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## Course Information

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**Course Title:** *Bookkeeping Guidebook*

#363024

**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: 0004761 (Ethics #0011467)

Hawaii Board of Accountancy: 14003

New York State Board of Accountancy: (for ethics) 002146

Ohio State Board of Accountancy: CPE .51 PSR

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.

### Course Content

Publication/Revision date: 7/14/2024.

Author: Steven M. Bragg, CPA.

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

**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

### Instructions for Taking This Course

- Log in to your secure account at [www.bhfe.com](http://www.bhfe.com). Go to "My Account."
- You must complete this course within one year of purchase (If the course is "Expired," contact us and we will add the latest edition of the course to your account (no charge).
- **To retain the course-PDF after completion (for future reference) and to enable enhanced navigation:** From "My Account," Download and save the course-PDF to your computer. This will enable the search function (Menu: Edit>Find) and bookmarks (icon on left side of document window).
- **Complete the course by** following the learning objectives listed for the course, studying the text, and, if included, 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 Online Exam

- Log in to your secure account at [www.bhfe.com](http://www.bhfe.com). Go to "My Account."
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- You will have three attempts to pass the exam (call or email us after three unsuccessful attempts for instructions).
- The exam is not timed, and it does not need to be completed in one session.
- For a printed copy of the exam questions, open the exam and press "Print Exam."
- Once you pass the exam, the results (correct/incorrect answers) and certificate of completion appear in "My Account." A confirmation email is also sent.
- CFP Board and IRS credit hours, if applicable, are reported on Tuesdays and at the end of the month.

**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 a two-time president of the Colorado Mountain Club, and is an avid alpine skier, mountain biker, and certified master diver. Mr. Bragg resides in Centennial, Colorado. He has written more than 300 books and courses, including *New Controller Guidebook*, *GAAP Guidebook*, and *Payroll Management*. He has also written the science fiction novel *Under an Autumn Sun*, first book in *The Auditors* trilogy.

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# 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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