

Policies and procedures to discuss with your accountant:

1. Capital expenditures

- a. What is the threshold for capitalizing office furniture and equipment?
- b. What is the threshold for capitalizing software?
- c. Should down payments on machinery and transportation equipment be coded to suspense? If not, how should they be handled?
- d. What paperwork does the CPA need for capital purchases?

2. Loans

- a. What documents does the CPA need for new loans?
- b. Who will establish new GL accounts for new loans?
- c. Should loans be coded per amortization schedules, or will the CPA adjust at the end of the year?
- d. Should long/short term accounts be adjusted monthly or just annually?
- e. What special procedures are necessary for stockholder loans?

3. Depreciation

- a. Who is tracking assets and calculating the depreciation entry?
- b. Is the entry available for monthly input?

4. Accruals

- a. Which transactions will require accruals?
- b. Find out if your system will automatically reverse accruals.

5. Reconciliations

- a. Which accounts should be reconciled monthly?
- b. Establish procedures/guidelines for reconciliations.

6. Payroll Reporting

- a. Who will prepare the quarterly and annual payroll tax returns?
- b. Will you print W-2's from the accounting system, or will the accountant prepare them?

7. 1099's

- a. Will these be printed out of the accounting systems, or will the accountant prepare them?
- b. Are there any special rules that apply to your industry or vendor list?
- c. Discuss which vendors will receive 1099's.

8. Petty Cash

- a. Discuss amount of fund, reconciliation and reimbursement procedures.