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BRIDGING THE GAP:
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PRODUCT REVIEWS:
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2020 ACCOUNTANTS PRODUCT & SERVICE GUIDE



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— Jim Sosinski, CPA



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IRS SETS PTIN FEE AT \$36
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GAIL PERRY, CPA
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NASBA: Is It Time for a COVID-19 CPE Break?

IF YOU'VE ATTENDED an accounting conference in person, you know that there is much more to a conference than sitting in a seat, listening to speakers, and logging your CPE hours. Accounting conference events are about networking, meeting peers, sharing real-world experiences with other members of the profession, experimenting with new technology, and learning about how the profession is changing and the role you will play in that change.

One of the many results of COVID-19 has been the change from in-person conference events to a variety of online alternatives. I've been watching the experiences evolve as different groups try various platforms and methods for dispensing the training that is at the core of conference events. After all, pandemic or not, CPAs need CPE, and so, on with the show.

But how essential is CPE in the midst of the pandemic? I find it interesting that, while most of life as we know it has been suspended or at least upended in the era of COVID-19, NASBA has not suspended the CPE requirement for 2020. I believe we can almost guarantee that anyone who is actively practicing in the accounting profession is learning every single day, connecting with clients in new ways, improving the use of technology, staying on top of all of the changing COVID-19-related government programs and procedures available to our clients.

In fact, I would suggest that we as a profession have experienced more, learned more, achieved more, adapted more in the past six months than we have in the past several years. We just didn't have the CPE 50-minute hour clock turned on, and no one was issuing us credits for the extra hours we logged keeping this profession front and center without missing a beat.

As for actual CPE, for the most part, our only alternative, in order to preserve our licenses, is to attend online training or participate in self-study programs. Many people in remote areas don't have the bandwidth to access online courses, and may not even be aware of how to find the courses, who to trust as presenters, how online credit works. Many states don't allow CPAs to take all of their CPE classes online. The same goes for self-study. I'm licensed in Indiana where a maximum of 50 percent of our training will be accepted as self-study.

Everywhere I look, CPAs are turning to the people and the organizations they trust to get the education they need in this unprecedented time, and they're not as concerned about CPE as they are about learning what they need in order to carry on with their businesses and help their clients – right now. Fortunately, those people and organizations we trust are rising to the challenge of providing up-to-the-minute education with an unprecedented level of expertise and outreach.

NASBA has taken one big step forward in allowing what would be otherwise in-person training to be presented online without the presenters having to go through the rigorous approval procedures that NASBA normally requires of online presenters. Kudos to the team for that. Some states have been easing requirements as well. Thomson Reuters is doing an excellent job of tracking how the ruling bodies are responding to this issue in its

regularly updated blog post, "Have my CPE requirements changed as a result of COVID-19?" (<https://tax.thomsonreuters.com/blog/have-my-cpe-requirements-changed-as-a-result-of-covid-19>)

But this seems like a small step. How about helping those who are actively engaged in the profession by letting us concentrate on learning what we need to know to serve our clients in the best way possible. We can make up NASBA-sanctioned CPE classes in the future. Right now our only future is today, and, while it seems like the year we expected hasn't even really started yet, one thing I know is that accountants, at least those with whom I've been in contact, seem to be stepping up to the challenges presented by the pandemic. Let's let the profession focus on that and take a little break from required CPE. ■

— Gail Perry, Editor-in-Chief

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Who Really Won in the Supreme Court Rulings on Trump's Tax Returns?

By Ken Berry

ON JULY 8, the U.S. Supreme Court, the top court in the land, handed down its rulings in two much-anticipated and hotly-debated cases involving disclosure of President Trump's tax returns. But the outcomes were far from clear-cut as various factions claimed "victory" or assigned "defeat." It will take some time to assess the fallout as the dust settles.

In any event, it's highly unlikely that the public will be able to view the president's tax returns anytime soon and almost certainly not before the November election.

As opposed to other recent presidential candidates who volunteered to disclose their returns, Trump has steadfastly refused to do so, claiming that the returns are under IRS audit and off-limits.

This much is clear. In both cases, by a 7-2 majority, the Court rejected Trump's argument that he was effectively "above the law" in his position as president of the United States, the POTUS.

In the first case, the prosecutor in Manhattan, home to the stylish Trump Tower on 5th Avenue, tried to obtain financial records from Trump as part of an investigation into the president's finances. The second case focused on the efforts of Congress to access similar records relating to activities involving financial regulations and election interference.

The Court said in both cases that Trump isn't granted immunity from such investigations just because he occupies the office of POTUS. Thus, at first glance, the president "lost" this legal battle, but the actual truth is more complex. The

main sticking point is that he doesn't have to turn over the records right away.

Regarding the investigation by the Manhattan prosecutor, Trump has the same opportunity to raise objections that any other citizen could rely on. For instance, he could claim that the subpoena is too broad or vague or burdensome or that it unfairly targets him and is a form of harassment. He may also object based on constitutional arguments that this obstructs his responsibilities as POTUS.

As to the Congressional investigation, the president can't cite complete immunity, but he can still argue that the subpoenas are invalid. One such theory is that the basic principle of "separation of powers" is circumvented by the subpoena. In particular, Trump may claim that the subpoena is overly broad, that it isn't supported by sufficient evidence or that impedes his presidential obligations.

Notably, the Court remanded both cases back to the lower courts to resolve these issues. And that could, and almost certainly will, take lots of time.

For one thing, rest assured that the

president's attorneys will use every legal maneuver in the playbook to stall or prolong the proceedings. Then it will be up to the lower court justices to render their rulings with due deliberation. Finally, the president can still appeal the results, if they aren't to his satisfaction,

Given the significance of the two cases, it won't be surprising if either one makes it all the way back to the Supreme Court. Due to the top court's snaillike approach, we could be waiting until next summer or even longer.

If the New York grand jury somehow gets its hands on the president's tax returns before then, grand jury evidence is supposed to be secret, as is Congressional evidence. Therefore, it might be years before the public can view Trump's tax returns and they might even be sealed.

So who's the real winner in the two U.S. Supreme Court cases against President Trump? You be the judge. ■





Do You Have a Clear Vision for **TAX DOCUMENT AUTOMATION?**

IN THE JUNE 2020 issue, my column Do You Have a Clear Tax Vision? addressed tax software innovations in approximately a dozen categories. Many of you have just finished the unusual tax season of 2020 with the COVID-19 pandemic extended personal tax deadline of July 15 just behind us. You may have just barely decompressed before preparing to head into extensions.



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These extended and compressed seasons will make it harder to select and implement strategic technology this year. Throughout the years, I have emphasized the importance of team member experience and of client experience. For us to do tax in the most effective way possible, our tax document automation has to be right.

SO, WHAT IS THE RIGHT TAX DOCUMENT AUTOMATION?

Many pundits and advisors to the profession suggest the same strategies to all their clients and are very consistent in their messaging and presentations. While I want you to be consistent in your firm, I'm far from a one-size-fits-all recommender. The goal of each column is to give you two, three, or more ideas that you can apply to your practice. Plus, I recognize that not every idea fits you or for that matter is a "good one." I do try to eliminate ideas and products that I consider blatantly bad.

When it comes to tax document automation, there is some low-hanging fruit that most firms have reviewed, considered, and adopted, while later abandoning the adoption because the technology didn't provide the benefit expected. This benefit could be reduced costs, less time invested, ease of use, providing a service not available with any other tools and more. It

is hard to believe that automated 1040 workpaper products for tax compliance source documents are over 15 years old!

What are your firm's tax compliance document issues, and how can you address them? Consider these issues with software solutions named in my June column (www.CPAPracticeAdvisor.com/21137397):

- Personal Tax source documents (and entry) – 1040 workpaper products
- Business Tax source documents (and entry) – Audit tools and trial balance tools
- Inefficiency internally – workflow software, scheduling software, Six Sigma process optimization
- Gathering client documents of all types – Prepared by Client (PBC) software, which has grown to almost 20 options in four years!
- Portals to deliver final work products – Standalone, integrated with practice management, or integrated with document management
- eSignature products – to gather client signatures where permissible, such as completing 8879s
- Review tools – to optimize valuable reviewer, senior and partner time

Note that I'm not trying to name products in the prior list, but rather categories of inefficiencies in your tax practice. The most heart-breaking report this season was from a firm that was all paper based, that had no remote access, and was locked out of its offices for 60 days. The work simply piled up and the tax professionals had a once in a lifetime holiday during tax season.

Unfortunately, they didn't really get to vacation anywhere. Another firm had to send clerical staff in to scan client documentation, and this team was fearful of contracting COVID-19 from their commute or from each other while they were in the office. (By the way, that did happen in more than one firm.) You see, there are other issues to consider

to make your tax department work effectively. And while most firms do pull together to complete tax seasons year after year, perhaps partners could make the situation more livable for everyone involved. Consider this list:

- The ability to work remotely as if you are in the office
- Computer hardware that is fast and reliable
- Scanning paper documents in the office and at home if needed
- Multiple monitors of the right size for efficiency
- Having the right level of staff handling the right returns or work
- Scheduling time so team members can comfortably participate in family events
- Providing really good and healthy meals (not pizza!) on a regular basis
- And many more

Please ask yourself what are the key problems my team faces and what can be done to address the issues?

AND WHAT TOOLS ARE MOST EFFECTIVE, PROVIDE THE HIGHEST ROI, OR ARE EASY TO MISS?

I'm sticking with my June column tax software recommendations, but the lack of other supporting tools continues to bother me. For example, we'll discuss document management and portals more next month. Other tax tools to consider include:

- Business Trial Balance software with OnPoint PCR, CCH Access Financial Prep, or Tallyfor
- 1040 Workpapers with CCH Scan with Autoflow, Doc-It, GruntWorx Populate, SurePrep 1040Scan, or Thomson Reuters Source Document Processing
- Workflow with XCM, CCH Access Workstream, or FirmFlow
- Scheduling with ProStaff, WSG Empire Resource, or XCM

Please ask yourself what are the key problems my team faces and what can be done to address the issues?

- PBC document gathering with CCH Access Client Collaboration, Citrix ShareFile, Doc-It Connect (or their whole Suite), or Thomson Reuters Onvio
- And more

You can choose all the software solutions you'd like, but if you aren't stepping up to identify and manage operational problems in your tax department, which could include uncontrollable partners, all the technology in the world won't make you more efficient.

DECIDE THE RIGHT THING FOR YOU, YOUR FIRM, AND YOUR CLIENTS!

What experience do you want your team members to have? What experience do you want your clients to have? Tax compliance is still commonly 40-80% of firm revenue. What are you doing to protect and improve your tax department?

While we discuss many technologies and service alternatives for CPA firms, we recognized just how critical tax remains as a service and a revenue stream today. What have you done to improve your tax operations lately? ■

2020 Innovation Award Winners Announced

By Isaac M. O'Bannon, Managing Editor

AS BUSINESSES AND accounting professionals continue to endure through the Covid-19 pandemic, cloud-based technologies have moved from tools that aid in productivity, to solutions that provide a central and essential role in all professional firms. Without these digital collaborations, workflows, and remote access technologies, firms would not be able provide business-critical services during these challenging times.

Now in their 17th year, the CPA Practice Advisor Tax and Accounting Technology Innovation Awards highlight technologies that are shaping the profession and small businesses through increased collaboration and productivity. These tools are allowing firms to better manage workflows, and to be more productive and more secure, while engaging with clients in ways

that are convenient and productive for them as well.

The Innovation Awards debuted in 2004, serving as a spotlight to honor new or recently enhanced technologies that benefit tax and accounting professionals and their clients through improved workflow, increased accessibility, enhanced collaboration, or other means.

“We’ve crossed the threshold of accounting firms and their clients knowing that they need to embrace new technologies. Now the questions are around which technologies provide the best solutions,” said CPA Practice Advisor Editor-in-Chief Gail Perry, CPA. “Each year we have the opportunity to examine and test new and improved products. It is our hope that these awards provide some guidance and insight into new technologies that are available to make the work-lives of accountants and their clients better, more efficient, and more successful.” Perry also manages a tax practice and is the author of more than 30 books, including *Mint.com for Dummies*, and *Surviving Financial Downsizing: A Practical Guide to Living Well on Less Income*.

