

# Bookkeeping in the USA



**Bookkeeping** is the recording of financial transactions.

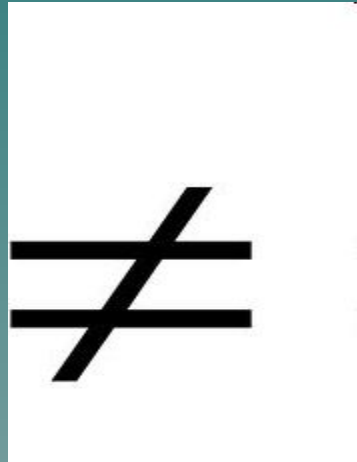
**Transactions include:**

sales,  
purchases,  
income,  
receipts  
payments

Bookkeeping is usually performed by a bookkeeper.



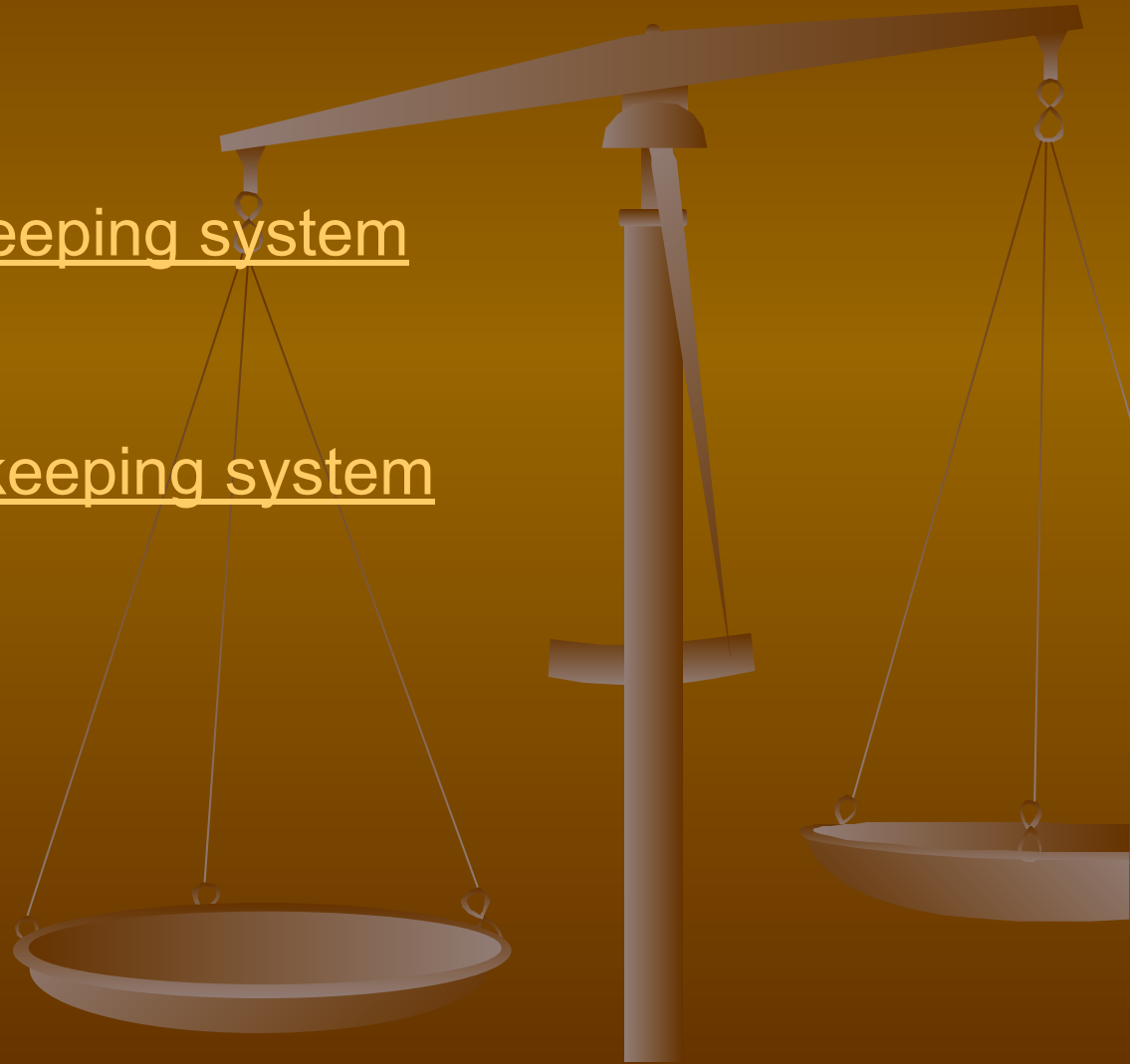
# Bookkeeping is not accounting

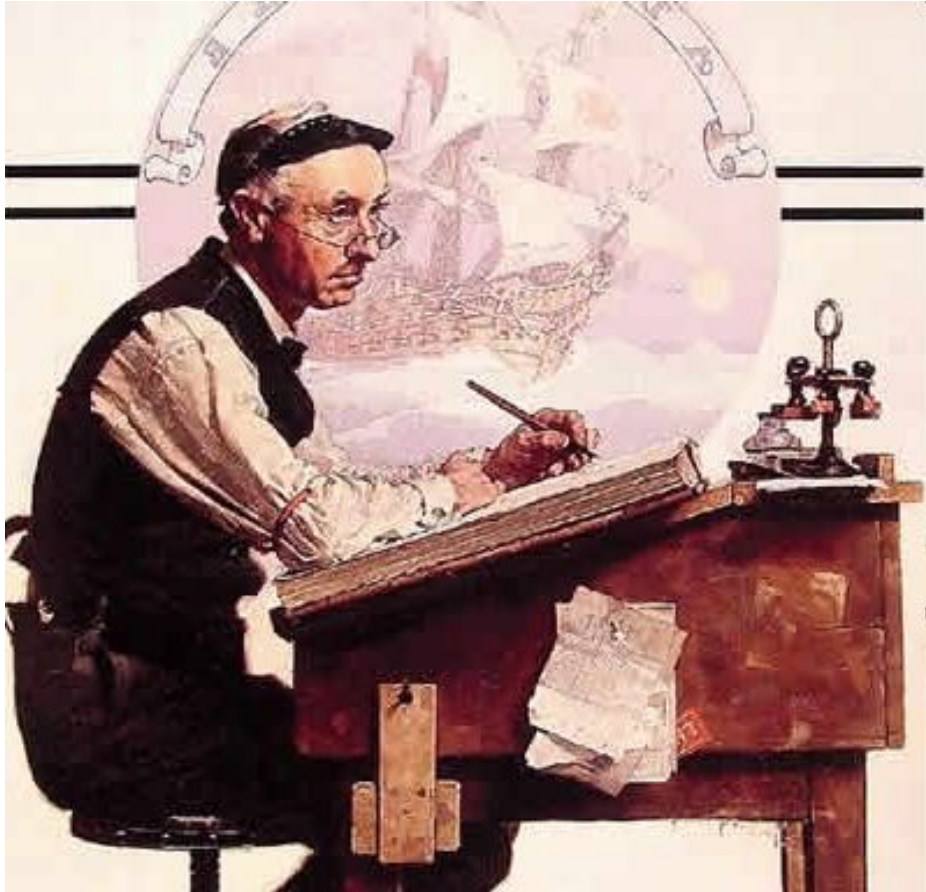


There are 2 common methods of bookkeeping in the USA:

