[Your business name] — Business Plan

Accounting firm in [Your city] · Startup plan

Executive summary

[Your business name] is a new accounting firm in [Your city] offering individual and small-business tax returns; monthly accounting and financial statements; tax planning and quarterly estimates; entity setup, S corp elections and payroll tax filings; and IRS notice and audit representation. The model is fixed fees by complexity, year-round accounting and planning clients to carry the months between tax seasons, and referrals from clients and other professionals as the main source of growth.

Startup budget: $23,625 across 10 items, with funding still to be decided.

Twelve months from now, success looks like this: [What success looks like twelve months from now]

Products and services

[Your business name]'s core service is individual and small-business tax returns. Every client signs an engagement letter each year setting out the scope and the fee, every return gets a second review before it is filed, and business clients are offered monthly accounting and a mid-year tax plan so the relationship doesn't end in April.

- Individual and small-business tax returns
- Monthly accounting and financial statements
- Tax planning and quarterly estimates
- Entity setup, S corp elections and payroll tax filings
- IRS notice and audit representation

Market analysis

The customers are owner-run businesses and self-employed people who need a tax return, a plan for next year's tax and someone to call in between — plus households with rental property or a side business, and the bookkeepers and advisers who send them.

- Owner-run businesses that want a tax return, a tax plan and someone to call during the year
- Self-employed people and freelancers who owe quarterly estimates and dread April
- Households with rental property, stock compensation or a side business
- Bookkeepers and financial advisers who need a CPA to send their clients to

Marketing strategy

Most new clients will arrive by referral and word of mouth — from clients, bankers, attorneys and financial advisers — and Google decides between the firms they're given: a searcher for “CPA near me” in February compares Google Business Profiles, reviews and a website that shows the firm's services, credentials and a way to book.

- Referrals from clients, bankers, attorneys and financial advisers — the way most firms grow
- Google Business Profile and Google — “CPA near me” and “tax preparer” plus your city peak from January to April
- Word of mouth from business clients, who talk to other owners about their accountant
- One industry niche, known well enough that its owners find you and recommend you
- A website with your services, credentials, a secure upload link and a way to book a consultation

Operations plan

The partners prepare and review the work themselves in year one, plan each tax season in November, move every client document through a secure portal under a written security plan, and track realization — hours worked against the fee charged — so underpriced clients are repriced the next year.

- An engagement letter for every client, every year, with the fee and the scope in writing
- Tax season planned in November: organizers sent, deadlines booked, extensions decided early
- Monthly accounting and advisory clients billed all year, so the summer pays the rent
- Client documents through a secure portal, under a written information security plan
- A second review of every return before it is filed

Startup costs

What it will take to open the doors, with funding still to be decided.

Startup costs

ITEM	AMOUNT
Living costs until year-round clients cover the bills (up to six months)	$15,000
Computers, two monitors, a scanner and encrypted backup	$2,500
Professional tax software, first year	$1,690
Accountants professional liability insurance, first year	$1,750
Website and Google Business Profile	$0
Continuing education (CPE) and professional memberships	$1,000
Client portal, e-signatures and practice-management software, first year	$750
Invoicing, booking and client records, first year	$0
Business registration, professional entity filing and EIN	$425
State firm permit or registration, PTIN and local business license	$510
Total	**$23,625**

Typical range to start an accounting firm in the US: $950–$49,400. Your list is what you decided to spend — replace estimates with real quotes as you get them. Website and Google Business Profile: Your Zarla plan includes the website — services, credentials and a booking link — and walks you through your Google Business Profile; a designer typically charges $2,000 or more to build one. Invoicing, booking and client records, first year: Invoicing, online booking and a client list come with your Zarla plan; your tax and accounting software is separate.

Financial plan

The numbers below come from your own startup list and typical monthly costs for a small accounting firm in the US. Running costs are modest and steady while fees arrive in a spring rush, so the plan's real question is how much year-round work covers the months between tax seasons — and the cash reserve covers the first of them.

Typical monthly operating costs for an accounting firm: $220–$3,075 a month, before the owner's own pay.

Add a monthly sales target and the plan will show how long it takes to recover the startup budget.

