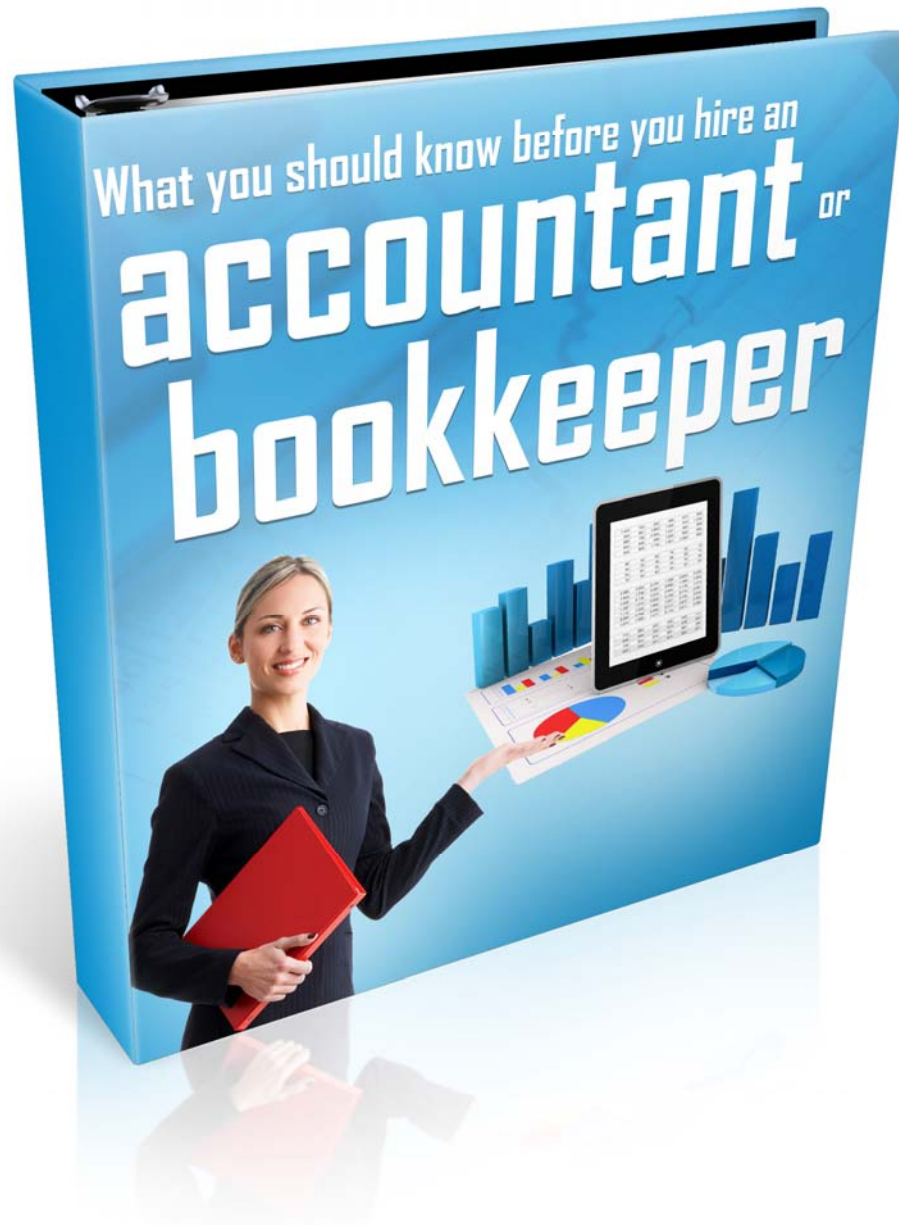


# What You Should Know Before You Hire an Accountant or Bookkeeper



by **BBN Business Solutions**

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### Introduction

It doesn't matter what type of customer you are – whether you are a small business, a giant corporation, or a private party – chances are that at some point, you will come to rely on the services of an accountant or bookkeeper. Is now that time? Moreover, how will you know when it's right to hand your situation over to professional hands?

