

MONEY 101 EDUCATION

6.10 – Questions to Ask when Interviewing an Accountant

A relationship with an accountant typically lasts many years.

If you are looking for an accountant to prepare your 1040 individual tax return, the price usually dictates whom you will choose. However, it is essential to ask about turnaround time because preparing your return expeditiously is critical.



If you seek an accountant to assist with your business accounting, including sales, payroll, and income tax compliance, it is worthwhile to interview a few firms and to get to know the accountant with whom you would work.

TO HELP THEM GET TO KNOW YOUR BUSINESS

Before meeting with a prospective accountant or accounting firm, write down.

- What your business does
- Current business structure (sole proprietorship, partnership, corporation),
- Years in business
- Which, if any, tax returns have you filed previously, and have you ever been audited?
- Estimated current year sales,
- Indicate if you sell a product subject to sales tax,
- Indicate if you provide health insurance or profit sharing/401K for employees/flexible benefits
- Number of employees

THEN set up a face-to-face interview and ask your prospective accountant

EXPERIENCE & SIZE

- 1 What licenses do you have? (Are you a CPA?)
- 2 How long have you been in accounting?
- 3 How long have you run your own accounting business?
- 4 How many accountants are in the firm?
- 5 Do you have any specialties?
- 6 Do you have experience with freelance independent contractors or home-based businesses?
- 7 Have you ever been convicted of a crime?
- 8 Does your accounting firm participate in peer review? Can I see your accounting firm's peer review report? (Normally done every three years)
- 9 Do you consider yourself to be tech-savvy? Do you file returns electronically?

SERVICES & FEES

- 10 What services would you provide that would be useful for my business? (i.e., bookkeeping, vendor payments, sales tax return preparation, payroll tax submissions, annual business tax return, periodic audits of my bookkeeping, bank reconciliation)
- 11 How do you calculate your fees? Do you charge different rates based on who performs the work?
- 12 Do you outsource any of your work? Do you perform the work personally? If not, what is the review process?

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- 13 Will the person I deal with change? Will I get a regular person to discuss my finances with?
- 14 Are your services standardized (packages), or do you offer customized services based on my business needs?
- 15 Will you issue and file a 1099 form for vendors as part of the annual tax return preparation?
- 16 How long from when I call can I usually get an appointment to see you in person?

AUDITS & ISSUES

- 17 Have you ever been the accountant to someone being audited?
- 18 What are some common problems you've worked through with companies that get audited?

MY SITUATION

- 19 Do you know how to use _____ (your preferred accounting software)? In your opinion, is this the right software for my business? Why?
- 20 Can you help me set up the Chart of Accounts and train me (or my staff) to prepare a monthly balance sheet and income statement?
- 21 Can I call you when I have a question? Do you answer questions by email? Will there be a fee for calls?
- 22 What new changes in the tax laws will affect me this year?
- 23 What types of retirement accounts are available to me? How would you recommend I use them to my advantage?
- 24 How will you help me maximize my tax savings?
- 25 How long will it take to finish my taxes, approximately? How much lead time do you need?
- 26 What's your privacy policy? Will you share my information with any third parties?
- 27 What specific deductions apply to me (childcare tax credits, educational credits...)?
- 28 Will your firm handle setting up estimated tax payments?
- 29 Based on your experience, what form of business structure should I have?
- 30 What records should I keep, and how do you recommend I organize them?
- 31 Have you ever worked directly with a client's financial planner? What issues did that cause, if any?

SUMMARY

- 32 What services do you think I need most? And what would be the fee for hiring you for them?
- 33 Is there a question I should have asked that I didn't?
- 34 If I want to hire your firm, what should I do? (Pay retainer, Sign letter agreement, etc.)

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