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You would have to be living under a rock to be unaware of the explosive growth of interest in client portals for accounting and tax practices. A number of forces are driving this interest — increased privacy protection regulations, improved vendor solutions and a better understanding of the value proposition. This article provides an in-depth look at portal technology so you can develop a portal strategy that is compatible with your practice model.

The IT world has a tendency to paint various technologies with a very broad brush, such as web services, social media and, my favorite, cloud computing. Portal is a term that certainly fits this characteristic, as well. So let's start by taking some of the mystery out of the term by explaining portal technology as simply the next step in the evolution in the design of an accounting practice's website, albeit a potentially very big next step.

Portal technology will advance your website from the stage of serving primarily as an electronic brochure that describes your firm and the services you offer to a truly interactive information exchange center between you and your clients and, in some cases, third parties, as well. As we look under the hood of client portal technology, keep in mind that your portal solution will evolve over time. You may choose a strategy that calls for relatively small, incremental extensions of portal technology into your website, or you may pursue a more aggressive strategy that takes your

website to a completely new level with your initial portal deployment. The beauty of

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download. The most obvious examples are PDF copies of completed tax returns and financial statements. For many of you, this is the appropriate place to start. A wide array of supporting features can enhance this functionality, which is what sets one portal solution apart from another. How you get files to the portal and set up for secure access is the key aspect to evaluate here.

## **TAX SOFTWARE INTEGRATION**

If you have a high-volume tax prep practice, the value of this integration should be at the top of your shopping list. The ability to directly publish a PDF copy of a completed tax return to the client portal from your tax software provides significant timesavings in regards to administering your portal content. One example of this is the fact that you will not have to set up a new set of client records in the portal application because that information will be provided automatically by the tax software. The good news is that there are some relatively simple and low-cost portal solutions that integrate directly with popular tax software packages.

## **FILE UPLOAD CENTER**

This pertains to the functionality that allows your clients to login to the portal and upload their files directly to a secure site. This feature can result in substantial savings of time by eliminating the traditional process of procuring client files through e-mail attachments, CD transfers, USB drives, etc. When the files are uploaded to the portal directly, the potential exists for them to be stored in their final resting place without the involvement of your staff. More importantly, this functionality significantly improves the security controls that can be put in place to protect the privacy of your client information during the transfer process. This feature may be utilized by only a relatively small percentage of your clients at this time, but as time goes on, you should anticipate increased usage as your clients become more comfortable with the technology and learn to appreciate the benefits.

## **ALERTS/ACTIVITY MANAGEMENT**

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through phone calls or manually generated e-mails would be implemented. It is unlikely that even one of your clients would perceive this type of an alert as anything other than a value-added service.

Portals can provide many other types of automatic communications, as well, such as notifying designated members of your staff whenever a client accesses the portal to upload, download or view a file. Alternatively, your clients may receive an e-mail anytime you post a new file to their portal so they are notified of its availability. This is just another example of improved client communications. Additionally, many portal solutions will maintain a log of all portal activity from both sides of the portal, which gives you the opportunity to track when and how the portal is being utilized.

## **SECURITY/PERMISSIONS MANAGEMENT**

One of the primary drivers for the growing interest in portals is the ability to increase the security controls over the exchange of electronic information with your clients. The regulatory environment on this topic is making portals a relatively easy and practical solution for complying with the growing collection of privacy regulations being implemented throughout the country.

A wide disparity of security functionality exists from one portal solution to another, which becomes more important relative to the size of your firm. The range of security features that may be provided includes settings to restrict viewing, saving, deleting, editing, printing and e-mailing files stored on the portal by specified users.

## **APPLICATION PLUG-INS**

We don't have enough time or space to cover this feature set in-depth here, but it is an important component of a long-term portal strategy that you should have in mind. What I'm referring to is the ability to have active links to real-time applications for your clients. The most obvious example would be access to an online

accounting system such as QuickBooks Online, Intacct, NetSuite or any number of

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can alleviate some of the effort by leveraging the client information in these applications to establish the portal logins. Even with this integration, you have to manage access rights for individual clients. Any help the portal software can provide in regards to checks and balances for portal account access will add value. You cannot afford to have a mix-up that results in clients getting access to the wrong documents.

## **DOCUMENT MANAGEMENT SYSTEMS (DMS)**

I have intentionally saved this feature for last because of its importance, and I want it to remain at the top of your mind as you finish reading this article. If there are two applications in an accounting or tax practice that should be joined at the hip, it is the document management system and the client portal. The nature of the deep relationship between the two is undeniable. The fact is, a properly deployed document management system serves as a repository for all of the files and electronic documents in your firm, much like the way the traditional paper file room was utilized. When you need to send a copy of a document to a client, banker, tax authority, etc., you simply photocopy and mail or fax it out. If you have a DMS and a portal, you simply “publish” the file to the portal to make it available to your client. In many DMS systems this can be done with a single click of the mouse, which is a whole lot easier and much more secure.

We will be visiting the topic of DMS and portal integration in upcoming issues of *The CPA Technology Advisor* when we review document management and document storage systems. In the meantime, if you begin working on your portal strategy, keep this concept in mind. Your DMS and portal solution should be part of a comprehensive strategy.

## **LICENSING/STORAGE FEES**

No discussion of a technology initiative is complete without addressing the cost

issue. The licensing costs are going to be based primarily on two factors: the number

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the ultimate winners in terms of client loyalty and profitability.

We have covered a lot of information about portals in this article. The main point I hope you will take away is that the evolution of client portals is still at a very early stage. However, the technology is evolving rapidly, and the time is right to begin establishing the foundation of your portal strategy. This initiative will have a higher rate of success if you plan for your portal to evolve over an extended period, rather than trying to come out of the gate with a feature-loaded portal solution. We will be visiting this topic from various perspectives in the near future and in our [April 29 Free CPE webcast](#) ... so stay tuned!

Technology

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