



MID-STATES ADVISORS
A Private Placement and Business Brokerage Firm
Newsletter

Mid-States Advisors, Inc. Monthly Article & Updates

Good Morning,

As the economy continues to return to work we've noted that a lot of our clients, potential clients and associates have questions about what they should be doing to strengthen their or their clients' financial teams. In this month's newsletter we address the difference between a Bookkeeper, Accountant, Controller and CFO and what role they should play in your organization.

If we can help you in any way please feel free to reach out to one of our team members.

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Bookkeeper, Accountant, Controller or CFO?

We would like to help eliminate the confusion regarding the education, experience, and roles of the various people involved with the accounting and financial management of middle market businesses. We recognize that many middle market companies will not have a need for all of these roles, or that roles might be shared.

Bookkeepers are generally the entry level for accounting personnel responsible for maintaining the general ledger, commonly known as the "books of account". Generally, if they have studied accounting at all, it has been at the high school level, or perhaps introductory accounting at college. Many are self-taught, or trained on-the-job. They are rarely able to close the books for the year, requiring the assistance of outside professionals, usually a CPA, or of an in-house Accountant or Controller. A competent and dedicated bookkeeper is worth their weight in gold.

Accountants, unlike bookkeepers, should have studied accounting theory. Sometimes, they will have one or more bookkeepers reporting to

them. Most will have a degree in accounting, and many have credentials as Certified Public Accountants or Certified Management Accountants. Accountants are capable of making all necessary adjustments and closing the books of account at the end of each accounting period, whether monthly or annually. There are specialized accounting functions, such as Cost Accounting, a discussion of which is beyond the scope of this short article.

The Controller operates as the head of the accounting department(s). Their responsibility is to maintain the books and records while safeguarding the assets. The Controller manages the accounting staff, including bookkeepers, and is responsible for month-end closing and daily transactional activity such as Accounts Payable, Bank Statement Reconciliations, Invoicing, Payroll, Management and Financial reports. Additionally, a controller maintains internal controls, and coordinates completion of the Annual Operating Budget. Both General Ledger Accounting and Cost Accounting report to the Controller. The majority of their time is spent working with current and historical performance. This differs from the role of the CFO who provides more oversight and leadership in planning and policy setting.

The CFO oversees all financial departments but has a primary focus on the future; the Controller reports to him/her. By overseeing the development of standards, procedures, and strategies, the CFO guides the business in the right direction. The CFO tends to spend more time on financial planning, risk management, and treasury functions such as cash management and capital structure, and must understand past financial performance in order to determine the necessary financial measures and strategies that are needed to improve future performance.

Many smaller companies have neither the financial means nor the need to operate with a full-time CFO, but could benefit greatly from the services of a part-time CFO or temporary CFO to assist with immediate issues. A temporary CFO can help a business implement new financial strategies, mitigate risk, improve reporting systems, and improve the existing capital structure.

Whether your business needs to improve profitability, downsize, or pre or post-closing assistance with a merger or acquisition, a temporary CFO can provide the knowledge and skills necessary for success.

If you would like to discuss temporary Controller or CFO Services in more detail, please contact us to learn more about how we can assist your company or client. Below are the direct phone numbers and emails for those of us who can answer your questions (yes, we answer our own phones):

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[See our team at Midstates Advisors' website](#)



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