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**Randy Johnston** • Jun. 09, 2021



### **A Top Technology Initiative Article Randy Johnston – June 2021 Issue**

Finally, three of the most unusual years in the profession are behind us. The Tax Cuts and Jobs Act (TCJA), the COVID-19 pandemic July 15<sup>th</sup>, 2020 deadline, and the PPP2 May 17<sup>th</sup>, 2021 deadline have left many firm partners and team members more stressed and tired than usual. Plus, our efforts for our clients were often reactionary

to both the legislation and relief bills. As we have done in the past, we completed the

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Other parts of this month's issue deal with personal financial planning. This topic has been an interesting area for me for over 20 years, particularly after the regulations permitted practitioners to enter the business of wealth management. While I've helped many firms grow practices in this area, several with over \$1B in assets under management, quite a few firms have helped clients protect their personal assets in well-run, properly focused fiduciary wealth management.

The technology tools available to assist in this area led me to prepare my first estate plan. When I ran my first personal financial planning models and estate plans in the Kettley Publishing and Back Room Technician, now [Advisys](#) solutions with over 40,000 users, I was hooked. Further, using the earliest version of the [eMoney Advisor](#) with my wife helped us understand our personal money risk tolerances. The [Rutgers Investment Risk Tolerance Quiz](#), the [Profiles](#) module, a part of the Naviplan InvestCloud from Advicent, or one of the risk profiling software options [here](#) still makes sense to me when used to help people plan based on their risk tolerance and not as a sales tool. You can find many more options by searching on "money risk tolerance software."

However, with all the efforts to gather assets under management by all sorts of organizations, professional independence, and a whole-of-client approach makes for a trusted advisor. And the best advisors always put the client first in their advisory practice. As the year progresses, you'll see other coverage on the 30+ advisory services you can offer, and we'll point you to more true advisory options instead of the "fake" advisory commonly promoted. We'll also learn more about "whole-of-client."

### **How Do We Choose Tax Advisory Tools?**

First, you must decide on your tax advisory offerings. We suggest that there are many useful tax advisory offerings from tax planning to estate planning to tax resolution to cryptocurrency and more. While this column intends not to guide you on building

an advisory practice but rather just a few advisory offerings, make sure you take the

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Notice handling can be time-consuming for your practice, and many of you are handling notices for clients without charging for the service. When Jim Buttonnow and others formed New River Innovation and created the Beyond 415 product, we were pleased with the amount of expertise they brought into a product to handle notices. We were happy for them and sad for you when this product was sold to H&R Block. Some of you offer a tax guarantee service to handle any notices or appearances before the IRS and charge for this service with every return. The retail tax services of Liberty, H&R Block, and Jackson Hewitt readily talk about their guarantees, but you are handling far more complex tax matters at most CPA professional firms than the simple returns processed by most retail tax providers. Providing a fixed fee advisory service for handling aggressive tax clients provides some protection for the firm as well as for the client. However, with so much money to be made and saved by the client, contingency fees are not uncommon in tax resolution. Tax resolution may not qualify as an advisory service with this strategy.

That said, tools for handling tax notices include [Canopy Tax Resolution](#), which has sophisticated notice handling, IRS Transcript retrieval, collections, and other post-filing cases. It would be best if you looked for features that support your tax resolution practice, including step-by-step resolution instructions, access to transcripts, letter templates for responding to the IRS, form auto-population, and IRS call guides. With the average hold time for the past year with the IRS at 18 minutes, you need to be ready when you finally get to an agent PLUS, the agents are just as worn down and stressed out as your team has been with extended tax seasons. Canopy's competitors of [IRSlogics](#), [IRS Solutions](#), [PitBullTax](#), [OIC Tax Planner Tax Resolution Software](#), and [Tax Help Software](#) have similar capabilities with different approaches used in each product. You can see a feature comparison in the [sales-biased comparison chart](#) from PitBullTax.

