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# CPA

EDITION

# Practice Advisor

Today's Technology for Tomorrow's Firm

**7** Staff Management  
Tips for Tax Season

**CES 2015:**

It's All About  
the Gadgets!

Payroll for Accounting Firms —  
*Some Easy Choices*

The **3 Most Misunderstood**  
Tax Deductions

How to Sell CFO Services

**PRODUCT REVIEWS:**

- Fixed Asset Management
- Virtual CFO Systems

# 5

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## FROM THE EDITOR

By Gail Perry, CPA, Editor-in-Chief

# The 30,000 Foot View of the Accounting Profession: IT'S TIME FOR A LANDING

**A**s we dive into 2015, what are the biggest challenges facing the accounting profession and how do we predict how the profession will change in the next five years?

Take a look at what a group of accountants had to say.

### Challenges facing the profession:

- Technology is replacing or changing the role of entry-level people
- Profession has to get over the fear of technology
- Dichotomy between firms that embrace technology and those that don't
- Attracting talented graduates
- Adding advisory services to the accounting practice
- Clients with accumulated wealth represent planning opportunities

### Expectations for the next five years:

- Companies are seeking an internet presence and can use help with that
- Consolidations between small and mid-sized accounting firms
- Smaller firms moving toward more niche, boutique practices
- Many client and staff relationships are virtual
- More reliance on technology
- Better, faster data
- Snapshots of key daily data in addition to weekly and monthly
- Lessening of face-to-face personal contact
- Providing assurance for virtual transactions

How does this list compare to your own list of challenges and expectations? I hear these issues discussed regularly, and many accountants are concerned about these challenges and uncertain on how to proceed as these expectations are laid out for them.

I contend that it's time to change this list of challenges and expectations, that this list represents a 30,000 foot view of

the accounting profession. Why, you ask? Isn't this a reasonable assessment of where the profession is?

Here's why it's time to bring these issues down to street level. The lists you see above were compiled by a group of accountants in the year 2000. Key visionaries of their era, some of whom are no longer with us, these people shared their insights, concerns, ideas, and hopes for the future with the staff of the New York State CPA Society's CPA Journal in August 2000. What is startling to me is how little things have changed in 15 years. Many of today's challenges are the same, and many of the predicted expectations for the future are still in the testing stage.

Sure, we've progressed, and the way we look at those challenges and predictions is colored by 15 years of advancement and new technologies. After all, 15 years ago, we were opening the door of a new millennium. We had just survived Y2K – the technological danger that doomsayers warned would wreak havoc with the world economy. The closing of a decade typically sparks future talk; the closing of a century is even more sobering. But the closing of a millennium? THIS was monumental. Surely big changes were in store for us. This was no normal New Year's Eve celebration – the clocks struck midnight 24 times as we watched fireworks whizz-banging around the world, one city after another, welcoming the new era, each celebratory display more phenomenal, more breathtaking, more LARGER-THEN-LIFE. What would the new era bring to accountants? Enron! Arthur Andersen! Monday! XYZ! Cognitor! Well, those

were a few of the many surprises, none of which are still with us.

The point, however, is that, overall, the lists from 2000 are still solid and viable for today's accounting professionals. Isn't it time we start solving these problems and look toward a new future so that 15 years from now, the lists show that we've grown and overcome our obstacles? To that end, the thought leaders of today's accounting profession will be gathering in Dallas this month with a collective goal of finding ways to check some of the items off of these dusty lists and make some new predictions for the future. Stay tuned. ●

— Gail Perry, Editor-in-Chief

Follow me on Twitter at @gaperry



Gail is the Editor-in-Chief of CPA Practice Advisor and a CPA. She is the author of over 30 books (including "Mint.com for Dummies" and "QuickBooks 2014 on Demand") and she maintains a small tax practice. She earned a bachelor's degree in journalism from Indiana University and studied accounting at Illinois State University before starting her professional career at Deloitte. Gail is the former publisher and editor-in-chief at AccountingWEB and is a former columnist for the Indianapolis Star newspaper.

# CPA Practice Advisor

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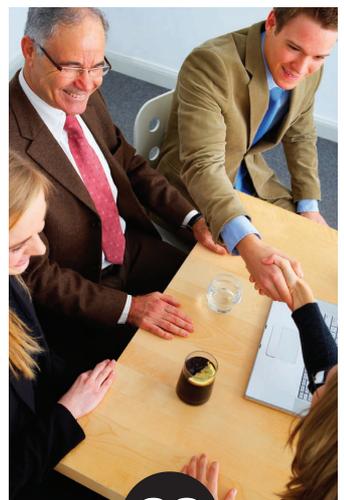
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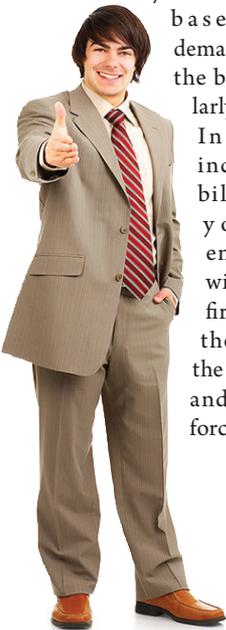
# Staff Management Tips for the 2015 Busy Season

By Paul McDonald

**Tax season is tough on everyone, but managers need to make a special effort to watch out for the well-being of their teams. It's critical to prevent burnout and disengagement from jeopardizing morale and productivity.**

Here are seven tips for managing employees — and keeping motivation up — during this busy time.

**1** **Ensure bench strength.** Make sure you have the right talent on board before the storm hits. Creating a dynamic mix of full-time employees and highly skilled interim professionals enables you to staff up or down based on workload demands all year long, and the benefits are particularly evident at tax time. In the process, you increase the job stability and morale of your full-time employees. Working with a financial staffing firm can take much of the stress away from the process of recruiting and hiring these reinforcements.



**2**

**Monitor workloads.**

Keep a close watch on how well your staffing strategy is working. If it appears employees are still struggling with sizeable challenges, it can significantly tax their endurance (pun intended). By continually monitoring workloads, you'll be able to spot drops in efficiency or a higher-than-average rate of error and take prompt action.

**3** **Identify roadblocks.** Think back to your previous tax season. Did your team spend excessive time on verifying the accuracy of late submissions from clients? Was there trouble at deadline time because a few returns that required follow-up had been forgotten? Did employee illnesses come at just the wrong time?

The list goes on. But the point is that avoiding past mistakes can be a motivator for your team, who won't need to wonder, "Didn't we just go through this issue last year?"

**4** **Delegate effectively.** Adding staff is not the only way to succeed in motivating employees during tax season.

As a manager, part of your responsibility is to delegate tasks in a way that best addresses the needs of your busy periods. Assess the abilities and experience of your staff members to determine the best candidates for tasks you feel are appropriate for delegating. Then make sure the people you've identified are able — and willing — to absorb new work.

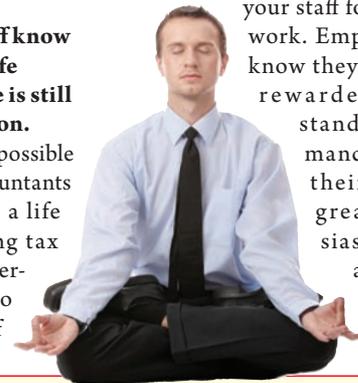


A word of warning: Tax season when the workload is especially heavy may not be the best time to test an employee's skills in a new area.

**5** **Promote teamwork and collaboration.** Employees' stress level will be reduced if they have a feeling that "we're all in this together." To promote this kind of team cohesion, establish periodic goals, such as celebrating completing the first 500 tax returns or reaching the halfway point in the work cycle.

Getting the team's buy-in is especially crucial when everyone is under intense pressure, so make sure all employees understand what the group goals are. Encourage information sharing and be willing to step in and help out if the team is short-handed.

**6** **Let staff know work-life balance is still an option.** Yes, it's possible for accountants to have a life outside the office during tax season. Be sure they understand that the goal is not to work to the point of



burnout, which increases errors and jeopardizes customer satisfaction.

Encourage your team to take lunch outside the office and not to burn the midnight oil every evening or sacrifice entire weekends to work. To stem a high turnover rate among its young recruits and underscore the importance of balance, one CPA firm initiated mandatory office closings at 5:30 p.m. on Wednesdays and Fridays during tax season.

**7** **Praise and reward.** Publicly praise the team in company newsletters, through emails and at meetings.

And don't wait to reward your staff for their hard work. Employees who know they stand to be rewarded for outstanding performance approach their jobs with greater enthusiasm and creativity. ●



*Paul McDonald is senior executive director with Robert Half, the world's first and largest specialized staffing firm. Over the course of his 30-year career with the company, he has spoken extensively on employment and management issues based on his work with thousands of companies and job seekers.*



## REVIEW SECTIONS

## BASIC SYSTEM FUNCTION

- Installation Ease
- General Navigation & Ease of Use
- Industry-Specific Templates
- Industry-Specific Features
- Platform Support

## CORE ACCOUNTING CAPABILITIES

- GL/AP/AR Functionality
- Sales Tax Functionality
- Payroll Functionality
- Audit Trail
- Multi-Currency
- Multiple Language Support
- Multi-Location Support
- Multiple Users

## DAY-TO-DAY OPERATIONS

- Sales/Point of Sale/Shipping
- Customer/Vendor Employee Management
- Inventory/Purchasing
- e-Features
- Remote Access

## MANAGEMENT FEATURES

- Dashboard Overviews
- Reporting
- Security Features
- Integration/Import/Export
- Data Transfer
- External Integration
- Online Accountant Transfer Tool

## HELP/SUPPORT

- Built-in Support Features
- System Updates
- Support Website/Documentation
- U.S.-Based Support

**LEARN MORE  
ABOUT HOW  
TO SELL CFO  
SERVICES ON  
PAGE 31.**

# Client-Firm Collaboration is the Key to the New Age of Write-Up

By Isaac M. O'Bannon, Managing Editor

Is write-up dead? No, but with the continuing move by small businesses to online accounting software, the way in which accountants provide this service is definitely changing.

The various processes included in write-up engagements, such as bank reconciliations, journal management, correcting transactions, payroll compliance and financial statement generation, are all still necessary. In fact, these functions will be vital as long as businesses process their own transactions and staff touches the software in any way. Errors happen and so does employee theft, therefore finding and fixing human mistakes is a necessity, just as much as producing accurate financial reporting based on the correct data.

Cloud-based client accounting systems alleviate and simplify many of these functions, particularly those that include integrated accountant management functionality that lets the firm get in and work with live client data in a real-time service mode.

The processes are changing dramatically. This allows the business and



accounting firm to work collaboratively in running the business in a more proactive and productive manner. We consider this style of accounting software as “Virtual CFO” systems, using cloud-based accounting programs that both the client and accounting firm work in, albeit in different areas of the program, and with different access rights.

With these collaborative Virtual CFO systems, accounting firms can provide more responsive and meaningful real-time management informa-

tion to clients, instead of late information from a system that uses data from the last closed period, which was likely several weeks prior. Old-school write-up may suffice for basic reporting requirement needs, but simply cannot provide real-time actionable data, or the collaborative benefits of providing Virtual CFO services.

CPA Practice Advisor reviewed four cloud-based accounting systems that include options for small businesses to use as well as multi-client management functionality for accounting firms to oversee and manage their clients' books. Follow the links below to see how they compared.

- [ACCOUNTANTSWORLD - ACCOUNTING POWER](#)
- [THOMSON REUTERS - ACCOUNTING CS](#)
- [INTUIT QUICKBOOKS ONLINE & QBO FOR ACCOUNTANTS](#)
- [XERO & XERO PARTNER PLATFORM](#)

THIS REVIEW SECTION FOCUSED ON ACCOUNTING SOLUTIONS THAT MEET BOTH SIDES OF THE CLIENT-FIRM SCENARIO, WITH EACH ACCESSING THE SAME DATA IN REAL-TIME, AND THE ACCOUNTING FIRM HAVING THE ABILITY TO MANAGE MULTIPLE CLIENTS THROUGH A SINGULAR MANAGEMENT INTERFACE TO PROVIDE WRITE-UP STYLE SERVICES WITHOUT THE NEED FOR DATA TRANSFER OR CONVERSION.

