CPA
Practice Advisor

From the April/May 2010 Review of Professional Tax Systems (Advanced Workflow).

Lacerte
Tax Software provides a professional compliance solution for professional firms with moderate to complex client bases and workflow processes, offering multi-preparer
and review processes, management productivity supervision and support for multiple
office locations. New in the 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

CORE PRODUCT FUNCTIONS/FEATURES:
Lacerte is available in several bundles, including a 1040-only system, another with primarily individual but also with some moderate business filing needs, and the more comprehensive Individual + Complete Business Productivity package, which is reviewed here. The system is traditionally installed on a firm's own computers. The bundle is network-ready and includes support for individuals, 1041, 1065, 1120, 1120S and 990 entities at the federal and state level, including unlimited e-filing and the ability to process multiple state returns with the option to add estate, gift and pension plan return capabilities. Also included with the package are document management, analyzer and planning applications, while optional add-ons include a Trial Balance Utility, Forms Library, e-Organizer, payment collection tools, ProLine Tax Research and the new Document e-Sort. Through its QuickBooks line, Intuit also offers write-up, payroll and several

other professional accounting applications that offer integration into the Lacerte

list, client detail, forms, diagnostics, analysis and trial balance. Links to research and in-program Help options are available at the top, including the new "Ask Intuit" feature, which allows users to search the Knowledge Base, ask other users in an online community, and the ability to chat online or talk with a live agent anytime. An icon menu gives access to notes, e-filing functions, calendaring and diagnostics, or opening integrated modules such as document management and research. Lacerte offers the ability to use the mouse, keyboard, hotkeys or any combination thereof.

When working within client returns, the system again offers multiple navigation options. Using interview sheets as the primary method of data entry, a master list of all input screens presents data entry in traditional categories for general, payments, income, deductions, credits, taxes, state and local, and miscellaneous forms, with the ability to jump to those sections or to specific tasks within, such as entering moving expenses, a new W-2 or pass-through K-1s. All forms, schedules and worksheets involved in a client's return are accessible via tabs at the bottom as they are created. Entry fields use many intelligent features, including pull-down selection lists, auto-population of some items and allowing users to skip over fields that don't apply to the current client based on prior data entry. A forms-based view is also available for review purposes, offering diagnostics and the ability to add tick marks and notes to form fields.

INTEGRATION:
Lacerte automatically routes information between related returns as necessary, including K-1 import and information between child-parent returns. The system also integrates with QuickBooks and offers import of data from Excel and other formats. The program's modules, including the Lacerte DMS, Tax Planner, e-Organizer, Trial Balance and other options, offer good integration with the

tax system. Newly integrated research is available via the ProLine Tax Research

documents and other files, such as Word, Excel or QuickBooks data files, along with their returns and other engagement products. The Missing Data Utility also offers workflow benefits, allowing professionals to note in a client return if specific information is still needed from the client, then generate a client letter or email to let them know of any/all items they still need to provide. Lacerte offers data import directly from QuickBooks and Excel spreadsheets, with a mapping system that remembers client data paths. Intuit is also currently finalizing a system called ProLine Import, which will let clients electronically send their 1099-B, INT and DIV forms directly to the preparer for import into the program.

The Document eSort add-on pro-vides even more workflow management options by simplifying and reducing the time spent on compiling and arranging workpapers. A staff member simply scans 1040 client source documents into PDF or TIF format and uploads them to the secure Intuit servers, where optical character recognition (OCR) technology is used to identify the forms, automatically arrange them in the appropriate preparation and review order, and return all of the information as a single bookmarked and hyperlinked PDF client binder. The eSort feature can be used as needed for more complex clients at a price of $3 per use for any number of source documents involved in a single upload. Document eSort can identify and organize the following forms: W-2s, 1098s, 1099s 5498, K-1s (1041, 1065, 1120S) and 1042S. It categorizes other scanned statements and documents as miscellaneous.

REMOTE CAPABILITIES:
Although it is normally installed locally, Lacerte can be used in a Citrix/Terminal Server environment, if the firm has access to the IT expertise to set it up, providing remote offices or staff with access to the system. While the system includes several features for client collaboration and communication, Intuit

does not specifically offer online portals for transferring of files between

Integration
with ProLine Tax Research is integrated within the Lacerte tax product to provide context-sensitive research. However, the program's collaboration features are not geared toward multi-preparers and reviewers working within returns simultaneously.
The automated scan-and-organize option does not offer auto-population of data. As well, no true remote access capabilities or client portals are currently offered. The all-entity version reviewed here, which also includes most available add-ons, costs about $12,500, but firms can select from other bundles, including an unlimited 1040 individual module for $2,699, or an unlimited business module, such as 1065 partnership, 1120/1120S Corp, or 1041 Fiduciary for $1,529. Other bundles are available starting at under $4,900. The Lacerte system is also available on a pay-per-return basis for individual or any of the business entities.

2010 OVERALL RATING:

Software • Technology