

Accounting in Jackrabbit - An Overview



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Jackrabbit uses cash accounting for the purpose of reporting (recognizing) revenue, while still allowing you to track your Accounts Receivable.

- ★ Fees such as tuition fees, registration fees, etc. are posted to your family's accounts, but are not reported as revenue in Jackrabbit until those amounts are paid.
 - ★ Family account balances increase when fees are posted (debit transactions) and decrease when payments are received (credit transactions) or account credits are posted (credit transactions) .
 - ★ A listing of all family balances is easily created using one of Jackrabbit's Accounts Receivable reports.
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Cash Accounting vs Accrual Accounting

In accounting, the two most common forms of recording financial transactions are using cash accounting or accrual accounting. The difference between the two approaches is all about timing.

Cash Accounting	Accrual Accounting
 <p>Revenue is recognized when payment is received and expenses are recorded when payment is made; money changes hands.</p>	 <p>Revenue is recognized when it is earned and expenses are recorded when they are incurred; money doesn't always change hands.</p>
<p>Simple</p> <p>Accurate picture of cash flow</p> <p>Tax benefits</p>	<p>Easy financial forecasting</p> <p>Accurate picture of true profit</p> <p>Compliant with GAAP</p>
<p>Less accurate</p> <p>Less insight into long term trends</p> <p>Not compliant with GAAP</p>	<p>Complex</p> <p>Less accurate short term view</p> <p>Subject to more rules and regulations</p>

Jackrabbit's Role in your Business Accounting

Jackrabbit is a class management and Accounts Receivable program. Expenses are not tracked in Jackrabbit, this is done in your accounting program, e.g. QuickBooks.

Using the financial reports offered in Jackrabbit, or the [QuickBooks integration](#), your revenue must be entered into your accounting system to give you the full financial picture.





Adjustments may be necessary if you use accrual accounting outside of Jackrabbit.