Typical monthly operating costs

COST	TYPICAL RANGE
Tax software, spread across the year	$30–$250
Professional liability insurance	$40–$250
Practice-management and client portal software	$0–$125
Invoicing, booking and client records (included with Zarla)	$0–$50
Office or coworking space	$0–$1,500
Phone, internet, secure backups and CPE	$100–$400
Marketing, society dues and referral lunches	$50–$500

US ranges for a small operation; replace with your own figures as you learn them. Lines marked (included with Zarla) are what those tools cost separately — with Zarla they are part of one monthly plan.

Risks and honest downsides

Every accounting firm plan should say out loud what can go wrong. For [Your business name], the real risks are:

- Most of a new firm's revenue arrives between January and April, and the rest of the year still has to pay the rent
- A missed deadline or an error on a return means penalties the client will expect the firm to cover
- Taking every client in year one fills tax season with low-fee returns that crowd out better work
- Clients who pay only after the return is filed stretch cash in the slowest months
- Holding Social Security numbers and bank records makes the firm a target for data theft

Licenses, permits and insurance

What [Your business name] needs before it can legally trade in the US. Rules vary by state and city — confirm each item with your local licensing office and an accountant.

- A CPA license, and a state firm permit or registration for a CPA firm — In the US each state board of accountancy licenses individual CPAs, and most also register or permit CPA firms; only licensed CPAs may use the CPA title, and a firm that performs attest work (audits, reviews and most compilations) needs a firm permit and, in most states, peer review. Many states also require a CPA firm's majority owners to be CPAs. Without a license you can still do accounting work and — subject to your state's preparer rules — prepare tax returns, but you can't call the business a CPA firm or perform attest work.
- A PTIN for every preparer, and an EFIN to e-file — In the US anyone paid to prepare, or to help prepare, all or substantially all of a federal tax return needs a Preparer Tax Identification Number — $18.75 for 2026, renewed every year. A preparer without a CPA license or enrolled-agent status also has to meet any state preparer rules: California, for example, requires CTEC registration with 60 hours of qualifying education and a $5,000 bond, and states including Oregon, Maryland, New York and Connecticut license, register or permit paid preparers. To file electronically the firm needs an Electronic Filing Identification Number from the IRS (free; allow up to 45 days), and a preparer who expects to file 11 or more individual returns in a year must e-file them.
- Business registration and the professional entity your state requires — Many states require a CPA firm to form as a professional corporation or professional LLC; the EIN from the IRS is free. Check your state board's rules on firm names — most restrict what a CPA firm can call itself.
- A written information security plan for client tax data — In the US a firm that prepares tax returns is covered by the FTC Safeguards Rule and must keep a written information security plan, with a named person responsible for it; the IRS's Publication 5708 is a free template. The IRS also expects preparers to report data theft to it promptly.
- Accountants professional liability insurance — Not required by most states, but a penalty from a missed deadline or a costly error is a claim against the firm, and many clients and referral partners ask for proof of cover.
- Continuing professional education to keep the license — Most US state boards require about 120 hours of CPE every three years, with an ethics course; enrolled agents need 72 hours every three years with the IRS. Track the hours from day one — a lapsed license stops the firm.

Milestones: the next 30 days

The first month's to-do list for [Your business name], in order:

- Choose the firm's niche and services — tax only, or tax plus monthly accounting and planning
- Register the firm with your state board and form the entity your state requires
- Renew your PTIN and apply for an EFIN now: the IRS can take up to 45 days
- Buy tax software, set up a secure client portal and write your information security plan
- Get a professional liability quote and write next year's engagement letter
- Set up a free Google Business Profile and put your website live with a secure upload link
- Tell bankers, attorneys, bookkeepers and former colleagues that the firm is open
- Sign your first monthly accounting clients before tax season, so January starts with a base

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Appendix: what a lender will ask for

This plan tells the story and shows the numbers. If you take it to a bank, expect to be asked for these documents as well:

- Two years of personal tax returns and a personal financial statement
- A month-by-month 12-month cash-flow projection showing the tax-season peak and the summer dip
- Your CPA license, firm registration and PTIN
- Signed engagement letters, or the client list following you from a previous firm where your agreement allows it
- Proof of professional liability insurance and business registration
- Your credit report

Template: replace every [bracketed] line and every estimate with your own figures. Written with Zarla's free business plan generator — zarla.com/business-plan-generator writes it from five questions.
