

CPA Practice Advisor

Today's Technology for Tomorrow's Firm



MOST POWERFUL WOMEN IN ACCOUNTING | 2019

FROM THE **TRENCHES:**
Do Your Best Leadership

BRIDGING **THE GAP:**
Automation is Here:
Are You Leveraging it?

A YEAR IN THE LIFE OF A
PAYROLL ACCOUNTANT:
Can Employers Make
Direct Deposit Mandatory?

PRODUCT **REVIEWS:**
Tax Compliance Systems

FOR YOUR CLIENTS,
RUNNING A BUSINESS
IS RARELY SIMPLE.
**BUT NOW, THEIR
REWARDS CAN BE.**



SCOT RUBIN
Nitropod Owner



**EARN UNLIMITED
1.5% CASH BACK**

With the Ink Business UnlimitedSM card,
earn cash back on every purchase,
for whatever you or your clients need.

Visit chase.com/ink to learn more.

CHASE  *for* BUSINESSSM
MAKE MORE OF WHAT'S YOURSSM

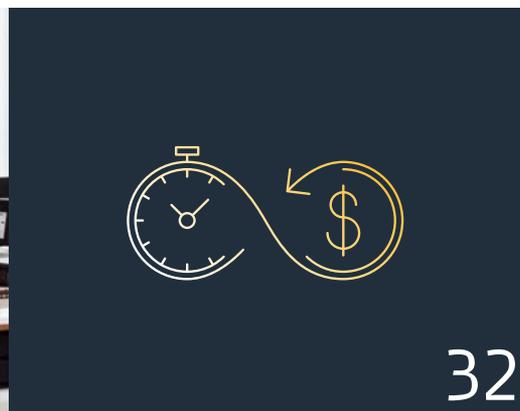
Not an Ink Business UnlimitedSM cardmember. Real business owner compensated for use of their actual statements. Accounts subject to credit approval. Restrictions and limitations apply. Chase Ink Business UnlimitedSM credit cards are issued by Chase Bank USA, N.A. Offer subject to change. See chase.com/ink for pricing and rewards details.



17



23



32

ISSUE FOCUS: TAX SEASON

COVER STORY:

- 6 2019 Most Powerful Women in Accounting**
By Isaac M. O'Bannon, Managing Editor

2019 PRODUCT REVIEWS

- 10 TAX PREPARATION SYSTEMS**
By Mary Girsch-Bock

COLUMNS

- 4 FROM THE EDITOR:**
Change is in the Air
By Gail Perry, CPA, Editor-in-Chief
- 23 THE MILLENNIAL ADVISOR:**
Gone!?!
By Garrett Wagner, CPA.CITP
- 24 THE 21ST CENTURY ACCOUNTANT:**
The Four Stages of Robotic Process Automation
By Brian F. Tankersley, CPA, CGMA
- 26 FROM THE TRENCHES:**
Do Your Best Leadership
By Randy Johnston

- 28 THE LEADERSHIP ADVISOR:**
How to Adapt Our Habits to Create Stronger Connections at Work
Amy Vetter, CPA.CITP, CGMA

- 29 THE STAFFING & HR ADVISOR:**
How to Quit Your Job Gracefully
By Paul McDonald

- 32 LEAN SIX SIGMA ADVISOR:**
4 Steps to Ensure a Return on Your Technology Investment
By Arianna Campbell

- 34 BRIDGING THE GAP:**
Automation is Here. How Are You Leveraging It?
By Jim Boomer, CPA.CITP

FEATURES

- 8 Protect & Build Wealth Through Captive Insurance**
By Randy Sadler, CIC Services
- 17 How Simplification Has Complicated the Tax Office of the Future**
By Ryan Gamble, Managing Director; Philip R. Pulliam, Director; and Lauren Pozna, Associate, Riveron

- 22 APPS WE LOVE:**
Legal Services
By Gail Perry, CPA, Editor-in-Chief

A YEAR IN THE LIFE OF A PAYROLL ACCOUNTANT:

- 18 Can Employers Make Direct Deposit Mandatory?**
By Rachel Blakely-Gray
- 19 Think Twice Before Not Paying Summer Interns**
By James Paille, CPP

BUILDING YOUR NICHE PRACTICE: LAW FIRM CLIENTS

- 20 How to Gain Law Firm Clients With Clever Marketing**
By Becky Livingston
- 20 How to Set Up the Chart of Accounts for Law Firm Clients**
By Brandy Derrick
- 20 Resources for the Law Firm Accountant**

- 25 THE PROADVISOR SPOTLIGHT:**
Next Day Funding for ACH: Powerful Payment Processing That Drives Prosperity

- 30 Don't Delay Implementing New Revenue Recognition Standard**
By Yaury A. Jattin and Tanya Ferreiro

- 31 AICPA NEWS**
AICPA News is a roundup of the top articles regarding the AICPA each month.

- 33 How to Prepare for Summer and Not Leave Your Business Stranded**
By Nellie Akalp



WEB EXCLUSIVES

CHECK OUT OUR PRODUCT & SERVICE GUIDE
www.CPAPracticeAdvisor.com/directory

MILLENNIALS OFF TO GOOD START ON RETIREMENT SAVINGS
www.CPAPracticeAdvisor.com/21081707

IRS COLLECTED \$3.5 TRILLION IN 2018
www.CPAPracticeAdvisor.com/21081737

COST REDUCTION IS ONE OF THE TOP CHALLENGES FOR BUSINESSES
www.CPAPracticeAdvisor.com/21081454

ARE VACATIONS WORTH THE DEBT?
www.CPAPracticeAdvisor.com/21081409

IRS ADDS NEW REQUIREMENT FOR EIN APPLICATIONS
www.CPAPracticeAdvisor.com/21080153



GAIL PERRY, CPA
Editor-in-Chief
gail.perry@cpapracticeadvisor.com
@gperrycpa

Change Is In The Air

DID YOU EVER have to move and change schools when you were a child? I only had to do it once, but I just met a new friend who went to 13 different grade schools. I can't begin to wrap my head around that. This person understands change like nobody else I know. At the same time, I'm working with a tax client who has lived in the same house for more than 50 years and is contemplating moving to a retirement community. The idea of making such a big life change is overwhelming to her – so much so that I'm not sure she'll be able to make the move.

Why is it we're so resistant to change? In our work lives, we define change as switching to a new computer program, changing from office to remote working, dealing with clients via text and video chat instead of phone calls and letters, asking Alexa to turn on our lights instead of walking across the room and doing it ourselves. None of this is difficult, it's just different. And yet sometimes it feels like *nothing will ever be the same again* when we're asked to make yet another change.

Maybe change will be frustrating, or even a little difficult, but usually the changes we make are for the better: faster, more effective, more secure, more accessible. How often do we make changes that are for the worse? Whether it's a matter

of learning new skills, adding new services to your client offerings, moving to new office spaces, adding flexible hours for our staff – the end result is the same: we're better for having made the change.

And yet, we kind of hate making changes.

The reviews in this issue cover a variety of tax software solutions, and I'm writing about change because to switch to a new solution would be a big change. Many people whose opinions I respect suggest accountants should hold off on making computer software changes at the moment, that the software solutions themselves are in a state of flux, and we should wait until we know exactly what we want and can find a solution that is

exactly what we need. I think that makes sense. But not when it comes to tax software.

If you're using a tax program that gives you headaches, this is exactly the time to make a change. You've got time right now to consider the available options, demo the products, discuss the pros and cons with your staff, make a choice, get your client history loaded into a new program, and have everything in place before next tax season begins.

The benefits of the change, one would hope, will include a smoother tax season next year, better workflow, happier staff, happier clients, a bit of time saved, maybe a bigger bottom line – what's not to like about any of that? The downside,



if you want to call it that, is that you're going to have to invest some time right now to make all of that happen.

As a tax accountant who is considering doing this myself, I can totally empathize with the overwhelming feeling of this change process being too difficult to manage, but I'm trying to keep my eye on the benefits I'll be reaping next spring. Meanwhile, it's late – Alexa, turn off the lights. ■

— Gail Perry, Editor-in-Chief

CPA Practice Advisor
Today's Technology for Tomorrow's Firm

NSA Practice Advisor
Today's Technology for Tomorrow's Firm

Published by Endeavor Business Media, LLC

1233 Janesville Ave. | Fort Atkinson, WI 53538 | 920-563-6388 | 800-547-7377

VOLUME 29, NUMBER 5



Publisher: Barry Strobel
Editor-in-Chief: Gail Perry, CPA
Managing Editor: Isaac M. O'Bannon
Contributors: Ken Berry, JD
Doug Sleeter
Jim Boomer, CPA, CTP
Kristy Short
Randy Johnston
Roman H. Kepczyk, CPA, CTP
Paul McDonald
Amy Vetter, CPA, CTP, CGMA
Becky Livingston
Brian Tankersley, CPA, CTP, CGMA
Reviewers: Mary Girsch-Bock
John Higgins, CPA
Art Director: Rhonda Cousin
Site Manager: Lester Craft
Production Manager: Barb Evenson
Audience Development Manager: Terri Pettit

Editorial Advisory Board:
Jim Bourke, CPA, CTP, CGMA, CFF
Jim Boomer, CPA, CTP, CGMA, MBA
Bob Cedergren, CPA, CTP, CGMA, CISA
Randy Johnston, MCS
Greg LaFollette, CPA, CTP, CGMA
Donny Shimamoto, CPA, CTP, CGMA
Doug Sleeter
Sandra Wiley, PHR, SPHR
ENDEAVOR BUSINESS MEDIA, LLC
CEO: Chris Ferrell **CTO:** Eric Kammerzell
CRO: Scott Bieda **CMO:** June Griffin
VP, Accounting: Angela Mitchell
Director of Finance: Jessica Klug
VP, Production Operations: Curt Pordes
VP/Group Publisher: Lester Craft
General Counsel: Tracy Kane

Subscription Customer Service
877-382-9187; 847-559-7598
Circ.CPA@omedia.com
PO Box 3257, Northbrook IL 60065-3257

Article reprints: Brett Petillo
Wright's Media 877-652-5295, ext. 118
bpetillo@wrightsmedia.com

List Rentals: Elizabeth Jackson
email: ejackson@meritdirect.com
phone: 847-492-1350 ext. 18
fax: 847-492-0085



Practice Advisor (USPS 017-576), (ISSN 2160-8725 print; ISSN 2160-8733 online) is published four times per year (April, June, August and December) by Endeavor Business Media LLC incorporating two editions known as CPA Practice Advisor and NSA Practice Advisor. Periodicals postage paid at Fort Atkinson, WI 53538 and additional mailing offices. POSTMASTER: Send address changes to Practice Advisor, PO Box 3257, Northbrook, IL 60065-3257. Canada Post PM40612608. Return undeliverable Canadian addresses to: Practice Advisor, PO Box 25542, London, ON N6C 6B2.

Subscriptions: Individual subscriptions are available without charge in the U.S. to qualified subscribers. Publisher reserves the right to reject non-qualified subscriptions. Subscription prices: The basic annual rate is \$3, based on qualifying associations of 10,000 or more public accountants that may also subscribe for all their public accountant members (certain restrictive covenants apply) for a basic subscription rate of \$9 per member for a three-year subscription. One year subscription for all others: USA - \$37; CAN \$64+Tax GST; INT'L \$91 GST. All subscriptions payable in U.S. funds, drawn on U.S. bank. Canadian GST#842773848. Back issue \$10 prepaid, if

available. Printed in the USA. Copyright 2019 Endeavor Business Media LLC.

All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopy, recordings or any information storage or retrieval system, without permission from the publisher.

Endeavor Business Media LLC does not assume and hereby disclaims any liability to any person or company for any loss or damage caused by errors or omissions in the material herein, regardless of whether such errors result from negligence, accident or any other cause whatsoever. The views and opinions in the articles herein are not to be taken as official expressions of the publishers, unless so stated. The publishers do not warrant, either expressly or by implication, the factual accuracy of the articles herein, nor do they so warrant any views or opinions offered by the authors of said articles.

The opinions given by contributing authors are their own and are not the opinions of our staff. All trademarks used are the property of their respective owner.

Accounting Power

Built for Professionals. Built for Control.
Built for you to lead your clients.



Accounting has never been so rewarding.

You need professional tools to put your expertise to full use – to best serve your clients and add value to their businesses. However, most accounting systems are created primarily for small businesses, not for accountants. Those systems simply don't deliver the power – or control – your professional work demands.

AccountantsWorld recognized how this gap was hurting accounting practices. So we created cloud-based **Accounting Power** to give you full control over client accounting. Sold exclusively to accounting professionals like you, *Accounting Power includes both a powerful professional system and a fully integrated comprehensive G/L module.*

This breakthrough approach gives you remarkable capabilities to greatly enhance your practice in ways never before possible.

With Accounting Power, you can:

- Perform write up and trial balance work with utmost efficiency.
- Effortlessly prepare fully customizable financial statements.
- Customize system access for each client, based on their needs and ability, to minimize client errors.
- Add more value to your clients' businesses by managing their cash flow and business finances.

Ideal for offering Client Accounting Services

Accounting Power has become a premier solution for painlessly offering highly profitable Client Accounting Services. The seamless integration between our professional and G/L systems, streamlined workflow for offering bill payment and receivable services, and comprehensive analytics for monitoring clients' cash flow and KPI's make this possible.



Accounting Power has a lot to offer you – more than any other accounting system.

See for yourself.

Visit BuiltForAccountants.com to learn more.



MOST POWERFUL WOMEN IN ACCOUNTING...2019

The American Institute of CPAs and *CPA Practice Advisor* are pleased to partner for the **2019 Most Powerful Women in Accounting Awards**, given annually to 25 women leaders who are helping to define and advance the profession.

The joint administration of the award is part of the AICPA's ongoing efforts to promote inclusiveness and create more opportunities for women to attain leadership positions in both public and management accounting.

"We're excited to work with *CPA Practice Advisor* to recognize some of the best and brightest in the profession," said Jacquelyn H. Tracy, CPA, CGMA, chair of the AICPA Women's Initiatives Executive Committee (WIEC). "Year in and year out, this is a highly impressive group of women that we hope to give

even more visibility as role models and pathfinders."

The WIEC sponsors research, mentorship and networking opportunities, and oversees the annual Women's Global Leadership Summit.

Members of the AICPA work with *CPA Practice Advisor* to select and promote award winners each year. The AICPA will continue to offer its "Women to Watch" awards, which – in collaboration with state CPA societies – recognize experienced and emerging women leaders.

"Now in its eighth year, the 'Most Powerful Women in Accounting' awards recognize women who are not just making a difference in the accounting profession, but who are the difference in the profession – our accounting profes-

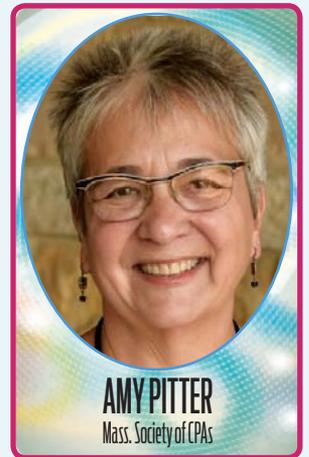
sion would not be where it is without the impact these influential women are making," said Gail Perry, CPA, editor-in-chief of *CPA Practice Advisor* magazine.

Winners were recognized at AICPA ENGAGE, held June 9-13 in Las Vegas. To be eligible, nominees should demonstrate they:

- Are a driving force in creating a culture of innovation or excellence within their firm, or helped, as a vendor, to develop technologies that empower firms to be more productive and profitable
- Have reached a level of management and ownership within their company, with demonstrable impact on its success
- Actively mentor those following in their footsteps ■



LEARN MORE ABOUT THE
2019 MOST POWERFUL WOMEN IN ACCOUNTING
AT WWW.CPAPRACTICEADVISOR.COM/21082965





Protect and Build Wealth Through a Captive Insurance Company

By Randy Sadler, CIC Services

IN TODAY'S BUSINESS environment, companies—particularly small and mid-sized ones—face innumerable threats. Cyber risk is a growing and wildly unpredictable threat, and there is terrorism, environmental disasters and political risk.