2020 INNOVATION AWARD WINNERS

(listed alphabetically)

AccountingSuite - by Accounting Suite

www.AccountingSuite.com

AccountingSuite recently announced the ability to customize the cloud accounting software by user through new extensions. This advanced functionality builds upon the robust inventory management and eCommerce solutions to support complex organizations in a tailor-made model. AccountingSuite uses extensions to extend the functionality of the software. So instead of supplying the users with all types of features that they don't need which can make their software clunky, the technology focuses on a model that empowers the users to install extensions on an as-needed basis.

Perhaps one of the easiest customization tools on the market, within the software, users install the Customization Selection Tool which allows them to add items to various panels using a multiple selection window or by continuously adding items one by one. The selection window remains open until the work has been completed.

This extension works within purchase orders, items receipts, assembly builds, disassembly builds, drop-ship deliveries, bills, purchase returns, quotes, sales invoices, sales orders, credit memos, shipments, warehouse transfers, and cash sales.

An example of a unique extension is the Advanced Barcoder, which extends the regular barcode functionality by adding the ability to scan a lot or multiple items barcodes. In addition, quantities on documents are increased by 1 each time the item is scanned ensuring accurate receiving records. Other extensions include Blank Check Stock Printing, Choose Item Purchase Costs, Customized Selection Tool, Generate Sales Invoice from Item Receipt, Inventory Journal and many more with the list of extensions continually growing.

CCH Access Client Collaboration - by Wolters Kluwer Tax & Accounting

<https://taxna.wolterskluwer.com/>

Gathering information from clients is often the most time-consuming part of

the tax workflow. This year's extended tax season has only prolonged the pain. Fortunately, CCH Access Client Collaboration makes data collection easier, providing a simple and intuitive electronic organizer questionnaire and document request list that clients will actually use. In addition, electronic engagement letters, financial data connections, and at-a-glance engagement tracking help firms and clients save time.

CCH Access Client Collaboration helps firms save time when gathering data from clients and reduces workload compression during a busy tax season. Part of the award-winning CCH Access suite, this cloud-based expert solution enables firms to:

- Create organizers that clients will actually fill out and return, which are already prepopulated with past year information
- Spend less time tracking down information by leveraging automatic reminders and notifications for clients as well as at-a-glance visualizations of client progress for staff

- Make data gathering easier for clients and enable year-round data collection with automatic data connections
- Reduce costs with a paperless process, including integration with CCH ProSystem fx Scan, which eliminates the need for paper/ink supplies, postage & shipping and printing/collating/mailling organizers

“With the clients that used Client Collaboration, we had more of their documents and there were fewer follow ups because we knew whether they were going to provide us a document or not,” - Kari Rockwood, Gallacher, Bosen & Goodman, PLLC, Mesa, AZ

CCH Access Knowledge Coach - by Wolter Kluwer Tax & Accounting

<https://taxna.wolterskluwer.com/>

CCH Access Knowledge Coach takes CCH ProSystem fx Knowledge Coach's award-winning & patented risk-based audit workflow into the cloud. Addressing AICPA's peer review reform and its Enhancing Audit Quality initiative, this software focuses on risk assess-

ment and documentation by providing auditors with all the required practice aids. At the same time, this solution coaches auditors to avoid over/under auditing to help drive efficiencies and quality. CCH Access Knowledge Coach has a positive impact on realizations by supporting real-time team collaboration and in-line diagnostics that proactively correct issues. It helps transform audit practices so firms can deliver higher quality and more profitable engagements. Part of the award-winning CCH Access suite, this expert solution helps teams:

- Avoid wasting time by tailoring procedures to eliminate unnecessary steps, providing anytime/anywhere browser-based access to current forms without the need for downloading & managing of content, and enables instant sharing of forms to eliminate wait time while synchronizing
- Ensure compliance with auditing standards by using the highest quality risk-based audit methodology (KBA) in market with risks updating the entire engagement dynamically to ensure auditors respond to current risks, by sharing data automatically across forms to eliminate conflicts/inconsistency, and

providing real-time, in-line diagnostics that appear with questions

- Produce higher-quality audits by linking performed procedures to identified risks to clearly show why work was done, summarizing risks/related procedures in one place to avoid over/under auditing and to show reviewers the big picture, and allowing auditors to easily see the last modified date & who prepared/reviewed workpapers.

SafeSend Returns v4.0 - by cPaperless SafeSend

www.SafeSend.com

SafeSend Returns has redefined the way accounting firms operate their tax practices by eliminating the manual and labor-intensive elements plaguing many firms. Tax forms 1040, 1041, 1065, 1120 & 1120S can be assembled & delivered by staff, and clients can review & eSign remotely. In addition, K-1s can be electronically batch processed for delivery by the client and automate estimated payment reminders.

Benefits include: Saving over \$40 per return while assembling and delivering in 4 minutes per return; One solution to drive firm efficiency; Elevate client service, and; Mitigate security risks.

SafeSend Returns is fully compatible with CCH Access Tax, CCH ProSystem fx Tax, Thomson Reuters UltraTax CS and Thomson Reuters GoSystem Tax RS. This solution has helped tax professionals all over the country during the COVID-19 crisis and has become a best practice during the new normal many tax professionals are having to deal with during these uncertain times.

Clients love SafeSend Returns' ease of use and Form 8879 E-Sign, but quarterly reminders for payment vouchers and electronic K-1s sent to shareholders can make them clients for life.

Tipalti Pi - by Tipalti

<https://tipalti.com>

Tipalti Pi is designed to apply artificial intelligence and machine learning to optimize the entire payables process, including by reducing risks and errors, optimizing the payables workflow, and providing control for controllers. Duplicate bill/invoice entries, supplier data errors, compliance and fraud risks: these are the bottlenecks that can cause havoc to payables processing. Tipalti Pi identifies and mitigates accounts payable issues like these, including validating supplier profile and payment

data using over 26,000 global rules to eliminate payment errors by 66%, pinpointing potential fraud risk, identifying duplicate invoices, and facilitating PO matching and discrepancy detection.

For every industry, manual invoice processing is a hurdle to efficient payables. Combined with invoice scanning using its built-in, intelligent OCR functions, Tipalti Pi works in the background to assign proper approval routing and General Ledger (GL) coding at both the bill and bill line level. Tipalti Pi learns to record bill fields for line-level charges (expense accounts, departments, classes, locations, projects, cost center, entity, custom fields, etc.). This intelligence helps improve future routing accuracy, streamlines payment reconciliation processes, and maintains data hygiene in the ERP.

Managing finance and accounting operations can be a delicate process that demands some amount of oversight. AI shouldn't take action unless someone clears it to do so. Tipalti Pi acts as an artificial intelligence assistant to expose areas and processes that could use more attention while ensuring that a human is in control of financial actions.

2020 INNOVATION AWARD FINALISTS

Canopy Mobile - by Canopy

www.getcanopy.com/

Available for free, the Canopy Mobile App empowers accounting professionals to manage their firm and connect with clients from anywhere, anytime, with a mobile device. This powerful, SOC2 compliant tool gives on-the-go access to client information in order to be more responsive to client needs while ensuring all data is safe and protected—all critical elements of a positive client experience. In addition, the app allows for secure file sharing, completing a to-do list for each case, e-signing documents, and accessing invoices and payments.

Coupled with the professional's app, the Canopy Client Portal App is uniquely developed to provide a mobile-first experience for clients interacting with their accountants. No other practice management provider offers a full-featured native mobile app for both clients and accountants that allows them to work together seamlessly. As consumers

continue to go mobile, often preferring their mobile devices over a laptop, the Canopy Client Portal is uniquely positioned to be the primary method for completing taxes or navigating other accounting situations.

Client Portal App users will be able to see all their related files and a concise task list. Using the built-in document scanning functionality, they can easily scan multi-page documents and submit them for review. Questions and comments can also be submitted via the app directly to their accountant. In addition, clients can view invoices and make payments in a timely manner.

Client Hub Integration with QuickBooks Online - by Client Hub

<https://clienthub.app/>

The Client Hub integration with QuickBooks Online helps to automate the process of accountants sending requests to clients to categorize expense transactions when the

accountant does not know what the purchase was for. The standard process used by accountants is to send spreadsheets to clients with a list of these transactions. This process is inefficient and time consuming and clients rarely provide complete or clear answers.

With Client Hub, accountants can add transactions to their clients' QuickBooks Online account and categorize them to a mapped account which then triggers the creation of a Client Task in the Client Hub workspace. The Client Task includes all the details of the transaction with a drop-down for the client to select the appropriate expense account from the QuickBooks Online chart of accounts. After the client submits a response, the accountant can review. Once the response is accepted by the accountant, Client Hub pushes the re-categorization back to QuickBooks Online, editing the original transaction, and closes out the task.

Continued on Page 18

CPA Practice Advisor TAX & ACCOUNTING TECHNOLOGY INNOVATION AWARD 2020

FINALIST



Because the projects are of short duration, the work steps are serially dependent, and the work load and priorities are constantly changing, tax compliance scheduling is difficult at best, and far more challenging than scheduling Audit or Consulting work.

What if:

- ▶ You could plan your next busy season ahead of time?
- ▶ There was a better way of assigning tax returns to your staff than 'out of the pool'?
- ▶ You could adjust your calendars in real time to determine how many hours your staff needs to work to ensure as many returns as possible are completed without requiring extensions?
- ▶ Schedules could be adjusted on the fly as returns are completed and new returns are added?

With AI-based Empire AUTOMATED TAX SCHEDULING and our 'What If?' capabilities, you can do all of these things and more. How is that possible?

Empire AUTOMATED TAX SCHEDULING evaluates. . .

Staff skills • Experience with a client • Staff Cost • Staff Availability • Calendars
Statutory and Planned Due dates • Return Priorities

. . .and creates the optimal schedule for your managers and staff, balancing resources, return types and work load, and saves your firm time and money. Comprehensive reporting lets you see the status of any return at any time, and helps you identify the bottlenecks while there's time to make adjustments. Seamless integration with Microsoft Office ensures Outlook calendars are populated with current and upcoming assignments. This means happier employees and fewer extensions, which means happy customers and more repeat business.

For a demo or more information contact: sales@empiresuite.com





Never Over Tax or Under Utilize Your Talent Again

Empire AUTOMATED TAX SCHEDULING (ATS) delivers higher profits through time savings by assigning employees to activities based on their efficiency, expertise and client experience.

- ▶ Empire ATS has been named CPA Practice Advisor Tax and Accounting Technology Innovation Award 2020 Finalist

For a demo or more information contact:



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TAX & ACCOUNTING TECHNOLOGY INNOVATION AWARD 2020 WINNER

ADVERTORIAL

Wolters Kluwer Tax & Accounting CCH Axxess Client Collaboration

Gathering information from clients is often the most time-consuming part of the tax workflow. This year's extended tax season has only prolonged the pain. Fortunately, CCH Axxess™ Client Collaboration makes data collection easier, providing a simple and intuitive electronic organizer questionnaire and document request list that clients will actually use. CCH Axxess™ Client Collaboration helps firms save time when gathering data from clients and reduces workload compression during a busy tax season. Part of the award-winning CCH Axxess™ suite, this cloud-based expert solution enables firms to:

- Spend less time tracking down information by leveraging automatic reminders and notifications for clients as well as at-a-glance visualizations of client progress for staff
- Make data gathering easier for clients and enable year-round data collection with automatic data connections
- Reduce costs with a paperless process, including integration with CCH® ProSystem fx® Scan, which eliminates the need for paper/ink supplies, postage & shipping and printing/collating/mailing organizers

Wolters Kluwer Tax & Accounting CCH Axxess Knowledge Coach

CCH Axxess™ Knowledge Coach takes CCH® ProSystem fx® Knowledge Coach's award-winning & patented risk-based audit workflow to the cloud. Addressing AICPA's peer review reform & Enhancing Audit Quality initiative, it focuses on risk assessment & documentation by providing auditors with all required practice aids. Moreover, it coaches auditors to avoid over/under auditing, driving efficiencies & quality. This solution impacts realizations positively by supporting real-time team collaboration & in-line diagnostics, proactively correcting issues. Bottomline, audits transform, delivering higher quality & profitable engagements. Part of the award-winning CCH Axxess™ suite, teams will:

- Avoid wasted time. For example, anytime/anywhere browser-based access to current forms eliminates downloading/managing content.
- Ensure compliance with auditing standards. For example, using the highest quality risk-based audit methodology (KBA) in the market, risks update the entire engagement dynamically, ensuring auditors respond to current risks.
- Perform higher-quality audits. For example, performed procedures link to identified risks, clearly showing why work was done



For more information visit
TaxNA.WoltersKluwer.com



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— Jason Marx

CEO

Wolters Kluwer

Tax & Accounting, North America

Future-ready firms focus on technology and innovation. Our award-winning, cloud-based software solutions like CCH Axcess™ Knowledge Coach and CCH Axcess™ Client Collaboration align with your workflow to deliver new efficiencies and unmatched client service. From beginning to end, you can rely on Wolters Kluwer.



