

# Why You Need a **Vet CPA Specialist**



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## Introduction

Vet CPAs understand the veterinary industry, and proactively boost business performance and trim tax costs. Hiring a veterinary-specific CPA for your practice provides specialized financial insight and an excellent resource for informed decision-making. By sharing their industry-specific

knowledge with you, they can help you manage your practice efficiently and effectively, identify opportunities, and help you avoid critical mistakes you might otherwise make.

**Securing an experienced veterinary CPA firm to provide your vet practice with specialized accounting, consulting, and tax services frees your time to be client-focused.** If you're ready to leverage your finances in a way that makes the optimal impact on your bottom line and to have the support a veterinarian needs at every career stage, it is time to call us today at **(773) 728-1500**. Whether you're a pet hospital, veterinary clinic, mixed animal veterinary practice, or other veterinary specialist, we have the answers you need to make the most of your practice.

## Generalist vs. Specialist



### Generalists Serve a Broad Range of Clients

A Generalist Certified Public Accountant (CPA) is qualified to perform all the financial services you may need, however, it is essential to consider whether that is enough for your practice. Generalists are the “jack of all trades” of accountants and lack in-depth knowledge of tax benefits you are entitled to as a veterinarian. For example, any CPA will understand the tax code, but only a specialist vet CPA will know specific veterinary practice finances and tax solutions to help you maximize deductions and pay no more than necessary in taxes. **A CPA specializing in veterinary accounting has access to current industry-specific knowledge and tax code information that could impact your business decisions.**



### Generalists Fail to Provide Specialty-Level Services

A general CPA can manage accounting tasks, tax issues, and client requests, but it is unlikely they will partner with you and reach out to make sure your practice runs smoothly. Unlike generalists, who tend to practice reactionary accounting, a specialist veterinary CPA will regularly communicate about your practice to make sure you benefit from optimal financial outcomes.



After all, managing your veterinary practice's finances goes on all year, not just during tax time. A vet CPA will be there to provide advice on business decisions like large equipment purchases that impact your practice's bottom line. They can offer insight and support on many specialty topics unique to a veterinary practice. **A vet CPA keeps up with specialty newsletters, the latest technology, and industry-specific news that impact their clients.** Generalist CPAs serve a wide range of clients and lack time to invest in knowing a single industry inside-out like a specialist CPA does.



## Generalists Lack In-Depth Experience Needed to Offer Industry-Specific Advice & Analysis

A specialized vet CPA understands that you entered the veterinary field to help animals, but they also know that a veterinary practice is a business. The numbers need to line up a certain way, so practice operations are seamless, and your attention remains on what you do best – delivering exceptional patient care. And while that is your focus, you cannot allow the practice finances and future to rest in the hands of a CPA who is uninformed about the intricacies of running a vet practice. **It takes more on the accounting side than just crunching the numbers for a vet practice to thrive.** Even a generalized CPA capable of presenting data cannot analyze and manage your practice accurately because they lack the industry-specific knowledge required for a veterinary practice to thrive financially.



## Specialists Offer Specialized Services for Clients within a Specific Industry

When you engage a qualified veterinary CPA, you immediately benefit from the expertise that allows them to design custom reports based on analyses of your practice's current financial state and their advice on what to do immediately to reduce your future taxes. **A vet CPA will know veterinarian practice financial best**

**practices based on their experience with other veterinary offices.** They can assess production, workload, growth prospects and advise you on the latest technology to improve productivity and help you work smarter to achieve your practice goals.



## Specialists Know the Inner Workings of a Particular Type of Business

A capable vet CPA will assess the full scope of your practice from finances to administration. **They understand the inner workings of a veterinary office and know the common expense patterns most practices encounter.** A vet CPA will categorize overhead expenses unique to a veterinary practice, such as clinical costs of supplies and lab fees and discretionary costs like continuing education for yourself and key staff.

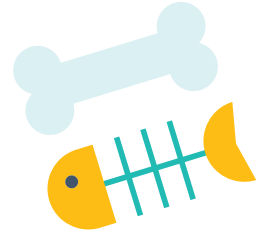




## Specialized Industry Knowledge & Experience

Specialists are Familiar with Unique Challenges & Solutions for Veterinary Practices

There are several unique challenges that veterinary practices face. The following are three that can cause significant issues if not handled properly. A skilled vet CPA can ensure that these issues do not cause a problem for your practice.



### 1 Education Debt

The average veterinary school debt is \$183,000, according to the American Veterinary Medical Association. Pile on top of that the average expense of \$625,000 to start a veterinary practice, and you can quickly become overwhelmed by the numbers. Even with a thriving practice, paying down substantial debt is daunting. A specialized vet CPA can guide you regarding how to handle debt repayment, whether to refinance student or business loans, whether to consolidate loans and how to pay down debt faster as your practice grows.

### 2 Equipment Expenses

Veterinary equipment costs between \$5,000 and \$25,000 for a startup, depending on the veterinarian's vision for their practice and their philosophy of care. The high cost of veterinary equipment makes it critical to have a specialized vet CPA to advise you on matters like **what to purchase or lease, which equipment is considered a major purchase, how veterinary equipment is depreciated, and how the cost of equipment and technology for your practice fit into your overall business plan.**

### 3 Employee Issues

Of course, a specialized vet CPA knows what to look for when it comes to your veterinary practice finances, but they also know how to detect uncomfortable employee issues like habitual errors or theft. With an independent vet CPA on your side, these issues won't be overlooked or ignored. Early detection of employee issues means they can be managed to minimize negative fallout, such as litigation.





## Up-to-Date on Industry-Specific Tax Codes & Accounting Compliance

Tax regulations and codes are ever-changing. That includes codes specific to vet practices. A specialized veterinary CPA is indispensable for deciphering the codes, staying up-to-date on industry-specific regulations, and providing insight to form a solid accounting and tax strategy that allows your practice to

retain maximum profit and only pay what is necessary for taxes.



