

# **MANAGEMENT ACCOUNTING BEST PRACTICES**

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**A Guide for the Professional  
Accountant**

**STEVEN M. BRAGG**



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# Preface

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The typical accountant receives a thorough grounding in accounting standards in school, but then arrives on the job and asks—*What do I do now?* The unfortunate realization strikes that only a small proportion of the accounting job involves that painfully acquired knowledge of accounting standards. Instead, many other questions arise, with no obvious answers:

- How do I create a budget?
- What is a bottleneck asset, and should I invest in it?
- Should I approve a request for a capital expenditure?
- How do I grant credit to customers?
- How do I accelerate cash collections?
- Which controls should I set up?
- How do I conduct a throughput analysis?
- Should we outsource work?
- How do I collect payroll information?
- How do I achieve accurate inventory records?
- How do I allocate costs?
- What kinds of responsibility reports should I use?
- Should I set up a target costing system to assist the development of a new product?
- How do I set product prices?
- Where do I place quality review stations to improve profitability?

*Management Accounting Best Practices* provides the answers to all of these questions (and over 100 more) that show both the aspiring and seasoned accountant how to set up and manage an accounting department. Furthermore, when other members of the management team come calling with questions, the answers now lie on the accountant's bookshelf.

The information in this book is culled from eight of the author's best-selling books: *Accounting Control Best Practices*, *Billing and Collections Best Practices*, *Cost Accounting*, *Financial Analysis*, *Inventory Accounting*, *Payroll Best Practices*, *Throughput Accounting*, and the *Ultimate Accountants' Reference*. The new question-and-answer format in which this information is presented makes it easier to locate information on key accounting topics, and should make *Management Accounting Best Practices* a well-thumbed addition to any accountant's library.

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Centennial, Colorado  
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# About the Author

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**Steven Bragg**, CPA, CMA, CIA, CPIM, 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:

*Accounting and Finance for Your Small Business*  
*Accounting Best Practices*  
*Accounting Control Best Practices*  
*Accounting Reference Desktop*  
*Billing and Collections Best Practices*  
*Business Ratios and Formulas*  
*Controller's Guide to Costing*  
*Controller's Guide to Planning and Controlling Operations*  
*Controller's Guide: Roles and Responsibilities for the New Controller*  
*Controllership*  
*Cost Accounting*  
*Design and Maintenance of Accounting Manuals*  
*Essentials of Payroll*  
*Fast Close*  
*Financial Analysis*  
*GAAP Guide*  
*GAAP Implementation Guide*  
*Inventory Accounting*  
*Inventory Best Practices*  
*Just-in-Time Accounting*  
*Management Accounting Best Practices*  
*Managing Explosive Corporate Growth*  
*Outsourcing*  
*Payroll Accounting*  
*Payroll Best Practices*  
*Revenue Recognition*  
*Sales and Operations for Your Small Business*  
*The Controller's Function*

*The New CFO Financial Leadership Manual*

*The Ultimate Accountants' Reference  
Throughput Accounting*

Also:

*Advanced Accounting Systems (Institute of Internal Auditors)  
Run the Rockies (CMC Press)*