# VIRTUAL CFO PLATFORMS

The greatest benefit in all of these applications is that they can offer firms insight and useful information at any time, not just when the financial statements for a period are completed. This helps reduce the compounding negative effects of errors on account balances (bounced checks, etc), while the collaborative nature of the programs means that the accountant is looking into a business' books more frequently. This benefits the client through better real-time knowledge of the accuracy of their books.

Each of the programs varies in its capabilities and features, but some offer direct integration with financial institutions so that dashboards can display real-time bank and credit card balances, as well as automatically downloading the transaction information and performing comparably pain-free reconciliations. Additionally, user-level access settings allow the firm and client to limit program features, menu options, and reports to specific authorized users.

Integration with outside programs can also play a big role in the utility of Virtual CFO systems for accounting firms. This allows firms to plug in their preferred systems for practice management, document management or other functions, with data flowing or at least being

importable into the primary accounting program.

It is also common for some firms to use more than one accounting system, depending upon the systems in use by their clients. This is most likely to occur when a firm is transitioning to a new cloud-based system, where they may have clients using various bookkeeping software, such as QuickBooks, Sage 50, Xero or another system. Ultimately, however, a firm's efficiency and productivity will benefit by shepherding these clients toward the client version of the Virtual CFO system they've adopted for the firm.

## Additional Solutions for Accounting & Write-Up

There are, of course, many cloud and installed accounting systems available for small businesses, with some offering tools and functionality for specific industries or that meet the needs of specific types of businesses, such as franchises. However, this review section focused on accounting solutions that meet both sides of the client-firm scenario, with each accessing the same data in real-time, and the accounting firm having the ability to manage multiple

clients through a singular management interface to provide write-up style services without the need for data transfer or conversion.

Other client accounting systems that were not reviewed as Virtual CFO systems include:

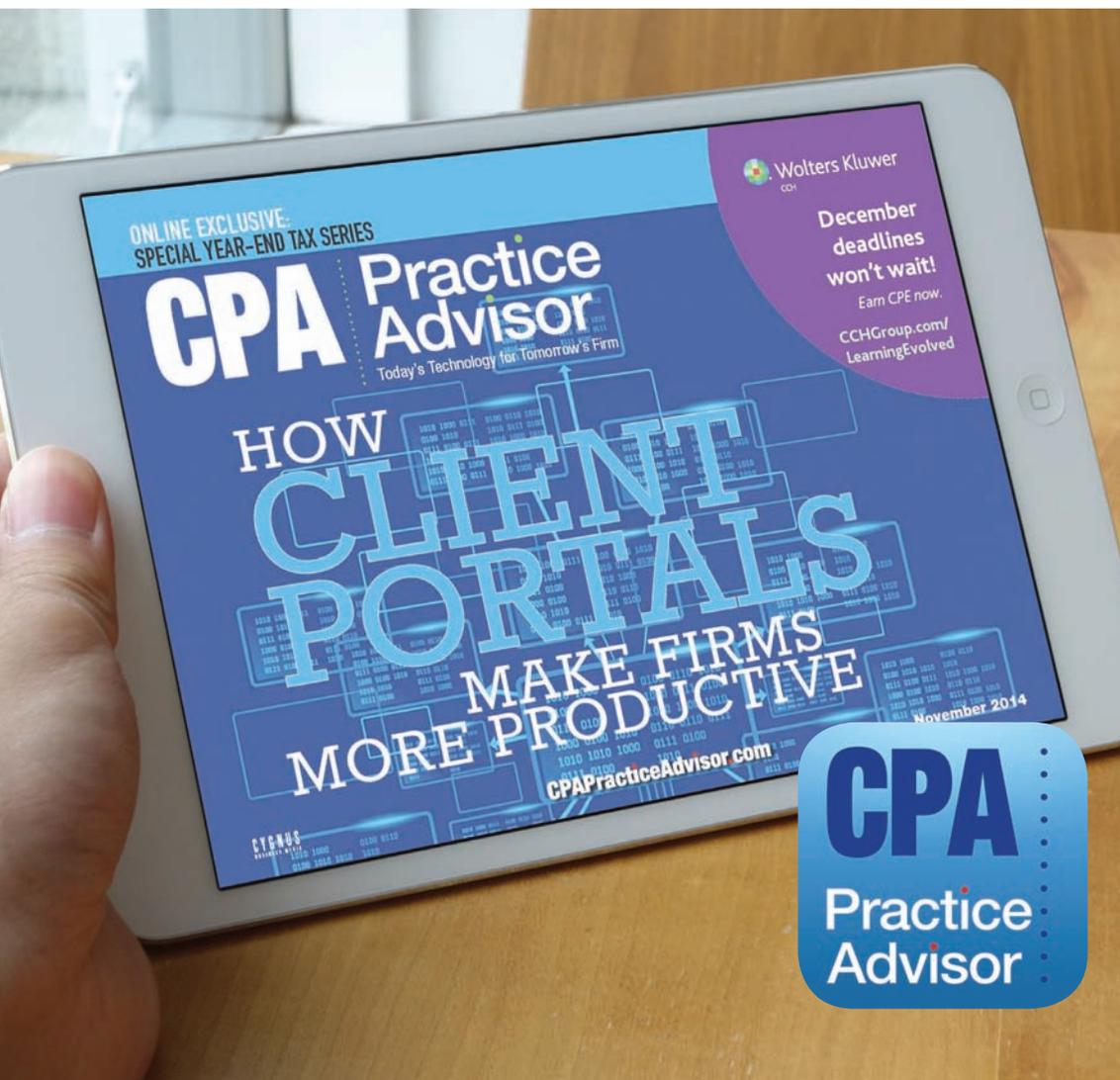
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Managing Editor

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## Thomson Reuters Accounting CS

Read the full review and see expanded ratings for this product online at: [www.CPAPracticeAdvisor.com/12039168](http://www.CPAPracticeAdvisor.com/12039168)

### BEST FIT

Accounting CS is best-suited to accounting firms managing multiple engagement types for clients, particularly those who wish to move their clients into the fully-integrated, web-based client side of the system.

### STRENGTHS

- Well-respected brand and broad suite of integrateable systems that is used by thousands of accounting professionals in the U.S.
- Offers powerful tools and features for traditional write-up functions as well as collaborative accounting with clients.
- Intuitive user interface for clients and firm staff, designed for fast, heads-down data entry and high-volume processing.
- Accountant-centric system allows detailed control over user access rights by staff members and clients.
- The company does not market directly to small businesses. The small business accounting compo-

nent is offered to clients by the accounting firm.

### POTENTIAL LIMITATIONS

- Direct integration with financial institutions and third party programs would benefit users.
- Accounting CS does not support multiple currencies.
- Payroll functionality requires the separate Accounting CS Payroll system, but the data does integrate into Accounting CS. Data can also be imported from ADP, Paychex and other payroll systems.

### SUMMARY & PRICING

Specific pricing for Thomson Reuters' Accounting CS depends upon the number of accounting firm users and clients, as well as additional add-on functionality that firms and clients desire. Firms should get a customized pricing quote.

[cs.ThomsonReuters.com](http://cs.ThomsonReuters.com)

## Xero and Xero Partner Program

Read the full review and see expanded ratings for this product online at: [www.CPAPracticeAdvisor.com/12039250](http://www.CPAPracticeAdvisor.com/12039250)

### BEST FIT

Xero's small business cloud accounting system can be used by virtually any small business, but is best-suited to firms that provide professional services. For accounting firms, the system allows excellent integration features.

### STRENGTHS

- There is a broad array of third-party add-ins created by companies who have partnered with Xero to provide specialty and niche functionality for specific industries or reporting needs. This includes invoicing applications that act as sales and A/R subledgers designed to be operated by entrepreneurs instead of accountants.
- New integrated payroll system automates processing, reporting and payment to state and federal entities.
- The web-based program simplifies reconciliation because it automatically imports transactions from the small business' financial institution and can automatically classify transactions or match them to existing transactions based on amount or vendor.
- Xero supports more than 160 currencies for the purposes of sending sales invoices, quotes and purchase orders, as well as for AP functions. Exchange rates are automatically fed into Xero via a feed from XE.com.
- The reconciliation interface enables batch class options and minimizes the required data entry, allowing focused, quick entry of large numbers of transactions.
- If two entities using Xero transact business with each other, the system's "Xero to Xero" function can take

invoices from the billing Xero company and imports them in as bills to be paid in the receiving company's Xero account.

### POTENTIAL LIMITATIONS

- While it has a large ecosystem of third-party add-ins, many of the systems are geared toward use by smaller businesses.
- The system does not include a built-in solution for inventory management or point-of-sale, but does offer add-on solutions through third-parties.
- The primary interface is designed more for small business owners than accounting firms, with forms-driven functionality.
- Xero's Partner Program offers a variety of incentives for accounting firms, with the best discounts and resale margins available to firms with a hundred or more of their business clients using the SMB version.

### SUMMARY & PRICING

The Xero Partner program is free for accounting firms, which allows use of a firm account on Xero, a Practice Organization system, training, and additional tools, as long as the firm maintains at least one small business using Xero and that the firm is managing the invoicing for Xero for that client. Additional free resources, including the Practice Manager, are available to firms as the firms get more of their clients onto Xero. Also, firms receive a recurring margin for the clients they sign up for Xero, with the percentage increasing based on the quantity.

[www.Xero.com](http://www.Xero.com)

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# VIRTUAL CFO PLATFORMS

## Accounting Power by AccountantsWorld

### BEST FIT

Accounting Power is designed for accounting firms who want to regain control over their clients' bookkeeping by allowing the firm to collaboratively manage business processes, from posting transactions to reporting. The system includes collaborative and period-based write-up functions, such as reconciliation, journal management and financials generation, and includes useful management tools like multi-client dashboards, alerts and detailed user security settings, that allow firms to use the system as an outsourced finance department for clients.

### STRENGTHS

- Provides good tools for write-up and collaborative accounting with business clients
- Offers direct integration with the PowerPractice Suite, which has solutions for practice management, payroll processing and reporting, document management, website management and other tools.
- Power Practice has streamlined data entry screens that facilitate high volume processing. It also has tools for importing data from QuickBooks, Sage and most report formats.
- AccountantsWorld does not compete with firms for sales. The client-side

accounting solution is only available through the accounting firm's online software, and therefore only the accounting firm is in contact with the small business.

- The system includes good reporting tools and customization features, including multi-client dashboards, automatic alerts and trial balance capabilities, and is the only system in this review to include built-in job costing capabilities.

### POTENTIAL LIMITATIONS

- The system does not have direct integration with financial institutions for transaction downloads and auto-

mated reconciliations, however, this data can be imported.

- Accounting Power does not support multiple currencies.
- The system has limited inventory capabilities and few add-ons are available for CRM, manufacturing or other niche needs.

### SUMMARY & PRICING

A first-year special that includes the Accounting Power Pro system and the Collaborative Bookkeeping Module (for unlimited clients) costs \$160 per month or \$1,595 for the first year.

[www.AccountantsWorld.com](http://www.AccountantsWorld.com)

Read the full review and see expanded ratings for this product online at: [www.CPAPracticeAdvisor.com/12039358](http://www.CPAPracticeAdvisor.com/12039358)

## Intuit QuickBooks Online Accountant

### BEST FIT

Accounting firms with multiple clients that use QuickBooks Online, or who they want to move to the online small business bookkeeping system, allowing the firm to provide real-time accounting and consulting services to clients.

### STRENGTHS

- Intuit has the largest community of add-on applications available through its apps.intuit.com website, providing extensive specialization options for virtually any business type.
- The program has direct integration to download live business data from clients' financial institutions, easing reconciliation and transaction verification processes. Additionally, it has direct integration with client versions of QuickBooks Online, as well as the ability to import from desktop versions of QuickBooks and traditional spreadsheets.

