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Well-known defence lawyer Edward Greenspan warned during his keynote address at the Investigative and Forensic Accounting Conference in Toronto recently that corporate criminals are being treated no better than organized crime figures, heroin dealers and child abusers.

New scapegoats being targeted, renowned lawyer Greenspan says

By ELAINE WILTSHIRE

Corporate criminals are being treated no better than heroin dealers, Mafia members and child abusers by the Canadian justice system, charges lawyer Edward Greenspan, calling business people "the new bad offenders – very bad offenders."

In a keynote speech kicking off the Investigative and Forensic Accounting Conference in Toronto on September 14,

Greenspan lashed out against a trend he referred to as "business bashing," where white-collar crime "has moved to the top of the hit parade."

Blaming in part the fact that violent crime has been decreasing, Greenspan accused the criminal justice system of targeting corporate offenders, adding that "today, we look at business people as the real criminals."

Greenspan has recently repre-

sented several high-profile clients, including Conrad Black of Hollinger International and Garth Drabinsky of Livent, who were both found guilty of white collar crimes in their respective trials – both cases are under appeal.

"They have now reduced the corporate criminal to a role that is no different than a major drug dealer. In fact, sentences that are

See Critics on page 9

O'Malley unhappy with tone from G20

By GUNDI JEFFREY

Two objectives emanated out of the G20 meeting in Pittsburgh, Penn. in September. One goal is already well on the way to realization while the other may have an impossible deadline.

In the closing statement of the meeting, world leaders called on the International Accounting Standards Board (IASB) to "further enhance the involvement of various stakeholders" in their institutional framework. That looks like it will happen.

But asking "our international accounting bodies to redouble their efforts to achieve a single set of high quality, global accounting standards within the context of their independent standard setting process, and complete their convergence project by June 2011" is probably a little too much.

Tricia O'Malley, chair of Canada's Accounting Standards Board (AcSB), says Canada is on track for 2011 IFRS adoption but doesn't like the G20's dictatorial tone.

"Many jurisdictions and most standard setters think it would be a lot better for financial reporting in general, and convergence in particular, if the G20 stopped trying to dictate deadlines for the resolution of extremely difficult and complex problems. They can have standards completed by 2011 or they can have high-quality converged standards. It is highly unlikely they can have both."

Leaders of the G20 have been lobbying for a clear date for implementing a single, global set of accounting standards for some time, most recently at the

November 2008 summit in Washington, D.C. and again at the London meeting last April. The June 2011 date may not, however, be achievable given that the IASB and the U.S. Financial Accounting Standards Board (FASB) are decidedly at odds over certain issues related to financial instruments.

"Global convergence by 2011 doesn't make sense to me," says David Campbell, a Michigan-based consultant on international financial reporting standards (IFRS).

"A lot of progress has been made, but you'll never get complete convergence. I think the

See Schapiro on page 27

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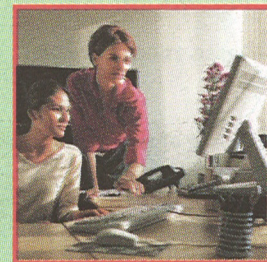
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STARTING YOUR OWN FIRM

Flying solo means spreading wings wide

By NICHOLAS SIDER

Starting an accounting practice comes with many benefits. The role of a self-employed accountant is usually neither dull nor routine; the nature of the work is never limited.

Acting on behalf of clients is the first priority of a self-employed accountant. Dealing with Canada Revenue Agency (CRA) audits and government administrative matters occurs frequently. Accountants are always first in line when CRA auditors contact their clients. Accountants must hold CRA auditors to account and ensure the Income Tax Act is followed. Be prepared to fight for clients and get acquainted with form T400A.

Managing a variety of work and projects tends to build better accountants. Accountants who work for large accounting firms often don't get the opportunity to deal with many of the issues that self-employed accountants face on a daily basis.

