
Financial Risk Assessment™

Sample Scorecard & Service Overview

A comprehensive 120-point diagnostic across six focus areas that reviews your books, tax strategy, cash flow, growth metrics, operations, and risk profile — revealing exactly where your business is leaving money on the table and giving you a prioritized roadmap to fix it.

Prepared for:

Apex Strategy Group

Management Consultancy | \$2.4M Revenue | 14 Employees | February 2026

SAMPLE REPORT

For illustration purposes

Who We Are

Today CFO is an accounting and advisory firm built specifically for growing service-based businesses — agencies, consultancies, and professional services firms generating \$750K to \$10M in annual revenue.

Founded in 2015, we provide outsourced bookkeeping, tax strategy, and CFO services designed to give business owners the financial clarity and confidence they need to scale. We combine deep accounting expertise with modern technology and proactive advisory to help our clients reduce taxes, increase profits, and build long-term wealth.

Our team works as an extension of your business, handling the financial complexity so you can focus on what you do best — serving your clients and growing your firm.

Why We Start With an Assessment

Every engagement at Today CFO begins with our Financial Risk Assessment™. We developed this diagnostic in 2015 after seeing the same financial blind spots cripple growing businesses over and over — missed tax strategies, invisible cash flow leaks, and critical metrics nobody was tracking.

The FRA isn't a sales pitch disguised as a consultation. It's a rigorous, data-driven analysis across 120 checkpoints and six focus areas that produces a scored report with specific, quantified findings. We review your books for accuracy, analyze your tax situation for optimization, evaluate your cash flow efficiency, benchmark your growth metrics, audit your operational processes, and assess your risk and compliance posture.

The result is a clear picture of where you stand, what's at risk, and exactly what to do about it — prioritized by financial impact.

What to Expect

- 1 Discovery Call**
A 30-minute conversation to understand your business, goals, and concerns. We explain what we need and set clear expectations.
- 2 Document Collection**
We send a secure link to upload your financials. Most clients spend less than an hour. We need 12 months of financials, last 2–3 tax returns, and bank statements.
- 3 Deep Analysis**
Our team reviews every data point across 120 checkpoints in six focus areas. We identify gaps, quantify opportunities, and calculate the ROI of each fix. This takes 5–7 business days.
- 4 Findings Presentation**
A 60-minute presentation where we walk through every finding, explain the impact, and deliver your written report with a prioritized 90-day action plan.

The Six Focus Areas

The FRA evaluates your business across six distinct focus areas, each scored independently. Together they provide a complete picture of your financial health, benchmarked against firms like yours.

01 Tax Optimization

Is your business structured and operating to minimize its tax burden legally and proactively?

- **Entity structure optimization**
S-Corp vs. LLC vs. C-Corp election — is your current structure optimal for your revenue and growth?
- **Owner compensation structure**
Salary vs. distributions balance relative to IRS guidelines.
- **Retirement plan strategies**
SEP-IRA, Solo 401(k), defined benefit plan opportunities and estimated savings.
- **Deduction optimization**
Home office, vehicle, travel, meals, Section 199A (QBI) qualification.
- **State tax planning & nexus**
Multi-state exposure, nexus triggers, and sales tax compliance.
- **Estimated tax accuracy**
Payment timing, safe harbor compliance, and penalty avoidance.
- **R&D tax credit eligibility**
Qualifying activities including process improvements and software development.
- **Forward tax projection**
Multi-year modeling for hiring plans and major purchase timing.

02 Cash Flow Health

Is cash moving efficiently through the business, or is profit getting trapped in operations?

- **Days Sales Outstanding (DSO)**
How quickly clients are paying vs. industry benchmarks.
- **Accounts payable terms**
Are you optimizing vendor payment timing to preserve working capital?
- **Cash conversion cycle**
The full cycle from spending cash to collecting it back.
- **Seasonal cash flow patterns**
Identifying predictable dips and planning reserves accordingly.
- **Working capital ratio**
Current assets vs. current liabilities and runway for disruptions.
- **Line of credit utilization**
Is existing credit being used strategically?
- **Invoice collection process**
Payment terms, follow-up cadence, late fees, and AR automation.
- **Vendor payment timing**
Optimizing when you pay to maximize cash on hand.

