

Ask SCORE

My overhead door installation and repair business is nearing the end of what has been a successful first year. We've managed to keep some decent financial records, but with tax time coming up in a few months, we need some professional help. How do I go about finding the right people?

Keeping up with tax returns, financial reporting and cash flow can be tedious and time consuming. Even with the help of computer software, small business owners can still make potentially costly mistakes. Because of this, many entrepreneurs seek outside financial specialists to serve their needs.

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 some business owners work with large 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 website, 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 website also offers helpful advice on hiring and working effectively with a CPA. Visit www.cpadirectory.com.

And don't forget about Enrolled Agents (EAs), who are licensed by the Federal government to prepare tax returns. They have either worked for the IRS or have passed a rigorous IRS exam. EAs 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 website at www.naea.org.

Accountants' fees vary depending on location and the types of services you require. Some firms will offer to handle a specific range of services for a flat rate, and charge less for bookkeeping and other tasks that don't require CPA-level training. If you feel your business requires the assistance of a larger accounting firm, find out which staff members you will be working with to make sure their experience and personalities match your needs.

This column is brought to you by the Southern New Hampshire Chapter of SCORE, with nearly 70 current and former business executives available to provide free, confidential, one-on-one business counseling and training workshops for area businesses. Call 603-666-7561 or visit www.score-manchester.org for information on counseling, upcoming workshops and volunteer opportunities. SCORE is a national, non-profit organization and a resource partner of the U. S. Small Business Administration.

Have a question you'd like answered in this column? E-mail it to info@score-manchester.org, with "Ask SCORE" in the subject line.