

Twelve (12) Questions You Must Ask Your Accountant!

by
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Short Description of the Presentation:

Does it seem like your accountant speaks a different language? If so, you need to be sure to ask your current accountant the twelve questions within the presentation. If he, or she, can answer them in a language you can understand - Great! If not, it's time to look for a new accountant.

The Traditional Conversation with Your Accountant

Topics/Questions Every Business Owner Needs to Ask:

- Ask the accountant to explain the terms they are using and what they mean
- We have revenue but no cash – why?
- The Income Statement should show what “you” need to know, not what your accountant wants to see
- What does gross profit mean and why is it moving up and down each month?
- Meet with your accountant in May, not February
- Balance sheet shows net worth. What does that mean?
- Ask your accountant the difference in current assets and fixed assets and current liabilities and fixed liabilities
- Should I contribute my savings to the business or get a loan? Why or why not?
- Budget: The business owner should create it, not the accountant
- A cash flow plan is a must have. Has your accountant suggested YOU create one?
- Are you structured properly? There are six legal entities (solely owned proprietorship, LLC, etc.)
- Accountants do not know it all; there are gray areas from a tax standpoint. Find out what is tax deductible and what is not and ask your accountant to show it to you in the tax code.

Article: *We Are Not Playing on the Same Team*