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regional and international public accounting firms about when they recognized the seriousness of the crisis, how the pandemic has affected their client and ...

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Amid the audit and tax season, CPAs and tax professionals, and their firms, have had to adjust to the global impact of COVID-19. Researchers at the University of Nevada, Reno's College of Business recently examined how public accountants, their

employees and their clients are navigating the pandemic, and its economic and

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across a variety of industries. The article was authored by Matthew Hayes and Nicholas C. Hunt, assistant professors of accounting, Sonja E. Pippin, professor of accounting, and Jefferey A. Wong, professor and chair of the accounting department at the University's College of Business.

Timing is everything

The responses gathered by the team indicate that, for most CPAs, the gravity of the situation was made evident when the return filing and payment deadline of April 15 was postponed.

“This was the ‘aha moment,’” Pippin said.

This delay, along with the shutdown of schools and nonessential businesses, further revealed the extent of the COVID-19 crisis. For many companies, a recommendation to work from home was shortly followed by a mandate to stay home. These mandates resulted in CPAs and their firms, along with numerous other businesses, having to quickly adapt and adjust their operations to continue to serve clients.

Respondents unanimously revealed that their interactions with clients changed significantly due to social distancing measures. Many offices had to create pickup/drop-off stations or car-side services to cater to clients who are unfamiliar or unable to access electronic documents. Other firms have had to rely more so on mail, courier services, emails, telephone calls and virtual meetings through services like Skype or Zoom to communicate with clients.

“During this time of economic uncertainty, clients look to their financial advisors for guidance,” Wong said. “Some clients need help navigating the recently passed Coronavirus Aid, Relief and Economic Security Act, known as CARES. In contrast, others want to continue to work on their taxes to maintain some sense of normalcy. While many respondents in the study mentioned that the ability to work with clients

in this rapidly changing environment might be challenging; many also mentioned

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firms have had to implement measures such as the 6-foot-apart rule to ensure the safety of those in the office.

Multiple respondents in the study also emphasized the importance of continued communication with employees. They mentioned that it is essential to make sure that both staff and clients understand what is going to happen and what options they have moving forward. Many respondents also stressed that being available and answering questions promptly helped to alleviate employee stress. There were also accounts of virtual pizza parties and daily coffee meetings that allowed firms to stay in constant contact, as well as provide a social outlet for employees.

Insight

Respondents wanted to emphasize that communication between staff and with clientele is essential at this time to maintain and strengthen relationships. Staff need to understand the new workflow and clients need to know their available options.

For some firms, the transition has been relatively easy due to their clientele or how their firm was set up. However, some employees have not kept up with technological advances in the industry so some staff have had to assist older employees for this transition remotely.

At least one professional reported that client fees have been adjusted due to the economic conditions. Many clients are likely to undergo financial distress and firms want to communicate how they can serve their clients in new ways, including assistance with accounting for asset or business impairments.

Overall, the respondents highlighted that during these times of uncertainty, maintaining a positive firm culture and treating employees well can strengthen firm loyalty.

To read the complete study, visit taxnotes.com. Free trials of the journal are available.

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