Litigation continues to pose significant threats to business owners, and the dangers come from inside and outside. There is employment law, age discrimination, sexual harassment, worker's compensation, general liability, product liability, vehicle liability and innumerable other

ways for a business to get sued. The #metoo movement has brought down high-profile politicians and big-name business owners, and small and mid-market businesses are definitely not immune.

In the 21st century, there is a complex, global and ever-changing

business climate, and the question persists: Is third-party commercial insurance sufficient by itself? And, if commercial insurance costs rise, what other alternatives do businesses have to protect themselves?

THE THIRD-PARTY INSURANCE DILEMMA

Even when you can get reasonably priced third-party insurance to protect against a given risk, the drawbacks are significant. The policy limits cap coverage and policy exclusions limit

Captives have the unique ability to improve risk management and simultaneously stockpile wealth.

coverage. Many policies are “cookie cutter” and based on a generic risk model that most businesses face rather than one customized for their business. Claims drive up the future cost of insurance and there are also marketing and distribution costs as well as corporate overhead and profit margins that are built in to premiums.

Most importantly, the biggest drawback to third-party insurance is that premiums paid are a sunk cost. Unless claims are made, insurance payments are always lost money (with the exception of buying peace of mind). This lost money – lost paying insurance premiums today – reduces a business’ flexibility in the future.

A BETTER WAY – BLENDING THIRD PARTY INSURANCE WITH FORMAL SELF-INSURANCE

For many business owners, a far more powerful approach to risk management that overcomes the trade-offs is to develop a layered or blended approach. The key for business owners to insure their way to greater wealth is to own their own insurance company, known as a captive. A captive can form the backbone of an Enterprise Risk Management (ERM) plan, providing formal self-insurance. By combining third-party insurance with a captive insurance company, a business owner can establish a far more comprehensive and thorough risk management approach. This

approach is also a better forward-looking approach, because the captive insurance company will accumulate additional reserves in years with low claims. These reserves can provide more robust insurance coverage in the future and, when necessary, can be accessed by the owner (or CFO) as a war chest to address contingencies or unanticipated risks.

WHAT IS A CAPTIVE INSURANCE COMPANY?

Simply put, a captive insurance company is a closely-held insurance company that insures primarily thought not exclusively your business. It is a C corporation and is licensed and domiciled like any large insurance company. Captives also have their own reserves, policies, policyholders and claims. Insurance policies are issued by the captive to its parent or related companies and are actuarially priced. Owning a captive insurance company is a sophisticated way to self-insure, and captives are generally formed to insure the risks of a business, group of businesses and related or affiliated third parties.

HOW DOES CAPTIVE OWNERSHIP ENABLE YOU TO PROTECT AND BUILD WEALTH

Simply put, a captive insurance company is a powerful risk management and wealth accumulation tool. By operating their own insurance company, business owners and

CFOs can:

- **Fill Third-Party Gaps:** A captive insurance company can issue insurance policies that address gaps not covered by third-party insurers.
- **Utilize Customizable Coverage:** Captive insurance companies can write customizable coverage for the businesses they insure. Many businesses face unique risks that may not be addressed by commercial insurers. The flexibility afforded by a captive is extremely beneficial in a complex world.
- **Benefit From Few or No Policy Exclusions:** Captives can provide broad coverage without the exclusions that riddle typical commercial insurance policies. Insurance coverage is worthless if an exclusion prevents the insured from receiving a claims payment when it needs it most.
- **Avoid Sunk Cost of Third-Party Insurance:** Premiums paid to a captive insurance company remain the property of the captive owners and are retained as profit.
- **Gain Access to a War Chest:** Over time, assets are accumulated in a captive. Because the captive is a formal form of self-insurance, it benefits from insurance law and favorable tax treatment. Hence, it is able to accelerate asset accumulation.

HOW WEALTH IS ACCUMULATED

First, premiums paid to the captive receive favorable tax treatment. Premiums paid to the captive are an expense to the parent company. This lowers the parent company’s taxable income. As the captive takes in premiums, it is taxed as an insurance company on its underwriting profits (typically defined as premiums less reserves to pay future claims). For large insurance companies, underwriting profit is actuarially determined. However, small insurance companies can

make an 831(b) tax election, resulting in a tax rate of zero percent on their underwriting profit. A small insurance company is defined as receiving premiums of \$2.3 million or less per year.

Second, the captive is able to invest and grow a larger pool of assets. Large commercial insurers have entire staffs whose sole purpose is to invest reserves (that have not been taxed).

For these reasons, a well-run captive insurance company will typically double retained earnings. And, the same claims that would be paid by the captive would have to be covered out of retained earnings anyway if the captive weren’t in place.

ENJOY THE ABILITY TO REAP LONG TERM PROFITS

When business owners are ready to sell their business or retire, they keep the war chest. A successful captive amasses wealth for its owners that can be accessed and enjoyed in the future. Captives have the unique ability to improve risk management and simultaneously stockpile wealth. ■

Randy Sadler started his career in risk management as an officer in the U.S. Army, where he was responsible for the training and safety of hundreds of soldiers and over 150 wheeled and tracked vehicles. He graduated from the U.S. Military Academy at West Point with a Bachelor of Science degree in International and Strategic History with a focus on U.S. – Chinese Relations in the 20th century. He has been a Principal with CIC Services, LLC for 7 years and consults directly with business owners, CEOs and CFOs in the formation of captive insurance programs for their respective businesses. CIC Services, LLC manages over 100 captives.

A Solid Tax Compliance System Is Essential

SAY WHAT YOU will about the Tax Cuts and Jobs Act (TCJA), but its passage certainly helped convince CPAs and tax professionals that having a solid tax compliance system is essential. The TCJA included the most sweeping changes in the U.S. Tax Code in more than 30 years, including the elimination of the personal exemption, a new cap on property and personal income tax deductions, and the elimination of moving expenses, just to name a few. Tax brackets changed across the board, and new regulations also included significant changes for sole proprietors who file a Schedule C, with changes for LLCs, Partnerships, and Corporations.

And it's not over yet. With many taxpayers filing for an extension, and with the tax bill weighing in at more than 1,000 pages, the 2018 tax year is still presenting challenges for tax firms nationwide. That's why it's impossible to overstate the importance of having a solid tax compliance solution in place.

Let's face it, even the most experienced CPA would be hard-pressed to be familiar with every detail of the current U.S. Tax Code. But if they're not familiar with every detail, they need access to those details in order to do their job properly, which can often entail filing hundreds or even thousands of tax returns for their clients annually.

However, these tax compliance systems do much more than offer form

preparation shortcuts. In many cases, they offer line-by-line assistance, while offering complete integration with frequently used tax applications. They can also offer advance research options in order to handle more complex tax issues. For the sake of both convenience and security, many of the products included in the review also offer a secure portal, where clients and CPA firms can securely share the necessary documents needed in order to prepare taxes in a timely fashion.

As in the past, we have divided the Tax Compliance reviews into

two categories: Advanced Workflow and Traditional Workflow. Many smaller firms consistently rely on traditional workflow systems while larger firms require the advanced features found in these applications. We have also provided a chart that provides our readers with a quick summary of features found in each of the reviews products.

The products reviewed in this issue are:

ADVANCED WORKFLOW SYSTEMS

- CCH Access Tax from Wolters Kluwer
- CCH ProSystem fx Tax from Wolters Kluwer
- Intuit - Lacerte Tax
- Thomson Reuters - GoSystem Tax RS
- Thomson Reuters - UltraTax CS

TRADITIONAL WORKFLOW SYSTEMS

- ATX from Wolters Kluwer
- Drake Tax
- Intuit ProConnect Tax Online
- Intuit ProSeries Tax
- MyTaxPrep Office
- Tax Slayer

- TaxAct Professional
- TaxWise from Wolters Kluwer

RELATED PRODUCTS

- Bloomberg 706 & 709
- Canopy Tax
- Taxfyle

Throughout the review process, we looked at numerous system features and functions including cloud/remote access, the ability to support multiple tax preparers simultaneously, e-filing availability, and the ability to import data from other applications. We also looked at the availability of diagnostic tools to help firms locate and correct any potential issues prior to filing. With all of the changes posed by the TCJA, having the tools and resources at your fingertips is more important than ever, for both your firm and your clients. If your firm is in the market for a new Tax Compliance application, this issue is a good place to begin your search. ■

Mary Girsch-Bock is a freelance writer specializing in business and technology issues and is the author of a book, several HR handbooks, training manuals, and other publications. She can be reached at mary.girschbock@cpapracticeadvisor.com

	REMOTE/CLOUD ACCESSIBILITY	CUSTOMIZABLE USER INTERFACE	SUPPORTS MULTIPLE TAX FORMS	E-FILING CAPABILITY	LINE BY LINE HELP AVAILABLE	PORTAL AVAILABLE	PAPERLESS WORKFLOW	INTEGRATES WITH VENDOR APPLICATIONS	INTEGRATES WITH THIRD-PARTY APPLICATIONS	TRAINING & SUPPORT OPTIONS
ADVANCED WORKFLOW SYSTEMS										
CCH Access Tax from Wolters Kluwer	X	X	X	X	X	X	X	X	X	X
CCH ProSystem fx from Wolters Kluwer		X	X	X	X	X	X	X	X	X
Intuit Lacerte Tax			X	X	X	X	X	X	X	X
Thomson Reuters GoSystem RS	X	X	X	X	X	X	X	X	X	X
Thomson Reuters Ultra Tax CS	X	X	X	X	X	X	X	X	X	X
TRADITIONAL WORKFLOW SYSTEMS										
ATX from Wolters Kluwer	X		X	X	X	X	X	X	X	X
Drake Tax	X	X	X	X		X	X	X	X	X
Intuit ProConnect	X	X	X	X	X	X		X		X
Intuit ProSeries			X	X		X	X	X		X
My TAXPrep Office	X	X	X	X		X		X	X**	X
TaxSlayer Pro	X		X	X		X	X	X	X**	X
TaxAct Professional	X		X	X	X	X	X	X	X	X
TaxWise from Wolters Kluwer	X*	X	X	X	X	X	X	X	X	X

*Only 1040's
**Limited

CCH Access Tax from Wolters Kluwer

<https://taxna.wolterskluwer.com/professional-tax-software/access>

CCH Access Tax from Wolters Kluwer is well-suited for accounting firms of all sizes, as well as corporate tax departments that prepare complex tax returns. CCH Access Tax is completely cloud-based and offers mobile apps for both iOS and Android smartphones and tablets.

The system offers easy system navigation, with the interface screen resembling Microsoft Office, with users able to easily customize the Quick Access Toolbar to better suit their needs. The product dashboard allows users to easily track all related projects

and tasks, and also provides quick access to client documents and any tax return notes, which can be assigned to a specific staff member.

CCH Access Tax supports all U.S. tax returns including common forms such as 1040 Individual, 1065 Partnership, 1120 Corporation, 1120S Corporation, 1041 Fiduciary, 706 and 709 Estate and Gift Tax, and 990 Exempt Organizations. Prior year returns can also be prepared if necessary, and users can easily roll forward prior year totals in order to prepare current year forms.

The system integrates with CCH Access Portal, allowing users and clients to send and receive source documents and other correspondence in a confidential manner. Users can provide portal access to clients, who in turn will need to create their own username and password in order to access the portal. The product also integrates with CCH eSign, which allows clients to sign documents electronically. It also links to CCH AnswerConnect, allowing users to easily research a variety of topics without leaving the application.

★ **5** 2019
OVERALL
RATING

CCH Access is available via subscription, with pricing dependent on the user needs and applications purchased. Those interested in CCH Access Tax should call 1-800-739-9998, option 1 followed by option 2 for a personalized quote.

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
21081482](http://www.CPAPracticeAdvisor.com/21081482)

FIRST HAND
SPONSORED CONTENT

CPA Practice Advisor
Today's Technology for Tomorrow's Firm

Building the Firm of Tomorrow with CCH Access

Chris Salisbury knows tech, and as a CPA, he knows accounting and taxes. But what really sets his firm apart is how he has combined the best tech with best practices to realize better client service and higher profits. After working for more than a decade at large regional firms in North Carolina, Chris and his partner Will Smith grew frustrated with the outdated and inflexible workflow model that most traditional firms still clung to, so they started Smith & Salisbury PLLC CPA (www.sands-cpa.com) in Charlotte in 2002.

The full-service firm offers estate and wealth management planning, personal and business financial consulting, business startup services, QuickBooks support, tax compliance and IRS representation services. From the firm's earliest days, with only two partners and an admin, Chris says he kept on the lookout for ways to be more productive, while improving client service as well. The firm initially relied on the CCH ProSystem fx Suite from Wolters Kluwer, then transitioned to CCH Access, the cloud-based solution from Wolters Kluwer.

Chris says this has been a critical element of their ability to grow the practice and increase profitability, while decreasing overhead and improving client service.

Since then, Smith & Salisbury has grown to a staff of eight, serving nearly 800 clients across all entity types, with most clients having multiple filing requirements. For 2018, the firm realized revenues of about \$1.7 million and filed more than 1,200 returns and extensions during the 2019 tax season.

"We initially hosted the tax and accounting system, CCH ProSystem fx, on our own server, so that we would have greater remote capabilities while still having the professional suite of solutions from CCH," Chris said. "We then made the move to CCH Access, the completely cloud-based system, and use almost the entire suite of modules that are available on that platform." CCH Access includes modules for tax, document management, client portals, practice management, workflow management, financials, data analysis, and predictive analytics. Smith & Salisbury also uses CCH ProSystem fx Scan and Autoflow, which along with automated scheduling, and the other modules from Wolters Kluwer has greatly streamlined their tax season. "Firms need to be fairly quick to adapt new technologies in order to stay competitive, and CCH Access gives us the ability to serve clients more efficiently."

In October 2018, the firm continued its evolution by moving to a value-based fixed price model. As part of this transition, all clients signed fixed pricing agreements

for the services the firm would provide, and all clients are required to pay for those services in advance. The result, he says, is no more chasing down payments or collections – imagine zero AR and no time tracking. The project management and workflow modules from CCH Access were essential to the success of their transition.

The mobile capabilities of CCH Access, combined with the fixed pricing model, are very popular with the staff and with clients, Chris notes. The firm's eight staff are encouraged to work remotely when they want or need to, and the firm provides home office workstations in addition to office computers, both with multiple monitor setups (usually four screens) to maximize their productivity. With all staff having this mobile flexibility, even working from home some days during tax season, Chris says the firm is able to attract and retain highly-skilled professionals at all levels who want the ability to work when, and where, they want.

"CCH Access has given us the tools to better serve our clients without being tied to the office, and helps us reduce the monotony and headaches of the tedious aspects of paper shuffling."

Learn how CCH Access can help your firm achieve greater productivity and profitability at:

<https://EngageTax.WoltersKluwer.com/Access>

Read the 2019 review of CCH Access at www.cpapracticeadvisor.com/21081482

REVIEW: PRO TAX PREPARATION SYSTEMS

ADVANCED WORKFLOW SYSTEMS

CCH ProSystem fx Tax from Wolters Kluwer

<https://taxna.wolterskluwer.com/professional-tax-software/prosystem-fx>

CCH ProSystem fx Tax from Wolters Kluwer is part of the CCH ProSystem fx Suite, and is well suited for accounting firms of any size. The system is available as an on-premise solution and is scalable, offering a long list of modules

including Individual, Partnership, Corporation, Employee Benefit Plan, Fiduciary, Estate and Gift, Exempt Organization, Electronic Filing, Productivity Software, and Data Conversion Services, with firms able to bundle all

of the modules for a complete solution, or purchase only the modules needed.

