

Selecting a Financial Consultant

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SUMMARY

Architecture firms can seek financial advice from different types of financial consultants depending on the needs of the firm. Accountants, lawyers, management consultants, and personal financial advisors are some of the professionals that firms may consult.

ADVISORS

In several areas of the financial arena, it may be necessary or merely helpful to seek special advice. The following descriptions examine the services offered by different professionals.

Accountants. Public accountants and certified public accountants (CPAs) are expert in preparing financial statements, auditing, and preparing and filing tax returns. CPAs are required to undergo additional formal preparation and testing and are licensed by the state. They are experts in tax and audit matters. Accountants can help set up the firm's financial books and can direct the bookkeeping staff in proper procedures. Depending on their background and experience, accountants may be equipped to provide management advice to architects about their business operations.

Lawyers. Lawyers are knowledgeable in matters such as legal form of practice, business entity registrations, labor and employment, corporate bylaws, securities, pensions, contracts, liability, and litigation. In addition, some lawyers have become adept at various forms of business transactions, relationships, and regulations; such experience may be helpful to architects in areas affecting finances, such as contract and fee negotiations and collections.

Management consultants. Architecture practice management has emerged as a new and distinct discipline. Such capabilities can be provided by management consultants, some of whom have specialized in working with architects and who may be architects themselves.

Personal financial advisors. A new field has emerged for financial advisors, analysts, and planners who provide advice regarding personal

financial matters, including personal income and expense budgeting, insurance, investments, and retirement. Although some of these individuals may represent insurance companies, stockbrokers, or retirement plan administrators, others are independent consultants who provide advice on a fee-for-service basis.

It is important that the consultant

- Have the appropriate credentials
- Have relevant experience, especially in situations similar to yours
- Be prepared to listen to and understand your problem, not just give pat answers or prescriptions
- Be someone with whom you feel personally comfortable and can work closely

RESOURCES

More Best Practices

The following AIA Best Practices provide additional information related to this topic

08.05.01 Obtaining Bank Credit

08.03.02 Calculating Billable Ratios

08.01.02 Starting a Firm: Essential Financial Vocabulary

For More Information on This Topic

See also "Financial Systems," by Lowell Getz, CPA, *The Architect's Handbook of Professional Practice*, 13th edition, Chapter 8, page 183.

See also the 14th edition of the *Handbook*, which can be ordered from the AIA Bookstore by calling 800-242-3837 (option 4) or by email at bookstore@aia.org.

Keywords

- Practice
- Financial Management

