation of Land.....	195
The Depreciation of Land Improvements.....	196
Depreciation Accounting Entries .....	196
Accumulated Depreciation .....	197
Asset Derecognition .....	198
Abandoned Assets.....	199
Asset Disposal Accounting .....	200
<b>Chapter 14 - Debt Accounting .....</b>	<b>203</b>
Basic Debt Accounting.....	203
The Amortization Schedule.....	204
Reconciling the Debt Account.....	205
<b>Chapter 15 - Payroll Activities .....</b>	<b>208</b>
Required Government Forms .....	208
The Employer Identification Number.....	208
Form W-4.....	210
Form I-9.....	212
Selecting a Payroll Cycle .....	214
Employee Time Tracking.....	216
Timesheets .....	216
Time Cards.....	218
Gross Pay Calculations.....	219
Work Week.....	219
Hourly Rate Plan.....	220
Overtime .....	220
Commissions.....	222
Salaries Paid for Partial Periods.....	222
Deductions from Gross Payroll .....	223
Social Security Tax .....	223
Medicare Tax .....	224
Income Tax Withholdings.....	224



Benefits and Other Deductions.....	226
The Benefits Deduction Arrangement .....	226
Deductions for Payments to Third Parties .....	229
Charitable Contributions .....	229
Garnishments Overview.....	229
Child Support Garnishment .....	230
Student Loan Garnishment .....	231
Tax Garnishment.....	231
Union Dues .....	232
Deductions for Financing Repayments .....	233
Net Pay .....	233
Special Payroll Items.....	234
Tips .....	234
Flexible Spending Accounts .....	235
Accounting for Payroll Transactions.....	238
Primary Payroll Journal Entry.....	238
Accrued Wages .....	240
Accrued Bonuses .....	240
Accrued Commissions .....	241
Manual Paycheck Entry .....	242
Employee Advances.....	243
Accrued Vacation Pay.....	243
Tax Deposits .....	245
<b>Chapter 16 - Payroll Taxes .....</b>	<b>247</b>
Types of Tax Deposit Schedules .....	247
Monthly Deposit Schedule .....	248
Semiweekly Deposit Schedule .....	248
Remittance Method .....	249
Accuracy of Deposits Rule.....	250
The Form 941 Quarterly Federal Tax Return.....	250
Federal Tax Deposit Penalties .....	254
State Tax Remittances .....	255
Local Tax Remittances.....	256
FUTA Tax Calculation .....	256
FUTA Tax Deposits .....	257
FUTA Tax Payment Timing.....	257
FUTA Tax Reporting .....	257
State Unemployment Taxes.....	257
Form W-2 .....	261
Form W-3 .....	262
Corrections to Forms W-2 and W-3 .....	262
Workers' Compensation Insurance .....	263
<b>Chapter 17 - Income Tax Filings .....</b>	<b>265</b>
Income Taxes for a Sole Proprietorship .....	265
Income Taxes for a Partnership .....	268
Income Taxes for a C Corporation .....	271
Income Taxes for an S Corporation.....	273
Tax Reduction Strategies for Small Businesses .....	276
<b>Answers to Chapter Questions .....</b>	<b>278</b>
<b>Glossary .....</b>	<b>295</b>
<b>Index .....</b>	<b>301</b>

# Preface

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In a smaller organization, the bookkeeper is responsible for all accounting activities, including paying employees, billing customers, accounting for inventory, and issuing financial statements. This calls for a broad range of practical accounting knowledge. The *Bookkeeping Guidebook* fills this need by describing all aspects of the bookkeeper position. The book is split into two parts, with Chapters 1 through 8 addressing the general system of accounting, how transactions are recorded, and how financial statements are constructed and interpreted. In the second part, Chapters 9 through 17 cover the mechanics of bookkeeping for specific functional areas, including billings, collections, cash receipts, accounts payable, inventory, fixed assets, and payroll. The book also covers the various reports that must be made to the government that are related to payroll and income taxes.

You can find the answers to many bookkeeping questions in the following chapters, including:

- What are the source documents used in an accounting system?
- How do I create a chart of accounts?
- How is information stored in the general ledger?
- How do I construct financial statements?
- What is the process for closing the books?
- What controls should be used in the accounting area?
- How do I create a customer invoice and account for it?
- How do I conduct a bank reconciliation?
- How do I assign costs to inventory?
- What calculations are used to determine employee pay?
- What income tax filings are needed for the different types of businesses?

The *Bookkeeping Guidebook* is designed primarily for professionals, who can use it as a reference tool for conducting day-to-day accounting activities. Given its complete coverage of these topics, the *Bookkeeping Guidebook* may earn a permanent place on your book shelf.

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