ProSystem fx Tax pricing depending on modules purchased and number of users. For more information, call 1-800-739-9998, option 1 followed by option 2.

★ **5** 2019
OVERALL
RATING

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
21081481](http://www.CPAPracticeAdvisor.com/21081481)

Lacerte Tax from Intuit

<https://proconnect.intuit.com/lacerte/>

Lacerte Tax from Intuit is well-suited for accounting firms of all sizes that offer both individual and business tax preparation services to their clients. Lacerte handles a variety of return types and offers exclusive integration

with QuickBooks Accountant.

Lacerte offers a variety of licensing options, including Lacerte 200/Federal 1040, which is best for firms preparing fewer than 200 individual federal tax returns annually. Lacerte Unlimited

is ideal for firms that prepare a high number of both individual and business returns. A variety of add-on options are available for each tax package, and those interested can contact Lacerte directly for a custom quote. All Lacerte tax packages include the

★ **4.75** 2019
OVERALL
RATING

Easy Start Program, Automatic Data Conversion, and a 30-day money back guarantee.

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
21081485](http://www.CPAPracticeAdvisor.com/21081485)

FIRST HAND
SPONSORED CONTENT

CPA Practice
Advisor
Today's Technology for Tomorrow's Firm

Covering All the Bases: How Lacerte Keeps Team Brolin On Their Game

To say that Dawn Brolin wears many hats is an understatement. The CPA and Certified Fraud Examiner is a principal and founder of Powerful Accounting (www.powerfulaccounting.com), a partner in Anderson, Brolin & Coba CPAs (<http://abccpas.net>), offers IT services, provides small business accounting and fraud prevention services, and is a nationally-recognized consultant, speaker, author and thought leader in the profession. She's also been honored as one of *CPA Practice Advisor's* "40 Under 40" and one of the "Most Powerful Women in Accounting" for several years, and has been lauded by *Accounting Today*.

From late January through April, however, Dawn usually has her tax hat on, providing compliance services to individuals and business entities across the country. During the 2019 tax prep season, Powerful Accounting processed nearly 200 individual returns, and ABC CPAs filed more than 1,000, along with partnership and corporate returns, most of which were fairly complex and interrelated, she says. Due to the simplification of taxes for many lower income earners this year, the firm had a strategy to decrease the number of simple returns they prepared, with that time spent on more productive clients and services.

A cornerstone of her tax practice is the Intuit Lacerte tax preparation system, which Dawn has used since 2013, when she partnered with ABC CPAs. "Lacerte covers all of the forms and entities, with strong tax planning and back-year tax filing," Dawn said. In addition to using the system for current clients, the prior-year features are essential to her work with IRS representation and with criminal and civil litigation.

Powerful Accounting hosts the Lacerte system on a remote server that it is accessible from wherever the staff is located. Considering how mobile Dawn is with her multiple career endeavors, her consulting work and her speaking engagements, the remote accessibility is a great benefit. This is especially so during the spring, when in addition to tax work, she is an assistant coach for the Eastern Connecticut State University NCAA Division-III Women's Fastpitch Softball team. She recently traveled across the country, including a trip to the NCAA National Championship Tournament in late May where the team placed third nationally.

"I'm extremely mobile, but with a hosted version of Lacerte and my Mac Book or iPad, I can work on client returns and other engagements wherever I am, even while in Florida for spring training."

Dawn says that Lacerte streamlines and automates

Dawn Brolin, CPA, CFE Founder and Principal
Powerful Accounting, LLC Windham, CT

the entire tax engagement process, from entering basics, to integration with GruntWorx, which the firm uses to scan client source documents, then populating the return in the tax system. Brolin even maximizes Lacerte and SmartVault by printing directly to SmartVault from Lacerte and subsequently sending 8879's to clients with the KBA requirements through DocuSign. This past tax season, an intern handled most of the admin data collection work.

"Lacerte's diagnostic tools are fantastic, and it includes great review functions, including the ability to instantly jump to the input forms, plus form comparisons and searchability," she said. "And moving to Lacerte was really easy, with fast support, and Intuit converted all of our data files from our previous tax prep solution."

The Lacerte Tax system is available in a variety of versions, with bundles designed for firms of any size.

Visit <https://proconnect.intuit.com/lacerte> and try the free demo version.

Read the 2019 review of Lacerte Tax from Intuit at www.cpapracticeadvisor.com/21081485

PRO TAX PREPARATION SYSTEMS: REVIEW

GoSystem Tax RS from Thomson Reuters

<https://tax.thomsonreuters.com/cs-professional-suite/gosystem-tax-rs/>

GoSystem Tax RS from Thomson Reuters is part of the CS Professional Suite of applications designed for accounting professionals and corporate tax departments alike. GoSystem Tax RS is well

suited for firms preparing multitiered consolidated corporate returns, life insurance returns, and tax equalization returns, though the program handles individual returns as well.

GoSystem Tax RS pricing is customized for each firm, starting at around \$4,000 annually for a single-user system.

★ **5** 2019
OVERALL
RATING

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
21081484](http://www.CPAPracticeAdvisor.com/21081484)

UltraTax CS from Thomson Reuters

<https://tax.thomsonreuters.com/cs-professional-suite/ultratax-cs/>

UltraTax CS from Thomson Reuters, is part of the CS Professional Suite of applications. UltraTax CS is well-suited for larger accounting firms that process both individual and complex business returns. UltraTax CS can be used as a stand-alone tax compliance application but offers more extended functionality when used with other CS Professional

Suite applications. UltraTax CS can be deployed as an on-site application, accessed as a hosted solution or as a SaaS application.

UltraTax CS does not offer a mobile app at this time, but mobile apps are available from both NetClient CS and Practice CS, enabling clients to access tax returns, financial statements, and

other documents using their smart phones and tablets.

Available as a stand-alone application, UltraTax CS is best used in conjunction with other CS Professional Suite applications. UltraTax CS pricing is typically based on number of users and deployment options chosen, with pricing generally starting around

★ **5** 2019
OVERALL
RATING

\$3,000 for a single user system

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
21081488](http://www.CPAPracticeAdvisor.com/21081488)

Canopy Tax

www.canopytax.com

Canopy offers a completely integrated tax and practice management platform designed for accounting firms of any size. Modules currently available from Canopy include Practice Management, Tax Resolution, and the new Notices module. The Notices module allows accountants to quickly answer questions regarding any notices received from the IRS. Step by step instructions are provided for each notice, with the product containing a series of resolution templates designed to provide answers quickly. Letter templates are also available, allows firms to respond to notices quickly.

Users can access the status of each notice received from the Management Dashboard, with users able to choose from an array of status options including In Progress, Review, On Hold, Completed, and Waiting on Client.

Users also have the option to create and assign a custom status if desired.

Due to be released in Summer 2019, Canopy will also be introducing their new Tax Prep module. The new Tax Prep module will integrate with other Canopy modules to form a complete practice management application. Tax Prep, like other Canopy modules, features an intuitive user interface, with users able to access hot keys when preparing returns. Tax Prep will also feature a tax organizer, e-filing capability for both federal and state forms, and eSign capability for Form 8879. Users will be able to track the status of all e-filed forms, and as an online application, accountants will be able to access the application from anywhere.

Along with the above modules, Canopy also includes a Client Portal, complete document management capabil-

ity, and a Contact Management feature. The document management feature offers an unlimited amount of storage, and both firms and clients can securely share documents via the portal, with users able to grant access to their clients as needed. Users can be notified instantly when a client uploads a needed file, with clients able to access tax forms, invoices and other documents via the portal as well, and the Contact Management feature allows firms to easily manage all client data from a single location.

Canopy's New Notices module is \$899 per user, per year; the Tax Resolution module is \$1,399 per user, per year; and the Practice Management module is \$999 per user, per year. Pricing for the new Tax Prep module, due out this summer, has not yet been released. All modules include Contact Management, Client Portal, and Secure File Transfer capability.

Estate & Gift Tax 706 Preparer from Bloomberg Tax

www.bloombergtaxtech.com

Bloomberg Tax offers numerous tools and resources designed for tax professionals who are required to file estate and gift tax returns for their clients. The Estate and Gift Tax Planner Solutions available include Estate & Gift Tax 706 Preparer, and Estate & Gift Tax 709 Preparer, both designed to save preparer time while offering accurate form preparation tools.

Both solutions are designed to be installed on-site on a desktop or network, and both products feature resources such as streamlined data entry capability, automated application help options, and spell check capability, and

can prepare estate plans and presentations for clients, no matter how complex the estate may be.

Bloomberg Tax Estate and Gift Tax 706 Preparer automates IRS Form 706 preparation, including amended returns. IRS forms and schedules supported in the application include IRS Form 706, Form 8971, and Forms 706-CE, 56, 712, 2848, 4768, 8275, 8275-R, and 8822.

The product will automatically perform complex computations and calculations including federal estate tax and state death taxes, GST Tax, and allows for community property treatment of all assets; automatically blocking out one-half of the value for accurate calculation. The

Interrelated Calculations Wizard can perform complex calculations, including Zero Federal Tax, Zero Federal and State Tax, and Interrelated Marital and Charitable deduction calculations.

Estate and Gift Tax 706 Preparer can also calculate charitable deductions for Split Interest Charitable Trusts, including CLAT, CRAT, CLUT, CRUT, and pooled income funds. The product is designed to reduce the amount of data entry required during the form preparation process by posting all form entries in the appropriate place in the return. The product will also automatically bypass irrelevant fields, and can automatically add any required schedules as needed.

Read the full review for this product online at: www.CPAPracticeAdvisor.com/21081504

REVIEW: PRO TAX PREPARATION SYSTEMS

ATX from Wolters Kluwer

<https://taxna.wolterskluwer.com/professional-tax-software/atx>

ATX from Wolters Kluwer is a tax compliance application that is well suited for small to mid-sized accounting firms that typically file fairly uncomplicated returns. ATX also offers excellent tax law research capability that integrates with the core tax preparation system and can be accessed from a desktop/

server environment or from a mobile device. ATX currently offers multiple tax packages including Pay-Per-Return, 1040, MAX, Total Tax Office, and Advantage editions; with each package offering a variety of features and functionality.

Designed as an on-premise applica-

tion, ATX can be installed on a stand-alone desktop system, workstation, or network server, with Windows 8.1+ required for installation. ATX recently added integration with QuickBooks Online, as well as better integration capability with CCH iFirm applications.

ATX currently offers five packages: ATX Pay-Per-Return, which is \$569; a 1040 Package costing \$759; the MAX

★ **4.75** 2019
OVERALL
RATING

Package at \$1,789; Total Tax Office, which is \$2,599; and Advantage, which is \$4,269. Various add-on applications are also available from ATX, with all priced separately.

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
21081479](http://www.CPAPracticeAdvisor.com/21081479)

Drake Tax

www.drakesoftware.com

Drake Tax from Drake Software is well-suited for small to mid-sized accounting firms that process a high number of individual and business returns for clients. As a winner of CPA Practice Advisor's Reader's Choice Awards since 2004, Drake Software offers tax compliance, document management, organizers, and practice management capability. Drake Tax can

be deployed on-premise or accessed as a hosted desktop solution. For those only preparing 1040 returns, Drake Zero and Web1040 are available, with both products offering web-based form preparation.

Drake Tax offers several tax package options, including the Power Bundle, which includes Drake Tax Unlimited and Drake Accounting. The Power Bundle is currently priced

at \$1,695. Drake Tax Unlimited can also be purchased separately for \$1,595, with the option to add Drake Accounting Pro at a later time. A pay-per-return option is also available which runs \$330 for 15 returns, with additional returns \$22.00 each. For firms that process 1040 returns exclusively, Drake Software offers Drake Zero for firms with a single location and Web1040, for firms with multiple locations. Both

★ **5** 2019
OVERALL
RATING

applications are offered online and are mobile friendly for easy access with a smart phone or tablet. Drake also includes free, online training and technical support.

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
21081495](http://www.CPAPracticeAdvisor.com/21081495)

Intuit ProConnect Tax Online

<https://proconnect.intuit.com/tax-online>

ProConnect Tax Online is best suited for smaller firms that process fewer than 300 tax forms per year. ProConnect Tax Online supports both individual and business returns through an online platform that can be accessed from PCs, Macs, and smart phones and tablets.

ProConnect Tax Online offers an intuitive user interface with a variety

of features and functions designed to streamline the tax preparation process, including a split view screen, which allows users to view data entry fields and tax forms side by side. Also available is a summary view, which allows users to view a summary of current and prior year taxes for each client.

Pricing includes federal, state, multi-state, and municipal e-filing,

with pricing per return. For 1040 filing, 1-9 returns are \$44.98 each; 10-49 returns are \$39.98 each; and 50-99 returns \$34.98 each, with special pricing available for more than 100 returns. Business return pricing is currently \$56.23 each for 1-9 returns; \$49.73 each for 10-49 returns, and \$43.73 each for 50-99 returns, with special pricing available for more than 100 returns. Business pricing includes

★ **4.25** 2019
OVERALL
RATING

preparation of forms 1041, 1065, 1120, 1120S, 990, and 709. Those interested can download ProConnect Tax Online at no cost, only paying when forms are filed.

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
21081494](http://www.CPAPracticeAdvisor.com/21081494)

Intuit ProSeries Tax

<https://proconnect.intuit.com/proseries/>

ProSeries Tax from Intuit is well-suited for small to mid-sized accounting firms that prepare both individual and business returns for clients. ProSeries currently offers two plans: ProSeries Basic for firms handling 1040 forms exclusively, and ProSeries Professional, for firms that regularly handle both 1040 forms and business forms.

The Professional edition of ProSeries Tax also allows users to import data directly from QuickBooks Desktop applications into the tax software.

ProSeries Tax is available as a desktop or network application that can be installed on workstations, and does not currently offer cloud access or mobile apps.

ProSeries Basic is for those that prepare individual returns exclusively, and ProSeries Professional is for firms that process both individual and business returns. Basic Unlimited, which offers processing for an unlimited number of 1040 forms, is \$1,109 per year, while 1040 Complete, which supports both 1040 returns along with business returns, is currently priced at \$1,899.00

★ **4.5** 2019
OVERALL
RATING

per year. A Pay-Per-Return option is also available, as is the Choice 200 plan which is priced at \$1,549 per year, and is designed for firms that process less than 200 returns annually.

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
21081490](http://www.CPAPracticeAdvisor.com/21081490)

PRO TAX PREPARATION SYSTEMS: REVIEW

Estate & Gift Tax 709 Preparer from Bloomberg Tax

<https://www.bloombergtaxtech.com>

Estate and Gift Tax 709 Preparer from Bloomberg Tax automates the preparation of IRS Form 709, while also supporting IRS forms including Form 56, 712, 2350, 4868, 8821, 8822, 8275, 8275-R, and 8892. 709 Preparer automatically performs form computations, ensuring that all calculation totals are carried to the correct place. The product allows users to move gifts from one part of Schedule A, automatically import data from a prior year Form 709 into the current

return, and the Import Spouse's Split Gifts feature allows users to import split gifts from a spouse's 709 Preparer tax return into the taxpayer's return. Spouse returns can also be imported directly into the product as well.

709 Preparer uses a Smart Data Entry system that allows users to easily navigate through the form entry process, with users needing to enter data only once. Users are also alerted to missing or erroneous data through diagnostic messages, and on-screen sticky notes makes it

easy to enter custom data or notes on-screen. A custom attachment feature is also included in the application, so users can attach documents and notes to any form for future reference.

Other calculations that are performed by 709 Preparer include Annual Exclusion for each gift and Support for Donees, which also provides form preparers with a worksheet that includes a drop-down list that can easily retrieve and apply donee information for entries and will also total amounts and annual exclusions for each donee.

Read the full review for this product online at: www.CPAPracticeAdvisor.com/21081506

Taxfyle

<https://taxfyle.com/>

Taxfyle is designed for both consumers and accounting firms; connecting consumers with tax professionals who will prepare and file their taxes on demand. Taxfyle is an excellent alternative to do-it-yourself tax applications that put the preparation burden on the taxpayer alone by combining on-demand tax preparation capability with experienced tax practitioners to create a unique application.