You've come to the right place for the answer to those questions and more. Read on to learn about what you should know before you hire an accountant or bookkeeper.

To your success in business,

**BBN Business Solutions**

### Reasons You Might Need to Hire an Accountant or Bookkeeper

You know that most people use the services of an accountant or bookkeeper, and for a wide variety of reasons, but do your circumstances warrant the help of a professional? And how do you know when it's time to pick up the phone and reach out for help? Consider these reasons why you might need to hire an accountant or bookkeeper:

- **You need a professional.** To put it simply, you don't have the knowledge, experience, or skill set of an expert. If you want to know for certain that your money matters are in the most competent hands, then your only option may be to recruit an accountant or bookkeeper.
- **You need some advice.** You may not be aware of this, but bookkeepers and accountants do much more than just help you with the practical aspects of completing paperwork and filing financial transactions. They are also responsible for educating their clients on all kinds of money matters, from tax and finance law to investment banking.
- **You're not equipped to catch all of your mistakes.** Chances are, you made at least one or two mistakes while filling out your tax forms. No matter how tiny those mistakes may be, they can end up costing you a lot of money down the line. Your best defense against your own mistakes is to hire a professional to do your proofreading.

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- **You might need someone on your side.** No one likes the prospect of an IRS audit. If you do find yourself facing this unfortunate circumstance, wouldn't you like to know you have a professional backing you up? In the event that the worst does happen, call on an accountant or bookkeeper. They're prepared to provide you with the support and representation you need. After all, they do this for a living.

## Services Provided by Accountants and Bookkeepers

Now that you're convinced that you might want to have a reliable accountant or bookkeeper in your back pocket at all times, you might want to know what, exactly, you can expect from such a professional. You might be surprised to learn how expansive the offerings are. Here is a list of services provided by accountants and bookkeepers:

- **Tax preparation services.** From itemizing your expense list to advising you on which forms to file, accountants and bookkeepers can help you get your end of the year papers in order and ready to send off to the IRS. Additionally, a qualified accountant can represent you should you be audited by the IRS.
- **Business startup advice.** There are many tasks that you must successfully complete if you wish you start your own business, and many of those tasks center around your finances. An accountant or bookkeeper can help you develop a budget, prepare documents needed

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for business loan submissions, and implement a payroll and invoicing system, and can also offer legal advice pertaining to business start-up.

- **Financial report preparation.** If at any point in time you need to produce a financial report (profit and loss statement, balance sheet, etc.) for any of a number of purposes (loan application, for example), then a qualified accountant or bookkeeper can get the job done.
- **Auditing/Review.** Generally speaking, an audit is a third-party investigation into your business, taking into consideration all of your financial records, transactions, and account balances. When an accountant audits your business, it is generally because you want to be sure you are operating in compliance with state and federal regulations, and that you are handling the financial aspects of your business correctly, so as to avoid serious problems down the line.
- **Estate and trust planning.** This involves devising a strategy for how to disperse and allocate your assets in the case of your death. No one likes the idea of planning for their own death, but this is a necessary part of life, especially if you want to protect the well-being of any loved ones you might leave behind.

### Basic Accounting and Bookkeeping Terminology

Accountants and bookkeepers seem to speak their own language.

Therefore, before you make a first appointment to sit down and chat with a professional number cruncher, you might want to brush up on your lingo.

Study up using this list of basic accounting and bookkeeping terminology:

- **Appreciation.** The amount of value your assets gain over a period of time.
- **Assets.** Everything you own that is worth monetary value. Your assets include tangibles (car, jewelry, etc.) and intangibles (home equity, stock shares, etc.).
- **Balance sheet.** Detailed record of your financial standing at any one point in time, balancing your assets against your liabilities.
- **Depreciation.** The amount of value your assets lose over a period of time.
- **General ledger.** Record of all your financial transactions over a given period of time (accounting period).
- **Income statement.** Ledger detailing all of your income and expenses (or profit and loss).



