Land Your Clients on Sound Financial Footing with a CPA That Can Act as Your Client's Family Business Manager

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Across America, divorce can tear apart family fortunes. Women especially are presented with unique and challenging financial situations. Often overnight, they are awarded their share of the marital estate in a divorce settlement, but they lack the knowledge in how to best protect their assets and preserve their wealth.

From the start, family law attorneys should understand the importance of aligning with an experienced, trusted Certified Public Accountant (CPA) who is dedicated to their client's case. They should find a CPA who is completely independent, and who is willing to hand-hold the client and investigate every financial aspect of the situation. Not only should the CPA conduct budget forecasting and analyze financial statements, but the CPA should identify and trouble-shoot any potential tax liabilities.

Many CPAs *say* they are capable of assisting attorneys in divorce cases. However, attorneys should choose a CPA who provides the following:

- A flat-fee scale, where services are customized to the client's needs.
- Business-management services offering independent, *in-house* tax and financial services. This allows a firm to offer a more cost-efficient rate than other business management firms, who often outsource tax services.

The Benefits of a CPA as Your Client's Family Business Manager

As a licensed CPA with a practice in Beverly Hills, California, who for more than twenty years has provided complex tax and business management services to high net-worth clients, including professional athletes, divorcees, and widowers, I understand that in many divorce situations, the client is not accustomed to handling the big-picture finances, including paying bills, saving, investing for retirement, and ensuring that a divorce settlement will endure throughout the client's lifetime. A divorce attorney wants to do everything in his or her power to protect their clients. Having the support of a CPA who can work on a flat-fee and provide additional services that go beyond traditional tax preparation is essential.

On their own for the first time in years, many clients experiencing the effects of divorce need a tax-efficient financial plan in place from Day One. In representing your client, it is important that you consult with an experienced CPA, who can perform all the following services, which can be limited and scaled to your client's particular needs, all on a flat-fee basis.

Initial Set Up and Investigation Process:

- ✓ Gather all contact information with whom you are currently working
- ✓ Review and record all monthly, quarterly and annual expenses—make suggestions to create savings opportunities
- ✓ Review bank relationships and call/arrange meetings with bank staff
- ✓ Review detailed mortgages, bank notes, and liabilities
- ✓ Review detailed investment results
- ✓ Review detailed home, auto, health, and life insurance policies

- ✓ Set up a Monthly Budget that is agreed upon with the client—arrange online software program(s) that provide you and your client 24/7 access
- ✓ Prepare Initial Certified Personal Financial Statement issued by CPAs
- ✓ Set up children's educational plans with suggestions
- ✓ Set up and/or review retirement plan(s) with suggestions
- ✓ Make initial estate-planning calculations and suggestions for savings
- ✓ Make initial gift-tax planning (if any) and suggestions
- ✓ Set up and implement any legacy planning (if requested)
- ✓ Present a "Findings Memo" to client for discussion with an action plan for the creation of savings

After the above is complete, establish a Monthly Process:

- ✓ Pay personal bills
- ✓ Pay and process any household staff payroll, through a third-party payroll provider
- ✓ Prepare monthly cash-flow reports
- ✓ Reconcile personal bank accounts, credit cards and other assets and liabilities
- ✓ Prepare a "Budget to Actual" monthly comparison and communicate with the client regarding any differences
- ✓ Prepare monthly certified CPA financial statements
- ✓ Respond to any IRS or state tax notices (if they arise)
- ✓ Monitor investment results
- ✓ Conduct monthly advisor calls with all advisors to ensure all plans, clients, and advisors are on the same page and follow-up on action plans
- ✓ Make monthly suggestions for savings
- ✓ Additional consulting as requested by client—all included in the flat fee

Establish a Quarterly Process:

- ✓ Schedule personal visits (more frequently if requested) to review monthly/quarterly results in person
- ✓ Implement any additional changes as needed/requested by client

Establish an Annual Process:

- ✓ Prepare all personal income, gift tax, trusts, and/or foundations—federal and state tax returns
- ✓ Schedule a personal year-end visit to review year-end and annual results in person
- ✓ Prepare all federal and state estimated tax payment calculations and vouchers
- ✓ Prepare and reconcile Annual Cash Flow Reports
- ✓ Prepare and reconcile Annual "Budget to Actual" reports
- ✓ Annually review, update, and suggest additional annual changes of all items reviewed in the *Initial Set Up and Investigation Process* (listed above)
- ✓ Review annual investment returns and make suggestions for going forward
- ✓ Prepare updated and annual certified personal financial statement
- ✓ Update annual changes to estate plan
- ✓ Update annual changes to charitable and gift tax plans
- ✓ Set up next year's agreed upon annual budget
- ✓ Implement any needed changes from annual meeting & discussions on all of the above

If the CPA with whom you currently work does not offer all of the above, then find one who does. Clients appreciate a flat-fee structure with a full spectrum of services. Services should be completely independent and customized for each client, based on the client or family's needs and budget.

By placing your client with a CPA-driven business manager who is experienced in the above-described areas, your client will recover a significant portion of these business management fees from the tax savings they will receive. By partnering with this type of CPA, you can be assured that you have done everything to protect your clients' assets and to preserve the longevity of any divorce settlement. As a family law attorney, you can deliver high-value services to your divorcing clients. It's a win-win situation that can only strengthen your client relationships, lead to client referrals, and ultimately grow your firm's business.