

CLIENT SUCCESS STORY



How Kanter & Associates Turn-Key Accounting Solutions helped save a local business thousands of dollars

Problem:

A potential client approached our firm with a huge issue. ***"My long-time bookkeeper left and we are stuck! Please help"***

In this case, like with many businesses, the bookkeeper handled everything including creating invoices to customers, processing invoices to vendors, costing jobs, reconciling bank accounts and providing basic reports.

Since she was with the company for 7+ years, her title became "controller" and her pay drifted up to \$50K annually plus Health Insurance and three weeks paid time off, totaling about \$62,000 total compensation.

Initially, this prospective client was looking for assistance in hiring and training a new full charge bookkeeper (employee) and engaging us for outside accounting (Financial Statement Preparation, Tax Preparation)

After an extensive interview with the prospect and a cursory review of their books, prior tax returns and some of the reporting provided by the previous bookkeeper we noticed several things:

Analysis:

1. This employee had no formal education or prior experience in accounting. This led to reporting that was "hyper customized" to this company and did not take basic accounting principles into consideration. The owner was receiving information that was not accurate but thought useful.
2. Several months before she left, the relationship began to sour. This led to a lack of work being accomplished leaving the books and reporting to fall behind.
3. No formal internal controls were put in place, which lead to a

fear of potential fraud as the relationship soured.

4. The owner did not have a firm grasp of what was happening internally with regards to operations, processes and procedures. Over the years, this employee just "handled everything".

5. Because of the lack of professional knowledge in accounting, there may have been a large discrepancy with the books leading to a discrepancy with prior year's tax returns.

6. The current fees for outside accounting (Monthly Compiled Financial Statements) was approximately \$550 per month.

7. The total compensation (salary, taxes, insurance and PTO) for this employee was approximately \$62,000 annually.

SOLUTION:

In this case we assessed the definitive need for a Full Charge Bookkeeper and occasional Controller Services. The bookkeeping services we recommended included Monthly Bank Reconciliations, Accounts Payables, Invoicing and Accounts Receivables and Inventory Adjustments in the books as needed. On a controller level, we also















uncovered a need for better management of cash flow. Therefore, daily reporting of cash on hand was included as well as an overall weekly cash flow report and monthly meetings to review and discuss.

Our recommendation was to outsource the entire position to our firm with our Turn Key Accounting Solution.

We would handle all accounting functions both on-site and



remotely. Our fee in this case was **\$26,000 LESS annually** than the client was paying for an employee. Here was the benefit analysis graphic we presented:

In-House Bookkeeper (Employee) \$50,000 salary (\$62,000 after taxes and benefits)	Turn Key Accounting Solution (Kanter & Associates) \$32,000 annually \$1,330 bi-weekly (1 st & 15 th)
 Limited knowledge base, experience and competence with regards to bookkeeping and accounting.	 Higher level staff with a high level of experience with businesses just like yours.
 Client responsible to place ads, interview, hire and train new employee.	 Our staff is trained and will provide clients with proper procedures.
 Benefits: time off, sick days, payroll taxes, unemployment taxes, unemployment benefits, workers compensation insurance. *Health Insurance	 Benefits: None - No sick days, no time off, no vacation, no taxes, no unemployment benefits, no health insurance.
 Limited to basic admin and bookkeeping. Limited knowledge at this price point. Outside accounting still needed.	 Professional staff including bookkeepers, staff accountants, CPA's and Consultants.
 No additional services provided.	 Additional services such as cash flow management, trend analysis, assistance in procuring funding, assistance with budgeting & strategic business planning.
 Typically high turnover.	 Multiple staff will be trained to work on your account. This overlap ensures consistency.
 High risk of fraud (35% of ALL small businesses experience fraud)	 Inherent Fraud Prevention and client retains full operational control as per firm procedures.

Over the last year we have helped to tighten up processes and procedures as well as create proper internal controls. The regular reporting being given to the owner is allowing him to make better decisions in purchasing and pricing giving him more control and better understanding of his business. This additional knowledge and control is helping him increase his capacity, make more sales and increase his bottom line. His dream is to have a successful business which will help him and his family reach their financial goals now and into retirement. As we continue to help make the business more successful...we're helping make his dreams come true.

To see how our Turn Key Accounting Solutions can help your business, Call us today for a free no cost, no obligation consultation.

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