

# Guide to CPA Services

What a CPA Can Do for Your Small Business



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**As a small-business owner or manager, you have many responsibilities to ensure that your business is profitable and successful. But you don't have to do it alone.**

That's where a Certified Public Accountant (CPA) can be an essential partner: A CPA can help you establish effective business operations and plan for profitability. In addition, a CPA can assist you in setting short- and long-term strategies tailored to your business.

The trust small businesses place in CPAs is substantiated by stringent educational and professional requirements. CPAs complete more than 150 hours of intense training and a rigorous examination. They must adhere to strict state licensing guidelines that distinguish them from other accountants. Members of the American Institute of CPAs (AICPA) also must abide by a code of professional ethics as well as undergo peer reviews that assure their work meets the highest professional standards. A CPA's broad business knowledge and financial expertise make him or her a valuable, trusted adviser for financial and tax planning, business valuation, accounting services and setting and meeting your business-growth goals. A CPA is one asset you can't afford to do without as you plan, run and grow your small business. Although not all CPAs can offer all of the services discussed here, each CPA or CPA firm offers a different mix of services.

## PLAN FINANCING

**Craft a business plan · manage debt · secure investors**

Bank loans, debt, interest and assets are essential elements of your business's financial structure. A CPA can help you develop a powerful business plan, and then bring that plan to life with the proper options. Your CPA's financial expertise can help you determine how much debt your company can handle; the pros and cons of a loan vs. a line of credit; and how to seek financing from investors.

## GENERAL MANAGEMENT

**Choose your business structure · protect your data · develop a succession plan**

The organizational structure of your business is an important consideration. It will have an impact on operating efficiency, personal liability, taxes and the way you report business income, and a CPA can help you choose the optimal structure for your business. Your CPA also can provide sound advice about insurance, commercial property, establishing a board of directors, disaster planning (to protect your data and assets) and succession plan development. In addition, a CPA can advise you on your plan, from job descriptions to strategic hiring to financial — and perhaps familial — considerations. CPAs with the AICPA's Certified in Financial Forensics (CFF<sup>®</sup>) credential can also specifically help with fraud prevention, detection and response.

# RUN

## TAX PLANNING

Deductions and donations · payroll management · sales tax

From payroll to sales tax to deductions, a CPA can educate you about year-round planning, tax-season preparation and filing, liability and record-keeping. Your CPA also can assist you in deciding whether you want to plan your business according to a calendar or fiscal year, and find out what to do if you are audited.

## ACCOUNTING AND GENERAL FINANCE

Products and inventory · performance tracking · business valuation

Do you need to determine the value of your business? CPAs are trained to do just that. CPAs with the AICPA's Accredited in Business Valuation (ABV™) credential can help you not only value your business, but use that value to shape an effective business strategy. You also may consult your CPA regarding performance-indicator tracking; analyzing (and perhaps reducing) operating costs; and maximizing your interest income. Pricing, inventory accounting and internal audit also are areas in which a CPA can streamline and improve day-to-day operations at your small business.

## SALARIES AND BENEFITS

Compensation · health benefits · stock

As you determine compensation levels, hire employees and make decisions about benefits, insurance and stock options, a CPA can answer key questions. For example, what is a benefit “flex plan” — and should you establish one? How should you handle a 401(k)? Should you offer stock options and, if so, to whom?

## TECHNOLOGY

System requirements · internal controls risk assessment

CPAs understand the capabilities and limitations of a variety of accounting systems, and know how to use technology to help small businesses meet regulations, establish internal controls and obtain information necessary for critical business decisions. In fact, a CPA with the AICPA's Certified Information Technology Professional (CITP®) credential has extensive knowledge and expertise in technology. Your CPA can recommend the most efficient and financially viable ways to use technology, from designing systems to manage administrative, sales or manufacturing procedures, to setting timetables for technology upgrades.

# GROW

## PERSONAL FINANCIAL PLANNING

Personal and business budgets · retirement plans · insurance options

As a small-business owner, your business finances and personal finances often are closely related. Consult

your CPA regarding budgets, retirement, insurance, estate planning and more. You may wish to hire a CPA with the AICPA's Personal Financial Specialist (PFS™) credential. PFS credential holders specialize in personal financial planning. Your CPA will help you learn how to make the most of today, and prepare for tomorrow.

### What Should You Look for in a CPA?

Before you select a CPA, you'll need to do some research.

- Ask other businesses in your industry for references.
- Make sure the CPA you are considering is a member of the appropriate state and national organizations.
- If you are looking for a specialized CPA, find out if he or she has been awarded the AICPA's credentials in financial planning (PFS), business valuation (ABV), technology (CITP) or forensics (CFF).
- Interview CPA candidates so you can find one who is the right fit for you and your business. Make sure you're comfortable with his or her personality so you can feel confident in building a long-term relationship.

Overall, be sure to consider carefully whether the CPA's background and expertise are a fit with your business and your goals. Visit [aicpa.org/findaCPA](http://aicpa.org/findaCPA) to find a CPA who best meets your needs.

## ABOUT PCPS

This brochure was prepared and published by the Private Companies Practice Section (PCPS), a division of the American Institute of CPAs. The AICPA is the world's largest association representing the accounting profession, with more than 394,000 members in 128 countries. AICPA members represent many areas of practice, including business and industry, public practice, government, education and consulting. Membership also is available to accounting students and CPA candidates. The AICPA sets ethical standards for the profession and U.S. auditing standards for audits of private companies, not-for-profit organizations, federal, state and local governments. It also develops and grades the Uniform CPA Examination. For more information about the AICPA, visit [aicpa.org](http://aicpa.org).