Other options, but fixed asset and financial statements remain in U.S. dollar mode.

- Strong dashboard views and multi-client capabilities, including a benchmarking tool that compares financial metrics.
- New management reporting and customization options for sharing reports with firm branding, as well as an online document sharing center that acts as a portal to allow clients to send the firm requested documents.
- Multi-currency options allow setting defaults for customers, vendors and

other options, but fixed asset and financial statements remain in U.S. dollar mode.

### POTENTIAL LIMITATIONS

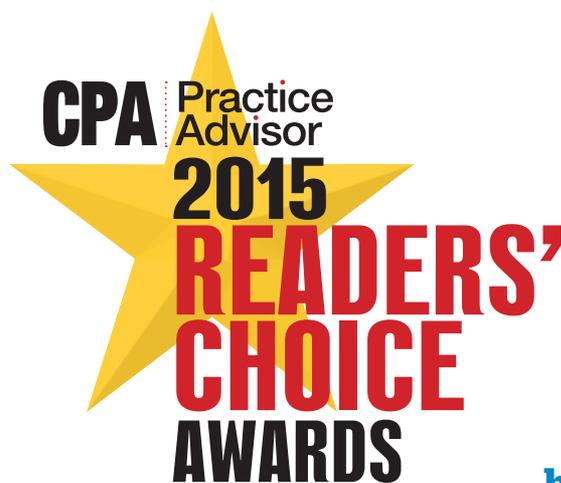
- Some advanced features can be challenging for infrequent users, including job costing and inventory management. Other features are only available in the more advanced Essentials and Plus versions, such as benchmarking, purchase orders and inventory.

### SUMMARY & PRICING

QuickBooks Online Accountant is free for ProAdvisor members, and is also available at no cost while an accountant

has at least one user of the QuickBooks Online business system on his client roster. The small business, traditional version of QuickBooks Online is available in three versions based on the features the business needs and the number of staff. Simple Start costs \$9.95 per month, Essentials costs \$19.99 per month, and QB Online Plus costs \$29.99 per month. Separately, the QuickBooks ProAdvisor program is free for accounting firms who wish to support only online accounting clients. A paid model is available if supporting clients using the desktop version of QuickBooks.

[Accountants.Intuit.com/QuickBooks](http://Accountants.Intuit.com/QuickBooks)



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The voting period will end March 3, 2015.

<http://cpareaderschoice2015.questionpro.com/>

**H**ow To Do \_\_\_ Better is a new series. Each month, experts in the designated field will share their insights and tips. We're kicking off this series with some valuable tips on how you can do payroll better.

## How to Prepare for Your First Payroll Engagement

Contributed by Dawn Brolin, CPA, CGMA, [www.powerfulaccounting.com](http://www.powerfulaccounting.com)

- Determine if client has an EIN, state registration number, and unemployment registration (and if not, register for these)
- Determine the entity structure
- Require all employees to fill out a W-4, state W-4 (if applicable), I-9, and direct deposit form (if applicable)
- Request copies of employee contracts – if they don't have these, help client understand they should consider implementing this procedure
- Determine the best payroll option for the client (full service, client self-prepare (using software), or a combination)
- Set the expectations with the implementation and activation plan (plan ahead, do not assume payroll can be run within 48 hours of the initial setup)
- Run payroll!!!!



## How to Decide Between In-House or Outsourcing Payroll Services

Contributed by Stacy Kildal, Advanced Certified QuickBooks ProAdvisor, [www.kildalservices.com](http://www.kildalservices.com)

These are the questions to ask – they actually apply to both accounting services that are considering offering payroll services to clients, and to clients that are considering doing payroll themselves.

- Determine how comfortable you are in dealing with special payroll issues should they arise: garnishments, deductions, misapplied liability payments, and so on. Because most issues are highly time sensitive, will you have the ability to deal with them quickly?
- Will you have easy access to the documents required to handle special payroll situations?
- Do you have the experience to know best practices involved in managing payroll issues properly?
- If you need to take time off – for whatever reason, planned or unplanned – do you want to carry the burden of making sure payroll is processed on time, all liabilities are paid, and returns filed?
- Do you want to be bothered with payroll or would you rather just submit hours and know everything will be taken care of?

"I truly believe communication is critical in a payroll setup. So many sole proprietors and single member LLCs end up paying themselves on payroll and they are not legally allowed to. Payroll is a sensitive topic. Requirements and regulations around S-Corps are strict and require a lot of attention throughout the year. Robotic payroll services don't always serve the best interest of the client. Price is NOT the important thing here."



Dawn Brolin, CPA

## How to Organize Workflow of Payroll Services Provided to Clients

Contributed by Mark McAndrew, Director of Consulting, XCM Solutions [www.xcmsolutions.com](http://www.xcmsolutions.com)

In general, accounting firms should go through the following steps to set up their payroll clients' workflow:

- Identify the payroll clients
- Using a workflow software solution, create a payroll task for each client
- Determine if the payroll task is weekly, monthly, quarterly, semi-annual, etc.
- Assign internal due date requirements based on the tracking needs for each client
- Define a consistent process that each client task will follow (prep, review, etc.)
- Determine the level of detail the firm is looking to control (for example: firm or client specific procedures or possibly no additional details)
- Assign the work to the staff (a workflow system such as XCM can automate the assignment process)
- Ensure staff follow the defined process
- Report on your clients, as necessary

# Payroll for Accounting Firms - Some Easy Choices

**A**ccountants in public practice have traditionally referred payroll to major providers such as ADP, Ceridian and Paychex because of the complexities, risk and deadlines involved in processing. With additional requirements for small business with the Affordable Care Act, there are even more concerns about being able to process medium sized payrolls without penalty.

However, the last 10-15 years has seen a notable shift back to CPA firms and in-house payroll processing for several reasons including: easier to use software, electronic interfaces including ACH deposits, recurring revenue stream along with increased value of the practice or reduced costs to the business,

completeness of costing information along with integration into other systems, and timeliness.

## So What Are The Choices?

First, check your attitude and bias. Twenty years ago almost without exception, accountants summarily

didn't want anything to do with payroll. Perhaps easier to use software was the tipping point towards moving some payroll back in house. It was easy to justify the cost of outsourcing payroll at that time, and for many of you, it still will be.

Should payroll, and the supporting services, become a viable part of your practice? Do you intend to grow beyond payroll? Is payroll and other related services needed to support your practice and clients? The key questions to ask include:

- Can payroll be a core competency?
- How confidential is the information?
- Is there an employee benefit/401K program?
- Are there many unbanked employees in client firms? If so, is there an easy way to handle this such as refillable debit card?
- Is Human Resources processing needed?
- Do I have the internal resources?

• How difficult is the payroll system to use?

If you are in public practice, you may want to ask a few specific questions:

- Do I intend to sell the practice soon? Payroll services increase the value of practices.
- Can I have the work done by staff and administrative people that can be supervised by an accounting professional? Using staff reduces cost and leverages partner resources.
- Would payroll supplement a collaborative accounting practice? Remember that having three or more services helps tie clients to your firm more tightly.
- Are there additional services that the firm can offer such as human resource management, recruitment or 401K programs through your wealth management arm? Getting into payroll only won't be as profitable as having a larger vision for your firm and clients.



Randy Johnston is executive vice president and partner of K2 Enterprises and Network Management Group, Inc. He is a nationally recognized educator, consultant and writer with over 30 years' experience. He can be contacted at [randy.johnston@cpapracticeadvisor.com](mailto:randy.johnston@cpapracticeadvisor.com).



There are a number of providers of payroll tools and services:

**HOSTED**

- Payroll Relief - AccountantsWorld
- ADP Accountant Community
- EasyPayNet - ADP Small Business Services
- Sage HRMS
- PayChex
- Paycom Payroll Services
- Intuit Payroll Services
- Paylocity WebPay
- myPay - Thomson Reuters
- SurePayroll - (now a part of Paychex)

**IN-HOUSE**

- 1099 Etc A-T-F Payroll - AMS Payroll
- Sage HRMS Payroll
- CYMA Payroll & Human Resources

- Payroll CS - Thomson Reuters
- Sage 50 (formerly Peachtree Accounting)
- Payroll for Windows - CheckMark Software
- QuickBooks Enhanced Payroll - Intuit
- CenterPoint Payroll - Red Wing Software
- CyberPay - AdaptaSoft
- Payroll modules from accounting products such as Microsoft Dynamics, Open Systems TRAVERSE, etc.

This short list is only a portion of the viable payroll offerings in the market today. As you perform your analysis, look at the costs per employee per pay period and determine if a flat rate billing to the client is possible. Furthermore, determine

who would benefit from your payroll service among the businesses in your existing client base. You should be able to gain economies of scale once you have at least ten clients using your payroll services.

You will have greater safety when your payroll volumes are high enough that you can have two or more staff running payroll as part of their daily work. Consider additional services that you can offer over time or that your firm has the ability to offer today.

**Better Client Results**

A key strategic goal for many firms is profitability to the partners while providing excellent client service. In smaller firms, the dominant revenue stream has been from tax. A few firms have added collaborative accounting services. Even fewer firms have added payroll services for a variety of reasons. However, if the payroll practice is managed correctly, it can be one of the most profitable portions of the

practice with the added benefit of increasing the value of the practice.

An important aspect of performing payroll for clients is that it gives you an opportunity to stay in touch with clients on a regular basis. It becomes easier to be aware of operational issues sooner, to discover opportunities where you can be of assistance to the client, and to be close to them on something that is near and dear to them: the flow of money out of the business to pay employees.

If your firm can be instrumental in making this easy while maintaining appropriate internal controls, you reduce one of the key risk areas in any business. And you gain the benefit of a closer relationship with your clients while making a recurring, level revenue stream. You help the business owner, their employees and your firm. In the business world, that is called a win-win-win. So, is payroll an easy choice for your firm? ●

AN IMPORTANT ASPECT OF PERFORMING PAYROLL FOR CLIENTS IS THAT IT GIVES YOU AN OPPORTUNITY TO STAY IN TOUCH WITH CLIENTS ON A REGULAR BASIS.

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FLEXIBLE,  
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For more information, please visit [CPAPracticeAdvisor.com/10028044](http://CPAPracticeAdvisor.com/10028044)

# CES 2015

## *It's All About the Gadgets!*

Each January, my colleagues and I conduct our pilgrimage to the International Consumer Electronics Show (CES) which displays the latest electronic technology and trends for the world to see and decide if they are a “hit” or a “miss.”



Roman H. Kepczyk, CPA.CITP, is Director of Consulting for Xcentric, LLC, and works exclusively with accounting firms to implement today's leading best practices and technologies. Roman recently updated his “Quantum of Paperless: A Partner's Guide to Accounting Firm Optimization,” which is available at [Amazon.com](http://Amazon.com) and a Certified Lean Six Sigma Black Belt.

CES 2015 was yet another record breaking year with more than 170,000 participants and 3,600 vendors converging on Las Vegas for the annual geek confab. We spent three days attending product briefings and perusing exhibition space, which this year covered more than 2.2 million square feet (about the size of 38 football fields), with a focus on trends and technologies that could impact the accounting space.

Below we discuss five business trends and a glimpse of emerging products that give us all something to think about and be excited for in the future.

**MICRONIZATION:** 2015 is the 50th Anniversary of Moore's Law which basically states computing power (the number of transistors per square inch on a chip) will double every two years, which continues to be true today with some chips having more than 4 billion transistors onboard. Micronization



means not only fitting more capability into a smaller package, but also less energy utilization which extends battery life where laptops such as the new **Dell XPS 13** (which won the award for the most innovative computer technology at CES), can get close to 15 hours of battery life.

Dell also rolled out its Infinity display on this laptop which minimizes the bezel on three sides of the screen so it runs almost to the edge, again making the most of the available

space. Dell also claimed the title of the world's slimmest tablet with its **Venue 8 7000** series Android which is 6mm thin. This tablet also has an 8.4” OLED Infinity screen and has 2560x1600 resolution.