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ADVERTORIAL

AccountingSuite™ New Extension Functionality AccountingSuite™

AccountingSuite™ announced the functionality to customize the cloud accounting software by user through new extensions. The advanced functionality builds upon the robust inventory management and eCommerce solutions to support complex organizations in a tailormade model. AccountingSuite™ uses extensions to extend the functionality of the software. So instead of supplying the user with all types of features that they don't need like many of our competitors do which can make your software clunky, we focused on a model that empowers the user to install extensions on an as-needed basis. Perhaps one of the easiest customization tools on the market, in the software, users install the Customization Selection Tool which allows them to add items to various panels using a multiple selection window or by continuously adding items one by one. The selection window remains open until the work

has been completed. This extension works within purchase orders, items receipts, assembly builds, disassembly builds, dropship Deliveries, bills, purchase returns, quotes, sales invoices, sales orders, credit memos, shipments, warehouse transfers, and cash sales. An example of a unique extension is the Advanced Barcode, which extends the regular barcode functionality by adding the ability to scan a lot or multiple items barcodes. In addition, quantities on documents are increased by 1 each time the item is scanned ensuring accurate receiving records. Other extensions include Blank Check Stock Printing, Choose Item Purchase Costs, Customized Selection Tool, Generate Sales Invoice from Item Receipt, Inventory Journal and many more with the list of extensions continually growing.



Contact Person:
Ted McRae, ted@accountingsuite.com

Product Demo:
<https://vimeo.com/405208857>

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No More Clunky Add-Ons
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ADVERTORIAL

SafeSend Returns v4.0 cPaperless SafeSend

SafeSend Returns has redefined the way accounting firms operate their tax practices by eliminating the manual and labor-intensive elements plaguing many firms. Tax returns 1040, 1041, 1065, 1120 & 1120s can be digitally assembled & delivered by staff, and clients can review & e-Sign remotely with a single cloud-based solution. In addition, K-1s can be batch processed for electronic delivery by the firm or the client, and automated email reminders sent to clients for estimated payments. Saving over \$40 per return while assembling and delivering in 4 minutes per return. One solution to drive firm efficiency,

elevate client service, and mitigate security risks. SafeSend Returns is fully compatible with CCH Axcess™ Tax and ProSystem fx™ Tax, Thomson Reuters UltraTax CS™ and GoSystem Tax RST™, and Intuit Lacerte™. This solution has helped tax professionals all over the country during the COVID-19 crisis and has become a best practice during the new normal many tax professionals are having to manage during these uncertain times.



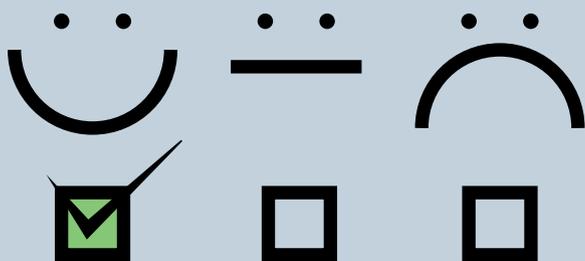
Contact Person:
Andrew Hatfield, cofounder and SVP
Andrew.hatfield@safesend.com

Product Demo:
<https://bit.ly/3ijoAsI>

How Do Your Clients Rate Your Firm's Online Experience?



Automating Remote Tax Return
Assembly & Delivery



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TECHNOLOGY
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WINNER**

A three-time Innovation Award winner, SafeSend Returns drives firm efficiency, elevates client service, and mitigates security risks, all while enabling staff to work from anywhere, and clients to be served remotely.

**Learn More at
[SafeSend.com](https://www.safesend.com)**

Continued from Page 9

This awesome new feature eliminates the need for passing spreadsheets back and forth and the issues related to this process. Clients can select an actual account from the list rather than just provide a general response. This reduces the needs for repetitive requests, makes it easier for the clients to respond, reduces duplicate data entry and saves the accounting staff time. Result is better workflow and more timely response from clients, allowing accountants to provide accurate and timely financial reports to clients.

CoinTracker - by CoinTracker

www.cointracker.io/cpa

CoinTracker is an easy-to-use web application that allows tax practitioners to reconcile cryptocurrency gains and losses. It automatically syncs transactions from over 3,000 cryptocurrencies, and over 300 wallets & exchanges into one unified dashboard. The outputs help accountants generate all the necessary tax forms (IRS Forms 8949, Schedule D, Schedule 1, FinCEN 114).

CoinTracker is solving a major compliance problem in the cryptocurrency industry. Cryptocurrency exchanges do not issue 1099s listing proceeds, cost basis, and gains/losses. Therefore, it is tax practitioners' responsibility to accurately calculate gains and losses by following complex transaction reports. This is virtually impossible to do manually because you have to account for proper valuation, transfers, tax lot ID methods (FIFO, LIFO & spec ID), cost basis, etc. CoinTracker fully automates this reconciliation and issues an accurate gain and loss report for tax practitioners.

To date, CoinTracker has served over 100,000 users, tracked over \$20 billion of cryptocurrency transactions and helped users calculate over \$600 million of capital losses. Hundreds of CPAs in the US, UK, Canada, and Australia use CoinTracker to serve their cryptocurrency clients. By using CoinTracker, these CPAs have cut down more than 80% of their time in manually reconciling cryptocurrency transactions in spreadsheets. Further, increased accuracy has resulted in fewer tax notices and overall higher client satisfaction.

CoinTracker is the only cryptocurrency tax software that has partnered with Coinbase, and is integrated with TurboTax and TaxAct. The company is backed by Y Combinator, Alexis Ohanian (co-founder of Reddit), and Serena Williams.

Empire AUTOMATED TAX SCHEDULING - by WSG Systems Corp.

<https://go.empiresuite.com/>

Because the projects are of short duration, the work steps are serially dependent, and the work load and priorities are constantly changing, tax compliance scheduling is difficult at best, and far more challenging than scheduling Audit or Consulting work. What if:

- You could plan your next busy season ahead of time?
- There was a better way of assigning tax returns to your staff than 'out of the pool'?

- You could adjust your calendars in real time to determine how many hours your staff needs to work to ensure as many returns as possible are completed without requiring extensions?
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- Staff skills
- Experience with a client
- Staff Cost
- Staff Availability
- Calendars
- Statutory and Planned Due dates
- Return Priorities

... and creates the optimal schedule for your managers and staff, balancing resources, return types and work load, and saves your firm time and money. Comprehensive reporting lets you see the status of any return at any time, and helps you identify the bottlenecks while there's time to make adjustments. Seamless integration with Microsoft Office ensures Outlook calendars are populated with current and upcoming assignments. This means happier clients.

EY Global Tax Platform - by EY

www.ey.com/en_us/tax/global-tax-platform

The EY Global Tax Platform (GTP) is a cloud-enabled Copernican shift that leverages the power of big data, advanced analytics and cutting-edge technology to support the evolving needs of tax professionals worldwide.

Organizations benefit from access to real-time data to mitigate risks, control costs and drive value from their tax function. GTP, powered by Microsoft Azure, is the only platform offering clients a comprehensive global view of their worldwide tax profile while utilizing best-in-class technology to gather, store and analyze data in a safe, secure environment.

GTP fuses Microsoft's technology acumen with EY's tax expertise to create efficiencies previously unrealized. Through EY's vast client network, GTP has made it simple to connect and assess data globally. GTP integrates data from clients' existing IT systems; provides built-in data transformation and validation; performs tax calculations and analysis; and applies machine learning and artificial intelligence to improve and adapt to clients' unique needs and challenges. By using GTP automation and customizable dashboards, EY clients can open new windows into their global operations and tax savings opportunities, never before seen.

GTP is the result of EY's commitment to offering clients a global platform that consolidates key data across international operations to provide a comprehensive view of organizational tax exposure. It equips clients' tax functions with the ability to evolve and scale as their needs change while eliminating inefficiencies and harnessing world-class

technology. GTP continues to illuminate a path through the complexities of tax landscapes worldwide.

Rootworks Performance Platform - by Rootworks

<https://rootworks.com/>

Rootworks Performance Platform represents the only front-office solution designed to help accounting professionals execute on their business model. Structured data gathering informs firm leaders on client technologies and the right products to sell—while also offering the deeper insight and intelligence required to transform from a reactive to proactive advisory model. The platform also seamlessly integrates with Rootworks advanced website CMS, supporting firms at all levels of front-office operations.

Core modules within Rootworks Performance Platform include:

- **ClientView**—Our powerful client intelligence module enables firms to efficiently and effectively organize and analyze client data. Using intuitive filters, firms can easily slice and dice data to identify opportunities and serve clients proactively with the right technologies and products at the right time.
- **Content**—Offers premium, education-based content including eBooks, client magazines and short-form business articles. Content is dynamically pushed to a firm's website and is ready-made for posting to social channels, helping drive traffic to a firm's site and capture leads.
- **Website**—Offers firms a professional, advanced website that serves as a place to conduct business with clients; capture prospect opportunities (which automatically flow into ClientView); and display dynamic, timely and relevant content.
- **Connect**: Our online community forum allows members to connect with more than 700 firms to exchange ideas and seasoned insights. Connect represents a powerful, established forum of people helping people. Rootworks Performance Platform is the only front-office solution of its kind—designed for accounting firms by accounting professionals. Firms can now execute on all key front-office activities within a single integrated and highly intuitive platform.

The awards are voted on by a panel of thought leaders and consultants to the accounting profession.

As States Look to Bounce Back, Tax Leaders Need to Engage with Lawmakers

By Michael J. Bernard, J.D.

THE CORONAVIRUS PANDEMIC decimated budgets across the country in the first half of 2020. As of this writing, 25 states passed emergency budget legislation to address COVID-19, totaling more than \$1 billion. Some of that money was earmarked for other programs and some was pulled from reserve funds, but much of it will need to be recovered to bring state budgets back into the black.

Simply put, emergency spending combined with less tax revenue due to shelter-in-place orders means that states are going to be looking to rebalance budgets—likely by enacting new tax-related laws and rule changes in the face of revenue shortfalls and budget deficits.

The problem with all of this? At least fifty jurisdictions are looking at different ways to claw back revenues and will define various timelines and means for how this will be accomplished. That begs the question of how tax managers can prepare in a world of uncertainty, especially at a time when companies are trying to address unprecedented challenges.

Industries that did well during the pandemic—such as grocery stores, delivery services and e-retailers—are likely to face more significant tax impacts as states will not want to burden businesses hit hardest by the crisis. Service industries like hotels, sports and other entertainment saw spending decrease by 90% compared to pre-COVID estimates, according to the Center on Budget and Policy Priorities. Those businesses might not be able to withstand a tax hike.

Especially in times of crisis, states are more inclined to pass legislation that provides a temporary fix. Such regulations, however, could end up

becoming detrimental to businesses if left in place long enough. Therefore, finance leaders and tax executives need to engage with state tax policymakers, which can help shape thoughtful new laws. As the cost of rushed and poorly crafted tax regulations can prevent a swifter recovery, it is necessary for the business community to have a seat at the table among policymakers and a stronger voice in the way tax policy is crafted.

By engaging at the state level, companies may be able to limit any additional taxes by type or jurisdiction. That will be important as businesses already face a multitude of varying tax rules that cannot be managed manually. Adding more would intensify the already considerable tax compliance burden.

Transaction tax changes are on pace to reach the second highest total in the past 11 years. 150 city sales tax rate adjustments have occurred to date this year—with all but 10 being rate hikes—and those numbers aren't likely to slow down.

It would be deleterious for tax officers to not take into account unfinished business regarding marketplace

facilitators. Many legislatures were poised to enact new post-Wayfair marketplace facilitator laws or make already passed laws more uniform. Lawmakers will likely want to pick the conversation back up, as it could lead to another stream of sorely needed revenue.

