# Finding a Certified Public Accountant

### Why are Bookkeeper, Accountant, and CPA Different?

"Bookkeeper," "Accountant," and "CPA" are not the same. Their standing with the Internal Revenue Service, their licensing and professional status, and the tasks they perform are related but not identical.

A bookkeeper for a company as an employee or an independent contractor to keep the financial books. Most know and us accounting software such as Quicken, QuickBooks, Microsoft Money or some customized software to keep the daily company financial transactions in order and up to date. They are responsible for accurately recording transactions, including accounts receivable, accounts payable, inventory, and (maybe) payroll, cost accounting, job cost, material requirements planning, and providing periodic reports. Sometimes they write checks, make payments, track credit cards, pay sales taxes, and may even do year end payroll tax accounting. Analysis of any reports produced by a bookkeeper are then analyzed and tax advice may be given by an accountant.

Accountants can do any tasks that a bookkeeper can do and more, but usually leave the daily bookkeeping tasks to the bookkeeper. Treasurers of companies are usually at least accountants and they usually use the bookkeeper's reports to prepare more detailed financial statements for a company, act as a controller for a company, internally audit the bookkeeper's reports, and may prepare reports for tax purposes. If they are working for an outside company, they may perform audits of the books of public companies under the guidance and management of a CPA. An accountant is usually classified by the IRS as unenrolled tax preparer, which means he or she has no standing with the IRS in the matter of signing tax returns or representing clients during tax audits and other matters before the IRS. Only CPAs, tax attorneys, and Enrolled Agents are able to represent a taxpayer before the IRS.

A Certified Public Accountants or "CPA" has a much higher standing of credibility and expertise. A CPA is an accountant who has passed initially and annually certain examinations and met all other statutory and licensing requirements of a state to be certified by that state. In addition to preparing and reviewing financial statements, CPAs also prepare tax returns for businesses and individuals, sign tax returns, and represent taxpayers and companies before the public and the IRS for audits and other matters. The American Institute of Certified Public Accountants or AICPA is the national professional association for CPAs.

Every company needs someone to keep track of the books called a bookkeeper that might work for an accountant or a CPA or company or may be the treasurer or financial manager of a company. Every company should have someone to help review financial reports and help make decisions on finances and taxes would normally be the company treasurer or financial manager who might also be an accountant. Remember, an accountant who is not a licensed practicing CPA, tax attorney, or enrolled agent, cannot represent a company before the IRS. A CPA who helps review books and who gives tax advice and can prepare and submit business and personal tax returns should be a part of any company's team.

## Questions to Ask to Qualify Bookkeepers, Accountants, and CPA's

When a company hires a "Bookkeeper," "Accountant," and "CPA" get to know them. Ask the right questions to qualify any accounting and tax professional.

What are the fees? What do those fees cover? Any other fees one should know about and what they cover and how are they defined? How is billing done? Are there any payment options?

What services are available? Monthly? Annually? Periodically? Occasionally? How and when are they charged? Any special payment options?

Can and will the CPA provide audit assistance with the IRS or stockholders or members and at what extra costs? How many IRS Audits and how many ownership audits have this person and his firm participated in? How did it work out for the client company and how much did they spend?

What experience does this firm have with the company's type of business? Its special receivables? Or Tax Schedules? Or Costing or Job Costing or Manufacturing Procedures?

Can the Company Be Represented in All the States Where Business is done?

How is Communication done to get any work performed? Email? Other Online Means?

How Often Should the Company Meet with the CPA to Discuss Business Taxes? Why?

As a CPA, What is Your Tax Philosophy and Tax Planning Priorities? Conservative? Cautious? Assertive? Aggressive? How about Travel Expenses? Entertainment? How to handle an office in one's home? How to Handle Company Vehicle Expenses for Officers, Managers? Independent Contractors? Employees? Spouses? Friends?

