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From the April/May 2010 Issue

As the tax and accounting profession continues to evolve with technology, so too, are we at The CPA Technology Advisor adapting to those changes. In this year's review of professional tax preparation systems, you'll notice several significant changes. In his April/May column, Executive Editor Darren Root, CPA.CITP, explains the rationale for these changes, along with the benefits we believe they will provide you, our readers.

TWO CATEGORIES FOR TAX SYSTEMS

While I'll leave much of the discussion about purpose to Darren, I would like to point out the most notable changes in our reviews. First, we've divided the large group of professional tax preparation products into two categories: tax preparation products for traditional workflow practices, and systems designed for firms with more advanced internal workflow needs.

Why did we do this? Because, simply put, what may be a 5-star tax program for one firm may not be for another. And the factors that are most likely to determine what features and functions a practice needs from their tax system generally revolve around the level of complexity in a firm's workflow structure. It isn't simply a matter of how complex their client returns may be, although that does influence the complexity level. Nor is it strictly related to a firm's size or the volume of returns they process.

Only 15 years ago, the most critical assessment of a tax preparation system was in its calculation abilities and whether it could correctly move data from parts of a return or related worksheet/schedule into the proper place. All tax

remote access capabilities, client portals, automatic population and other features. So many of the new key factors in finding the best tax system for a particular firm is in determining what level of complexity that firm experiences, not only in terms of their clients, but also in terms of the workflow processes that take place within the practice.

The end result is that there are firms who expect and demand these dynamic and more technologically advanced workflow functions, and there are firms who don't expect or have a need for those functions. So we've divided the tax systems based on both our view and the vendors' of the type of practice each program would best be suited for. This will allow us to better compare products in an "apples-to-apples" way, which should provide greater benefit to professionals seeking a new tax compliance system.

2010
Advanced Workflow Review Criteria

- **Core Product Functions/Features**
  - Product Depth/Multi-State
  - Navigation/Ease-of-Use
- **Integration**
  - w/in Publisher's own suite
  - w/other or external programs
  - 1040 workpaper integration
- **Paperless Workflow**
  - Paperless creation
  - 1040 Scan (and organize/populate)
  - Data import

WHAT ARE 'ADVANCED WORKFLOW NEEDS?'

I know of a four-person practice that specializes in ex-pat returns, plus all of the principals are located in different states. While a small practice in terms of staff, the firm must rely on systems that offer greater collaboration and web-based tools, along with extensive international tax law and treaty research. Similarly, a larger practice that manages corporations with multiple subsidiaries may have multiple professionals or departments working on different areas at

- Paperless integration

the same time. As such, the complexity

regulated area of corporate or individual taxation.

Ultimately, principals or partners need to determine the level of complexity for their own firm. By dividing the tax systems into two groups, we are better able to fairly assess their capabilities against programs geared for a similar practice.

OTHER CHANGES IN OUR REVIEW PROCESS

In addition to creating two groups of tax programs, we’ve made changes to the way in which we review all professional (For Your Firm) and client-side (For Your Clients) programs. While reviews are inherently opinion-based, we’ve taken steps to add some measure of objectivity to this subjective process. Each product in a review will continue to be scored on several key areas of its functionality, but how a program scores in each of these areas will be based on several subsections. This new grading formula will help ensure that each product is graded on the same critical functions. The chart on this page outlines each of the sections/subsections for this review genre so you have a clear picture of how the ratings were determined.

An example of these categories and subcategories is one of the key differentiating points between the “advanced workflow” tax systems and the “traditional workflow” programs reviewed in this issue. Reviews of the advanced internal workflow programs include a category for Remote Capabilities, which includes subcategories for judging client portals and remote access functions. This category is not included in the review of “traditional workflow” systems because such features aren’t necessarily “needed or expected” by most firms the programs are geared toward.

key strengths and the type of practice or business a system for which it is best-suited.

This review section focuses on professional tax preparation systems that are geared toward practices with advanced internal workflow needs. Specific features and functions that were expected in programs designed for these needs included the ability for more than one professional to access and work on different areas of a client return simultaneously; collaboration tools that allow users to attach virtually any type of document, note, file or web link to a return field; client portals; and the ability to remotely access the program. For individual returns, these systems should natively include workpaper automation features that allow users to easily receive preparation-order bookmarked PDF folders of client documents,
with the eventual ability to transfer client data into the return.

CCH, a Wolters Kluwer business – ProSystem *fx* Tax SaaS

For those who might have missed the news back in October 2009, CCH has launched a completely redesigned and web-based version of its collection of professional accounting, tax compliance and practice management programs. The next generation of ProSystem *fx* Suite offers many of the traditionally installed ProSystem *fx* programs as a pure software-as-a-service (SaaS) offering, including the vendor's

Tax, Document and Practice systems, plus the new Workstream and Portal

TY 2009 version, Lacerte expanded its e-file library, increased the number of prior-year data fields presented in the current-year return, developed the product on a faster core platform technology, added an Excel asset import tool, and added support for Vista 64 and Windows 7 operating systems.

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Thomson Reuters – GoSystem Tax

GoSystem Tax was the first completely web-based professional tax compliance system, and has remained among the premier systems by being at the vanguard of technologies that enhance workflow and productivity in mid-sized and large practices that offer services to clients with often complex or more heavily regulated income reporting requirements. Among the program's new features for TY 2009 are enhancements to the MyTaxInfo client web-based organizers and integration between GoSystem Tax and Intacct's web-based accounting system, which allows synchronization of data between the two applications.

Read Full Review

Thomson Reuters – UltraTax CS

As a part of the Thomson Reuters CS Suite of professional tax, account-ing and practice management pro-grams, UltraTax CS offers comprehensive tax compliance capabilities, along with optional modules for automating and enhancing workflow processes and client service. New features for TY 2009 included several enhancements to the homepage, including a new tab for reporting on firm statistics, the option to add a "Where's My Refund" link to the client portal view, as well as the ability to add custom links to web-sites, folders or other files.

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Review

2010 Review of Advanced Workflow Tax Prep Systems — Comparison Chart

Technology