03 Growth Readiness

Is the business positioned to scale, and do the economics support the next phase of growth?

- **Gross margin by service line**
Which services are most profitable and are they priced correctly?
- **Client concentration risk**
What happens if your largest client leaves tomorrow?
- **Revenue per employee**
How team productivity compares to peer firms at your revenue tier.
- **Lifetime value analysis**
Are you tracking how much a client is worth over the full relationship?
- **Capacity utilization**
How close is the team to full capacity and when do you need the next hire?
- **Hiring runway projections**
Break-even analysis for bringing on the next team member.
- **Pricing power assessment**
Is there room to raise rates and what would the revenue impact be?
- **Customer acquisition cost**
What it costs to land a new client and how that compares to LTV.

04 Financial Accuracy

Are the books clean, complete, and producing numbers you can actually make decisions from?

- **Chart of accounts structure**
Is it set up for service businesses or copied from a generic template?
- **Revenue recognition**
Are you recognizing revenue when earned, matching your contract structure?
- **Expense categorization**
Are costs coded correctly and consistently?
- **Bank reconciliation status**
How current are reconciliations and are there uncleared items?
- **Accrual vs. cash basis**
Is the accounting method appropriate for your size and complexity?
- **Close process efficiency**
How many days after month-end until financials are ready?
- **Historical accuracy**
Are there restatements needed in the trailing 12-month data?
- **Intercompany transactions**
For multi-entity owners, are intercompany entries clean?

05 Operational Efficiency

Are your financial operations running lean, or is manual work eating into billable time?

- **Software stack integration**
Are your tools talking to each other or are you moving data manually?
- **Manual process inventory**
Where are people doing work that software should handle?
- **Payroll processing efficiency**
Is payroll automated, accurate, and integrated with accounting?
- **AP automation status**
Are vendor bills entered manually or is there a capture workflow?
- **Receipt management**
How are receipts captured, categorized, and matched to transactions?
- **Reporting automation**
Can you pull key reports on demand or does someone build them monthly?
- **Time tracking accuracy**
Is billable time captured completely and integrated with invoicing?
- **Job costing completeness**
Can you see true profitability by project, client, and service line?

06 Risk & Compliance

Is the business protected from regulatory, legal, and operational risks that could cause serious damage?

- **Internal controls assessment**
Are there checks and balances preventing errors and fraud?
- **Fraud prevention measures**
Segregation of duties, access controls, and reconciliation practices.
- **Insurance coverage adequacy**
GL, E&O, D&O, cyber — are limits appropriate for your risk profile?
- **Contractor vs. employee status**
Are 1099 relationships properly structured and documented?
- **Sales tax compliance**
Collection obligations and filing requirements across jurisdictions.
- **Multi-state nexus review**
Employees or significant revenue in states where you're not registered?
- **Audit trail completeness**
Could you survive an IRS or state audit with current documentation?
- **Document retention policy**
Are contracts, receipts, and records stored systematically?

What You Receive

Every Financial Risk Assessment produces a comprehensive, branded report delivered in a 60-minute findings presentation:

- A Executive Summary**
One-page overview with your overall score and the top findings needing immediate attention.
- B Six Focus Area Scorecards**
Each focus area scored 1–10 with detailed findings, specific risks, and recommended actions.
- C Industry Benchmark Comparison**
Your key metrics vs. benchmarks for service businesses at your revenue tier.
- D Tax Savings Estimate**
Quantified annual tax savings available through optimization — specific to your situation.
- E 90-Day Priority Roadmap**
Top actions ranked by financial impact and urgency with estimated dollar impact.
- F Risk Register**
Every risk identified, categorized by severity and likelihood, with mitigation recommendations.