Personal Income Estimater After Taxes

| | | | Monthly | | Yearly |
|---|---|---|---|---|---|
| Housing or Rent Total | | | | | |
| | Housing or Rent | | ______ | X 12 | |
| | Utilities | | | | |
| | | Gas | ______ | X 12 | ______ |
| | | Electric | ______ | X 12 | ______ |
| | | Water & Sewer | ______ | X 12 | ______ |
| | | Cable | ______ | X 12 | ______ |
| | | Telephone | ______ | X 12 | ______ |
| | | | Total Utilities | | |
| | Food and Dining | Groceries ______ | | X 12 | ______ |
| | | Dining ______ | | X 12 | ______ |
| | | Entertainment ______ | | X 12 | ______ |
| | | | Total Food and Dining | | |
| | Vehicles | | | | |
| | | Rent or Payments | ______ | X 12 | ______ |
| | | Fuel | ______ | X 12 | ______ |
| | | Insurance | ______ | X 12 | ______ |
| | | Maintenance & Repairs | ______ | X 12 | ______ |
| | Other | | | | |
| | | ______ | | X 12 | ______ |
| | | ______ | | X 12 | ______ |
| | | ______ | | X 12 | ______ |
| | | | Total Other | | |

Before Tax Needed Cash Flow

0-5K=7%, 8K=8%, 9K=8.5%, 10K=9.75%, 11K=11%, 12K=12%, 15K=15%, 20K=17%, 25K=19%, 50K=11%, 100K=27%, 15K=30%, 200K=30%

| | | | |
|---|---|---|---|
| Federal Income Tax | | Yearly | ______ |
| State Income Tax | | Yearly | ______ |
| | Add Taxes that will be Due | Yearly | |

Cash Flow Need Yearly including Federal Income Tax and State Income Tax

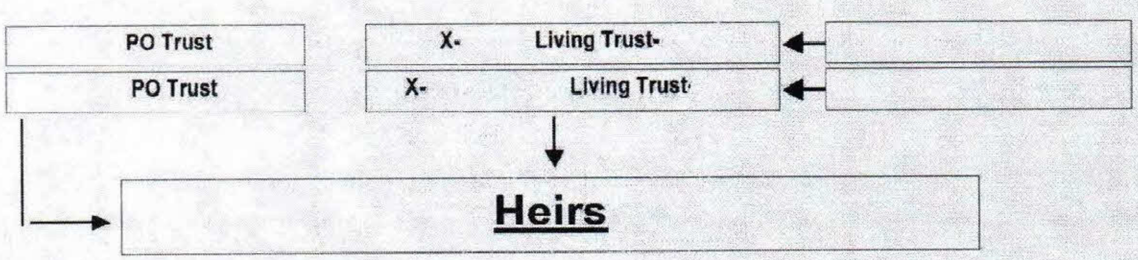
Attention: 2019
Tax Year Individual
Income Tax Rate
Schedule

*Important: You should only use the information below for your 2019 Tax Return filed in 2020.*

| **Tax Rate** | **Single** | **Married/Joint, Widow(er)** | **Married or Separated** | **Head of Household** |
|---|---|---|---|---|
| 10% | $1 to $9,525 | $1 to $19,050 | $1 to $9,525 | $1 to $13,600 |
| 12% | $9,526 to $38,700 | $19,051 to $77,400 | $9,526 to $38,700 | $13,601 to $51,800 |
| 22% | $38,701 to $82,500 | $77,401 to $165,000 | $38,701 to $82,500 | $51,801 to $82,500 |
| 24% | $82,501 to $157,500 | $165,001 to $315,000 | $82,501 to $157,500 | $82,501 to $157,500 |
| 32% | $157,501 to $200,000 | $315,001 to $400,000 | $157,501 to $200,000 | $157,500 to $200,000 |
| 35% | $200,001 to $500,000 | $400,001 to $600,000 | $200,001 to $300,000 | $200,001 to $500,000 |
| 37% | over $500,000 | over $600,000 | over $300,000 | over $500,000 |