Consumers interested in using Taxfyle simply answer a series of questions. Once the questions are answered, the customer receives a quote for the tax preparation services. Taxfyle will also match customers with a tax professional. Once that match has been facilitated, customers then begin the process of sending the required documents needed in order to prepare the return. Once the return is completed, customers can sign the return using their mobile device, which allows the tax professional to then file the return.

But perhaps the biggest advantage that Taxfyle offers is reserved for CPA firms, particularly firms that find themselves frequently overwhelmed during the tax season. Here are just a few of the challenges that many firms find themselves dealing with during the tax season:

- Finding and retaining qualified staff
- Maintaining a fair workload/overworked staff
- Dealing with new clients while continuing to keep current clients happy
- Ensuring that new staff are keeping up with tax changes

Read the full review for this product online at: www.CPAPracticeAdvisor.com/21081512

RELATED APPLICATIONS



CPA Practice Advisor Presents

2019

ENSURING SUCCESS

Public accounting's premier annual live streaming event!

SAVE THE DATE!

STRATEGIC GROWTH FOR ACCOUNTING FIRMS!

DECEMBER 12

LIVE STREAMING EVENT FROM DALLAS, TX

Ensuring Success, a one-day national conference event, brings together the brightest minds in the accounting profession to share their knowledge and insight through a live streaming conference. Become a sponsor and benefit from interaction with attendees through various marketing opportunities including commercial spots, direct contact, lead generation, marketing materials and pre/post-event marketing.

FOR MORE INFORMATION:
WWW.ENSURINGSUCCESS.COM

REVIEW: PRO TAX PREPARATION SYSTEMS

MyTAXPrepOffice

www.mytaxprepoffice.com

MyTAXPrepOffice from Advanced Tax Solutions is a good fit for high-volume tax preparers who typically handle straight-forward returns. MyTAXPrepOffice offers unlimited federal and state filing capability, with unlimited e-filing included in all editions of the application. An online product, MyTAXPrepOffice works with all common Internet browsers, with users able to access the

application from any smart phone or tablet.

Designed to work online, MyTAXPrepOffice also includes an offline mode, so users can still utilize the application even if not currently online, with all data entered later synched with the application once connectivity is restored. The product is also a good option for accounting firms or tax preparers that currently manage multiple locations, with users

able to easily review the status of any office at any time. MyTAXPrepOffice is designed for in-house tax preparation, with customers typically present when returns are completed.

MyTAXPrepOffice is available in three editions: Individual, which costs \$495 for one user and only handles 1040 processing for a single user; Essential, which costs \$795, supports two users and includes both individual and busi-

★ **4.5** 2019 OVERALL RATING

ness return processing; and Unlimited, which is \$1,095 and supports unlimited system users, multi-office management, and unlimited system storage. All versions of MyTAXPrepOffice include free, unlimited e-filing.

Read the full review for this product online at: www.CPAPracticeAdvisor.com/21081489

TaxAct Professional

www.taxact.com/professional

TaxAct Professional Edition is best suited for small to mid-sized firms that process a high number of tax forms for clients. TaxAct originally introduced DIY products for individual tax preparation for tax year 1998; TaxAct Professional, for CPA and accounting firms, was introduced for tax year 1999.

Additional business products have been available for more than 10 years, including Forms 1065, 1120S, and 1120.

TaxAct Professional is scalable, with three packages available including a pay-per-return option, a 1040 Bundle, and a Complete Bundle, with all editions available in Standard and Enterprise levels. TaxAct Professional is designed to be installed as an on-

premise solution on workstation or network systems. Users can also opt to install the application as an Online Network, so all files are stored on TaxAct Professional servers rather than in house.

The single-user 1040 Bundle is \$650; the 1040 Enterprise Bundle is \$720; the Complete Bundle, with business returns is \$1,200; and the

★ **4.5** 2019 OVERALL RATING

Complete Enterprise Bundle is \$1,550. Enterprise versions support multiple users. Pay-Per-Return is also available. Add-on applications can be purchased separately, with prices varying.

Read the full review for this product online at: www.CPAPracticeAdvisor.com/21081496

TaxSlayer Pro

www.taxslayerpro.com

TaxSlayer Pro has been offering tax preparation software to accounting professionals for more than two decades. TaxSlayer Pro is best suited for firms that prepare a high number of returns. The product is scalable, with three editions available: Classic, Premium, and Pro Web. All editions offer 1040 preparation and filing, but only the Classic and

Premium editions offer business filing.

The user interface screen features a variety of colorful icons for quick system access. The main screen offers a grid-style menu where users can choose the option they wish to access. There are also additional options listed on a menu to the left of the grid. Users also have access to the Client Status screen, where all client data can be reviewed,

including all state filing information. E-Filing status is also available from this screen.

The Classic version of TaxSlayer Pro is \$1,095 for any number of users in the same office and includes both individual and business tax returns and unlimited e-filing. The Premium and Pro Web versions both cost \$1,395 for any number of users, with the mobile app included,

★ **4.5** 2019 OVERALL RATING

although the Pro Web edition does not offer business tax preparation or filing capability at this time. All editions of TaxSlayer Pro offer integration with bank products.

Read the full review for this product online at: www.CPAPracticeAdvisor.com/21081493

TaxWise from Wolters Kluwer

<https://taxna.wolterskluwer.com/professional-tax-software/taxwise>

TaxWise from Wolters Kluwer, is a scalable tax compliance application well-suited for small to mid-sized firms that process a variety of client returns. TaxWise Desktop is designed to be installed on-site on a local workstation or network. In addition, TaxWise is available in both English and Spanish. TaxWise Online (TWO) is also for firms that process mainly client 1040s and want the ability to be able to access

their tax compliance software from anywhere.

The latest version of TaxWise offers enhanced system security, adding password expiration dates, and more stringent password requirements. The product also offers enhanced integration capability with other CCH applications including CCH AnswerConnect, CCH iFirm Portal, and CCH iFirm Practice Manager, with users enabling

integration during the product setup process.

Three versions of the system are offered: TaxWise Pay-Per-Return, which is \$586 per year with unlimited users in one location; TaxWise ProFiling, which focuses on federal and state returns and runs \$1,163 for unlimited users; and TaxWise Power, which handles both individual and business returns and is available for \$2,656 for any number

of users. For firms that process mainly 1040s, TaxWise Online may be a better option, with three editions available, starting at \$292 for a single user system; Pro for \$1,180 for three users; and Enterprise for \$2,152 for 10 users.

Read the full review for this product online at: www.CPAPracticeAdvisor.com/21081502

★ **4.75** 2019 OVERALL RATING

HOW SIMPLIFICATION HAS COMPLICATED THE TAX OFFICE OF THE FUTURE

By Ryan Gamble, Managing Director; Philip R. Pulliam, Director; and Lauren Pozna, Associate, Riveron.

THE TAX CUTS and Jobs Act of 2017 has simplified the tax code in many ways, including an increase in the standard deduction for individuals, removal of corporate Alternative Minimum Tax and an increase in bonus depreciation. The result of simplification creates less subjectivity for tax departments, advisors and practitioners. While creating many opportunities for experienced tax professionals to excel, this effect, in combination with advancing technologies like Artificial Intelligence, automates routine processes that may ultimately replace new tax associates' daily tasks. So where does that leave tax practices and their entry level associates?

It's time to reinvest in tax associates and advance their skillsets earlier than the normal path allows. AI is quickly becoming the new tool and starting point for public accountants and other tax practitioners. Its purpose is to provide efficiency and to arrive at new opportunities by allowing the associate to focus on more qualitative tasks. The reinvestment starts with higher education institutions and businesses vetting their traditional curricula and training programs and adding an increased focus on technical applications, data analytics, business context and client service.

AI is incredibly effective at recognizing trends and patterns due to the ever-evolving data it collects over time. We see this in our everyday interactions with Siri, Alexa and Google Home, which can produce quick answers to technical questions. With the creation of Natural Learning Processing (NLP), AI can read documents and produce an output from said information, such as K-1 aggregation, with an increased data processing rate. Because of these capabilities, AI has replaced significant aspects of a tax associate's daily role, specifically forecasting, speed of research and data processing. While tax associates are capable of managing AI, there should be more to the entry level tax job. To create a more effective tax associate in the AI world, it's time to adapt.

Universities and businesses can, and should, fill the gap by reassessing education and training and placing an increased focus on applying technical skills to real world scenarios. In order for the next generation of tax professionals to succeed, it is important for new associates to have a better understanding of the "real" world of tax. It begins with the building of foundational knowledge of how tax-specific statutes, regulations, administrative pronouncements, and the like, affect advisory projects and strategic planning.

Associates should come to a firm with the working knowledge of how to appropriately employ their skills

and apply them using a firm-wide technology in order to produce a result or conclusion on a given issue or task. Technology advancements are ever-changing, and as a result, improving associates' ongoing technical skillsets will leave them more successful.

While every case is different, a normal day for an entry level tax associate involves compiling, transforming and analyzing data. With the simplification AI brings to the table, many tasks assigned to associates have been absorbed. Still, it's just as important for associates to adapt and understand what the data means as applied to a specific task. While it's true that AI can spot patterns and trends, what it lacks is the ability to qualitatively analyze data. Associates will need to provide their clients with the context behind the analyses utilized to arrive at their conclusions. If contested, taxing authorities will expect a substantive analysis.

An introduction to the tools an associate will use is another way universities and businesses can improve the skillset of associates as they enter the workforce. Microsoft Excel is one of the most used programs in accounting and tax modeling. However, entry level associates may know only the very basics, making on-the-job learning a must. To offset this potential gap in knowledge, universities should require advanced Excel courses and businesses should also offer continuing education courses focused on Excel.

Now, as stated earlier, technology is ever-changing, and Excel may become a thing of the past for accounting and tax professionals. As such, businesses should increase investments around their efforts to train entry level associates on the latest technologies adopted by the firm. This creates a chance to build on an associate's data analytics and technology skills and the understanding of various issues facing businesses and the industry. In-depth, hands-on training will increase the efficiencies in engagements by reducing inconsistencies and the overall misuse of technologies.

One key aspect to those trainings should be the ins and outs of how to solve "common" problems. IT support is only one group that may slow down an engagement if they're not able to respond quickly. One workaround is to effectively train around the solutions of common problems and stress the importance of self-reliance and to avoid complete dependence on AI. Human judgement will always be important and can never be replaced by AI.

Now that entry level associates have gone through technical and technology training, what's the missing piece? The business context behind it all. Businesses can strengthen their associates by providing a solid foundation of how the accounting practice runs, relevant client industry knowledge and the overview of clients themselves. These basic pieces of information can turn the data dump on an associate's desk into valuable information used for key decision making. Two great learning opportunities are tax planning and issue identification.

Intangibles like client service also round out the tax associate's skillset. This is usually taught and refined at the managerial level, but why not start at the beginning? Associates in the tax offices of the future will be more client-facing than data crunching. Key points to discuss are appropriate ways to interact with clients, how to handle difficult situations, conversations and clients. These are all great skills to work and improve on from the moment an associate walks through the front door. In the age of increased reliance on technology, clients will always prefer a human adviser to lead them through the hard facts.

Data is the biggest asset in contemplating certain tax issues. Having the understanding to produce, use and deliver data is the tax practitioner's ultimate goal. Once associates meet with a client, they should be given access to up-to-date and firm-specific technology training, an education on the business and the industries that their firm and clients support and the opportunity to put their increased client service skills to use.

Tax associates of the future will not get left behind because of AI. Rather, with the right preparation from universities and a rich learning environment that sets them up for success in the workforce, an associate should be able to leverage AI to springboard ahead and provide value immediately with an advanced skillset. ■

Can Employers Make Direct Deposit Mandatory? *By Rachel Blakely-Gray*

MANY EMPLOYEES—82% according to a NACHA survey (www.bit.ly/23LNLui) — receive their wages via direct deposit. When you are deciding how to pay your employees, direct deposit likely comes to mind. However, not all employees want to receive their wages through direct deposit. Can you require mandatory direct deposit? Brush up on federal and mandatory direct deposit by state laws before requiring direct deposit for your workforce.

WHAT IS DIRECT DEPOSIT?

Direct deposit is an electronic funds transfer (EFT) that lets you put your employees' paychecks directly into their checking or savings accounts. Sure, you can pay employees with paper checks, cash, or even pay cards. But, using direct deposit to pay your workforce can save you time and keep your payroll secure and organized. As with anything, there are pros and cons of direct deposit.

Employees can increase their personal savings and eliminate the hassle of running to the bank to deposit a paycheck every payday. However, some employees prefer handling paper checks. For employers, direct deposit is a convenient approach to paying employees. Some payroll software providers even offer free direct deposit.

Because of the benefits of direct deposit, you may wonder: Can employers require direct deposit? To answer this question, you need to look at federal and state direct deposit laws.

FEDERAL MANDATORY DIRECT DEPOSIT LAWS

The Electronic Fund Transfer Act (EFTA) protects employers and employees who use features like direct deposit. Under federal law, employers can require employees to receive their wages via direct deposit. However, employers must meet the federal requirements for direct deposit. You can make direct deposit mandatory if you do **ONE** of the

following:

- Let the employee choose the bank to access their direct deposit
- Choose the bank the employee must access their direct deposit from, but you also offer another payment option (e.g., paper check or cash)

For more information on federal mandatory direct deposit laws, check out the Federal Reserve System's website (<https://bit.ly/2QsDZfm>). Although federal law might allow you to create a mandatory direct deposit policy, your state might not.

MANDATORY DIRECT DEPOSIT BY STATE

Can an employer require direct deposit under state law? It depends on the state. If your state has a law either for or against required direct deposit, you must follow it. States without mandatory direct deposit laws follow federal laws. Because federal law allows mandatory direct deposit, employers in states without laws can require this payment method.

State laws aren't as straightforward as federal law. Each state can set its own direct deposit laws. And, they can set further regulations. For example, your state might have specific direct deposit laws that:

- Prohibit employees from incurring direct deposit fees
- Let employers choose the financial institution

- Refer to certain sectors, such as private employers
- Pertain to specific industries, like agricultural employers
- Allow employees to opt out of direct deposit with a written statement

Check with your state's department of labor (<https://bit.ly/2hgRwat>) for more state-specific regulations. If your state does not give you the ability to make direct deposit mandatory, don't worry. You can still offer it as a payroll option.

YOU WANT TO OFFER DIRECT DEPOSIT TO EMPLOYEES. NOW WHAT?

Whether you require mandatory direct deposit or want to offer it as a payment option, you must gather employee information. According to both federal and state law, your employee must authorize direct deposit by providing the following:

- Bank name
- Type of account (checking or savings)
- Routing number
- Account number

You may also want to ask your employees for a voided check with their direct deposit information to verify the account and routing numbers are correct. Make sure you keep your employees' direct deposit information on record. And, place the information in a secure location. If you choose to use direct deposit, you may need to give your employees a statement showing how much you deduct from their paychecks. This statement is known as a pay stub. You can provide pay stubs either online or give employees paper pay stubs. ■

Rachel Blakely-Gray is a writer for Patriot Software, a provider of payroll and human resource management solutions.

A Year in the Life of a
PAYROLL Accountant
is sponsored by



Think Twice Before Not Paying Summer Interns

By Lisa Fagan

SUMMER IS RAPIDLY approaching. Many employers hire interns during the summer to help out around the office. Interns can gain valuable work experience to include on their resumes – but some employers do not intend to pay them. This could be a costly mistake if the unpaid interns are entitled to pay under either federal or state wage and hour laws.

