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EXECUTIVES and ACCOUNTANTS

THE VEST POCKET Controller

Includes:

- Capital budgeting techniques
- Foreign exchange risk management
- Essential GAAP
- Working capital management techniques
- Stock registration alternatives
- Key performance metrics

Steven M. Bragg

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The Vest Pocket Controller

THE VEST POCKET CONTROLLER

Steven M. Bragg



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PREFACE

This is a handy pocket problem solver for the controller. It covers the multitude of areas that a controller may address during the working day—accounting standards, management issues, financial analysis, controls, and even how to handle a variety of public company issues. It does so with hundreds of concise explanations that are supported by a multitude of examples, tables, charts, and ratios. The layout is designed for quick comprehension of such questions as:

- Should I report revenue at gross or net?
- What are the different types of marketable securities, and how do I account for them?
- How do I use the FIFO and LIFO inventory valuation methods?
- How do I account for bond discounts and premiums?
- How do I record a treasury stock transaction?
- When is a lease a capital lease?
- How do I convert foreign currency transactions into the home currency?
- How do I achieve a fast close?
- How do I set up cash sweeping or notional pooling?
- How do I create a perpetual inventory system?
- What exemptions are available for stock registrations?
- How do I create a throughput analysis model?
- How do I set long-range prices?
- How do I create a spend analysis system?
- Should I lease an asset or buy it?
- What controls should I implement for the core accounting systems?

Part I (Chapters 1–8) covers the most heavily used GAAP accounting standards. These standards are segregated into the topics of revenue recognition, investments, inventory, fixed assets, debt, stockholders' equity, leases, and foreign currency accounting. Numerous explanatory examples are intermingled with the text.

Part II (Chapters 9–14) addresses a number of management areas that a controller is likely to encounter. These include a discussion of the steps needed to close the

books, the banking structures needed to marshal cash into the proper investments, how to accelerate the collection of receivables, what can be done to minimize the investment in inventory, what types of debt are available, and how to register equity for sale.

Part III (Chapters 15–18) delves into a variety of financial analysis topics, with a particular focus on bottleneck analysis, how to set prices correctly, and how to reduce costs. Chapter 18 contains a number of the metrics that a controller is most likely to need, along with helpful examples.

Part IV (Chapters 19–21) describes the primary control systems that a controller needs to ensure that transactions are as error-free as possible. It also describes a comprehensive budgeting system and how to analyze capital budgeting proposals so that only truly necessary assets are acquired.

Part V (Chapters 22–23) covers a number of the more common reports that must be filed periodically with the SEC as well as the accounting issues that are specific to the public company: earnings per share, interim reporting, and segment reporting.

Throughout, *The Vest Pocket Controller* has been structured to provide concise answers to the questions that a controller is most likely to encounter during a typical business day. Keep it handy for easy reference and daily use.

ABOUT THE AUTHOR

Steven Bragg, CPA, has been the chief financial officer or controller of four companies as well as a consulting manager at Ernst & Young and auditor at Deloitte & Touche. He received a master's degree in finance from Bentley College, an MBA from Babson College, and a bachelor's degree in economics from the University of Maine. He has been the two-time president of the Colorado Mountain Club and is an avid alpine skier, mountain biker, and certified master diver. Mr. Bragg resides in Centennial, Colorado. He has written the following books through John Wiley & Sons except where indicated:

Accounting and Finance for Your Small Business

Accounting Best Practices

Accounting Control Best Practices

Accounting Policies and Procedures Manual

Advanced Accounting Systems (Institute of Internal Auditors)

Billing and Collections Best Practices

Business Ratios and Formulas

The Controller's Function

Controller's Guide to Costing

Controller's Guide to Planning and Controlling Operations

Controller's Guide: Roles and Responsibilities for the New Controller

Controllershship

Cost Accounting

Cost Reduction Analysis

Essentials of Payroll

Fast Close

Financial Analysis

GAAP Guide

GAAP Policies and Procedures Manual

GAAS Guide

Inventory Accounting

Inventory Best Practices

Investor Relations

Just-in-Time Accounting

Management Accounting Best Practices

Managing Explosive Corporate Growth

Mergers and Acquisitions

The New CFO Financial Leadership Manual

Outsourcing

Payroll Accounting

Payroll Best Practices

Revenue Recognition

Run the Rockies (CMC Press)

Running a Public Company

Sales and Operations for Your Small Business

The Ultimate Accountants' Reference

The Vest Pocket Controller

Throughput Accounting

Treasury Management