the single-entry bookkeeping system

the double-entry bookkeeping system





**accounting clerk**

**accounting technician**

# daybooks

Year	Date	Description	Amount	Year	Date	Description	Amount
1829		Sept brot up		1829	June 23	1 doz. 2 <sup>th</sup> board	5 9
June 10		June dries	1 6 2			1 do 4 <sup>th</sup> do	11 9
		Cards	1 7 6			1 do 5 <sup>th</sup> sheet do	14 3
		30 paper books sps	2 15 0			6 doz White Pasteboard	2 0 6
		6 Ball Books sps	6 0			24 3 <sup>rd</sup> Cotton Latin Grams	4 6
		2 1/2 Testament 1/4	5 0			10 Journals sp	1 0 0
		6 Kiddle books sp	6 0			Publication Vol. 1.	3 10
		22 Prints c <sup>3</sup>	5 6			1 1/2 Reams Latin Post	1 4 9
		400 Pens sp	16 0			28 New Mon. Mag.	3 0
		400 do c <sup>3</sup>	10 0			Napoleon 2 <sup>th</sup> Ed	7 8
		2 Reams Hand <sup>l</sup> . P <sup>te</sup>	1 4 0			Binding Nymoth	13 6
		2 do N <sup>o</sup> 2 do	1 0 0			3 Col. Books 4/10	14 6
		50 Watts Hymns 12 <sup>th</sup>	6 0			3 " " 4/11	12 3
		Sundries	3 7 10			7 " " 3/4	1 2 1/2
18		2 Family Library N <sup>o</sup> 2 3/4	7 8			8 " " 3/8	1 1 4
		Banquet on the Bones	8 0			Binding	3 10
		4 Workmen N <sup>o</sup> Books 1/4	8 0			18 Red Lead Pencils	3 9
		Binding	6 3			1 Ledger 4 1/2 Post	18 0
		2 Math books	3 6			Order book	5 0
		6 Mairs Introduction	11 0	July		1 Sundries	3 5 5
		Drawing paper	6 3			2 do	2 2 5
		1 A/C book 7 1/2 Post	1 2 0			Steel Pens	12 0
		1 do 5 1/2 Cop	6 3			4 Graham's Sleep of Day	16 8
		2 Reams of N <sup>o</sup> 1. P <sup>te</sup>	1 2 0			3 Sundries	3 6 8
		2 do N <sup>o</sup> 2 do	18 0			12 Blackwood	1 4 0
		9 1/2 St <sup>h</sup> Brown	9 0			Edin. Med <sup>l</sup> Journal	4 7
19		June dries	3 2 11			4 Blackwood	2 0
		Silk 1/2 paper	3 0			1 Early Days	1 10
		Prints	2 3			600 Prime Quills	1 1 0
20		4 Ledgers	3 2 0			600 2 <sup>nd</sup> do	15 0
		2 Photographs	12 0			2 Reams best laid letter	1 11 0
		Binding Manic	3 0			4 do middle do	2 4 0
		Tracing Paper				Waverley Jr. sp.	8 1/2
22		Sundries	2 18 8			Lettering Name	1 4
		Childrens books	6 0			6 Sundries	1 12 7
		Sundries	2 1 0			Magazines	3 8 5
23		2 1/2 Col <sup>d</sup> Paper	13 9			Hoogers	1 2
		12 1/2 Col <sup>d</sup> Paper	16 0			Morning Watch	2 4
		1 doz. 3 <sup>rd</sup> board	8 6				

Save

Delete

Account Details..

Cash A/c

Cash A/C

Voucher Date

17/06/10

SL NO	ACCOUNT NAME	REF NO	PARTICULARS	DEBIT RECEIPTS	CREDIT PAYMENTS
1	Application Fee		App Rec No: M3126	200	
2	Maint.Hostel , Mess & ...		Mess Expenses		2154
3	Books ,Notes & Unifor...		loyola publications		4624
4	PNB CA 2100034703		cash deposited to the bank		100000
5	Postage & Couriers		Amazing Publishers		180
6	Office maintenance		Indian Coir Traders		250
7	School Fee		Tuition Fee Spell I for - 17-06-10	17000	
8	Hostel Fees		Hostel Fee Spell-I for - 17-06-10	75000	
9	Hostel Fees		Hostel Fee Spell II for - 17-06-10	15000	
10	Bus Fee		Bus Fee for - 17-06-10	17050	
11	Office maintenance		Shri Ram Furnitures		6500
12	Maint. Sch. Bldgs & Pr...		Floor Tiles		2130

