

OUTSOURCING GUIDE

For Bookkeeping And Accounting





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The Unique Financial Management Challenges Of Small Businesses

Small businesses and organizations struggle with growth.

As you increase sales and add employees your infrastructure and back office become increasingly important. Your bookkeeping, accounting and financial operations, need to move from compliance to a platform for financial intelligence.

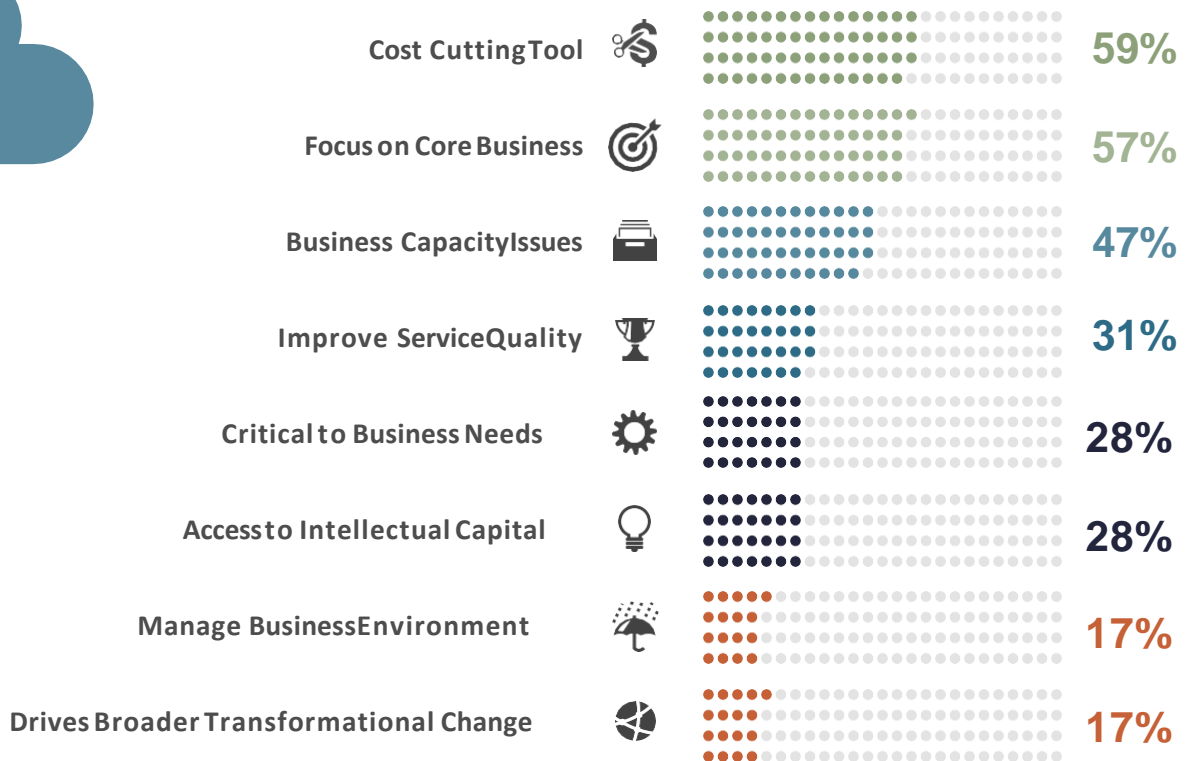
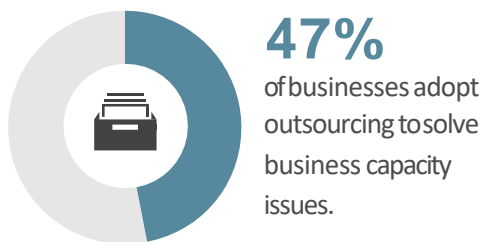
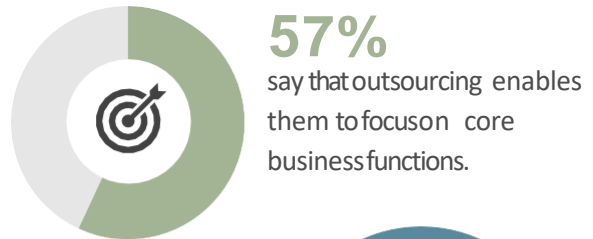
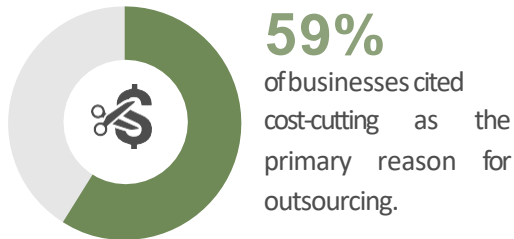
Many small businesses suffer from challenges in these four areas:



