CONTRIBUTORS

PBC Lists – Prepared By Client Lists Now Automated

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From the August 2017 Issue.

Over the past years, we have discussed paperless techniques, 1040 workpaper products, optimizations of processes, streamlining workflows, the use of portals, encrypting email, as well as other tools and techniques to make our work easier, faster and to provide a better client experience. The latest area of improvements involves PBC (Prepared by Client) request lists. Requesting supporting documentation for tax preparation, audits, or collaborative accounting can save your team time. These tools allow you to request either a standard set of documents or you can customize your request by projects or engagement.

Can working on this part of your practice help you now? Will using these tools improve your client experience? Can this be a new frontier to reduce the time used in your firm?

Why Now?

Technology to manage the document request workflow has become easier to write, and the current development tools that support responsive design on mobile devices and for browsers make development decisions far easier. Further, capturing data earlier in a paperless process saves time all the way through the process, a claim I first made in 1992. It has taken this long for smart phone technology and/or scanners on computers to catch up with the ease of use that people expect. What are some of the benefits of this approach?

- An automated list of documents required can be sent to clients and managed by the tools
- Documents can be accepted or rejected and automatically re-requested by most products
- Images captured by phones or scanners can generally be accurately translated with Optical Character Recognition (OCR)
- Feeds from banks, brokerage houses, payroll service providers and other key sources of documents continue to get easier to access and produce better results. Because of this, retrieving W2's, 1099's and 1098's, plus brokerage statements can be done with authenticated connections to retrieve individual, secure documents
- Uploading various file types (Microsoft Office, PDF, JPEG and more) is now supported not only by the retrieval tools, but also by the processing tools back in the office
- Clients are becoming more self-service and are finding that it is quicker for them to use the PBC tools rather than traditional tools. For example, in SurePrep's TaxCaddy, an electronic organizer can replace the traditional paper organizers offered by many companies
- eSignature has become more common and is incorporated in many of the PBC tools. Signatures used to require printing and re-scanning or at least the client had to have advanced knowledge to use an eSignature product. Most eSignatures are click and approve.
- Payment methodologies are frequently included
- Some tools can do automated document retrieval in an unattended fashion

o Hubdoc

o Receipt Bank

o File This Fetch

o EntryLess

- Workflow and document management systems can support these tasks

By my latest count there are at least eight products that have delivered this type of automation. There are a few that are already worthy of your review. Examples include:

- SurePrep TaxCaddy
- cPaperless SafeSend Returns
- ShareFile's Client Request List
- CCH My1040Data for Axcess
- Validis also sold as the CCH Audit Accelerator
- Canopy Tax
- Karbon Practice Management
- Conarc's iChannel

It is time for a rethinking and digitization of many routine CPA-client interactions for seamless data transfer. As an example, SurePrep's TaxCaddy can create a digital organizer that uploads data directly into tax software after it is filled out on a mobile device or PC. Answers are imported into a number of supported tax applications, including solutions from CCH, Thomson Reuters, and Intuit. Documents can be automatically retrieved as PDF and CSV files from the client's brokerage account and placed in TaxCaddy with no client or staff intervention required. E-Signature is integrated for engagement letters, 8879, etc. Final "as filed" returns are delivered/stored permanently to the client using TaxCaddy. Data feeds into SurePrep 1040 Scan automatically, and can also be used with SurePrep outsourcing services. Competitive 1040 workpaper products and outsourcing services can also be used, although the process is not quite as seamless. TaxCaddy can help tax payers gather tax documents year-round.

Canopy Tax is a second example of a product that has automated document retrieval, but in this case, there is sophistication in handling tax controversies and appeals that can save you three to four hours per engagement. Most of the time when you are trying to resolve these issues with clients, you have huge amounts of Excel files, email, and paper. There traditionally has been no easy way to work with clients online. This causes big inefficiencies in the way software tools used speak to each other. This is aggravated even more by the IRS being more difficult than ever to reach. It is also more important than ever to get things right the first time. Canopy has built a modern interface that provides a better way to work with clients and includes easy-to-use tax intake surveys. Canopy's Tax Resolution is purpose-built by a team led by a former practicing tax attorney, has robust tax analytics, can auto-populate IRS forms such as the 133, has automated client intake surveys and a tax recommendation engine. These features are supported by practice management-like functionality including: CRM, calendars & reminders, to-do lists and client follow up, document management and billing & invoicing.

ShareFile might have been first to market with their Client Request List feature, and many of you own this product today using it as your portal and/or eSignature tool. The Client Request List feature can be turned on and Excel spreadsheets of documents need can be created and uploaded into ShareFile to create a workflow that requests these documents. You are automatically notified when documents arrived. Innovation continues at a rapid pace at Citrix ShareFile in this area.

All the other products have some portion or all of a process automated end to end. As another example, cPaperLess SafeSend Returns will onboard client documents, provide eSignature for engagement letters and 8879's and provide a payment mechanism before delivering a return. Practitioners wind up with far less work to get a complete process automated. Each of the vendors named above have a unique market advantage for their product and are worthy of review for implementation during this year.

So, What's Next?

We expect greater automation of the documents, more intelligence, better workflows, more automation and greater ease of use as the developers refine their products and complete more integrations. We normally like to let products mature in the market about a year before we recommend them, and these products have generally reached that milestone.

If you are considering how to improve your Tax practice, SurePrep TaxCaddy, cPaperless SafeSend Returns, CCH My1040Data for Axcess, Canopy Tax, and ShareFile's Client Request List are all good candidates. If you are looking to improve you audit team's PBC automation, consider Validis, CCH Audit Accelerator, ShareFile's Client Request List or Conarc's iChannel PBC feature. For general engagements, projects or client accounting requests, these can be automated with ShareFile's Client Request List, SugarSync, Microsoft OneDrive or XCM. Note that we have not recommended DropBox or Box.net for any of these purposes. Frankly, I'm almost embarrassed to send a request for a file via email today. There are security risks and the files sizes are larger than what should really be sent via email. Using email for confidential documents is frankly unconscionable. Consider stepping up your game from a portal to true PBC automation.

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