



The Bottom Line

— *with* Marilyn A. Parham, CPA —

CPA in Your Corner, Episode 001 How to Choose the Right Accountant

Jessica: Hey everybody! On today's episode of CPA in Your Corner, we're focusing on cloud accounting and choosing the right accountant for your online business.

[Theme plays]

Jessica: Welcome to CPA in Your Corner. We're your hosts, certified public accountant Marilyn Parham and online business coach, Jessica Stafford.

Join us each week as we help online entrepreneurs fix their finances and keep more of the money they earn!

Jessica: Hey guys, Jessica Stafford here, I'm in the studio today with Marilyn Parham, CPA and founder of The Bottom Line, and we've gathered together today to talk about cloud accounting and choosing the right accountant for your online business.

But before we get into all that, I know inquiring minds want to know, Marilyn--your face is plastered all over the internet now, thanks to moi, and we've made you your own personal brand which I know you're extremely comfortable with!

Marilyn: Not.

Jessica: And, you know, you're just the darling accountant of the internet now! That's who you are! You're the internet sweetheart of accounting! And so I'm sure many people want to know who Marilyn Parham is, what she's about, what she's up to and why she does what she does every day. So why don't you let our audience know who you are and what you're about!

Marilyn: Well, first of all, I am Jessica's Ying and she is my Yang. I am completely out of my comfort zone being so public, but I am passionate about my business.



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First and foremost, I'm a certified public accountant. I've been an accountant for over 20 years. It's always been my passion to help people. My gift is accounting and I love people so I want to share my knowledge with online business owners. In addition to being an accountant, I'm a single mom of two kids, I'm the CPA and founder of The Bottom Line accounting firm, and have been for 19 years, and I co-own three local restaurants.

Jessica: And those three restaurants are Soccer Taco in the Knoxville area...

Marilyn: Two Soccer Tacos in the Knoxville area, and Not Watson's Kitchen and Bar, in the Knoxville area.

Jessica: Very cool.

Marilyn: Jessica, tell us a little bit about yourself!

Jessica: Oh my gosh, well obviously I'm the Yang to the Ying who is Marilyn Parham, first and foremost. I'm an online business coach to The Bottom Line. And basically what that means is I am the person who bridges the gap between the online business owner in this wide world of finance and accounting you get with at [The Bottom Line](#).

In short, just to kind of know who I am and how I geek out on things, is the--I'm the girl, a lot of women collect shoes, purses, stuff like that. I collect online courses.

Marilyn: [laughs] She does! I can attest.

Jessica: Yes. Every time I pick one up, she's like "What's that for? What are you doing that for?"

And we really want to become experts in online business, and I have thoroughly enjoyed it! I've been working and learning about online business, and working in online business since 2008. Prior to that, I spent a great deal of my career on business and in leadership and management, and I'm just really passionate about helping people solve



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their problems and I really love being able to help people find answers to their problems, and helping people see things that they might not be able to see, and I just really love what I do in that regards.

But, again, you know, you probably won't find another person out there that's gone through as many online courses as I have! So trust me, when you talk to me about your business, I've probably been there, done that, got the t-shirt.

About me a little bit is, also, I'm a mom. I'm married and I have three children who range in age from 9, and 16 years of age, and I just really love what I do here at the bottom line with our team, and so that's just a little bit about me but I really want to get focused back on you, Marilyn, because I know that you really like that spotlight a lot better than me, right?

Marilyn: [laughs] NOT!

Jessica: [laughs] So, we've talked a little bit about you and me, and The Bottom Line, so I think the people need to know a little bit more about The Bottom Line and what we're doing and what we're trying to do in making a difference at The Bottom Line, so can you share just a little bit of the history of The Bottom Line, and where we're at now and where we're going?

Marilyn: [The Bottom Line](#) started as a sole proprietorship for me back 20 years ago, just a part time gig. In the last 2 or 3 years, we have wanted to reposition it to go online. That's where the future is, and frankly that's where our business was. So we decided to go into a field, into an arena that could reach many more people in a much more user-friendly environment and actually be able to help more.

