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Title tag: What to know about starting an Accounting Firm| Ezzi.net

Meta description: what to know about starting an accounting firm. Read our blog to learn more.,.

## **What to Know About Starting an Accounting Firm**

No worries. Keep reading to get answers to your questions on how to organize and structure your firm. Starting your own accounting firm sounds like tons of work yet opening an accounting firm is one of the most profitable small businesses anyone can start.

- Opening your own firm means you're gaining profits from the firm plus your wages. It also means you're no longer an employee, you're an owner. Being an owner may appeal to you if you're a go-getter with a Type A personality,
- Understand your target market, and whether you're targeting a small, mid-size or large business. Are you interested in targeting restaurants or manufacturing or technology companies or some other business?
- Do you need a legal entity? There are many pluses for setting up an LLC, which means you have limited liability aka less risk for your firm. It's not recommended to skip incorporating your business as it puts your entire firm at risk for a lawsuit.

## **How Does Opening an Accounting Firm Compare with Opening Other Businesses?**

Starting an accounting firm is not that much different than starting any small business. Here are some of the steps you'll need to take:

- Apply for an Employer Identification Number (EIN)
- Apply for a Tax ID number
- Research employment laws
- Estimate startup costs
- Create a pricing structure for services
- Choose a legal structure of your business (S-Corp, L-Corp, LLC, Partnership, LLP )
- Gain quotes for business insurance
- Open a business bank account
- Create internal policies, a mission statement and a description of your services and solutions
- Staff up with employees

At this point, you need to consider how you'll run the day-to-day requirements of your firm including crisis management, administrative duties, and how you'll recruit new clients.

Nearly every business in Texas is required to get an EIN. Yet, there are a few exceptions. According to the IRS, you must obtain an EIN if you formed a Texas corporation or partnership. Check the [IRS website](#) to determine if you need one. Most experts indicate your firm is ahead of the curve if you obtain an EIN, The good news is like most everything else you do, obtaining an EIN will not cost you anything.

Many accountants wonder if they need a CPA onboard to open an accounting firm. There are some differences between accountants and CPA namely: education, experience and typically employment opportunities. Yet the main difference is CPAs can perform audits and assurance services where accountants can not. If you need these services then you'll want a CPA onboard yet if you don't need those services then you typically don't need a CPA onboard.

Now, you need to consider whether you'll have a physical location or will your accounting staff all work remotely from home? With COVID-19 still in play, many businesses have operated

remotely from home. Accountants and their support staff are no different than any other remote worker. Everything an accountant (and their support staff) can do at a physical office can also be accomplished remotely from home. Luckily, there are many options to have face-to-face video meetings like Zoom, Google hangouts and Microsoft Teams for starters.

You'll also need to research acquiring a dedicated Electronic Filing Identification Number (EFIN). If you decide to work at home instead of working at your physical office then you'll need to research whether you need two EFIN's, one for your physical office and one for your remote home office. This is a question the IRS can answer for you.

### **What if You're Interested in Starting a Home-based Accounting Firm?**

Fortunately, you don't need a physical office to open an accounting business. If you're leaning towards a home-based business, then you need to consider the risks and benefits associated with working from home. Some of those include:

- **Shared work locations:** More professionals are working remotely now than ever before. The cost of remote employees is significantly less than leasing or purchasing office space.
- **Low costs:** While you grow your business and add more clients, you'll want to keep your costs low. Keeping your costs low allows you to turn a profit quicker. This way you can offer new clients slightly lower rates than your competitors to build your clientele faster.
- **Liability:** If you plan to meet clients in your home then liability could be a problem. Consider if a client falls either inside or outside your home. You'll want to understand liability laws and what your firm is responsible for. You'll also want your liability insurance to cover your home and your office. Otherwise, any injury that occurs at your home could result in a personal out-of-pocket cost.
- **Zoning laws.** All cities and counties have zoning regulations. Research your zoning laws and confirm that you're complying with any laws that would cover your home-based business.
- **Consider adding a physical office.** Having a physical space communicates to your client that you are professional and you take their business seriously enough that your one-on-one meetings occur in the office instead of your home.