OB: Rs.56,77,739

Today's Dr: Rs.1,26,979

Today's Cr: Rs.1,24,448

CB: Rs.56,75,208



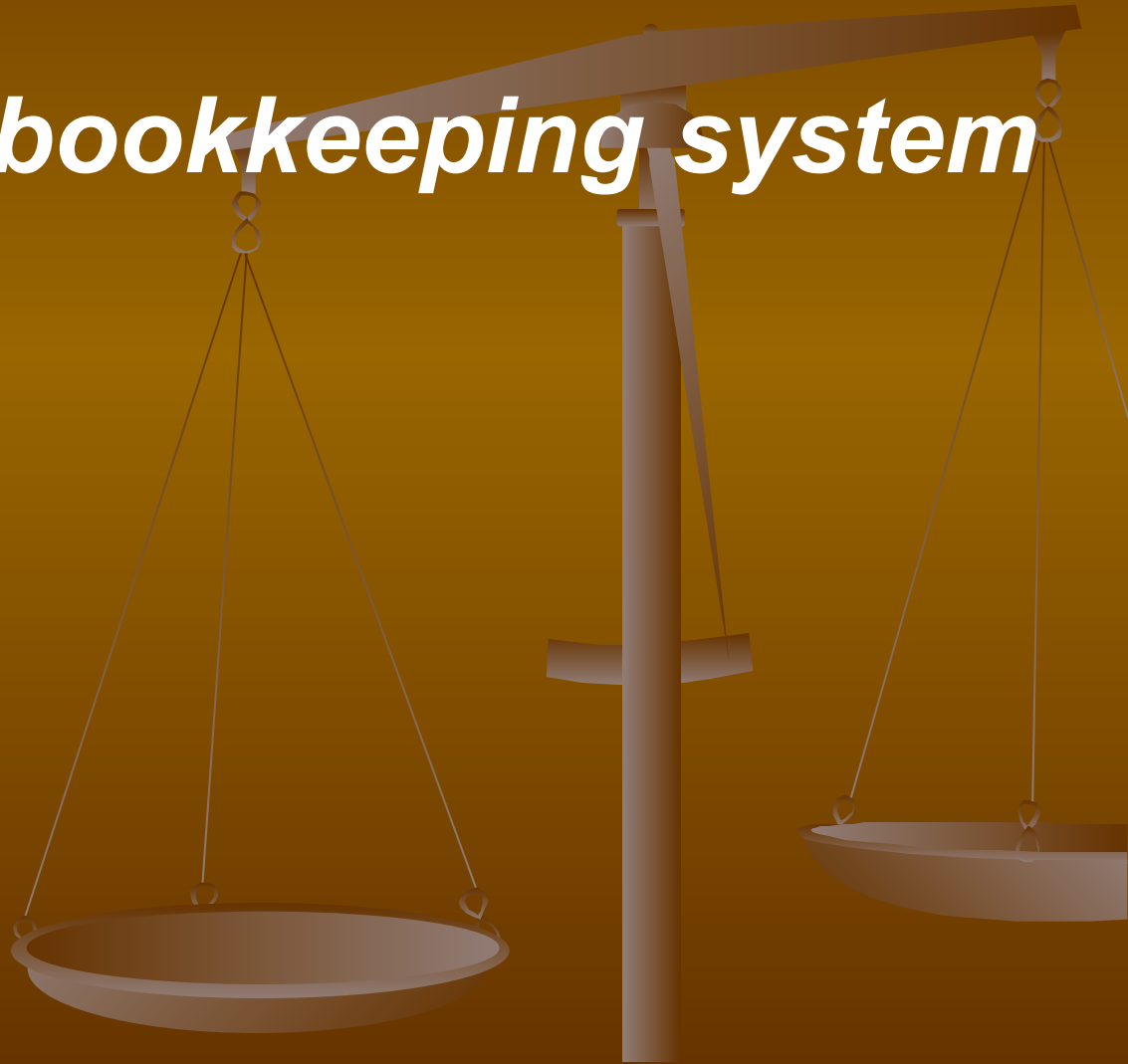
the correct day book,  
suppliers ledger,  
customer ledger  
general ledger