The Bottom Line offers many different services, not just accounting. We do offer cloud accounting and bookkeeping. We also offer tax preparation and filing, business support services, which includes business entity set-up, and everything that surrounds that. We offer payroll and 1099 services, the virtual CFO services and coaching and mentoring programs.



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Jessica: And basically, wouldn't you say, what we've tried to do is just be a one-stop shop, a one-stop financial headquarters for online entrepreneurs. Wouldn't that be what you would say?

Marilyn: Yes, complete.

Jessica: Yeah, because we've got the coaching and the tax preparation and the book keeping and the accounting and the set-up features and then we do the coaching and training which we absolutely love.

Marilyn: And I think many people will see that they're very well complimented together. If one understands the other they all work better together.

Jessica: Right, and you don't have to get into all of it at once, you just kind of start out where you are in your business, and we really designed it so you can grow with us, because we care about being partners with our clients.

Marilyn: Absolutely.

Jessica: And our clients are rock stars at The Bottom Line, no doubt right?

Marilyn: Yeah. And you can see all of the things that we do offer on--if you're interested on further details, you can find us on www.thebottomline.accountants

Jessica: And yes, that is .accountants, folks, not .accountants.com! It's comical about our name and our web domain and what it's taken on over the years. I'm sure we'll share a little funny story about that online on the blog as well.

So and then interestingly enough, we do cater to and specialize to online entrepreneurs and online business, and this is kind of a debate in The Bottom Line household, about online versus what, Marilyn?



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Marilyn: Small business.

Jessica: Yes! So, Marilyn, what do you always say? You're just always like "Everybody's a small business."

Marilyn: Everybody's a small business.

Jessica: And I say no, not everybody's a small business, because online business isn't small! So--[laughs]

Marilyn: And I say small business entrepreneurs are small business owners. That's a running debate we have going.

Jessica: Yes, it is the running debate. So whether you call yourself a small business who runs yourself online, or you call yourself an online entrepreneur, if you're online, we serve you, and we serve you well.

So, I think we've got all that out of the way.

Marilyn: Yes!

Jessica: So let's get on to more pressing matters, because the people are here to talk about cloud accounting and choosing the right accountant for your online business!

One of the things with accounting is that there's just this fear, this myth, or this undercurrent that it's just too big for a person to consider. It's too weighty or expensive or who knows what all the reasons are out there. We've heard them all and we've seen them all.

But I've decided to look up the word accounting, I've done accounting for years as well, I'm not an accountant by trade but I understand accounting and working with you all these years and being mentored by you, but...when I look at the definition, the definition was so simple! It was, like, less than 10 words and it wasn't that scary or



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daunting and basically it said "the action or process of keeping financial accounts." And I'm like "OH! What is so scary about that?"

And so talk to us a little bit about this fear that seems to run through people when they hear accounting, and what your experience has been over the years and what can you do to help people bust through that fear when it comes to accounting?

Marilyn: People typically have a stigma with accounting for different reasons, but a lot of times it's because people just say "I don't like math. I'm not good at math. I don't understand finances." So they don't even want to deal with it.

On the other hand, they've dealt with some accountants that--frankly, CPAs are traditionally expensive, they don't speak the language of the normal person, they speak over their heads, and you know, they just cost too much.

Jessica: And when you say "expensive," we probably need to say here, we're not trying to bash other accountants on this show by any stretch of the imagination, and expense is relative to one's perception of expensive, so what's expensive to you might not be expensive to another person, but traditionally, as Marilyn says, there's just this cost factor that seems to be an obstacle or a barrier in having a real relationship with an accountant, especially early on in business, is that correct?

Marilyn: Yes, because when you do search for an accountant, lots of times you're drawn to, through advertising, through your traditional bricks and mortar accounting firm, and it's not a one-man-show, it's a firm that has a building and has to cover its payroll and its, you know, its rent. And they charge per hour, and depending on how much time you spend, you know, the cash register starts dinging, so--because of all these things, most business owners wait until the end of the year to contact their accountant. At tax time.

Jessica: And they just kind of keep that fear going, so what would you say in terms of accounting is the thing that they should really understand? Accounting really isn't just about their income and expenses, it's about the whole. . . ?



