



Starting a practice?

Setting up your practice finances right the first time can set you up for success and prevent unnecessary work and frustration down the line.



INITIAL PRACTICE SETUP



Select an attorney that will help you choose a business entity, draft business organizational documents, and other documentation.



Register your practice with your state's secretary of state office and with your Department of Professional Registration.



Apply for a Federal Employer Identification Number (FEIN) at www.IRS.gov.



Contact your state department of revenue to register for sales tax, payroll taxes and other taxes you may be subject to. Your accountant can walk through all the form questions with you.



Setup a business bank account using your FEIN and organizational documents.



Setup your ability to accept credit cards using merchant services and setup Care Credit.



PRACTICE SOFTWARE



When selecting your practice information management system (PIMS), what features does it have that will integrate into your accounting system?



Select your accounting software as you determine your PIMS to maximize integration. If you are considering QuickBooks, discuss the integration differences between QuickBooks Online vs. QuickBooks desktop.



Will you use the AAHA chart of accounts? Consider using a vet specific chart of accounts before you start entering data into your accounting system.



Make software training a priority so you and your staff can get the most from your investment.



PAYROLL



Select your payroll provider at least two weeks before your first payroll is needed (heavily consider outsourcing payroll preparation instead of preparing payroll yourself).



Discuss with your payroll provider reporting needs such as payroll timing, frequency and special reporting needs such as payroll by employee type.



Discuss integrations between QuickBooks or your accounting system and your payroll reporting.



DAY-TO-DAY ACCOUNTING



Who will pay the bills for the practice and manage accounts receivable?



Who will make bank deposits, record these deposits into QuickBooks and reconcile the bank account?



Who will be responsible for other managerial tasks such as reviewing contracts, ordering inventory, calling in payroll, marketing and HR duties? This should be someone other than the vet.



FINANCIAL REPORTING



Who will prepare monthly financial statements for the practice? An outside bookkeeper? A CPA?



Key metrics need to be reviewed monthly – doctor production, COGS, labor benchmarks, average transaction cost and revenue trends.



Create an initial budget to keep the hospital on track.