Despite this dizzying array of new rules coming at tax managers, there are ways to manage the process. Accurate, up-to-date tax data and automated processes can greatly reduce the indirect tax management complexity and keep companies from running afoul of tax laws they might not have known even existed.

The next few months—and beyond—will not be easy for businesses navigating uncharted waters. Corporate tax leaders need to work with lawmakers to help them better understand potential short- and long-term implications of regulatory shifts. ■

Michael J. Bernard is Chief Tax Officer, Vertex, Inc.



Significant Time Savings

NO ONE CAN disagree that preparing taxes requires a lot of documents. In years past, you could always tell when it was tax season by the number of documents on an accountant's desk. Those documents would need to be organized, scanned, and used in preparing a client's return. Once the return had been completed, the organized documents then had to be filed away for future access.

The good news is that tax document automation programs can help to reduce many of these time-consuming tasks. They offer time-saving features such as automated scanning, document organization and document management capability. In many cases, these applications can also significantly reduce or even eliminate the amount of data entry necessary by reading and auto-populating information found on scanned documents into the correct form.

Tax document automation was originally designed for larger CPA firms that needed to reduce the amount of time spent managing hundreds of thousands of pages of tax documentation. But even smaller firms can realize significant time savings by using tax document automation applications. This automation also significantly reduces the number of mistakes, document misfiling, lost documents, and transposed numbers

that can occur when using manual systems

For instance, tax document organization applications can take a large stack of work papers and organize them into a single digital binder, which includes bookmarks and labels for all relevant documents, while also standardizing the documents in each binder that's created.

Some of the applications offer the ability to auto-populate tax returns, reducing or eliminating the need for time-consuming data entry. Most of the applications are able to recognize common tax source documents such as W-2s, 1099s, K-1s, and brokerage statements, and are able to review data for accuracy.

The tax document automation products reviewed in this issue vary, with some better suited to larger firms, while others work better for smaller firms processing fewer returns. Some of the applications are part of a specific



tax preparation software, while others are designed as stand-alone applications that can integrate with other tax preparation products.

The products reviewed in this issue include:

- 1040 Scan
- GruntWorx, LLC
- Lacerte and ProSeries Scan and Import
- Thomson Reuters - Source Document Processing
- Wolters Kluwer - CCH, ProSystem fx Scan

Some of the features we looked at include the ability to populate tax forms, which tax documents were supported, and the ability to create

digital files and PDFs of each created folder for future access. We also looked at integration options and whether the application could be used as a stand-alone application or is part of a specific software application.

While it's a well-known fact that tax document automation will save large firms a lot of time, the fact is that it can save smaller firms a considerable amount of time as well. So, spend a few minutes reading the reviews, download a few demos to try out for yourself, and maybe come tax season, you can leave the office on time. ■

	Cloud/Hosted Accessibility	Uses OCR Technology	Organizes Scanned Documents Automatically	Imports Common Tax Forms	Imports Brokerage Statements	Auto-Verification Available	Auto-Population of Forms in Tax Systems	Creates Digital Binder	Ability to Edit Binder	Data Review Option Available	Integrates with Tax Preparation Systems	Support and Training Options	2020 OVERALL RATING
CCH PROSYSTEM FX SCAN	X	X	X	X	X		X	X	X	X	X	X	★ 4.75
GRUNTWORX	X	X	X	X	X	X	X	X	X	X	X	X	★ 5
INTUIT LACERTE/PROSERIES SCAN & IMPORT		X		X	X		X	X	X	X	X	X	★ 4.25
SUREPREP 1040 SCAN	X	X	X	X*	X*	X	X	X	X	X	X	X	★ 5
THOMSON REUTERS SOURCE DOCUMENT PROCESSING	X	X		X	X		X	X	X	X	X**	X	★ 4.5

* - DONE THROUGH TAX CADDY
 ** - ONLY THOMSON REUTERS APPLICATIONS

TAX DOCUMENT AUTOMATION: REVIEW

CCH ProSystem fx Scan w/AutoFlow Technology www.cchgroup.com

CCH ProSystem fx Scan with AutoFlow Technology is a good fit for CPA firms and accounting professionals of any size. CCH ProSystem fx Scan creates digital files while providing users with the ability to bookmark, annotate, and merge multiple files. CCH ProSystem fx Scan also offers easy data extraction with the use of the optional AutoFlow Technology feature that is available separately, with the application offering easy data extraction from all source documents directly into Forms 1040 and 1041. Best when used with other CCH applications, CCH ProSystem fx Scan can also be used as a stand-alone application.

CCH ProSystem fx Scan is available as a cloud-based SaaS application or as an on-premise application. The application offers a scanner tip sheet for new users to get the best quality scanned documents, and with no preparation necessary, scanning can be delegated to support personnel.

CCH ProSystem fx Scan offers seamless integration with both ProSystem fx and CCH Axxess applications. The application offers easy source document management, including a bookmarked file that also provides annotation and pagination options. When used with the AutoFlow Technology feature (priced separately),

4.75

2020 OVERALL RATING

Read the full review for this product online at:
www.CPAPracticeAdvisor.com/21148608

CCH ProSystem fx Scan can auto-populate both Form 1040 and 1041 with scanned data. Pricing for CCH ProSystem fx Scan varies depending on whether the application is purchased as an on-premise application or a SaaS application.

GruntWorx Tax Automation and Organization www.gruntworx.com

GruntWorx, made by Drake Enterprises, is well-suited for accounting firms of any size. In addition, integration with popular tax programs including Drake Tax, GoSystem Tax RS, CCH ProSystem fx Tax, Intuit Lacerte, CCH Axxess, and Ultra Tax CS helps to automate the entire tax preparation process.

Entirely cloud-based, users can easily access the application at any time, with all created folders stored on GruntWorx servers. The application is scalable, with five editions available from a basic organizing tool to a completely organized folder with human validation included. In addition, options such as Trades, which imports trade details from brokerage statements and Populate, which extracts data and

populates related tax forms, can be added to Organize.

Firms can easily choose the GruntWorx product that is best suited for their firm. Users will not need to pay anything upfront, payment is made only when the application is used, and the GruntWorx calculator allows the user to estimate the cost of any job submitted.

GruntWorx offers five different options to purchase: Organize Lite, Organize, Organize and Trades, Organize and Populate, and Organize and Populate and Trades. All pricing is on a per-page basis, with the Organize Lite edition costing 5 cents per page, which does not include human data validation services. The other Organize editions cost 20 cents

5

2020 OVERALL RATING

Read the full review for this product online at:
www.CPAPracticeAdvisor.com/21148615

per page, with the Trades option costing 15 cents per trade. The Populate feature costs 75 cents per form. GruntWorx offers a calculator on its website that lets you calculate the cost of any job prior to submission so you'll know what it will cost. There is no initial cost to subscribe to GruntWorx; the cost is incurred once the application is used.

Intuit Lacerte and ProSeries Scan and Import <https://proconnect.intuit.com/proseries/>

Tax Scan and Import is available in both Intuit Lacerte, and is available as a desktop solution or a hosted SaaS application, and Intuit ProSeries, which is a desktop or hosted application. Tax Scan and Import is designed to work within each application and cannot be used as a stand-alone application. In addition, neither application includes integration with any other tax programs outside of Lacerte and ProSeries. A link to Tax Scan and Import is included in both applications, so users will be able to begin using it immediately.

Tax Scan and Import is easily accessible in the application by clicking on the Import tab at the top of the user interface screen. The import feature in Tax

Scan and Import is available at no cost to Professional level users or those with a Fast Path product license. Before clicking on the import options, users should make sure that all work papers and source documents are scanned and saved.

Tax Scan and Import is available in both ProSeries and Lacerte Intuit, and is better suited for small to mid-sized accounting firms. Tax Scan and Import offers dual OCR, a series of reviewer tools to ensure accuracy, with results typically available in less than a half hour. The scan and import features are priced separately, though the form import feature is included for Fast Path licensees at no additional charge. Tax Scan and Import offers scanning, importing, and

4.25

2020 OVERALL RATING

Read the full review for this product online at:
www.CPAPracticeAdvisor.com/21148617

complete binder creation, with the application offering an exclusive partnership with more than 24 financial institutions for direct access and downloading of W-2 and 1099 data. Those interested in the application have the option to pay on a per-return basis which currently runs \$11 per created form, or purchase the unlimited license, which currently runs \$1,819.

REVIEW: TAX DOCUMENT AUTOMATION

Source Document Processing by Thomson Reuters

Source Document Processing, available as an add-on module for Thomson Reuters CS Professional Suite, offers integration with FileCabinet CS, Workpapers CS, and UltraTax CS. Not available as a stand-alone application, Source Document Processing's purpose is to streamline the tax preparation process by reducing or eliminating the amount of data entry necessary when preparing a tax return. Source Document Processing is a hosted application, available via Virtual Office CS or as a SaaS application.

Designed to work with other CS Professional Suite applications, Source Document Processing first teams up with FileCabinet CS to identify and extract data

<https://Tax.thomsonreuters.com>

from a variety of source document types, using optical character recognition (OCR) to accurately identify and extract data from the documents. Users can opt to scan documents into Workpapers CS, where they can also create a specific page sequence that helps to ensure that all documents are sorted in a consistent manner.

A great addition for firms already using Thomson Reuters FileCabinet CS, Workpapers CS, and UltraTax CS, Source Document Processing is not available as a stand-alone application. Source Document Processing reduces the amount of data entry needed by automatically populating data in client tax returns, and

4.5

2020 OVERALL RATING

Read the full review for this product online at:
www.CPAPracticeAdvisor.com/21148618

is a great resource for firms looking to automatically create client binders.

Source Document Processing can be purchased on an as-needed basis, or, for those who expect to use the application frequently, an unlimited version of the application is available for purchase offering unlimited scanning, labeling, organizing and source data entry into UltraTax CS.

SurePrep 1040SCAN

SurePrep 1040SCAN is a scanning application that is best suited for those using other SurePrep applications. SurePrep 1040SCAN also integrates with numerous third-party tax preparation applications such as CCH Axxess Tax, CCH ProSystem fx Tax, GoSystem Tax RS, Lacerte, and UltraTax CS. SurePrep 1040SCAN is completely web-based with four plans available: 1040SCAN ORG, 1040SCAN Pro, 1040SCANverify, and 1040SCANverify+.

1040SCAN from SurePrep is currently offered in four versions: 1040SCAN ORG, which offers source document organization; 1040SCAN PRO, which is a scan and populate application, that automatically

bookmarks, organizes, and exports data into tax software applications. 1040SCAN PRO now includes Auto-Verification for Native PDFs, which eliminates the need for human verification. 1040SCANverify combines software and service, providing verification of scanned document data prior to exporting to tax software, and finally, 1040SCANverify+, which offers non-standard document data organization.

1040SCAN PRO and 1040SCANverify integrate with CCH Axxess Tax, CCH ProSystem fx Tax, GoSystem Tax RS, Lacerte, and UltraTax, while 1040SCANverify+ is only available for CCH Axxess Tax and GoSystem RS users.

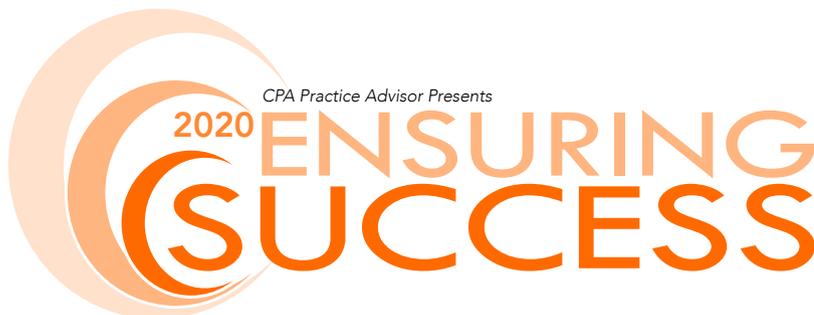
www.sureprep.com

5

2020 OVERALL RATING

Read the full review for this product online at:
www.CPAPracticeAdvisor.com/21148612

1040SCAN Pricing is based on the number of returns processed. Those interested in other SurePrep applications such as TaxCaddy, SPbinder, or Outsource should contact SurePrep directly for additional information on each application as well as current pricing.



