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Systems

When preparing client tax returns for any type of entity, accurate data is obviously a necessity, but finding ways to streamline it, and even improve accuracy, is the goal of tax document automation systems. While there are several such programs on the market,

Isaac M. O'Bannon • Nov. 15, 2015

In today's modern tax practice, eliminating data entry continues to be the holy grail. Manual data entry is, to be blunt, time consuming and error prone, and this limits how many tax clients a firm can manage each year.

Simply put: Time + errors = less revenue. Many firms, however, have found a way to literally do more with less.

When preparing client tax returns for any type of entity, accurate data is obviously a necessity, but finding ways to streamline it, and even improve accuracy, is the goal of tax document automation systems. While there are several such programs on the market, some of which work only with one tax software and some that work with several brands, they all are designed to increase the efficiency of the tax return production process.

Converting Raw Data to Digital

Tax document automation systems actually perform several functions, starting with the initial scanning of a client's tax documents into the firm's computer or, in some cases, through a secure cloud portal. When this is done, the software uses optical character recognition (OCR) to look at the digital version of the document and determine what it is, typically a tax source document such as a W-2, 1098 or 1099, but some systems can also identify K-1s, brokerage statements and other documents.

Digital Workpapers & Tax Form Population

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preparer or the client with automated reminders to get those documents to the tax preparer.

2015 Reviews of Tax

Document Automation Systems

GruntWorx, LLC

Lacerte and ProSeries Scan and Import

SurePrep, LLC

Thomson Reuters Source Document Processing

Wolters Kluwer CCH, ProSystem fx Scan

The systems that offer automatic population of tax returns include the review features because there is still occasional error in the scan, usually when client documents are in poor shape (crumpled, folded or faded). But the OCR technology the systems use is now quite accurate and has been in use for more than a decade. The tax software also offers drill-down access from a tax return field down to the scanned original document

Whether a firm has a solo-practitioner or a larger staff of professionals and admins, tax document automation systems are now well-proven to reduce the time associated with entering client data, particularly for clients with multiple documents. That increased efficiency, in addition to decreased rates of manual data errors, allows firms to take on more tax clients with the same number of preparers, resulting in greater revenues and profit for the firm.

The reviews in this section look at the core functionality of each tax document automation system, which documents their scanning systems can identify and pull

data from, determine which tax preparation software the programs work with for

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