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members. The strong capabilities of the current crop of tools, along with the variety of pricing plans (including per-return pricing for some tools), make it possible for firms to try tools before they implement them across all clients. If your firm has not evaluated any of these tools in the past, we strongly recommend that you perform your own due diligence. The tools have truly evolved to a new level in the last few years.

The six products reviewed in this article (in alphabetical order) are:

- **1040Scan** (SurePrep)
- **ATX/TaxWorks Scan&Fill** (CCH Small Firm Services)
- **GruntWorx** (Copanion)
- **ProLine Tax Import for Lacerte and ProSeries** (Intuit)
- **ProSystem *fx* Scan** (CCH, a Wolters Kluwer business)
- **UltraTax CS Source Document Processing Service** (Thomson Reuters)

The reviewed products can be used in a variety of methods. The four major product types are as follows:

- **Scan & Organize** – The product uses Optical Character Recognition (OCR) to create an organized and bookmarked PDF file, and data is keyed in by a preparer or administrative team member.
- **Scan, Organize & Populate** – The product creates a bookmarked PDF, as in Scan & Organize above, but also extracts the data needed for return preparation. The data can then be imported into the tax application, although some applications require the data to be validated by a person before it is available for import.
- **Scan, Organize & Extract Trades** – These solutions will Scan & Organize taxpayer data, but will also create a Microsoft Excel file listing securities trades reported on Form 1099-B, which can be imported into most tax applications.

- **Indirect Download** – Clients are asked either in person or via e-mail to enter their

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documents, and almost all will extract data on securities trades from consolidated 1099 statements and put these transactions into an importable Microsoft Excel file. Data other than 1099-B information, however, can only be imported into a single or, at most, three or four tax packages. For the 2011 tax season (which ended on April 18), many popular tax applications such as TaxWorks, TaxSlayer and Drake Tax could not import data (other than securities trades) extracted from scanned tax documents using the available Scan, Organize & Populate tools. (If you are a user of these packages, remember that a solution could be only a strategic alliance away.)

While the indirect import of investment information approach used by GruntWorx Gather and Intuit's 1099DropOff.com appears to offer significantly more accurate results than those extracted using OCR, some products support fewer than 15 investment firms, which represents, by their own estimate, approximately 70% of the individual investment accounts held by taxpayers. Other providers recommend that practitioners ask their clients to download their investment transactions from their online brokerage accounts and upload them to the practitioner's client portal solution. Although this can be done by technologically savvy clients, some clients may call the practitioner asking for help with investment firm websites and client portal solutions. The demand for tech support may cause client and practitioner frustration, and for a client with a small number of securities trades, it may actually take longer to facilitate this download than would be required to manually input the information on the trades.

There are a wide range of pricing plans and options within each vendor offering, and many have multiple offerings within their product lines. Because of the significant variations in how each product is priced, users shopping primarily based on the price of an offering should be very careful to understand the nuances of the pricing structure of each offering. Each vendor may also offer disclosed or undisclosed discount plans to prior tax year customers who renew early, those who make multi-

year future purchase commitments, or those who purchase a large number of

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additional work to upload and download files from the processing service, while other solutions place completed jobs directly into the document management and tax applications. Given the wide variety of forms, the different services provided to clients and the varying needs of each client, there is simply no substitute for personally testing the solutions you are considering. Any product can work in a laboratory environment with very simple documents. Practitioners should take their hardest, most complex returns and compare the real-world results for their specific needs, using the tools you have today. We think you will be pleasantly surprised how well the category has evolved over the last five years.

If you have any comments (good, bad or ugly) about how your firm's tax document automation efforts are working out, please drop me a line (brian@bftcpa.com). I'd like to know how your firm is using these tools to become more efficient and profitable, and would like to use some of this input for future research about how the profession is adapting to the advances in technology.

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