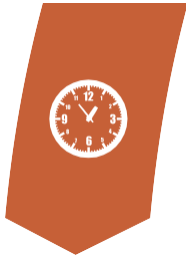
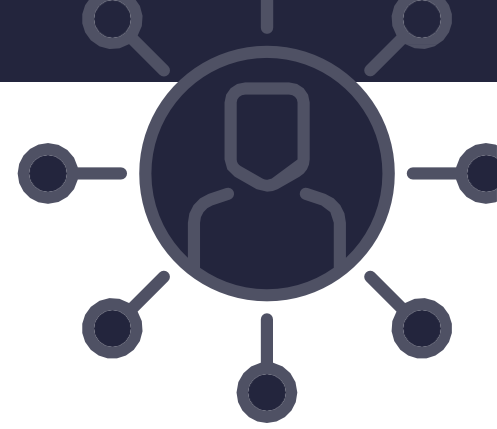
It's hard to hire/train/manage staff that can provide the level of expertise that is needed in early and growth stages of a business. The good news is that outsourcing has changed the playing field, and there's **significant benefits to outsourcing all or part of your business's bookkeeping and accounting**. As a result, outsourcing gives you the ability to focus on core activities as well as the financial intelligence you need for better decision making to help grow your business.

Why Companies Outsource

A 2017 Deloitte Survey reported:



Benefits of Outsourcing Your Bookkeeping & Accounting



TIME SAVINGS

Not having to recruit, hire, train, supervise and manage bookkeeping or accounting staff is a huge time saver and headache reliever. Outsourcing can help you regain valuable time so that you can put all of your effort and energy into growing your business and increasing profitability.



COST SAVINGS

Employee expenses including hiring, benefits, overhead, training and costs of turnover waste funds that could be applied to growing your business.

Outsourcing eliminates:

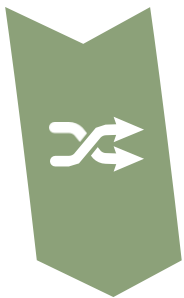
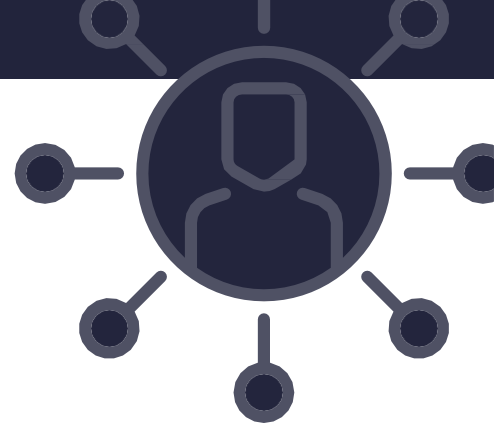
- Costs associated with recruiting, training and benefits
- Software licenses, office supplies and utilities
- Paying sick and vacation time
- CPA cleanup



EXPERTISE

A highly trained, fractional share of an accounting department provides access to expertise most small businesses can't afford. From compliance, to industry experience to management reports, outsourced accounting can provide peace of mind, eliminate worry and drive growth. Outsourcing could also help increase the ROI of your knowledgeable, existing back office staff by moving them into revenue generating positions.

Benefits of Outsourcing Your Bookkeeping & Accounting (cont.)



