Your Guide to
Outsourced Bookkeeping and Accounting

GREENPATH
CPA SOLUTIONS

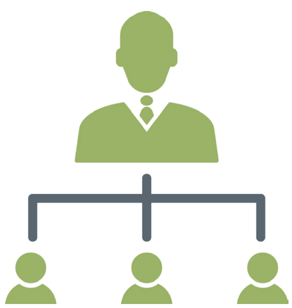
Table of **Contents**

Accounting Challenges for Small Businesses

Small businesses and organizations struggle with growth. Did you know that only 5% of small businesses survive the one year mark?

As you grow your business and add new team members, having a structure to your accounting and financial operations becomes increasingly important.

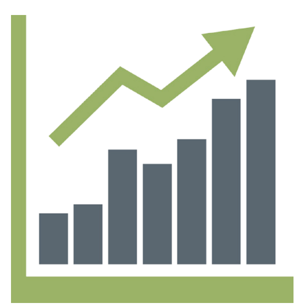
Many small businesses suffer from challenges across these four areas:



Accounting Systems Inefficiencies

Cash Flow Issues

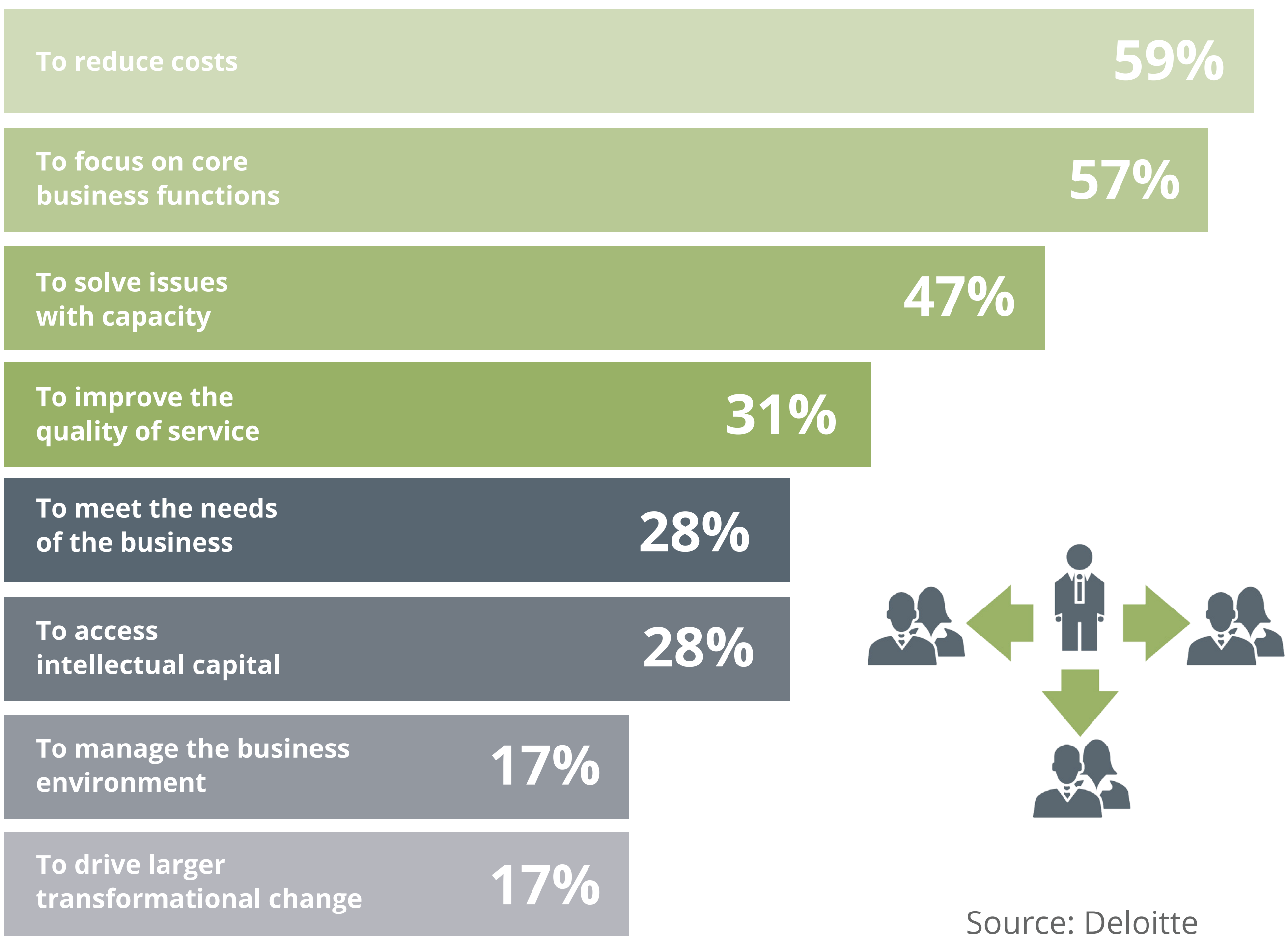
Risk of Fraud



Profitability

Why Do
Businesses Outsource?

According to Deloitte's 2018 Global Outsourcing Survey, outsourcing can be a way to give businesses a competitive edge, giving them more agility, efficiency and effectiveness in the way they operate. Below are the top reasons why companies outsource.



Source: Deloitte

Benefits of Outsourcing
Your Bookkeeping & Accounting

1. **A Fraction of the Cost of an In-Staff accounting department and CFO**
   A full-time in-staff accounting department and CFO is valuable but expensive. Get the brainpower of a team full of Quickbooks ProAdvisor CPAs.

2. **Consistent Year-Round Services**
   Unlike traditional CPAs you meet with once a year, you get our services 365 days a year.

3. **Unlimited Email and Phone Support**
   Unlike other providers, we offer fixed, upfront pricing. No surprise bills.

4. **Recouped Opportunity Cost**
   You likely spend 20-30 hours a month “working on the books.” Get back bandwidth to focus on what you initially intended to do.

5. **Security and Peace of Mind**
   Do you fear your books are a mess at the end of the year? We specialize in complex accounting areas so you don’t have to.

6. **Streamlined with Technology Partners**
   We partner with various technology and cloud accounting vendors to streamline your company’s accounting and financial management.

Your Accounting Needs
Change As Your Business Grows

Businesses have different financial management needs as they move through their lifecycle stages. Basic bookkeeping may be sufficient in the early stages such as development and startup, but as you start to grow and expand your business, you'll likely need more involved services like advanced management accounting.

1

1) In the early stages, you are focused on compliance and keeping overhead costs low.

Development: This is the stage where your business is just an idea and will require extensive market research and testing to determine if your idea is worth pursuing.

Startup: Your business entity is now legal and you have begun offering your product or service. This stage is marked by learning and tweaking to ensure profitability.

