



10 Benefits of Outsourcing Your Finance Department to a Virtual Accounting Team

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Companies face complex financial challenges in today's business landscape at every turn. Managing your company's financial objectives is crucial for short- and long-term sustainability and growth. While many businesses start with an in-house financial team, whether that is one employee or ten employees, there may come a point where they need to consider a more cost-effective solution.

Outsourcing your accounting department, including transactional accountants, a controller, or a fractional CFO, to a CPA firm's "Virtual Accounting" practice has become more prevalent in recent years for small and medium-sized organizations seeking financial expertise without the high cost of a full-time employee. A virtual accounting practice at a CPA firm comprises individuals with varying expertise.

At the top of the department, the partners and managers overseeing monthly financial statements and assisting clients with complex questions and tasks are CPAs with experience and expertise in tax compliance, financial reporting, financial budgeting, internal controls, and strategic decision-making. Account managers specialize in client communication, onboarding, and client experience, while staff accountants specialize in transactional accounting, payroll, accounts payable, and accounts receivable. Taken as a whole, the virtual accounting team covers all aspects of a company's accounting department.

In this article, we will discuss 10 benefits of hiring an outsourced virtual accounting team to assist your company in achieving its financial goals.

1. Cost Efficiency

One of the most significant advantages of outsourcing financial functions to a virtual accounting team is cost efficiency. Hiring a full-time, in-house accounting department, controller, or CFO can be expensive with salary, payroll taxes, and benefits, as well as the associated overhead costs, such as training, equipment, and maintaining an onsite location. On the other hand, an outsourced virtual accounting team offers flexibility, allowing businesses to pick and choose services that best assist their needs. For example, a company may have great transactional accountants to help with the day-to-day accounting, but still needs staff with the strategic expertise to assist with financial insights or strategies. An outsourced virtual accounting team can provide the company with a controller or CFO-level individual to help with monthly analysis and short- and long-term strategy on an "as-needed" basis. Simultaneously, the company can maintain in-house transactional accountants. This approach can save a business significantly over time, eliminating the need to employ anywhere from one to 10 people, depending on the company's size. This can be crucial for small and medium-sized businesses looking to allocate their resources in the most efficient way possible.

2. Access to Expertise

Virtual accounting teams specialize in providing financial expertise. These professionals are well-versed in accounting concepts, tax regulations, and financial management strategies. When you outsource accounting roles to a virtual accounting team, you can access a team of professionals with diverse competencies and knowledge. This means you can enjoy the wealth of experience these professionals have gained over many

years and continue to gain through ongoing trainings and CPE requirements. From best practice implementation, cash flow management and forecasting, financial analysis, financial budgeting, and strategic planning, a virtual accounting team ensures sufficient know-how for completing any task that may be required. A CPA firm typically has countless professional resources ([AICPA](#), state boards of accountancy, national accounting networks, etc.) that your company can use without the significant costs typically accompanying purchasing these tools.

3. Flexibility

Companies often face changing needs in the business – from employee needs to service needs. A Virtual accounting firm offers flexibility, allowing companies to adjust their level of service as circumstances change. Whether your company is in a start-up phase, stable operating phase, or requires additional technical support, a virtual accounting department can adapt to your evolving needs without the difficulty and costs of hiring or laying off employees.

4. Financial Strategy

Financial strategy and management are more than just the day-to-day transactional accounting of a business. A skilled virtual accounting team can help brainstorm and implement strategic financial plans tailored to your company's long and short-term goals.

They can assist in creating financial plans that align with your overall business objectives like a controller or CFO could do in-house. They can provide valuable insights on cost savings, investment allocations, and risk management strategies, helping your company make informed choices for optimal cash flow management and growth.

This strategic expertise they provide can lead to better decision-making and improved overall financial performance.

5. Reduced Compliance Risk

Navigating the ever-evolving landscape of tax regulations, financial reporting requirements, and other compliance standards can be overwhelming. CPA firms, and by extension, their virtual accounting teams, stay up-to-date with the latest changes in accounting standards and tax laws, ensuring your company remains compliant and avoids costly mistakes.

From filing payroll reports, annual 1099 filings, assistance with bank covenant calculations, sales tax returns, and a host of other compliance-related tasks, a virtual accounting team can give you some peace of mind knowing that qualified financial experts are overseeing your varying regulatory requirements monthly. While an in-house accounting team, controller, or CFO can provide similar benefits, educating in-house employees can be more complex and costly.

6. Objectivity

One of the most significant dangers in a company is the inability to "see what is right in front of you." It can be difficult for an owner or the lead financial employee to recognize significant issues in a company's financial health. An essential benefit of an outsourced accounting team is objective analysis.

CPAs, by nature, are objective when analyzing client finances and can often provide a gut check when needed. An outsourced accounting team can provide unbiased financial reporting and impartiality, especially when dealing with boards of directors, investors, and owners.

7. Refocused Priorities

By engaging with a virtual accounting team, you can feel good that professionals are monitoring your overall financial health – every day, every week, every month, and every year. Understanding the overall economic picture is often overwhelming and stressful to entrepreneurs and business owners who have not been professionally trained in finance. Business owners are good at what they do – running a business, being a visionary, and leading people – and if they constantly worry about day-to-day accounting, they are not using their time efficiently.

You should be able to focus on growing your business through sales, product development, and customer service – and feel confident you can leave the financial complexities to proven experts.

8. Mitigating Risk

Financial management involves inherent risks, such as fraud, errors, and mismanagement of assets. Small and medium-sized businesses inherently face challenges when it comes to developing the internal control environment at their company. Often because of the company's size, they do not have the necessary number of staff to have good segregation of duties. While it is possible to set up an adequate control environment, it can be challenging to eliminate risk without hiring numerous employees. A virtual accounting team can allow for more adequate internal controls and segregation of duties that are not ordinarily achievable at a small or medium-sized company.

You can leverage an entire team of accountants and in-house employees to implement best practices and controls to help reduce the risk of fraud or material asset mismanagement.

9. New Technology Without the Investment

In today's world, technology is evolving and improving at an overwhelming rate. The following "tool to change your business" seems to come out of nowhere daily. The cost, through both time and money, to explore and implement new technology is significant. A CPA firm faces these challenges daily; however, it is part of their business to continue investigating and learning new accounting-related software to assist their clients. You can leverage your outsourced accounting team and benefit from the hours and money they spend to determine the best new tools and technology to improve your company directly. You get vetted accounting technology without the worry, costs, or uncertainties that go with it.

10. Data Security

The business world is digital, and with the digital age comes significant concerns and risks associated with data security. Outsourcing your accounting department to virtual accounting teams can significantly enhance your data security measures. CPA firms use encryption and cloud-based technologies to secure your business information. They are required to ensure the confidentiality and safety of client information and, as a result, invest in the necessary IT employees and technology to provide safeguards for all clients.

Conclusion

The logo consists of the letters 'K' and 'S' in a bold, white, sans-serif font. A thin yellow horizontal line is positioned above the 'K'. The letters are set against a black square background.The word 'ADVISOR' is written in a bold, black, sans-serif font on a bright yellow rectangular background.The word 'BLOG' is written in a bold, grey, sans-serif font on a white background.

Outsourcing your accounting department to a virtual accounting team at a CPA firm offers numerous benefits beyond cost efficiency. The advantages are significant, from access to expertise and risk mitigation to data security, compliance assurance, and investment in technology. It can be transformational to your business to have the necessary experts advise you daily on all accounting-related matters, both from a transactional and strategic standpoint. To find out how we can provide these services for your business, contact our [Virtual Accounting team](#).