

YOUR COMPANY'S
ACCOUNTING
DEPARTMENT





a bit about us



Main Street Ledger operates on a **Profit First Model**. We offer à la carte Bookkeeping, Accounting, and Fractional CFO Services. Our pricing is a fixed monthly rate designed around the services you need to complement your existing accounting department.

During the onboarding process, we build a procedure manual to fit the demands of your business and strive to organize your books in a meaningful way. We provide high-level accounting and reporting services, help you measure your company's ongoing performance and develop reporting processes to help measure key metrics of your business. Our services include **forecasting, company-wide KPIs, cash flow management, financial statement preparation, and much more**. Our clients save between 17% – 67% by outsourcing bookkeeping, payroll, and accounting!



We are an experienced team of senior level financial professionals that can help you achieve both cost savings and a better understanding of your business. Whether you have a specific project or need ongoing support for your financial department, we have the tools and experience to assist.

Many new businesses face the same problem: there's just too much to do and too little time in which to do it. This can be especially true of an entrepreneur who has a number of responsibilities besides running the business, such as maintaining a family, taking care of the house, working another job, etc. Because of this, many entrepreneurs and business owners find that they have been neglecting their business because simply don't have enough time to work on it.

This guide will outline our **Fractional CFO services** as well as provide a guide that outlines the significant benefits to expect when you outsource your bookkeeping and accounting needs.





FRACTIONAL CFO SERVICES



www.MainStreetLedger.net

How do **Fractional CFO** Services work?

Our Fractional CFO service partners you up with a dedicated CFO and team of virtual accountants, CPAs and tax professionals who work with you to help guide your business to success. Our service includes more than just basic bookkeeping and accounting; we provide comprehensive financial reporting, forecasting and a variety of tax services for our clients, ultimately providing the financial peace of mind business owners need.

We stand by our clients year round from a tax planning perspective, analyzing how you operate, where you spend money and earnings, which helps us find ways to minimize the taxes for each quarter.

This not only protects their assets but also helps them plan their year-end closing process by looking at their cash flow, paying off all of their liabilities, taking care of all their personal expenses (so they don't have any surprises at the end of the year).



As your business grows and becomes more complex, your accounting procedures might not be able to keep up. You may find yourself spending too much time on bookkeeping, payroll, taxes and other financial tasks that take you away from what you're good at. This can affect your cash flow and delay or even prevent you from making smart decisions about how to grow your business. The solution: **A Fractional CFO** to help you identify where you need the most help, streamline your accounting system, help with tax planning and compliance, and make sure you have an up-to-date business plan to guide your future success.





Growing businesses often reach a point where they need professional financial advice but can't afford a full time CFO or controller. Unfortunately, hiring a full-time CFO is typically not a cost effective alternative for small and medium sized businesses. Small companies lack the resources that a full time CFO would have at his/her disposal, making them less attractive to potential candidates.

The cost of hiring a full-time CFO can get pricey:

ESTIMATED COST
\$175,000 to \$480,000+ / YEAR



(and that doesn't include bonuses and benefits)

Our Fractional CFO Services provide you with an experience team at a fraction of that cost. Fractional CFO Services allow you to meet your business' needs by providing access to our pool of highly qualified accounting professionals who will work with you on an as needed basis as your company grows and develops.



So, what's included?

Our Fractional CFO Service is unlike our competitors in that we give you access to a dedicated CFO and Accountant who works with you to help guide your business toward success. There is a lot of redundancy, so nothing ever stops! Our Fractional CFO Service allows us to be more responsive and flexible to deal with the ever changing needs of our clients as they grow their businesses. We offer many different services including but not limited to: Accounting and Bookkeeping, Payroll, Tax Planning, Business Planning, Business Valuations, Financial Due Diligence, Restructurings and Exit Strategies.

You'll have one distinct point of contact - the Fractional CFO - who will help enhance efficiencies by focusing on forecasting through non-financial metrics. We monitor those metrics to reduce risk and increase profit while building cash to 10% of annualized revenue.

Our service may be a perfect fit for you if:

you're a growing service-based business that needs professional financial advice, but can't afford a full-time CFO or controller.

you're an existing business that's looking to replace an existing CFO and don't need an on-site CFO daily.

your business wants (and needs) experienced strategic support, at an affordable and fixed price.



Our service also includes weekly meeting with the leadership team and all of the following:

- Financial Statement Preparation
- Forecasting
- Company wide KPIs
- Cash Flow Management
- Bank Relationships
- And much more!



