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PROFESSIONALS

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The beginning of the year is an ideal time for CPA advisors to evaluate the state of their practice and to make plans to build an even better business in 2019. You can reflect on how efficiently you were able to serve your clients over the past year and plan a strategy to attract more “right fit” clients.

For CPAs who serve clients in the real estate industry, now may also be a time when you find yourself wondering whether it makes sense to continue serving such a heavy-hitting niche. After all: one of the challenges of serving clients in the real estate industry is that they generate a volume of receipts and invoices that dwarfs many other industries. As a result, many tax advisors who serve real estate clients find themselves overwhelmed with paperwork and may hesitate to take on real estate professionals in the future.

While real estate professionals may accumulate more records that can make tax preparation more tedious and time-consuming, new cloud-based accounting software applications have shattered many of the old myths about serving clients in the real estate agency.

Here are three of those myths and the new realities that replace them:

Old Myth: Accountants serving real estate professionals are doomed to spend hours sorting endless paper records.

New Reality: Cloud-based accounting software with document capture can eliminate the need to sort paper records during tax season.

It's true that accountants and bookkeepers serving real estate professionals will face

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before they even leave the gas station—and then automatically share it with you.

Old Myth: Since real estate professionals accumulate their expenses on the road, it's impossible to maximize their deductions without increasing the risk of an audit.

New Reality: Real-time document capture allows real-time categorization of expenses to maximize deductions and decrease risk of audit.

Your clients in other industries may accumulate the majority of their receipts and invoices while sitting at their desks. As vendors send invoices by post or email, business owners in many industries can put them in a file folder on their desk. While not ideal, the pile is still clearly marked as a “business receipts” pile. But since real estate professionals conduct most of their business on the road, many stash their receipts in the glove compartment or seat pocket—or intermingled in a pile with receipts for personal expenses. By the time your clients hand you a box of records at tax time, their memory of which gas receipts were for the family road trip and which were for the open house right before the trip might be fuzzy.

Cloud-based accounting tools that allow your clients to both capture a record of their expenses and immediately categorize them can overcome this challenge. As soon as your client snaps a photo of a gas receipt, you can tag it as a business expense and have it waiting to be tabulated come tax season.

Myth: Serving clients in the real estate industry means serving fewer clients.

Reality: With the right tools, preparing taxes for real estate professionals takes no more time than any other industry.

The sheer volume of paperwork that real estate professionals generate means that preparing taxes can mean spending hours and hours sorting receipts and invoices into piles and sending follow up emails to ask about which expenses were for personal expenses and which were for business. As a result, each real estate return

may take two or three times longer to complete than the returns of industries that

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In other words: cloud-based accounting tools eliminates the time-consuming process of organizing paperwork and mean that preparing taxes for real estate clients requires no more time than any other clients.

Consider Cloud-Based Accounting Tools that Offer a Free Trial

There is an increasingly large array of cloud-based accounting software with diverse feature sets on the market today. If you want to reduce the time you spend preparing taxes for clients in the real estate industry, consider tools that offer free trials so you can test out the process of snapping photographs of documents and categorizing them to prepare for tax season with a select group of clients. After you find one that works for you and for your clients, roll it out to the rest of your clients.

Hardware

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