FLEXIBILITY

With outsourcing, accounting staff expenses become a variable cost. Services and expertise are available on-demand vs. the fixed costs of hiring staff. If you have an employee out of the office on maternity leave or vacation, you can temporarily add services, such as payroll or billing, to make sure the position is covered until your full-time employee returns.



SCALABILITY

Growing businesses are dynamic, not static, and as a result, accounting and bookkeeping requirements fluctuate. Throughout the lifecycle of your business you can access the exact bookkeeping and accounting services you need, and pay for nothing more.



ADVANCED REPORTING

Unlock the power of customized financial intelligence, a powerful benefit of outsourced accounting. You'll get access to timely and accurate financials, and most importantly, actionable management reports which will help you make the decisions that increase profits.

Your Accounting Needs Change As Your Business Grows

Businesses have different financial management needs as they move through their lifecycle stages. Your needs can fluctuate between basic bookkeeping and advanced management accounting.

Business Lifecycle Stages

Startups focus more on compliance. They need to keep overhead costs low to invest as much as possible into the business.



In **growth** stage businesses, strategic decision-making and cash flow management are critical to surviving.

Business leaders need to manage cash flow, make data-driven decisions to facilitate strategic growth.

During the **maturity** stage businesses should focus on consistent, predictable profits, push for further expansion, or prepare for an exit.

Depending on direction, businesses may choose to scale back or expand their outsourced accounting departments.

Five Types of Outsourced Bookkeeping & Accounting

Outsourcing your financial operations can take many forms, from basic transaction processing to outsourced Controller and CFO functions.

The accounting industry calls real-time transaction processing through management reporting, "**Client Accounting Services**," or (CAS). Quality providers in this space will deliver a level of management accounting that is hard to create on your own.

Web based, SaaS tools with service overlay

A good solution for micro or smaller businesses. Features intuitive User Interfaces but lack the power and scalability of an accounting package like QuickBooks or Xero and the service overlay is usually minimal.

Part-Time Bookkeeper

Typically perform basic bookkeeping compliance duties. Low cost option but needs to be supervised and managed. Also is a single point of failure.

Full-Service Accounting Department Client Accounting Service (CAS)

The most comprehensive offering including dedicated teams and latest technology. There are differences in scope of services, accounting platforms used, and flexibility.

CPA Firm with Bookkeeping Capabilities

Many CPA firms offer bookkeeper services, but it's usually not their core focus. They do it as a compliance service but do not provide management accounting.

Local Bookkeeping Service

Additional expertise than a part-time bookkeeper, but still lacking accounting skills and still need to be managed.





The Power of Real-time, Full-Service Accounting

Full-service accounting allows your company to leverage the knowledge and expertise of a team of trained financial professionals. When routine bookkeeping and accounting tasks are managed, you can focus on doing what you do best – running your business. In addition, full-service providers offer management accounting, delivering actionable insights into your company’s finances.

CLIENT ACCOUNTING SERVICES(CAS)

With recent advances in technology, the accounting industry now offers Client Accounting Services, a service model which provides automated technology and affordable accounting guidance to businesses of all types and sizes.

Unlike with part-time bookkeepers, local bookkeeping services or even CPA firms offering bookkeeping, businesses that employ Client Accounting Services receive a fractional share of a professional accounting department.

CAS delivers as-needed expertise across the spectrum of financial management, so businesses don’t have to hire, train or manage hard-to-find accounting staff.

Client Accounting Services firms do come in several varieties. Some provide basic bookkeeping, while others provide advanced management reporting and advisory services. It’s important to sort through the offerings and find the scope of work best suited for your business.

Management Accounting

A full-service outsourced accounting department should be able to provide **management accounting** in addition to financial accounting. Management Accounting enables **management reporting** that helps your business improve strategic decision-making to drive growth and profitability.



Management Accounting

provides the processes and procedures that create reports to aid management in strategic decision-making.



Management Reporting includes reports, KPIs and scorecards used by management to monitor performance, track against plans and make decisions to increase profitability.

Management accounting can be described as cost accounting. You need job costing to see your unit economics. Since payroll is your biggest expense, it's important the outsourced firm you choose implements time-driven activity based costing (TDABC) as a best practice to allocate your fully loaded labor costs.

