



ICBUSA

2018 EXAM SYLLABUS

Introduction

Successful candidates will be certified by **ICBUSA** and will be able to confidently carry out the role of a professional bookkeeper. Bookkeepers are management professionals, often specializing in financial compliance, business strategy, technology set-up, execution and maintenance of financial records for sole proprietorships, partnerships, non-profit organizations and corporations.

ICBUSA Professional Certifications:

An individual who has achieved our FICB or MICB certification levels is expected to understand the process components of the accounting cycle and produce draft year-end financial statements for internal or tax purposes for corporations, partnerships, and sole proprietorships. They will have a basic understanding of key Generally Accepted Accounting Principles (GAAP) and the ability to prepare appropriate non-corporate tax filings such as sales tax.

Certified ICBUSA Fellow Bookkeeper (ICBUSA - FICB)

An individual who has completed the MICB proctored exam and has a minimum of five years' experience in the bookkeeping and accounting field. This person will have achieved the highest professional level of certification awarded to members. This Member will be required to meet continuing professional education requirements established by **ICBUSA** and follow the Code of Conduct and Best Practices Guidelines. The ICBUSA License to Practice is included in the membership level.

Certified ICBUSA Member Bookkeeper (ICBUSA – MICB)

An individual who has completed the MICB proctored exam and has a minimum of two years' experience in the bookkeeping and accounting field. This person will have achieved the second-highest professional level of certification awarded to members. This Member will be required to meet continuing professional education requirements established by **ICBUSA** and follow the Code of Conduct and Best Practices Guidelines. The **ICBUSA** License to Practice is not included in the membership level.

Financial report

Balance sheet

Assets	1,734,826
Current assets	80,885
Non-current assets	1,653,941
Liabilities	166,630
Current liabilities	110,587
Non-current liabilities	56,043
Equity	74,393
Retained earnings	1,452



Equity statement

Current year	1,774,576
Comprehensive income	110,587
Dividends	35,000
Previous year	166,630
Comprehensive income	110,587
Dividends	42,000



Income statement

Revenues	12,378,516
Net sales	12,378,516
Expenses	6,372,535
Research and Development	1,385,285
Operating expenses	4,438,718
Marketing	548,532
Net income	6,505,981



Cash flow statement

Operations	12,378,516
Net earnings	12,378,516
Depreciation	19,000
Investing	6,372,535
Real estate	1,385,285
Equipment	4,438,718
Financing	6,505,981
Notes payable	4,438,589





ICBUSA Technical Certifications:

An individual who has achieved the technical certification of AICB or CBT is expected to have an understanding of bookkeeping and accounting theory and principles and can produce a complete set of electronic records to the trial balance stage prior to the production of financial statements. They have mastered an electronic bookkeeping program and have a basic understanding of bookkeeping to ensure that information has been properly entered into a software environment.

For both technical levels of certification, members will not be able to provide any services to customers without proper supervision and review of their work.

Certified ICBUSA Associate Bookkeeper (ICBUSA-AICB)

An individual who has completed a professional accounting/bookkeeping program from a professional training provider and/or college or university. This Member will be required to follow the **ICBUSA** Code of Conduct and Best Practices Guidelines.

Certified ICBUSA Bookkeeping Technician (ICBUSA-CBT)

An individual who has successfully completed a program regarding an accounting software package. This member will be required to follow the **ICBUSA** Code of Conduct and Best Practices Guidelines.

*Important Membership Notice: To maintain good standing with the ICBUSA, all members are required to follow the ICBUSA Code of Conduct and Best Practice Guidelines. This includes obtaining an **ICBUSA** License to Practice when operating as an independent business.



A PROFESSIONAL BOOKKEEPER WILL BE ABLE TO DEMONSTRATE EXPERTISE IN THE FOLLOWING AREAS:



GENERAL KNOWLEDGE

Understand the importance of adhering to a professional code of ethical principles

Practice professional ethics when working with clients, suppliers, colleagues and others:

- Integrity and honesty
- Objectivity
- Professional competence, due care and diligence
- Privacy and confidentiality
- Professional behaviour, separating personal duties from business
- Adherence to organizational codes of practice and regulations
- Working within your own professional experience, knowledge and expertise

Understand the legal differences between the structures of various types of businesses

Practice professional ethics when working with clients, suppliers, colleagues and others:

- Characteristics of and nature of liability for sole proprietorships, partnerships, corporations and non-profits.
- Characteristics of registered charities.

