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Accounting Outsourcing Services Complete the Entire Accounting Cycle by Amitaabh Saboo

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Accounting outsourcing services are becoming inevitable nowadays. As the costs of running any business rise due to unstable global economies, entrepreneurs are searching for more effective ways of reducing costs so as to stay in business. Outsourcing is among the top methods that numerous entrepreneurs are using now to lower office overheads, free their time and make more money. Instead of recruiting new accountants, you can also outsource your accounting tasks to an external accountancy firm. There are numerous firms here in the US that can do an excellent job for you. Most of them offer online bookkeeping and accounting outsourcing services where books are balanced with software. Even so, you can request an outsourced company to have your books attended manually.

Accounting outsourcing services are provided the way you want them. Service providers can also do the entire accounting cycle on your behalf. This automatically eliminates some of the jobs done by your internal bookkeeper or accountant. Although the cost is likely to be a bit on the higher side, it cannot go beyond or be equal to the salary you are required to pay a qualified US-based accountant or bookkeeper every month. If you intend to continue using your accountant, you can identify the difficult roles in the accounting cycle and outsource them. There is no standard way of planning how much work to outsource, when to outsource or whom to outsource to. Everything will depend on your business management skills and your ability to forecast the trend of your business.

Accounting outsourcing services that are based on the entire accounting cycle will include a series of steps. Tracking various transactions and generating source documents for each transaction is the first step. The outsourced provider will expect you to identify, generate source documents and send them over for analysis. The analysis will entail creation of journal accounts where a credit and a debit transaction is entered in its respective side of a journal. The next step involves posting the journal entries to the T-shaped ledger accounts. After this, the ledger accounts' details are used to prepare a trial balance which is used to verify that the total debits equal the total credits. These are very delicate tasks and this explains the reason why you should use dependable and reliable accounting outsourcing services.

After a trial balance is made, the accounting outsourcing services provider must make adjusting entries. These are created for deferred and accrued items. Accrued items could be products or services that your business has already received but has not paid for them. It could also refer to processed sales that have not yet been paid for by your customers. Deffered items refer to the unearned revenue. For instance, your business may have a customer who pays in advance for a service or product. Until you deliver that product or service to them, the transaction you both share will remain a deferred item. After recording that adjusting entries the provider of accounting outsourcing services will adjust the trial balance, prepare financial statements, transfer balances of the temporary accounts and make another final trial balance.

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