

# When Does Your Growing Business Need a CPA Firm?

*A professional CPA firm is a crucial piece of a successful business owner's team, offering insight and services that can take crucial work off your plate and take you to the next level of success and beyond.*

## A CPA IS YOUR BUSINESS ADVISOR, NOT JUST A TAX PREPARER.

How will you know when it's time to make that leap?

## WHEN YOU DON'T NEED A CPA FIRM

There are certain instances when you do not need a CPA. If you are a freelancer with no deductions and only receiving 1099s you probably do not need a CPA's help.

If you fit into one of the following categories there is probably no need for you to engage with a CPA firm:

- 1. Not interested in retirement planning**
- 2. Not interested in college planning for children**
- 3. Not interested in pursuing tax deductions (office and/or mileage for example)**

## WHEN YOU DO NEED A CPA FIRM

*There are no magic numbers or milestones that can determine when the time is right for you to partner with a CPA firm, however there are some important considerations and questions to ask yourself:*

### How quickly is your business growing?

Businesses do not always grow at a steady rate. An Accountant can help you manage necessary growth adjustments including the need to hire staff or increase the size of your office space.

- **Are you ready to delegate?**

Or perhaps the better question is - SHOULD you delegate? There is more of a demand for your time and as a result you might be overwhelmed by handling the accounting or you're not able to keep up with it at all.

- **As your business grows, so does the complexity of the financial recording, analysis, compliance, and reporting that is required.**

Accountants who are also CPAs are the most qualified type of Business Advisor to handle those complexities.

### Is it possible that your business qualified for government assistance and/or tax benefits this year?

It is critical that you do not leave any money on the table and take advantage of every possible tax savings opportunity. Ask yourself – are there opportunities that you could be taking advantage of with proper tax planning strategies? You don't know what you don't know and a professional CPA can ensure you have sound strategies and proper planning in place.

### Is your small business being audited by the IRS?

Even businesses with the most perfect of tax returns will be selected for auditing by the IRS. Experienced Accountants have been there and done that and they can expertly manage and take this unpleasant task off your plate.

## HIRING AN ACCOUNTANT/CPA CAN ENSURE:

### You experience smart growth.

An Accountant can help you avoid growing too fast or in the wrong way.

### You avoid costly accounting errors.

Accounting errors, especially those that are tax-related, can be costly. Hiring an Accountant may end up being much less expensive than the costs associated with doing it yourself.

### You receive expertise from an Advisor who is also a CPA and can guide you through every stage of your business.

You will have access to a multitude of services including tax, bookkeeping, exit and succession planning, and business valuations just to name a few.

### Your quarterly estimated tax payments are accurate.

Insufficient estimated payments can result in significant consequences, so regular analysis can help you avoid unwelcome surprises at tax time.

### You have an established relationship with an Advisor that allows for strategic and proactive tax planning.

As your business grows and reaches new goals the established relationship with a CPA means that they have a deep-rooted familiarity with your business.

### You can see the 360-degree view of your business.

Seeing the big picture of your business is vital for continued growth.

## \*BUSINESS MILESTONES THAT REQUIRE THE EXPERTISE OF A CPA FIRM INCLUDE:

### Starting your business.

CPAs can recommend the best business structure for your specific business. The legal structure you use to set up your business – sole proprietorship, partnership, LLC, corporation or co-op – affects your taxes, liability and reporting requirements. They can also connect you with the necessary resources for all other aspects of the new business – from licenses to small business loans.

### It is time to consider buying or selling property and other assets.

CPAs are expert with business finances, and they can tell you if a purchase of property or assets is a good investment.

## LESS TIME SPENT ON THESE TASKS = MORE TIME TO FOCUS ON DOING WHAT YOU LOVE.

The bottom line is that engaging a professional Accountant can result in a more profitable business and secure financial future for you and your family. Your specialty is running your business. Leave the financial detail to an accountant.

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Results from a study conducted by Intuit show that 89% of small businesses say they see more success with an accountant or an advisor.

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With offices in Rutland and Williston, Vermont Davis & Hodgdon Advisory Group has served small- to medium- sized business owners for more than 30 years through expert staff, high-end technology, and unparalleled efficiency. Our mission as your accountant is to provide the financial peace of mind for yourself, your business, your children, and future generations.