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Marilyn: It's a complete picture, and you can't make a decision on your business without the data. And the data is not just income and expenses, although that's probably the most important thing. It's probably what people look at the most. But until you get it all into an accounting system, you don't really know what the data says.

We at The Bottom Line, and this varies, it's a judgment call, it varies depending on which accountant you talk to, but we at The Bottom Line believe that if you are generating 20 transactions a month or more, you need a formal accounting package.

Jessica: And transactions is...?

Marilyn: Transactions is anything from deposits plus your checks. Any kind of transaction. For instance, if you have, or if you're selling an eBook online, and you sell 5 of those eBooks, that's 5 transactions.

If you then have a bank account and write 5 checks out of the bank account--

Jessica: Your AWeber might come out of that, or your MailChimp, or your PayPal fees, or whatever that looks like. Your webhosting fees, and--

Marilyn: Each one of those is a transaction.

Jessica: Right.

Marilyn: So instead of just throwing your stuff in a shoebox or keeping it on an excel spreadsheet or frankly just a little handwritten check register, you need a formal accounting system.

Jessica: So, what the bottom line is, accounting is just all about getting organized and making sure your financial records are all in one place so at one point you can analyze the data to get real information and not just an opinion about what's going on in your business.



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Marilyn: Right, and as scary as that may be, you all are quick learners, you can figure it out pretty quickly.

Jessica: Right, exactly. And so, and speaking of that, we get into cloud accounting-- what is cloud accounting, and what is this big word, and some people fear the cloud and run from it like chicken little, and some people embrace the cloud, and clearly cloud accounting is not for every business, it's just like anything else, so what is cloud accounting?

Marilyn: Cloud accounting is basically the ability to run your accounting system online. It's location independent. You can access your accounting data from anywhere, whether it be from your laptop, or your mobile device, your cellphone, your iPad, it's basically doing your accounting on the go from wherever you are, which is important to online business owners.

Jessica: And it offers a collaboration ability too, right?

Marilyn: Yeah, the ability to collaborate not only with your own employees or contractors, but your CPA and your bookkeeper.

Jessica: Yes, exactly. And so when we talk about cloud accounting, what are some cloud accounting tools that most people might have heard of or kind of see out there?

Marilyn: QuickBooks is the most popular one in the United States. They started out as a desktop version and they've gone online.

The one The Bottom Line uses, which we very much like for various reasons which we'll get into, is [Xero](#). It's an accounting--

Jessica: X-E-R-O, right?

Marilyn: Yes, Xero, not Zero. Because Xero is our hero!



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Jessica: Yes, Xero is our hero!

Marilyn: They started online. They didn't do anything before just being online, and that's one thing we like about them, is that's the only thing they intended to be was an online accounting package. So they understand the online business world.

Jessica: And there's some others people might have heard of, is the Wave accounting app and GoDaddy Bookkeeping, and basically you're not short on trying to figure out a tool for your business to manage your accounting, and [FreshBooks](#), which we love Freshbooks too, it's income and expenses, basically what it manages. Great invoicing system. So there's lots of different options for people to consider.

Marilyn: Absolutely.

Jessica: And choosing the right option for your business is key when it comes to that.

Marilyn: Correct.

Jessica: So, speaking of choosing the right option, we talk a lot about tools and systems sometimes with people and we think that you talk a little bit too much about the tool and less about choosing the right accountant for your business, as we say here at [The Bottom Line](#), so that is really the bigger question that people should be asking and getting the right answer to, is choosing the right accountant for your business, so speak to why that's so important.

Marilyn: We do think it is important, although the tool, the accounting package, is important, it's more important to choose the right accountant for you, which varies depending on what you're doing.

For instance, there's all different kinds of accountants. There's anywhere from your bookkeeper that doesn't have to have a high level knowledge of accounting, to your CPA--which, there's LOTS of CPAs in different industries, to your tax accountant, which



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specializes in the tax field. If your business is a restaurant, you don't want to just go out and get any accountant because you may call up somebody who specializes in construction contracts. They know a lot of construction contracting. 80% of their clients reside in the construction contracting world.

They may not know restaurants! So you need to ask a lot of questions and figure out which accountant has more knowledge in the field in which you serve.