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

Communication Methods in Our New Work Environment

THE WHIRLWIND THAT is 2020 has changed the nature of accountancy in ways that nobody could've predicted a few short months ago. From a delayed tax deadline to a back-and-forth dance of opening and closing businesses, it's still too early to tell what all the ramifications of this unprecedented year will be. One thing that looks certain, though, is that remote work will be an increasing part of our professional lives.

Commercial real estate experts already predict a huge change in what offices look like, where they are, and how they function. As the spaces we work in change, one of the first things firms looking to transition successfully need to address is how (and where) they communicate.

In a world where working from home is becoming more of a rule and less of an exception, everything from leadership to service offerings to the technology needs to change along with it. How we talk to each other, whether with clients or between team members, is no exception. If you don't want balls to be dropped, developing a plan for communication that everyone understands and adheres to is important. Without daily office interactions, a clear set of standards

and practices is essential for keeping everyone on the same page.

The best solution for your workplace will be based on your needs and the nature of your team, but there are a few solid strategies that can benefit almost any firm. Here are some important aspects to consider when deciding on a communication policy that fits our new work reality.

CLIENT COMMUNICATION STANDARDS

While every form of communication matters, it's not hard to see why discussions with clients require extra clarity as early as possible. If an internal document gets missed, you probably have time to fix it. That's not always the case with a client,

especially when so many businesses are downsizing and asking hard questions of their service providers.

Two easy solutions are to adopt a by-method or by-person approach. In the first, you designate a single account—an email address, phone number, support portal, etc.—for all client communication. That way, nothing gets lost. In the second, you designate specific team members to certain clients. Either method can work, but however you choose to proceed, you want to make sure client communication never falls by the wayside.

Another critical aspect of client communication is handling the delicate and historic nature of the coronavirus pandemic and our response to it. Your business is going through a lot right now, and your clients' businesses are too. You have to strike a balance between being proactive and oppressive, always keeping the needs of your clients in mind. Take time to coach your team on what is appropriate and how to best handle difficult situations.

KEEPING THE TEAM IN TOUCH

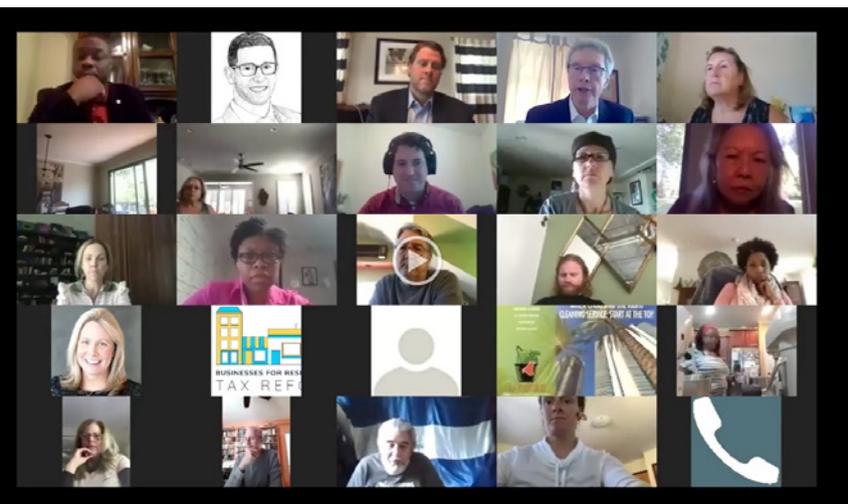
With internal communication, you can afford to be a little more informal but you still need to delineate a few key policies. For any action requiring approval from leadership, it's a good idea

to assign a dedicated channel. If somebody wants to request time off, for example, they should know exactly where to go and what to do. By using a specific portal, there's no argument about whether something got lost in the shuffle.

The same policy should apply to key work communications such as project updates. A good rule of thumb to keep in mind is that the more important the piece of information being communicated is, the more formal the communication method should be. After all, most people don't propose via text message.

Many firms find it useful to create a tiered communication structure that reserves certain channels for formal communication and others for casual banter. You may think creating a forum for chit chat is superfluous, but it can have a huge impact on morale and camaraderie. Doing our jobs remotely may not be so hard, but replacing the personal interaction that comes from seeing our fellow team members every day is a lot more difficult.

If you don't find a way to replace those little social interactions, you risk turning a tight-knit team into a group of individuals. Whether you have Zoom parties or goofy Slack groups, it pays to find some space for fun. ■



Time to Ditch the Spreadsheets

IF YOU OR your clients have fixed assets, they'll need to be properly managed. Since fixed assets are anything of value that is estimated to last for more than one year, they can include items such as laptop computers, printers, machinery, heavy equipment, tools, vehicles, and even real estate. You may have a single fixed asset or you might be responsible for thousands.

In any case, the assets need to be managed. Management can mean anything from calculating depreciation to keeping track of where those assets are. Fixed asset management also includes maintaining maintenance schedules, current condition, repairs, and depreciation schedules. If assets are used by others, you'll also need to track where they are and when they should be returned.

Because fixed assets are long-term assets, there needs to be a way to properly manage them throughout their useful life until they're retired or disposed of. In past years, fixed asset management consisted of depreciation schedules entered into spreadsheet software. Today, with the use of barcode technology and related software, it's much easier to track the whereabouts of each asset at any time.

Of course, there are other reasons why using fixed asset software can be beneficial:

- In the past, fixed asset software was used primarily to track assets and manage depreciation schedules. In recent years, most applications have added the option to track assets such as tools and equipment that are used or assigned to multiple areas.
- Fixed asset software can also track things such as maintenance schedules, repairs, and warranties, so you'll always know the true status of every asset you own.
- You'll be able to finally toss all of those spreadsheets. While keeping a spreadsheet for depreciation purposes is common even today, you'll be able to eliminate the need to use multiple spreadsheets to track where assets are, how much depreciation you'll

need to expense, and which employee is currently using which laptop computer.

- Reports will be more accurate. Imagine how easy it will be to just enter a few report parameters and have an accurate fixed asset report.

The products reviewed in this issue vary widely, with a focus on fixed asset applications that can be used as a stand-alone fixed assets management solution. While products such as Acumatica Fixed Assets and Sage Intacct Fixed Assets are robust, powerful fixed asset management applications, both are designed to be used solely within a financial suite and not as a stand-alone application, so programs such as those are not included in this year's reviews. The products reviewed in this issue include:

- Bloomberg Fixed Assets
- CCH ProSystem fx Fixed Assets
- Intuit Pro Series Fixed Assets Manager
- Moneysoft Fixed Asset Pro
- Pro-Ware Asset Keeper
- Thomson Reuters Fixed Assets CS

A chart that includes major features and functions is also available, highlighting the availability of features such as deployment method, multiple book support, multiple depreciation methods, and integration capability.

Some of the applications are designed for businesses to manage their internal fixed assets while others are designed to track assets that are constantly in motion or are located outside the office. Many of the applications can also be used by CPA firms for tracking and managing their client's fixed assets.

Several of the applications we've reviewed also offer a free demo that you can test drive in order to get an idea of exactly what the application can do and if it includes the features that you're looking for. We recommend that you do so.

It's 2020. Time to ditch the spreadsheets and start managing your fixed assets the right way. Check out the reviews, download a few demos, and find the application that is right for you. ■

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	Cloud Version Available	Multiple Company Capability	Easy Asset Entry	Multiple Books/Treatments	Multiple Depreciation Methods	User-Defined Fields Available	Tracks Insurance, Warranties and Repairs	Asset Transfers and Disposals	Asset/Depreciation Reports	Import/Export Capability	Integrates with Product Modules	Integration with other Applications	Tutorials, Help and Support Options	2020 OVERALL RATING
BLOOMBERG FIXED ASSETS	X	X	X	X	X	X	X*	X	X	X	X	X	X	★ 5
CCH PROSYSTEM FX FIXED ASSETS	X	X	X	X	X	X	X	X	X	X	X	X	X	★ 4.75
INTUIT PROSERIES FIXED ASSETS		X	X	X	X	X		X	X	X	X	X	X	★ 4.75
MONEYSOFT FIXED ASSETS PRO		X	X	X	X	X	X	X	X	X		X	X	★ 4.5
PROWARE ASSET KEEPER		X	X	X	X	X	X	X	X	X	X	X	X	★ 4.75
THOMSON REUTERS FIXED ASSETS CS	X**	X	X	X	X	X	X	X	X	X	X	X	X	★ 5

*WITH OPTIONAL MODULE
**HOSTED ONLY

Bloomberg Tax & Accounting Fixed Assets

<https://pro.bloombergtax.com/fixed-assets>

Bloomberg Tax & Accounting Fixed Assets is a good fit for both corporate tax departments as well as professional accounting firms. The system is accessible via the cloud, it supports an unlimited number of companies, departments, divisions, and locations, and it supports an unlimited number of assets as well. The software allows users to access Bloomberg Tax & Accounting applications using a single login and is compatible with Single-Sign On (SSO) technology.

Bloomberg Tax & Accounting Fixed Assets uses wizards throughout the application to simplify the entire asset entry process. For accounting firms handling multiple clients, there is a company setup wizard available in the application as well.

The application requires little in the way of setup, offering out-of-the-box compliance in all the necessary areas, including built-in tax code federal tax regulations, GAAP rules, and state depreciation for California, Florida, Illinois, Minnesota, North Carolina, New York, and Pennsylvania. Bloomberg Tax & Accounting Fixed Assets also includes predefined asset types that fit the most common categories, with users able to create their own asset type if necessary. Each new asset entered into the application is assigned by the application or user a unique identifying number, with users able to attach additional documentation to the asset file including a photo, invoice, warranty, or maintenance record.

2020 OVERALL RATING

5

Read the full review for this product online at:
www.CPAPracticeAdvisor.com/21148109

Bloomberg Tax & Accounting Fixed Assets is best suited for larger CPA firms and enterprise level businesses that need to track a large number of assets and depreciation schedules. Pricing Bloomberg Tax & Accounting Fixed Assets varies based on modules purchased. Those interested can request a demo or custom pricing directly from the Bloomberg Tax & Accounting website.

CCH ProSystem fx Fixed Assets

<https://taxna.wolterskluwer.com/>

The CCH ProSystem fx Fixed Assets solution is best suited for accounting firms that manage a large number of fixed assets for their clients. CCH ProSystem fx Fixed Assets supports an unlimited number of assets for each client as well as an unlimited number of companies for all business entity types. The application can be installed on a desktop or network system or accessed using a web browser. CCH ProSystem fx Fixed Assets can be used as a stand-alone fixed assets management application or in conjunction with other CCH applications.

Entering a new asset in CCH ProSystem fx Fixed Assets is designed to be simple with all asset data entered on a single screen. Users can use the pre-

defined list of asset types when adding a new asset, with depreciation detail entered in the lower portion of the Detail tab.

Asset data can also be imported from other applications using Microsoft Excel, and users can transfer assets from other third-party applications using the data conversion option. The main asset entry screen is easily navigated, and users can view a complete list of assets along with detailed information on each asset by clicking on the appropriate tabs. The user interface, including the toolbar, are easily customizable and each user is able to customize the interface individually.

While CCH ProSystem fx Fixed Assets can be used

2020 OVERALL RATING

4.75

Read the full review for this product online at:
www.CPAPracticeAdvisor.com/21148115

as a stand-alone fixed asset application, it is best if paired with other Wolters Kluwer CCH products. Those interested in CCH ProSystem fx Fixed Assets can download a fact sheet or case study or request a demo directly from the website. Pricing is available directly from Wolters Kluwer upon request.

Intuit ProSeries Fixed Asset Manager

www.intuit.com

ProSeries Fixed Asset Manager from Intuit offers unlimited asset tracking and automatic depreciation calculation. Best suited for accounting firms that manage assets and prepare depreciation schedules for clients, Fixed Asset Manager is available as an add-on module for ProSeries Tax, and the application can be used as a stand-alone asset management application as well.

Users can easily customize the ProSeries Fixed Asset Manager interface to remove any unused or unnecessary system options. The application allows users to easily manage each client, with both a summary view and a detailed view of each client available upon login. Users can click on a client name

to display a current list of all assets being managed for that client, including details such as Date Acquired, Asset Description, Cost, Depreciation Basis and other user-defined details.