Sample Scorecard Follows

The following pages show a sample FRA for "Apex Strategy Group," a fictional consultancy, to illustrate the depth and format of our findings.

Executive Summary



OVERALL SCORE

● NEEDS ATTENTION

\$41,200

Annual tax savings available

\$185,000

Cash trapped in operations

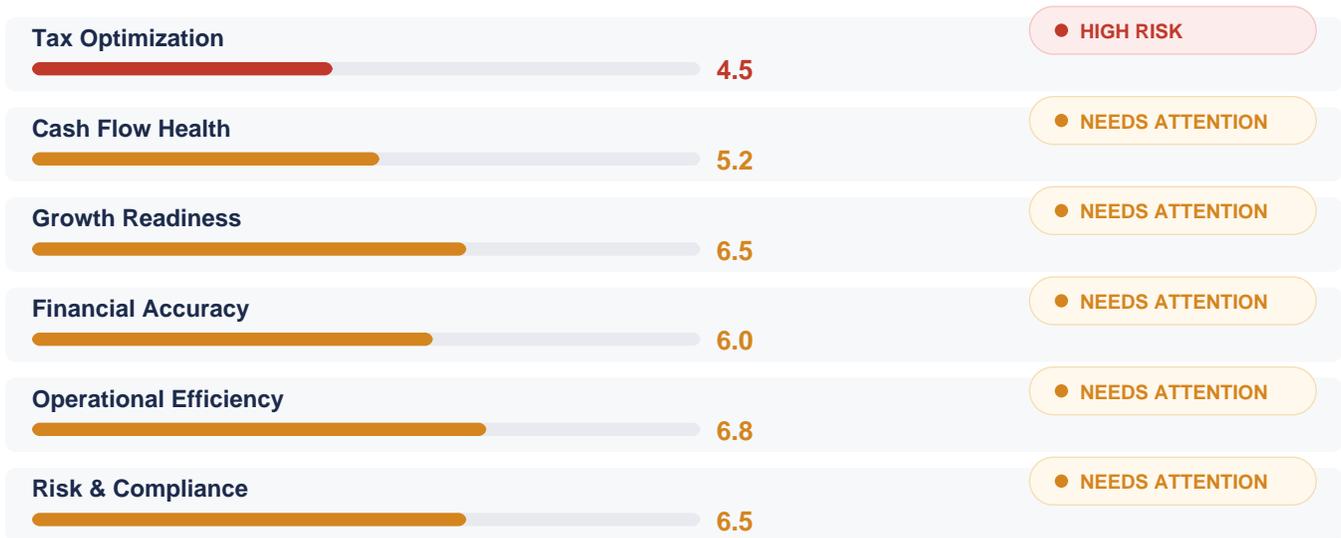
120

Checkpoints reviewed

9

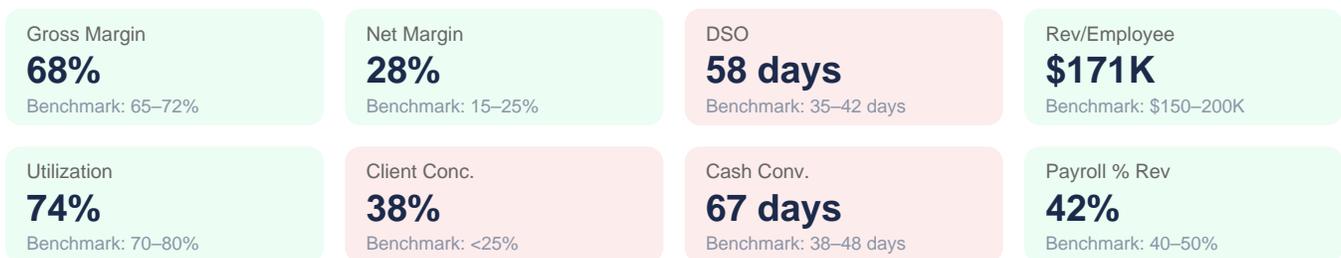
Priority actions identified

Focus Area Scores



Benchmark Comparison

Consultancies \$2M-\$5M





● HIGH RISK

Significant optimization opportunities identified. Current structure is costing the business an estimated \$41,200 annually in excess taxes. Entity election, compensation structure, and retirement planning all need immediate attention.

