

# **Appendix K**

## **FINANCE YOUTH APPRENTICESHIP**

### **ACCOUNTING SERVICES BASIC (UNIT 3)**

## **Unit 3: Accounting Services Basic**

Competency

### **1. Maintain accounts**

Performance Standard Condition

**Competence will be demonstrated**

- at the worksite and classroom

Performance Standard Criteria

**Performance will be successful when learner:**

- Select appropriate forms/records
- Identify each supplier, vendor, and/or customer account
- Complete necessary documents with regard to interest, discounts, freight, etc.
- Balance to control totals
- Verify information in subsidiary ledger for accounts payable or receivable
- Add, Edit, Verify and Query data in electronic files using accounting software
- Use appropriate computer codes, formatting, macros, charts, spreadsheets, etc.
- Prepare reports and monthly statements from accounts as required
- File forms/records in appropriate location

Learning Objectives

- Define Generally Accepted Accounting Principles (GAAP)
- Compare for-profit businesses and not-for-profit organizations
- Compare sole proprietorship, partnership and corporate forms of business
- Differentiate the cash method versus the accrual method of accounting
- Explain the difference between financial and management accounting
- Discuss the use of online and electronic banking procedures
- Demonstrate how electronic data is manipulated for accounting purposes such as in a spreadsheet system
- Distinguish between cash and accrual methods of accounting
- Compare and contrast basic accounting software packages, such as QuickBooks, Quicken, Peachtree, to company developed accounting systems.

**Comments:**

## **Unit 3: Accounting Services Basic**

Competency

### **2. Store financial records**

Performance Standard Condition

#### **Competence will be demonstrated**

- at the worksite and classroom

Performance Standard Criteria

#### **Performance will be successful when learner:**

- Maintain alpha-numeric filing system
- Code documents as required
- Retrieve and replace files in correct position
- Recognize forms
- Maintain record log
- Maintain electronic filing system
- Maintain security and confidentiality
- Verify data prior to entry/storage

Learning Objectives

- Define basic accounting concepts and terminology such as asset, liability, credit, debit, equity, accounts receivable, accounts payable, expense, withdrawal, invoice, receipt, etc
- Explain the record retention regulations as they apply to accounting documents
- Describe the various forms used in accounting such as invoices, statements, credit memorandum
- Explain how to locate and interpret data from accounting records or source documents such as promissory notes and discount notations
- List the legal guidelines for storage of accounting records
- Explain the procedure in place at your facility to ensure compliance of storage requirements
- Define basic security measures for financial records and files

**Comments:**

## **Unit 3: Accounting Services Basic**

Competency

### **3. Assist to process checks**

Performance Standard Condition

**Competence will be demonstrated**

- at the worksite and classroom
- while working with a worksite professional

Performance Standard Criteria

**Performance will be successful when learner:**

- Select appropriate forms/records
- Determine amount to be paid
- Enter name of payee
- Enter amount of check using numerals
- Record amount of check using text
- Date check
- Obtain signatures
- Record check number into register
- Record amount of check into register
- Record payee into register
- Record check number on invoice/document being paid and mark it paid
- Mail or disburse check
- File forms/records in appropriate location

Learning Objectives

- Demonstrate how to complete checks and check stubs
- Explain the procedures for properly endorsing a check
- Describe the purpose of the bank statement
- Define outstanding checks and deposits as they relate to the bank statement
- Describe common bank charges
- Discuss how to reconcile a bank statement to accounts

**Comments:**

## **Unit 3: Accounting Services Basic**

Competency

### **4. Process journal entries**

Performance Standard Condition

#### **Competence will be demonstrated**

- at the worksite and classroom

Performance Standard Criteria

#### **Performance will be successful when learner:**

- Select appropriate forms/records
- Determine journal to use in recording transaction
- Interpret information contained in source documents
- Determine account and amount to debit
- Determine account and amount to credit
- Enter date
- Enter debit and credit amounts
- Enter accounts debited and credited
- Enter source document and supporting comment
- File forms/records in appropriate location
- Entries are entered into the correct accounts for the correct amounts
- Entries are entered in proper format

Learning Objectives

- Identify account classifications
- Explain the purpose of journalizing
- Define business transactions
- Differentiate recordable versus non-recordable business transactions
- Define sources of accounting information from invoices, checks, statements, etc.
- Explain the principles and purpose of double-entry bookkeeping in the journalizing process
- Explain how to analyze transactions involving assets, liabilities and owner equity
- Define the rules of debit and credit to revenue, expense and withdrawals accounts
- Analyze transactions that affect revenue, expense and withdrawals accounts
- Describe how to record entries in special journals such as Cash Payments Journal, Sales Journal, etc.
- Describe how to total special journals
- Describe how to adjust for bad debts using direct write-off or allowance methods
- Explain the purpose of special journals

