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Mary Girsch-Bock • Apr. 27, 2022

The CPA Firm Management Association (CPAFMA) conducted its fourth information technology survey, with results made available to the public in early 2022. 162 CPAFMA member firms participated in the survey, which was used to determine what technology resources firms are currently using in 2022.

The results showed that 63% of firms that responded indicated that they were using an external cloud provider to host their applications, up from 51% in 2020. These survey results indicate that firms have continued to move away from using internal servers and choosing to utilize the cloud, with only 19% of respondents now using an internal network.

The survey also addressed downtime, an important issue when using cloud technology. The survey asked specifically if a firm had experienced downtime, and if so, what were the main causes of that downtime. Internet outages topped the list of downtime reasons, with others reporting connectivity issues with the cloud host. Other reasons mentioned in the survey include hardware failure. Security issues were also a problem, with two firms experiencing downtime due to a ransomware attack,

while two other firms experienced downtime due to computer viruses or malware.

Tax applications

For individual/1040 production, CCH was the dominant 1040 application, with 76 firms using the application. This was followed by Thomson's UltraTax, with others using Lacerte or GoTax RS. CCH led the way for business returns as well, with 71 respondents choosing CCH as their business tax preparation application.

Tax scanning applications are also popular with firms, with 69% using a tax scanning to OCR application in their firm. The most popular application was CCH Autoflow, utilized by 51 firms, followed by SurePrep with 20 firm users. Both Thomson ScanFlow and Gruntworx were mentioned as well.

Tax portals are also commonly used by accounting firms, with many firms choosing to use a stand-alone portal rather than one included in a practice management application. CCH led the way with 25 users, with Thomson's NetClient CS and Citrix ShareFile each claiming 23 users.

W2/1099 Preparation was split fairly evenly between 1099Etc with 29 users, and Greatland Yearli coming in with 20 users. Others mentioned include CFS Tax Tools, Thomson ACS, W2 Mate, Track 1099, and 1099 Pro.

Practice Management

48% of survey respondents indicated that they use CCH Practice Management, with 24% of respondents using Thomson Reuters Practice Management. Nearly 68% of respondents indicated that they currently use hosted solutions rather than on-premise solutions in their practice.

Payroll

Payroll applications were more evenly split between several providers, with 32% of respondents using ADP, while 22% used Paychex. Other payroll providers mentioned

in the survey include Intuit (10%), Thomson Reuters Accounting CS (10%), and

their firm. For those that do use an HR application, ADPs HRIS leads the way with 16 firm users, followed by Bamboo, with 13 users. This is an area wide open for adoption by accounting firms.

Client applications

QuickBooks continues to be the dominant accounting software used in most firms, though one surprising finding was that more firms (76) used QuickBooks Online than QuickBooks Desktop, which had 71 users. Thomson Reuters ACS was used by 19 firms, with Sage Accounting (formerly Peachtree) with 18 users. QuickBooks Payroll was also the most frequently used client payroll application, with 55 firms using the application, with 30 firms using ADP for client payroll.

One other quick note of interest. When asked when firm respondents believed that firms would run entirely online without on-premise servers, 33% of respondents estimated it would happen in the next three to five years, while 32% thought it would be less than three years.

While the CPAFMA survey only covers a small portion of the CPA community, their responses to this in-depth survey can provide a look into the choices that larger firms are making.

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