## What Services Should You Offer?

Most accounting firms offer the following services:

- Tax
- Accounting
- Bookkeeping
- Payroll

Though these are the cornerstone services of most accounting firms, it's key to decide if there are any other services you want to offer to attract more clients. Research your competitors and see if there are any new or progressive services you could add to help your firm stand out. This is where it helps to know if there are any new trends that you can offer that will put your firm in front of your competitors.

Like starting any new business, prepare to deal with a number of risks and benefits. Once you launch your firm, you'll be stuck dealing with the day-to-day reality of mastering your firm's operations. Preparing for any issue that comes your way is your best plan of attack. Once you get the swing of it, your firm will run more smoothly and efficiently.

### Questions you might face:

- **Talent acquisition and development.** Acquiring top talent can be challenging. This is where knowing what type of staff you need comes in handy. Create a strategy that encompasses what type of staff to onboard when.
- **It's difficult to run a seasonal accounting business.** Your job is to see how your clients can use your services all year round. Understanding how you can offer more than just seasonal services will increase your firm's profits year-round.
- **Observe regulatory changes.** Make it a habit to keep up with regulatory changes. Keeping up-to-date with the latest regulatory changes will minimize your risk.
- **Go beyond traditional accounting firms.** Traditional accounting firms used to meet with clients once a year to handle their tax returns. Progressive firms have year-round

services and often treat their clients as partners. Going above the once-a-year service will keep your firm profitable.

### **What Kind of Fees Should You Charge?**

Your fee structure will depend if you charge hourly like traditional accounting firms or if you will charge a fixed fee or a retainer. More progressive firms are opting to fixed fees as it turns out to be more profitable in the long run.

The more experience you have the quicker you'll be able to complete tasks. The downside of an hourly fee is you usually have to continuously recruit clients to stay profitable.

All fixed fees are essentially based on value. In fact, your expertise and experience are more meaningful than an hour of work for your clients. Assigning pricing to your knowledge and skill makes good business sense and it's beneficial to your clients.

### **What Web Hosting Service is Best?**

Choosing which [web hosting company](#) is going to host your website is a huge decision. Should you choose a [dedicated server](#), a [private server](#) or a [cloud server](#)? Lots of companies elect to partner with a [VPS provider](#) due to their highly respected reputation. You'll want to read customer testimonials on potential web hosting sites, and ask all the questions that will make you comfortable to determine if the provider you're considering is responsive, reliable, helpful and 24x7. Evaluate online reviews to determine how dependable the hosting is and how happy their clients are. If a former client states that their site was constantly down then it's best to avoid that hosting provider. Ask if the provider you're considering can provide downtime stats on sites they currently host, and use that data to make a decision.

### **Contact Ezzi.net?**

Choosing a provider is vital to your accounting firm as your website and all of its data is

suddenly stuck on that provider's server. At [EZZI.net](https://ezzi.net), we can keep your site and firewalls safe from threats, breaches or hackers by optimizing your site. We will regularly review your server, applications and services and compare them with your business objectives so you can prepare for any updates or changes.

Additionally, we will monitor your system and application performance before an issue occurs and can provide baselines for your network to assess against. As your trusted partner, [EZZI.net](https://ezzi.net) will help you proactively assess vulnerabilities, anticipate needs for additional network support, and plan remediation.

With Ezzi.net, your accounting, CPA or bookkeeping departments can rest easy knowing their data is safe in our hands. Located in Houston, Ezzi.net has the perfect hosting plan for your next server, site, platform or blog — all backed by our award-winning 24/7 support.

Once we provide you with a VPS, your firm will enjoy an ultra-fast, high-performing website. This will allow you to watch your business grow, enjoy faster uptime and bring on your A-game. You'll also experience greater uptime via unprecedented performance, unmatched security, and a huge bandwidth. Visit [EZZI.net](https://ezzi.net) today or call us at 212.949.1600 so we can help you achieve your goals quickly and safely.