Comprehensive Business Services Glossary of Terms

Accounts Payable (AP)

Money a business owes to suppliers and vendors for goods or services it has received but not yet paid for. Managing accounts payable helps control cash outflows and avoid late fees.
🔗 See CFO Services

Accounts Receivable (AR)

Money owed to a business by its customers for goods or services already delivered. Managing accounts receivable supports healthy cash flow and timely collections.
🔗 See CFO Services

Adjusted Gross Income (AGI)

Your total taxable income from all sources minus certain adjustments (such as educator expenses or traditional IRA contributions). AGI is the starting point for calculating many deductions and credits on your tax return.
🔗 See Tax Preparation

Audit

An official examination of a taxpayer's financial information to ensure accuracy and compliance with tax laws. Audits can be by mail or in person and may require substantiating documents.
🔗 Read Audit Resources

Balance Sheet

A financial statement that shows what a business owns (assets), owes (liabilities), and the owners' equity at a specific point in time. It provides a snapshot of financial health.
🔗 See CFO Services

Bank Reconciliation

The process of comparing a company's internal records to its bank statements and resolving differences. Regular reconciliations help detect errors or fraud and keep books accurate.
🔗 See CFO Services

Budget Forecasting

Estimating future income and expenses to plan for upcoming periods. Forecasts guide hiring, spending, and investment decisions and are updated as conditions change.

🔗 See CFO Services

Budget Variance Analysis

Reviewing the differences between budgeted amounts and actual results to understand performance and take corrective action.

🔗 See CFO Services

Business Expenses

Ordinary and necessary costs of running a business, such as supplies, software, advertising, and professional services. Qualifying expenses may be deductible and lower taxable income.

🔗 Explore the Deductions Library

C-Corp (C Corporation)

A standard corporation that is taxed separately from its owners. C-Corporations can have unlimited shareholders and multiple classes of stock and often reinvest profits for growth.

🔗 Learn About Business Entity Structures

Capital Expenditures (CapEx)

Spending for long-term assets (such as equipment or improvements) that are used over multiple years. CapEx is typically recovered through depreciation rather than expensed all at once.

🔗 See Tax Strategy

Capital Gains

Profit realized from selling an asset (such as stocks, real estate, or a business) for more than its purchase price. Capital gains may be short-term or long-term and are taxed differently.

🔗 See Tax Preparation

Cash Accounting

An accounting method that records income when cash is received and expenses when cash is paid. It is simple to maintain and commonly used by smaller businesses.

🔗 See CFO Services

Cash Flow

The movement of money in and out of a business. Positive cash flow means more money is coming in than going out; it is essential for paying expenses and funding growth.
🔗 See CFO Services

Cash Flow Forecasting

Predicting future cash inflows and outflows to anticipate needs, plan investments, and avoid shortfalls.
🔗 See CFO Services

Cash Management

Day-to-day practices for collecting, managing, and investing cash. Effective cash management helps maintain liquidity and stability.
🔗 See CFO Services

CFO (Chief Financial Officer)

A senior financial professional responsible for budgeting, forecasting, cash flow management, and financial planning. CBS offers fractional (part-time) CFO services to provide this expertise affordably.
🔗 Learn About CFO Services

Chart of Accounts

The organized list of all accounts used to record a company's transactions (such as revenue, expenses, assets, and liabilities). A well-structured chart supports accurate reporting.
🔗 See CFO Services

CPA (Certified Public Accountant)

A state-licensed accounting professional who has passed the CPA exam and met experience requirements. CPAs can provide audit and assurance services in addition to tax and accounting.
🔗 About CBS & EA Representation

EIN (Employer Identification Number)

A unique number issued by the IRS to identify a business entity for tax purposes — similar to a Social Security Number for businesses.
🔗 Learn About Business Formation Services

Enrolled Agent (EA)

A federally licensed tax professional authorized by the IRS to represent taxpayers in audits, collections, and appeals — equivalent in authority to CPAs and attorneys for tax matters.

🔗 Learn More About EA Representation

Entity Structure

The legal form of a business — such as LLC, S-Corp, or C-Corp — that determines how it is taxed and what regulations apply.

🔗 Learn About Entity Formation

FATCA (Foreign Account Tax Compliance Act)

A U.S. law requiring taxpayers with certain foreign assets to report them annually and requiring foreign financial institutions to share account information with the IRS.

🔗 Learn More About FATCA Filing

FBAR (Foreign Bank Account Report)

A required annual report for U.S. taxpayers who have financial accounts outside the United States exceeding $10,000 in total value.

🔗 See Tax Preparation Services

First-Time Abatement

An IRS program that may remove certain penalties for taxpayers with a clean compliance history who file or pay late for the first time.

🔗 Learn About Penalty Assistance

Fractional CFO

A part-time financial executive who provides strategic financial oversight and planning without the cost of a full-time hire.

🔗 Explore Virtual CFO Options

ITIN (Individual Taxpayer Identification Number)

A tax identification number issued by the IRS to individuals who are not eligible for a Social Security Number but need to file U.S. taxes.

🔗 Learn About Individual Tax Filing

LLC (Limited Liability Company)

A flexible business structure that protects the owner's personal assets while allowing profits to pass through to individual tax returns. LLCs are popular for small businesses because they combine limited liability with simpler taxation.

🔗 Learn About LLC Formation

Offer in Compromise (OIC)

A formal agreement with the IRS that allows eligible taxpayers to settle their tax debt for less than the full amount owed.

🔗 Learn About Tax Resolution Options

Residency Certificate (Tax Residency Certificate)

A document that verifies your tax status under U.S. or international tax treaties — often required for foreign taxpayers claiming treaty benefits.

🔗 Contact CBS for Assistance

S-Corp (S Corporation)

A corporation that elects a special tax status with the IRS. Profits and losses pass through directly to the owners' personal tax returns, avoiding double taxation. S-Corporations must meet IRS eligibility rules.

🔗 Explore Entity Options

Tax Deduction

An expense that can be subtracted from taxable income to reduce the total amount of taxes owed.

🔗 See Our Deductions Library

Tax Planning

The process of proactively organizing finances to reduce tax liability and maximize savings through timing, structure, and legal deductions.

🔗 Explore Tax Planning Strategies

Tax Relief

Programs or strategies that help taxpayers reduce, settle, or defer their tax debt — including penalty abatement, payment plans, and offers in compromise.

🔗 Learn About Tax Relief Services

TaxDome (Client Portal)

A secure online platform used by CBS for clients to upload, sign, and store financial documents safely.

🔗 Access the Client Portal

Tri-State Area

The region including **Delaware, Pennsylvania, and parts of New Jersey and Maryland**, served by CBS's offices in Newark and Chadds Ford.

🔗 See Our Locations
