

# SCORE SouthEast Wisconsin

## A certified Public Accountant – do you need to hire one?

What will a Certified Public Accountant [CPA] do for your business?

### NEW ENTERPRISE

- Help you select appropriate business structure
- Advise regarding tax responsibilities – payroll, sales tax, personal property tax etc - and take advantage of legal tax breaks
- Set up a chart of accounts **appropriate** to your business
- Set up depreciation schedules for equipment
- Teach you basic record keeping [data entry] with QUICKBOOKS or other Software accounting program
- Establish list of start-up costs
- Prepare proper financial statements [monthly or quarterly] in accordance with industry standards, and attest to their accuracy [compilation, review or audit etc] to take to the bank if you need a loan
- Prepare your income tax return

### ESTABLISHED BUSINESS

- Meet with you quarterly to discuss your business
- Monitor your profitability
- Track company performance, ratio analysis, pricing, inventory control etc
- Offer on-going advice on insurance, data protection, disaster planning, assembling a Board of Directors, or Board of Advisors
- Monitor bookkeeper's records
- Help with planning for the business and its owners
- Assist with company benefit package

He/she advises many small businesses, sees lots of problems, and many resourceful solutions, all worked out together with the small business owner. He can be a sounding board for problem solving for your business, and a source for new ideas.

What will all this cost? Good question. Charges for an accountants services generally are [1] either pre-agreed upon for a specific task [tax returns, compilations etc], or [2] billed at an hourly rate. An accountant works part time for your company [and part time for many other companies] and bills you only for time spent on your company. If he/she charges you \$500, and you save \$1200 in the year, is this expensive?

Bookkeeping [basic record keeping] – everyday receipts and expenditures - is something you can do yourself. The bookkeeper's role is to ensure on a timely basis that proper records are kept of the company's financial transactions. At the simplest level a bookkeeper maintains two shoeboxes: one for income and one for expenses.

An accountant is responsible for the "big picture." He/she converts the data of bookkeeping entries - supplied by you - into usable understandable information for strategic decision making.

Are all accountants CPAs? No. A CPA is certified by an industry organization [WICPA]. A CPA must pass a rigorous two-day examination; take extensive additional training beyond accountancy; adhere to state licensing guidelines; abide by a code of professional standards and ethics; and undergo peer reviews. Also a CPA offers services that an ordinary accountant cannot offer: e.g. representation before IRS.