Micronization also impacted storage capacity with Solid State Drives (SSD) such as the **Samsung T1** fitting 1 terabyte (1,000 gigabytes) of storage onto a business card sized drive weighing less than an ounce. Another Laptop of note was **Lenovo's LaVie HZ750** which is a 13 inch convertible laptop with a keyboard that can fold completely around so the device acts like a tablet, weighing in

around two pounds, taking your **Yoga** designs to the next level.

**OFFICE TECH:** Consumer headlines from this year's CES focused on 4K plus displays and curved screens which were targeted at home televisions, but **HP** quietly rolled out its 34" curved PC displays (**HP 34C**) which would be a suitable replacement for two traditional screens on any CPA desktop. While the initial \$999 price tag may bring out sticker shock, within a year we expect that price to come down enough for use within accounting firms.



IOGEAR

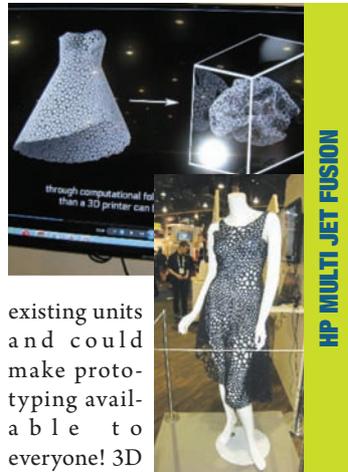
To connect your equipment, **IOGear** had an amazing **USB Universal Docking Strip** with six USB 3.0 ports and two HD video ports already capable of supporting the future 4K standard! For laptop users that only have a mini display port for external video, **Accell** released a new Dual Display MST Hub that had connections for two HD monitors.



ACCELL

**Canon** updated its existing scanner lines with new models such as the **DR-M16011** and **DR-C225W** desktop units, as well as their portable **P21511** unit which improves throughput. One of the biggest surprises was **HP** getting into the 3D printer business with commercial grade units.

During the Intel briefing, **HP** announced its **Multi Jet Fusion** business 3D printers will be running on Intel i7 processors which make these printers ten times faster than



HP MULTI JET FUSION

existing units and could make prototyping available to everyone! 3D printing made a huge splash at CES this year with the units not only printing food and custom chocolates, but even designer dress prototypes which you have to see to believe.

**MOBILE TOOLS:** Working on the road is a requirement today and we saw some great tools such as the **SwiftPoint Mini Mouse**, which was one of the smallest and intuitive to use we have ever seen. Most of us rely extensively on our smartphones and



SWIFTPPOINT



ZAGG KEYBOARDS

tablets to get at data, but I will admit that when anything longer than a few words needs to be input, I hold off to use my laptop.

**Zagg Keyboards** may change this as they have added touch keyboards

for virtually any smartphone, tablet, or phablet. Backpacks to carry your gear are also getting connected and **Ampli** rolled



AMPLI

out its **Smart Backpack** which has seven USB connections, AC power inverter and batteries to keep all your devices charged and your auditors moving onto the next client. This backpack comes with a smartphone application to let you know the status of all devices and warn you if the Bluetooth connection is broken (if you left it behind or if someone tries to steal it!)

**COMMUNICATIONS:** While not tech-shattering, **MiFi's** latest Internet Hot Spot (**6620**) can connect up to 15 users and has 20 hours of battery life. This device could act as a backup Internet connection for a small office as well as charge devices through the USB port in a pinch. We also saw a number of digital cellular boosters and signal extenders such as the **Cel-Fi** units that may help in client locations with poor reception.



TELEPRESENCE ROBOTS

**Suitable Tech Beam** demoed a floor full of **Telepresence Robots** that could allow personnel to virtually attend meetings and actually move around an office, even though they are in a remote location thousands of miles away!

Most of us are either Apple or Android people and not likely to change our phones, but one "super gadget" phone that may open the door to future functionality combines a traditional smartphone with a digital ink back. The **YotaPhone's** bonus feature is that 2D black and white data

such as a clock, weather, and messaging notifications can be displayed on the phone's e-ink back (which is very low power usage), while traditional features are on the standard screen.

**POWER/WIRELESS:** No one likes to carry bulky charging cables, but there were a couple of units that make it a whole lot easier with smaller form factors. The **FinSix Dart** is the world's smallest 65W laptop charger and the **ChargeTech Phone Charger** claims to be the smallest phone charger, saving space in your computer bag.



FINSIX DART

In the long run we may not even need a charger cable as the **Wireless Consortium** has rolled out standards for both conductive and resonance power. What does that mean? It means you can lay down your phone, laptop, tablet, heck even your blender or toaster on the wireless pad and it will charge them! This is not Sci-Fi as



WIRELESS CONSORTIUM

Marriott is already rolling out this technology in its hotels!

Well, that's our recap of some of the coolest gadgets and promising technologies we saw at CES 2015. It's always a pleasure to see and dream about what the future can bring; hope you have a great busy season! ●

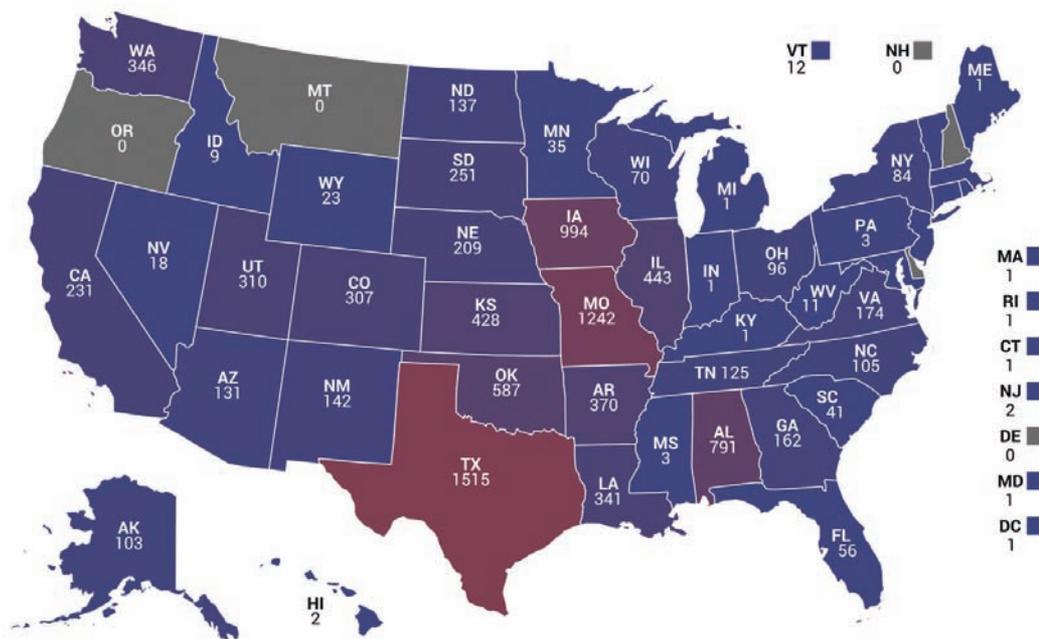


## State & Local Tax Highlights from Around the Country

By Gail Perry, CPA, Editor-in-Chief

State and local taxes are constantly changing. As the most trusted financial and business advisor to your clients, it's your job to keep up with them. At CPA Practice Advisor, we're here to help you - so here's a roundup of some of the latest changes.

### Total Sales Tax Jurisdictions by State in 2014



**Notes:**  
Data as of March 1, 2014.  
Published March 24, 2014.

**Source:**  
Vertex, Inc.



[taxfoundation.org/maps](http://taxfoundation.org/maps)

**Alabama** is offering a Severe Weather Preparedness Sales Tax Holiday in February. This is the fourth annual event in Alabama wherein consumers are allowed to purchase certain severe weather preparedness supplies free of state sale or use tax. Retailers are required to participate. The tax-free holiday is February 20 through February 22, 2015.

Sample exempt items include batteries, cell phone chargers, battery-powered radios, two-way radios, self-powered light sources, plastic sheeting, duct tape, plywood and other items specifically designed to protect window coverings, non-electric food and water storage coolers, non-electric can openers, artificial and reusable ice, first aid kits, fire extinguishers, smoke and carbon monoxide detectors, gas or diesel fuel tanks and containers.

The Coalition Against Higher Taxes and Special Interest Deals is a new group that formed in **Michigan** to publicly oppose the states anticipated sales tax increase and removal of sales tax from fuel sales. Another piece of legislation has been linked to the tax increase. The group contends that special interest items were tacked on to the proposal to ensure passage. "Voters should not have to subsidize the special interest deals with higher taxes in order to fix our roads," said the group's treasurer, Paul Mitchell.

Online retailer Amazon.com will begin collecting **Illinois** sales tax starting in February, 2015. Amazon is building a distribution facility in Illinois that will open this year and that physical presence will create nexus in the state.

**Ohio** Governor John Kasich has included a sales tax increase in his 2015 budget proposal. The increase would raise state sales tax by half a cent and would be expected to raise \$1.5 billion per year for the state.

A bill is floating around the **New Hampshire** legislature that would permit state taxes and fees to be paid with bitcoin. ●



# How and When to Make Sales Tax Payments

By Gail Perry, CPA, Editor-in-Chief

If you or your clients are new to collecting and paying sales tax, the process might seem overwhelming. Once you have determined that taxable sales are occurring, the next step is to prepare yourself for being a sales tax collector and remitter. Here are some tips that should help clear up questions you might have about the process.

- The very first step is getting registered with your state to collect and pay sales tax. The U.S. Small Business Association provides tax information and registration links for all of the states. (<https://www.sba.gov/content/learn-about-your-state-and-local-tax-obligations>)
- Once you have determined that a tax responsibility exists, and you are registered and have received a sales tax permit, find out how frequently your state expects you to make your payments. Penalties will apply if payments are made late.
- Determine what sales tax rate to collect in all states where you are doing business. Avalara's Avatax app, downloadable on all devices, is a handy tool for doing this in



## February SALT Checklist

- Sales tax rules are constantly changing. Now is a great time to compare new rulings with the business processes of your clients.
- Find out if your clients are offering any new products for sale. Assess if and where their sales are subject to sales tax.
- Are your clients making sales in any new states? If so confirm if nexus exists and set up sales tax registrations where necessary.
- Make sure your clients are remitting their sales tax on time in order to avoid late payment penalties.
- Make sure your clients are taking advantage of all available early payment discounts.
- Some states require online filing. Check the rules for all states where tax is owed.

a hurry.

- Prepare your invoicing system so that you can accommodate sales tax on your forms.

- Set up a system for keeping track of the sales tax you have collected so that you will know how much you must pay your state(s).
- Find out if your state offers an early payment discount and then be prepared to take advantage of that if it exists. About half of the states provide a discount on your sales tax remission if you pay early.
- Determine what sales tax reporting is required by all states in which you are collecting and paying sales tax. Typically some type of reconciliation form is required that shows your taxable sales, the amount of tax owing on those sales, and the amount you have remitted.
- Your state might provide the opportunity to file forms and remit taxes online. Go to your state's department of revenue (see link above) to find out if this is an option.

Sales tax rules are constantly changing and that situation is expected to continue. Make sure someone in your organization is staying on top of legislation (both state and federal) that might affect your sales tax liability and collection process. ●

## REVIEW SECTIONS

## BASIC SYSTEM FUNCTION

- Installation Ease
- General Navigation & Ease of Use
- Industry-Specific Templates
- Industry-Specific Features
- Platform Support

## CORE ACCOUNTING CAPABILITIES

- GL/AP/AR Functionality
- Sales Tax Functionality
- Payroll Functionality
- Audit Trail
- Multi-Currency
- Multiple Language Support
- Multi-Location Support
- Multiple Users

## DAY-TO-DAY OPERATIONS

- Sales/Point of Sale/Shipping
- Customer/Vendor Employee Management
- Inventory/Purchasing
- e-Features
- Remote Access

## MANAGEMENT FEATURES

- Dashboard Overviews
- Reporting
- Security Features
- Integration/Import/Export
- Data Transfer
- External Integration
- Online Accountant Transfer Tool

## HELP/SUPPORT

- Built-in Support Features
- System Updates
- Support Website/Documentation
- U.S.-Based Support

# Effective Asset Management Means More Than Just Depreciation

By Mary Girsch-Bock

**E**ffectively managing fixed assets can be a challenge for anyone. Accurately tracking assets, calculating depreciation, while also keeping track of continuous tax law changes can overwhelm just about any business. In an increasingly challenging tax environment, many businesses turn to their accountant to handle this complex task for them.

