

TAX TALK

Good value or cheap service?

You get what you pay for. The tough part is looking at a price tag and trying to decide if what you're getting is a good value or just plain cheap.

I personally blame a certain big box store for this. They can roll back prices all they want, but is what they're selling really less expensive in the long run?

Paying one buck for something instead of two is great when the \$1 item works as well or lasts as long as the more expensive one. Often, though, you end up replacing that crappy product while the \$2 item is still going strong.

The same holds true for your truck. How many miles can you expect from those new tires? Maybe the less expensive tire is a better value, even if you have to buy again in 22 months instead of 24.

With tires, value is a pretty easy calculation: miles divided by the cost is a real number. It's tougher to measure how those tires affect other things, like fuel economy. Now figuring the value of those cheaper tires becomes more complicated.

When you're looking at a service like accounting, value is almost completely intangible. Knowing whether your tax bill or tax refund is right is a potentially endless circular discussion. So I won't even go there.

Still, it's important to think about whether you're getting good value out of the people who do your accounting, bookkeeping, tax prep, or financial planning. You pay good money for these services. Is it worth it?

What to expect

I talk to a lot of potential new clients who have had enough of the guy at the big tax-prep franchise or the neighbour who's a CA and knows a little about trucking because his brother-in-law hauls for XYZ Corp.

When they call, they're looking for the same thing from their accountant that their customers want from them:

Professionalism: A guy phoned today because he says his accountant never calls him back. He realized that if he ever had a really important question, he'd be screwed. Imagine if you blew off your customers every time they called? How long before they decided you didn't want the business and found someone else to move their freight?

A sense of urgency: We signed up an owner/operator who'd been in business for six months yet his accountant still had not registered him for a GST/HST number.

That's an expensive mistake. It didn't take us long to call Canada Revenue Agency, get a number started, and have it backdated the maximum 30 days, but the owner/operator is still going to lose five months of GST/HST refunds.

Competence: I had another call



Tax Talk

SCOTT TAYLOR

from a new owner/operator several months ago asking all sorts of questions about GST/HST and trucking.

We talked a little more and he finally asked why he might not be getting the refunds everyone else was talking about.

It turns out a friend's friend told him to calculate GST/HST on his income from his broker settlements.

Of course, there is no GST/HST on income between carriers and owner/operators. After filing some amendments and going through a CRA desk audit, everything was fine.

Flexibility and understanding: Another fellow called asking about our services and said that his wife does most of the book work because she doesn't trust accountants.

I asked why and he said one accountant they used never returned any of their receipts. She refuses to send them to anyone again.

We'll be doing their books based on her spreadsheets until she trusts us.

So how much money did these folks save using friends and bad accountants?

Not nearly enough to cover the costs of lost GST/HST refunds, or the stress and turmoil of missing paperwork or unreturned phone calls. It's hard enough to make a profit out there without some buffalo kissing it away.

I bring all of this up because now is the time when you should be getting the most value out of your accountant.

If February is RRSP season and March and April are income tax season, September is ideal for doing meaningful tax and financial planning. You don't have the pressure of a looming deadline or calendar year-end.

Together, you and your accountant may find tax savings that more than make up for the cost of their fees.

The bottom line is our fees and those of my reputable competitors are not, in real dollars, much more than some of these bad service providers.

We've all built our businesses one owner/operator at a time, and no matter how bad you think your situation is, we've all heard (and handled) worse.

Give any one of us a call. You'll be surprised when we answer the phone or call you back. □

– Scott Taylor is vice-president of TFS Group, providing accounting, bookkeeping, tax return preparation, and other business services for owner/operators. Learn more at www.tfsgroup.com or call 800-461-5970.