Detailed Findings

<p>Entity Structure</p> <p>3</p>	<p>● HIGH RISK</p>	<p>Operating as single-member LLC taxed as sole prop. At \$2.4M revenue with \$680K net income, S-Corp election would save an estimated \$22,400/year in self-employment tax.</p>
<p>Reasonable Compensation</p> <p>4</p>	<p>● HIGH RISK</p>	<p>Owner taking 100% as draws. With S-Corp election, reasonable salary of ~\$180K with remainder as distributions would generate significant savings.</p>
<p>Retirement Planning</p> <p>3</p>	<p>● HIGH RISK</p>	<p>No retirement plan in place. Solo 401(k) with employer match could shelter up to \$69K annually. Estimated additional tax savings: \$14,800/year.</p>
<p>Deduction Optimization</p> <p>6</p>	<p>● NEEDS ATTENTION</p>	<p>Home office deduction claimed but undervalued. Vehicle expenses using standard mileage when actual cost method would yield \$2,800 more. Section 199A (QBI) taken correctly.</p>
<p>Tax Compliance</p> <p>7</p>	<p>● HEALTHY</p>	<p>Federal and state filings current. Estimated payments accurate within 8%. One 1099 contractor may be misclassified — recommend review.</p>
<p>Forward Planning</p> <p>4</p>	<p>● HIGH RISK</p>	<p>No multi-year tax projection exists. Planning to hire 3 senior consultants in Q3 — no modeling of tax impact.</p>



● NEEDS ATTENTION

The business is profitable on paper but \$185K is trapped in operations due to slow collections and timing mismatches. Cash conversion cycle is 67 days vs. the 42-day benchmark.

Detailed Findings

<p>DSO</p> <p>4</p>	<p>● HIGH RISK</p>	<p>DSO at 58 days vs. industry benchmark of 38 days. \$142K in AR over 60 days. Two clients representing \$87K in AR have no late payment penalties in their contracts.</p>
<p>Cash Conversion Cycle</p> <p>4</p>	<p>● HIGH RISK</p>	<p>Full cycle at 67 days vs. benchmark of 42 days. Gap between reported profit and bank balance averaging \$185K.</p>
<p>Working Capital</p> <p>6</p>	<p>● NEEDS ATTENTION</p>	<p>Current ratio of 1.8 — adequate but not strong. A single large client non-payment would create stress within 45 days.</p>
<p>AP Terms</p> <p>7</p>	<p>● HEALTHY</p>	<p>Vendor payment terms are standard net-30. No early payment discounts being captured, but cash isn't being unnecessarily accelerated out.</p>
<p>Invoice Process</p> <p>5</p>	<p>● NEEDS ATTENTION</p>	<p>Invoices sent within 3 days of milestone. No automated follow-up. Late fees exist in contracts but never enforced.</p>
<p>Credit Utilization</p> <p>7</p>	<p>● HEALTHY</p>	<p>\$75K line of credit available, currently unused. Good emergency reserve but no strategic deployment for growth.</p>



● NEEDS ATTENTION

Profitable with strong unit economics, but client concentration is a serious risk. Revenue per employee is healthy. The business can absorb roughly 15% more revenue before the next hire.