**Comments:**

## **Unit 3: Accounting Services Basic**

Competency

### **5. Post journal entries**

Performance Standard Condition

#### **Competence will be demonstrated**

- at the worksite and classroom

Performance Standard Criteria

#### **Performance will be successful when learner:**

- Select appropriate forms/records
- Determine ledger for posting
- Record debit journal entry into appropriate account
- Calculate and record new account balance
- Record appropriate information as post reference into journal
- Record credit journal entry into appropriate account
- Calculate and record new account balance
- Record appropriate information as post reference into ledger
- Verify accuracy of entries
- File forms/records in appropriate location
- Postings are entered accurately
- Posting references are entered in both general journal and general ledger
- All journals are balanced and proved
- Subsidiary ledgers equal control accounts

Learning Objectives

- Define the general ledger
- Describe where and how to record different pieces of information for posting from special to general and subsidiary ledger accounts
- Explain how to use and interpret multicolumn ledger rulings
- Discuss setting up ledgers using electronic spreadsheets like Excel
- Describe electronic posting methods
- Explain the use of posting references for tracing transactions
- Discuss the methods to prove accuracy of postings
- Identify asset accounts
- Identify liability accounts

**Comments:**

## **Unit 3: Accounting Services Basic**

Competency

### **6. Balance accounts after recording transaction**

Performance Standard Condition

#### **Competence will be demonstrated**

- at the worksite and classroom

Performance Standard Criteria

#### **Performance will be successful when learner:**

- Select appropriate forms/records
- Verify account activity accuracy
- Compare account records with physical documentation
- Complete reconciliation/trial balance document
- File forms/records in appropriate location
- Trial balance is in balance
- Trial balance is completed with correct account balances
- Trial balance is in proper form

Learning Objectives

- Define trial balance
- Describe methods to follow up on outstanding checks, including voiding and/or reissuing checks
- Describe the accounting processes surrounding credit cards and/or debit cards
- Explain how to locate and correct accounting errors such as transposition, incorrect debit/credit postings, incorrect account postings

**Comments:**

## **Unit 3: Accounting Services Basic**

Competency

### **7. Assist to prepare adjusting entries**

Performance Standard Condition

#### **Competence will be demonstrated**

- at the worksite and classroom
- while working with a worksite professional

Performance Standard Criteria

#### **Performance will be successful when learner:**

- Note potential corrections/adjustments
- Determine adjusting entries to be made
- Discuss potential corrections/adjustments with appropriate parties
- Calculate adjusting entries
- Journalize and post corrections/adjustments
- Post adjusting entries
- Adjusting entries are calculated correctly
- Journal entries are journalized and posted correctly
- Worksheet has correct columns

Learning Objectives

- Explain the purpose of adjusting entries
- Explain how to locate and correct accounting errors such as transposition, incorrect debit/credit postings, incorrect account postings

**Comments:**



## **Unit 3: Accounting Services Basic**

Competency

### **8. Prepare worksheets**

Performance Standard Condition

**Competence will be demonstrated**

- at the worksite and classroom

Performance Standard Criteria

**Performance will be successful when learner:**

- Complete the trial balance of the worksheet
- Extend amounts from the Trial Balance to the Balance Sheet section and then to Income Statement section
- Calculate net income and net loss for the period
- Show net income or net loss in the appropriate sections of the worksheet

Learning Objectives

- Explain the difference between a worksheet and a balance sheet
- Define the purpose of the worksheet
- List the parts of the worksheet
- Calculate net income and net loss

**Comments:**

## **Unit 3: Accounting Services Basic**

Competency

### **9. Record receipts**

Performance Standard Condition

#### **Competence will be demonstrated**

- at the worksite and classroom

Performance Standard Criteria

#### **Performance will be successful when learner:**

- Select appropriate forms/records
- Determine type of receipt to be used (e.g., payment on account, current sales, etc.)
- Verify accuracy of receipt totals
- Account for petty cash
- Journalize receipt
- Journalize receipt related to cash accounts
- Post journal entry
- Prepare deposit
- File forms/records in appropriate location
- Cash Accounts are correctly balanced

Learning Objectives

- Describe the data to be entered on a deposit slip
- Compare a service and merchandising business
- Analyze transactions relating to sales of merchandise
- Compare resale to wholesale
- Define the variety of sales and cash receipt transactions
- Explain cash accounts
- Explain the internal controls for cash payments

