

8 QUESTIONS

to Help Pilot Your New Business in the Right Direction



Continuous improvement is a key to success, so let us help you perform a check-up on your start-up. **Answer the following questions to determine if you have addressed the most critical steps of running a business.**

1. What entity type is your company?

- C-corporation
- S-corporation
- Limited liability company (LLC)
- Sole partnership
- Partnership
- I have not selected an entity yet.

Explanation: Entity selection is a paramount business decision impacting two vital facets of business operations: taxation and liability protection. Additionally, each entity type has its own documentation requirements and organizational structures.

2. What basis of accounting does your entity use?

- Accrual
- I have not selected a basis of accounting yet.
- Cash
- Other

Explanation: Accounting basis drives income recognition and (potentially) taxes. The accrual and cash bases are the most common, but some entities may use a variation of the two.

3. Have you set-up a chart of accounts?

- Yes
- No

Explanation: The chart of accounts is the basic roadmap of any accounting system. It translates figures and numbers into decision-useful information for business owners.

4. Do you currently have enough cash to maintain your company?

- Yes
- No

Explanation: Poor cash flow planning is a major source of business failure. Cash flow forecasting is one part art and one part science. For the science, we recommend using objective data (e.g., sales history of competitors or similar businesses), business seasonality, and current economic conditions when projecting your cash flow.

5. Do you have internal controls in place? Examples of internal controls include:

- a. When providing goods or services to customers, you use sequential invoices to avoid recording duplicate transactions.
 - b. When spending cash, you have established appropriate authorities over spending limits.
 - c. You have appropriately segregated duties of various functions and roles.
- Yes
 - No

Explanation: Internal controls are checks and balances that help an entity protect its assets and ensure that its financial information is complete, reliable, and accurate.

6. What brand of accounting software do you currently use?

- Intacct
- Xero
- QuickBooks
- Other
- QuickBooks Online
- I currently do not use accounting software.
- Sage

Explanation: Accounting software can help business owners generate financial information more efficiently. Before choosing an accounting software package, it is important to ensure that your financial data is as accurate as possible. CRI can help you “scrub” your data and suggest the best software for your business needs.

7. Is your accounting software cloud-based?

- Yes
- Not applicable/I don't know
- No

Explanation: Cloud-based accounting software is typically more efficient than computer-based programs because it can help streamline document management and financial transactions. It also offers anytime, anywhere, any device access to financial data — enabling collaboration between business owners, their accountants, and other business advisors and allowing real-time, strategic business decisions.

8. With which of the following could you use help managing? (Check all that apply.)

- Accounts payable
- Filing sales and use taxes
- Accounts receivable and billing
- Financial statement preparation
- Bookkeeping
- Managing payroll and payroll taxes
- Filing Forms 1099 and other information returns

Explanation: Starting and running a successful business involves a variety of strategic decisions, and it can be easy to overlook important needs. Working with a business advisory team to help manage day-to-day operations can help you align resources and, in turn, focus on the high-level needs of your company.