We also offer several day-to-day à la carte services:

- Paying Bills (Accounts Payable)
- Invoicing Clients (Accounts Receivable)
- Payroll Management
- Cash Flow Management
- Credit Card Receipt Tracking
- Business and Personal Tax Returns



Our pricing policy is **fixed**. Your quote is **not an estimate**.

We learn what you need and then use specific criteria to itemize a set price. When you receive a quote from one of our authorized representatives, this price is all-encompassing. Unless your business' circumstances change, there will be no hidden costs or miscellaneous fees.

Many accounting firms price monthly. We price weekly. This means we can be treated as a valuable member of your team, not merely another vendor you work with. Your employees won't increase their rates like a vendor might, and neither will we. Treating us as an extension of your team makes for much better outcomes for all involved. Our clients enjoy direct access to the CFO and other members of our leadership team, and we enjoy being close enough to provide hands-on guidance if needed.

We don't want to just be a part of your financial strategy - we want to be part of your whole business strategy. If you're ready to take that step and are looking for a true support system, let's talk!



More about our **Fractional CFO Services:**

As previously mentioned, with this service you will be assigned an entire team. Your team will consist of a **CFO**, a **senior accountant**, and a **tax specialist**. Your primary contact will be the CFO as he/she will be leading the analysis and plan strategy. The CFOs role is to listen, share, and be a part of the major decisions of the company (especially those that deal with finances).

We join or you create a weekly leadership council meeting to discuss what is going on in the business. The primary purpose of our participation in this meeting is for us to listen and provide financial insight when needed. During that meeting, we would present the company's current cash position as well as update you on any project or topics that we are working on. We will also review and discuss the policies that pertain to the financial arm of the business.

On a regular basis we would also do a deep dive into your company and analyze the company's profit per client, employee, type of work, and type of billing to help the company get a better understanding of where there is room for improvements.

We would identify the company's Key Performance Indicators (KPIs) — cash in the bank, production metrics, financial metrics and pipeline metrics — and use those KPIs to report on performance and share with the results with management on a monthly basis. With this service, anything goes.

We are your CFO.





Leading banking relationships, helping with mergers and acquisitions, creating incentive programs for the team, building scaling analysis reports, and creating departmental micro budgets are just a few things that would be included. Our clients have found the most success by having set meetings to cover financial matters, and we are always available to discuss strategy as well as work through opportunities and issues as they arise.

Depending upon the additional services that you have selected the senior accountant will be managing your internal bookkeeping team or our own to ensure financial statement accuracy. In essence the senior accountant handles most of the day-to-day type questions, however he/she will be heavily assisting with analysis and planning. The senior accountant will be able to easily step in and cover for the CFO during vacations or other outages.

The tax specialist is primarily behind the scenes and will periodically pop in as advanced tax topics arise or toward the end of the year when we begin to ratchet down the tax planner. The tax specialist will be consulting with the controller throughout the year regarding projections to advise on the amount of money to be set aside for tax time.



We also offer **Controller Services:**

The difference between the Fractional CFO and Controller service is that Controller Services is based more on analysis while Fractional CFO Services are more strategic.

As part of our Controller Service, you will be assigned an entire team. Your team will consist of a **controller**, a **senior accountant**, and a **tax specialist**. Your primary contact that will be leading analysis and planning will be the controller. The controller's role is to listen, share, and be a part of the major decisions of the company (especially those that deal with finances). The controller provides the financial statements, any job costing analysis, and a limited scope forecast.

Generally, there are at least two required meetings per month with leadership. The first meeting is dedicated to covering forecast updates/changes. The second meeting is dedicated to discussing the prior month's financial performance and new alignment of the goals that we collectively set. Depending upon the additional services that you have selected the senior accountant will be managing your internal bookkeeping team or our own to ensure financial statement accuracy. In essence the senior accountant handles most of the day-to-day type questions, however he/she will be heavily assisting with analysis and planning. The senior accountant will be able to easily step in and cover for the controller during vacations or other outages.

The tax specialist is primarily behind the scenes and will periodically pop in as advanced tax topics arise or toward the end of the year when we begin to ratchet down the tax planner. The tax specialist will be consulting with the controller throughout the year on tax projections to advise on the amount of money to be set aside so there are no surprises at the end of the year.



Our **Transactional Services:**

The Transactional Service is the closest to what you would get with other CPA Firms — meeting once per month, financial statement preparation, bookkeeping functions, and tax returns if you want to add this à la carte service. This service is strictly compliance driven. We are looking at the past, not looking forward, so forecasting is not included. Other à la carte items can be added as well.