**Comments:**

## **Unit 3: Accounting Services Basic**

Competency

### **10. Assist to prepare financial statements**

Performance Standard Condition

#### **Competence will be demonstrated**

- at the worksite and classroom
- while working with a worksite professional

Performance Standard Criteria

#### **Performance will be successful when learner:**

- Select appropriate forms/records
- Identify all financial reports to be processed: income statement, balance sheet, cash flow statement, budget variance, statement of accounts receivable and payable, inventory-related accounts
- Input appropriate data and dates on financial reports
- Verify and print each report
- Distribute financial reports as required
- File forms/records in appropriate location
- Financial Statements are in proper format
- Financial Statements include correct accounts
- Financial Statements are completed with correct account balances

Learning Objectives

- Explain how a new business is financed to operate
- Explain a Balance sheet
- Identify Balance sheet accounts
- Describe the different types of financial statements
- Explain the purpose of the income statement, cash flow statement, owner's equity statement, and balance sheet
- Identify statement of owner's equity accounts
- Explain and compute the return on sales percentage
- Define liquidity ratio and its function
- Explain the purpose of financial ratios as they relate to financial statements
- List types of taxes required of businesses

**Comments:**

## **Unit 3: Accounting Services Basic**

Competency

### **11. Assist to process period end closing entries**

Performance Standard Condition

**Competence will be demonstrated**

- at the worksite and classroom
- while working with a worksite professional

Performance Standard Criteria

**Performance will be successful when learner:**

- Select appropriate forms/records
- Identify all accounts to be closed
- Prepare documents necessary for closing worksheet
- Journalize and post closing entries to ledgers
- Prepare the post-closing trial balance
- Verify accuracy of closing entries
- File forms/records in appropriate location
- Closing Entries are complete with proper accounts in proper amounts
- Closing Entries are posted correctly
- Post-closing Trial Balance is in balance
- Post-closing Trial Balance is complete with correct account balances
- Post-closing Trail Balance is complete in the proper format

Learning Objectives

- Identify temporary and permanent accounts
- Explain the importance of updating accounts through closing entries
- Discuss how to prepare financial statements from complete worksheets
- Explain how to verify financial statements against worksheet
- Describe how to record and post adjusting and closing entries
- Explain how to locate and correct accounting errors such as transposition, incorrect debit/credit postings, incorrect account postings
- Define how to prepare a post-closing trial balance from the general ledger
- Explain the relationship between the Income Summary account and the capital account

**Comments:**

## **Unit 3: Accounting Services Basic**

Competency

### **12. Maintain fixed asset records**

Performance Standard Condition

**Competence will be demonstrated**

- at the worksite and classroom

Performance Standard Criteria

**Performance will be successful when learner:**

- Select appropriate forms/records.
- Calculate the cost of a fixed asset
- Calculate and indicate life of asset
- Calculate and indicate asset depreciation schedule
- Prepare fixed asset label with necessary information (e.g., depreciation schedule, accounting codes, etc.)
- Update fixed asset record
- File forms/records in appropriate location

Learning Objectives

- Define asset and fixed asset
- Explain how to identify the cost of a fixed asset
- Explain the need to depreciate assets
- Identify the methods of depreciating fixed assets
- Determine the book value of an asset
- Identify internal controls for safeguarding fixed assets

**Comments:**

## **Unit 3: Accounting Services Basic**

Competency

### **13. Assist to process asset depreciation**

Performance Standard Condition

**Competence will be demonstrated**

- at the worksite and classroom
- while working with a worksite professional

Performance Standard Criteria

**Performance will be successful when learner:**

- Select appropriate forms/records
- Verify asset listing is up to date
- Separate departmental capital asset listing
- Prepare a depreciation spreadsheet for each capital asset item within department
- Prepare a journal entry for department depreciation within capital asset classes
- Journalize and post
- File forms/records in appropriate location
- Fixed Asset account balances are correct

Learning Objectives

- Define capital assets
- Calculate annual depreciation of assets
- Calculate partial-year depreciation of assets
- Calculate the tax effects of various depreciation options
- Compare tax advantages associated with these options
- Explain how to deplete a fixed asset
- Identify limitations on depreciation of company items

**Comments:**

## **Unit 3: Accounting Services Basic**

Competency

### **14. Assist to process depreciation budget**

Performance Standard Condition

#### **Competence will be demonstrated**

- at the worksite and classroom
- while working with a worksite professional

Performance Standard Criteria

#### **Performance will be successful when learner:**

- Select appropriate forms and ledgers
- Identify new assets within capital budget
- Verify when new assets will be capitalized
- Prepare a spreadsheet for all assets including new ones
- Calculate depreciation for each asset by month
- Total assets, depreciation and expense by department and item
- Prepare journal entries for depreciation by department monthly
- Enter depreciation into budget system
- File forms/records in appropriate location

Learning Objectives

- Compare the capital budget to other types of budgetary records
- Explain how the capital budget impacts the overall budget of a company

**Comments:**