# Estate

X-Probable Tax Return Required Her
*- Future Expansion Possible Here



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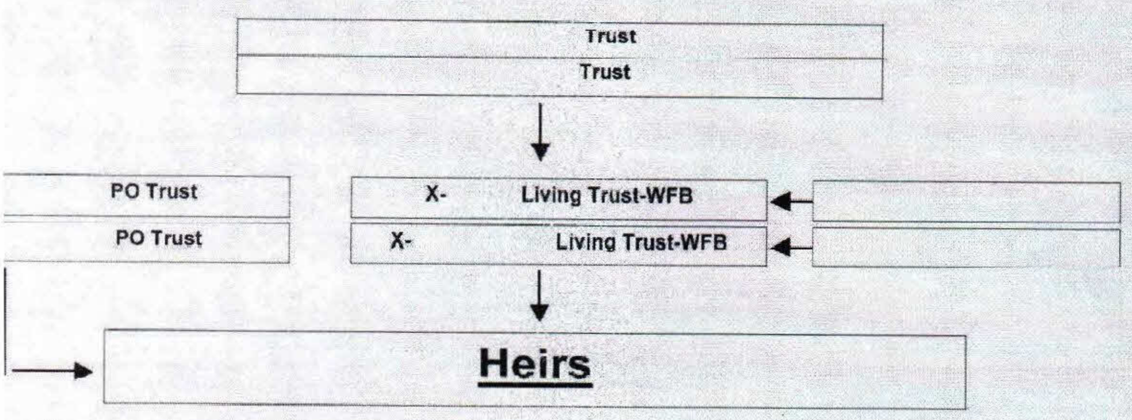

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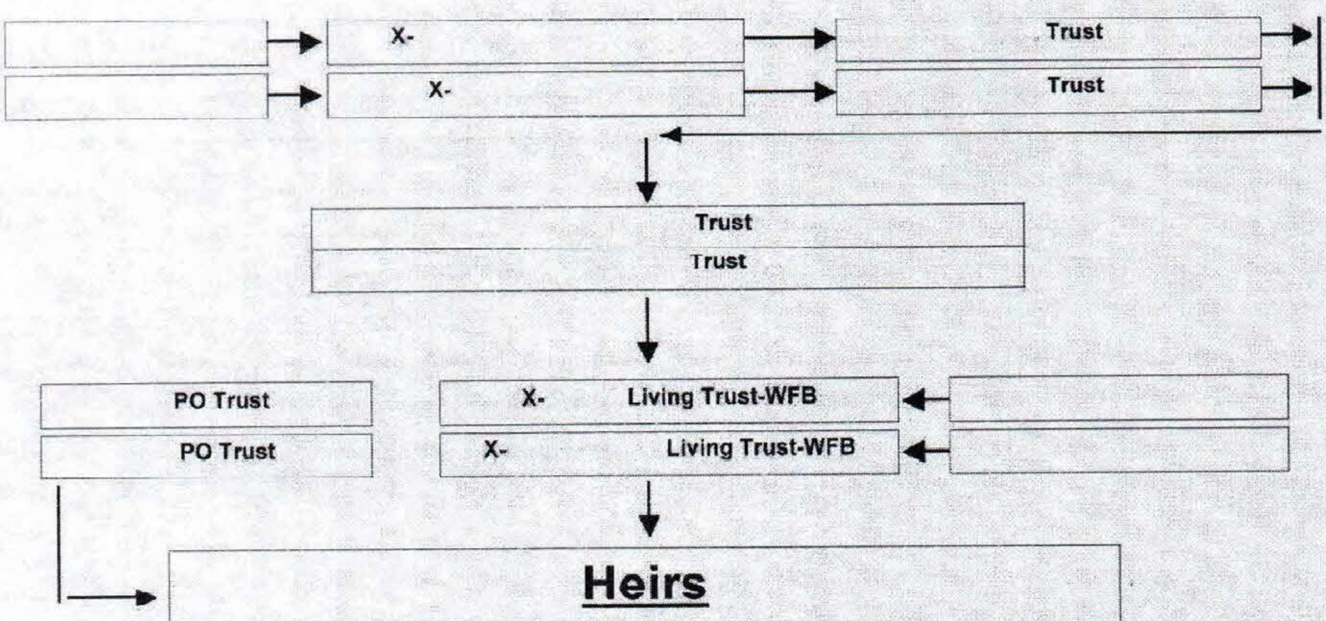