Detailed Findings

<p>Profitability</p> <p>8</p>	<p>● HEALTHY</p>	<p>Gross margin at 68% (benchmark: 65–72%). Net margin at 28% — strong for your size. EBITDA trending up 12% YoY.</p>
<p>Client Concentration</p> <p>4</p>	<p>● HIGH RISK</p>	<p>Top 2 clients represent 38% of revenue — well above the 25% threshold. Losing either would require immediate cost restructuring.</p>
<p>Revenue per Employee</p> <p>7</p>	<p>● HEALTHY</p>	<p>Revenue per employee at \$171K (benchmark: \$150K–\$200K). Growth rate of 18% YoY. Average project size decreased 15%.</p>
<p>Utilization</p> <p>8</p>	<p>● HEALTHY</p>	<p>Utilization rate at 74% (benchmark: 70–80%). Contractor vs. employee mix appropriate. Payroll at 42% of revenue.</p>
<p>Capacity</p> <p>6</p>	<p>● NEEDS ATTENTION</p>	<p>Can absorb ~15% more revenue before next hire. Break-even for a senior consultant is approximately \$210K in new annual revenue.</p>
<p>Pricing Power</p> <p>6</p>	<p>● NEEDS ATTENTION</p>	<p>Rates are mid-market. Comparable firms charge 15–20% more. No rate increase in 18 months.</p>



● NEEDS ATTENTION

Financials are generally maintained but the close process is slow, reconciliation issues were found, and the chart of accounts needs restructuring for service-line profitability tracking.

Detailed Findings

<p>Chart of Accounts</p> <p>4</p>	<p>● HIGH RISK</p>	<p>Generic template structure — can't track profitability by service line or client. Missing subaccounts for contractor vs. employee delivery costs.</p>
<p>Balance Sheet Integrity</p> <p>7</p>	<p>● HEALTHY</p>	<p>Bank accounts reconciled through December. Two credit cards showing \$4,200 in uncleared items older than 90 days.</p>
<p>P&L Accuracy</p> <p>5</p>	<p>● NEEDS ATTENTION</p>	<p>Revenue recognition is cash-basis but contracts are milestone-based — creating timing mismatches of \$60K–\$120K quarterly. Owner draws coded inconsistently.</p>
<p>Month-End Close</p> <p>6</p>	<p>● NEEDS ATTENTION</p>	<p>Books closing 18–22 days after month end. Benchmark is 10–12 days. Delayed reporting means decisions based on stale data.</p>
<p>Systems & Tools</p> <p>8</p>	<p>● HEALTHY</p>	<p>QBO Online Plus properly configured. Harvest integration working. Gusto payroll syncing. Missing: automated expense categorization rules.</p>
<p>Internal Controls</p> <p>7</p>	<p>● HEALTHY</p>	<p>Owner approval on payments over \$2,500. No formal vendor approval process. Credit card access limited to two authorized users.</p>



● NEEDS ATTENTION

Core systems are well-configured but significant manual work remains in invoicing, expense management, and reporting. An estimated 12+ hours per month could be recaptured through automation.

Detailed Findings

<p>Software Integration</p> <p>7</p>	<p>● HEALTHY</p>	<p>QBO, Harvest, and Gusto connected and syncing. Proposal tool (PandaDoc) not integrated — manual revenue tracking until invoiced.</p>
<p>Manual Processes</p> <p>5</p>	<p>● NEEDS ATTENTION</p>	<p>Invoicing takes 8+ hours/month due to manual time-to-invoice conversion. Expense categorization done manually. Bank rules not fully configured.</p>
<p>Payroll</p> <p>8</p>	<p>● HEALTHY</p>	<p>Gusto handling payroll cleanly with direct QBO sync. Benefits administration automated. One classification question on a 1099 contractor.</p>
<p>AP Workflow</p> <p>5</p>	<p>● NEEDS ATTENTION</p>	<p>Vendor bills entered manually from email. No approval workflow — owner reviews bank feed after the fact. Receipt capture is inconsistent.</p>
<p>Reporting</p> <p>6</p>	<p>● NEEDS ATTENTION</p>	<p>Standard QBO reports available but no custom dashboard. Owner relies on monthly P&L email rather than real-time visibility.</p>
<p>Time Tracking</p> <p>8</p>	<p>● HEALTHY</p>	<p>Harvest tracking comprehensive. Utilization reports available. Gap: no automated comparison of estimated vs. actual hours per project.</p>



● NEEDS ATTENTION

Most compliance basics are covered, but meaningful exposure exists in worker classification, client contract terms, and documentation. Insurance coverage hasn't been reviewed in 2+ years.