Employers who are considering offering an unpaid internship program should take a look at case law and federal and state rules before doing so. In 2010, the DOL's Wage and Hour Division (WHD) issued a fact sheet (<https://bit.ly/1sayFho>) to help employers determine whether interns must be paid minimum wage and overtime. The guidance outlined a six-factor test for making this determination:

- The internship, even though it includes actual operation of the facilities of the employer, is similar to training which would be given in an educational environment.
- The internship experience is for the benefit of the intern.
- The intern does not displace regular employees, but works under the close supervision of the existing staff.
- The employer that provides the training derives no immediate advantage from the activities of the intern and, on occasion, its operations may actually be impeded.
- The intern is not necessarily entitled to a job at the conclusion of the internship.
- The employer and the intern understand that the intern is not entitled to wages for the time spent in the internship.

PRIMARY BENEFICIARY TEST

The tide began to turn against the six-factor test and towards a test that examined who was the primary beneficiary of the internship relationship with the U.S. Court of Appeals for the Second Circuit's opinion in *Glatt v. Spotlight Searchlight Pictures, Inc.* in 2015. In that case, involving interns at a movie production company, the court declined to follow DOL Fact Sheet #71 to determine whether the interns should have been paid. It pointed out that the fact sheet is based on a 67-year-old federal case on unpaid railroad brakemen trainees that didn't apply to all workplaces. For example, the interns in *Glatt*, unlike the brakemen, were enrolled in or had recently completed a formal course of post-secondary education.

Instead, the *Glatt* court enumerated a list of factors that put more reliance on who is the primary beneficiary in the relationship. This new test said that the court should

look at factors such as the extent to which:

- The intern and employer understand that there is no expectation of compensation (which can support a finding that the intern is an employee);
- The internship provides training that would be similar to that which would be given in an educational environment;
- The internship is tied to the intern's formal education program by integrated coursework or the receipt of academic credit;
- The internship accommodates the intern's academic commitments by corresponding to the academic calendar;
- The internship's duration is limited to the period in which the internship provides the intern with beneficial learning;
- The intern's work complements, rather than displaces, the work of paid employees while providing significant educational benefits to the intern; and
- The intern and the employer understand that the internship is conducted without entitlement to a paid job at the conclusion of the internship.

Additionally, the court added that no one factor was dispositive, and that the list was not exhaustive. Courts should consider any relevant evidence that goes beyond those enumerated.

More court decisions followed that adopted the "primary beneficiary test," including *Mark v. Gawker Media, LLC*, DC NY, (2016); *Schumann v. Collier Anesthesia, P.A.*, CA 11, (2015); and *Benjamin v. B&H Education, Inc.*, CA 9, (2017).

DOL ADOPTS PRIMARY BENEFICIARY TEST

The DOL subsequently issued a revised Fact Sheet #71: Internship Programs Under the Fair Labor Standards Act (<https://bit.ly/1sayFho>), in 2018. The revised Fact Sheet adopts the factors set forth in the *Glatt* decision. The Fact Sheet explains that if analysis of these circumstances reveals that an intern or student is actually an employee, then he or she is entitled to both minimum wage and overtime pay under the FLSA. On the other hand, if the analysis confirms that the intern or student is not an employee, then he or she is not entitled to either minimum wage or overtime pay under the FLSA.

The bottom line is that any internship applications or job offer letters should specifically state whether or not it is an unpaid internship and if the intern is entitled to a job at the end of the internship. The application and job offer letters should be different from those provided to regular employees. ■

Lisa Fagan is Editor of Tax Products for Thomson Reuters. This article first appeared on the Thomson Reuters blog: <https://tax.thomsonreuters.com/blog>.



Helping firms succeed is in our D&A.

Data and Analytics. The blueprints for building a successful advisory practice.

With Accountant ConnectSM we give you just that. We put client data and critical tools like compensation benchmarking at your fingertips anytime, anywhere.

Discover all the latest benefits that Accountant Connect has to offer like seamless GL integration with QuickBooks[®] Online.

And the best part, it's all still free.

You have connections.

Accountant ConnectSM

[Learn More](#)

ADP and the ADP Logo are registered trademarks, and Always Designing for People is a trademark, of ADP, LLC. Accountant Connect is a service mark of ADP, LLC. All other marks are the property of their respective owners. Copyright © 2019 ADP, LLC. All rights reserved.

Each month we explore the advantages and intricacies of developing and growing a niche practice. This month we're examining what it takes to serve the niche of legal clients.

RESOURCES FOR THE LAW FIRM ACCOUNTANT

- **Tips for Accountants Serving Law Firms**, from **CosmoLex**: <https://bit.ly/2WeAhFm>
- **Video: A 6 Step Guide to Better Legal Bookkeeping**, from **Law Technology Today**: <https://bit.ly/2HP55YZ>
- **Maintaining Law Office Financial Records**, from **TheBalanceSMB**: <https://bit.ly/2wzxEDq>
- **New Resources for Accounting for Law Firms**, from **AccountxReport**: <https://bit.ly/30Ypb15>

Building Your Niche Practice is sponsored by Intuit QuickBooks.



How to Gain Law Firm Clients With Clever Marketing

By *Becky Livingston*

ATTRACTING LEGAL CLIENTS to your firm's services might be a challenge if you do not understand nor acknowledge the pain points in their industry.

According to several sources, such as Thomson Reuters, The American Lawyer, and Forbes, there have been several trends thwarting law firms from achieving their desired success, including the lack of time management skills, challenges with billing and collections, managing costs, a continued shortage of financial growth, and advances in technology / data support.

Also, take into consideration the rise of freelance lawyers and its impact on firms. According to Legal Business World, "Some more progressive law firm managing partners estimate that between 20% to 40% of their entire legal workforce will be freelance within 5 years."

What can your firm do to turn

these challenges into opportunities? You can deploy effective marketing strategies that are laser-focused to your target market.

Here's how.

IDENTIFY THE TARGET

Family law and criminal law practices are very different types of law firms. To be effective and successful, you need to truly understand the client's needs, goals, pain points, and action triggers. Your end goal in this activity is to clearly define what type of law firm you are interested in working with, to identify their growth goals and current needs, and to provide solutions they need now and in the future.

DETERMINE YOUR MARKETING MESSAGE AND VEHICLES

If you are marketing the same services to the same audience as your competition, the differentiator will be in the message creativity and its delivery vehicle. For example, if your firm offers software services that easily track income and expenses, that could be purchased from dozens of vendors. Your goals are to stand out among the competition and to reach your audience where they are most likely to pay attention, e.g., mobile.

In the past, Xero has had some creative ad campaigns that nail it on the head. Xero used a mobile and desktop campaign focused on the client's pain points and used it in a clever way to grab attention. In the "Fancy whipping up something more rewarding than a spreadsheet?" campaign, they used a

How to Set Up the Chart of Accounts for Law Firm Clients

By *Brandy Derrick*

ACCOUNTANTS KNOW HOW important it is to set up a client's chart of accounts correctly from the get-go, and while there are a lot of similarities between professions, some have unique aspects or nuances that, for various reasons, are very important.

The legal profession is one of those; in fact, creating and maintaining the chart of accounts for law firms aren't just suggestions, they are requirements. State bar association rules require law practices to keep meticulous records so there is no impropriety when dealing with Interest on Lawyers' Trust Accounts (IOLTA), or any other trust accounts. The rules vary by state, but at a minimum, attorneys are required to maintain "complete records." The American Bar Association publishes a list of recordkeeping requirements by state.

Even though your state may have its own unique rules, there are certain things you should include in your clients' chart of accounts in order to easily comply with most record keeping requirements.

TRUST LIABILITY

The most unique aspect of the chart of accounts for law firms is the IOLTA or trust account. The funds in this account do not belong to the lawyer and need to be recorded on a per client basis. In order to comply with record-keeping rules, almost all attorneys

are required to have at least two bank accounts: the normal operating bank account and the IOLTA bank account. In addition, the chart of accounts should also include a Trust Liability account to show that the funds in the IOLTA bank account do not belong to the law practice. They are, instead, owed to the client until they are earned by the attorney or disbursed in other ways.

Firms also need to show the trust balance on a per client basis. To comply with this record keeping rule, you can set up sub-accounts under the Trust Liability with the client's name. For example, client XYZ receives a settlement and the attorney deposits those funds into the IOLTA bank account, and then makes offsetting disbursements to the client, the law

cupcake graphic and fun headline to grab attention. A short form was used to capture information where the visitor could “grab a deal,” as in a 30-day free trial.

View the campaign creative at: <https://bit.ly/2Km9CnF>.

At this phase,

- Conduct research to discover the best ways to reach your target market (based on age, gender, industry, geography, device, and more).
- Identify a combination of at least two vehicles to reach your target market, such as mobile and desktop, print and desktop, mobile and email, print and email, desktop and phone, social media and paid ads, etc.
- Create a landing page on your website dedicated to this ad campaign, including a short form to capture leads, and two to three benefits of the product or service you're selling.
- Craft a multi-part story line

featuring several ads to reduce ad fatigue (people seeing the same ad multiple times). Creative headlines and a consistent tag line will be important here. For example, this headline, “Get rid of payroll headaches once and for all.” With this tagline, “[Fim’s name] relieving payroll headaches through software solutions.” Plus, a graphic of a person holding his/her head, a pinched paycheck, or bottle with migraine solution written on it.

- Design and test the campaign in your chosen advertising vehicles. Remember to keep your branding colors, images, and logo in the ad design.
- For social media and online ad campaigns, target look-alike audiences you already have or create a new audience based on interests, such as software names like QuickBooks, Xero, Intuit Payroll, etc., combined with demographic information, including job titles,

such as payroll manager, payroll administrator, etc.

CASE STUDIES AND TESTIMONIALS

Providing case studies on billing software and technology that helps to make law firms more productive is a great place to start. Research studies to help you identify the right case studies that will resonate with your target audience. If you have clients like your target market, ask them for testimonials as well. Then, develop your own case study based on research for website posting, social media sharing, and email marketing. Remember to add a lead-generation form to the web page to capture prospect’s information. Finally, follow-up within days to close a 30-minute consultation.

SEMINARS, WEBINARS, AND EVENTS

Creating informative content

lawyers can view online or attend in person that offers CLE credits is very valuable. It helps you to begin the relationship-building process needed to gain and keep new clients. To most effectively market this, know when CLE’s are renewed and know the optimal time commitment, e.g., are 50-minute sessions better than two-hour sessions for registration purposes.

Now that you have these tips, maintaining continuity and attacking the market through effective actions will increase leads from professional services companies. Where will you begin?

Becky Livingston has over twenty-five years’ experience in marketing and technology in financial services and engineering firms. She is the President and CEO of Penheel Marketing, a boutique marketing firm specializing in social media and digital marketing for CPAs.



firm’s operating account and others. The deposit and the payments going out would be marked as Trust Liability: Client XYZ. By using this method to keep track of the trust balances per client, you will easily be able to look at the balance sheet and know exactly how much each client has in the trust account and ensure that the balances per client total the balance in the IOLTA bank account.

TRUST INTEREST PAYABLE

Another unique aspect of having an IOLTA bank account is how the interest is handled. Because the interest on the IOLTA bank account doesn’t belong to the attorney, it should neither be entered as interest income when the funds are received nor interest expense when the money is paid to the state. Instead, the credit and debit should be marked as an interest payable

account. This will ensure that your client’s records will accurately reflect what those funds are for in the IOLTA account.

Sometimes, banks will deposit the interest in one month, but withdraw the money in the next month. If you run the balance sheet for the first month, it should show your client currently owes the interest to the state. Then, when the money is paid to the state, the money is no longer owed and the interest payable account will be zero.

REIMBURSABLE CLIENT EXPENSES

A majority of law firms have expenses that are reimbursed from their clients. If you do not keep track of these, expenses can fall through the cracks and never get collected. The easiest way to keep track of these is to make one or several billable expense accounts,

depending if your client wants to separately keep track of filing fees, postage, medical records, travel and other expenses.

First, you will need to set up an income account. Then, you can make an expense that is billable and feeds into the appropriate income account. View an example of how to set up a billable expense using QuickBooks Online at <https://bit.ly/2QF89tR>.

Once you have a billable expense set up, expense can be assigned to clients and put on invoices to get reimbursed. The difference between the billable expenses and the income will show how much your client’s law practice has in outstanding reimbursable expenses.

REFERRAL INCOME

If your clients refer clients to other professionals, they may receive

referral income. Since this income doesn’t actually come from practicing the law, it should be listed on the chart of accounts as “other income.” On the profit and loss statement, it will appear at the bottom, and not at the top with all the income earned from the main business.

HELP YOUR CLIENTS STAY CURRENT

By adding in these accounts, law firms will be able to easily enter transactions properly in their accounting system. Most data needed for state reporting requirements, including three-way reconciliation reports, should be easily found within the balance sheet and profit and loss statement.

Brandy Derrick is an author for the Firm of the Future blog: <https://www.firmofthefuture.com>, where this article first appeared.



Legal Services

WHEN WE THINK of lawyers and legal issues, our minds might still go to law firms and the formality of the court system, but, like most things today, the legal services profession is being disrupted with apps and do-it-yourself solutions. If you are in need of legal services, before you pay a retainer and sign on for hefty hourly fees, you might want to eyeball this list to see if your needs can be met less expensively and more expediently.

Backed by excellent reviews, **One Touch Law** promises to connect users with “the best lawyers available,” and the first 15 minute consultation either by video or phone is free. Lawyers can sign up if they want to work the phone lines, and those in need of legal services can search the database and review lawyer profiles and estimated fees before selecting an available lawyer.

When we think of matchmaking, our minds probably go to apps like Tinder and OkCupid, but there are matchmaking apps for finding lawyers too! **Legal Services Link** matches attorneys with those seeking legal needs. Users post their needs at no charge and lawyers on the system contact you through the app or via email. Users can review the responses and choose a lawyer.

Pondering a divorce? If so, you might be wondering about the cost of child support and alimony. The **Divorce/Alimony Calculator** app asks a few simple questions and then its calculator goes to work, giving you estimates of how to divide assets and debts, child support, and potential payments to a soon-to-be-former spouse. You can also connect with lawyers in your geographical area through the app.

The company, Pre-Paid Legal Services, has created several apps serving a variety of legal purposes. The leader of the pack is **LegalShield**, an app that allows you to connect with your law firm, upload documents and pictures, access 24-7 emergency legal assistance, and it also provides instant guidance if you get in a legal jam. Also from this company, there is **Forms by LegalShield**, an app that enables you to use templates to create, sign, and send contracts. Created just last year, **IDShield** identity protection services provides identity monitoring, consultation, credit scores, and identity restoration services.

More and more accountants are using **DocuSign** to collect esignatures from clients. You can

import and prepare documents on your device, send the documents to clients for esignatures, receive notifications when the documents have been signed, send reminders, and view an audit trail showing when documents were signed. Documents signed through DocuSign are legally binding.

Are you a victim of inappropriate behavior, bullying, harassment, hazing, etc.? The new **STO-Pit** app provides you with a messenger tool where you can anonymously report any of these types of concerns to an employer or school administrator. Keep an eye on this one. In theory it's clever and timely, but so far reviews are sub-par, indicating many people are using the app to make false claims that cause more problems than they solve. The developers haven't found a way to prevent the false claims and recommend that every claim be investigated carefully before any action is taken. But in this world of divisiveness and hatred, an app like this is taking an interesting approach at solving a major problem. ■





GARRETT WAGNER, CPA
 CEO/Founder, C3 Evolution Group
garrett.wagner@cpapracticeadvisor.com

GONE!?!

WHAT IF YOU looked around your office and suddenly realized you were the only person left? What would you do first, would you get out of your chair and start to look around for your co-workers, would you page them on the intercom, would you send them a fax or better yet, would you just start yelling?

What if after looking around, you realized that you were the last person left and everything, all the work, everything fell on your shoulders? Would you be able to get it all done? Would you be ready to deal with it, the pressure and time commitments day in and day out? This may sound unlikely, but stop for a moment and imagine if this could happen in the accounting profession.

