Questions you should be asking clients

These suggestions will help you identify post-busy season opportunities.
This time of year generally presents more opportunities to talk directly with your clients—either in person or over the phone—to discuss their business and personal financial matters. Reviewing their source documents also provides numerous ways to identify work that they’ll need your help with in the coming year.

When you meet with clients in the weeks after busy season, it can be helpful to develop a short agenda of topics to cover. These can include not only industry and technical issues but also longer-term operational and personal issues. Here is a sampling of questions to consider asking clients—especially those for which you don’t produce monthly financial statements—when you meet with them in the period immediately following busy season.

1. **How has the client been trending for the past three years in terms of revenue, costs, net profits, and cash flow?** Is the client open to having a trend and industry benchmarking analysis performed? How current are its accounting procedures, software, and IT system?

2. **How is the client situated from a debt-to-equity perspective?** If the client’s operations have materially improved, are there opportunities to discuss more attractive bank terms? Is there excess cash in the business that should be used to pay down debt or to make distributions? Other considerations:
   - Is the client experiencing rising raw material or labor costs?
   - Will increased domestic or in-house production increase tax benefits—such as the Sec. 199 deduction or research and development credit—or allow the company to take advantage of interest charge domestic international sales corporation (IC-DISC) benefits?

3. **Has the company expanded or scaled back operations, or is it planning such changes?** More specifically:
   - Has it established nexus in any new state or country that will require additional tax returns and planning?

4. **How is the client’s workforce performing?** More specifically:
   - Are there any wage or benefit issues?
   - Are minimum wage increases being considered in any locations where the client operates?
   - Are there training grants or low-cost training through local colleges or workforce development programs in the cities where the client operates?

5. **What is the impact of the Patient Protection and Affordable Care Act, P.L. 111-148, on medical insurance premiums and employee benefit structuring?** Related topics:
   - Evaluate the current insurance underwriter and others for pricing and structuring options.
   - Consider “cafeteria” plan structure and/or shift some portion of premium costs to employees.
   - Provide an incentive for some employees to sign up for spousal coverage in those cases where spouses have access to health care through employers.

6. **What regulatory challenges is the client having?** Does your firm have industry resources or local (city/county/state) legislative contacts to assist in solving a client’s issues?

7. **Are any key owners or executives approaching retirement age?**
   - If so, have related issues such as retirement planning/funding, buy-sell trigger events, and executive suite succession planning been fully evaluated?
   - If a sale or merger might be considered in the future, should the client’s financial statement reporting be upgraded from a compilation to a review or audit?

8. **Have there been any significant changes in the client’s family situation or among key executive team members?** For instance:
   - College-bound kids?
   - Marriages?
   - Divorces?
   - Illnesses or deaths?

9. **How did the client’s investment and retirement portfolios perform in 2014 relative to the market?** Also:
   - Has the client compared his or her investment...
10. Is the client aware of the changes in the estate and gift tax area?
   - Has the client updated his or her will and trusts in the last year?
   - Does the client have assets titled properly for balancing estate and income taxes, as well as probate fees?
   - Has the client recently reevaluated the need for life insurance? Long-term care?

11. Are there any synergies between your firm’s clients that may offer introduction opportunities?
    Evaluate cross-referral opportunities between clients and other firm contacts.

These questions can stimulate some productive conversations with your clients and position you to deepen your trusted adviser status. In turn, you will very likely line up new projects that the client needs addressed in the weeks and months after busy season.

―Blake Christian is a tax partner with the CPA firm HCVT LLP.

This article was first published in the CPA Insider.

Post-tax season strategies for business development

**Hold a post-tax season info-sharing meeting.** Hold a post-tax season staff and partner meeting to share and strategize how to follow up on leads discovered during tax preparation. This is another way to develop additional client services and identify who should approach the client and teach staff. In some cases, offering a new service will be more important to your long-range strategy for serving multiple clients than the immediacy of a single client need that has driven the discussion.

**Upgrade key tax clients.** Some of your tax preparation clients could be upgraded to include pre-year-end planning and projections services. This should increase billings and help your client be better organized when it's time to prepare his or her return.

**Invite tax clients for a fiscal fitness checkup.** There's only so much you can do during a tax return interview, so consider asking the client for a follow-up meeting. Tell the client that you are reviewing his or her financial situation and that you think a high-value, low-cost consultation would be a helpful way to examine his or her allocation and goals to make sure they match up. Quote a fixed amount for a 90-minute meeting.


This content was first published in the Journal of Accountancy.
### Additional services checklist

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Source: Edward Mendowitz.