

Overview

From invoicing to expense tracking to accounting, Akaunting has all the tools you need to manage your money online, for free.

Features of Akaunting: Cash Flow, Easy Invoicing, Expense Tracking, Transaction Categories

Our motto is: *Don't give your financials to another company.*

Akaunting Philosophy and Open Source Accounting

Accrual vs Cash Accounting

Accrual Accounting - Incomes are reported in the fiscal period they're earned, **regardless of when they're received**, and expenses are deducted in the fiscal period they're incurred, **whether they are paid or not**.

Cash Accounting - Incomes are recorded when cash is **actually received** and expenses are recorded when they are **actually paid** (no matter when they were actually invoiced).

In short, accrual basis accounting gives the most accurate picture of the financial status of your business. You can use the **Cash** option in reports for cash basis accounting and it will give you a complete picture of the money moving in and out of your business.

Invoices vs Revenues

Invoice is a planned and itemized document, Revenue is an instant and simple income.

Invoices - Invoice is a document sent to your customer that indicates the items sold by you. It is generally not paid yet. You should use invoices if you work with tax.

Revenues - Revenue is a paid income transaction. It can be an independent record (i.e. deposit) or attached to an invoice. There are no items within the revenues. Tax is not applicable.

Bills vs Payments

Bill is a planned and itemized document, Payment is an instant and simple expense.

Bills - Bill is a document received from your vendor that indicates the items (product or service) bought by you. It is generally not paid yet. You should use bills if you work with tax.

Payments - Payment is a paid expense transaction. It can be an independent record (i.e. food receipt) or attached to a bill. There are no items within the payments. Tax is not applicable.

Revision #3

Created 16 October 2021 14:13:37 by jmoore53

Updated 20 October 2021 02:34:36 by jmoore53