GETTING CPA-READY:

10 Things to Think Through First

A practical starting point to help small business owners get ahead of what their CPA is likely to need — because every situation is different, and preparation always helps.

The CPA meeting is one of the most important financial conversations a small business owner has each year. It can move quickly and productively — or it can stall on questions about records that aren't ready, accounts that don't reconcile, and history that hasn't been documented.

This checklist gives you ten areas worth thinking through before that conversation happens. It's a starting point, not a complete picture — your CPA will have their own requirements based on your specific situation, entity structure, and filing history. But working through these ten areas before you meet is almost always time well spent.

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10 Things to Think Through

1. **Fully reconciled bank statements for all business accounts.** Every account — checking, savings, money market — reconciled through the end of the most recent period. Unreconciled accounts are the single most common reason a CPA meeting stalls.
   - *Include all months for the tax year, not just year-end*
   - *If accounts are behind, reconcile before the meeting — not during it*

2. **Fully reconciled credit card statements for all business cards.** Personal cards used for business expenses need the same treatment. Every charge accounted for, categorized, and matched to the statement.
   - *Business cards: reconciled in the accounting system*
   - *Personal cards with business charges: expenses documented separately with dates and business purposes*

3. **Documentation for any owner loans or shareholder reimbursements.** If money moved between you and the business — in either direction — your CPA will want to understand whether it was a loan, a distribution, a reimbursement, or something else. Documentation helps them characterize it correctly.
   - *Loan agreements, even informal ones, should be written and dated*
   - *Reimbursements benefit from receipts and a record of what was being reimbursed*
   - *K-1 distributions should be clearly distinguished from loan repayments where possible*

4. **The prior year's tax return.** Your CPA typically needs this to verify depreciation methods, carryforward items, prior-year elections, and opening balances. If this is a new CPA relationship, returns for the last two to three years can be helpful.

- *Include all schedules and entity returns, not just the primary filing*
- *For multi-entity businesses, returns for every entity are worth having on hand*

5. **Financing statements and amortization schedules for any loans or leases.** Vehicle loans, equipment financing, business lines of credit, SBA loans — your CPA will typically need the original statements and current balances to handle interest, depreciation, and debt properly.

- *Original loan documents are more useful than just the most recent statement*
- *For vehicle loans, note the date placed in service and business-use percentage if applicable*

6. **A clear record of any inter-entity transfers.** If you operate multiple entities and money has moved between them, your CPA will want to understand the purpose of each transfer — not just the amount and date. Undocumented inter-entity transfers are a common source of questions.

- *Who sent it, who received it, and what it was for*
- *Whether it was a loan, an expense reimbursement, or a capital transfer*
- *Whether it was ever repaid, and if so, when and how*

7. **Key entity formation documents and dates.** For newer entities especially, your CPA may need to know when the business was formed, what its tax election is, and whether there have been any changes in ownership or structure.

- *Articles of incorporation or organization*
- *EIN confirmation letter*
- *S-Corp election letter if applicable*
- *Any amendments to the operating agreement or bylaws*

8. **A list of any unrecorded business expenses.** Personal credit card charges for business purposes that didn't make it into the books, cash expenses, business costs paid from personal funds — surfacing these before the meeting gives your CPA a more complete picture.

- *Go back at least to the start of the tax year — further if the business has been behind*
- *Note the date, amount, and business purpose for each*

9. **Accounts receivable and accounts payable aging reports.** Your CPA may want to understand what the business is owed and what it owes. Aged receivables and payables can affect income recognition and deduction timing depending on your accounting method.

- *Run aging reports as of the last day of the tax year if possible*
- *Flag any receivables that are unlikely to be collected — worth discussing with your CPA*

10. **Any correspondence from the IRS or state tax authorities.** Notices, audit letters, penalty assessments, payment plans — your CPA will want to see anything that has come in. If you've received something and haven't responded yet, the meeting is a good time to discuss it.

- *Include notices from prior years that weren't fully resolved*
- *Don't wait until the meeting to mention a notice you received months ago*

A Note on Multi-Entity Businesses

If you operate more than one entity, the areas above apply to each entity separately. Inter-entity transactions in particular — transfers, shared expenses, deposits that landed in the wrong account — are worth documenting as clearly as possible before the conversation, since they tend to require the most time to work through.

If prior-period issues are likely — corrections to previously filed returns, years that were filed late, or transactions that may have been characterized incorrectly — raising those with your CPA early gives both of you more time to address them in the right sequence.

If You're Looking at This List and Feeling Behind

Most small business owners who work through this checklist find at least a few areas that need attention. That's normal — and it's fixable. The goal isn't to have everything perfect before you reach out. It's to understand where the gaps are so they can be addressed in the right order, with the right support.

A Clarity Call is a calm, no-pressure place to start that conversation. We'll look at what's there, identify what's missing, and talk through what getting ready involves — without judgment and without pressure.

Schedule one at calendly.com/jim-primeentrybookkeeping.