Detailed Findings

<p>Worker Classification</p> <p>4</p>	<p>● HIGH RISK</p>	<p>One long-term 1099 contractor works exclusively for the firm, uses company tools, and has set hours — strong misclassification risk with potential back-tax and penalty exposure.</p>
<p>Insurance Coverage</p> <p>6</p>	<p>● NEEDS ATTENTION</p>	<p>GL and E&O policies in place at \$1M/\$2M limits. No cyber liability coverage. Policies not reviewed since 2023 — revenue has grown 40% since then.</p>
<p>Contract Terms</p> <p>5</p>	<p>● NEEDS ATTENTION</p>	<p>Two top-five clients have no late payment penalties and vague scope definitions. Increases exposure to AR aging and scope creep disputes.</p>
<p>Internal Controls</p> <p>7</p>	<p>● HEALTHY</p>	<p>Owner approval on payments over \$2,500. Credit card access limited. No unauthorized transactions found in the review period.</p>
<p>Audit Trail</p> <p>7</p>	<p>● HEALTHY</p>	<p>Transaction documentation generally complete. Some expense receipts missing for Q3 charges under \$75. Digital backup via QBO attachments.</p>
<p>Document Retention</p> <p>6</p>	<p>● NEEDS ATTENTION</p>	<p>Contracts stored in Google Drive with inconsistent naming. No formal retention schedule. Tax returns archived properly. Employee records in Gusto.</p>

90-Day Priority Roadmap

Actions ranked by financial impact and urgency. Implement in order for maximum ROI.

- 1**

Elect S-Corp status and restructure owner compensation

Immediate Tax

\$22,400/yr savings
- 2**

Establish Solo 401(k) with employer contributions

Within 30 days Tax

\$14,800/yr savings
- 3**

Implement AR collections process with payment terms

Within 30 days Cash Flow

\$142K cash freed
- 4**

Restructure chart of accounts for service-line profitability

Within 60 days Accuracy

Decision visibility
- 5**

Transition to accrual-basis revenue recognition

Within 60 days Accuracy

Financial accuracy
- 6**

Review 1099 contractor classification and remediate

Within 60 days Compliance

Risk mitigation
- 7**

Automate invoicing workflow from Harvest to QBO

Within 60 days Operations

12+ hrs/mo saved
- 8**

Reduce client concentration below 25% threshold

Within 90 days Growth

Risk reduction
- 9**

Build multi-year tax projection before Q3 hiring

Within 90 days Tax

Informed planning

Total Quantified Savings: **\$41,200/yr**

Cash Recoverable: **\$185,000**

Risk Register

All risks identified during the assessment, categorized by severity and likelihood.

RISK	SEVERITY	LIKELIHOOD	CATEGORY
Single-client dependency exceeds 25% threshold	High	Current	Revenue
Potential 1099 worker misclassification	High	Moderate	Compliance
No entity liability protection (sole prop structure)	High	Current	Legal
AR aging creating cash flow vulnerability	Medium	Current	Cash Flow
Revenue recognition mismatch masking true income timing	Medium	Current	Accuracy
Insurance coverage not reviewed since significant growth	Medium	Current	Risk
No retirement savings reducing long-term wealth building	Medium	Current	Personal
Manual invoicing creating unbilled revenue risk	Low	Current	Operations

Ready to See Your Own Scorecard?

The Financial Risk Assessment takes less than 3 hours of your time and delivers actionable insights you can implement immediately — or we can implement for you.

[Book Your Assessment](#)

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