## Access to Valuable Practice Benchmarking Data

Every veterinary care provider wants to make the best business decisions for their practice. Knowing the key performance indicators for your practice and understanding how to interpret the associated data is essential for making sound financial decisions. A specialized vet CPA has access to this valuable

information and the knowledge to use it to guide your practice. For example, they will consider factors like overhead and payroll that most of us are familiar with and include indicators that might otherwise be overlooked, such as daily production per veterinarian, daily production, active patient count, and outside lab expenses.



## Experience with Practice Lifecycle (New Practice, Practice Acquisition, Established Practice, Practice Valuation, Practice Transition)

Like every business, a vet practice has a life cycle. Like any cycle, a veterinary practice life cycle is dynamic – there are growth periods, maturity, decline, and renewal. An experienced vet

CPA will be familiar with these stages and assess your practice and where it is heading. For example, a new practice or a recently acquired one may benefit from implementing startup systems that cultivate long-term success. Alternatively, a mature practice may experience issues like employee burnout and signs of decline. A vet CPA will recognize this and recommend solutions to offset employee workload, increase efficiency, and define clear job roles so that expectations are clear, and the practice can thrive again. And when faced with the time to sell, a specialized vet CPA will provide the expertise required for practice valuation. **Regardless of your veterinary practice's stage, a vet CPA can guide you along the path of continued success with industry-specific knowledge and experience.**



## Knowledge of Veterinary Economics & Trends

Every industry has unique trends. For example, economic issues like demand for veterinarians and cost barriers to treatment impact a practice. So do trends like an increase in pet ownership, uptick in vaccinations, and the rise in remote consults for pet owners. A specialized vet CPA understands

these trends and can help you capitalize on related opportunities and offset future issues that could detract from your practice's success.



## Maintains Network of Veterinary Practice Specialists

A vet CPA is in constant contact with a wide range of veterinary professionals, which means their knowledge becomes your knowledge. It provides you with access to a network of information from other vet practices that cannot be found elsewhere.



## Understands Veterinary Terminology

Don't expect a generalist CPA to know industry-specific terminology. Only a specialized vet CPA will have the deep industry knowledge required to support your practice optimally. With specific knowledge of veterinary terminology, your vet CPA can illuminate potential areas of concern, guide you when making critical business decisions, and

support you throughout the life of your practice. In short, the vet CPA speaks your language.



## Has a Working Knowledge of Veterinary Equipment

Veterinary equipment is expensive. Your practice must take full advantage of tax write-offs for equipment depreciation, which is a pivotal way to save money. A specialized vet CPA will know how best to take advantage of equipment depreciation. For example,

you may take the all-up-front approach, spread the depreciation over the lifespan of the equipment, or take the first year's depreciation plus an additional 50 percent in year one. The best option for your practice is something only a specialized CPA can tell you. They can also help you weigh tax benefits before you buy and offer options such as leasing equipment. It comes down to what makes the most sense for your unique situation, and a specialized vet CPA can steer you in the right direction.

# Benefits of Working with a Vet CPA Specialist



## Enjoy Tax Savings Benefits & Tax Reduction Opportunities

Only a qualified vet CPA will know how a veterinary practice operates and how to maximize deductions, including how to take advantage of every tax break you are legally due as a veterinarian. Avoid overpaying the government by partnering with a vet CPA who can help you keep more money in your practice and minimize the amount you pay in taxes.



## Receive Tailored Consultation & Advisory

Outside treating patients, most veterinary professionals' primary goal is to eliminate unnecessary expenses and increase profits. After all, if your practice doesn't thrive, it won't last, and that prevents you from doing what you love most – caring for your client's pets. That's why specialized consultation and advice from a vet CPA are critical to a veterinary practice's success. A vet CPA's expertise is an investment with a robust return – from financial advice to tax planning strategies.



## Get Specialized Reports for Use in Financial Decision Making

When making big financial decisions for your practice, a vet CPA is indispensable. A skilled vet CPA will educate you through specialized reports they create to help you make critical financial decisions. The specialized advice a vet CPA can provide supersedes a generalist accountant who works with a wide range of businesses. Remember that a vet CPA keeps abreast of industry-specific issues, knows the current tax codes, and understands how best to minimize your tax burden in the present and the future by projecting out quarter by quarter and year by year.



## Save Time & Improve Productivity

Your vet CPA does more than keep the books. They make valuable suggestions about how you can achieve optimal efficiency, increase productivity, and bolster the financial health of your practice. By taking the burden of evaluating the financial side of your practice, your vet CPA saves you time and helps you increase productivity from the front office to the treatment room.





## Avoid Mistakes & Minimize Risks

When most of us think of a CPA, taxes are front of mind. That's because taxes are a universal requisite where no one can afford to err. With a specialized vet CPA on your side, oversights or "innocent mistakes" are avoided, which means your practice avoids a potential audit. The protection that comes with a vet CPA is invaluable. Your tax-related forms and documentation are always up-to-date; you can rest easy knowing errors are minimized, and come tax time, you know you're in good standing.




## Stay Focused on Patients & Practice

Clients' pets are a priority for veterinary professionals. If you're preoccupied with the accounting side of your practice, that stress can detract from your level of patient care. By enlisting the help of a specialized vet CPA, you can maintain your focus on patient care and leave financial concerns to them. You can relax and know the critical financial and tax matters associated with your practice are handled and that you are abreast of the inner workings of your business.

If you'd like to start working with a local CPA firm that truly understands the needs of your industry, call us today at **(773) 728-1500** or visit us at **[pet-cpa.com](http://pet-cpa.com)**.



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