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*MONTGOMERY COUNTY MEDICAL SOCIETY
THINK OUTSIDE OF THE BOX
RE-ASSESSMENT
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I. Taxes

- A. What type entity is the practice?
 - 1. Should it be an LLC?
 - 2. Should it be a C Corp.?
 - 3. Should it be an S Corp.?
- B. What are the advantages and disadvantages of each entity?
- C. Is tax planning done on a regular basis?
- D. Is the entity paying taxes?

II. Retirement Plan

- A. Does the practice have a retirement plan?
- B. Who is benefited by the retirement plan?
- C. Is it the right type of retirement plan?
- D. Who are the beneficiaries of the retirement plan?
- E. How are funds invested?
- F. Is adequate bonding in place?
- G. Is the withholding in the 401k plan remitted timely and promptly?

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III. Agreements and Documents

- A. Does the practice have minutes?
- B. Are the minutes current?
- C. Is there a current operating agreement or buy\sell agreement?
- D. Is the valuation of the buy\sell agreement reasonable?
- E. Are there provisions in the event of death, disability or withdraw?
- F. Is there a practice continuity plan?
- G. Have tax considerations been integrated into the buy\sell agreements?

IV. Insurance

- A. Has the practice looked at its insurance coverage?
- B. Does the practice have the right type of insurance?
- C. Are all employees bonded?
- D. Is life insurance in place?
- E. Is life insurance needed?
- F. Does the practice need overhead expense insurance?
- G. Is disability insurance in place?
- H. Is there sufficient insurance on personal property?
- I. Should the medical insurance be re-examined?
- J. Does the practice have a health savings account or an HRA?
- K. Malpractice insurance
- L. Umbrella coverage
- M. Long term care insurance
- N. Other insurance

V. Internal Control

- A. Who signs the checks?
- B. Who opens the mail?
- C. Who reconciles the bank account?
- D. Who makes the daily deposit?
- E. Who approves bills for payment?
- F. How do we know bills are not paid twice?
- G. Are raises approved in writing?
- H. Are employees evaluated on a regular basis in writing?
- I. Are the employee files properly documented?
- J. Is overtime approved in writing?
- K. Are employees required to take vacations?
- L. What controls are in place regarding payroll?
- M. What controls exist over petty cash?
- N. Who reviews the accounts receivable?
- O. Is a lock box in place?
- P. Should the practice have an internal control study?

VI. Management

- A. Are regular office meetings held?
- B. Has the office considered a retreat?
- C. How often do the physicians meet with upper level management?
- D. Does the practice have a budget?
- E. Is the budget compared to actual operating results?
- F. Does the practice prepare monthly financial statements?
- G. Is there a bank line of credit in place? Is the credit line sufficient?
- H. Are large capital acquisitions financed, leased or paid in cash?
- I. Is the banking relationship satisfactory?

VII. Facilities

- A. Are the facilities adequate?
- B. Are the facilities patient conducive?
- C. Is there adequate parking?
- D. When does the lease expire?
- E. Is the rent fair and reasonable?
- F. Should the practice consider buying a building?
- G. Are there renewal options in the lease?

VIII. Practice Management

- A. What is your payor mix? When was the last time it was evaluated?
- B. Does the practice utilize non-physician providers? If not, should they?
- C. Does the practice utilize an internal or external billing service? Is it working well?
- D. Has the practice considered EMR?
- E. Is the current compensation model fair and accurate?

IX. Conclusion