2

2) Managing cash flow and making data-driven decisions is essential in the growth stages.

Growth: In the growth or survival stage, your business is consistently generating revenue and acquiring new customers, which helps you cover your operating expenses and plan for growth.

Expansion: You are now established enough to be able to move into new markets and methods of distribution. Your proven business model helps you dramatically increase revenue and cash flow.

3

3) The focus in the maturity stage is maintaining consistent profits.

Maturity: Your business now has a substantial presence in the market and can continue to grow, but not at the same rate as in the expansion stage.

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 Accounting Tools & Software

There are so many accounting tools and software available for basic transaction processing that can be great for micro or smaller businesses.

Part-Time Monthly Bookkeeping Services

It depends on the service you choose, but a part-time bookkeeper typically only performs basic bookkeeping duties without any management services like payroll processing.

CPA Firm with Bookkeeping Capabilities

Many CPA firms are only focused on accounting and rely on their clients to handle the bookkeeping. However, there are some that offer it as a compliance service.

Full-Service Accounting Department

A full-service accounting team or client accounting services (CAS) takes care of everything from bookkeeping, to payroll, to CFO and controller services.

The Power of a
Full-Service Accounting Team

Outsourcing to a full-service accounting team allows you to feel confident that your finances are accurate and in the hands of a team of experts, while giving you more time to focus on what you do best—running your business.

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, CAS gives businesses access to the brainpower of a team full of CFOs and CPAs at a fraction of the cost of hiring someone in house. Client accounting services often include the full spectrum financial management services, such as:

- **Accounting and bookkeeping**
- **Accounts receivable**
- **Accounts payable**
- **Payroll management**
- **Cash management**
- **Tax returns and planning**
- **Forecasting and KPIs**
- **CFO services**
- **Succession Planning**

Management Accounting

Management accounting, often called managerial or cost accounting, differs from financial accounting in that it produces information that managers or business owners can use to make key decisions to propel them towards their goals. A comprehensive outsourced accounting team is typically able to provide management accounting services along with financial accounting.