Key Differences in **Service Levels:**

The difference between the Controllership and the Transactional services is that the Controller takes ownership of the financial statements to ensure that they accurately tell the story of the financial health of the Company.

The best way we have been able to describe the key differences between our Controllership Service and our CFO Service is that with the Controllership Service we lead our recommendations with “**You should consider**” where as with the CFO service we lead with “**I am going to.**”

While both the Controller and CFO are skilled at analysis and navigating the plan, the CFO is more strategically centric because they have a much larger scope both at the detailed level of the business and the business as a whole. If you are good with more macro level details and implementing our recommendations then the Controller service is a good fit. If you want someone else to put together more customized reports, handle third party financial communications, build out compensation plans, and generally thinking more holistically about the business, then you would want to select the CFO service level.



Our **Onboarding Process:**

Our onboarding process takes between four and eight weeks, depending on the service. Our purpose during this period is to gain a solid understanding of the company's financial and operational procedures in order to assess its current financial health and opportunities for improvement. During onboarding you will be assigned an onboarding project manager and additional staff to assist with things such as customizing your chart of accounts to ensure consistency, reviewing prior year tax returns, and reviewing prior month financial statements. We run a thorough risk assessment, looking at your buy/sell agreements, your insurance policies, employee incentive plans, etc.

In order to keep things on track, you will be meeting with both your current team and the onboarding project manager on a weekly basis. It is important to note that during the first four weeks we charge twice the normal weekly fee to cover the additional resources and effort needed to get up to speed as quickly as possible.

Onboarding Process Duration

- **Transactional** : approximately 4 weeks
- **Controller** : approximately 6 weeks
- **Fractional CFO** : approximately 8 weeks



À la carte **services**

Because each business is different, we offer several à la carte services on an as needed basis. Below you'll find a brief description on a few of our most popular à la carte services:

Paying Bills (Accounts Payable)

This portion of our service offering handles all of the functions of a bookkeeper. We would code and maintain your accounts payable including credit cards, ensure bills are paid timely, and make sure that your accounting software is updated regularly. Our Cash Flow Management Service is always included in this option.

Invoicing Clients (Accounts Receivable)

Handling customer invoicing and relations can be a sensitive item so in order to ensure success we need to have a point of contact on your team that we can work with to confirm all outgoing customer invoices before they are sent. At the beginning of the engagement, we will establish a protocol for what, where, and when information needs to be pulled to prepare customer invoices. As part of this service, we will record payments in the accounting ledger as well as reach out to past due customers with either a regular account statement or a soft reminder phone call.



Payroll Management

Although we are not a payroll provider such as ADP or Gusto, we do assist our clients with this aspect of the business. This is an important control for many businesses that do not want someone internally to have the ability to either see or modify other team member compensation. Please note that we are not an outsourced HR option, so we are not maintaining team member information or making intuitive changes to any staff's payroll withholdings, reimbursements, or compensation without express written consent. Our role is to submit payroll to the third party payroll provider, update employee information as directed, apply for new state IDs when applicable, and transfer the information into the accounting file.



Cash Flow Management

In order to ensure that we have a strong handle on the company's short-term cash position we create a 4-8 week cashflow forecaster and then meet with a member of your internal team for a 30 minute meeting to discuss the cash ebbs and flows for the near term. In preparation for this report and meeting we will reconcile all of the business checking and credit card accounts as well as review the outstanding accounts receivables and payables. During this meeting, we collectively review the anticipated inflows and outflows to determine any action items needed such as pinging customers for payment. The result of the meeting is that you will have a strong handle on what needs to happen in the short term to ensure there are no business interruptions due to poor cash flow.



Credit Card Receipt Tracking

In the event that you permit your team to possess company credit cards it is important to make sure that all activity is properly documented and coded. We recommend using a service such as Expensify to ensure that all receipts are accounted for its corresponding activity. This software provides a strong platform for management approvals if required as well as an ability for the user to select from a list of accounts so that the activity is properly coded. If you choose to have us handle this aspect of the finances your team would be responsible for sending all reports to us for approval. We would ensure that everything is accounted for and coded. If requested we would end reports up to another member of your internal team for final approval once everything is properly accounted for within the system.