Understand the main accounting concepts that apply to the bookkeeping profession

Identify and explain the concepts of:

- Economic entity
- Dual aspect
- Going concern
- Accounting cost
- Consistency
- Money unit measurement
- Matching principle
- Accrual
- Revenue recognition
- Accounting equation

Understand the purpose of source documents and major types of business transactions.

Demonstrate ability to calculate the following:

- Purpose and flow of documents between buyer and seller for both cash and credit transactions.
- Purpose and need to record petty cash transactions.
- Purpose of receipts and disbursements transactions.



A PROFESSIONAL BOOKKEEPER WILL BE ABLE TO DEMONSTRATE EXPERTISE IN THE FOLLOWING AREAS:



TAX CONSIDERATIONS

Understand the basic principles of sales tax, payroll and other taxes and how it applies to business transactions

***Sales tax calculations will not be tested.**

Understand and explain different methods for calculating sales tax such as:

- Cash basis
- Accrual basis
- Based on the seller's location
- Based on the location where the item was installed or serviced
- Based on the buyer's delivery location (streamlined sales tax)

RECONCILIATION OF GENERAL LEDGER ACCOUNTS AND CORRECTION OF ERRORS

Reconcile vendor statements (Accounts Payable)

Demonstrate ability to:

- Reconcile vendor statements with the detailed listing of open accounts payable by vendor and the general ledger trial balance.

Reconcile the general ledger against bank statements

In a computerized system:

- Compare individual items on the bank statement with those in the ledger.
- Update the ledger.
- Resolve discrepancies and evaluate timing differences between the records of the bank and the general ledger.
- Prepare the bank reconciliation report.

Use control accounts to reconcile sales and purchase ledgers

Identify and explain the concepts of:

- Economic entity
- Dual aspect
- Going concern
- Accounting cost
- Consistency

Understand the need to prevent and correct errors

Demonstrate ability to calculate the following:

- How transactions entered will impact different types of accounts in a computerized system.
- How to make entries into computerized accounting system from source documents.
- The use and set-up of control accounts in the ledgers.
- Apply the best methods for matching paperwork, filing paper and digital documents.

A PROFESSIONAL BOOKKEEPER WILL BE ABLE TO DEMONSTRATE EXPERTISE IN THE FOLLOWING AREAS:



CALCULATE AND POST ADJUSTMENTS TO THE LEDGERS

Calculate Amortization

Demonstrate ability to:

- Calculate amortization on a fixed asset using both straight line and declining balance method.
- Calculate the original cost price of an asset given net book value and amortization rates and number of years of amortization.
- Identify the need for amortization.
- Calculate amortization expense, accumulated amortization, and reconciling to the general ledger.
- Account for changes in the account detailing the cost of acquired assets and the related accumulated amortization.
- Prepare the relevant journal entry to adjust the balance to match the supporting analysis of the detailed amortization report.

Account for the disposal of fixed assets

In both a manual and computerized system, be able to:

- Identify the original cost of the asset disposed.
- Identify and record all disposal costs and proceeds in the appropriate accounts.
- Calculate and determine the cumulative amortization to date on a disposed asset.
- Prepare the supporting analysis which documents the correct net book value of the asset as of the sale date, the cost to dispose of the asset, and the gain/loss on disposal of the asset.
- Make relevant journal entries to record the disposal.

Understand the need to allow for adjustments to the accounts

Identify and explain the concepts of:

- Opening and closing inventory, including valuing inventory at the lower of cost or market accruals.
- Prepaid expenses, including dealing with the relevant entries in the following periods.
- Provision for doubtful accounts.

CORPORATE FINANCIAL STATEMENTS

Enter the adjustments to the trial balance needed to close

Be able to:

- Distinguish between retained earnings and the books at year-end
- Calculate contributed capital.
- Define shareholders' equity.
- Account for the issue of shares and debt.
- Account for dividends paid.
- Enter and understand the closing adjustments, as prepared by the company's tax accountant.

A PROFESSIONAL BOOKKEEPER WILL BE ABLE TO DEMONSTRATE EXPERTISE IN THE FOLLOWING AREAS:



INCOMPLETE RECORDS AND PROBLEM-SOLVING

Prepare a set of internal financial statements account for incomplete information

Be able to:

- Prepare general ledger accounts to determine missing values for sales and purchases using mark-up and margin, expenses and draws.
- Identify and reclassify capital expenditures to the proper general ledger accounts and also record them in the fixed asset software application.

INTERPRETATION OF FINANCIAL STATEMENTS

Provide higher level analysis and reporting functions

Be able to:

- Determine the opening value of capital through the accounting equation.
- Determine bank and cash balances.
- Prepare adjusting entries and supporting analyses for accrued expenses and prepaid expenses.
- Interpret financial reporting results

