

What is the Difference between Bookkeeping and Accounting Services?



Bookkeeping and Accounting services share common goals. They are both critical components of building a strong business foundation, assessing the health of a business and sustaining positive business growth. However, they handle different parts of the financial ecosystem of a business.

Bookkeeping Process

Bookkeeping is the process of recording transactions in a consistent and timely way. It includes but is not limited to the following tasks:

- Recording financial transactions
- Posting Debits and Credits to a General Ledger
- Maintaining and Balancing General and Subsidiary Ledgers
- Creating Invoices
- Tracking Accounts Payable
- Completing Payroll

Accounting System

Accounting is a system that analyzes the information prepared by the bookkeeping process. It looks at key financial indicators to gain a better understanding of the actual cash flow and profitability of the business. A good accounting system aides business managers in understanding the impact of financial decisions to the organization.

Accounting includes but is not limited to the following activities:

- Preparing Adjusting Journal Entries
- Generating Financial Statements
- Analyzing Financial Reports
- Creating Budgets and Forecasting Models
- Filing Tax Returns

Bookkeeping is a process that records financial transactions. It is a subset of your accounting system. The accounting system interprets your bookkeeping information in order to assess the condition of a company. Accounting measures the performance of the business and reports that information to the business owners, stakeholders and investors. It is responsible for attesting to the completeness and accuracy of the financial information based on “Generally Accepted Accounting Principles (GAAP).”

Controller and Chief Financial Officer Roles

Controllers are in charge of a company’s accounting system. They are responsible for making sure the accounting system is running efficiently and effectively. Controllers make sure reports prepared by the accounting system are accurate, in conformance with GAAP and completed on time and within budget.

Chief Financial Officers (CFO) are responsible for creating the long-term financial strategy of the business and the ultimate health of the organization. In companies that have both a Controller and a Chief Financial Officer, the Controller reports directly to the CFO.

Outsourcing Bookkeeping and Accounting

An objective and independent Financial Professional can offer sound advice on how to best proceed to fulfill the business goals you set forth. In many instances, it makes more sense to outsource your bookkeeping and accounting functions than incur the ongoing expenses of trying to handle them internally.

What to outsource and how to do it is covered in detail in the Pacific Crest Group (PCG) posting “[The Rewards of Outsourcing](#).” Effective outsourcing allows you to focus on your core competitive advantage and revenue generation goals rather than the daily operations of your business.

Special Event

Pacific Crest Group is a founding member of the Marin Business Forum. Our next meeting is Thursday, March 24, 2016 from 5 PM to 7 PM in the Drake’s Landing Community Room located at 300 Drakes Landing Road in Greenbrae. Lester Rosen, Esq. will provide a number of real-world case studies where employers stepped on legal landmines that could have been easily avoided with a safe hiring program. Please go to the [Events](#) page to register for this event.

How We Can Help You

PCG provides professional services that keep your business focused on your critical objectives. We provide strategic Accounting and Human Resource (HR) services created specifically to help you meet your goals. Through exemplary customer service, clearly defined policies and procedures as well as a forward looking perspective, we provide the outsourced solutions that your business needs to grow. A Pacific Crest Group professional is happy to meet with you to discuss solutions for your unique requirements designed to maximize all of your business opportunities.