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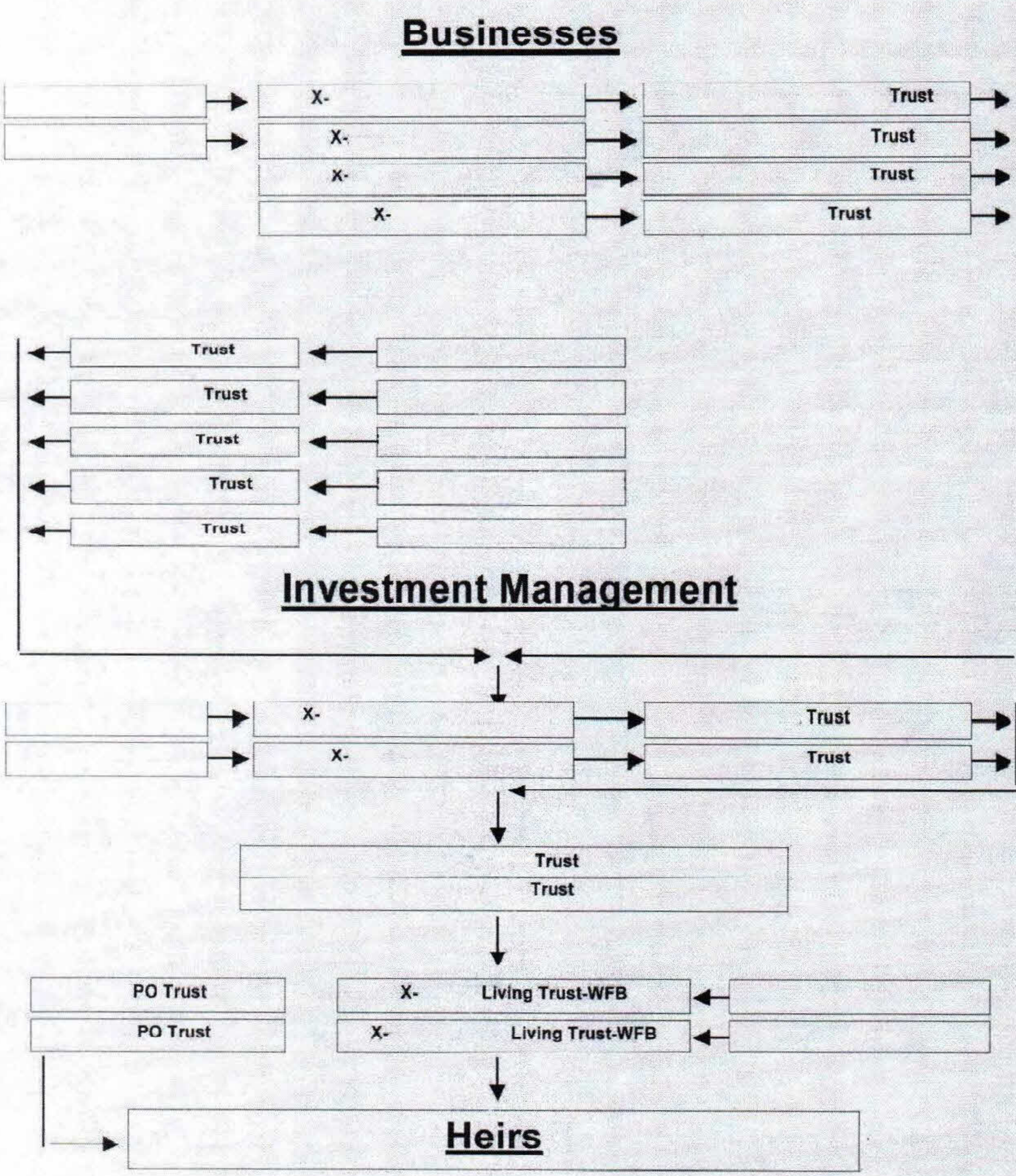