## Tax Planning as Advisory Service

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QuickBooks Online or Xero. Christopher has positioned this tool as an advisory offering with [Accountant Portal](#) and Registered Tax Planner<sup>TM</sup> (RTP) designation.

The most impressive new product we have seen in any category in some time, [Corvee](#) provides simple, sophisticated tax planning. If you only learn one thing from this column, you should look at Corvee. Firms that add Tax Planning Advisory services experience an 88.82

Form **1040** Department of the Treasury—Internal Revenue Service (99) **2020** U.S. Individual Income Tax Return OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

**Filing Status** ☐ Single ☐ Married filing jointly ☐ Married filing separately (MFS) ☐ Head of household (HOH) ☐ Qualifying widow(er) (QW)

Check only one box. If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QW box, enter the child's name if the qualifying child.

Your first name: \_\_\_\_\_  
If joint filer, last name: \_\_\_\_\_  
Home address: \_\_\_\_\_  
City, town, or post office: \_\_\_\_\_  
Foreign country name: \_\_\_\_\_ Foreign province/state/county: \_\_\_\_\_ Foreign postal code: \_\_\_\_\_

to go to this fund. Checking a box below will not change your tax or refund.  
☐ You ☐ Spouse

**At any time during 2020, did you receive, sell, send, exchange, or otherwise acquire any financial interest in any virtual currency?** ☐ Yes ☐ No

**Standard Deduction** **Someone can claim:** ☐ You as a dependent ☐ Your spouse as a dependent  
☐ Spouse itemizes on a separate return or you were a dual-status alien

**Age/Blindness** **You:** ☐ Were born before January 2, 1956 ☐ Are blind **Spouse:** ☐ Was born before January 2, 1956 ☐ Is blind

(Click for larger image.)

Practitioners are reporting many of their high-value clients are investing in cryptocurrencies. Perhaps you've put off dealing with the crypto for your client's return because your client can't find documentation associated with the trades, and you decided to file an extension. You know that the information exists, and the IRS is aggressively targeting cryptocurrencies. In short, you and your client need help now to avoid unpleasant surprises later. Consider using the [Crypto Compliance Checklist](#), available free from Ledgeble and developed with professionals from my K2 team.



It would be best if you had tax tools that can gather transaction data from most

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every month, you only learn a second thing from this column, a principle. Ledge is mandatory to handle cryptocurrency tax clients. We expect cryptocurrency to be an ongoing advisory need of clients. Recent reports suggest as many 10% of all Americans invested some of their relief funds in cryptocurrency during the past two years.

### So, What Can We Do Today?

While we could have produced another whole article on Estate Planning tools and the complexities of Trust accounting, I wanted to get you thinking about the “whole-of-client” approach to advisory services. All advisory services should start with what the client wants, and you need to address the personal needs at the same time as the business needs. It doesn't matter whether someone is self-employed or works for a Fortune 500 company; all individuals have personal needs and are trading their lives for income.

In a recent book by Peter Vessenes, he noted that “**Capitalism is an exchange of goods or services wherein all parties in the trade believe that the value received is equal to or greater than the value offered.**” He goes on to say, “At the time of being hired, you are bartering your work efforts in exchange for a compensation package and other ‘intangibles.’ People usually regard what the company offers to them in exchange for service in the tangibles, that is, wages, bonuses, health care, stock options, and other perks. Some include career growth opportunities, continuing education, and retirement programs. Though all of these are important parts of the trade, studies of employees have shown that these tangibles never appear at the top of surveys that question job satisfaction (value received in trade by the employee). Appearing ahead of the tangibles are comments such as ‘being appreciated,’ ‘a sense of belonging,’ ‘acknowledged for my contributions,’ ‘the great corporate culture, a sense of security.’” While I don't know the original origin of the acronym, I'm

reminded of an old Zig Ziglar saying that people listen to WIIFM – What’s In It For

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