

The Importance of Having a Qualified CPA/Financial Advisor

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Would you even think of going to a doctor who did not have the proper credentials or expertise or to any other professional if they did not have the right certificates up on the wall and the experience to back it up? I don't think so. The same holds true for your trusted financial advisor, your Certified Public Accountant. Although having the right CPA is not necessarily a matter of life and death as it can be with a doctor, it can make a difference in relation to your financial well being. Why it is important to have a qualified CPA is an easy question to answer.

Your accountant should not be someone who you see once a year to prepare your income taxes. They should be a good resource for you related to most business and financial matters from obtaining a mortgage to budgeting to planning for the costs of college for your children. Whether it relates to your business or your personal life there are situations that arise throughout the year where you should afford yourself the expertise that a good CPA can provide to you. If you are a business owner then you probably know the importance of proper record keeping, budgeting, etc. and how critical it is to make the correct financial decisions. The continued existence of your business depends on it as well as the effect it may have on your employees. A qualified CPA can provide you and your business with the needed guidance to help you and your business thrive, or tell you that something is not going to work. A good CPA will also have many contact resources that can help you grow your business from obtaining financing to legal expertise.

From the perspective of an individual who is an employee rather than a business owner and employer, the CPA can provide you with just as much value. Tax planning, retirement planning, can you afford that house, how can you pay for college for your children...these are only a few of the areas that a good CPA can provide you guidance in. You should make use of this expertise as the need arises throughout the year. As I tell my clients, don't be afraid to call me with a question during the year, I would rather that than be told at the end of the year that you did something that I would have advised against.

How do you find a qualified CPA? This is a very critical question because if the individual you retain as your trusted advisor does not have the proper experience or expertise then any advice they give could be the wrong advice. Additionally your CPA needs to be someone that you can trust, someone you are comfortable with because they will end up knowing more about you than many of your closest friends and family. The first step in choosing the right CPA is to ask your friends, family and business associates if they can recommend someone. Other than your own contacts there are many CPA associations and networking groups who could provide you with referrals such as the local state Society of CPA's or the American Institute of CPA's.

The next step would be to set up an interview with the individual candidates. You should meet them face to face to get a feel for them, are they someone you think you could trust with your financial health? Do they present themselves professionally? Don't be afraid to ask them questions. Ask them about their areas of expertise. Ask them to tell you about some of the work they have done and how it relates to your own situation. Ask them for references, and follow through on checking them. Don't forget to ask them for their billing rates, how they bill and an estimate of how much it will cost to provide you with the services that you need.

Once you have done all of this, then you can feel confident in making the right decision. It is an important decision as many individuals and businesses retain the same CPA for many years, sometimes for the length of their working/business lives. Do not take this process lightly because having the right individual as your trusted advisor, as your CPA can only have a positive impact on your business and overall financial well being.