What if by the time you finished this article, all the millennials inside your company were gone? Statistically that would mean 35% of your company would be gone, according to the latest analysis of U.S. Census Bureau data by the Pew Research Center. At first you may celebrate, no longer having to deal with those so-called entitled millennials. But after the party had ended would you begin to take stock and wonder why they were gone?

This may sound like a horror movie or maybe even a cause for celebration depending on your perspective, but it is a reality that many organizations are rapidly heading toward. As they cling to the past and what they know and have grown used to, firms are finding it harder to retain the millennial mind. One common theme from millennials in the accounting profession, they are ready for a change where they work, and we are heading toward a tipping point where more will leave their current jobs for other opportunities. More than ever before in the past, the millennial generation's frustrations are moving beyond the com-

mon themes — technology, process improvement, billable hours — and are heading toward an immediate desire to stop putting up with the status quo and quit their jobs.

But what is causing the increase in the future of this profession to have such a strong desire to quit their jobs, and how do we remedy this issue so we don't end up with 35% of our workforce disappearing?

The major factor driving this increase in dissatisfaction with millennial jobs is that, sadly, nothing has changed. The problems our profession faces are not new nor unique to any one company or organization. However, for most organizations no real progress is being made to address the variety of underlying issues. What has been broken continues to be broken and unlike Generation X, millennials are not eager to wait another 30 years to go through each day with a growing number of broken issues. Imagine if each day you arrived at home, your refrigerator was broken, it stayed on, but no longer got cold. How long would you wait to get it fixed? Millennials grew up in a world full of rapid and constant changes, this is what they know and expect, and if they do not see it happening ever where they work, they will not be willing to stick around forever and keep waiting.

As this generation sees change continuing to not happen, it is losing hope that change will be coming where they work. We are on our way to a tipping point in the industry where more millennials may end up quitting their job and



only worsen the talent shortage our industry is already facing. Before you look at this as another reason to call millennials entitled, think about this question: How long would you want to keep working at a job where things were not changing for the better and the issues it is faced with continue to grow and not be addressed? Instead of taking a negative view of the millennial generations for waiting things to improve where they work and instead of being too busy to make change happen yourself, why don't we put the millennial generation to work fixing our issues and retain and engage them where they work?

One of the greatest challenges in making change happen for any organization is rallying their people around a change initiative and getting those people to successfully drive that change. Harness the passion and energy of millennials

and task and empower them to drive change where they work. Don't let them continue to grow dissatisfied inside the four walls of their offices, turn their energy around to work for you.

Start now and, once you finish reading this article, challenge the millennials inside your office to come up with one thing to change and a plan to make that change happen. Then do the hardest most unnatural thing possible: let them do it. Take a step back, be open to change and see what happens. Best case scenario, your energetic millennials will spend some time working and fix an issue that needs fixing. Worst case, they have less time to spend on Snapchat during the workday, but learn from their efforts so that they can be more successful the next time. ■



BRIAN F. TANKERSLEY
 CPA, CITP, CGMA (@BFTCPA, CPATechBlog.com)
 K2 Enterprises
 brian.tankersley@cpapracticeadvisor.com

The Four Stages of Robotic Process Automation

PROCESS AUTOMATION STARTS with simple tracking and reporting of the activity with a workflow management system, which gets the activity data out of the old paper routing slips and into a structured format for analysis and reporting. The next step applies rules to automate the most simple, repetitive tasks in a process.

After that step, the learning and experience that the team has with the RPA tools make it possible for more complex tasks to be automated, including tasks like taking data from one system and cross-posting it to another one. The final step involves reasoning, where artificial intelligence and deep learning are used to make qualitative decisions that humans used to make.

The diagram below illustrates my four-step model for process automation and shows how each succeeding step builds upon the data generated and work performed in the previous step(s).

The stages in my four-step model for RPA implementation are:

■ **Simple process tracking in data-bases**- Basic workflow tracking and reporting in structured databases is something you need to embrace before you get started with RPA. Since an RPA tool will perform tasks like retrieving data from one source and inputting it into another application, it's important that the transaction tracking data

is stored in a structured format, like a relational database. If the data for tracking your shop floor activity is only recorded on paper job sheets which must be scanned or input, you're making it too hard to use the tools.

■ **Rules-based business process management (BPM)**- Using automation and code (like macros) or pseudocode (like scripts) within BPM applications is the first real step in adopting RPA. Some tools will require format coding skills, use of APIs, and other programming tasks that will require that the business analyst working on a process create requirements that will be coded by a programmer. Newer generation tools allow both traditional coding of logic, as well as low code/no code interfaces like drag and drop flowcharting tools that facilitate non-programmers creating an automated business process. A process in this step of maturity might route a purchase requisition to a manager for approval if it is under \$500, send it to a vice-president if it's between \$500

This column is the second in a series on process automation. The first article in the series can be found at <http://cpate.ch/bt-rpa-1>.

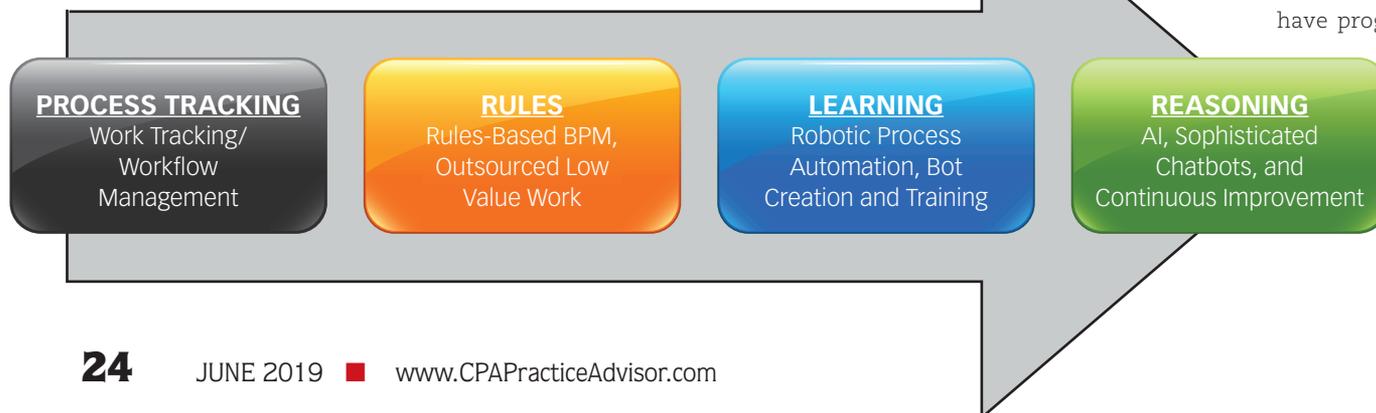
and \$5,000, with larger purchases requiring the CFO's consent, then route it along to the next actor in the process after it is approved.

■ **Learning and Bot Creation** - Using the success of the last phase automating the simplest tasks, in this step, more complex tasks are automated. Tools which scrape data from one screen and enter it into another are used to create "bots," which are like software-based workers. For accounting, bots can do things like extract data from vendor invoices and record them in a spreadsheet or enter them into an accounting package. The automation software learns the task by having the software watching a human enter one or more invoices, and then repeating the task multiple times. Humans would then

make corrections to the data processed by the routine and provide input to help it be more effective.

■ **Reasoning** is the hardest thing for computers to do, and it is one of the most challenging as well. In the intermediate to long term, the types of tasks to be automated will be increasingly sophisticated. Reasoning requires artificial intelligence and deep learning, where large amounts of data are analyzed for patterns, and is then used to refine the performance of the task. Although offline legacy applications (e.g. QuickBooks Desktop) do not have the hundreds of thousands of transactions required to optimize these algorithms, when similar applications are deployed in a cloud-based environment, the data is centralized and it is possible to use the data in the aggregate to use machine learning and deep learning.

The future for automation is bright, and while some leading-edge enterprises have reached the third and fourth steps above, almost all mid-market companies and all but the largest accounting firms have progressed no farther than the second step this model. Next month we will discuss how some of these tools are used to automate tasks in a process. ■



NEXT DAY FUNDING FOR ACH: *Powerful Payment Processing That Drives Prosperity*

TWO VITAL FACTORS dictate your clients' survival and success: cash flow and happy customers. Connecting the two means finding a payment system that not only allows your clients to get paid faster after a transaction is complete, but also doesn't compromise their customers' level of trust, and encourages the consumer to pay how and when is most convenient for them.

According to the National Federation of Independent Businesses, it takes 28 days for the average small business to get paid, with 64 percent saying they have invoices that go unpaid for 60 days or more. On top of that, according to a recent Intuit survey, nearly a third (31 percent) of small businesses estimate it takes more than 30 days to get paid by customers, clients, vendors or banks.

Recently, QuickBooks introduced an innovation that helps small businesses get their money sooner: Next-Day Funding for ACH (bank transfer) payments. Following the introduction of Same Day Payroll, QuickBooks Capital and Next Day Funding for credit card payments, this is just the latest example of how QuickBooks is leveraging the power of machine learning across the platform to put money into the pockets of small businesses faster.

QUICKBOOKS' MISSION AND NEXT-DAY FUNDING FOR ACH PAYMENTS

Next-day funding for ACH payments represents a massive opportunity to improve your clients' cash flow, freeing up funds that can help them better manage and grow their small businesses. Thanks to advancements in machine learning, and risk and data insights, this new solution provides next day deposit and affordable processing, while helping protect your clients from fraud. This is a vast improvement over traditional processing of ACH payments, which could take up to seven business days. It also allows clients to get paid how they want – a key pain point QuickBooks wanted to solve.

QuickBooks data discovered that most small businesses like having options when it comes to accepting payments. For smaller payments, businesses like accepting credit cards, which are extremely convenient for their customers, keeping both parties happy. On the other hand, for

larger transactions the majority (60 percent) still gets paid by check, according to the State of Small Business Payments (<https://intuit.me/2YYkGLy>).

QuickBooks has been working to digitize payments and help your clients realize efficiencies by getting away from sending paper checks, which can end up costing them up to \$22 per check in processing fees. Ultimately, however, QuickBooks recognizes small businesses need to get money into their account easily, quickly and affordably, no matter the payment they accept.

"With QuickBooks Payments, we've embraced an omnichannel approach, meaning we accept payments in multiple ways across multiple platforms because we understand that small businesses and their clients rely on different payment methods, depending on the transaction," said Rania Succar, business leader for QuickBooks Payments and Capital, Intuit. "This ensures that businesses get paid as fast as they can, regardless how the payment was accepted; in turn, it improves their cash flow and chances of success.

PAYMENTS IGNITE SMALL BUSINESS CASH FLOW HEALTH

The State of Small Business Payments report produced staggering data that shows the struggle small businesses face when it comes to payments and debt:

- QuickBooks found more than two in five (44 percent) small business owners said the biggest obstacle to getting money in their bank account is customers not paying on time, followed by credit card companies not paying fast enough (35 percent) and customers having insufficient funds (28 percent).
- A third (33 percent) of U.S. small business owners estimate their company currently has more than \$20,000 in outstanding receivables, and the average U.S. small business has \$53,399 in outstanding receivables.

- Nearly half (47 percent) of small business owners' companies use Excel, for example, to manually calculate, and track, bill payments, while 37 percent use an accounting software, and 33 percent use an accountant or financial professional.

These stats illustrate how a powerful payment system with the availability and ability to process payments quickly can improve cash flow and the health of a small business.

RESULTS THAT MATTER

Intuit knows that solving your clients' payment needs largely centers around getting paid fast and ensuring their cash flow remains strong.

From in-person credit card use, to web payments through QuickBooks, retail and mobile payments, QuickBooks Payments ensures businesses get paid anytime, anywhere, from any payment type on any device. This omnichannel approach has led to QuickBooks Payments processing \$37B in volume, reinforcing its mission to back those businesses that don't back down.

The reality is that small business owners using QuickBooks get paid 3x faster than the average time it takes to get paid, and when invoices are sent pay-enabled in QuickBooks, the median time to get paid is 5.8 days, much faster than the 28-day average. Making clients aware of these breakthroughs is a top priority for helping them understand how the right payment system can drastically impact their cash flow.

These next-level results don't just build your role as your clients' trusted advisor, but also drive their business growth and ensure they can focus their time on other aspects of their business, rather than worrying about when funds will finally hit their account.

For more information on QuickBooks Payments, please visit <https://quickbooks.intuit.com/payments>. ■

The ProAdvisor Spotlight is sponsored by



Do Your Best

LEADERSHIP



RANDY JOHNSTON

EVP & Partner
K2 Enterprises &
CEO of Network Management Group, Inc.
randyjohnston@cpapracticeadvisor.com
@RPJohnston

SOME THINGS NEVER change about providing great leadership. You must have the right vision with the right people and the right solutions for clients. This column is not about teaching you about human leadership, but about industry/niche thought and technology leadership. What are you doing to stay current in the profession? How are you maintaining your understanding of client needs? Who do you associate with to grow your expertise outside of public accounting? When do you take time to research possible solutions? How have you innovated lately? As pointed out in last month's column, information technology should be a people and service enabler, not a service inhibitor. How are you leveraging technology to help your team?

SO, HOW DO WE LEAD?

An obvious answer is to not follow. In the accounting profession, we frequently play it safe and only provide a service once other peers have been successful. While you might review illustrations of technologies like Gartner's Hype Cycles, technologies are simply tools to solve client problems. Have you been asking enough clients about their needs to solve today's problems? Many of you have built quite successful practices with compliance services in tax and audit/assurance. While these are important and profitable services, client needs stretch far beyond these two core services. Some of you have expanded into business advisory services, client advisory services (CAS), wealth management, litigation support, valuation, family offices, and a myriad of other offerings. But as Sam Walton said in the past, "What have you done for me lately?"

Gale Crosley has taught many firms to schedule discovery meetings that have the purpose of uncovering client needs. If you can schedule just one discovery meeting a week with clients, with a short agenda to guide the conversation, you will discover new needs in almost every meeting. If you can get your whole team doing discovery meetings, you'll have more needs brought back to the firm that you can possibly satisfy. You will have to filter these needs into product offerings that you can offer as a service.

Micah Solomon, in a *Forbes* article, points out that "Every customer, every human, is subject to what's called hedonic adaptation, which is just psych speak for the human tendency to get used to any situation, whether thrilling or painful, in a way that dulls your initial impression of it." Your firm may be providing great client service, your technology may be working flawlessly, but after a while, client expectations become greater. Even if you have improved your service offering, the improvements may not outpace the expectations.

One way to create new product offerings is to gather the client needs that you have accumulated from discovery meetings into a common theme of service. What is the opportunity for this service inside your client base and from potential new clients? Do you have the expertise, or can you grow it? Does this service further promote your expertise in an industry or niche? Can you narrow your focus on these industries while expanding your service offerings profitably? What technology tools are required to deliver the service effectively? The greater knowledge you have in an industry or niche, the more informed you will be and the greater thought leadership you will have. You will need to do research and read articles, and attend conferences and webinars focused in these areas to increase your expertise. You will discover that meeting client needs with new products and services will become easier over time as your expertise grows. You can support these needs with technology automation. However, you

need to create formal product and service offerings, with a business development plan to find and deliver the service to both existing clients and to clients who have yet to find your firm.

Let's illustrate with a product offering and service that has become popular in the accounting profession, client accounting services. CAS has changed from an after the fact write-up service to a proactive, automated service with near real-time reporting and dashboards to provide proactive business monitoring and management. Firms that are participating in CAS have discovered that not only accounting and financial reporting have value to clients but automating the business tax return from well maintained financials has had benefit to the professional CPA firm, too. Additional services including bill payment (AP), expense tracking, payroll (PR), human resources (HR), sales tax compliance, costing and many other services are desired and appreciated by the clients. Cloud computing has enabled many of these offerings. Firms have built hosted offerings on Right Networks for QuickBooks desktop and added tools like Bill.com, Expensify, Intuit Payroll or OnPay, Bamboo HR, Avalara, and many other applications for document management such as Hubdoc and SmartVault. Likewise, firms have built solutions using QuickBooks Online, Xero, Accounting Power, Sage Intacct, Thomson Accounting CS and other third-party tools based on their knowledge and client needs. In other columns, we have discussed how to build the offerings, how to price the service including automated monthly billing, and how to automate the practice with standardized reporting and dashboards as well as automated bank and credit card feeds.