Jessica: Exactly, because everybody's in a different industry, and whether or not you're serving brick and mortar and serving online, do you think there's a different in that?

Marilyn: Absolutely! There's not that many accountants that serve the online entrepreneur. They don't understand the online world, so it's important for you as an online entrepreneur to find someone who does their business online, so they understand the problems that you have and the struggles that you have and the goals that you have and how to get there.

Jessica: So like, when you sit down with your accountant, you say "I earned \$50,000 this year from my podcast!" and they say "What's a podcast?" you might not be in the right place?

Marilyn: That might be a problem! [laughs] Because they won't know the questions to ask!

Jessica: Right. Exactly. And there's a lot of moving parts in every business. Every business is unique, it has its own thumbprint, it operates in its own way. And how that looks on the backside of accounting matters.

Marilyn: It matters a lot.

Jessica: Making the integration efficient matters. Doing more with less matters. And the right accountant, wouldn't you say, can help you source the right solution.



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Marilyn: Absolutely. And you really want an accountant at any industry in any level to be a partner with you. Not just somebody who comes in at the end of the year and does your taxes, because they can't really help you in the full capacity that they can if you wait until then to talk to them.

Jessica: Right. Because we really focus a lot on helping people understand the value of partnerships and why it's so important and why making the right partnership is critical to the success of your business.

Marilyn: Absolutely!

Jessica: So, having said that, and in terms of partnership...what would you say would be the thing that people could do to try to make that happen for themselves, even if they're just starting out in their business? I mean, really, there's no better time than when you're starting out, right?

Marilyn: There's no better time. Because even if you're small, and you need to start developing a relationship with a team of people. Whether it be an accountant or a lawyer. Make that conversation, start it NOW. Call several different ones and have interviews with them and figure out what they're about and what their strengths are so you can determine which fit is good for you.

Jessica: And that's really good stuff and in that regard I might just discover my yellow pages at some time or now I google my yellow pages and just say "accountant in Knoxville, TN." And I think that that's where my options lie, but you say no. So what do you say?

Marilyn: No. With online accounting, your pool of accountants has broadened immensely, from all over the world frankly. And while there are some questions that people have to that, you are not limited and should not be limited to accountants in your town.



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Jessica: Right, or your state!

Marilyn: In your city--or in your state!

Jessica: Because for the most part we all have access to the same resources.

Marilyn: Yes, we do, and a lot of questions, a lot of people traditionally want to find somebody local so they know the tax law and the regulations and all that that they reside in, but there's no reason why an accountant three states over can't have the same information available to you.

Jessica: And you know, and if that accounting firm is doing cloud accounting, they likely have bookkeepers, maybe even in all 50 states. You know, you never know who they have in their arsenal, who they're pairing you with.

Marilyn: Absolutely. And it's as easy as--contracting with someone in the area in which they need information to get information if they don't have that.

Jessica: Right, exactly. So what would be the first step that a person should do to get started if they wanted to find the right accountant?

Marilyn: Look them up!

Jessica: And start a conversation.

Marilyn: Start a conversation! Contact more than one!

Jessica: Yeah. It all starts with conversation, and that might be the thing that we focus on, and those are a lot of strategies that come out of our no-fail financial cheat sheet that we have on our website about what people can do to get started and building their business, and that's to get organized and choose an accountant that's right for them.

Conversations and Celebrations



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And now we come to my most favorite section of our podcast here at CPA In Your Corner, and that's the Conversations and Celebrations!

This is basically, for those of you listening that aren't aware, where we share a true story about a conversation we had with a client that is worthy of mass celebration, chocked full of good lessons learned and something for us all to celebrate together with.

So Marilyn, this week we've chose to highlight a story that's a scary tax story where one of our clients, or--actually at the time they weren't a client, but became a client--where they got this big scary IRS notice that said they had to pay \$150,000! I mean, oh my gosh, \$150,000 tax bill from the IRS. I don't know what would be scarier than that, right? So do you want to talk to us about this Conversation & Celebration that we had?

Marilyn: Yes, and to preface that, small business online entrepreneurs, if you're in business, eventually you will get an IRS notice.

Jessica: Yes, you will.

