



UNWRITTEN LESSONS OF AN ENTRY LEVEL ACCOUNTANT



Sarah Krom
Cowan, Guteski & Co., P.A.

Graduating from college is a great accomplishment. Most recent graduates are excited about the new independence that a college diploma brings. But most importantly it means no more classes and a chance to enter the workforce. If you happen to be a graduate with a degree in accounting and you plan on getting your first pay check from a public accounting firm, you have more things to learn. After the Pomp and Circumstance falls silent, graduates are faced with their first year in the real world as an entry level accountant.

Having just recently finished my first full year of employment with Cowan Guteski & Co., P.A.; I felt compelled to share some words of wisdom that may not be passed along to you in your standard collegiate curriculum. These are just things that are common everyday knowledge to anyone who has experience in the public accounting arena. But for those of us who are fresh out of school, it's good to have an idea of what these particular issues are so that you can be prepared at work.

The first, most important lesson is that what you learned in school, although providing a strong foundation, will not get you through life in a public accounting firm. Rest assured, any good manager views those entering the firm fresh out of school as knowing nothing. What you have left to learn will be taught through hands on experience. You will essentially be re-taught what you learned in school through real world scenarios. I urge you to not feel second best because you do not have all the answers. Time and experience will help you shine.

For many college graduates sleeping until their afternoon classes is a luxury. The new 9-5 job changes all of that. Welcome to the structured office environment where you are expected to be able to function well during your core hours. The professional world puts 22 year olds in a new place where there are very few large gaps of down time and no wake up calls. It's time to grow up and mature. One of the greatest things about the office environment is the mix of people you will be working with. There will be a melting pot of mothers, fathers, seniors, all with different interests and different life situations. This in itself is a great learning experience; you have to learn to interact and successfully achieve goals with a diverse group of people.

A college graduate tends to have a somewhat unrealistic idea of money. When graduation time rolls around and offers start to come in the starting salaries can seem very exciting. This is especially true if you worked during college for the school or a restaurant, where hourly rates were the norm of payment. Now offers for five figure salaries are being presented to you and you are in money shock. It is important to remember that although you may get quoted a salary of \$45,000, you will not see that cash over the course of a year. We have to pay taxes!!! We have to pay money out of our salary to cover Federal and state income taxes, health benefits, and possible 401(k) contributions. Starting salaries are very exciting to college graduates; but it is important to remember that since these funds come out of your pay check; your perception of money needs to change. There is also a time – money tradeoff that needs to be made. It is essential to work smarter, not harder. The value of money may need to change as you mature.

On an administrative level, there are a lot of technical office items that they do not teach you in college that are very important in the real business world of public accounting firms. Key buzz words that you may never hear in college bombard you in a public accounting firm. The most infamous are time sheets. Billing is done for each client based on time and it is a requirement to account for nearly every minute of your day. It can become a little overwhelming to be required to monitor yourself so closely; however, it is a definite evil in the world of public accounting.

Along with keeping track of your time comes keeping track of your billable versus non-billable hours. You will have annual requirements for the amount of billable versus non-billable hours that you need to meet. Billable hours are the hours you work on clients that the firm can bill for, usually on specific engagements. Non-billable hours are those that make up administrative duties within the firm, training, continuing professional education (“CPE”), or other necessary tasks that need to be done to promote the daily functioning of the firm. Realization is another popular buzz word that also has annual requirements that are firm specific. Realization is the ratio of time you spend on a client versus the time actually billed to the client.

It is imperative to remember that while you are expected to go to work and do your job, you are also required to keep track of and monitor your own statistics. Know what is expected of you before day one. Ask what your billable hour requirements are, ask what your realization goal should be and monitor them yourself throughout the year so that you are guaranteed to meet your goals.

Graduating from college and joining the bustling workforce can be thrilling; but be prepared. The more prepared you are, the better asset you will be for the firm and eventually for yourself. I encourage you to develop mentoring relationships with people whom you admire and respect. Align yourself with a firm that has the same vision, goals, and values as you. Just remember that you are always learning, growing, and developing. You will soon start to fondly reflect on the college years and value your work experience as you develop in your career. To quote a partner and a mentor of mine, always remember that, “Your career is not a one hundred yard dash, it’s a marathon.”

About the Author

Sarah Krom, Staff Accountant, was an intern with Cowan Guteski & Co., P.A. for the two years prior to graduating *summa cum laude* from the Richard Stockton College of New Jersey in 2004. She provides audit and tax services to clients ranging from small closely-held businesses to publicly traded companies in the manufacturing and distribution, professional services, construction and not-for-profit industries. In addition, she works closely with clients to establish realistic financial goals and the reporting systems to insure that they are on track to achieve those goals.

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40 Bey Lea Road, Suite A101, New Jersey
Phone: 732-349-6880 • Fax: 732-349-1949
www.cowanguteski.com