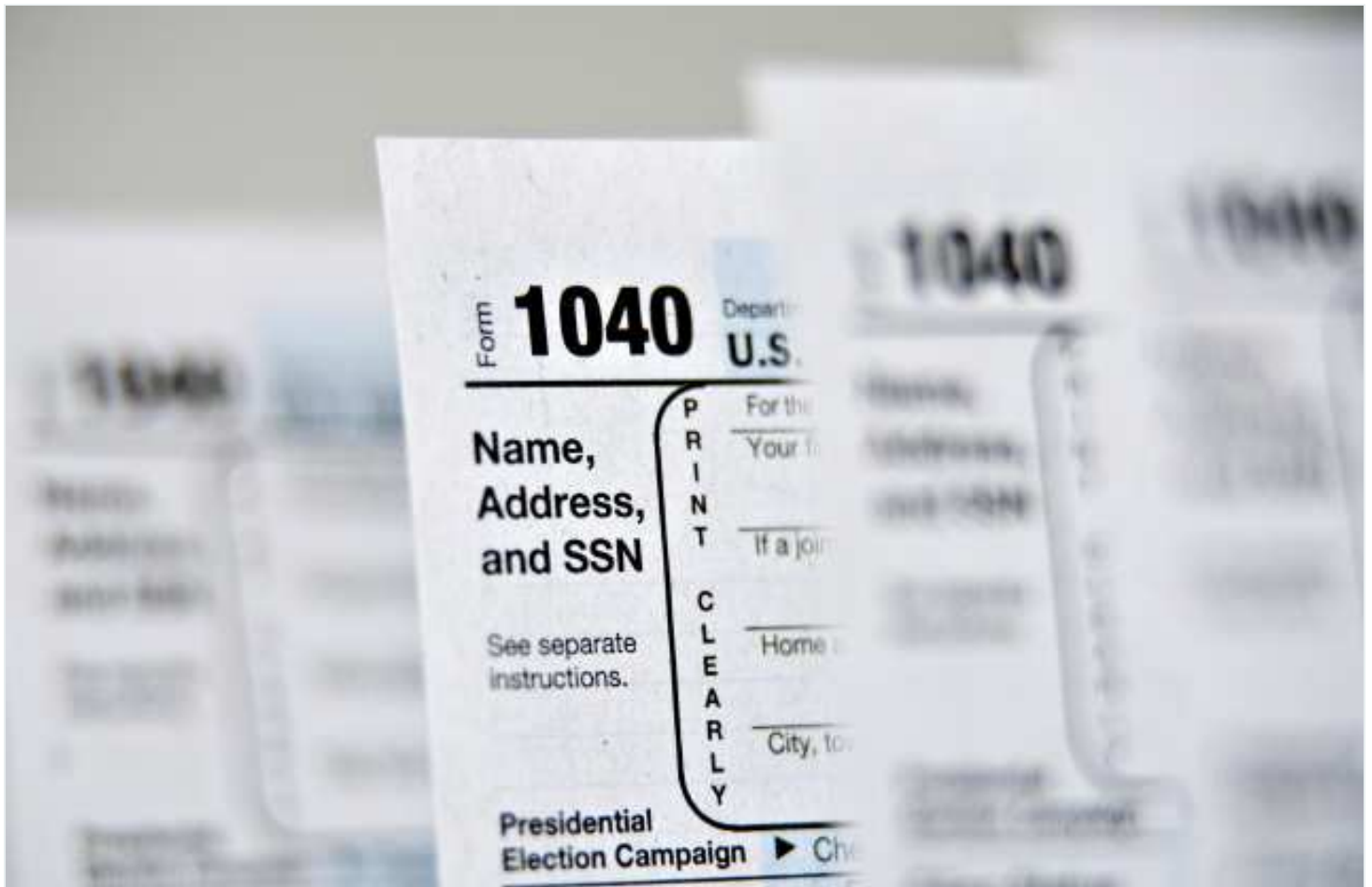


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new employees. You will send taxpayer data to the outsourcer, and then they will perform the work and send the documents back. This helps boost the value you ...

Apr. 12, 2016



As a tax professional, you know that tax season can be a hectic, stressful time. Sometimes it can seem like you just don't have the manpower to attend to all your clients' needs by the tax deadline. If you need an extra hand so that you can focus your efforts on the more profitable aspects of your business, consider outsourcing.

What is Outsourcing?

Outsourcing refers to the practice of transferring your workload to outside services

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Benefits of Outsourcing

Outsourcing comes with numerous benefits, and that's why so many tax preparers turn to this solution. Just some benefits include:

1. **It keeps your best talent focused.** Your best accountants shouldn't be spending their time focusing on something like household payroll taxes – they should be focusing on your most profitable activities. By outsourcing to an expert firm, you can keep your best talent focused on where you need them most.
2. **It saves you time.** With the extra help, you can take on more clients without fear of overworking yourself or missing deadlines.
3. **It promotes efficiency and quality.** With outsourcing, [other companies will take care of your non-core business processes](#), which will help streamline everything in your office. It will allow you to focus on the primary aspects of your business.
4. **It allows you to make more money.** Since you can take on more clients with the extra help, outsourcing is a good way to make more money without doing a ton of extra work. By keeping your top talent focused on the most profitable activities, you can increase the value you deliver to your clients while optimizing your efficiency within the workforce.
5. **It saves you money.** Instead of having to hire on seasonal employees and pay hourly rates plus benefits, outsourcing allows you to pay just hourly rates or per-project rates, saving you money on hiring in-house workers. You also don't have to pay for new equipment, a bigger office, training materials, and other expenses that come with an internal team.

Outsourcing isn't only beneficial to you as a CPA; it is also beneficial to your clients. For one, outsourcing will speed up processes, so you'll be able to get your clients their tax returns faster. It can also mean that your clients receive a higher level of service

from since you won't be doing the mundane tasks like data entry, allowing you and

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information, and you cannot share that without their approval. Be sure that you outline in your contract or terms of service that you may share client information with third-parties for the purpose of filing their tax returns.

You will also have to get your clients to sign a [Section 7216 consent letter](#), which is legally required before disclosing tax information to outsourced tax preparers. This consent letter must include:

- Name of the taxpayer
- Name of the tax return preparer (you)
- Name of the recipient
- Intended purpose of disclosure
- Specific tax return information to be disclosed
- Duration of consent (how long before clients' consent expires and they must sign a new consent form?)

When you are seeking out a firm to outsource to, also consider security. Again, you have access to clients' personal data, and it would be bad news for both you and your clients if that data got into the wrong hands. Be sure that any company you're outsourcing to has proper security measures in place. Consider things like:

- Do they store your clients' information on their computers?
- Are the service center and data center secure? Could the firm's employees write down or steal client data?
- Are the software programs used to provide the service secure, or do they have known security holes that could easily be hacked?
- Is the data safe while in transit? Is the data sent over an encrypted connection?

With precautions like these in mind, you can rest with peace of mind that your client data is safe and your own firm will maintain its credibility.

However, security isn't the only thing to keep in mind when researching which firms

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for a little help next tax season.

Kathleen Webb co-founded [HomeWork Solutions](#) in 1993 to provide payroll and tax services to families employing household workers. Kathleen has extensive experience preparing 'nanny tax' payroll taxes. She is the author of numerous articles on this topic and has been featured in the Wall Street Journal, Kiplinger's Personal Finance, and the Congressional Quarterly. She also consulted with Senate staffers in the drafting of the 1994 Nanny Tax Law. Webb is a magna cum laude graduate of Boston College. She currently serves as Co-President of the International Nanny Association, the leading professional association in the in-home childcare industry.

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