ARE THE SERVICE OFFERINGS IT?

No, the service offerings are the start of building leadership. One or two offerings does not make you a thought leader, but you are ahead of many of your peers. When you look for solutions at deeper and deeper levels, become more involved in your clients' strategic needs as well providing tactical solutions, then you are becoming a trusted advisor. While many of you have built great relationships with clients through the years based on your tax and audit practices, new generation owners have new generation expectations. How are you responding to the new and old business owner needs? Can you assist these new clients in building out the loan applications so they can win approval with tools like Commercial Loan Success.

Do you have a presence in the online community of your industry niche? Do you have visibility in your community in your specialty? Are you and your firm considered the experts in your industry niche? Why not? If you are using the same tools, doing things the same way that you did two or three years ago, that may be part of your answer. "What have you done for me lately?" ■

How to Adapt Our Habits to Create Stronger Connections at Work

IN THIS AGE of technology disruption, we can feel alone, sometimes not knowing where our anchor is - what will stay the same, what will change, and what we can depend on, and how we will get there together. As leaders, we focus on change management in our organizations and what the future of our work will look like, however; there isn't always an equal amount of focus on creating stronger human connection as we go through the process and ensuring everyone feels they are not alone.

What can get in the way of progress is when our individual patterns of behavior prevent the business from embracing the opportunities ahead. In order to create change, breaking the habits that are holding us back can come down to understanding the internal stories that drive each of us and the decisions we make because of them. Everyone has habits. It is a fact of human existence that we are, as the old saying goes, creatures of habit. All too often, we think of these acts only in terms of the "bad habits" our parents told us to avoid, like biting our fingernails or putting our elbows on the table. However, many of our habits are decidedly a good thing. If you had to consciously make millions of decisions in a day, life would become overwhelming in a hurry. Habits are ways for us to act on instinct and streamline our days to be more efficient.

Think of the way you get up in the morning. Odds are you turn off your alarm, turn on the shower, brew a cup of coffee, and so on without ever having to think about it. These habits are hardwired into our brains, allowing us to perform countless tasks during a day. A habit only causes a problem when you don't like the outcome of the behavior associated with it. In a professional context, you may be snappy or curt to colleagues out of habit, later regretting your behavior and having to apologize or resisting change, rather than stepping back and learning about the opportunity and

how you can reskill to move forward.

You don't want to have to experience these negative consequences over and over again before doing something about the habits keeping you from being your best self. It's hard work to look at yourself, and dedicate time to the practice of doing things better or differently. The payoff, though, is more than worth the effort. Before you begin to fix your habits, you need to understand what a habit is and how it works.

WHAT IS A HABIT?

Merriam-Webster defines "habit" as follows:

- A settled tendency or usual manner of behavior
- An acquired mode of behavior that has become nearly or completely involuntary
- An addiction
- A behavior pattern acquired by frequent repetition or physiologic exposure that shows itself in regularity or increased facility of performance

What all of these definitions have in common is that they describe the somewhat involuntary nature of our habitual behaviors. That's why they can be so hard to change. We can pinpoint the behavior we want to correct and still struggle to do so. Without understanding the *why* underlying a behavior, it becomes very difficult to stop it.

Very few human behaviors are innate or unprompted. "That's just

the way I am" is a tired excuse for acting in a way that harms others or hampers your own performance. It may be challenging to change the "way" you are, but you can do it with self-reflection and daily practice.

HOW TO REPLACE A BAD HABIT

In his best-selling book *The Power of Habit*, Charles Duhigg describes a "habit loop" consisting of three parts: cue, routine, and reward. "First, there is a cue, a trigger that tells your brain to go into automatic mode and which habit to use," Duhigg writes. "Then there is the routine, which can be physical or mental or emotional. Finally, there is a reward, which helps your brain figure out if this particular loop is worth remembering for the future."

What this means is that identifying the habit or routine itself is not enough to correct it. Additionally, you need to understand the cues, both external and internal, that prompt the habit in the first place. If you notice that every time the topic of a new technology change comes up or learning a new way of doing things is creating anxiety for you, instead of responding or feeling negative, try to pause for a moment, maybe step away and take a walk or close your eyes and take a few deep breaths. Odds are it may start changing your perspective from your natural habit to resist. We may find that it is hard to do this initially, but when we keep ourselves accountable and practicing



AMY VETTER, CPA, CITP, CGMA
Mindful Technologist &
Keynote Speaker
@AmyVetterCPA

the habit we want, versus the ones we don't want, we begin to display these behaviors more naturally.

Understand the cues that lead to you wanting to avoid different areas of change management or that create conflict between you and other team members. Is it the stress of dealing with a hard conversation? Is it the possibility of ruffling a peer's feathers? Whatever the case, you have to find a way to take that cue and use it to spur you toward better action, we can create a different experience when we begin with ourselves.

THE IMPORTANCE OF HABIT CORRECTION

Unlocking our potential, both in a professional and personal context, is all about performing at our highest capable level as often as possible. Many people end up making a few habitual errors that hold them back in spite of being A-players the vast majority of the time. If you suffer from setbacks that you know you can avoid, ingrained habits could be to blame. They aren't going to fix themselves overnight, but understanding why they happen and working to correct them can be one of the best steps toward self-improvement you ever take.

As accounting professionals, we are sticklers for getting the numbers right. Apply that same rigor to your own patterns of behavior and the sky's the limit for what you can achieve. ■



PAUL McDONALD
Senior Executive Director
Robert Half
paul.mcdonald@cpapracticeadvisor.com

How to Quit Your Job Gracefully

IT HAPPENS TO practically everyone at some point. You had a good run at your current job, but you've outgrown the position and want more. After finding a better match elsewhere, it's time for that awkward moment: letting your employer go.

Whether you're a staff auditor or senior director, you should know how to quit a job well, as there's a right and wrong way of going about it. Botch the breakup and you could damage future career prospects.

A graceful resignation, on the other hand, leaves both parties a little sad but with few hard feelings. Even if you're unhappy in your current job and can't imagine ever returning to your firm, there's no need to burn bridges. You might need a reference from your old manager, or you could end up encountering him or her as a hiring manager with a different company you apply to in the future.

Here are nine steps for resigning right:

1 Plan your approach. A good departure takes preparation and care. Write a short speech, and practice the delivery. Some points to cover: You've learned a lot with the firm, enjoyed your working relationships and are excited for your new opportunity.

2 Tell your manager first. As much as you may be tempted to share your exciting news with colleagues, your supervisor should be the first to get the

news. Don't run the risk of having your boss hear about your departure via the office grapevine. That would be highly unprofessional and disrespectful.

3 Resign in person. Ask for a face-to-face meeting. If that's not possible, call your manager. Don't resign by email or instant message, and absolutely don't ghost an employer by just not showing up anymore. This is basic professional courtesy.

4 Time it right. Whenever possible, don't leave your current employer in a lurch. If you can, avoid resigning during your firm's peak season or in the middle of a project in which you play a critical role. Also, try not to break the news right before your supervisor goes on vacation. Give your firm time to prepare for a smooth transition.

5 Build in a buffer. As eager as you may be to start your new job, you should plan for a handover period. The standard is two weeks, though your firm may ask you to stay longer if you're a senior-level manager or

leading a client project. Weigh the needs of your current and future employers.

6 Put it in writing. Human resources will need a formal letter from you to begin the offboarding process. After tendering your resignation, send your employer a brief letter that includes your gratitude for the opportunities provided by the firm and your departure date.

7 Help with the transition. During your final weeks, wrap up projects or get them in a state that would be easy to hand off to others. If the firm brings in a temporary professional, train that person. Make sure all your digital and paper files are in good order and easily accessible. Don't forget to let clients know who will be taking over their accounts.

8 Strengthen connections. While you won't be working with your manager and colleagues any longer, there's no reason to end your business relationships with them. In fact, do the opposite. Past coworkers also are valuable members of your professional

network. Have coffee or lunch with office buddies. Connect on LinkedIn and other social sites. Let them throw you a farewell party if they're so inclined. Go out on a high note, including by making yourself available even after you leave if questions arise that you can help with.

9 Prepare for a counteroffer discussion — and how to say no. Your boss might try to entice you to stay with an offer of more money or extra perks, but avoid taking it. Why? Backpedaling on your new job is unprofessional and could put you in the difficult position of breaching a contract. What's more, think about all the reasons you looked for a new job in the first place. A better salary won't fix issues like a lack of upward mobility or unfulfilling work. If you're extended a counteroffer, say thank you — and even mention you're flattered, if you feel that way — but explain that you're excited for your new position and politely decline.

Quitting your job can be awkward, but it's something the majority of professionals face during their lifetime. Get this right and you'll be able to advance your career without bad blood or blemishes on your reputation. ■



ASC 606: Don't Delay Implementing New Revenue Recognition Standard

By Yaury A. Jattin and Tanya Ferreiro

IF YOU HAVEN'T started making changes in light of the new revenue recognition standard, it's time to get with the program. Accounting for revenue has now become much more complex, and those who delay adopting the new rules could face serious business risks.

The new Accounting Standards Codification Section 606 standard may change the way your company records revenue and structures deals and contracts. If you don't adopt the new rules, you will not be in compliance with Generally Accepted Accounting Principles (GAAP) and could therefore jeopardize relationships with your bank, investors and other critical stakeholders who rely on your financial statements.

ASC 606 is effective for annual reporting periods beginning after December 15, 2018, for non-public companies. It's a more principles-based approach that provides a single comprehensive framework for recognizing revenue.

5-STEP PROCESS FOR CONTRACTS

The new revenue recognition standard was developed in an attempt to condense numerous regulations and interpretations, and to improve the way companies account for revenue and deferred revenue.

ASC 606 outlines five key steps for customer contracts:

1 Identify the contract: The first step is to identify the contract, which establishes enforceable rights and obligations with the customer. All parties must have approved the agreement and be committed to their obligations. Each party's rights and payment terms must be identifiable, the agreement must have commercial substance, and collection must be probable.

2 Identify performance objectives: Next, you need to identify all performance obligations (i.e., promises

to transfer distinct goods or services to a customer) in the contract. In addition to obligations that are defined in the contract, you should consider any obligations the customer may reasonably expect based on past experiences with your organization.

3 Determine the transaction price: How much do you expect to be entitled to for transferring promised goods or services? The transaction price can be fixed, variable or both.

4 Allocate the transaction price: You then need to allocate the transaction price to the performance obligations in the contract based on the stand-alone selling price of each performance obligation.

5 Recognize revenue: Finally, the allocated amounts mentioned above are recognized as revenue when or as the performance obligations are satisfied. Revenue is recognized over time if certain criteria are met. If not, revenue is recognized at a point in time.

The steps above are more complex than they may seem, and many companies have struggled with the transition. The analysis and corresponding documentation should be completed well in advance of year-end reporting requirements. Addressing ASC 606 can be a complex, time-consuming endeavor for many companies and may require time and effort from both internal and external resources.

TAX IMPLICATIONS OF REVENUE RECOGNITION CHANGE

The new revenue recognition standard will impact taxes in addition to financial reporting. The IRS currently requires

companies to file Form 3115 to request a change to certain accounting methods for recognizing revenue – for the year they adopt the new rules under GAAP. Some of the method changes are considered automatic, which means that no consent is required and that no payment is due when filing Form 3115.

Further IRS guidance is also expected around questions related to: the definition of an applicable financial statement; the taxation of changes in estimates within the applicable financial reporting framework; the treatment of advanced payments; and the taxation of amounts recognized in retained earnings. Moreover, companies that see an acceleration of income tax due as a result of revenue recognition changes may require additional planning for income tax strategies, the timing of payments from customers, and more.

As a business leader, it is your responsibility and proper corporate governance to implement the new revenue recognition standard at your company – but it's complex. You may want to speak with your CPA to learn more about the new standard and what your company needs to do to comply by the deadline. ■

Yaury A. Jattin, MST, CPA, is a principal in Kaufman Rossin's tax services practice and leader of the firm's public companies industry advisory group. Kaufman Rossin is one of the Top 100 firms in the U.S. You can reach Yaury at yjattin@kaufmanrossin.com.

Tanya Ferreiro, CPA, is a principal and chair of Kaufman Rossin's audit practice and leader of the firm's nonprofit industry group. Kaufman Rossin is one of the Top 100 firms in the U.S. You can reach Tanya at tferreiro@kaufmanrossin.com.

AICPA Makes Recommendations Automatic Consent for Accounting Method Changes

The AICPA explained that a taxpayer who changes its method of accounting for the basis on which it regularly computes income to keep its books must secure the consent of the IRS Commissioner before computing taxable income under the new method. Generally, a taxpayer secures approval by filing Form 3115, Application for Change in Accounting Method. A taxpayer is considered to have obtained the consent of the IRS Commissioner for certain automatic accounting method changes prescribed in Rev. Proc. 2018-31 if it has complied with all the applicable provisions of Rev. Proc. 2015-13 and Rev. Proc. 2018-31.

The AICPA's recommendations include, but are not limited to, the following issues:

- Provide audit protection for taxpayers under exam when new guidance is issued;
- Include audit protection for any method change afforded automatic consent;
- Add commissions to the type of compensation eligible for the automatic consent procedures for deferred compensation, including adding automatic consent for a fiscal year taxpayer changing its method to comply with Treas. Reg. § 1.83-6;
- Provide cash method taxpayers with automatic consent to change from impermissible income or expense recognition methods to permissible methods;
- Provide automatic consent for method changes to comply with section 451(c);
- Provide automatic consent for an accrual method taxpayer to change from impermissible to permissible methods of applying the all-events test and economic performance for liabilities;
- Include automatic consent for a change to properly apply the recurring item exception for eligible liabilities; and
- Permit taxpayers to change from an impermissible to permissible method of accounting for recognizing income from tenant improvement allowances. ■

BOARD ISSUES STANDARDS ON AUDITOR REPORTING

The new suite of auditor reporting standards includes a new AU-C section 701, Communicating Key Audit Matters in the Independent Auditor's Report, and replaces the following AU-C sections in AICPA Professional Standards:

- Section 700, Forming an Opinion and Reporting on Financial Statements
- Section 705, Modifications to the Opinion in the Independent Auditor's Report
- Section 706, Emphasis-of-Matter Paragraphs and Other-Matter Paragraphs in the Independent Auditor's Report

SAS No. 134 amends various other AU-C sections and addresses auditors' responsibility to form an opinion on the financial statements and the form and content of the auditor's report issued as a result of an audit of financial statements. It also addresses the auditor's responsibilities, and the form and content of the auditor's report, when the auditor concludes that a modification to the auditor's opinion on the financial statements is necessary, and when additional communications are necessary in the auditor's report. ■

NASBA and AICPA Issue Proposed Revisions to CPE Provider Standards

Last revised in 2016, among the most significant of the proposed revisions is allowing for adaptive learning self study programs within the self study standards with references to the methodology to be used in determining the CPE credit for an adaptive learning program. The proposed Standards revisions also permit the use of review questions or other content reinforcement tools in a nano learning program.

Additional clarifications have been made to assist in the understanding of awarding CPE credit in the different instructional delivery methods, in the minimum number of monitoring mechanisms required in a group Internet based program in which fractional CPE credit is awarded, and in the solicitation of evaluations for larger programs and conferences. ■

Diversity Evaluation Tool Gets Enhancements

The AICPA has launched a revamped version of its diversity benchmarking tool. The Accounting Inclusion Maturity Model (AIMM) is a free tool that was designed to help accounting firms evaluate their current diversity and inclusion practices and quickly identify opportunities for improvement. AIMM, which was initially developed in 2015, has been updated to reflect leading diversity and inclusion practices. In addition, it has been streamlined to provide a more user-friendly approach, with fewer questions to answer without sacrificing the quality of the assessment.