Business and Personal Tax Returns

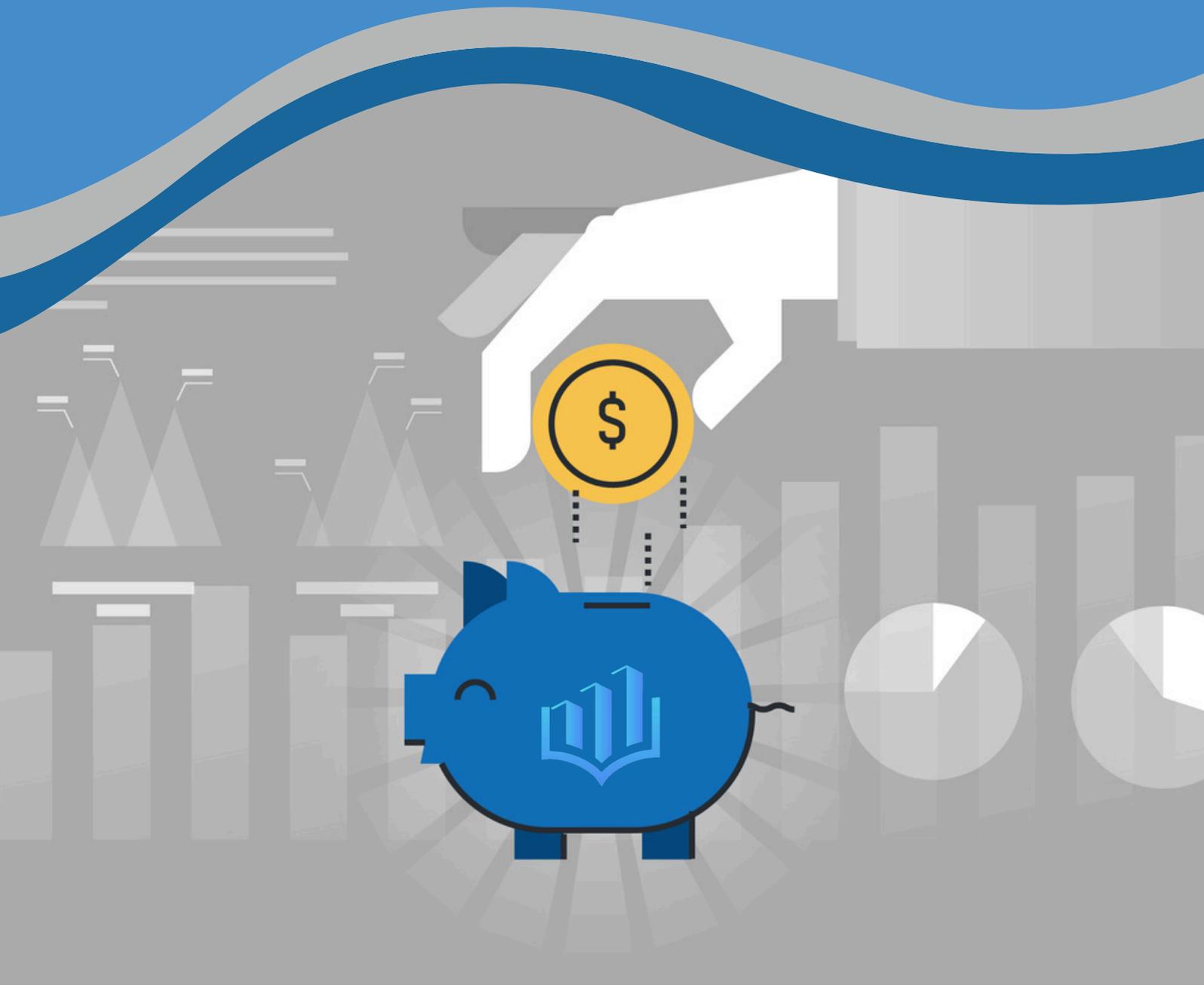
As part of the forecasting and goal planning we are always making sure we have a close feel for the year-end tax liability so there are no surprises. Monthly we will request to move money into a tax savings account to set aside a reserve based on our month-to-month assessment. In the fourth quarter we will take a deeper dive incorporating the shareholders individual information into the planning so we can “true-up” the reserve account. And of course at the end of the year we would prepare the business, shareholder, and property tax returns. And don't forget those pesky 1099s!

Our ultimate goal is to help you stay in control of your business and financial decisions. We do this by providing quality Accounting, Tax and Advisory services on an as needed basis rather than force you into the one-size fits all approach that is so common in traditional accounting firms.





OUTSOURCING YOUR BOOKKEEPING & ACCOUNTING





Running a business is exciting, fulfilling and challenging - even in the best of times. With the current state of the global economy, it's more important than ever to stretch your resources and delegate specific aspects of your business in the best, most efficient manner.

The Pareto Principle, often referred to as the 80/20 rule, states that 80% of consequences come from 20% of causes. It is an important reminder that **INPUT** and **OUTPUT** are not always equal.