Marilyn: They'll want money from you.

Jessica: Yes, they will.

Marilyn: And a lot of times you won't have a clue why they say they want money from you.

Jessica: No, you will not.

Marilyn: And I want to make sure everybody knows, don't just pay the bill.

Jessica: Don't just freak out!!



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Marilyn: No, just--you're scared of the IRS. Don't do it.

And this story comes in conjunction with that. He wasn't a client to begin with, but I knew him, and he is a small business owner and had a construction company. He filed his taxes, very honest guy, I've known him for years, and he got audited by the IRS -- 3-year audit. And it was something pretty inconsequential that caused the audit, but they came in and took his checkbook and did what they do and gave him a bill for \$150,00.

Jessica: Okay.

Marilyn: And you know, you can imagine if you got that bill, he just couldn't believe it.

Jessica: Yeah.

Marilyn: But he didn't know what to do about it! I mean, the IRS has the things they do, and he didn't know how to make an argument against it.

And basically what most people want to do is sort of just pretend it will go away. I mean, they don't know how to handle it, so you just kind of ignore it for a while.

Of course, they don't go away. So, eventually, a few months later down the road, when the IRS was breathing down his back, he came to me and asked for help.

Jessica: He started a conversation.

Marilyn: He started a conversation!

Jessica: You see a theme here, people! I hope you're picking up what we're throwing down.

Marilyn: And to him it wasn't an easy step to take, but thank goodness he took it. With his knowledge of his industry and him knowing what he did and why he did it and how



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things operate, and me knowing how the IRS operates and what they are looking for, and what they did to get to that \$150,000 tax bill, I was able to speak their language, get documentation for them to help my client decrease his tax bill by \$100,000.

Jessica: Whoo-hoo! And I hope on our podcasts, there's lots of screams going on right now!

Marilyn: That's right. I bet!

Jessica: \$100,000 and the big key here is that, you know, when the IRS sends that letter, that's their way of saying "Hey, let's have a conversation."

Marilyn: It IS their way of having a conversation! They really want you talking back!

Jessica: Right.

Marilyn: But it's YOUR business and it's YOUR money.

Jessica: Right.

Marilyn: And it's your responsibility to contact somebody if you can't do it.

Jessica: And the lesson is, no matter who sends you a bill, that doesn't mean that it's right because they say you owe it. There's usually something you can do, some negotiation, some additional documentation.

Marilyn: Sometimes they're just missing something, and you just have to have the conversation with them to say "you know, this isn't right. How did you get here?" And your accountant is the one to do that on your behalf.

Jessica: Absolutely, so that is an awesome story with just a very, very happy ending. I know that that client is particularly grateful for the work that Marilyn did on that. That's why we love conversations and celebrations here at CPA In Your Corner.



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And now's the time. We're almost to the end of our time together and I know it's sad. But we're going to leave on a nice note peeps.

The Power Play

We like to call this section of our podcast "The Power Play." And in this section of the podcast this is where we give you the one thing we think you should take away from this podcast today, and immediately take action on it in order to get results in your online business.

You might be able to guess where that one thing is, but during this time, this is where we focus on the solution and not the problem. That's how we get through crisis and the other side of what we do for big wins.

So Marilyn, what's that one thing that you feel like people need to take away today that they cannot afford not to do?

Marilyn: Start a conversation! Start three conversations! Call three different accountants, whether it be the one you're currently working with or two that you're referred to or just locate online. Start three conversations with three different accountants.

Jessica: And choose the right accountant.

Marilyn: And choose the right accountant for YOU.

Jessica: And your online business.

So our time has officially come to the end on our podcast today! Thank you so much for spending time for us, we've learned a lot today about cloud accounting, choosing the right account for your online business. We've had Conversations & Celebrations, and we've given you a power play that you can't afford not to take!



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Visit us online at thebottomline.accountant, check out our blog where we'll have our podcast on there, and all the links that we've mentioned inside this episode. I'm Jessica Stafford, the online business coach that gets results in the corner you stand in,

Marilyn: And I'm Marilyn Parham, the CPA In Your Corner!

Jessica: Until next week, have a great one!

Marilyn: Bye!