In a large firm, work is delegated to employees based on their perceived abilities. Employees in large firms will never experience working across the full spectrum of accounting. Largely the limitation is due to the organizational structure of the firm.

In a larger firm, obviously, the more challenging work is handled by senior managers and partners, since it is their names that are on the door. When you are self-employed there are fewer limitations to the scope of work you undertake than when you're an employee of a firm.

For the self-employed individual, continual professional development is key, which includes the pursuit of a professional accounting designation to foster long-term career advancement and international mobility.

Being a sole practitioner demands a high degree of discipline. There are no excuses. Everything falls on the shoulders of a sole practitioner. Deadlines have to be met and files must be completed. Don't sit on a file for very long. If a file requires extra attention, spend the time even though you may not receive compensation for it. Every accountant, and professional for that matter, should exercise due care in their work. Strive to hold the work to a high personal standard as well as the standards demanded by professional accounting designations.

To start a practice, one must be highly motivated, self-sufficient and entrepreneurial. One needs to really enjoy the work that an accountant does and the responsibilities of the role. Otherwise, it's difficult to do well.

Early on, the accountant will

need to wear multiple hats. Major challenges could include cash flow, and obtaining good clients.

Take small steps and pursue anything related to accounting. If time allows, accountants could even consider teaching or offering voluntary accounting focused services at local not-for-profit or charitable organizations.

Some specific engagements in

Being a sole-practitioner demands a high degree of discipline. There are no excuses.

Nicholas Sider, certified general accountant

which accountants may find themselves involved include, but are not limited to; notice to reader, T2 cor-

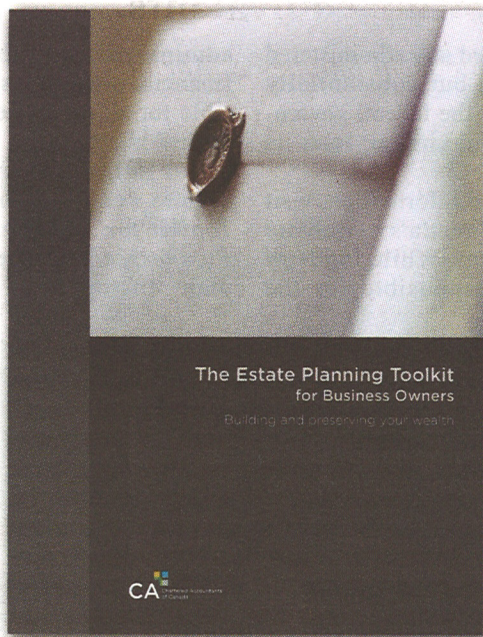
porate tax filings, T3 trust returns, T1 tax returns, including terminal returns 70(1), QuickBooks consul-

tation, advanced tax filings including T2054 and T2057, filing T4s and T5s, business plans and tax planning.

Strategic alliances should be considered when starting a practice. An accountant currently working at a firm as an independent subcontractor needs to do their best to

See Many on page 14

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STARTING YOUR OWN FIRM

Banks like pitches from professionals

By GARY A. FITCHETT

Accountants looking to open their own firms may be pleasantly surprised to know that most banks provide special considerations, services and loans for professionals. That includes physicians, dentists, engineers, architects and, indeed, accountants.

Details usually can be obtained from banks' websites or their local branches.

This practice rests on the assumption of integrity and community leadership of the professional, but even more on the earning potential of the occupation, which is the basis for repayment of the loan.

Furthermore, the professional will be seen to be a valued future customer for financing an upscale residence, real estate, for purchasing retirement funds and more.

When approaching the bank, go in with confidence by streamlining all requests and analysis down to five key points:

- How much?
- What for?
- How long?
- How do you plan to repay?
- Alternative plans for repayment, if something goes wrong?

The most significant supporting document will be a cash-flow forecast, which will demonstrate and quantify to the banker the intended use of the funds and your ability to repay on the agreed basis.

