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The New Accounting Client Onboarding Checklist for 2026

A practical onboarding guide for accounting firm owners, CAs, and tax professionals

Index

TL; DR

Onboarding is the riskiest moment in any client relationship, and most firms run it like paperwork. This guide turns it into five decisions that actually matter: who you accept, what you agree to, how you take over their records, how you run the first 90 days, and how you make the whole thing repeatable.

Skip the screening and you inherit someone else's mess. Skip the scope and you absorb work you never priced. **Get both right and a new client becomes a relationship that pays for years, not a write-off you regret by spring.**

Chapter 1:

The Onboarding No One Checked

A firm wins a new client in March. Good-sized business, referred by a long-standing client, keen to move before its year-end. The partner's slammed, the work looks routine, so the firm waves through the usual checks to keep momentum. No formal ID verification. No call to the outgoing accountant. The engagement letter goes out and never comes back signed.

Three months later the cracks show.

The previous accountant left two years of unreconciled accounts. The "simple" business runs a second entity nobody mentioned. The client assumed payroll was part of the deal. The firm assumed it wasn't. By the time everyone untangles it, the firm has written off close to forty hours, the relationship feels tense, and the partner is quietly wondering how a warm referral turned into a liability.

None of that was bad luck. Every one of those problems sat in plain view before the firm agreed to act. What the firm lacked was a single step that forced someone to look. A proper onboarding checklist is that step, and it does its work before the first hour is billed, while you can still set terms or walk away.

Chapter 2

Why the First Two Weeks Decide the Next Two Years?

Onboarding feels like administration, so it gets handled like administration. Logins, a welcome email, a request for last year's accounts. But the opening fortnight is when you quietly settle three things that are hard to undo later: whether the client is profitable, whether they're compliant, and whether they trust you. Miss on any of those early and you spend the rest of the relationship paying for it.

The retention math backs this up.

Research from Bain & Company, long associated with Fred Reichheld, found that ***lifting customer retention by 5% can raise profits by anywhere from 25 to 95%.***

A 2014 Harvard Business Reviewarticle by Amy Gallo put the ***cost of winning a new customer at five to 25 times the cost of keeping one you already have.***

Neither figure is specific to accounting, but the logic bites harder here than almost anywhere, because the whole model runs on recurring work and multi-year relationships. You rarely make money on a client in year one. You make it in year three, assuming they're still with you and still profitable to serve.

The staffing backdrop makes the rush worse.

US accounting graduates fell by roughly 17% between 2016 and 2020 (AICPA), and ***62% of firm partners named workload compression as their top concern*** in the 2023 Rosenberg Survey

Stretched, short-staffed firms feel the pull to push a new client straight through. That pull is exactly what a checklist is there to resist.

It's worth being concrete about what a bad start cost. The forty hours written off in the opening example aren't unusual. They show up first as collapsed realization on that engagement, the gap between what you could bill and what you can actually defend on an invoice. Worse is the client who never becomes profitable at all, the one who churns inside the first year, before the relationship has had any chance to earn back what it cost to win and set up. Each of those is a client you paid to acquire and then paid again to lose.

So the real test during onboarding has little to do with speed. It's whether you're setting this client up to still be worth serving in year three. A clean start buys you that. A rushed one quietly taxes every engagement that follows.

A second pressure makes this more urgent now. Firms everywhere are trying to move up the value chain, from compliance work toward advisory services clients will actually pay a premium for. You can't do advisory on a shaky foundation. If you don't fully understand what you're looking at because the handover was sloppy, you're stuck firefighting the basics instead of giving advice. The firms that have made the advisory move well almost always have boring, disciplined onboarding underneath it. The two go together more than people admit.

Chapter 3:

Before You Say 'Yes.' The screen most firms skip

Most onboarding checklists begin after the decision to take the client. That's the first mistake. The most valuable part of the process happens before you agree to anything, while you still have the freedom to say no.

Client acceptance is a risk decision, not a sales formality. You're deciding whether to attach your firm's name, your professional liability, and your team's time to a stranger's business. Some of those strangers come with problems you don't want to own.

Start with identity and ownership. Who actually controls this business?

Anti-money laundering rules across most jurisdictions now require you to verify a client's identity and understand their beneficial ownership before you start work, not after.

- In the UK, that sits under the Money Laundering Regulations 2017, with guidance refreshed regularly by the supervisory bodies. The ACCA's client due diligence factsheet, updated in January 2024, sets out the know-your-client information practitioners are expected to gather and document.
- In Canada, FINTRAC sets the equivalent obligations.
- In the United States, FinCEN frames the expectations under the Bank Secrecy Act.

