

QUICKBOOKS ONLINE

10

Staying on Track: The Accounting Cycle, Classes, and Locations

Learning Objectives

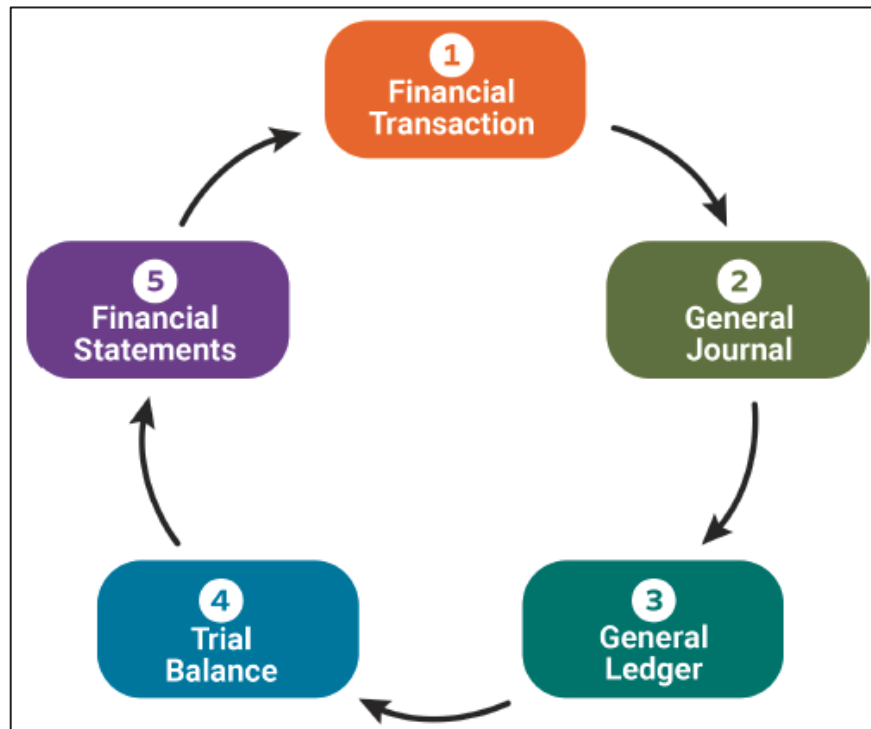
- Identify steps of the accounting cycle
- Enable class and location tracking
- Record transactions using class and location tracking
- Create reports using class and location tracking
- Prepare delayed charges and credits

Generally Accepted Accounting Principles (GAAP)

- Help businesses obtain and provide accurate financial data
- Principles relate to:
 - Revenue recognition
 - Consistency
 - Prudence
 - Objectivity
- Set by the Financial Accounting Standards Board (FASB)
- Publicly owned companies must follow GAAP

Accounting Cycle Steps

Five steps are used to accurately record business transactions for a time period (fiscal year)



Class Tracking

- Provides different ways to track income and expenses
 - By class
 - By location
 - By project
 - Etc.
- Categorize income and expenses
- Assess business strengths and weaknesses
- Use custom classes to create forms and reports
- Do or don't track classes
 - If you do, every line of a transaction must have a class

Location Tracking

- Track income and expenses by location

Account and Settings			
Company	Accounting	First month of fiscal year	January
Usage		First month of income tax year	Same as fiscal year
Sales		Accounting method ?	Accrual
Expenses		Close the books ?	Off
Time	Company type	Tax form	Not sure/Other/None
Advanced	Chart of accounts	Enable account numbers	Off
		Discount account	Discounts given
		Tips account	Enter Text
		Billable expense income account	Billable Expense Income
	Categories	Track classes	On
		Track locations	Off

- Forms and reports show location-specific data

Project Tracking

- Track costs associated with particular projects 
 - Helpful when a customer has more than one project
 - Can add employee hours worked and hourly rates
 - Can see hourly costs
- Determine profitability of individual projects
- Similar to job costing

Delayed Charges and Credits

- Keep track of services performed before you add charges to an invoice and client remits payment
 - Non-posting entry, so serves as placeholder for invoice
- Delayed credits
 - Convert to credit memos when return received