In a business, it is often the case that **20% of your effort equals 80% of your revenue.**

This means an incredible amount of your time and the time your employees is being wasted focusing on tasks that they aren't best suited for, or tasks that don't actually contribute to your company's income.

If you are a business owner, it can be tempting to wear many (or all) of the 'hats' within your company. Not only is this taxing on your wellbeing, it will never be an effective long term solution. If there are aspects of your business that you and your employees do not enjoy or are not experienced in, it is worth considering delegating them to outside experts in those fields.



It is always important to periodically assess the productivity related to all departments in your business. If your bookkeeping and accounting is being managed in-house, it is highly likely that you are spending more money than needed while seeing less than optimal results.

For example, **the average In-House Bookkeeping and Accounting salaries are as follows:**

Full Charge Bookkeeper



\$42K

Base Salary

Staff Accountant



\$68K

Base Salary

Controller



\$143K

Base Salary

This does not include the costs of employee benefits as well as paid time off, including health insurance, payroll tax and worker's comp and retirement benefits. It also doesn't take into consideration any office space, equipment needed, office supplies and IT allocation.



When you compare these in-house costs to the cost of outsourcing both bookkeeping and accounting, the financial benefits quickly become clear.

ESTIMATED TOTAL IN-HOUSE COST:
\$72,000 / YEAR

ESTIMATED **OUTSOURCING** COST
\$24,000 - \$60,000 / YEAR

Some additional cost savings include employee expenses, such as hiring, benefits, overhead, training and costs of turnover waste funds that could be applied to growing your business.



There are also benefits that go beyond the financial aspect when it comes to outsourcing these tasks.

TIME

Not having to recruit, hire, train, supervise and manage bookkeeping or accounting staff is a **huge** time saver and headache reliever.

Outsourcing can help you regain valuable time so you can put all your efforts and energy into growing your business.



SCALABILITY

Growing a business is dynamic, not static; as a result, accounting and bookkeeping requirements fluctuate. Throughout the lifecycle of your business you can access the exact bookkeeping and accounting services you need, never paying for more than the services used.



Outsourcing also helps to increase the ROI of your knowledgeable, existing back-office staff by moving them into revenue generating positions.

EXPERTISE

A highly trained, fractional share of an accounting department provides access to expertise most small businesses can't afford.

From compliance and industry experience to management reports, outsourced accounting can provide peace of mind, eliminate worry and drive exponential growth.



By outsourcing your bookkeeping and accounting, your business and all employees can maximise their strengths and their efforts. You can ensure that all aspects of your business are being managed by only the best people for each job. Your business will be able to focus on the core activities necessary for growth and efficiency, rather than tasks they are not suited for, or do not have the experience to complete effectively.



SERVICES OFFERED

At Main Street Ledger, we offer a wide variety of services geared specifically to help businesses maximise their short-term and long-term goals.

BOOKKEEPING

Payables Management – Through Bill.com we can streamline processing your bills.

Receivables Management – Invoicing, Receiving Payments, Recording Deposits, Monthly Statements, Past Due Report

Reconcile various Accounts - Close out the books for the month

ACCOUNTING

Reporting:

- **Cash** – See historical and projects
- **Revenue** – Visualize your growth
- **Operating Expenses** – See your operating expenses by department and category
- **Sales** – Detailed sales bookings by product or revenue
- **Custom** – Any metric you want to measure
- 3 Way Financial Statements
- Financial Modeling
- Budgeting and Forecasting
- Goals
- Revenue Recognition



SERVICES OFFERED

PAYROLL MANAGEMENT

Whether you already have a service or work with one of our partners, we'll help you streamline the payroll process.

Reporting

- View your headcount and salary details
- Full staff planning and organization



TAX PREPARATION

Everything we do from a day-to-day process will maintain your books, so they're ready to be sent over to your CPA or one of our partners for Tax Filing. Plan ahead so you don't run into any unwanted surprises come tax time.





Main Street Ledger operates on a Profit First Model.

- We help establish at least three accounts, Operating Account, Reserves Account and Tax Reservers. From there we help you determine if you should have additional accounts to manage cash flow.

Are you ready to optimize your business? To have a team of experts in your corner? We are here for that exact reason. **Main Street Ledger** is passionate about helping businesses just like yours to save you time, money and provide you with peace of mind.

Contact us today at 612-404-0145 or via email at contact@mainstreetledger.net

WWW.MAINSTREETLEDGER.NET



MAIN STREET
— LEDGER —