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## Course Information

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**Course Title:** Project Accounting #363217

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

**CPA:** 3 (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: 002146

Ohio State Board of Accountancy: M0021

Texas State Board of Accountancy: 009349

### Course Description

*Project Accounting* describes the role of the accountant in designing a cost collection system for a project, charging expenses to it, and measuring the amount of revenue to be recognized. The course also addresses the management of change orders, allowances, and contingencies, while noting the impact of GAAP requirements on specific project issues, including interest capitalization and the treatment of research and development costs. The controls and measurements used for projects are also discussed.

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

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

Level: Overview

Prerequisites: Basic familiarity with accounting practices.

Advance Preparation: None

### Course Content

Publication/Revision date: 11/1/2017.

Author: Steven M. Bragg, CPA.

Final exam: Fifteen questions (multiple-choice).

## I Instructions for taking this course

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 listed below, 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:

- Identify the key characteristics of a project.
- Note the pricing calculation methods for project contracts, as well as the issues associated with the different profit recognition methods.
- Recognize the different types of direct costs associated with a project, as well as the costs incurred to obtain a contract.
- Note the circumstances under which allowances are included in a project budget.
- Recognize the circumstances under which interest is capitalized.
- Identify the circumstances under which the costs associated with internal-use software development and website development should be capitalized or charged to expense.
- Note the controls related to the assignment of costs and the calculation of the percentage of completion.
- Identify the contents of the formulas associated with the analysis of projects.

## 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. Mr. Bragg resides in Centennial, Colorado. He has written the following books:

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# Preface

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Many business activities are organized as projects, and yet there may be no accounting system designed for their unique characteristics. In *Project Accounting*, we explore the nature of a project, the role of the project accountant in marshalling information for it, and a broad range of accounting subjects that can be tailored to the needs of individual projects. Topics covered include progress billings, revenue recognition, cost variance reporting, change order management, research and development costs, and the controls and measurements that can be applied to a project.

You can find the answers to many questions about project accounting in the following chapters, including:

- What is the job description of a project accountant?
- How does fixed fee pricing impact the billing system?
- What type of account structure should be used for a project?
- How do I deal with project allowances and contingencies?
- When should I calculate capitalized interest for a project?
- What special accounting considerations apply to website development costs?
- Which controls should I install for an internal project?

This course is updated regularly to reflect changes in the accounting standards.

Centennial, Colorado