If you practice in Australia, this stopped being optional reading. Under the country's tranche 2 AML/CTF reforms, accounting firms providing certain designated services come under AUSTRAC's regime from 1 July 2026, with enrolment required by 29 July 2026. CPA Australia estimates around 80,000 entities will be newly captured. Firms that never treated client due diligence as a formal legal obligation now have to, and the onboarding stage is exactly where it lands.

None of this is theoretical box-ticking.

A 2025 SmartSearch report found ***73% of accountants struggle with compliance complexity, and 34% rank regulatory red tape among their top three business challenges***

The penalties for getting it wrong run from six-figure fines to license suspension and, in serious cases, criminal referral. So the calculation is simple. The cheapest moment to catch a problem client is before they become one, while a polite no still costs you nothing. And the check isn't one-and-done. Due diligence is meant to be revisited as a relationship evolves, especially when a client's ownership, activity, or risk profile shifts. The onboarding screen is simply the first, and most important, instance of something you'll repeat over the life of the relationship.

What the acceptance screen should cover?

A workable acceptance check, run before any engagement letter goes out, moves through:

Identity and beneficial ownership: Verify who you're dealing with and who ultimately controls the business. Apply enhanced checks for higher-risk clients, including those onboarded remotely or based overseas.

Capacity: Can you actually serve them well right now, or are you saying yes out of habit and hoping you'll find the hours?

Conflict of interest: Does taking this client compromise an existing one?

Commercial fit: Is the fee realistic for the work, and does the client's expectation of price match yours?

Pro tip: Watch the behavior, not just the paperwork. A prospect who resists giving ID, pushes for an unrealistic start date, badmouths their previous accountant without specifics, or wants you to begin before anything is signed is showing you how the whole relationship will run. Those signals are far cheaper to act on now than in month four.

Chapter 4:

The Engagement Letter, Where Scope Quietly Decides Profit

If client acceptance is about whether you take the work, the engagement letter is about what work you've actually agreed to do. This is the single most underused document in most firms, and it's where margins leak.

Scope creep doesn't announce itself. It arrives as a series of small, reasonable-sounding requests. **"Could you also look at the VAT?" "While you're in there, can you sort out last quarter's payroll?"**

Each one feels too minor to bill separately, so you don't. Multiply that across a year and a roster of clients and you've got a practice doing meaningful unpaid work without anyone ever deciding to.

A good engagement letter draws the line before any of that starts. It should state plainly what you'll deliver, what you won't, who's responsible for what, and what happens when the client asks for something outside the agreed scope.

Be specific. "Year-end accounts and corporation tax return" is clearer than "accounting services." If payroll, bookkeeping, VAT, or advisory work aren't included, say so in writing. The awkward conversation you dodge by staying vague now becomes a worse one later.

Fees deserve the same precision. Fixed fee or hourly. What's covered. What triggers an extra charge? When you invoice and when you expect payment. Clients rarely dispute a price they agreed to up front in writing. They dispute surprises.

Spell out responsibilities while you're at it. A surprising share of missed deadlines trace back to one simple gap: the client thought the firm was handling something, and the firm thought the client was. Name who provides records and by when, who reviews drafts, who files, and who signs. Putting it in the engagement letter turns a future argument into a settled fact.

There's a liability dimension too. The engagement letter is the document your professional indemnity insurer, and if it ever comes to it a court, will look at to understand what you signed up for. Vague scope cuts against you in a dispute. Clear scope protects you. Treat it as a risk control, not a formality to rush through so the real work can start.

Pro tip: Don't start work until it's signed. It feels rigid, and there's always pressure to begin while the letter sits in someone's inbox. But unsigned engagement is the precise condition under which scope disputes and fee write-offs breed. A signed letter is also, in many jurisdictions, part of demonstrating you onboarded the client properly.

Chapter 5:

Taking Over the Records Without Inheriting the Chaos

Now the practical handover. This is where the abstract risk from the last two chapters turns into concrete files, logins, and half-finished reconciliations.

If the client is leaving another accountant, there's a professional process to follow. In the UK and several other jurisdictions, that means professional clearance: writing to the outgoing accountant to ask whether there's any reason you shouldn't act, and requesting handover information. It's both a courtesy and a safeguard. The outgoing accountant's reply, or their silence, sometimes tells you things the client didn't.

Then there are the records themselves. You need enough to actually do the work, and you need to know the state they're in before you commit to a timeline. Opening balances that don't reconcile, missing source documents, a prior return you can't fully stand behind. Far better to find these in week one than to discover them the night before a filing deadline.

The Handover Checklist

A practical records-and-access handover covers:

- Prior-year financial statements and tax returns, ideally two to three years back.
- Trial balance and general ledger, with opening balances you can reconcile.
- Access to accounting software at appropriate permission levels, rather than the client's personal login shared over email.
- Payroll records where relevant, including year-to-date figures if you're taking over mid-year.
- Bank statements and current reconciliation status.
- Statutory and registration details, tax identifiers, filing histories, and any correspondence with the tax authority.
- A clear answer on who holds what. Documents the client keeps, documents you'll hold, and where everything lives.

