# CFO's and CPA's Are Not (Usually) Created Equally

**The Primary Differences Between Your CFO and Your CPA**

In our recent series of articles, we have been discussing the key roles in your accounting department, and clearly defining those roles, and the duties of each, including those of your Chief Financial Officer (CFO) and your Certified Public Accountant (CPA).

The CFO and CPA are two accounting department roles that are often confused and misunderstood by business owners.  As you read in our recent article, while the roles of the CFO and CPA may sometimes overlap, they are actually completely different in their scope.

**What are the primary differences between the CFO and CPA?**

Your CFO is part of your "C-team" – he or she is the executive who is primarily

responsible for overseeing and managing all the various financial aspects of your business.  CFO duties and responsibilities include increasing the profits of the company – the all-important "bottom line." The CFO is focused the long-term financial success of the company and making sure the company is meeting its ROI goals in regards to time, resources and direct investment.

Your CPA's primary focus is on preparing tax returns and advising on tax strategy in general, usually focused on the immediate tax needs.  While your CPA should always be in direct collaboration with your CFO, providing insights into all aspects of taxes, the CFO and CPA roles are generally distinct from each other.

Even though it is quite possible that the CFO and CPA in your organization may have similar training, educational backgrounds and experience, your CPA should be more focused on understanding the tax ramifications of company decisions, budgets and spending patterns, while your CFO’s position is more strategic and has a longer-term view and focus. Your CFO is in the position to monitor all of the company’s financial systems and report to the CEO about the most effective means to invest company resources to promote long-term growth.

**Short-Term or Long-Term View?**

In general, you can say that some of the primary differences between the CFO and CPA roles have to do with short-term versus long-term strategies, or specific focus versus a broader company focus:

- The CPA focuses on the best and most immediate tax strategies for your company, while the CFO must be sure to keep the future success of the company in mind at all times.
- The CPA’s role is always reviewing the numbers from the past in order to plan for the future, but strictly in the tax planning and preparation context. The CFO must then evaluate that financial information in order to plan for growth, acquisitions, raising capital and future performance to determine where the company needs to reassess its financial strategies to meet its goals.

- While the CPA is responsible for making certain that the company maximizes its tax benefits and returns, the CFO needs to clearly understand a broader company perspective, often including how financial decisions effect other departments such as marketing or manufacturing, all the while keeping a clear view of day-to-day operations.

The two positions are distinctly different, however, they should also always complement each other. They are like the guiding left and right hand of your financial and accounting department. If you ever get into hot water with taxing authorities, your CPA is your strongest ally and as your company grows, the CFO is the key financial strategist to assure your company’s continued growth.

While it is possible that either the CFO or CPA roles may be performed on a part-time basis, or even outsourced, it is important to understand the important distinctions between these two vital roles in your accounting department so you can properly assign the tasks suited for each role.