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ADVISORY

Top Tools for Tax & Accounting Professionals to Automate Tasks

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Mike D'Avolio • Nov. 05, 2020



In recent years, more and more tax and accounting professionals are embracing computer technology to become more efficient in their practices and to keep pace with their clients' needs. As a result of the outbreak of the global pandemic last winter and the physical distancing guidelines that followed, tax and accounting professionals are turning to technology to get their work done without having to meet with their clients in person.

As the tax and accounting profession shifts more towards advisory services, leading firms are leveraging technology to automate low value work like data entry, categorization, file exchange and cleanup. The following article discusses some of the top tools that help firms automate tasks.

Cloud-based Income Tax Software

Browser-based income tax software (such as [Intuit's ProConnect Tax](#)) has many advantages over traditional, desktop software and helps the tax professional's office run more efficiently with compliance type tasks. This leaves more time to provide advisory services and better work / life balance. Depending on the software here are the potential benefits:

- A true online offering can run on a Mac or PC and the user doesn't have to worry about installing and updating the software periodically, like you would with desktop software.
- There is no maintenance, IT, and computer servers required — which will save the user time, money, and stress in the long run.
- Client data is automatically backed up in the cloud.
- The online software is more suitable for remote employees and multi-site firms.

Cloud-based Accounting Software

Browser-based accounting software (such as [Intuit's QuickBooks Online & QuickBooks Online Accountant](#)) has similar advantages as online income tax software and more. Cloud accounting software does the heavy lifting so you can spend your time on other important business tasks. Depending on the software here are the potential benefits:

- The small business owner and accountant have the flexibility to sign in from anywhere with an internet connection and no hosting service is required.
- You can access the account from any device—including laptops, smartphones, and tablets.

- Multiple users can be logged in at the same time, working in the same books and making real-time updates.
- The business owner can allow the accountant to access the books to answer questions, fix problems and get the books ready for tax time. This eliminates the need to transfer sensitive data back and forth.
- Data is routinely backed up to servers in multiple locations. No physical hard drives or computers containing sensitive data that can be stolen are necessary. Since financial information isn't kept on the premises, the risks of fires and natural disasters are also mitigated.
- You can automatically sync your bank accounts so you don't have to manually import transactions or verify expenses.

Client Portals & Document Management

Sharing documents and collaborating with clients through a client portal can have lasting benefits and advantages. This is especially true when the global pandemic forced the accountant and client to meet in person less often, or not at all. An integrated client portal (such as [Intuit's Link](#)) makes it easy for your clients to deliver their tax data to you in a timely and organized way. Depending on the solution, you can do the following tasks through a client portal:

- Collect and organize your clients' information (such as W-2s and 1099s) through a secure online portal. This avoids the risk of sending your clients' confidential information by mail, email or unsecured file-sharing and protects the documents with encryption.
- Request, share documents, and easily apply them to the tax return. This reduces manual input errors by importing the data directly from your clients' documents and financial institutions.
- The tax professional can stay in touch with their clients through the portal by delivering reminders about estimated taxes, updates on tax law changes, information about firm events and other announcements.
- A document management solution allows you to upload documents, store them, view them as you do the return and download them if needed.

Practice Management

A practice management solution (such as [Intuit Practice Management powered by Karbon](#)) allows tax firms to gain more visibility and control over everything they're working on, while reducing time spent on recurring tasks so they can be more

hands-on with every client. Here are some key attributes of practice management software:

- Automate and standardize your firm's operations so nothing falls through the cracks.
- Get complete visibility into all of your work at a glance or drill into the details, which allows for enhanced efficiency across your workflow.
- Share data across hundreds of integrated software and go to one place to look at all your applications.
- An efficient way to conduct and track time and billing responsibilities.

Electronic Signatures

The IRS allows e-signatures for Form 8879, IRS e-file Signature Authorization, for individual tax returns. To help reduce in-person contact and reduce the risk to taxpayers and tax professionals during the pandemic, the IRS temporarily expanded the list of forms they'll accept with a digital signature ([IR-2020-194](#)). Check with your state to see if they allow for parallel functionality. An e-signature solution reduces cycle time, improves the tracking of authorizations and allows for clients to sign via a mobile device.

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