Treat data security as part of onboarding, not an afterthought

You're about to hold a client's most sensitive financial information. How it moves into your systems matters. Sharing logins over plain email and dropping tax documents into consumer file-sharing tools is how breaches start. Set up secure document exchange and proper software access from day one. It's much harder to retrofit good data hygiene onto a relationship that began carelessly. Clients increasingly notice, and in regulated markets, so do supervisors.

Chapter 6:

The First 90 Days, Setting Expectations You Can Keep

The paperwork's done and the records are in. The relationship is now being built, whether you're managing it or not.

The first 90 days set the tone for everything after, and the firms that handle this well do something simple. **They decide what the client should experience, rather than leaving it to chance.**

Start with a kickoff that does real work. Skip the vague "great to have you aboard" email and use the call to settle who does what, when things are due, how you'll stay in touch, and what the client owes you and by when. Ambiguity here is expensive. The client who doesn't know whether they or you are filing the VAT return is a missed deadline waiting to happen.

Set a communication cadence and name the point of contact. Clients rarely complain that their accountant talks to them too much. They complain about silence, about chasing for updates, about not knowing where things stand. A light, predictable rhythm, even a short monthly note, heads off most of that. Decide it deliberately instead of defaulting to "we'll be in touch when there's something to say," which clients hear as neglect.

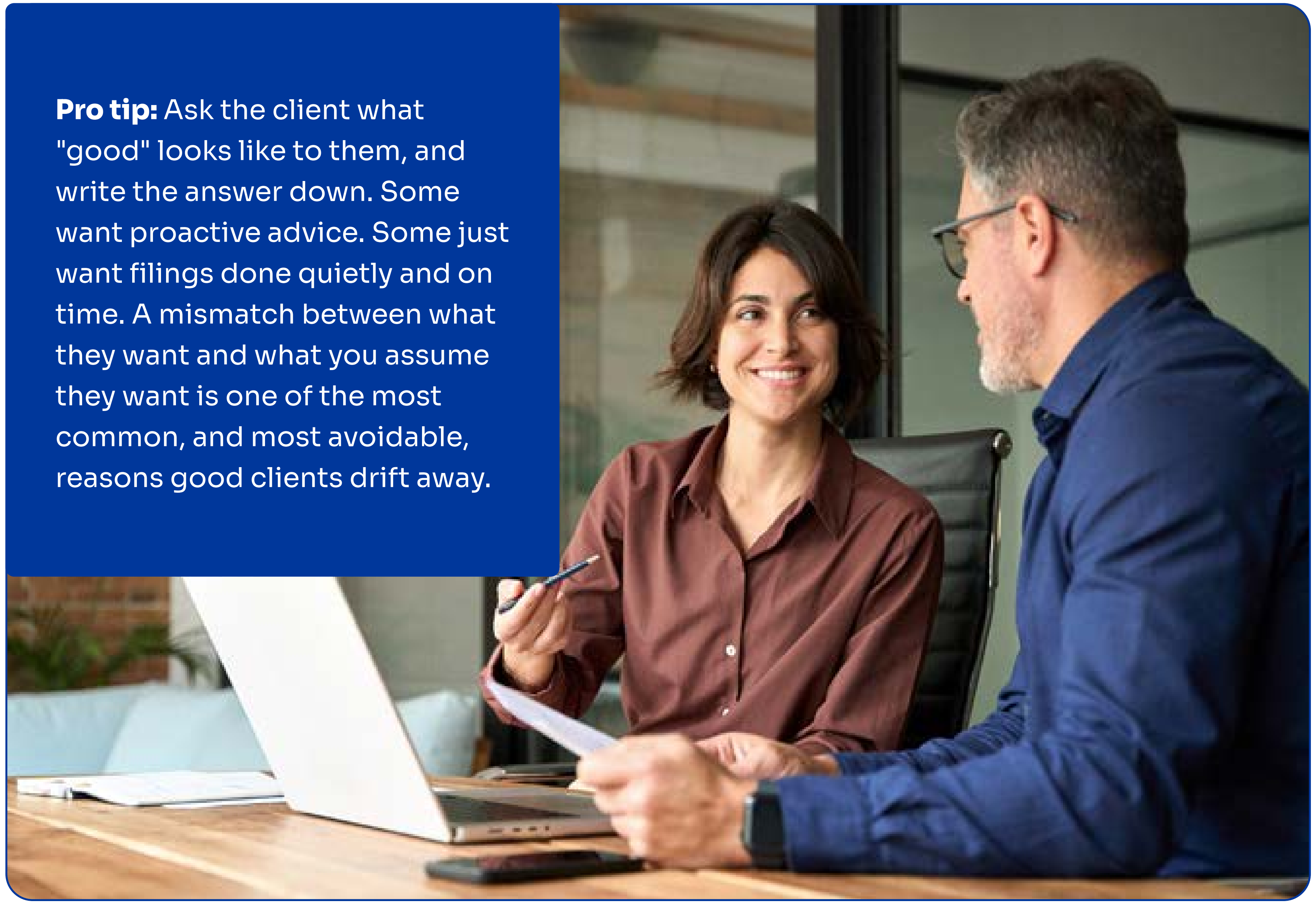
Internally, this is when you set the client up properly in your own systems. Workflow, deadlines, recurring tasks, billing schedule, and the team members who'll actually do the work. A client who exists only in one partner's head is a risk to the firm and a poor experience for the client the moment that partner is on leave.

