

Choose Accounting Services Carefully

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As you launch or expand a business, keeping track of the money, preparing tax returns and performing other financial tasks can quickly become a burden. If you need more time to do other things, it might make sense to turn over tax, accounting and other financial chores to outside specialists.

Choosing the right type of tax, accounting, bookkeeping or other financial help is an important decision. An outside accountant can be one of your most trusted business advisors and a key to your success. Although many business owners work with big national firms, most prefer to work with small independent firms or solo accounting professionals.

Accounting services differ from bookkeeping services, however. An accounting firm prepares financial statements and tax returns based on the numbers that *you* give them via your own in-house books. Bookkeeping services, if offered, will be extra. If you plan to hire your own bookkeeper, make sure the person you choose is qualified. One way is to use the "Bookkeepers Hiring Test" available free from the American Institute of Professional Bookkeepers at their Web site, www.aipb.org.

Before selecting a certified public accountant (CPA) or other financial pro, list the services you think you need, such as tax preparation, financial reports, balance sheets, invoicing, payroll services, general bookkeeping or someone to set up your books. Some firms may handle it all, or you may need to split the tasks. CPA Directory is a huge online listing of CPAs nationwide and can help you find an accountant in your area. The Web site also offers helpful advice on hiring and working effectively with a CPA. Visit www.cpadirectory.com.

And don't forget about Enrolled Agents. EAs are licensed by the Federal government to prepare tax returns. They have either worked for the IRS or have passed a rigorous IRS exam. They are savvy tax experts, but generally don't have the degrees of CPAs and tend to charge less. Visit the National Association of Enrolled Agents Web site at www.naea.org.

Fees vary greatly among accountants, from \$50 per hour to \$300 or more. Some firms will provide a specified list of services for a flat monthly fee, and may provide less costly help for bookkeeping and other tasks that don't require CPA-level training. If you are considering a larger accounting firm, find out which people you will be working with directly. Also try to match your general philosophy with a firm that is as conservative — or aggressive — as you are on tax matters.

Further advice on financial issues for your small business is available from SCORE "Counselors to America's Small Business." SCORE is a nonprofit organization of more than 10,500 volunteer business counselors who provide free, confidential business counseling and training workshops to small business owners.

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