



# Accounting Compliance Services: A Guide to Resolving Regulatory Challenges via Outsourcing

The penalties, legal obstacles and missed opportunities that SMBs face in dealing with compliance challenges are substantial bottlenecks for growth. Evolving regulations, such as the tax code or a transition to a new accounting method, continue to require additional expertise and capacity that your business must acquire as it evolves.

Outsourced—i.e., fractional—services offer businesses a cost-effective way to enhance reporting capabilities and regulatory controls without building additional risk from impromptu investments. Learn how businesses are staying ahead of compliance challenges with accounting compliance services from Paro.



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## CONQUERING TAX COMPLIANCE FOR SMALL BUSINESSES

The ability to comfortably meet tax compliance is also the ability to better access financing, save on tax credits and forecast future liabilities that impact cash flow. But according to a [2022 study on financial maturity](#), nearly 50% of business executives cited tax and regulatory compliance as a top area for improvement. This challenge grows even further as smaller businesses pass the \$10M annual revenue threshold.

Most businesses first engage outsourced talent to address foundational tax challenges, such as:

- Limited resources for hiring full-time CPAs or tax accountants
- Time constraints in handling accounting alongside daily operations
- Inaccurate bookkeeping & resulting tax underpayment or overpayment

For many, meeting IRS deadlines is enough. That means shoring up reconciliations, financial statements, payroll and other core functions to have financials ready faster. However, the forward-looking benefit of fractional talent lies in using their specialized skills and knowledge to become more strategic with the tax code.

“Our Paro tax consultant has been extremely helpful in correcting past filing issues, state unemployment and tax issues.”

- Jonathan M., Paro Client

## Chart the Tax Code With an Eye for Strategy

As your business grows, leverage compliance acumen to understand how you can optimize your tax obligations more strategically. Our fractional experts help clients:

- Assess their [business entity](#) based on taxation & tax minimization.
- Navigate the [tax nexus](#) as they expand beyond where employees physically work or broaden services across multiple states.
- Account for depreciation of certain investments to maximize deductions.
- Account for different financing methods & their tax implications.

No matter where you are in your journey, you can customize your [tax services](#) by asking these two questions:

### 1 Where Are My Talent Gaps?

Find a specialist who knows the state or region you're working in. Sales tax (SALT) and international regulations call for knowledge that may lie beyond your local pool. Or, look for expertise in compliance software and specific industries.

### 2 Where Are My Biggest Bottlenecks?

Scale fractional solutions at the most critical times in your business cycle. That means using a truly on-demand model that targets not just tax season, but critical transitions where compliance and potential savings often fall through the cracks.

#### Tax Success Stories

What difference does strategic understanding of the tax code make?

By reevaluating its tax position with Paro expert Craig, [inRange Solutions](#) was able to save \$0.5M in a single year. Meanwhile, [DrivenIQ](#) saved \$45K through a combination of accounting process improvements and ERC tax credits with the help of experts Jay and Dave.





## FINANCIAL REPORTING COMPLIANCE: TAKE COMPLEXITY HEAD ON

Your accounting team is working hard to close each month and produce historical statements, but in order to assist in adopting new accounting standards, many businesses turn to [part-time controllers](#) to ready their staff and establish controls.

Public or private, you're likely to transition to [accrual accounting](#) eventually, whether it's to satisfy GAAP standards or appease potential investors with comparable statements. Once companies surpass \$10M in yearly revenue, they often make the switch, though it's required if you earn more than \$25M annually.

Our clients use accounting compliance services to overcome major reporting challenges, including:

- **Revenue Recognition:** Implement ASC 606 standards & get a better understanding of your customer contracts—especially for industries like SaaS—and how it all affects your financial statements.
- **Lease Accounting:** Stay compliant with the [ASC 842 standard](#), and get a better grasp on lease classifications, reporting disclosures and how your lease data impacts reporting and decision making.
- **SEC & SOX Reporting:** Get specialized expertise in reporting for the public markets to avoid legal consequences or market repercussions.
- **Internal Audit:** Ensure integrity in the audit process through documentation, evaluation, issue resolution and communication of findings.

“Our auditors require fairly detailed memos with respect to things like revenue recognition and lease accounting. From the get-go, [Brad] had been supporting that, which took a lot off my plate, because it's time consuming, and it's not my area of current expertise.”