Management Reports Provide Answers To Questions Like:

- Are you pricing your jobs right?
- Which clients are most profitable?
- Where should I spend marketing dollars to grow my sales?
- How much can I afford to spend on customer acquisition?
- How can I improve operations to reduce expenses?

Empowered by answers, you can make **data-driven decisions** with confidence and enjoy the positive results: significant financial savings and reduced business costs.



Best Practices in Small Business Bookkeeping and Accounting



SYSTEM OPTIMIZATION

Leverage business process automation to eliminate double entry and wasted time. Your accounting system should integrate and sync all data that exists in electronic form from any system. Unlocks the potential to assess time data with respect to:

- ✓ **Billing systems**
- ✓ **Job costing of payroll**
- ✓ **Profitability reporting for all aspects of your business**
- ✓



REPORTING

Design your reporting package with the end in mind:

- ✓ **What reports will help you to make better decisions**
- ✓ **What Key Performance Indicators and Scorecards would help you increase profitability**
- ✓ **What types of decisions will you make by looking at these reports**



STANDARDIZATION

Standardize weekly and monthly processes to ensure accuracy, timeliness and best practices. Standardized policies and procedures require:

- ✓ **Documentation of all best practices for billing, collections and cash flow management**
- ✓ **Training on best practices and processes**
- ✓ **Month-end checklist**



FRAUD REDUCTION

Design separation of duties and internal controls including checks and balances into your processes, policies and procedures. Make sure you have:

- ✓ **One person to authorize a transaction Another person to record the transaction A third person to reconcile the account**
- ✓ **reconcile the account**

Choosing a Partner

Things to consider when choosing an outsourced accounting firm



Experience	How long has the firm provided client accounting services (CAS)?
Specialization	a. Do they specialize in outsourcing? b. Do they specialize in your accounting software c. Do they specialize in your industry?
Transitioning	How do they manage the on-boarding transition process, and how long will it take?
Technology	Are they able to build or optimize your systems to automate and integrate all your financial data?
Scalability	Are they able to add, or cut back on services depending on your business needs?
Expertise	a. How many people will be on your team? b. What are their experience? c. Do they provide a dedicated Person?
Reporting	Do they provide a reporting package the includes management reports customized to your organization's drivers of success?
Offshore	Offshore work for small & large transaction heavy businesses focused on maximum cost savings.
Where do they work?	Do their staff work in a centralized office or service center?
Communication	How do you communicate with your team? Can you reach them when you need them?
Scope	Can they deliver a scope of work that matches your needs? Are they flexible? Do they offer daily/real-time service in addition to batch processing?
Security	Will your business's data be protected? (The best firms understand the importance of security. They invest and become experts in both physical and digital security.)
Shared Access to Software Platform	Some outsourced accounting service providers limit or restrict access to QuickBooks or other software.

Why FinTax Bookkeeping

FinTax bookkeeping, accounting and controller services help small businesses and nonprofits access timely, accurate financials from a dependable team of accounting professionals they can trust. You'll receive a **fractional share of a full-service accounting department based in the U.S. and India** that provides customized financial reporting and KPIs to help you drive profitability and growth through data-driven decisions.



**In-Depth
Onboarding**



**Catch Up Clean Up/Retrospective
Bookkeeping**



**Smart in Clouding
accounting**



**Management
Reporting**



Scalability



**Dedicated
Persons**

FinTax Bookkeeping's exceptional blend of team and technology sets us apart in the client accounting industry. In addition to the core bookkeeping and accounting services we provide, we're experts at helping small business and nonprofits integrate systems, improve cash flow, reduce risk and increase profits.

Now is the time to outsource your bookkeeping and accounting -get the team and the technology that will help you drive increased growth and profitability.

Get started with a customized proposal today: [Schedule a Free Consultation](#)

FinTax Bookkeeping

Outsource your bookkeeping and accounting to optimize systems, improve cash flow, reduce risk and increase profits.

Ready to get started? [Request Free consulting](#)

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