

Preface

Accounting knowledge is a core business skill that both complements and enhances your other talents. Individuals promoted to management or supervisory roles from either line or staff jobs find that many of their new responsibilities involve knowing something about accounting. Congratulations on your promotion! You've come to the right place to start developing those accounting skills. If you haven't had a recent promotion, more congratulations are in order. You are taking steps to gain the skills that will lead to promotion in the near future.

Your new duties could involve record keeping or report preparation and forwarding the results to the appropriate department. You might also be involved in preparing or analyzing departmental budgets. Maybe you are in sales and have questions about why there isn't more money for travel. Perhaps your company has a profit-sharing plan and you're suddenly intensely interested in how profits are calculated. You could be working in a smaller business where you now have full responsibility for the production function and have to decide where and how to spend the money. Any of these events could trigger your awareness that you need to know something about accounting and how money works in an organization.

You may work for one of the many levels of government or for a nonprofit organization. Although both government and nonprofits have separate accounting rules, most of the same basic functions apply across all the organizational types. I'll touch on some of these differences as we travel through the book.

As you go through this book, you'll find that accounting concepts or information influence almost every decision you will

make as a manager. I'm interested in making sure that you finish with an understanding of several key accounting concepts. For this reason, only the most concentrated examples are included here. After finishing this book and working in your job for a while, you may decide to take some accounting courses to practice with detailed examples of the many problems you find in accounting. That's a good idea, particularly as you rise to greater responsibility.

For now, my expectation is that you will learn enough from this book to be able to contribute in internal discussions about accounting issues and questions, use some of the many good tips on making smarter decisions, and enhance your value and productivity for your company or organization. If any questions develop, feel free to visit my Web site, www.mywebcpa.com, or e-mail me at bwebster@mywebcpa.com or bwebcpa@bellatlantic.net.

If your company needs any accounting assistance and is publicly traded, you will probably look to one of the Big Four accounting firms or a major regional firm. If your company is smaller, please consider Fiducial, the international professional services firm with more than 700 U.S. offices and another 350 worldwide. I say this because I own a Fiducial office in Falls Church, Virginia and have seen the difference they can make for small businesses.

Special Features

The idea behind the books in the Briefcase Books series is to give you practical information written in a friendly, person-to-person style. The chapters are relatively short, deal with tactical issues, and include lots of examples. They also feature numerous sidebars designed to give you different types of specific information. Here's a description of the boxes you'll find in this book.



These boxes do just what their name implies: give you tips and tactics for using the ideas in this book to intelligently understand and use accounting to do your job better.



These boxes provide warnings for where things could go wrong when looking at the numbers.



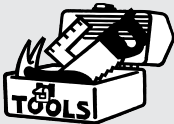
These boxes give you how-to and insider hints for effectively developing and using accounting information.



Every subject has some special jargon, especially accounting. These boxes provide definitions of these terms.



It's always useful to have examples that show how the principles in the book are applied. These boxes provide descriptions of text principles in action.



This icon identifies boxes where you'll find specific procedures you can follow to take advantage of the book's advice.



How can you make sure you won't make a mistake when using accounting data. You can't, but these boxes will give you practical advice on how to minimize the possibility of an error.