While smaller businesses may want to outsource asset and depreciation management as a convenience, it's rapidly becoming a necessity for those that need to track assets such as office equipment, buildings, fixtures, machinery, and vehicles and heavy equipment. Add to that list intangibles such as patents and copyrights, along with real property, and investment income, and suddenly even a highly functioning corporate tax department can find itself overwhelmed.

CPAs and accountants know how important tracking assets is to a company of any size. Having the correct tools to adequately track that information is vital for anyone charged with keeping track of assets and depreciation schedules, whether that be an accountant providing these services to clients, or a business owner wishing to track his or her assets in house. Either way, fixed assets software is one of those tools – perhaps the most important one.

Fixed asset software allows accounting firms to handle clients' assets, tracking such necessary data as where the asset is, who is currently using that asset, when it is due to be returned, and when maintenance is scheduled. The software also records

the cost of each asset, and maintains an accurate depreciation schedule, important for accurate tax calculations. For some businesses, having an effective asset and depreciation management strategy can significantly impact their cash flow.

In this issue, *CPA Practice Advisor* reviewed three fixed asset management systems and looked at another.

- **BNA Fixed Assets DesktopPro**
- **ProSystem fx Fixed Assets**
- **Thomson Reuters Fixed Assets CS**
- **Sidebar: WASP Barcode Technologies**

For the review, we looked at six areas: **Basic System Functions** – which covers everything from how easy (or not) can the product be installed, to available deployment methods. **Navigation Ease** is also considered at as well.

Core **Asset Management Features** looks at some of the product highlights – how many depreciation methods are available, does it offer unlimited transactions, are there user-defined fields available for more in-depth asset and depreciation management? The **Reporting** part of the reviews looks at available reports, customization capability, and formatting capabilities.

The **Import/Export** feature looks at how well a product integrates with other products and the ease (or difficulty) of importing or exporting

data to third-party applications. The **Help** section looks at the tools provided to the user to make their life easier, such as free support, availability of a solid help function built into the product, and training options available. Finally, we summarize the product and add general **Pricing** guidelines; keeping in mind that the cost listed in generally a starting point and can vary widely.

On a side note, we also took a look at **WASP Barcode Technologies**, which offers a terrific mobile inventory management product that makes tracking physical assets quick and painless.

While these products can all work well for those offering asset and depreciation management to their clients, they can also be utilized by businesses wishing to get a better handle on their asset management in-house. Whatever the final purpose of the program, they all offer free demos to potential buyers, as well as solid help functionality. This is so important when purchasing a new software system – whatever the purpose.

The bottom line is that effective asset and depreciation management often plays a large role in reducing a business's tax burden, or helps to ensure that assets are properly accounted for. It's likely that one of these products can help accomplish one or both of those tasks. ●



**Mary Girsch-Bock**

Mary Girsch-Bock began her career as an accountant in the property management industry, later moving into the healthcare industry. She is now a freelance writer specializing in business and technology issues and is the author of her first book, several HR handbooks, training manuals, and other in-house publications. She can be reached at [mary.girschbock@cpapracticadvisor.com](mailto:mary.girschbock@cpapracticadvisor.com).

## BNA Fixed Assets DesktopPro



### BEST FIT

BNA Fixed Assets DesktopPro is well suited for accounting firms that provide asset and depreciation management services to clients with extensive needs. The product can also be easily utilized in house by larger businesses, organizations and government offices.

### STRENGTHS

- Offers application wizards that assist in performing tasks
- Available in both desktop and online version

- Easy system navigation
- Good selection of built-in reports with custom report templates available
- Users can customize data entry options to suit their needs

### POTENTIAL LIMITATIONS

- Is not part of a comprehensive tax management/tax preparation system

### SUMMARY & PRICING

BNA Fixed Assets DesktopPro provides users with a comprehen-

Read the full review and see expanded ratings for this product online at:  
[www.CPAPracticeAdvisor.com/12038926](http://www.CPAPracticeAdvisor.com/12038926)

## Bloomberg BNA

sive asset and depreciation management product that is surprisingly easy to use, but contains complex capabilities well suited to those managing multiple assets for numerous clients. With excellent customization capabilities and solid reporting functionality, users can

easily manage even the most complex scenarios. Pricing for BNA Fixed Assets Pro starts at around \$3,000, with BNA Fixed Assets Web starting at around \$1,500.00.

[www.BNASoftware.com](http://www.BNASoftware.com)

## Thomson Reuters Fixed Assets CS



### BEST FIT

Fixed Assets CS is a good fit for accounting firms offering asset and depreciation management services to multiple clients. While Fixed Assets CS can be used as a standalone product, it functions at its capacity when integrated with the CS Professional Suite.

### STRENGTHS

- Good selection of wizard tools for easy setup and data entry
- Excellent importing and exporting capability
- Fully customizable reporting options

- Integrated inventory management software included
- Full integration with CS Professional Suite of products

### POTENTIAL LIMITATIONS

- Possible capacity issues for very large firms managing a tremendous amount of assets

### SUMMARY & PRICING

Fixed Assets CS can be an excellent addition to any CPA or Tax Management firm. Excellent integration with the core product, tremendous customization capability and easy system navigation are just some of

Read the full review and see expanded ratings for this product online at:  
[www.CPAPracticeAdvisor.com/12038918](http://www.CPAPracticeAdvisor.com/12038918)



the benefits of this robust product that can work in a standalone environment but will truly excel when used with the CS Professional Suite. Costs vary depending on the type of delivery method; pur-

chasing versus leasing or a desktop installation versus a SaaS product, with pricing starting at around \$1,500.00.

[cs.ThomsonReuters.com](http://cs.ThomsonReuters.com)

## CCH ProSystem fx Fixed Assets



### BEST FIT

Pro System fx Fixed Assets fits best with firms that handle complex depreciation schedules for larger businesses with multiple divisions or locations.

### STRENGTHS

- Straightforward system navigation
- Easy asset tracking

- Easily handles an unlimited number of company assets
- Customizable asset list
- Solid data import and export options
- Customizable reporting

### POTENTIAL LIMITATIONS

- Works best if integrated with ProSystem Suite of products

Read the full review and see expanded ratings for this product online at:  
[www.CPAPracticeAdvisor.com/12038924](http://www.CPAPracticeAdvisor.com/12038924)



## Wolters Kluwer

### SUMMARY & PRICING

ProSystem fx Fixed Assets is designed for accounting firms that offer comprehensive asset and depreciation management solutions to their clients. ProSystem fx Fixed Assets can be used as a standalone

product or with the ProSystem fx Suite for a more integrated asset management solution. Pricing starts at around \$2,500.00 for a single user license.

[www.CCHGroup.com/FixedAssets](http://www.CCHGroup.com/FixedAssets)

## WASP MobileAsset 2015

**W**ASP MobileAsset tracking software is a mobile asset management solution designed for businesses that need to get a firm grip on their assets, such as corporations that utilize complex IT hardware, construction companies that manage large equipment, and businesses that utilize multiple vehicles during the course of business.

WASP MobileAsset is available in multiple editions, including MobileAsset Complete Plus System, which offers users a complete asset tracking system that includes asset management software, a mobile computer, asset tag printer, and barcode labeling software, as well as free technical support and user training.

Available in three versions, Standard, Professional, and Enterprise, WASP MobileAsset can suit the needs of businesses of all sizes. Both the Professional and the Enterprise versions of the

product offer five different depreciation methods including Straight Line, Double Declining Balance, 150% Declining Balance, Declining Balance Custom, and Sum-of-the-Years' Digits. The standard version offers only one method.

Where WASP MobileAsset's true strength lies is in its robust asset management system that allows users to create a custom dashboard on their mobile device that will display notifications, charts, graphs, and other asset management-related data. WASP also offers users the ability to check assets such as tools and vehicles out to either customers or employees, enabling better asset tracking. Users can also track their assets using a variety of criteria including site, location, department, item number, or serial number. The mass update feature allows users to update groups of similar assets simultaneously. Users can also manage related asset contracts as needed. Files can be

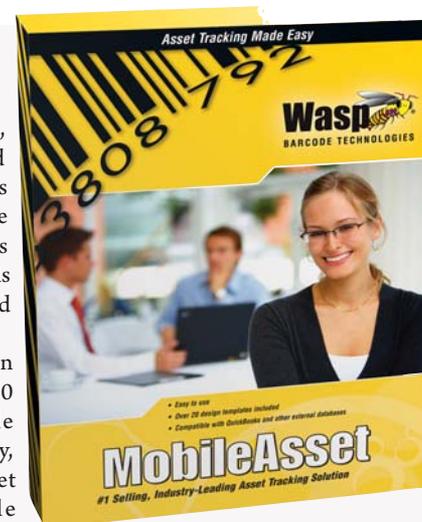
attached to a specific asset, including related purchasing and warranty data. WASP also allows users to easily manage maintenance schedules for all company assets and users can print barcode labels for easy asset identification and tracking.

Reporting options are solid in WASP MobileAsset, with over 50 management reports available including Asset Checkout History, Asset Use History, and all asset maintenance records. While designed for mobile devices, users will also receive a one-server license, along with five client licenses when purchasing.

WASP MobileAsset starts at \$595.00 for the standard one-user version. Pricing for the Enterprise version is \$3,995.00 and includes an unlimited user license.

WASP MobileAsset tracking soft-

ware is an excellent tool for businesses and organizations that need to effectively and efficiently manage the assets that are an integral part of their business. WASP Barcode Technologies also offers related items such as inventory software and management systems, along with barcode scanners and label generators.



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## Putting POS at Your Fingertips

**M**anaging point-of-sale data is about to become even more seamless for retailers. Early this year, Intuit will release its new QuickBooks Point of Sale powered by Revel, an online POS system that's completely iPad-based. Leveraging the Cloud, QuickBooks POS will automatically sync inventory and payroll data right to QuickBooks Online giving businesses a comprehensive view of their cash flow.

Intuit partnered with Revel Systems to provide an easy-to-use solution that will work seamlessly with the QuickBooks ecosystem it's been building. Revel Systems offers a POS solution for businesses in the retail, restaurant and grocery industries.

"In our search, we went through a long list of solutions. What appealed to us about Revel is that they offer an intuitive solution that can be used across multiple industries. The iPad POS system is securely connected to the cloud and automatically syncs with QuickBooks Online enabling our customers to manage their business from anywhere," said Jacint

Tumacder, Senior Product Manager, QuickBooks Solutions.

While there are many solutions that offer POS systems for retailers, Revel is unique in that it offers

integrated payroll, inventory tracking and customer relationship management support for retailers as well as other industries. With anytime/anywhere access, users can scale it to meet their needs as well as make "back end" changes like updating prices on inventory items from a web browser.

The simple design of QuickBooks Point of Sale makes it easy to train employees, new and old. It also offers several capabilities and functions that allow businesses to manage their POS systems right from their iOS devices.

Features of the new solution include an intuitive iPad interface, anytime/anywhere access, "Always On" mode, photo ID mode, advanced inventory and reporting and seamless integration with QBO, Intuit Payments and PayPal Payments. With photo ID mode, business owners and managers now have the ability to

verify employee check-in. When photo ID mode is enabled, employees will be required to take a photo at the time they clock in or out.

QuickBooks POS users will also enjoy the benefit of automation. Payments are automatically processed through the payment solution and daily sale data is automatically pushed to QuickBooks Online. QuickBooks POS uses Revel's technology to power its "Always On" mode, allowing users to accept and process payments at all times, even if their Internet connection is interrupted. Any payments accepted while systems are offline will automatically be processed when the connection is restored. Users can protect their bottom line by setting a limit for offline payment acceptance.