Users can opt to enter asset and depreciation manually or import data from a third-party application if desired. ProSeries easily handles multiple companies and an unlimited number of assets for each company. Adding a new asset is easy, with the application automatically assigning a number to each asset for easier future tracking. There is also an option to add a custom number if desired. A description field is available and users can add a P.O. number as well as warranty details for any asset purchased.

2020 OVERALL RATING

4.75

Read the full review for this product online at:
www.CPAPracticeAdvisor.com/21148119

ProSeries Fixed Asset Manager is currently priced at \$355, with users able to immediately download the application from the ProSeries website after purchasing. ProSeries is also offering a free demo for those interested in trying out the application prior to purchasing.

REVIEW: FIXED ASSETS

MoneySoft Fixed Asset Pro

www.moneysoft.com

Fixed Asset Pro from MoneySoft is well-suited for small to mid-sized businesses that require a solid asset and depreciation management application. Fixed Asset Pro's features include excellent importing and exporting options as well as the ability to handle an unlimited number of companies. Designed as a stand-alone application, Fixed Asset Pro is deployed as an onsite solution that should be installed on desktop or network computers.

Along with an unlimited number of companies, Fixed Asset Pro also supports an unlimited number of assets, and users are able to easily import asset data from third-party applications, with the help of the included import wizard.

Entering new assets is easy, as the main asset entry screen is easily navigated. Tabs are available to access other program options including the Multi-Book Asset Entry option and the File Cabinet, where information such as warranty and repair records and maintenance schedules can be stored. When entered, each asset is assigned a unique identifying number, although users have the option to assign a custom number as well. Each asset record in Fixed Asset Pro can include a detailed description of the asset, the date the asset was placed into service, the useful life of the asset, the business and investment percentage of the asset, along with later entries such as salvage value of the asset, disposal date and price, and any



2020 OVERALL RATING
4.5
Read the full review for this product online at:
www.CPAPracticeAdvisor.com/21148107

Section 179 deductions taken. Users can also track information such as product serial numbers, current custody of the asset, the current condition, and any investment tax credits taken.

Fixed Asset Pro is currently available for \$499 for a single user system, or users can opt to purchase a site license for \$599. Those interested in Fixed Asset Pro can request a demo, access the product video, or purchase and download the application from the MoneySoft website.

Pro-Ware Asset Keeper Pro

www.proware-cpa.biz

Pro-Ware Asset Keeper Pro from Pro-Ware LLC is a good fit for businesses looking to automate fixed asset and depreciation management. Introduced in 1985, the entire application was thoroughly updated in 2013. Built as a cross-platform application, Asset Keeper Pro includes a site license for companies that purchase the application, allowing it to be used on multiple computers. In addition, the application supports an unlimited number of both client files and assets, making it a good fit for accounting firms that manage fixed assets and depreciation for multiple clients.

Asset Keeper Pro is an on-premise application that can be installed on desktop and network computers using either Windows or Mac operating systems. Users

can purchase and download the application directly from the Pro-Ware website, or download the demo and later upgrade to a full version if desired.

Although the Add/Edit Assets home page feels slightly outdated, it's still easy to navigate, with users able to enter a general description of each asset including the date the asset was acquired. Depreciation methods can then be added, and users are able to add notes to any asset file as well as attach a picture or other related documents such as an invoice, warranty, or maintenance record. Users can also track auto mileage, record the type of asset being entered and add the location where the asset is at. To speed up the asset entry process, users can



2020 OVERALL RATING
4.75
Read the full review for this product online at:
www.CPAPracticeAdvisor.com/21148112

duplicate an asset that is similar to any new asset that needs to be entered.

Asset Keeper Pro from Pro-Ware LLC is a powerful application in an easy-to-use package. The license to purchase the application costs \$499, which supports an unlimited number of users. Asset Keeper Pro also offers a free 30-day demo to test-drive prior to purchasing.

Thomson Reuters Fixed Assets CS

<http://CS.ThomsonReuters.com>

Fixed Assets CS from Thomson Reuters is part of the CS Professional Suite of applications from Thomson Reuters. Best suited for accounting professionals and enterprise level businesses with numerous fixed assets to manage, Fixed Assets CS also includes seamless integration with other CS Professional Suite applications. Conveniently, the application uses the same database as UltraTax CS for easy streamlining of tax preparation and depreciation management. In addition, Fixed Assets CS can be used as a stand-alone fixed assets management application.

Fixed Assets CS can be deployed as a SaaS application or hosted in a virtual office setting. During the initial product setup process, users can import

assets from other third-party applications or choose to enter assets manually.

Fixed Assets CS offers an intuitive user interface arranged in a logical sequence that makes asset entry a simple process. The Asset List window is where users can perform all asset and depreciation related tasks including adding, modifying, or deleting an asset. The list also includes a description of each asset, the date the asset went into service, tax/cost basis, and group. Fixed Assets CS users can easily customize the user interface to better suit their needs. Included in the application is a Method/Life Wizard that reduces the amount of data entry needed by automatically filling in the appropriate method, life, and ADS life for all



2020 OVERALL RATING
5
Read the full review for this product online at:
www.CPAPracticeAdvisor.com/21148106

treatments based on the asset class chosen during the asset entry process. Users can reduce data entry by creating a template with client-specific details, making future asset entry for the client a much quicker process.

Pricing for Fixed Assets CS is available directly from Thomson Reuters.

Health-Related Benefits Under the CARES Act

By Mike D'Avolio, CPA, JD

THE CORONAVIRUS AID, Relief and Economic Security (CARES) Act was signed into law on March 27, 2020, and provides broad economic relief to families (stimulus payments, expanded unemployment compensation, and other provisions) and small businesses (Paycheck Protection Program loans and payroll tax credits, among others) impacted by COVID-19. The following article discusses some of the health-related benefits under the CARES Act; review the benefits and share these with your clients.

EXPANSION OF QUALIFIED MEDICAL EXPENSES

Effective for amounts paid after Dec. 31, 2019, the definition of "qualified medical expenses" for purposes of various tax-advantaged accounts has been expanded. These include health savings accounts (HSAs), Archer medical savings accounts (MSAs), health flexible spending accounts (FSAs), and health reimbursement arrangements (HRAs). Qualified medical expenses now permanently include over-the-counter medications without a prescription, such as pain and allergy medication, and the cost of menstrual care products, including tampons, pads, liners, cups, sponges, or other similar products.

Taxpayers should save receipts from these purchases for their records and for submitting claims for reimbursements.

SAFE HARBOR FOR TELEHEALTH SERVICES

For services provided on or after Jan. 1, 2020, and for plan years beginning on or before Dec. 31, 2021, high-deductible healthcare plans (HDHPs) with HSAs provide coverage for telehealth or other remote care services without a deductible or having to satisfy the plan's minimum deductible. In addition, an otherwise eligible individual with coverage under an HDHP may still contribute to an HSA, despite receiving coverage for telehealth and other remote care services before satisfying the HDHP deductible, or despite receiving coverage for these services outside the HDHP.

This measure encourages the use of remote health services, helps ease the burden on in-person facilities, and ultimately limits the spread of the virus.

INCREASED FLEXIBILITY IN SEC. 125 CAFETERIA PLANS

According to IR-2020-95, the IRS has temporarily loosened the rules around Sec. 125 cafeteria plans because of unanticipated changes in expenses due to COVID-19. The claims period for taxpayers to apply any unused amounts remaining in an FSA or dependent care assistance program for expenses incurred has been extended through Dec. 31, 2020. Previously provided temporary relief for high-deductible health plans may be applied retroactively to Jan. 1, 2020. The limit on unused health FSA carryover amounts increased from \$500 to \$550, as adjusted for inflation.

COVID-19 TESTING

The Families First Coronavirus Response Act requires health insurers and group health plans to cover COVID-19 testing and related provider visits, and thus eliminates patient cost-sharing obligations under employer-sponsored group health plans. This measure encourages more people to get tested for COVID-19.

BACKGROUND INFORMATION

HSA: An HSA is a tax-exempt trust or custodial account set up with a qualified HSA trustee to pay or reimburse certain medical expenses incurred. Your clients may deduct contributions made to an HSA (with certain limits) even if they don't itemize deductions on Form 1040, Schedule A, and contributions made by an employer (including contributions made through a cafeteria plan) may be excluded from income. Earnings on the assets accumulate in the account tax free, and distributions may be tax free if applied to qualified medical expenses. The HSA will stay with the taxpayer even if they change employers or leave the workforce.

FSAs: Health FSAs allow employees to use tax-free dollars to pay for medical expenses not covered by their health plans, such as premiums, deductibles, copayments, eyeglasses, and hearing aids. An employee needs to decide how much to contribute to the health FSA through payroll deductions before the plan year begins. The health FSA limit is \$2,750 for 2020. The employee must spend any unspent amounts by the end of the plan year or forfeit the money. However, employers may allow employees more time through a carryover option (carryover up to \$500 of unused amounts to the following plan year) or a grace period option (employee has until 2-1/2 months after end of plan year to incur expenses).

Archer MSA: An Archer MSA is a tax-exempt trust or custodial account set up with a financial institution in which a taxpayer saves money that will be used for medical expenses incurred in the future. Plan holders are allowed to deduct contributions to these plans (with certain limits) even if they don't itemize deductions on Schedule A. Interest or earnings will grow tax free in the account, and distributions may be tax free if used for qualified medical expenses. The account will stay with the taxpayer even if they change employers or leave the workforce.

HRA: An HRA must be funded solely by an employer, and contributions cannot be paid through a voluntary salary reduction agreement. Employees are reimbursed tax free for qualified medical expenses up to a maximum dollar amount, and there are no reporting requirements on the individual's tax return. Any unused amounts in the HRA can be carried forward for reimbursements in later years.

Resource: IRS Publication 969, Health Savings Accounts and Other Tax-Favored Health Plans. ■

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◆ 1099 & W-2

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 - 1099-B, 1099-C, 1099-DIV, 1099-INT, 1099-MISC, 1099-R, 1099-S
 - 1042-S
 - W-2
 - ACA forms 1094-B, 1094-C, 1095-B, 1095-C
- File to the IRS Combined Federal & State Filing Program for
 - 1099-B
 - 1099-DIV
 - 1099-INT
 - 1099-MISC
 - 1099-R
- File corrections, even if the original wasn't filed on the site
 - 1098
 - 1099-DIV
 - 1099-INT
 - 1099-MISC
 - 1099-S
 - W-2C
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◆ ACCOUNTING

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Other accounting solutions were created primarily for small businesses and are sold directly to them, claiming to make accounting easier for them. Accountants are their secondary users, and are mainly important as a marketing channel.



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◆ GOVERNMENT

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◆ MARKETING

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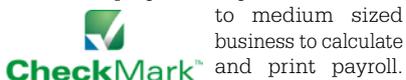
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- Workflow tools manage tasks, assignments and deadlines



TCJA / Transition Tax Audit Campaigns and the Amplification of STATE INCOME TAX COMPLEXITY

By John Paek, Michael Spencer and Sherfon Coles-Williams

STATE INCOME TAX systems typically require the computation of a state income tax base largely based on federal taxable income, subject to certain state-specific modifications, and then layer on a system of allocation and formulary apportionment to attribute income to the relevant state. Accordingly, states generally require taxpayers to report changes in their federal taxable income within a certain timeframe so state taxing authorities can make appropriate adjustments.

While these reporting requirements are not new, reporting federal changes resulting from audits conducted pursuant to the Internal Revenue Service (“IRS”) Large Business & International Division’s (“LB&I”) Tax Cuts & Jobs Act (“TCJA”) and Transition Tax audit campaigns may be particularly complex for multi-state taxpayers.

The TCJA, enacted in December 2017, [1] is generally considered the most significant overhaul of the federal income tax system to date since the Tax Reform Act of 1986. [2] Its impact has rippled through the state corporate income tax systems to varying degrees, depending on: (1) each state’s conformity date for its definition of the Internal Revenue Code (“IRC”); and (2) for the states with an IRC conformity date on or after the enactment of the TCJA, the extent to which the state has adopted the TCJA provisions. A similar analysis applies when evaluating the state tax impact of the federal Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”), enacted in March 2020.

