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April 15 is tax time for millions of Americans, as well as for the majority of small businesses who file a Schedule C. That means double the stress for many small business owners as they gather their tax documents and get ready for the inevitable IRS bite from their wallet.

There are strategies that these business owners can take to help alleviate many of these tax time woes, and a big one is by staying in more frequent contact with their accountant. That's according to a new nationwide survey of accounting professionals.

The third annual Tax Time survey, commissioned by small business cloud accounting software maker [Xero](#), shows that many small business (SMB) owners are increasingly adopting cloud accounting technology, which is helping them work better with their accountants and avoid many tax mistakes business owners make, such as attempting outrageous tax write offs like bail, face-lifts and personal robots. Notably, the survey found that more than 50 percent of accounting professionals are now using cloud technology to better serve their clients.

The survey found that the biggest mistake SMBs can make is only talking to their accountant during tax time, with 65 percent of accountants recommending more frequent collaboration throughout the year. The survey was conducted by Zogby Analytics, which polled 400 accountants across the U.S.

“Tax time is stressful for most of my clients. Keeping tabs on existing rules and

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Financial management should be a year-round activity rather than limited to the traditional tax season, according to more than half of the accountants surveyed. The biggest mistake nearly one-third of SMBs make is only communicating with their accountants during tax time: Forty-four percent of accounting professionals advise meeting once a month.

### **Tip #2: Maintain Updated, Comprehensive Financials**

The vast majority of accountants (75 percent) believe that a comprehensive, real-time view of finances is essential for dispensing the best advice and saving money. However, one in five accountants state that their clients do not have real-time insight into their finances, and nearly 40 percent do not maintain up-to-date records. Cloud accounting tools like Xero automate much of the data reconciliation and allow customers (and their accountants) to receive an accurate read on their company's finances anytime, anywhere.

### **Tip #3: Don't Leave Money on the Table**

With tricky tax laws, it is easy to leave money on the table. SMB accountants concur, placing the blame on overlooked deductions, including depreciation (30 percent); out-of-pocket expenses (29 percent); auto expenses (16 percent) and office improvements (10 percent). Xero can reduce oversights by enabling businesses to keep accurate records and enter receipts with just a few simple clicks.

### **Tip #4: Avoid Accounting Accidents that Lead to Audits**

Nearly 75 percent of accountants blame faulty deductions for audits. Thirty-six percent cite excessive deductions as causing audits, with mixing personal and business deductions as a close second (35 percent). The third cause of deductions is misidentifying workforce members, with 14 percent. Xero's networking of accounting and ecosystem partners like TaxAct [enables small businesses](#) to avoid costly deduction errors by allowing Xero users to prepare, print and e-file their taxes directly through Xero's platform.

“By contributing more than 50 percent of America’s GDP, SMBs are the backbone of

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