"When our customers use the 'Always On' mode, they are essentially saying, 'I want to meet the needs of my customers by accepting this payment offline and trust that it will process when we're back online.' We are giving them the power to protect their business while also giving them the ability to continue to do business when systems are down," said Tumacder.

QuickBooks Point of Sale powered by Revel is scheduled to launch in early 2015. More information is available on the QuickBooks website at <http://www.quickbooks.com/RevelPOS>. ●



# THE THREE MOST MISUNDERSTOOD TAX DEDUCTIONS (EVEN FOR TAX PROFESSIONALS)

By Dave Du Val, Enrolled Agent

Each year during tax time the “most overlooked” tax deductions get a lot of press. And every year the lists include the same deductions, such as state sales tax, student loan interest, job hunting costs, and moving expenses.

The fact is, in my tax practice I’ve never overlooked these particular deductions, so I thought it might be more useful to list the deductions that are most often *misunderstood*, by both taxpayers and tax professionals alike. Here are three of those deductions, along with an explanation of the confusing aspects of each one.

## State and Local Taxes

If your clients are itemizing deductions, they have the option of claiming either state and local income taxes or state and local sales taxes. They cannot claim both. The deduction is most beneficial to the millions of taxpayers who live in states that have no income taxes, such as Washington, Florida and Texas, among others.

There are three ways your clients can claim the state and local sales tax deduction. They can:

- Claim the amount from an IRS table that provides amounts based on the taxpayer’s location, income and exemptions;
- Claim the amount from the table plus certain specific items such as a motor vehicle, a boat or a major home improvement; or
- Claim actual sales taxes paid for all items.

The misunderstood part of this deduction comes into play when actual expenses are claimed, such as in option two or three above. One wrinkle to the rule is that, if the total sales taxes your client pays on a motor vehicle is higher than the general sales tax rate, the taxpayer is allowed to include only the amount of tax he or she *would have* paid at the general sales tax rate. For boats and aircraft, if the sales taxes paid exceed the general sales tax rate, no deduction is allowed.

## Student Loan Interest

The student loan interest deduction is an “above the line” adjustment to income, which means that your clients do not need to itemize to receive a deduction for the interest they pay on qualified student loans. But it can be difficult to qualify for the deduction due to the long list of requirements as well as the income phase-outs.

What complicates matters most are these three rules:

- The taxpayer must be legally obligated to pay the interest.
- A dependent is not allowed to claim the deduction on his or her own tax return.
- The student was enrolled at least half-time in a program leading to a

degree, certificate, or other recognized educational credential.

It is often the case that the student loan interest deduction is not allowed when the student takes out the loan. The reason is that when the student has the obligation to pay the loan but the parents claim the student as a dependent, neither the student nor the parent is allowed to claim the student loan interest deduction. But here are some easy ways around it:

- If the parents take out the loan or co-sign and make the payments, they can claim the deduction even after the child is no longer a dependent.
- If the student takes out the loan and defers repayment until he is no longer a dependent, he can claim the interest deduction on his own return even if his parents make the payments, as the rule allows the deduction when someone else makes a payment of interest on the behalf of the student. The student is then treated as receiving the payments from the other person and, in turn, paying the interest.

## Mortgage Refinancing Points

The general rule is, points your clients pay to refinance an existing mortgage

are not deductible in full in the year they pay them. Instead, refi points must be amortized over the life of the loan.

But there’s an exception to this general rule when your clients use a portion of the proceeds from the refinancing of their principal residence to improve the home (and the points were paid at the time of refinance). When this is the case, your clients are allowed to deduct the portion of the points they paid that are allocable to the improvement of the home.

When points are amortized over the life of the loan, your clients can deduct any remaining points in the year the mortgage is paid off. That said, a deduction for remaining points is not allowed when your client’s mortgage is refinanced with the same lender, but must be re-amortized over the life of the new loan.

As tax and accounting professionals, we know that most deductions have complicated rules. These three tax breaks require perhaps just a bit more analysis to ensure we apply them correctly for our clients. ●



Dave Du Val is an Enrolled Agent and Vice President of Customer Advocacy, for TaxAudit.com. In his role, he ensures that the TaxAudit team is on the forefront of tax education and research. He is a nationally-recognized speaker and educator who is well-known for his high energy and dynamic presentation style. Du Val is a frequent and popular guest speaker for the California Society of Tax Consultants, the California Society of Enrolled Agents and the National Association of Tax Professionals.

## 7 Mobile Money Management Tools

By Gail Perry, CPA, Editor-In-Chief

Are your clients in need of easy tools to help them manage their finances? There are many options available. We asked some of *CPA Practice Advisor's* contributors, Thought Leaders, and award winners for recommendations of their favorite money management apps and have added a few of our own for your perusal.

### one

**MINT.COM** – Jim Boomer, CIO of Boomer Consulting, uses Mint.com to provide an aggregated view of all of his financial accounts. “It’s simple to set up and use. I look at Mint at least once a day to keep up-to-date on my financial picture,” said Boomer.

### two

**PERSONAL CAPITAL** – According to L. Gary Boomer, CEO of Boomer Consulting, Personal Capital provides a 360 degree view of your personal financial situation in real-time. “Financial advisors are available but the free tools aggregate and provide a holistic approach to managing your financial life. It is Mint.com on steroids, easy to use with professional and affordable wealth management services if you desire,” said Boomer.

### three

**MOBILE BANKING** – Check with your bank to find out if they allow mobile banking, or consider opening an account at one of the

many online banks. CEO of Mentor Plus, Edi Osborne, swears by mobile banking: “I live in the middle of nowhere so being able to make deposits from home saves me an hour of drive time.” Angie Grissom, president of The Rainmaker Companies, added, “The banking apps have changed the way I bank completely. I don’t know how people managed their accounts well before online banking apps.”

### four

**CREDIT KARMA** – *CPA Practice Advisor* Editor-in-Chief Gail Perry uses Credit Karma to access her credit score for free but the app does so much more than that. Find out what factors cause changes in your credit score and get tips on how to improve your score in many different ways. Receive alerts if your credit has been pinged or if there has been a change in your score. Intuit Senior Developer David Leary added, “Credit Karma is a great low headache way to monitor your credit report.”

### five

**TALLIE** – L. Gary Boomer states that “Tallie has reduced my

expense reporting time by at least one hour per week.” Maryland Association of CPAs CEO, Tom Hood, and Boomer Consulting COO, Sandra Wiley, also recommend Tallie for expense reporting.

### six

**EXPENSIFY** – Speaker, author, consultant, and self-proclaimed nerd, Geni Whitehouse recommends Expensify for tracking expenses. Photograph, categorize, and tag receipts, then add them to expense reports if necessary. Track distance traveled both by odometer and GPS. There is a time tracking option as well.

### seven

**GOOGLE WALLET** – David Leary suggests that Google Wallet makes it easy to receive or pay people small amounts of cash when you don’t have cash with you. “That day you need to pay the soccer team mom \$10.”

Some other apps to consider:

**READYFORZERO AND SAVEUP** – These two apps were mentioned in *The Economist* as solu-

tions that help customers cut their debts with a mixture of advice and alerts. ReadyForZero helps you create a debt management program and the app helps you stay on track and pay off the high-interest debt first. SaveUp provides debt tracking and also helps you start a savings plan.

**BILMGUARD** – This app helps to protect you from unwanted, arbitrary, and questionable charges that might show up on your credit card accounts. According to PC Magazine, the app flags merchants who frequently charge consumers for products or services they’ve either forgotten about or they didn’t know they were requesting.

**XE CURRENCY** – The International Federation of Accountants recommends you check out XE Currency if you are an international traveler or if you’re doing business globally. Convert every currency in the world with XE Currency – all rates are current.

**SAVEDPLUS** – You can set up savings plans so that a percentage of each payment and purchase goes directly to your savings account, IRA, or other investment account. You set the percent you want to go to savings up to 20 percent. Recommended by Diane Wightman, CPA & Barbara Kaup, CPA, CISA, CGMA writing for the Colorado Society of CPAs, this app works in the background so saving is painless. ●

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## Are Your Clients ACA Ready?

By Taija Jenkins, Assistant Editor

**N**ow that the Affordable Care Act is completely underway, some business owners have found that they are not prepared to ensure compliance, particularly as new changes go into effect and they prepare to file their 2014 taxes. As payroll practitioners, your clients are looking to you to help them navigate through the challenges to ensure compliance.

You should schedule a few meetings with your clients to discuss their current compliance status, as well as what needs to be done to improve compliance. Review the number of full-time employees on staff and whether they could be considered an applicable large employer. If the Shared Responsibility provision applies to them, discuss what is needed for compliance and how they can better monitor and manage time and attendance tracking. You'll also want to review their eligibility for the Small Business Health Care Tax Credit and provide them with as much information to answer any questions they have.

Any businesses that are subject to the Shared Responsibility provision will need to file Forms 1094-C and 1095-C to report health insurance coverage offered under their employer-sponsored plans. Help your clients understand what information they need to provide and what records they will need to keep throughout the year. Your clients won't be required to file Forms 1095-C for 2014 but they will need to file in 2016 for year 2015. In addition, they may qualify for Transition Relief for Applicable Large Employers for any penalties.

Also, this relief doesn't affect eligibility for the premium tax credit.

Any employer with 50 or more full-time and/or full-time equivalent employees will be required to file Form 1095-C to report offers of and enrollment in health coverage. They will also use this form to report any employees enrolled in self-insured coverage. Form 1095-C must also be filed for any retirees who were full-time employees during any month of the year. While taxpayers must receive a separate Form 1095-C from each employer, employers can only issue one form per employee – even if that employee worked under two different divisions. This can get tricky if there is an acquired division that is processed separately under payroll. You will need to help your clients navigate through the various scenarios that apply to them.

If your clients are not subject to the Shared Responsibility provision, they will need to file Forms 1094-B and 1095-B for any full-time and part-time employees who are enrolled in their employer-sponsored health coverage.

In addition to making sure that clients are filing the correct forms, it's also important to let them know if they file more than 249 Forms 1095-C, they will need to file elec-



tronically. Setting this expectation upfront can guide the record-keeping process and document transmittal. This is particularly true if you have any clients that are still not fully in the Cloud or transmitting documents electronically. Now is a good time to discuss transitioning to a secure client portal.

With 2015 already underway, work closely with your clients to ensure that their systems and pro-

cesses have been updated to collect all necessary data for calendar year 2015 and are compliant with the ACA. Be prepared to answer any questions they have and check in with them regularly throughout the year to make sure they are maintaining compliance.

For more information on the Affordable Care Act, visit ADP's ACA Resource Page at <http://www.adp.com/health-care-reform/>. ●

### Payroll Accountant's Checklist for February

- ✓ Have clients check employees' requests for duplicate or corrected Forms W-2 to ensure they are signed by employees and the signatures are legitimate
- ✓ For corrected Forms W-2 issued to employees prior to filing, check the Void Box on Copy A, and insert "Corrected" at the top of Copies B, C and 2
- ✓ File Copy A of all paper Forms W-2 and Form W-3 with the SSA and Copy A of all paper Forms 1099 and Form 1096 with the IRS by February 28 (or the next business day, if February 28 is a nonbusiness day)

# Protecting Payroll Data

by Taija Jenkins, Assistant Editor

**It goes without saying that employees' payroll data is sensitive and confidential and, therefore, needs to be protected. But it takes more than simply classifying it as "confidential" to protect it.**

In today's world, there are multiple threats risking the security of the payroll data you manage. It's imperative to take the necessary steps to avoid falling victim to a cybercrime, or worse – human error. With all the news lately about data breaches, it can be easy to forget that sometimes the first line of offense is right in our own backyards and can usually be defended against with proper training and careful oversight.

