

# ACCOUNTING OFFICE MANAGEMENT & ADMINISTRATION REPORT

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## KELLER'S COMMENTS

By Rita Keller

### After April 15: Get Your Firm Administration House in Order

Every year, you can gain valuable insight if you survey your team immediately after April 15th. This year, it is more important than ever, and you need to be preparing right now. I know everyone is very busy, but firm administrators and managing partners must make time for this important task now.

I encourage using an online, anonymous survey to find out how the team felt about this particular busy season. Was it better or worse than last year? What did they think of the software's performance? Did the processes and procedures work well, or do some need to be tweaked? How did the administrative team perform? How do staff feel about the support they received from the internal technology team? Did review work flow through managers' and partners' offices as quickly as it should?

You need to ask your team how they are feeling about the economy, the firm, and the immediate future. Can you tell your team the firm's plan for the remainder of 2010? It is important to communicate this quickly or the grapevine will likely spread negative news throughout the firm.

Do your survey every year without fail and you will build an important database of information.

Because tax is the "star" during these last months, consider hosting a tax roundtable before the end of April. Get the key tax partners, managers, and administrative people in a room for lunch and let them vent. Hopefully, your culture will permit truly honest dialogue, and you can discuss any "elephants in the room."

**Don't forget administration staff.** When managing their administrative team members, firm administrators have been asking each individual to document exactly what he or she does each day.

What they do usually falls into the category of the repeatable processes that are at the core of every accounting firm. However, even if your administrative team is cross-trained, they will waste a lot of time covering for a missing team member if they haven't refreshed their cross-training in a while.

In this season of possible absences due to illness, be sure that a step-by-step guide to daily responsibilities is easily accessible to all

administrative team members. This can be in the form of a paper checklist located at each team member's workstation or, better yet, a digital version on the firm's intranet. Remember, it needs to be very detailed!

Okay, you ask all of them to document their procedures; they do a great job and have everything accessible on the intranet within a week. How do you keep these procedures current?

Keeping them up-to-date is usually the biggest headache. Things change—e.g., a phone number for the courier service or the hiring of a new printer maintenance vendor. Usually, people forget to update minor details and this can waste time when the inaccurate information has to be corrected over and over again.

Barbara Fick, director of administration for Hutchinson and Bloodgood ([www.hbllp.com](http://www.hbllp.com)) in Glendale, Calif., shared how she handles this challenge at a recent AAA SCRAM chapter meeting.

Fick makes updating individual daily procedures part of the annual performance review process. Each administrative team member comes to the performance meeting with their updated processes in hand; Fick reviews them on the spot, and they are posted on the intranet as soon as possible. Fick sets the expectation. It's as simple as that.

If these types of processes and procedures are kept current by firms, lots of headaches disappear!

**More responsibility for your firm administrator.** And while you are reviewing processes and procedures, consider more responsibilities for your firm administrator.

Whether you are a smaller firm or a larger firm, I would guess that you are under-utilizing your firm administrator. During these times of economic challenges, it is even more important to ask your firm administrator to step up and take on more responsibility.

The goal of an experienced, capable firm administrator is to take away from partners hours spent on firm management and administration. Every hour saved by a partner equates to about \$300 that can be brought into the firm via billable work. Also, a professional business manager handling all of the day-to-day management of the firm eliminates any excuse for the partners, including the managing partner, not to market, sell, be visible in the community, write articles for the local business paper, make phone calls to clients, write a blog, enhance the way they provide client service, mentor young team members, etc.

Do you wonder if you have the right person in the role of firm administrator? Do you wonder if your firm administrator is ready to move up to a new title and level of responsibility? Maybe your firm administrator is wondering the exact same thing.

Are you investing in the success of your firm administrator? Does he or she belong to the Association for Accounting Administration and attend the local chapter meetings and the national MAP conference? Have you focused on coaching and mentoring the firm administrator the way you do the accounting team members? The money you spend on the education and mentoring of your firm administrator will reap a huge return on your investment.

The sidebar contains my examples of levels of responsibility in firm administration. I encourage managing partners and firm administrators to read and discuss them. Then outline what it would take to establish a real career path for your firm administrator. This is something that is not accomplished overnight; it usually takes many years of personal growth and dedication to the firm. □

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## Levels of Responsibility in Firm Administration

**Chief Operating Officer.** This is the person in a CPA/consulting firm who is responsible for efficient operations, firm-wide, often in a multi-office environment. Accomplishes the highest-level of performance in administration, finance, human resources, marketing, and internal technology by managing, motivating, and evaluating leaders in each of these areas. Is a principal or owner in the firm and adheres to personal goals just like all other partners. Shares in the profits of the firm based upon meeting these personal goals as well as firm goals. Firms who have a COO have adopted the CEO/COO method of management for a CPA/consulting firm. The team of CEO/COO reports to the board of directors and is charged with carrying out the firm's strategic plan.

**Director of administration.** The director of administration is actively involved in all management functions of a CPA firm and directs all administrative affairs. The director of administration is at the partner level and reports to the managing partner or executive committee. The DA formalizes finance, personnel and general administration policy. He or she directs administrative personnel recruiting and may recruit accountants. The DA directs orientation,

training, and/or evaluation of both accounting and administrative staff. Directs and supervises the firm's financial affairs. Supervises management data and reporting. Responsible for supervision of all administrative personnel and physical facilities. Is an ex officio member of all committees and is an active participant in all partner/executive committee meetings and retreats. Performs controllership functions if firm does not have a controller. May also direct the marketing activities of the firm.

**Firm administrator.** Administers the internal affairs of a CPA firm and reports to the managing partner or director of administration. Meets regularly with the firm's shareholders, attending all partner meetings and retreats. The firm administrator is a key member of the management team. Formulates annual budgets; prepares and interprets management reports; expends allocated budgets for administrative staff, equipment, and supplies; supervises all accounting functions and systems; negotiates for office space; maintains firm insurance; and has final responsibility and authority in administrative personnel matters, including hiring, training, salary advancement, discipline, and discharge. May also supervise office managers and administrative

supervisors. Depending on the size of the firm, may be responsible for the firm's marketing efforts and for the firm's internal technology.

**Office manager (administrative manager).** Responsible for the administrative activities of a CPA firm and reports to the managing partner, administrative partner, or director of administration. Generally supervises or conducts the accounting function, and exercises direct, day-to-day supervision over the administrative support functions of the firm. May assist in preparing budgets and recommend changes in systems. Researches and recommends major purchases and personnel benefits.

**Administrative supervisor.** Supervises clerical, word-processing, filing, and other support services, including scanning, copying, reception, telephone, and mailing and messenger services. Conducts or assists in employment recruiting and interviewing of new administrative staff. Trains new administrative employees, allocates and assigns work, maintains personnel records, and takes an active role in evaluation of job performance. Responsible for ordering supplies and monitors client due dates. Reports to managing partner, director of administration, or firm administrator.

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