In November 2019, LB&I announced its Transition Tax campaign, aimed at promoting compliance with IRC Section 965 and conducting examinations “with a focus on identifying and addressing taxpayer populations with potential material compliance risk.” [3] In May 2020, LB&I launched its TCJA audit campaign “to closely monitor issues on a select pool of returns and share information learned throughout LB&I and the IRS.” [4] The stated goal of the TCJA audit campaign is to “identify transactions, restructuring and technical issues and better understand taxpayer behavior under the new

law,” and LB&I considers “the impact of the [CARES] Act on these returns as well as any other examined.”[5]

Audits under these LB&I programs may result in adjustments to Transition Tax, global intangible low-taxed income (“GILTI”), the Section 163(j) interest expense limitation, and/or NOLs. Such final determinations may trigger state tax notification requirements, typically satisfied by filing amended state tax returns. This process may be onerous for a corporate taxpayer doing business throughout the U.S., given the varying state income tax treatment of these federal items and the varying state notification requirements. States such as California require corporate taxpayers to report federal changes “[i]f any item required to be shown on a federal tax return . . . is changed or corrected by the Commissioner of Internal Revenue . . .”, regardless of whether the tax liability would increase. [6] Other states like Maryland may only require corporate taxpayers to report the federal change if it results in an increase in state taxable income. [7]

As a result, determining which states would require notification after a federal TCJA audit could require an understanding the relevant state’s tax treatment of such federal adjustments. Reporting federal changes to Transition Tax or GILTI may require revisiting these issues and considering the anticipated effect on the state income tax base, the state dividends-received deduction, and the apportionment factor in all relevant states. While a taxpayer would have dealt with these issues on its original state income tax returns, these are still relatively novel issues, and failing to properly notify a state may

have consequences, such as an extended statute of limitations or penalties.

The extended statute of limitations for assessment may be particularly problematic in states that permit the audit of issues unrelated to the specific underlying federal adjustment. While this risk existed before the Transition Tax and TCJA audit campaigns, the CARES Act NOL carryback rules, which permit the 5-year carryback of losses incurred in 2018 and 2019, expand the universe of otherwise closed years for which state adjustments may be required on account of federal changes.

Taxpayers with Transition Tax or TCJA audit adjustments should know that the completion of the federal audit could trigger reporting requirements and additional examination at the state level. The multi-state reporting of the resulting federal changes can be complex and may require significant effort to complete, due to varying and sometimes uncertain state tax treatment of these federal tax issues.[8] ■

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[1] Tax Cuts and Jobs Act of 2017, Pub. L. No. 115-97, 131 Stat. 2054.

[2] Tax Reform Act of 1986, Pub. L. No. 99-514, 100 Stat. 2085.

[3] Large Business & International Active Campaigns, IRS, <https://www.irs.gov/businesses/corporations/lbi-active-campaigns>, last checked on July 14, 2020.

[4] Id.

[5] Id.

[6] Cal. Rev. & Tax. Code § 18622(a). See also California Franchise Tax Board Publication 1008 (May 2020) (noting that corporate taxpayers “must report all changes or corrections to gross income or deductions, even if the changes or corrections do not result in an increase in tax payable to California for any year”).

[7] Md. Code Ann. Tax-Gen. § 13-409. See also Md. Regs. Code 03.04.03.06(B)(1).

[8] As used in this document, “Deloitte” means Deloitte Tax LLP, a subsidiary of Deloitte LLP. Please see www.deloitte.com/us/about for a detailed description of our legal structure. Certain services may not be available to attest clients under the rules and regulations of public accounting.

What is a Series LLC and Why Your Clients Should Care

By *Nellie Akalp*

A SLOWDOWN IN the economy means your clients may have some time on their hands to get their businesses better organized. One option you might suggest is for them to better protect their assets by setting up a series limited liability company or SLLC for short. Here is what to tell your clients about structuring their business as an SLLC and what protections the entity offers.

WHY A SLLC?

The series LLC allows business owners to divide multiple investments and debts and to operate each LLC as a separate entity with its own name, bank account, and recordkeeping. Under the master LLC, each separate entity can conduct business independently and segregate membership interests, assets, liabilities, and operations.

For example, if your client owns rental properties, your client can operate each of the rental properties as a separate legal entity within an SLLC. The benefit is in the protections the separate LLC provides. If something happens and a tenant decides to sue your client in court, the liability would be limited to the assets of the one property LLC and not everything under the master LLC. Likewise, any debts or investments for the individual property belong solely to the one property.

HOW AN SLLC WORKS?

Your client has the option to have different members and managers run each LLC entity and your client may choose to grant each manager different rights and responsibilities. Each individual entity can secure its own contracts, pay its own debts and buy its own assets without affecting the other entities under the SLLC.

Most important, the SLLC offers your clients substantial liability protection. Like a corporation with subsidiaries, one entity's assets are protected from the liability risks of the other LLCs under the master SLLC—without having to pay the additional formation fees. When your client sets up a

series LLC, they pay just one formation filing fee no matter how many LLCs are formed under the master. And like regular LLCs, series LLCs are also more flexible and simpler to form than a corporation.

FORMING THE SLLC

Currently, not all states allow the formation of series LLCs. Series LLCs can be formed in:

- Alabama
- Delaware
- The District of Columbia
- Illinois
- Indiana
- Iowa
- Kansas
- Missouri
- Montana
- Nevada
- North Dakota
- Oklahoma
- Tennessee
- Texas
- Utah
- Wyoming
- Wisconsin
- Puerto Rico

In California, you cannot form an SLLC, but you can register an SLLC from another state.

The steps to forming an SLLC are similar to a traditional LLC and require your client to file Articles of Organization with the Secretary of State. Your client will need to indicate in the Articles of Organization the plans and authorization for subset LLCs.

Your client also needs to create operating agreements to detail the guidelines for the



complete operations of the master SLLC and then subsequent operating agreements for each entity under the master. Each operating agreement should outline any unique rules applicable to the individual entity.

CONVERTING TO A SERIES LLC

What if your client already owns an LLC, can the client make the switch to an SLLC? The answer is yes, however the process varies by state. In general, the LLC members must file an amendment to the Articles of Organization stating the conversion from an LLC to a series LLC. A new series LLC operating agreement also needs to be drafted indicating how the master LLC will be managed. In this case, filing an amendment is not sufficient. It's also a good idea to use SLLC in the official title, such as Your Business, SLLC.

TAX ISSUES

Only the master LLC is required to file a tax return and that will include information from all the series LLCs. Your accounting firm should guide your client through the complicated documentation, as tax treatment at the state level may be different than at federal level. ■

Nellie Akalp is a passionate entrepreneur, business expert and mother of four. She is the CEO of CorpNet.com, a trusted resource and service provider for business incorporation, LLC filings, and corporate compliance services in all 50 states. Nellie and her team recently launched a partner program for accountants, lawyers, and business professionals to help them streamline the business incorporation and compliance process for their clients.



At-Home Education Apps

SCHOOLS ACROSS THE country are requiring students to learn from home. And while the schools are providing educational material to correlate with material that would have been taught in classrooms, there is a disparity in the teaching methods and the materials being used. We're all in uncharted territory here, and you might find that you want to augment what your children are learning, help out with family members who are helping students, be a guest instructor, or even create courses of your own. We've assembled a collection of apps that are designed to enhance the educational experience or, for those who are opting out of the regular school system, replace the school materials altogether.

Kahn Academy is a nonprofit organization known for its high quality K-12 education including AP classes and college prep, and while it appears that pretty much all classes are included, there is a focus on math and the sciences. Users can study for college entrance exams as well. Classes include videos, interactive exercises, and in-depth articles, there are daily lesson plans and other targeted resources. The app is free.

The for-profit **K12** provides online education for public school students from kindergarten through 12th grade. Founded in 2000, the company has been providing educational materials to homeschooling parents and also



directly to schools that offer online training. The company has been busy adding new schools to its list of subscribers since the start of the pandemic. The K12 apps (there are several) include course materials for all grades, timed proficiency tests, practice sessions, a parent portal, and there is even a social networking app where students, parents, and alumni can connect. Schools can white label the app with their own branding.

If foreign language training is on your agenda, you might want to check out **Duolingo**, the free language-learning app for both children and adults. A paid version is available for those who want an ad-free experience.

MathBoard was created to provide mathematics education for kindergartners through middle schoolers. Students aren't just graded on whether or not they solved a problem, but they have the opportunity to be walked through every step of the solution to solidify their learning. Users can configure the app to match the ability level of the student.



Learn World Geography uses a flashcard technique to help students learn countries, capitals, flags, and currencies. The program contains an algorithm that provides the flashcards in a customized order based on the right pattern for maximum learning.

Reading apps start with the phonic essentials in the **Bob Books Reading Magic** apps. Based on the print books, these apps help the youngest readers sound out simple words and learn to spell. Jumping to the other end of the reading spectrum, **Reading Trainer** takes readers to the next level with programs that improve reading speed and retention. Reading comprehension is put to the test in the **Quoted Reading Comprehension** app which provides hundreds of quotations followed with questions that challenge the reader's understanding.

If you belong to a public library, check out the **Kanopy** app, available at no charge at libraries throughout the country. One of its features is access to the **Great Courses**, where you can dive in and have an in-depth learning experience with the college level courses in this series.

If you're interested in becoming a guest lecturer for online learning, start with your local school district. It's extremely likely that your neighborhood teachers who are being thrown into the world of online education will welcome community members who want to share their expertise. For those who want to offer adult education, there are plenty of organizations such as Udemy, Lynda, and Education2Go, just to name a few, where qualified instructors can create and teach their own courses. ■





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Office Space: *You're Not Home Alone*

WANDERING INTO THE breakroom for a chat around the water cooler. Grabbing a snack from the honor-system basket of candies and granola bars. Filling the copier with more paper, emptying the wastebasket into the recycling bin. These were the joys of office life. From your cubicle or office, by the light of florescent bulbs, love it or hate it, office ambience went hand in hand with being an accountant—no matter your title or function.

Alas, the familiar comforts have suddenly vaporized. Instead of office chats, a couple of children are running around your kitchen table as you file tax returns or close another month-end. The old office comforts...how did we take them for granted?

As we struggle with the new shift to working remotely, now may be a good time to dive deeper into this topic and examine how we can make the most out of it. Across this great country, remote working isn't going away anytime soon.

If you can learn how to become the emperor of your home's workspace, you may find new levels of productivity and success working from home. Many Americans report they never want to go back to life under those fluorescent tubes. If you're not quite there yet, the transformation may be that life things around the house need a bit of tweaking, to allow you to truly get in a full day's work.

FROM PLAYGROUND TO WORKSITE

If you are going to make your home into your home office, that means

accepting the fact that you will be spending 40 hours a week in a dedicated area. It needs to be your actual workplace.

This means you cannot work full time on your couch. Sorry.

You need a work area, be it large or small, that looks and feels both comfortable and work-like. Nearby will be the power sources, tools and equipment you find in any office. So, set aside some time and perhaps a sheet of paper to think through and jot down what it will take to take your worksite (and yourself) seriously.

Again, this is not changing anytime soon.

WORKSPACE AND GROUND RULES

Creating your ideal home office isn't just a longer power strip, extra USB adaptors and a spare phone charger.

The home office is about being able to sit down and tune into getting down to work. That means not only having regular "office hours" and a work schedule—it means turning off Netflix and your housemates respecting some boundaries. The fact is that profession-

als who work from home have found they are able to get more accomplished at home, once they set the ground rules.

By having a well-known, scheduled set of office hours, the kids and the significant other can respect your boundaries. Maybe you tape a little "Stop" sign to your door or

the back of your chair—and it signals that you are in the "zone."

Communicating ahead of time is better than getting all red in the face with embarrassment later, when your spouse walks by a Zoom call in a bath towel.

Explain your system at mealtime, and show-and-tell the signs or calendar you have prepared to post outside your office space. Involve your family members/housemates and use it as an opportunity to create appreciation for what you do for a living to support and show your love.

For many, one benefit of remote work is having a flexible schedule. But this doesn't mean each day is an open book. It does mean you can set Wednesdays at 10 a.m. to go grocery shopping when the aisles aren't so crowded.

If you can be clear with those at home about some simple rules, and a process for how and when to bend them, this may be one of the greatest periods for families in human history.

Well, at least in as long as we can remember.

CO-WORKERS? WHO ARE THEY?