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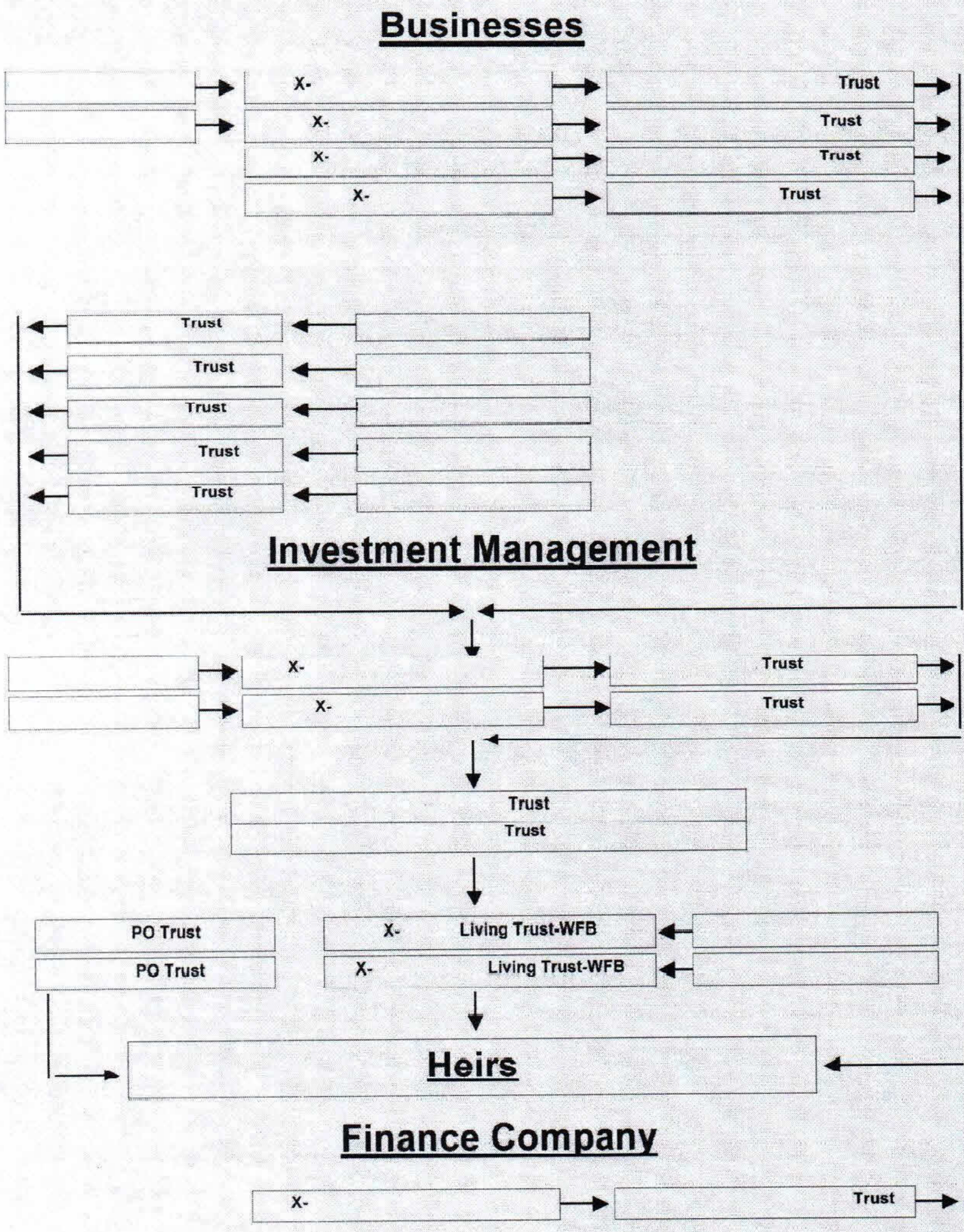

# Trust Information – Type ________

Trust Name ________________________________
Address ________________________________
Phone, Fax, Email ________________________________
Grantor ________________________________
Address ________________________________
Trustee ________________________________
Address ________________________________
________________________________

Successor Trustee(s): ________________________________
________________________________
________________________________
________________________________
________________________________
________________________________

Beneficiary: ________________________________
________________________________

Successor Beneficiaries: ________________________________
________________________________
________________________________
________________________________
________________________________
________________________________
________________________________
________________________________
________________________________

# Company Information – Type ______

Charter State ______________________ Shares _________

Company Name ____________________________________

Address ____________________________________________

Phone, Fax, Email __________________________________

Director(s)/Member(s) ______________________________

____________________________________________________

____________________________________________________

____________________________________________________

Officer(s)/Manager(s) ______________________________

____________________________________________________

____________________________________________________

____________________________________________________

____________________________________________________

____________________________________________________

____________________________________________________

Financial ___________________________________________

____________________________________________________

Agent(s) ___________________________________________

____________________________________________________

____________________________________________________

Comments __________________________________________

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