

What Should Contractors Consider When Choosing a New Accounting Firm?

Critical relationship for any successful business is the one it has with its CPA firm. And while every industry has special circumstances to consider, the construction industry is truly unique. The construction industry deals with up and down business cycles and special income-tax issues as well as distinct information systems, financial reporting, bonding and financing needs, all of which require special knowledge from the professionals who serve those in the industry. With that in mind, below are some things to look for when hiring a construction CPA firm:



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- ▶ **Knowledge of construction accounting**, such as the method of recognizing revenue, allocation of indirect and direct costs, and work in progress calculations.
- ▶ **Understanding of contractor's unique tax accounting methods**. The construction industry has its own set of tax rules.
- ▶ **Familiarity with construction accounting software**. Most contractors use industry-specific accounting software.
- ▶ **Recognition in the accounting industry**. A reputable CPA firm gives other professionals, such as bankers and sureties, a higher comfort level when working with financial data, which in turn means they are more comfortable extending credit and providing bonding, allowing contractors to operate successfully.
- ▶ **Experience working with a large number of construction clients of all sizes and types**. This ensures the CPA firm knows the industry as a whole and benefits your company since experienced firms can offer value-added services beyond assurance and tax.

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