

# Role of An Outside Accountant

By Sidney Kotzen, Score Accredited Business Councilor, SCORE NE Mass

An outside accountant offers multiple types of financial services that differ with various levels of business, such as start-ups, newer businesses, and more mature businesses.

## How do you find an outside accountant?

- Word of mouth from business people you know or other trusted sources
- Referral lists maintained by accounting associations
- Yellow Pages
- Chambers of Commerce members lists
- Internet listings
- Advertisements

Usually your first visit is without fee to establish the type of service you require. You can confirm this before you meet. The first meeting also gives you the opportunity to see how you relate to the person you are interviewing. If you retain the professional, you should receive an engagement letter spelling out services to be provided, fees, and other matters. Once the relationship is established and you meet your obligations to the accountant, be a “squeaky wheel,” but not a nuisance, to get services agreed upon in a timely manner.

## Services at various levels of business

As a start-up, you may require assistance in business model, business plan to show feasibility of project, financing needs, and other analysis and core requirements.

As a new business, the accountant may assist in setting up record keeping and other systems, advise you on tax compliance, any regulatory reports, as well as many other basic areas if required.

As a mature business, the accountant’s service can be as advisor and consultant on many aspects of your business.

Bottom line, you manage your own business with responsibility of ultimate decisions aided by guidance and information provided by the accountant and other members of your team.

## Accountant as reporter

Your accountant’s primary function is as your financial reporter to give you needed information to manage your business efficiently and effectively. Your record keeping system should be one that can

produce interim financial statements on a timely basis that you may be able to analyze and interpret on your own or with the accountant's assistance for strong and robust management. If required by banks, your own use, or others, your accountant can provide you with independent, formal financial statements. There are different degrees and scope of statement presentation depending on need.

## **Financing**

Your accountant will advise you on resources, amount of financing needed, and will work with you to prepare appropriate documents to obtain financing. If indicated, the accountant will participate with you during negotiations.

## **Taxes**

Your accountant will guide you and advise you on proper compliance with the myriad taxes a business faces. Also, through his tax expertise, recommend pertinent tax strategies and benefits available both to your business and personal tax matters. He will also represent you at tax audits.

## **Consultant**

As a business matures, needs for sophisticated methods are required. This covers all business areas from IT, cost control and reduction, insurance coverage and claims including worker's compensation, control of unemployment claims, security issues, and other functions as necessary. Your accountant can provide such services or refer you to a proven consultant.

Discussed above are everyday core services. Since an accountant's expertise covers a wide range of financial and business matters, you can call on your accountant in many other situations: buying and selling of business, estate planning, retirement planning, wealth preservation and enhancement, succession planning, work with your attorneys on regular or special matters, plus many other areas. In short, your accountant can be involved with you in all aspects of business management as an invaluable part of your team.

S.C.O.R.E. counselors can advise and work with you at all levels of your business in financial and management matters. Accountants are a necessity implementation of day-to-day operations.