Management accounting services often include the following functions:

- **Determining cost and value** - Management accounting can look into overhead costs involved in the production of a product or service offering to determine its true cost and value.
- **Analyzing and forecasting** - Management accounting includes the analysis of past financial information to predict what the future holds for your business.
- **Budgeting** - Management accounting and reporting gives key decision makers the information they need to decide whether or not a capital-intensive project or purchase will be beneficial to the future of your company.

Management Reporting
While management accounting services are what actually collect the information that business owners can utilize to make decisions, management reporting is the actual product of management accounting. Management reporting includes reports, KPIs and scorecards that are then used to make decisions for the business.

As a business owner or manager, you have a vision for your company, and you want to feel confident when making key decisions that will affect the future of the business. With management accounting, you have a strong basis on which to base those decisions, leading to financial savings, reduced business costs and ultimately—growth!

Management reporting helps you answer the following questions:

- Am I pricing my 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?

Small Business Accounting Best Practices

Automate with Software Programs

Eliminate double entry and wasted time using using one of the many reputable accounting software programs available. Whatever program you choose should be able to pull in any and all data you have stored electronically to fully optimize and streamline your accounting systems.

In addition, automating payroll and enrolling in automatic bill pay ensures you're never behind.

Protect Your Business Against Fraud

Separation of duties and internal controls help protect against fraud. But those duties shouldn't be handed out to just any employee. It might be a given, but you should perform a thorough background check on any employee who is given financial responsibilities.

Data protection and cybersecurity is also highly important in keeping your systems secure.

Perform Monthly Reviews

Monthly reviews not only help you ensure that standardized processes and best practices in regards to financial management are being followed, but they also give you a chance to review those KPIs and see if you're on track with your goals.

Track Expenses with Key Line Items

Whether you're using a spreadsheet or a software program to track your expenses, be sure to collect key line items like the name of the biller, the account number, the type of expense, amount owed, the date the invoice was received and the date the invoice is due.

Determine Your KPIs

KPIs, or key performance indicators, are stats and measurements that will play an integral role in making big business decisions and increasing profitability. Important KPIs you should be tracking include:

- Profit and loss
- Sales tax
- Outstanding revenue
- Burn rate
- Net profit margin
- Gross profit margin
- Cash flow
- Expenses

Considerations for Choosing an Outsourced Accounting Partner

Outsourced accounting has revolutionized the way businesses handle their financial management. But now that there are so many companies offering outsourced accounting services, you need to be sure you're choosing the right one for your business—a company you can trust to propel you towards your financial goals.

Experience
How long has this company been offering outsourced accounting services?

Accessibility
Do they make it easy for me to access the software programs they use?

Reviews
Have businesses like mine had positive experiences with this partner?

Specialization
Does this company have experience offering accounting services to my industry?

Communication
Does this partner offer 24/7 support via phone or email, or will I only be able to consult with them a few times a year?

Software & Technology
Do they use reputable, cloud-based software programs that will help streamline by accounting?

Security
Will my company's data be protected?

Environment
Is the company based in the U.S.?

Why GreenPath CPA Solutions?

Outsourcing your accounting to GreenPath CPA Solutions frees you to develop your business, confident your finances are handled expertly and accurately. We offer:

- Accounting and bookkeeping
- Tax returns and planning
- Accounts receivable
- Accounts payable
- Payroll management
- Payroll management
- Cash management
- Forecasting and KPIs
- CFO services
- Succession Planning
- And more

Tailored to Your Unique Accounting Needs

Whether you're a start-up or a decades-old family business, you can improve your bookkeeping while saving time and money with GreenPath Solutions. We offer different packages so you can choose the one that suits your unique accounting needs.

Streamlined with Technology Partners

We partner with various technology and cloud accounting vendors to streamline your company's accounting and financial management.

Start focusing on running your business, and leave the accounting to the experts.

We want to hear about your company's accounting needs!
Request a consultation today.

Call Us at: (440) 879-8165