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- **Interest.** The amount of money you agree to pay in exchange for borrowing money. Interest may be at a fixed rate, or it may fluctuate in accordance with market conditions.
- **Liabilities.** Debts that you owe. These include outstanding loans, credit card balances, etc.

## How to Find a Reputable Accountant or Bookkeeper

Now that you know how to talk to an accountant or bookkeeper, you need to know where to find professionals who are a good fit for your situation. Fortunately, there are many great resources to help you do just that, and right within arm's length. Here are some tips for how to find a reputable accountant or bookkeeper:

- **Ask around.** If you want to find professionals you can trust, then your best bet is to begin your search by asking people you know you can trust. If your loved ones point you in the direction of an accountant or bookkeeper they say is a good catch, then chances are, you've found a keeper.
- **Use a referral service.** You can find such services in the Yellow Pages or online. The great thing about using a referral service is that the service does all of the fact-checking for you, only delivering search

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results that meet the qualifications (location, credentials, area of expertise, etc.) that you desire.

- **Check with the Professional Association of Small Business Accountants (PASBA).** This organization is responsible for credentialing qualified professionals, and can provide you with a list of PASBA members in your area. Call the PASBA, or visit their website, to submit inquiries.
- **Attend a Chamber of Commerce meeting.** Your local Chamber of Commerce is where business owners in your area congregate and share valuable information. You can be sure to get some great referrals, and even to meet some accountants and bookkeepers face to face, when you attend a Chamber of Commerce meeting.

## What to Look for in an Accountant or Bookkeeper

Once you've compiled a list of prospective candidates, it's time to assess each one in order to find your best fit. How do you identify a quality professional when you see one? Consider these factors to look for in an accountant or bookkeeper:

- **Experience.** Not only should the accountant or bookkeeper of your choosing have ample experience in the accounting field, but you should also verify that you are working with someone who has a considerable amount of experience working with a clientele that has needs similar to

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yours. In other words, the accountant who advises a billionaire real estate developer might not be best equipped to handle the practical matters of a part-time employee and full-time caregiver to an elderly parent.

- **Credentials.** This includes things like education, licensing, and professional organization affiliations. There is no one right solution for everyone. As previously mentioned, the type of professional you need depends on your specific circumstances.

## Tips for Making Tax Time Easier

No one enjoys tax season, but that doesn't mean it has to be as difficult as you fear it might be. There are practical measures you can take throughout the year to ease the tax time burden. Here are some tips for making tax time easier:

- **Maintain an organized filing system for your records.** Do this throughout the year – i.e. as soon as you have a pertinent tax-related record, file it away. That way you don't end up with an intimidating pile (mess) of paperwork that must be tackled last minute. Invest in a simple accordion file, or even a file crate, and tuck it away some place where it's easy to access. Label the files in a way that will help you remember how to get to what you need, when you need it. Not sure what, exactly, you need to save? When in doubt, save everything! Your

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accountant or bookkeeper can help you sort out the details when the time is right.

- **Keep your receipts.** File them away in an organized manner, in your filing system. It's not enough to claim how much you spend. You must be able to prove it.
- **Maintain a separate spreadsheet for your medical expenses.** This is an area that can become very complicated if you don't take the time to record the details. Create a simple spreadsheet (using any basic spreadsheet application like Microsoft Excel, for example) containing headers like Service Type, Service Date/Time, Provider, Cost, Insurance Co-pay, and Payment Method, and input this information every time you visit the doctor's office.

### Conclusion

If you have financial records to manage and you'd like to know that you're making the most of your money, then you could greatly benefit from hiring a qualified accountant or bookkeeper. For the utmost in service, competence, and reliability, contact BBN Business Solutions. We can be reached by either phone, at 321-557-1424, or email: [BBNBusinessSolutions@Gmail.com](mailto:BBNBusinessSolutions@Gmail.com)

### About The Author

BBN Business Solutions, has been in business since 2004, we offer an excellent solution for small to medium size businesses. From start up to business analysis and corporate accounting BBN Business Solutions is always available to help with your accounting needs.