This course teaches small business owners to perform basic accounting functions such as managing receivables and payables, bank reconciliations, and financial statements. The course also equips small business owners with the ability to read and understand financial statements in order to analyze operational performance, evaluate financial condition, and assess certainty of future cash flows. This course will also provide information for developing start-up cost estimates and financial projections.
1. Perform basic accounting functions applicable to a start-up enterprise such as managing receivables and payables to maximize cash flow, reconciling bank accounts, and filing and making estimated tax payments.

2. Prepare financial statements and analyze metrics to evaluate operational performance, liquidity and solvency, and certainty of future cash flows.

3. Prepare and analyze start-up cost estimates and financial projections.

**COURSE OBJECTIVES:**

1. Perform basic accounting functions applicable to a start-up enterprise such as managing receivables and payables to maximize cash flow, reconciling bank accounts, and filing and making estimated tax payments.

2. Prepare financial statements and analyze metrics to evaluate operational performance, liquidity and solvency, and certainty of future cash flows.

3. Compile start-up cost estimates, revenue trends, and financial projections.

**COURSE CONTENT:**

**LECTURE CONTENT:**

A. Cash receipts
   1. billing and invoicing
   2. auxiliary charges: freight, handling charges, taxes, fees, etc.
   3. credit terms
   4. payment terms
   5. remittance

B. Receivables
   1. aging categories
   2. late fees
   3. finance charges
   4. collection policies
   5. abatement
   6. reconciliation of receivables to general ledger
   7. ratios: A/R turnover, days in receivables
   8. maximizing interest - overnight and sweep funds, money market accounts, CDs, checking and savings accounts

C. Cash disbursements
   1. check writing
   2. internal controls, positive pay
   3. authorized signators, signature card
   4. types of discounts: trade, vendor, bulk, cash, etc.

D. Payables
   1. the banking relationship
   2. purchase commitments and contractual obligations
   3. maintaining liquidity - sufficient cash flow, line of credit
   4. managing payables - accelerating and deferring payments
   5. reconciliation of payables to general ledger
   6. ratios: quick (acid test) ratio, current ratio

E. Bank reconciliations
   1. the bank statement
   2. reconciling items
   3. updating the general ledger
   4. stale dated checks, escheats

F. Inventory
   1. perpetual inventory system: items versus each
2. inventory issues: obsolescence, perishable items, markups, markdowns, clearance
3. determining the cost of inventory (costing)
4. costing a product or service
5. ratios: inventory turnover, days in inventory

G. Fixed assets
1. proper capitalization for book and tax reporting
2. developing depreciation schedules
3. MACRS
4. ratios: ROA, asset turnover

H. Other assets
1. proper capitalization
2. tax treatment

I. Debt
1. proper valuation
2. tax treatment

J. Taxes
1. federal and state income taxes
   a. quarterly estimated payments
   b. returns and extensions
   c. recordkeeping - property tax statements, depreciation schedules, insurance and other invoices, business receipts
   d. enlisting the services of a CPA
2. sales tax
   a. remittance
3. payroll tax
   a. remittance - frequency and method
   b. forms
   c. payroll service companies
4. business tax
5. licenses

K. Basic accounting format
1. ABCs of bookkeeping
2. accrual basis accounting
3. revenues versus other types of cash receipts
4. expenses versus capital expenditures
5. dividends/owner withdrawals

L. Financial statements
1. preparation of income statement, balance sheet, owner's equity statement, statement of cash flows
2. horizontal analysis - prior year, budget
   a. establishing thresholds
   b. management by exception
3. ratios: profit margin, working capital
4. income statement: analyzing profitability and operational performance
5. balance sheet: analyzing financial condition, liquidity, and solvency
6. statement of cash flows: understanding cash activity

M. Budgeting
1. projecting revenues and expenses
2. devising a capital budget
3. compiling a cash budget

METHODS OF INSTRUCTION:

A. Lecture:

B. Online:
INSTRUCTIONAL TECHNIQUES:
Lecture (online or classroom)
Project Activity
Presentation materials/slides
Reading assignments from handouts and/or textbook.

COURSE ASSIGNMENTS:
Reading Assignments
Textbook chapters
Online resources/links
Presentation slides
Other reading materials as assigned

Out-of-class Assignments
Weekly reading
Online research

Writing Assignments
Financial statements preparation

Projects, assignments, and homework as assigned

METHODS OF STUDENT EVALUATION:
Midterm Exam
Final Exam
Short Quizzes
Written Assignments
Essay Examinations
Objective Examinations
Report
Projects (ind/group)
Problem Solving Exercises
Oral Presentations
Skills Demonstration

Demonstration of Critical Thinking:
Ability to understand and extract the components of fundamental financial statements.

Required Writing, Problem Solving, Skills Demonstration:
Ability to perform basic accounting functions and prepare fundamental financial statements.

TEXTS, READINGS, AND RESOURCES:
TextBooks:

Software:
LIBRARY:
   Adequate library resources include:
   Comments:
Attachments:
   Attached Files