The first step to making sure your clients' payroll data is protected is to make sure that all necessary personnel have been trained on the proper use of the payroll software your firm uses. If major updates occur, make sure that you offer refresher training to teach them how to securely and correctly use any new features. Go over company policy for sharing passwords and other confidential information. Also, look for opportunities to integrate and automate data entry whenever possible. Doing so significantly reduces the chances of a data entry error.

You will also want to routinely check your software for updates and/or glitches. Keeping your software up-to-date ensures that you receive the latest security patches and protection. As new viruses and threats are identified, most companies issue updates to protect against these threats. Not updating to the latest version could leave your software, and payroll data, vulnerable. In line with this, check for any suspicious or unusual behavior within the software. Does a particular process

suddenly start returning an error even though the task is performed in the same way? This could mean there's a problem with the data entered or it could be a sign that something's wrong with the software. Perhaps an update caused an unexpected error or there's a virus. Contact the software provider to make them aware of the issue. If this is a known issue, they can develop and release a patch to fix the glitch.



Each piece of hardware that is used by your firm or your staff, including BYO devices, should have anti-virus software installed on it that is regularly maintained and used. Schedule routine virus scans and make sure that all anti-virus software is up-to-date. Make sure employees are aware of any new viruses that your systems may be vulnerable to. Educate them on the importance of verifying payroll-related emails before they click on any links within the email or download attachments. Also, remind them to never share confidential information, such as passwords through email.

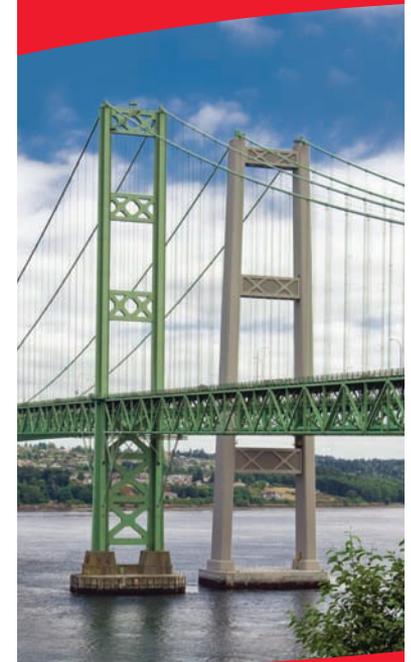
If your firm uses software that offers mobile access to payroll

information, ensure that your software has the same secure access that is available through the payroll provider's website. If the software provider uses a mobile app, test it for security features. Is a mobility code required to access the app? Is access verified by sending a one-time authorization code to the account holder's phone or email on file?

Lastly, you will want to meet regularly with your clients to discuss the steps and measures they are taking to ensure their payroll data remains secure. If they haven't completely outsourced payroll to your firm, or they have staff, such as HR, that regularly accesses payroll data, make sure they have secure processes and policies in place. Audit

the procedure for providing your firm with confidential employee information. Are confidential emails automatically encrypted? Do you provide a secure client portal for uploading and downloading documents? Make sure they are also aware of the importance of regular accuracy checks.

Security threats can come from many different sources. Sometimes, it is human error or misinformation that can lead to defenselessness. Other times, it is out-of-date virus protection or glitches that can create a liability. Whatever the cause, diligence and careful planning are the best defenses against security threats against your clients' payroll data. ●



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# Debt AND MONEY



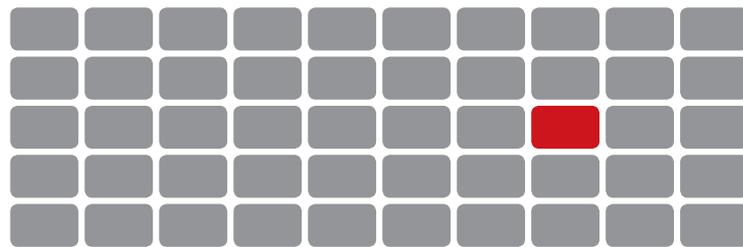
**Y**ou're an accountant. Your clients, and even your friends and family, count on you to have all the answers when it comes to managing money. Sometimes they don't remember that we're people too and have the same issues and concerns in our personal lives that they do. Credit cards, loans, concerns about taxes and how the

government is spending our money – this keeps us up at night too.

So as long as you're staring at the ceiling in the middle of the night wondering how to help those you advise make ends meet, take a look at this month's contribution from Work-Life Balance Expert Jeff Davidson. Here's an eye-opening look at debt, from the top of the country down to the car in your garage and the bills in your mailbox. ●

**100%**  
OF CONSUMERS HAVE MORE THAN 10 CREDIT CARDS.

businessinsider.com



**1** in **50**

HOUSEHOLDS HAVE MORE THAN \$20,000 IN CREDIT CARD DEBT.

businessinsider.com

# BY THE NUMBERS

## 37,000,000

people have outstanding student loan debt.

asa.org

## 1 IN 5

households include at least one person with student loans.

Since Sept. 30, 2012, the U.S. national debt has, on average, increased by \$2.4 billion each day

brillig.com

THE AVERAGE U.S. HOUSEHOLD CONSUMER DEBT PROFILE:

U.S. national debt is approximately

## \$18 trillion,

up \$7+ trillion since 2009.

brillig.com

## \$15,611

credit card debt

# ONE IN FOUR

AMERICANS HAVE GREATER CREDIT CARD DEBT THAN SAVINGS.

bankrate.com

## \$155,192

mortgage debt

Percentage of households with a credit card balance:

## 46.7%

nerdwallet.com

STATES WITH THE LARGEST YEAR-OVER-YEAR INCREASES IN CREDIT CARD DEBT: VERMONT WEST VIRGINIA VIRGINIA

TransUnion

## 50%

OF SMALL BUSINESS OWNERS SAY THEY PAY OFF THE BALANCE ON THEIR BUSINESS CREDIT CARDS EVERY MONTH

National Small Business Association

Total American consumer debt is at \$11.2 TRILLION OR \$35,300 per individual, including children and babies.

nerdwallet.com

## \$32,264

student loan debt

December 2014, nerdwallet.com

## Alaska has the highest consumer debt per resident.

MSN Money

February 2015 • www.CPAPracticeAdvisor.com

# 5 Tips to Attract the Strongest Staff

**W**ith the critical pursuit of talent in the accounting profession, firms will likely encounter candidates or new hires who may appear disciplined and solution-focused, but in the end lack the fortitude to survive — let alone thrive — in a changing environment that requires mental toughness.

Dr. Jason Selk, former director of mental training for the St. Louis Cardinals and one of the country's premier performance coaches, outlined his method of mental toughness as keynote speaker at the BKR International Worldwide Meeting in San Francisco late last year. His Relentless Solution Focus (RSF) provides several tips for accounting firms and their teams to adopt when managing people and the pace of change.

## 1. THERE IS ALWAYS A SOLUTION.

Selk talked about the myth of discussing problems and expecting that continuous talk about those problems will lead to a solution. Instead, Selk advocates discussion on improving the things accountants and firms are doing well. "Firms should focus on their strengths, the things they can improve on, and the difference it could make," said Jim Kraft, partner at Lindquist, von Husen & Joyce LLP in San Francisco. "It seems simple, but they should also set a deadline on the actions that will move them toward the improvement," Kraft added.

## 2. NEGATIVE THINKING EXPANDS.

Continuous negative thinking — in a person or organization — is a red flag that nothing will improve. The best way to stop thinking about negative things is to ask and answer this question: *What is one thing I can do differently that could improve my situation?* "Forcing yourself to answer this question makes your mind shift from problems to solutions," said Dave Davis, managing partner at Johanson & Yau Accountancy Corporation in San Jose, Calif.

## 3. A FOCUS ON SOLUTIONS LEADS TO SOLUTIONS.

Selk advises that people are not allowed to say, "I don't know." Instead, they can say, "That's an issue we need to address. Let's talk about what could solve this. In 60 seconds, everyone can think more positively about what is actually in their control to change."

## 4. ANY IMPROVEMENT IS BENEFICIAL.

Some issues are not solvable in one

meeting or in one week. However, any improvement is the start of a solution. "Your ultimate goal and destination as a team should be clear," said Frank Schettino, managing partner at Anchin, Block & Anchin LLP in New York. "Once everyone agrees on the goal, then any disagreements or problems along the way are more easily managed."

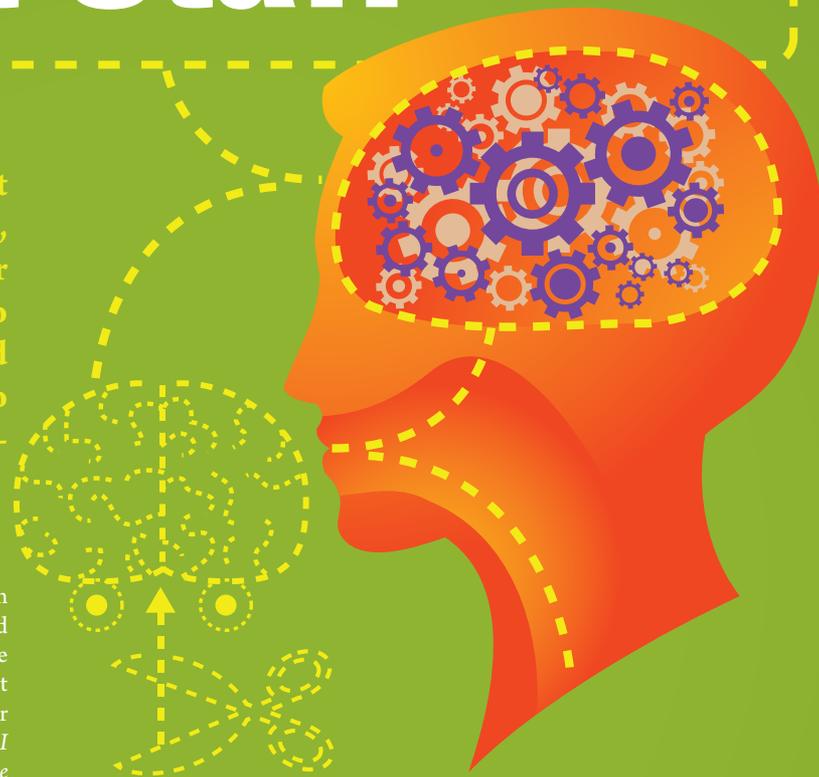
## 5. KNOWLEDGE IS NOT A SOLUTION. ACTION IS REQUIRED.

Accountants can get stuck too long in research about a firm problem — or procrastinate by focusing on client work. Firm leaders need to change the conversation to what actions their team can take in the next 24 hours, weeks and months to move toward a solution — or

face getting left behind by their competition.

In his work with professional athletes and other organizations around the U.S., Dr. Selk demonstrates that mental toughness can increase individual health, happiness and success. By extension, it produces organizations that are healthier and more successful.

"When we consider leader-driven accounting firms that focus on solutions, this mindset is a distinct advantage for client service, talent recruitment and growth," notes Maureen Schwartz, executive director of BKR International. "Dr. Selk's presentation at BKR International's recent meeting helped us realize the folly of harping on problems rather than finding solutions." ●



# How to Sell CFO Services

By Taija Jenkins, Assistant Editor

**Y**ou already provide accounting services to your clients, but you want to provide them with more – a complete package of financial services. Providing CFO services is a great way to enhance the offerings you already provide while helping clients make sense and take action on the information they have on their business.

Many times businesses have a lot of information – financial and other – thrown at them that they don't really understand. By selling CFO services, accounting professionals can help their clients sift through the data and pull the important information and insights from it.

"When businesses are overloaded with data, it's hard for them to get insights from it and take the necessary actions. It's the role of the CFO to use the data to translate it to what's relevant to the business and provide a business health checkup. That's the difference between a CPA and a CFO," said Dixie McCurley, Partner, Trusted CFO Solutions.

It's important for accountants to remember that the value seen in clients' financial data is different for their clients. While professionals can look at the numbers and get a wealth of insight, their clients often just see numbers without fully understanding what that means for them or their business.

