### **CPA**

# Practice **Advisor**

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You're either reading this article during the holiday break or you're back in the office and it's the first week of January. For most practices, especially tax-heavy ones, only a few days remain before the onslaught of clients, W-2s, K-1s, 1099s and everything else that accompanies this most wonderful time of the year: Tax Season.

But aside from throngs of clients lining up at your door, are you prepared for other potential challenges you might face during the tax season? A variety of contingencies could negatively affect your firm's busiest time of the year, and while there aren't always pat answers or solutions, there are technologies that can remedy some of the effects of these events. The most notable among these are simple: Remote access capabilities, power surge protectors and online data backup systems.

Of

course, just taking a few minutes to consider the potential of these events can also make coping with the challenges easier. So think about what you would do if faced with one of the following events:

#### **POWER OUTAGE**

If the power goes out, your practice will be closed until it comes back on. It likely would also affect your neighboring competition, so the risk of losing

clients to them isn't too great, but the forced temporary closure of your office can have significant effects on deadlines, especially if the outage is prolonged. If the power goes out during business hours, there is an entirely

different concern: Are your computers and servers on a UPS system

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Since the tax season falls during the hardest winter months in the north, the traditionally wettest months in the west, and the beginning of severe thunderstorm season in the Plains states, the potential for significant weather

events can affect all practices. While the results are usually short-lived like power outages or temporarily closed roads, more significant events can cause towns to be cut off or difficult to reach for longer periods, or they may even result in damaged buildings. If your servers are still up and you can access them remotely, you can easily work from a temporary location almost

immediately. The same is true if you utilize an online data backup system. If setting up a temporary work site, you will also need to get the word out to your clients. Note: While there are only a couple of online tax programs on the market, there are several technologies that can assist in remotely servicing those clients.

#### SYSTEM FAILURE

Even if everything is going smoothly and the weather is nice, you can still be struck by a crashed computer or server. While systems are much more reliable

than in the old days (10+ years ago), sometimes they give out, whether it's due to power surges, corrosion, faulty parts or other causes. For sole practitioners

whose one computer is the hub of their practice, this can be an involuntary career-changing moment. But even larger practices are vulnerable when it comes

to their file servers since they usually act as the central repository for client data. Data backup, whether online or disk-based, is the key to surviving

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files only for staff working on particular clients. Automatically updated anti-virus and SPAM/phishing blockers also reduce vulnerability.

#### LAPTOP THEFT

Still in the realm of a security breach is the potential loss of a portable computer with client data on it. Laptops and wireless access have been a great

productivity boost, but unfortunately they sometimes disappear from our car,

restaurant table or other location. Aside from being a financially expensive loss, the potential threat to your clients' data is also significant.

First off, your laptop should have at least the same protective features as your office systems, including strong passwords, virus protections and other

features designed to prevent the bad guys from seeing the information even if they do grab your computer. A new breed of programs can track a laptop and lead police or users to its location.

## **HEALTH ISSUES**

Even without some new pandemic, people get sick, even you and your staff. For ordinary colds and even the flu, we often suffer and work through it. But significant illnesses can be the end of a practice, especially for smaller firms without a plan for business continuity in case of the principal's incapacitation. Who will pay the bills and the paychecks at a sole proprietorship?

Who will manage a specific department if there is a vacancy on March 10? For

very small firms, what will happen to your clients if your office is closed? You might consider a pact of sorts with a friendly competitor who would Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

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requires that you plan ahead for these contingencies.

One or more of these events will likely happen during the course of your professional career. The only question is which ones, and what would you do if they happened during tax season?

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Technology

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