In the early years of the practice, the accountant likely will need a working capital loan to finance the work in progress and accounts receivable — to allow for payment of salaries, rent and even partner draws. This is often a major business investment for accountants. The banker may take an assignment of accounts receivable for the record, but will allow for margining only those accounts that are dated under 60 or 90 days.

To help the banker understand and have confidence in the underlying management, accountants should provide an outline of their billing and collection policy.

This should demonstrate that the prospective business owner intends to send out interim billings as larger jobs progress, complete final billing and deliver it with the financial statements.

It also should show that the rates are competitive and will result in a fair and reasonable billing (therefore one that is collectible), and that there will be a scheduled follow-up for collections by staff, and with a further scheduled follow-up by the firm's



Accountants can receive special consideration when seeking loans from banks because of their integrity and potential earnings, says Gary Fitchett, author of 'The Financing Toolkit for Small and Medium Businesses.' He spoke in Toronto in May at the launch of his book, published by the Canadian Institute of Chartered Accountants.

partners, when dictated.

If accountants require significant up-front investment for fixed assets, including office equipment and leasehold improvements, consideration could be given to a business improvement loan, under the Canada Small Business Financing Program,

which is funded and administered by the bank, but substantially guaranteed by the federal government. The maximum loan is \$250,000.

For detailed information, visit Industry Canada's website (www.ic.gc.ca). While Industry Canada is responsible for the

administration of the program, financial institutions are responsible for all credit decisions and for making the loans.

For further tips and guidance, acquire a copy of *The Financing Toolkit for Small and Medium Businesses* published by Canadian Institute of Chartered

Accountants (CICA) in conjunction with the Business Development Bank of Canada. The 18-chapter book also includes a CD with checklists that can help accountants prepare your financing proposal. Additional information, including a link for ordering copies, is available on the CICA website (www.cica.ca/financing). The toolkit is available in English and French (www.icca.ca/financement).

And remember a tip to grow the practice — when clients come in to talk to about their financing woes, give them a copy of the toolkit. The book will help them understand the various financing opportunities available and strategies for tapping into these sources.

When they come back to the firm, they will be prepared to pay the professional fees to polish the company's plan for finding the most appropriate financing. With the professional advice, the client can position the business for financing — evaluating its financing needs, assessing its credit capacity and considering the optimal capital structure and appropriate funding sources.

Gary A. Fitchett, CA, is a financial consultant with over 40 years of experience in entrepreneurship, new business formation and expansion, and financing. He is the author of the *Financing Toolkit for Small and Medium Businesses*.

Many hats to be worn by self-employed

Continued from page 13

maintain cash flow, gain valuable experience and build a network of friends and colleagues.

Budget within economic means and keep costs down. There is no need to rent an expensive office. It won't attract new walk-in clients. Other alternatives are to work from home or rent a virtual office. Most virtual offices let you rent by the hour.

Starting your own practice requires a great deal of sacrifice. Competitive pricing will allow entrepreneurs to compete with the bigger firms. It is expected that self-employed accountants provide better service than the bigger firms. But it is most likely they will get less pay than a bigger firm.

People skills are important. You must be readily available and

accessible to your clients.

Advertising is also a key aspect in establishing your own practice. Like accounting, advertising is an art and not a science; approach it on a trial and error basis — stay with advertising that works and abandon advertising that doesn't work. A website is a must. Alternatively, the ad-mail system can be a winner. When creating an advertising plan, it is important to be resourceful and try to know enough not to reinvent wheel.

Economic cycles have less impact when it comes to starting your own firm. Obviously, in

strong economic times, there are more businesses that require accounting services. On the flip side, in poor economic times there are fewer businesses that require accounting services. However, businesses are more willing to change service providers in tougher economic times. Therefore, opportunity exists in either scenario.

Nicholas Sider, CGA, holds a bachelor of arts degree in economics and management from the University of Toronto. He worked for many accounting firms and



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held various contract roles within the industry before becoming a fulltime sole practitioner. He can be reached at www.taxaccountantsider.com.