It helps to think of the 90 days in three moves. The first 30 are about access and accuracy: systems connected, opening balances confirmed, the first deliverable scoped.

Days 30 to 60 are about rhythm, when the client gets used to how you communicate and what to expect from you. The final stretch is about proof, when you've delivered something real and the client has stopped quietly wondering whether they chose well. Firms that map onboarding to that arc rarely lose a client to early-stage doubt.

And deliver something early. A first piece of useful work, a clean set of opening numbers, a quick observation about their business they didn't expect. Anything that signals they made the right call leaving their last accountant. That early proof point does more for retention than any welcome pack ever will.

Pro tip: Ask the client what "good" looks like to them, and write the answer down. Some want proactive advice. Some just want filings done quietly and on time. A mismatch between what they want and what you assume they want is one of the most common, and most avoidable, reasons good clients drift away.



Chapter 7:

Turning a Checklist Into a System

Everything so far describes what to do for one client. The firms that benefit most are the ones that stop reinventing it for every new client and build it into a repeatable system.

That means writing the checklist down and assigning owners.

Who runs the AML check? Who drafts the engagement letter? Who requests the handover? Who runs the kick-off? When onboarding lives only in habit, it gets skipped under pressure, which is exactly when skipping it costs the most.

A documented process is what protects you on the busy March afternoon when the temptation to wave a referral straight through is strongest.

Templates carry a lot of this weight. A standard engagement letter you adapt rather than rewrite. A standard document request list. A standard kick-off agenda. Far from red tape, templates are how a firm gives its tenth client the same disciplined treatment as its first, no matter who handles the work.

Technology helps, used sensibly. Onboarding and practice management tools can automate identity checks, chase documents, route engagement letters for signature, and give you an audit trail that shows a supervisor exactly what you did and when. That trail matters more every year, as AML expectations tighten across the UK, Canada, Australia, and the US. But the tool follows the process. Software won't fix an onboarding approach you haven't decided on. It'll just help you do a decided thing faster.

One more discipline is worth building in. Review your onboarding once a year against what actually went wrong. The clients who turned unprofitable, the deadlines that slipped, the disputes that flared, almost all trace back to a step that got skipped at intake. Your own write-offs are the best edit to your checklist you'll ever get.

Where this is heading?

Three things are worth watching over the next few years.

1st AML obligations are expanding, not contracting, and Australia's 2026 entry of accountants into the AUSTRAC regime is part of a broader global pattern. Expect more documentation, more frequent review, and more scrutiny of remote and overseas clients.

2nd identity verification is going digital fast, with biometric and electronic checks replacing the old routine of photocopying a passport. **The pace is real; Deloitte's 2024 audit trends research put around 58% of firms already piloting AI-based audit tools.**

3rd clients increasingly expect the onboarding experience itself to feel smooth and modern. A clumsy, paper-heavy intake now reads as a signal about how the rest of the relationship will feel.

Pro tip: The firms that treat onboarding as a system rather than a scramble will absorb all three changes without much drama. The ones still improvising will keep finding out, one painful client at a time, what they should have checked at the start.

Chapter 8:

The One Habit That Pays for Itself

Go back to the firm from the opening, the one that wrote off forty hours on a warm referral. Nothing about that outcome required hindsight. A ten-minute acceptance check would have surfaced the second entity. A signed engagement letter would have settled the payroll question. A call to the outgoing accountant would have flagged the unreconciled accounts. The cost of skipping those steps wasn't visible in March. It was very visible by June.

A good new-client checklist moves the friction to the front of the relationship, where it's cheap to deal with, rather than letting it collect at the back, where it isn't.

If onboarding is where your firm keeps losing time, or if AML and capacity pressure mean the careful version of this keeps getting skipped, that's often where an outsourcing partner earns its keep, taking the structured, repeatable parts of client setup and delivery off your team so your people stay on the work that needs their judgment.
If that's a conversation worth having,
write to us at marketing@datamaticsbpm.com.

About Datamatics Business Solutions:

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