QUALIFYING AN ACCOUNTANT

An experienced accountant can provide the following services for your real estate business:

- Help you create a tax strategy for your business
- Maintain annual bookkeeping records
- Prepare annual tax returns
- Provide guidance on the appropriate business structure for your real estate investments and personal situation
- Create financial accounting reports for joint venture investments

General Business Questions

Use these questions to help you qualify an accountant to ensure your bookkeeping, tax filing, and business structure are maximized to align with your Investor Profile.

1. **Will I be charged for this first introductory meeting?**
   Some accountants may not charge for a brief introductory meeting (i.e. 30 minutes or less) as long as the consultation does not include any accounting work or specific tax advice, while other accountants may charge you for an initial consultation. Be sure to ask before an introductory meeting, so you have a clear expectation of what the meeting will entail and cost.

2. **Which areas of tax and accounting do you specialize in?**
   You want an accountant who specializes in areas that align with your business requirements. Look for one who specializes in tax and financial accounting and is familiar with real estate investors. Feel free to ask questions about what their primary business focus is to ensure you align.

3. **Can you tell me about your educational background and experience in the industry?**
   Experience and longevity in the industry are key. If the accountant is newer to the profession, are they part of a team where they can lean on other, more experienced co-workers? Be wary of a first-time accountant who is learning with you as their test case.

4. **What percentage/number of your clients are real estate investors?**
   While real estate investors don't have to make up the majority of an accountant's clients, you don't want to be the only one. This also helps you determine whether you are a client type they focus on.

5. **How many properties do your top 3 real estate investment clients own?**
   Ideally, your accountant will have experience working with large portfolio holders who have complex structures and a variety of investment situations. This ensures the accountant will understand your needs as your portfolio grows.

6. **Do you provide full service accounting, tax filing, and bookkeeping services? What additional services do you provide that assist real estate investors?**
   A full-service accountant means continuity of service and ensures they can scale with you as your business grows. If they only provide basic tax filing and bookkeeping, you may outgrow their services quickly.

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7. **Would you be completing these services personally, or would it be someone else in your office?**
Ideally, you want to speak with and develop a relationship with the person who will be working on your file. This ensures clearer communication channels. If multiple people will be working on your file, clarify what the communication process is and how different individuals will work together to provide you with seamless service.

8. **How familiar are you with creating business structures for real estate investors? Can you give me some examples of different structures you are familiar with?**
An accountant experienced with real estate investors should be familiar with multiple structures from sole proprietors to complex corporate structures with family trusts. As you grow your business, you will want an accountant who helps you evolve and adds to your structure as necessary.

9. **What is your fee structure for personal accounting? Business accounting? Bookkeeping? Other services?**
Look for a clear fee schedule that outlines fees for all services and identifies if the fee is flat rate or hourly. Also ask to see a sample invoice and understand payment terms.

10. **Which software or method would you expect me to use to provide information to you, so you can complete my accounting/tax filing/bookkeeping?**
Some accountants will request you use a preferred software or accounting system, while others allow flexibility. Ensure you understand how you should provide information and whether there are possible savings if you provide organized data instead of a shoebox full of receipts for them to sort through.

11. **How can I communicate with you throughout the year? Can I get questions answered via email?**
In this fast-paced world, having an accountant that will respond via email or phone instead of in-person meetings is preferred by most. Ask if there are fees associated with email or phone inquiries.

12. **What is your experience working with joint venture real estate investments?**
Not all accountants are familiar with this aspect of real estate investing. If this is a strategy you plan to pursue, ensure you will have their guidance and expertise as part of your support team.

13. **If I have joint venture real estate investments, can you prepare financial accounting reports according to my joint venture agreements for my co-venturers?**
Working and managing co-venturers often provide reports at tax time to financial co-venturers. If your accountant can provide this service, it will free up your time and ensure consistency across all your bookkeeping.

14. **How often would you suggest we meet to review my progress/plan? What would be covered during a review meeting?**
An investor-savvy accountant should be a key part of your growth plan and act as an advisor. Look for an accountant who can educate you on upcoming tax changes and advise on how to scale as your business grows. During review meetings, look for an accountant that focuses on you, your goals, and helping you be informed. Avoid accountants who use review meetings only as sales tools to sell you products you don't necessarily need.

15. **Can you provide me with references to some of your real estate investor clients?**
Be wary of businesses that don't want to share references. When checking references, ask questions such as: Are you satisfied with their level of service? How long have you been a client? How have they helped you in your business? Is there anything you don't like about their service? Would you recommend them to your family, friends, and other real estate investors?

16. **Is there anything else I should know about you or working with your company if we decide to proceed with this relationship?**
Ideally this is the accountant's opportunity to add value to you, explain more about their services, and outline next steps for you to confirm the business relationship. Look for answers that appear genuine, are informative, aren't a heavy sales pitch, and don't appear scripted.

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