Firms and organizations that complete the assessment will receive:

- A free, customized report based on the responses provided.
- The ability to benchmark an organization with similar ones who have also completed the assessment.
- Access to resources that will help build a more diverse and inclusive organizational culture.
- For AICPA members, a discounted consulting session to further analyze your firms results and provide detailed recommendations. ■

4 Steps to Ensure a Return on Your TECHNOLOGY INVESTMENT

ACCOUNTING FIRMS TODAY have unprecedented levels of opportunities. Tax reform is driving demand for tax planning services, and advisory fees are outpacing traditional compliance work in larger firms. Many firms recognize that implementing the latest technologies is key to winning their share of these new opportunities. That's the right idea, but firm leaders need to be cautious about chasing after bright shiny objects when they see other firms doing exciting things. Here are four steps to ensure you're implementing the right changes so you can see the return on investment in technology.

TAKE STOCK OF WHAT YOU HAVE

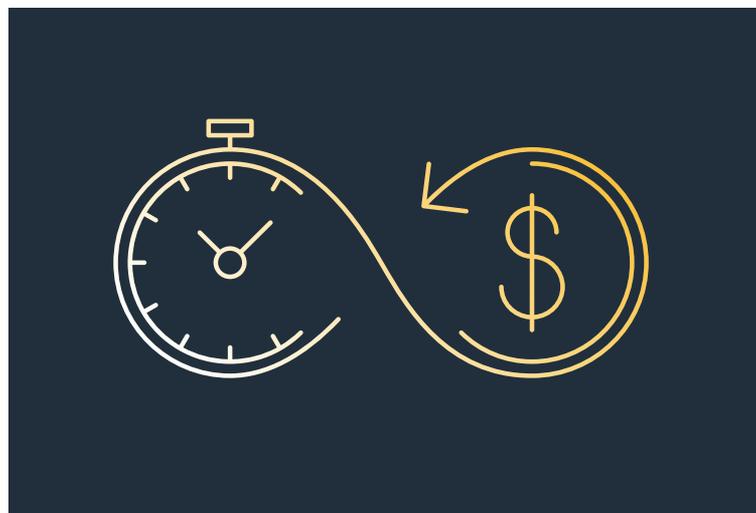
Before investing in new technology, take a look at what you have and how you're currently using it. You may find you have an opportunity to leverage existing technology in a new way rather than adding something new. At the very least, having a better understanding of the technology you already have in place and how it can integrate with other technologies will influence new product evaluations.

Also consider the skillsets of your team. If they have a good handle on the applications you're currently using, you can better assess the components that are missing. This will also help you identify and analyze new areas of opportunity.

GET A CLEAR IDEA OF WHAT YOU WANT

Once you've identified a need for new tech, it's time for an IT assessment. The assessment should answer five questions:

- Which? Which technologies do you want to pursue?
- What? What objectives do you want to achieve?
- Who? Who should be involved in evaluating and implementing the solution?



- When? What is the timeline for evaluation and implementation?
- How? How will you roll it out to your team and get people trained?

This assessment gives you a clear idea of what you want before you begin evaluating new solutions and helps you vet what you find in the market. If you don't start with this five-step assessment, you're setting your technology and team up not to be successful.

ALIGN PROCESSES WITH TECHNOLOGY

Now that you've decided on new technology, how will it align with your process? Whenever you implement new tech, it's crucial

to review your old processes and update them. We often see firms that adopt new solutions but skip this critical step because they are so excited to run with the latest technology. Then they blame the technology for not working as well as it should. In reality, the problem stems from misalignment. Even the best technology will fall short if it's not aligned with process.

ROLL IT OUT

Now that you've selected your new tech and updated your processes to get them in alignment, it's time to roll the new technology out to your department or firm.

Make sure your roll-out plan

includes educating your team – both on how you got to this point and how to use the new technology. Learning a new system is a big change and change is hard. When you educate people on why you selected this new solution and how you make your selection, you'll help prevent at least some of the inevitable pushback that comes with asking people to change. Without this background, your team may feel like the change is happening overnight or without careful consideration for the complexity of the project.

After the rollout, continue to check in with people and give them an outlet for feedback. Schedule check-ins at regular intervals and a refresh one year out. This refresh is a mini version of the initial evaluation to ensure it's still working well.

Your firm's ability to keep up and deliver value to its clients depends on how capable you are at harnessing the potential benefits of new technology. Make sure you're taking the steps necessary to take advantage of the opportunities new technology brings so you and your clients can reach your full potential. ■

As a director for Boomer Consulting, Inc., Arianna Campbell helps accounting firms challenge the status quo by leading process improvement initiatives that result in increased profitability and client satisfaction. She also facilitates the development and cultivation of future firm leaders in The P3 Leadership Academy™. Internally, she blends concepts from Lean Six Sigma and leadership development to drive innovation and continuous improvement within the company. Arianna also enjoys the opportunity to share knowledge through regular contributions to the Boomer Bulletin and other industry wide publications, as well as public speaking at industry conferences.



How to Prepare for Summer in the Office and Not Leave Your Business Stranded

By **Nellie Akalp**

THE KIDS ARE out of school for summer, your staff is making vacation plans and you're ready for some much-needed summer travel, too. But how will you be able to leave the business you've worked so hard to build and nurture? Will customers will take their business elsewhere if you don't have a full staff ready and waiting to serve them? What if you land a brand-new client who needs a lot of support?

Although these are all valid concerns, constant working without a break is not good for you, your employees or your business. Enthusiasm and creativity suffer, and resentment and fatigue grow.

Since summer is a popular vacation season and because we don't want to see you crash and burn, here are a few ideas to help you and your staff get some time away from your business—without skipping a beat.

HELLO TECHNOLOGY!

If going off the grid isn't a reality for you, there is a plethora of tools available to minimize your work time and maximize your time away from work:

- **Keep it in the Cloud:** Don't waste precious vacation time trying to access data files you left at your business. Store everything you might need while on the road in the cloud and keep files well-organized in easy-to-understand folders so employees back at the office won't have to bug you to find something they need.
- **Apps:** From social media to autore-sponders to messaging apps, there are very few office functions today that can't be done through an app. Make sure you have enough data

and storage on your mobile devices before you leave and (it goes without saying) make sure you know what features are available on the app so you aren't surprised. Use a password manager app to keep your passwords accessible while you travel.

- **Organizers & Auto Responders:** No one likes to see their inbox after a vacation. Too many emails to answer and it's so hard to catch up. Plus, you can't let emails go unanswered for too long. Look for solutions that auto respond to emails and organize them by importance. If anything, some of the work will be done for you by the time you get back.

PLAN AHEAD

Communication is key when it comes to taking time off. Let your employees know when you'll be on vacation and make sure your key employees will be in the office during that time. Also, tell your customers and clients the dates you'll be gone well in advance so they feel confident their business will be handled in your absence. (Have your employees do the same for their specific clients.) For projects due after you get back, give your clients realistic deadlines. Be



transparent and you likely won't get any complaints. It's best to put one person in charge when you are out of the office, so there aren't any power plays going on to make things tense and unproductive. Then either check in with that person once a day or ask them to contact you if there's a major issue or emergency (clarify ahead of time what that would be). This helps keep you from compulsively checking your email.

Cross-training employees to do each other's jobs (or at least part of each other's jobs) is also a smart way to make sure things will run smoothly when someone is out of the office. It doesn't involve any new hires, and it also gives your employees new skills that make them more valuable.

Another idea is to form strategic partnerships with other service companies to take on some of the work—and keep your clients happy—while you're on vacation.

KEEP IT SIMPLE

If a grand vacation is out of the question, try to schedule some shorter trips to refuel. Even a three-day weekend is a great

way to get some time away from your business. Do several of those over the summer and you'll still reap the rewards of quality family and friends time. Plus, being away for a few days helps you learn to detach when you need to.

If your employees are itching to get away from the office as well, summer is a great time to build team spirit and camaraderie among your staff. Plan some activities outside, such as company picnics, beach days, golf tournaments or nature walks. Everyone benefits from a change of environment, so make it a point to book a few getaways now. ■

Nellie Akalp is a passionate entrepreneur, small business expert and mother of four. She is the CEO of CorpNet.com, a trusted resource for Business Incorporation, LLC Filings, and Corporate Compliance Services in all 50 states. Nellie and her team recently launched a partner program for accountants, bookkeepers, CPAs, and other professionals to help them streamline the business incorporation and compliance process for their clients. More info at: CorpNet.com/partners.



Automation is Here. How Are You Leveraging It?

CPA FIRMS ARE in the midst of a transition. For years, research firms and thought leaders have been predicting the disruption of the profession through automation. That disruption isn't a vision for the future – it's here now. In 2017, Gartner has forecast a transition period, lasting through 2020, in which AI would eliminate 1.8 million jobs. However, it also predicted the creation of 2.3 million jobs. Currently, technology is creating ever-expanding opportunities for automation in accounting firms and changing the expectations of clients, employees and partners. So right now, we need to decide how we will embrace new technology, leverage automation, and rely on it to create capacity and growth.

DON'T RACE AGAINST THE MACHINE

In 2011, Erik Brynjolfsson and Andrew McAfee published their book, *Race Against the Machine, How the Digital Revolution is Accelerating Innovation, Driving Productivity, and Irreversibly Transforming Employment and the Economy*. In the book, the two economists from the Massachusetts Institute of Technology predicted that the AI revolution would soon do to white collar jobs what robotics did to blue collar jobs –boosting productivity while also eliminating the need for many forms of human labor. Workers whose skills have been mastered by computers have less to offer the job market and see their prospects and profits shrink.

Rather than racing against the machine, accounting firms can capitalize on the vast opportunities technology presents by embracing automation and building strategies to race alongside the machine. This includes a transformation in business models and service offerings for traditional CPA firms. In other words, now is the time to identify and offer services that move us up the continuum of value with our clients and truly shift from technical advisors to trusted business advisors and consultants.

Firms that continue to prioritize transactional and compliance-based

services will see those services increasingly commoditized, see their revenues erode, and struggle to maintain relevance over the next few years.

DO MORE OF WHAT MAKES YOU HUMAN

What types of tasks are being automated in accounting firms today? The ideal functions for computers include routine tasks that can be systematized by an algorithm.

- Collecting financial information
- Bank reconciliations
- Invoice payments
- Performing audit testing on large data sets to identify exceptions
- Extracting lease content data
- Categorizing transactions
- Tax research
- Data entry

With these tasks (and more) being handled by automation, humans are left with the duties that they do best.

In an article for the *World Economic Forum*, Unilever's Chief Human Resources Officer Leena Nair wrote, "Essentially, being human means being able to build relationships with one another." She called the industrial revolution the era of hands when most U.S. workers worked in manufacturing. The start of the digital revolution led to the age of the head, and computers made

their way into businesses, homes and schools. Now we're entering the age of the heart – "an era in which the sum of a group's talents – not merely money or technology – will be the measure of business, and the measure of society overall."

The skills of the future cannot be automated. They include the ability to connect and empathize with clients on an emotional level, creativity to dream up new innovations and ideas that do not currently exist, and professional judgment that goes beyond logical reasoning. Fortunately, these are also the skills on which clients place the most value.

EMBRACE THE OPPORTUNITY

Today, many of the tasks that used to take up a bulk of our days can be handled in just minutes from a mobile device. Expense reporting, bill payment, electronic signatures, detecting anomalies in a general ledger and tax return preparation are being automated. We can ignore these advancements and wait for the day when a computer replaces us. Or we can embrace these tools, viewing them as an essential partner that eliminates some of the day-to-day monotony and frees us up to work where our unique human abilities are needed.



JIM BOOMER, CPA.CITP
CEO, Boomer Consulting, Inc.
Director, Boomer Technology Circle™
jim.boomer@cpapracticeadvisor.com

BECOME YOUR CLIENTS' HERO

There are still some people in our profession who don't recognize the benefits of automation or refuse to acknowledge them. On an individual basis, some of these tools perform a small task that, at first glance, doesn't seem that impactful to automate. However, you need to think in terms of scale. When you automate those small tasks repeatedly, the time savings add up. Obtaining one electronic signature may only save a few minutes of your time. But how much time would your firm save if you automated hundreds or thousands of signatures every tax season? When you scale the process, those small increments of time become a significant number.

Automation is not just about freeing up your time to focus on higher value work. You can also become a hero to your clients and colleagues. We regularly hear from firm leaders about the praise they receive from clients and others in their firms after introducing automation tools that give them back some of their most precious resource – time.

Don't fall into the trap of trying to race against the machine. You will lose and wind up part of the 1.8 million jobs that are eliminated. But if you embrace automation and build a strategy to run alongside the machine, you'll set your firm up for growth, increase profitability and relevance long into the future. ■

IN THE NEXT ISSUE OF

CPA Practice Advisor

MONTHLY THEME

Financial Planning

REVIEWS

Small Biz Accounting, Point-of-Sale

BUILDING YOUR NICHE PRACTICE

Construction & Contractors

APPS WE LOVE

Construction Apps

SPECIAL SECTION

'40 Under 40 '



JUNE 21: SUMMER SOLSTICE

JULY 4: **INDEPENDENCE DAY**

JULY 10: TIP INCOME (FORM 4070) DUE

JULY 10: NATIONAL PIÑA COLADA DAY

JUNE 13: NATIONAL FRENCH FRY DAY

JULY 31: FORM 5500 OR EXTENSION DUE



LEARN SOMETHING NEW:
SMITHSONIAN AIR & SPACE MUSEUM
<https://airandspace.si.edu/learn>

SUPPORT A WORTHY CAUSE:
RONALD MCDONALD HOUSE
<https://www.rmhc.org>

TAKE CARE OF YOURSELF:
AMERICAN DIABETES ASSOCIATION
<http://diabetes.org>



CPAPracticeAdvisor.com

RECENT CHANGES TO SALES TAX RULES
www.CPAPracticeAdvisor.com/21081705

ARE VACATIONS WORTH THE DEBT?
www.CPAPracticeAdvisor.com/21081409

BUSINESS CEOS BULLISH ON ECONOMY
www.CPAPracticeAdvisor.com/21081403

COST REDUCTION IS TOP CHALLENGE FOR BUSINESSES
www.CPAPracticeAdvisor.com/21081454

BILL REEB, CPA, ELECTED CHAIR OF AICPA
www.CPAPracticeAdvisor.com/21081431

FOLLOW US!



FACEBOOK:

www.facebook.com/CPAPracticeAdvisor



TWITTER:

www.twitter.com/CPAPracAdvisor



LINKEDIN:

<https://www.linkedin.com/groups/3927201/>

ADVERTISE WITH US!

BARRY STROBEL • 847-454-2713
barry.strobel@CPAPracticeAdvisor.com

AD DEADLINE: JUNE 7, 2019

Lacerte®



Endure the tests of time and taxes.

Intuit Lacerte, trusted by CPAs for over 40 years to handle the most complex returns and every change in tax law with features like:

QBI Entity Selection Calculator
to uncover maximum deductions for qualified business income.

Tax Reform Diagnostics
that immediately pinpoint changes to a client's taxes on the return.

Tax Reform Impact Summary
with year-to-year comparisons of your client's specific tax situations.

CPA Practice Advisor
READERS' CHOICE AWARDS 2019

Winner
Tax Document Automation and Other Workflow Tools

Stand the test of time with Lacerte backing your business.

Try it for free at IntuitProConnect.com/ReadersChoice or discuss your options at 844-739-2131.

INTUIT | powering prosperity

© 2019 Intuit Inc. All rights reserved. Lacerte is a registered trademark of Intuit Inc.