- Jess Jankowski, CEO of NTC (Public Company)

## Using Fractional Talent to De-Risk Your Organization

One of the benefits of using outsourcing to combat compliance challenges is the fact that you can proactively address risk. If you can't justify full-time staff or your staff isn't equipped to identify and address potential risks ahead of growth, then outsourcing can cover these gaps more effectively. For example:

- Fractional experts can help establish processes & documentation to protect the institution from any one person's knowledge in the event of turnover.
- Provide the bandwidth to separate duties when the team is very lean to avoid fraud or non-compliant practices.
- Find efficiencies in data collection & systems integrations for businesses transitioning to new accounting standards or methods.

## How to Find Regulatory Experience Within Your Industry

Specific industries, such as health care, are subject to additional financial reporting regulations that fractional controllers are especially positioned to support. Outsourcing accounting compliance services make it easier to find and hire talent that have years of experience in your specific industry—and hire quickly when at the mercy of auditors or external stakeholders.



### Case Study

#### CHME: Industry Expertise in the Blink of an Eye

CHME provides the full range of home medical products, supplies and services. Their [financial controller quit unexpectedly](#), leaving not enough time to find a replacement or do a knowledge transfer. They needed to find a replacement fast to navigate complex insurance billings, understand how cash flow works in the medical space and use a specialized tech platform.

With help from a Paro controller, CHME underwent several improvements to enhance reporting compliance, including simplifying closing processes, minimizing risk with process documentation, establishing a best-practice audit trail and more.



## THE POWER OF FLEXIBILITY FOR UNIQUE ACCOUNTING COMPLIANCE CHALLENGES

### Nonprofit and Government Entities

Not-for-profit entities require services that adhere to strict spending limitations while still maintaining specialized knowledge about the sector. Whether it's filing Form 990 to the IRS or providing reports for donors, our clients have been able to use flexible talent resourcing to their advantage to maintain continuity and compliance during leadership transitions or to enhance reporting without going over budget.

When outsourcing a financial controller or similar expertise, consider the following:

- Do they have experience with grant compliance, restricted funds or specific auditing standards?
- Are they adaptable to the needs of a typically very lean team & its budget?
- Do they have strong ethical standards for transparency?
- Do they align with your organization's mission?

### Portfolio Companies

Investor confidence is a key cog in your success. Whether monthly, quarterly or annually, the board needs accurate updates on your financial position and key KPIs. In addition, failing to stay compliant with financial covenants and contractual agreements can turn your relationship sour.

Scale and fine-tune your reporting without hiring full-time specialists. We've helped startups and portfolio companies:

- Increase investor reporting from quarterly to monthly statements.
- Reduce countless hours of audit prep.
- Secure additional funding with investor-ready financial reports.
- Manage financial compliance requirements in preparation for an IPO.

#### The Savings of Going Fractional

How can fractional experts help you stay on budget? By using outsourced financial services, Tenacity Project, a nonprofit, [saved \\$48K in annual costs.](#)

## HOW TO GET STARTED

Compliance is about more than meeting a deadline or avoiding errors. It's about being strategic with your time, your decisions and your stakeholder relationships.

Our team makes it easy to help you find solutions to turn compliance challenges into opportunities for the future. With cost-effective accounting compliance services, you can go beyond the deadline to manage future risks and add value for your business.

With the help of proprietary AI technology, we help you find the best-fit expertise for your size, industry and goals.



**Tailored Solutions:** On-demand support that evolves with you



**Highly Qualified Expertise:** 15+ years of relevant experience, on average



**A Workforce Without Boundaries:** Solutions based on need, not geography

## Find your solution today.

Find compliance experts you can rely on to keep financial penalties at bay and minimize risk, so you can go back to growing your business.

→ [paro.ai/business-solutions](https://paro.ai/business-solutions)

## Compliance is Transparency: Our 6 Steps for Vetting Finance Professionals

When you invest in fractional support, you're also investing in accountability and integrity. We've built a six-step process to ensure that businesses work with trusted professionals. Here's how we find the top two percent in talent:

- 1 **Application**
- 2 **Application Review**
- 3 **Skills Assessment**
- 4 **Skills Assessment**
- 5 **Comprehensive Background Check**
- 6 **Ongoing Profile Verification**

Find compliance experts you can rely on to keep financial penalties at bay and minimize risk, so you can go back to growing your business.