**Finally financial statements are drawn from the trial balance, which may include:**

- the income statement, or *P&L*
- the balance sheet
- the cash flow statement
- the statement of retained earnings

# *Single-entry bookkeeping system*



No.	Date	Description	Revenue	Expense	Sales	Sales Tax	Services	Inventory	Advert.	Freight	Office Suppl	Misc
	7/13	<i>Balance forward</i>	1,826.00	835.00	1,218.00	98.00	510.00	295.00	245.00	150.00	83.50	61.50
1041	7/13	Printer- Advert flyers		450.00					450.00			
1042	7/13	Wholesaler – inventory		380.00				380.00				
1043	7/16	office supplies		92.50							92.50	
–	7/17	bank deposit	1,232.00									
		– Taxable sales			400.00	32.00						
		– Out-of-state sales			165.00							
		– Resales			370.00							
		– Service sales					265.00					
bank	7/19	bank charge		23.40								23.40
1044	7/19	petty cash		100.00								100.00
		TOTALS	3,058.00	1,880.90	2,153.00	130.00	775.00	675.00	695.00	150.00	176.00	184.90

***A double-entry bookkeeping system***

	<b>Debit</b>	<b>Credit</b>
Asset	Increase	Decrease
Liability	Decrease	Increase
Income (revenue)	Decrease	Increase
Expense	Increase	Decrease
Capital	Decrease	Increase

accounting equation:

