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collaborative, real-time financial reporting systems has taken many years, but we are starting to see the outline of the systems of the future. Cloud-based software will be used to help practitioners and clients work together on a business, and will yield results which are more timely and less compliance-oriented than traditional write up products.

Brian Tankersley • Feb. 10, 2014



The transition away from traditional, after-the-fact client write-up systems and to collaborative, real-time financial reporting systems has taken many years, but we are starting to see the outline of the systems of the future. Cloud-based software will be

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By using a flexible Virtual CFO platform, accounting firms can provide more meaningful, real time management information instead of late information from a platform which is designed to do little other than meet compliance reporting requirements three weeks after the end of a month.

View the full reviews of the following programs:

2013 Reviews of Virtual CFO Systems for Accounting Firms & Their Clients

CPA Practice Advisor reviewed four cloud-based accounting systems that include sides for small businesses to use as well as multi-client management functionality for accounting firms to oversee and manage their clients' books. Follow the links below to see how they compared.

- [AccountantsWorld – Accounting Power](#)
- [Thomson Reuters – Accounting CS](#)
- [Intuit QuickBooks Online & QBO for Accountants](#)
- [Xero & Xero Partner Platform](#)

For our initial foray into this category, we decided to do an in-depth analysis of four clear leaders with different approaches to cloud-based accountant-client collaboration. Products selected include:

- **Accounting Power** (AccountantsWorld, Inc.) – Accounting Power is one of the

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important integration with the other Power Suite suite applications, which should reduce the required amount of data entry required with this product.

- **Accounting CS** (Thomson Reuters Tax & Accounting) – Accounting CS is the modern update to the venerable Write Up CS application from Thomson Reuters. The software is designed to permit clients and accountants to simultaneously work on client financial records using a collaborative application which runs on modern Microsoft platforms (.NET and SQL Server). The application integrates with a wide range of other applications, including Accounting CS Payroll, UltraTax, Engagement CS, and the other applications in the Thomson Reuters CS Suite of applications for accounting and tax professionals. The product has some integration with Intuit's QuickBooks but not with other non-Thomson products. Like Accounting Power, Accounting CS lacks direct integration with financial institutions, but it makes up for this lack of front end integration with robust back end integration into the entire Thomson Reuters CS Suite of applications.
- **QuickBooks Online and QuickBooks Online for Accountants** (Intuit, Inc.) – Fresh from an overhaul to make it more consistent with the on-premises version of QuickBooks, QuickBooks Online (QBO) and its free accountant toolkit, QuickBooks Online for Accountants (QBOA), are now available. The new competition in the cloud-based accounting application space from the US launch of Xero, FreshBooks, Wave Accounting, Kashoo, and Sage One, combined with the global rollout of QBO to 100 countries, has increased the number of companies using QuickBooks Online by approximately 40% year over year between September 2012 and September 2013. While Intuit was an early provider of online financial applications, it has struggled to market these solutions to accounting professionals, as many accounting professionals preferred the feature set in the on-premises version of the application. The changing view of online services by

clients and accounting professionals, as well as the significant improvements to

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accountants may seem limited compared to its more entrenched competitors, stay tuned, as the company's payroll solutions and workpaper prep solutions are very popular in its home base of New Zealand and Australia, and we expect to see many improvements to Xero's solutions in 2014. At September 30, 2013, Xero boasted over 211,000 paying customers and the company experienced growth of over 60% in all of its geographic segments for the fiscal year then ended. During the same period, Xero's US presence increased by over 100%. More importantly, Xero added 25 of the Top 100 accounting firms to its partner channel, and the US partner program exceeded 1,000 accounting firms for the first time. The product has significant momentum as a tool for virtual accounting services performed in real time, and is definitely a product to watch in the coming months.

The real challenge for all of these applications is providing useful information on days other than that one day in the following month when the previous month's financial statements are released to the client. Collaborative accounting and consulting as a virtual CFO requires accountants to maintain the client's books more frequently and to expand the amount of real-time information being presented to the client as more current data that doesn't require adjustments is available.

The real desire of all accountants is to have real time information without having to perform real time work to maintain it, and some of the applications deliver better on that promise than others. Xero and QuickBooks Online can display real time bank and credit card balance information obtained from financial institutions daily, as well as automatically download and import data on the related transactions. Accounting CS and AccountantsWorld offer accounting professionals a greater level of control by allowing the virtual CFO to limit the features, menu options, and reports which are accessible to the client and firm staff at a very detailed level.

Additionally, some applications have tighter integration with applications for

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professionals like receiving personalized services, we do ourselves and our clients a disservice when we use tools which do not effectively meet the needs of both parties for timely, accurate information.

Additional Solutions for Accounting & Write-Up

We considered many other solutions for inclusion in this review. Since this review is really a successor to our historical client write up tool reviews, we have chosen to focus on cloud-based tools which are commonly used for client write up, and have intentionally left out many of the on premises tools we reviewed in the prior year. There are many other products which could be used for client accounting and collaborative client write-up, including:

- FreshBooks
- CYMA 13: Financial Management Systems
- Micronetics Accounting Expert Enterprise Edition
- PC Software Client Write-Up
- Kashoo / Paychex Online Accounting
- Sage One
- QuickBooks Accountant Edition
- Intacct
- Sage 50 Quantum Accountants Edition
- Wave Accounting / Wave Apps
- NetSuite

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