

PRESENTATION NOTES:

Why is this Important?

It's how you make _____.

Proper accounting saves _____.

It provides a foundation for _____.

Accurate data for _____.

Financial statements _____.

Small business and the economy:

Over 99% of 28.7 million US firms are _____.

Only _____ of the _____ employ people.

Small Business is 44% of US _____.

Critical principles for small business accounting:

- _____
- _____
- _____
- _____
- _____

Cash vs. Accrual:

Cash Basis: Revenues and expenses are recorded as _____ moves.

Accrual Basis: Revenues recognized when _____. Expenses are recognized as they are _____.

Basic Financial Statements:

The _____ is a snapshot *in* time.

The _____ covers a period of time.

_____ (P&L) is a synonym for Income Statement.

The _____ shows where cash went over a period of time.

Balance Sheet:

What you _____ (Cash, Receivables, Assets)

What you _____ (Liabilities)

What's _____ (Equity, Contributions, Draws)

The Income Statement or P&L is an expansion of the _____

_____ of the balance sheet.

Income Statement / Profit and Loss:

What you _____ your customers (Revenue)

What you spent on _____ (Cost of Goods Sold / COGS)

What you spent on _____ (Fixed Expenses)

Other income and other expenses – outside of _____

_____.

Transactions and Mechanics:

Every transaction is at least _____.

Debits increase _____, _____, _____.

Credits increase _____, _____, _____.

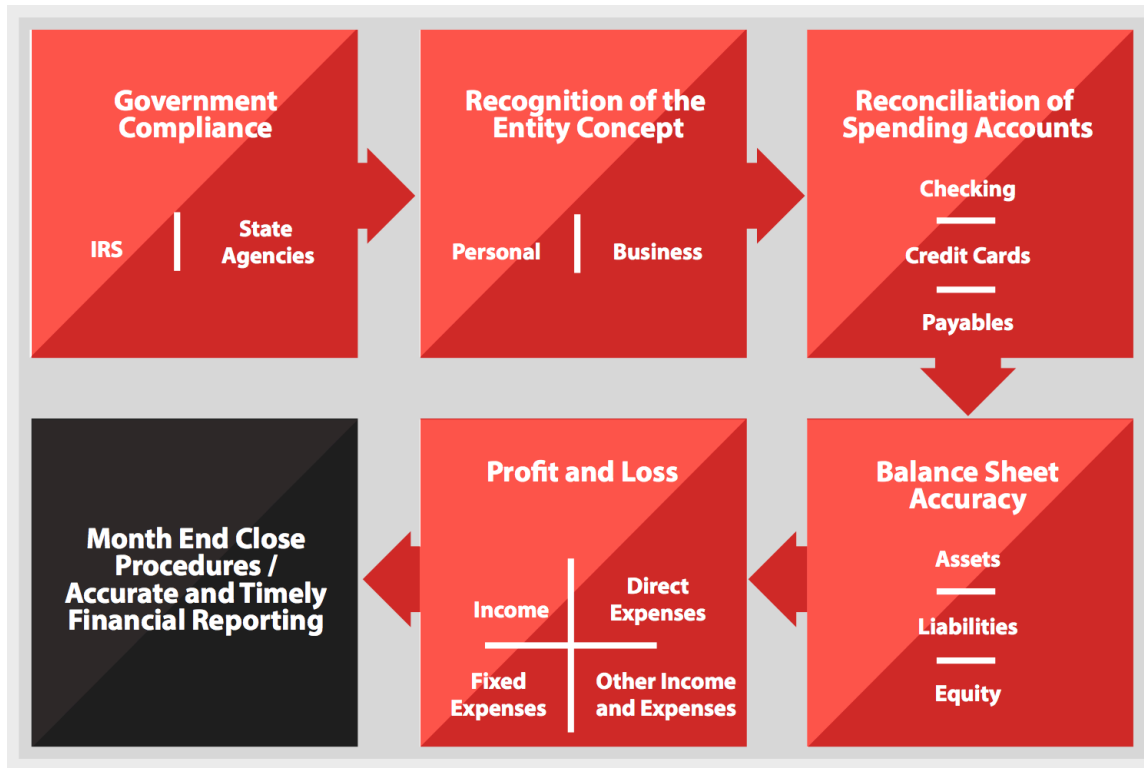
Fixed Assets:

Depreciation is spreading the _____ of an asset over time.

Amortization is spreading the cost of an _____ over time.

Large purchases get _____ as a fixed asset according to materiality threshold.

Choose: _____ vs. _____ Depreciation / Amortization.



In Closing: Different Perspectives:

CPAs, trusted advisors, Lawyers (Tax, Estate, Business), and an executive perspective are all required to give you a full view of an issue. ***An ounce of prevention is worth a pound of cure.***

ANSWER KEY:

Why is this Important?

Informed Decisions
Tax Dollars
Strategic Planning
Government Compliance
Justify Value

Small business and the economy:

Small Businesses
20% / 99%
Economic Activity

Critical principles for small business accounting:

Going Concern
Entity
Historical Cost
Materiality
Matching

Cash vs. Accrual:

Cash
Earned
Incurred

Basic Financial Statements:

Balance Sheet
Income Statement
Profit and Loss
Statement of Cash Flows

Balance Sheet:

Have
Owe
Left Over
Equity Section

Income Statement / Profit and Loss:

Billed
Direct Costs
Overhead
Normal Operations

Transactions and Mechanics:

Dual Entry
Assets, COGS, Expenses
Liabilities, Equity, Revenue

Fixed Assets:

Cost
Intangible Asset
Capitalized
Tax, Book