

Frequently Asked Questions

What services does the firm provide?

The firm serves business and individual clients with a comprehensive approach to financial management, offering a broad range of financial services:

- traditional auditing and tax services
- business advisory services
- wealth management
- business modeling and valuations
- captive insurance consultation and auditing

What are examples of the types of clients the firm represents?

- Individuals
- Industry
- General and mechanical contractors
- Real estate developers and agencies
- Professional service firms
- Medical and dental practices
- Non-profits
- Retail
- Restaurants
- Distribution and logistics firms

What sets Jarrard, Nowell & Russell apart from traditional accounting firms?

In contrast to many accountants experienced solely in financial reporting and tax preparation, the principals in the firm are able to draw on their collective experience in public accounting and senior level corporate financial management. Additionally, a commitment to personal relationships and a comprehensive approach to financial management allows the firm to work with clients to manage all aspects of their financial equation. By looking at individual profiles and delving beyond basic financial reporting, Jarrard, Nowell & Russell guides clients toward achieving their financial goals.

How can Jarrard, Nowell & Russell help clients manage wealth?

The principals in Jarrard, Nowell & Russell work closely with clients and their financial advisors in developing strategies for lifetime accumulation of wealth. As needed, Jarrard, Nowell & Russell can draw on existing relationships with financial professionals to guide clients toward an advisor most appropriate for the individual goals and profile.

How can a CPA firm help a business grow?

Many new businesses do not have the expertise or time to fully oversee financial management in-house. Jarrard, Nowell & Russell is able to act as a CFO for businesses as they grow and develop.

What is Captive Insurance?

It is an insurance company owned by the insured to cover their own risk, either due to market pressures such as high premiums or lack of coverage, or to provide coverage not available in the commercial market. It is a strategic risk management tool used to control the cost of insurance, and although it may not always lower costs, it does control them. Most Fortune 500 companies have a captive which provides insurance coverage, and it is becoming an increasingly popular tool in areas such as the medical field due to the increasing costs of medical malpractice.

Captives are operated under a different regulatory system than commercial insurers. Under South Carolina law every captive is required to have an annual audit. Companies considering captive insurance often seek initial consulting regarding the feasibility of a captive, undertaking the setup process and choosing the various required service providers. The principals of Jarrard, Nowell & Russell have experience in captive audits and consultation.

What is a 1031 tax-free exchange and how can the firm assist with this?

In a typical property sale, the seller must pay taxes on any gain. As an alternative, a 1031 exchange offers financial and tax advantages to an investor or property owner. By following the provisions outlined in Section 1031 of the Internal Revenue Code, a taxpayer may exchange property – used in a trade or business or held for investment – for like-kind property, and defer payment of taxes on any gain. Simply put, a qualified exchange allows a taxpayer to sell a property and acquire another qualified property without paying any tax. The IRS has established technical guidelines that must be followed when structuring an exchange.

There are a variety of reasons why a property owner should consider an exchange. However, all of the reasons share a common benefit – when properly structured, a 1031 exchange allows a property owner to reinvest all of the proceeds without tax consequences, which usually creates a greater overall return.

Does the firm handle traditional bookkeeping?

Yes. Jarrard, Nowell & Russell offers all of the tools necessary for financial management in an organization, from monthly bookkeeping to long-range financial planning.

What is the background of the principals?

Will Russell and Chris Nowell both earned a Bachelor of Science in Accounting from Clemson University. Bill Jarrard earned a Bachelor of Science in Accounting from the University of South Carolina and a Masters in Accounting with an emphasis in tax from Clemson University. All members of the management team are Certified Public Accountants.

Examples of the types of business climates in which the principals have experience include the following:

- International and domestic wholesale distribution
- Retail – on-site, catalog and internet
- Import/export
- Foreign currency exchange
- Grocery
- Professional service firms
- Mergers and acquisitions
- Cash flow forecasting
- Public accounting – including work with Big Four accounting firms

How is client information protected?

Jarrard, Nowell & Russell literally has a bank vault in their office, so they take client security very seriously. Safeguards are in place within the office and electronically to fully protect client information.

Could you please explain in more detail what a 1031 Exchange is and how it can save me on taxes?

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The IRS has established technical guidelines that must be followed when structuring an exchange. The primary steps in the process are:

- **Selling Qualified Property** – Taxpayer owns and decides to sell (relinquish) qualified investment property(s) that, when sold, would produce taxable gain.
- **Before Relinquished Closing** – Prior to or at the closing of the sale, the taxpayer engages the services of a qualified intermediary (QI) or facilitator to convert the sale into a 1031 exchange.
- **Relinquished Closing** – The QI forwards instructions and required documents to the closing. The proceeds are disbursed to the QI.
- **Restricted Access to Funds** – The regulations stipulate that the taxpayer may not have actual receipt or control of the proceeds, use the proceeds as collateral or otherwise have the benefit of the funds during the exchange process. These restrictions should be spelled out in the exchange document.
- **Required Timeframes** – Taxpayer must identify potential like-kind replacement property(s) within 45 days and acquire one or more of the property(s) within 180 days. The start of both time frames is the same-the day after the relinquished closing.
- **Value of Replacement Property** – The price of the property(s) acquired under contract must equal or exceed the price of the property sold. All proceeds must be used in the acquisition in order not to owe taxes on gains from the sale.
- **Replacement closing** – Taxpayer puts replacement property(s) under contract and contacts the QI, who forwards instructions and required documents, along with the funds, to the closing.
- **Close Out** – At the end of the exchange or the 180-day period, the QI closes out the exchange and forwards any remaining proceeds and interest payout with an accounting of the transaction.

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