QuickBooks Online: Comprehensive

Academic Year 2021-2022

Chapter 10: Staying on Track: The Accounting Cycle, Classes, and Locations

Learning Objectives

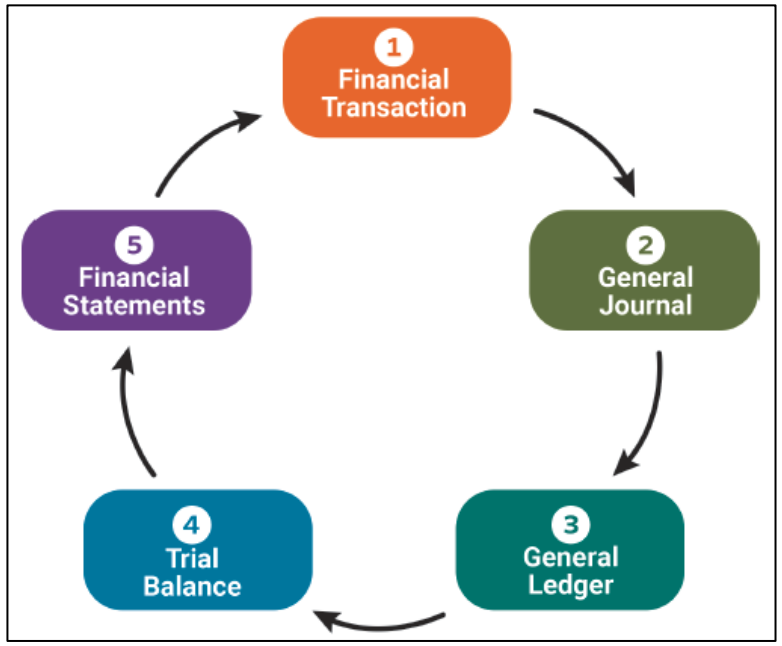
- Identify steps of the accounting cycle
- Enable class and location tracking
- Record transactions using class and location tracking
- Create reports using class and location tracking
- Prepare delayed charges and credits

Generally Accepted Accounting Principles (GAAP)

- In any business setting, it’s critical to be able to provide accurate financial data.
- Following Generally Accepted Accounting Principles (GAAP) will help ensure this accuracy.
- GAAP principles are set by the Financial Accounting and Standards Board (FASB).

Accounting Cycle Steps

- The accounting cycle is a sequence of procedures used to accurately record business transactions for a time period (usually called a fiscal year).
- The accounting cycle has five steps:
  1. Financial transaction
  2. General journal
  3. General ledger
  4. Trial balance
  5. Financial statements

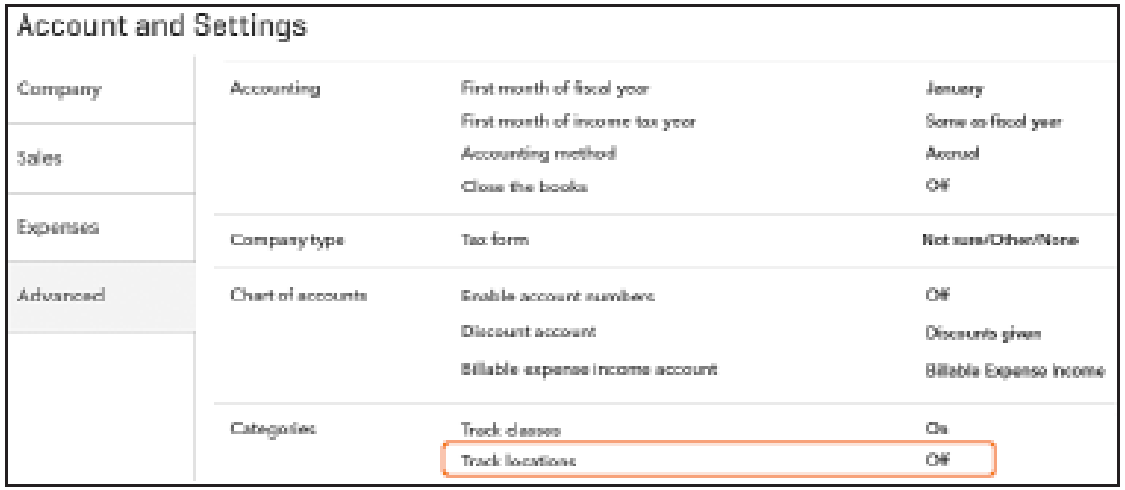


Class Tracking

- Class tracking allows you to categorize income and expenses.
- This can make it easier to assess business strengths and weaknesses.
- Forms and reports can be created using your custom classes.

Location Tracking

- Location tracking allows a large business with multiple locations to track income and expenses by location.
- Forms and reports can be created using location-specific data.



Delayed Charges and Credits

- Some services for clients may be completed before the client pays.
- QuickBooks Online allows you to keep track of these service items without payment.
- Delayed credits can be converted directly to credit memos when you collect payment later.