"Accountants are like mechanics, and the financial data is kind of like a check engine light, when it comes on. Mechanics don't exactly tell you what tests they ran or what numbers they

used to determine what's wrong with the car. They just tell you what they need to do. As accountants, we need to be the same way – learn to give our clients just the information they need and want to know," said McCurley.

Knowing what information is important to your clients requires in-depth knowledge about each client. Accountants should perform regular self-assessments to ensure they are familiar with each client's current state of business. Professionals should go through their client list and identify where the business is in their lifecycle and what their top three goals are.

## IT'S THE ROLE OF THE CFO TO USE THE DATA TO TRANSLATE IT TO WHAT'S RELEVANT TO THE BUSINESS AND PROVIDE A BUSINESS HEALTH CHECKUP.

Understanding the businesses you're selling to is critical to your success. This is true for both new and current clients. For existing clients, you may know what their books look like, but do you have a clear picture of their business lifecycle? It's important to properly assess their CFO needs. While some businesses

only need a few CFO services or a part-time CFO, others may require a full-time position.

"Accountants can't just assume because it's an existing client that they know everything or they will look foolish later. Whether it's a new or existing client, you still need to scope out the business needs and expectations," said John Wooldridge, Principal, CliftonLarsonAllen LLP.

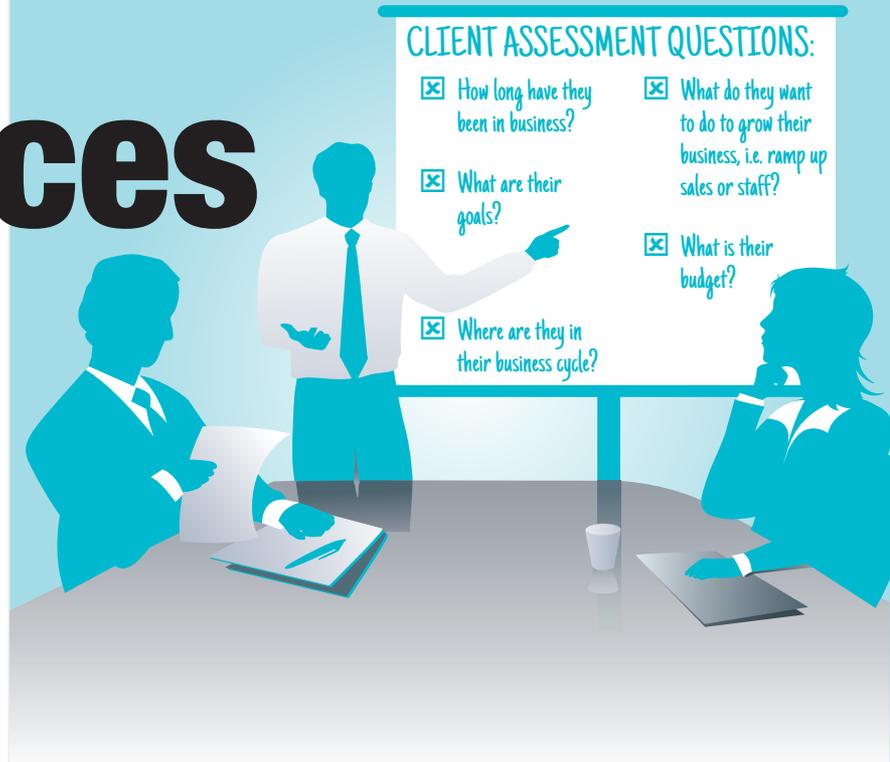
The best way to find out what clients need is to ask. Offer free consultations to existing and new clients to discuss the current state of their business and their needs. Use the meeting to focus

only on their business – what are their goals, fears, strengths, weaknesses, etc. Ask questions that will pull information from them and refrain from "selling" or pushing your services and business on them.

"Accountants already have to push a lot of compliance and audit information on clients. You can change the

### CLIENT ASSESSMENT QUESTIONS:

- How long have they been in business?
- What do they want to do to grow their business, i.e. ramp up sales or staff?
- What are their goals?
- What is their budget?
- Where are they in their business cycle?



dynamic of the conversation by talking to clients about their business and other things they want to talk about," said McCurley. "Offering free consultative services also helps clients open up by taking the focus off of paying you. The thought process shifts from, 'We don't want you here because you're by the hour,' to clients wanting you to be a part of the financial process. It enhances the client relationship a lot."

Once you've met with clients, you'll have a clearer picture of the amount of time that will be spent on providing CFO services, as well as their expectations of you. Make sure you're clear on which meetings they want you to attend and how often, as well as how often they expect you to visit their offices and when it's okay to work remotely. Not clearly defining the expectations and duties upfront could lead to you spending more time than anticipated or what you're getting paid for.

Once you make the decision to sell CFO services, it's important to remember that you aren't just doing compliance work for clients anymore. The key to successfully selling these services is to align your firm with your clients' business model. ●

# 5 Ways Accounting Firms Can Stand Out as a Trusted Advisor to Clients

By Sabrina Parsons



**M**ost small businesses look to their accountants to provide not only bookkeeping and tax services, but also to help keep their business financially healthy, and to make the right financial decisions. According to a 2014 Sleeter Group survey, small businesses are looking for strategic advice and help with financial strategies. Yet, accountants are still primarily offering only audit, bookkeeping and tax services to their small business clients.

Unfortunately, there is a big disconnect between what small businesses think they are getting from their accountant, and what their accountant is actually offering. This is not because their accountant misleads them - it's because the typical small business owner is not comfortable with finance and accounting, and as soon as they get an accountant doing their books and taxes they feel relieved and assured that someone else is now "watching my numbers." But of course, as their accountant, you are only providing the services you sold to them. Which brings the relationship between accountant and client into a potentially tenuous situation.

The Sleeter Group survey confirms this tenuous relationship, as it found that small businesses often switch accounting firms because

they are looking for more proactive financial advice (it was the number one reason why small businesses switch accountants). They want their accountants to guide them in the ways a CFO would guide them, with a look to budgeting, forecasting, cash flow management, and financial analysis that will help keep them cash healthy, competitive, and fiscally sound. When small businesses are able to do this successfully, it's proven that they will grow 30 percent faster.

How do you, as an accountant, offer more proactive, strategic services to your small business clients, when you are not their in-house CFO, and don't have time to know their business the way they know their business?

While a small business owner tends to just fear numbers in general,

the accountants usually say they don't have an MBA either, and they don't necessarily know the ins and outs of all the industries their clients serve. So how do accountants offer strategic/trusted advice that keeps their clients on track, but doesn't mean going back to get an MBA?

Here are **five simple steps** to help you offer strategic financial advising services:

**1 CHOOSE 3-5 FINANCIAL KEY PERFORMANCE INDICATORS AS A STARTING POINT FOR YOUR CLIENTS.** Depending on their industry, this will vary. For example, a retail shop owner may want to monitor year-over-year revenue growth, gross margin, profit-eating products/revenue streams, and cash on hand.

**2 GIVE YOUR CLIENTS VISUAL REPORTS REGULARLY THAT THEY CAN EASILY UNDERSTAND.** Help them by presenting critical financial information in simple visual charts and graphs. And always show them how they are doing (actuals) vs. what they thought they were going to do (budget & forecast), and how they've done in previous periods (WoW, MoM, QoQ, or YoY growth). Most small business owners' eyes will glaze over when you send them complicated reports and spreadsheets, and they are afraid to admit they don't know what they are reading, so be the hero and give them reports that make sense and help them feel empowered to make informed business decisions.

**3 MONITOR INDUSTRY BENCHMARKS AND COMPARE THEM AGAINST THE KPI'S YOU ARE HELPING YOUR CLIENTS TRACK.** These

comparisons will help you very quickly identify areas where your client is doing better - or worse than their peers, giving you some easy quick "wins" with your strategic advising services. For example, one accountant told me a story where he took on a new client in the legal advising space, yet he had never had a client in this industry before. By utilizing industry benchmarks, he could advise his client that her profit metrics were off from her industry's.

**4 HELP YOUR CLIENTS PUT TOGETHER A BUDGET AND FORECAST.** Not only will this give them goals to try and achieve through the next 12-24 months, but it will also force your clients to actually communicate to you the assumptions they have about their business, giving you the chance to quickly point out missed assumptions when you compare their budget and forecast to actual results.

**5 TAKE ADVANTAGE OF SAAS TOOLS THAT WILL PULL ACCOUNTING DATA AUTOMATICALLY (AND SECURELY FROM ANYWHERE) INTO A SMALL BUSINESS DASHBOARD FOR YOUR CLIENT.** It's important for your clients to know the financial health of their business from anywhere and at anytime. Thanks to cloud-based technologies like QuickBooks Online and LivePlan, accountants and small business owners can easily engage in financial planning and tracking in real-time.

For accountants, it can be challenging to assert your relevance year-round, especially when needs can vary drastically from one client to the next. But if you follow these 5 tips, you'll surely impress your clients and secure their business for the long haul. ●

*Sabrina Parsons is the CEO of Palo Alto Software.*



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# 5 Technology Traps to Avoid

**In the rapidly changing world of technology it can be hard to keep up. For this very reason we often look for shortcuts to keep us from falling behind the competition. It's not that we don't want to research every detail about every solution we are considering, it's a matter of time. Whether it is joining a peer community or calling in a 3<sup>rd</sup> party expert, we all need help. And I'm a big supporter of streamlining the information gathering and decision making process.**

At the same time, we must be on the lookout for some common stumbling points waiting in the shadows to make us the next victim. In this month's column, I submit the

top five technology traps in our profession to avoid.



## 1 Follow the Herd

Often, the safest and easiest route to take when making technology decisions is to watch what our peers do and simply do the same thing. But how do we gain a competitive advantage through technology if we go where everyone else is already? This behavior is driven by the aversion of risk inherent to our profession as well as limited competition in the core applications. More and more CIOs that we work with are starting to believe it is time to look outside the profession and innovate.



## 2 CPA Firms are Different

There are certainly some unique requirements in our profession with tax laws and other compliance regulations. At the same time there are a lot of things that we do as CPA firms that aren't all that different from other types of businesses. Look at the significant change that is occurring in health-care and banking. Look at the technology trends from a global

perspective. At Boomer Consulting, we refer to this as "thinking about your thinking." The problem, itself, is never the problem but how you think about the problem. Leading organizations are starting to think about what they would need to do if they were 10x larger. This type of thinking typically creates excitement, change, innovation and exploration rather than looking at one, two or three peers and simply following their lead.



## 3 Focus on Maintenance Not Innovation

We've all likely experienced some degree of change in technology in our organizations over the last few years and it's natural to want to simply take a break and let those modifications take hold. However, when we start to think and act this



## 5 You don't know what you don't know

It's easy to get over-confident when we feel like we have a strong grasp on everything we already know we should be focused on in technology. But it's what you don't know you don't know that costs you a lot of time and money. This is where being involved in a peer community can

**I ENCOURAGE YOU TO EMBRACE CHANGE,  
AND IN TURN, MAINTAIN YOUR SANITY.**

way, we stand still and begin the process of falling behind. If we only invest in the technologies that keep the lights on, we miss a huge opportunity for continuous improvement and innovation. While this approach might save money in the short-term, it's far more costly to play catch-up than to make ongoing investments for the future. And while this is true for most aspects of a business, it is even more pronounced in the area of technology.



## 4 We are ahead of our peers and clients

Related to the first two traps is the belief that we are technologically advanced compared to our clients and peers. Yes, we are more complex with five times the applications and

be extremely helpful. You will gain insight, fresh perspectives, research and development, benchmarking and confidence that fast tracks your education about things you are aware of and even those that you knew about previously. Firms cannot operate in a vacuum, and the value of trusted, vetted peers to call on for advice and guidance is priceless.

Avoiding these five traps requires different thinking than in the past, often forcing us outside our comfort zone and requiring us to take some risk. But as Albert Einstein is widely credited as saying (despite no evidence he ever uttered the words), "The definition of insanity is doing the same thing over and over again, but expecting different results." I encourage you to embrace change, and in turn, maintain your sanity. ●



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