**assets = liabilities + equity**

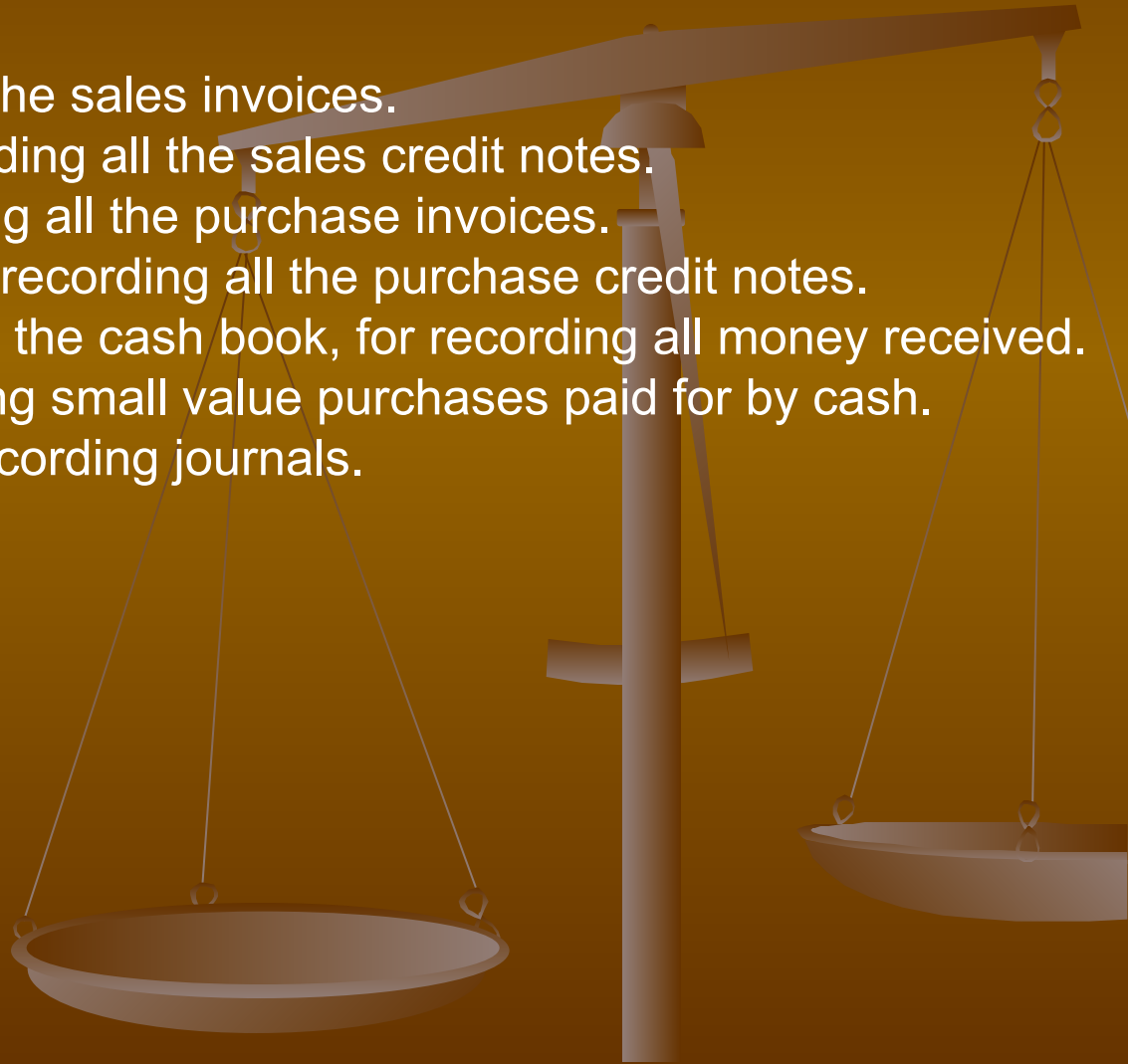
### Bank Payments Daybook

<b>Date</b>	<b>Supplier Name</b>	<b>Reference</b>	<b>Amount</b>	<b>Suppliers</b>	<b>Wages</b>
17 July 2006	Electricity Company	BP701	1000	1000	
19 July 2006	Widget Company	BP702	900	900	
28 July 2006	Owner's Wages	BP703	400		400
			-----	-----	-----
		Total	2300	1900	400
			=====	=====	=====
			<b>Credit</b>	<b>Debit</b>	<b>Debit</b>
			<i>Bank</i>	<i>Trade</i>	<i>Wages</i>
			<i>Account</i>	<i>Creditors</i>	control a/c
				control a/c	



## Daybooks include:

- Sales daybook**, for recording all the sales invoices.
- Sales credits daybook**, for recording all the sales credit notes.
- Purchases daybook**, for recording all the purchase invoices.
- Purchases credits daybook**, for recording all the purchase credit notes.
- Cash daybook**, usually known as the cash book, for recording all money received.
- Petty Cash daybook**, for recording small value purchases paid for by cash.
- General Journal daybook**, for recording journals.



# Ledgers include:

Sales ledger, which deals mostly with the accounts receivable account.


Purchase ledger is a ledger that goes hand and hand with the Accounts Payable account.

General ledger representing the original 5 main accounts:


assetsassets, liabilitiesassets, liabilities, equityassets, liabilities, equity, incomeassets, liabilities, equity, income, and expenses.



# **Abbreviations used in the USA bookkeeping**



A/C – Account  
A/R – Accounts receivable  
A/P – Accounts payable  
B/S – Balance sheet  
c/d – Carried down  
b/d – Brought down  
c/f – Carried forward  
b/f – Brought forward  
Dr – Debit record  
Cr – Credit record



G/L – General ledger; (or N/L – nominal ledger)  
P&L – Profit and loss; (or I/S – income statement)  
PP&E – Property, plant and equipment  
TB – Trial Balance  
GST – Goods and services tax  
VAT – Value added tax  
CST – Central sale tax  
TDS – Tax deducted at source  
AMT – Alternate minimum tax



EBITDA – Earnings before interest, taxes, depreciation and amortisation

EBDTA – Earnings before depreciation, taxes and amortisation

EBT – Earnings before taxes

EAT – Earnings after tax

PAT – Profit after tax

PBT – Profit before tax

Depr – Depreciation

# Online bookkeeping in USA



*Дякую за увагу !!!*