Last but not least, the key to working from home successfully is to remember that you have co-workers.

When you commit to working from home full-time, plan on doubling up your efforts to communicate often and regularly with your co-workers. Having lost time around the water cooler and the copy machine, it is easy to forget how much business and bonding

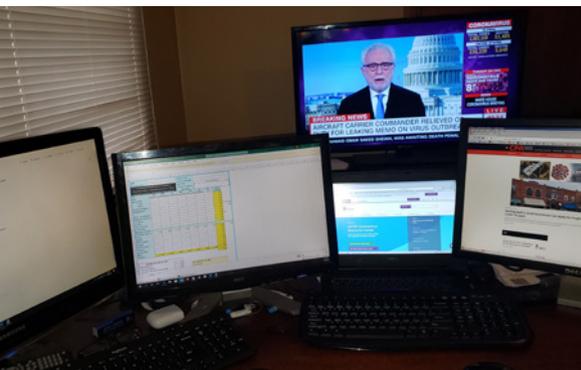
get accomplished through informal brokering.

You must be diligent to create new conversations on the phone, texting and chat to rebuild ways to maintain those bonds. You will need new channels that invite people to have creative exchanges and share ideas or news about the business that were lost when the breakroom went away.

Bottom line? Working at home, for many, has proven to be more productive and healthier than office life. It starts with creating a real workspace inside the home, then inviting your household to understand how they all fit and function within that new business that operates inside their home.

Next, double down on communication channels with your team and your supervisor. Make sure you are connecting more than you think you used to do. When you worked in physical proximity, so much informal communicating took place, you may not realize how much got lost when everyone disbanded. Be the one who tries new channels, like chat and texting, to introduce ways for people to engage with one another, share what is happening and just stay in touch the way you did back in the old days.

Learn how to embrace remote work and strive in a virtual world. Set up your sweet spot, create a schedule you can live with and, above all, plan on over-communicating with your inner—and your outer—circle at work. If you do those three things, you and your organization will be among those who have this remote work truly "figured out." ■



Streamlined invoicing and tasks among new features in QuickBooks Online Advanced

WORKFLOW AUTOMATION ALLOWS mid-market businesses, which Intuit defines as businesses that have 10 to 99 employees and \$500,000 to \$20M in annual revenue, to streamline time-consuming, repetitive tasks, while maintaining accuracy and increasing productivity. Intuit recently launched several features in QuickBooks Online Advanced that accounting professionals will want to know about - and share with their clients to simplify their business processes.

INVOICE APPROVAL TEMPLATE

With the introduction of the Invoice Approval template, your clients can now assign approval tasks to their colleagues, increasing the accuracy and efficiency of collaboration for the invoicing process. Leveraging “if-this-then-that”-style technology, the new Invoice Approval template removes the repetitive work of selecting users and emailing each to request review or approval of invoices.

Overview: Invoice Approvals can be accessed via Workflows. This new business process automation template allows users to create invoice approval rules and designate invoice approval personnel via custom roles with just a few clicks. Once these rules are set up, the client can process large volumes of invoices, while maintaining the confidence that the invoices meet the company’s invoicing approval rules, improving the efficiency and accuracy of the entire process.

Sales managers or finance leaders can also be added to QuickBooks Online Advanced to participate in the invoice approval process through the “Manage Users” option. With granular user permissions, each user can be granted appropriate access to the financial information they need to perform their duties, such as invoice approval. Users with approval duties will see a list of invoices to approve in their Tasks tab, where they can quickly glance at what key tasks they

need to do, ensuring faster invoice delivery and payment collections. Mobile alerts of pending invoices for approval can be enabled and will show up in users’ QuickBooks Online Advanced mobile app.

How it works: Admin users will click on “Workflows” to enter the workflows hub. Select “Templates” and choose the “Invoice Approvals” template to begin creating an automated invoice approval for your firm. You can select different conditions related to the invoices that require approvals, such as dollar amount, etc. Click “Save and Enable” to complete the creation of the new invoice approval automation. This feature ensures that invoices are correct and accurate before they’re sent to customers - for example, by making sure the “Bill to” contact is accurate. The feature also helps ensure invoices meet requirements on purchase order details, such as when “product quantity” must be included.

TASKS

To fully support an automated approval process, another new feature called Tasks has recently launched. Tasks is where admin users can see all invoices that are pending approval, denied approval or need approval.

Overview: Since the launch of Task Manager in late June, more than 1,000 companies have adopted the custom task capability. The feature organizes and tackles a QuickBooks to-do list, automates tasks assignment flow to increase team productivity, and increases collaboration within QuickBooks Online Advanced users. With more employees working remotely for longer term, the Tasks center makes it easier to assign essential financial tasks to remote employees directly from within QuickBooks.

How it works: With this feature, clients can create or review invoice approval related tasks that are auto-generated by the system based on the Invoice Approval template. It also helps you with creating customized tasks, delegating to-do lists, and coordinating team projects.

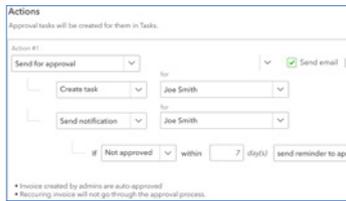
OTHER RECENT FEATURE IMPROVEMENTS IN ADVANCED INCLUDE THE FOLLOWING:

More custom fields. Many QuickBooks Online Advanced users enjoy the efficiency and flexibility of custom fields, so Intuit now supports 48 custom fields (up from 36), meaning your clients have up to 12 fields each for Customer, Vendor, Sales forms, purchase order, and other expenses. Additionally, users can sort, filter, group by, and display information in columns of custom fields in three reports: custom contact list, vendor contact list, and unpaid bills.

Custom chart builder. In response to requests from accountants, you can now up-level your advisory services by creating custom KPI dashboards for your clients. The new custom chart builder feature empowers your clients to make better-informed and faster business-critical decisions. Enhancements to the custom chart builder in the Business Performance Dashboard now allow users to set a comparison while creating a custom chart, letting you compare key data against the same period in the last year. Preset charts are also available, including viewing business performance over the fiscal year nested under a “time period” option.

Custom roles expansion. You can now customize user access and ensure the right people see the right information inside your client’s company. Through custom roles expansion in Advanced, clients can get even more granular with more pre-set roles to use and expand. The custom roles feature also offers new roles for payroll permission, banking, expense management, and inventory management.

To learn more, visit the QuickBooks Online Advanced website just for accountants. <https://quickbooks.intuit.com/accountants> ■



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SEO Keyword Tips to Boost Your Firm's Google Ranking

DID YOU KNOW 93% of experiences on the Internet start with a search engine, according to Forrester? If you haven't put much thought into your firm's keyword search ranking you may have been missing out on valuable lead-generation opportunities that don't cost a dime.

Working with your website developer, here are four things you can do to help increase your Google keyword ranking.

IMPROVE PAGE LOAD TIMES

According to the MachMetrics Speed Blog, "The average [page] Speed Index is 4.7 seconds on desktop and 11.4 seconds on mobile. Google's best practice is to have a speed index under 3 seconds."

How quickly do your website pages load?

Thankfully, fixing page speed is not too difficult. Google has been offering the Page Speed Insights tool since 2018.

Get your stats by:

- Entering your home page, or any page's URL into the search box;
- Choosing mobile or desktop in the top, left corner;
- Clicking analyze;
- Reviewing the suggestions; and then
- Sharing the information with our website developer to fix any problem areas.
- Retesting fixed pages.

LEVERAGE NICHE KEYWORDS

Most accounting firms use the same service keywords on their website, no matter what industries they serve. To stand out in your niche areas, consider this formula:

Accounting Term + Niche keyword = phrase for that page/content

Example: Virtual CFO + pharmaceutical companies = virtual CFO for pharmaceutical companies

Then place that term on the corresponding page. Use the phrase in the:

- Body copy;

- As part of the image file name [Virtual_CFO_Pharma.png];
- Within the content headline, e.g., Virtual CFO Saves Pharma Client \$1.2 Million; and
- In the description and keyword meta tags (your website person will know what that means).

THINK LONG TERM

Ranking for any keyword phrase is a marathon, not a sprint. If you are approached by someone claiming they can get your firm on page one of a search engine in a short period of time...run!

As with any long-term plan, you need a strategy.

Each month everything you do online should relate to a target keyword phrase, including social media, marketing, website content development, advertising, videos, podcasts, interviews, etc. The content doesn't have to be long, just focused.

Here's what that looks like:

- Open a spreadsheet and put each month in a cell.
- Define a theme/topic for each month.
- Add a keyword phrase for that month's theme.
- Research hashtags for that topic. Hashtagify.me is great for this!
- List the media format(s) you plan to create.

Example:

Month: September

Topic: Cash Flow

Keyword: Cash Flow Management Tips for [industry]

Hashtags: #CashFlow #Business #[Industry term]

Media: Blog, video, infographic

Tip: Revisit your existing content to see if you can update it; freshen its publish date; and/or update its meta tag data.



REVISIT YOUR BUSINESS LISTING

If you have a free business listing on Google or Bing, revisit the keywords used to help ensure it promotes what you want. If it lists things like Tax, Accounting, and Consulting, you might want to infuse it with some creativity, such as Small Business Tax Pro, Car Dealership Accountant, or Restaurant Cash Flow Wiz...you get the gist.

Everything you do online that's tied to your brand impacts its keyword ranking.

Each piece of content shared on social media, every blog posted, each byline article or interview that links back to the firm affects its keyword ranking.

When you focus on what you want to be found for, your online brand will begin to stand out. ■

Becky Livingston is the President and CEO of Penheel Marketing, a NJ-based firm specializing in social media and digital marketing for CPAs. With over 25 years of marketing and tech experience, she is the author of "SEO for CPAs - The Accountant's SEO Handbook" and the "The Accountant's Social Media Handbook." In addition to being a practitioner, she is a dog lover, an active on the Association for Accounting Marketing (AAM) social media committee, an adjunct professor, and a speaker/trainer. Learn more about Becky and her firm at <https://Penheel.com>.

A Primer on IRS Continuous Wage Garnishments

By Arnold van Dyk

WHEN A TAXPAYER'S private financial woes become public, especially to that taxpayer's employer with the issuance of an IRS wage garnishment order, the taxpayer is left with a sense of vulnerability that can only be relieved by resolving the situation as quickly as possible. Even though there are employee protections in place to keep an employer from retaliating against an employee for having a wage garnishment issued, it seems inevitable that your client will worry that this turn of events will have harmful impacts on the client's career.

Through the People First Initiative, the IRS placed a moratorium on the issuance of new wage garnishment orders from April 1, 2020, until July 15, 2020. Those taxpayers who already had wage garnishments in place could contact the IRS and request that their current wage garnishment be postponed due to the COVID-19 pandemic. When requesting the postponement,

the taxpayer may have needed to furnish documentation, confirming economic hardship due to COVID-19.

Collection enforcement is on the mind of the IRS. Before the current pandemic brought the world to a standstill, the commissioner of IRS's Small Business/Self-Employed Division, Eric Hylton, announced in a press call in February 2020, that over 800 new employees will be added to their tax collection phone line. There is no guarantee the IRS will extend the wage garnishment provision in the People First Initiative. Meanwhile, U.S. households continue facing economic hardships that have not been seen since the Great Depression. A wage garnishment can be the tipping point that sends a taxpayer's finances and household into a tailspin.

WAGE GARNISHMENT BASICS

Part of providing a vigorous defense for a client whose wages are being garnished is having an understanding of the IRS wage garnishment process. Wage garnishments are a type of continuous levy or seizure that serves two purposes: recovering the outstanding

tax liability due and getting the taxpayer's attention to the seriousness of the situation. In addition to wages and commissions (including wages that have been earned but not received as of the date the order was served), garnishment orders can be issued to customers of independent contractors who have an overdue tax liability that has not been resolved.

Generally, wage garnishments are not the first line of action the IRS will take when collecting past-due income taxes. Before a wage garnishment is ordered, the IRS is required to send several notices, including a notice of assessment of tax and demand for payment, a notice of a right to a hearing, and the final "warning shot," a notice of intent to levy. All notices will be mailed to the taxpayer's last known address on file, which is an excellent reason to encourage taxpayers to keep their address current with the IRS. After all, the last thing a taxpayer wants to deal with is a wage garnishment or any other sort of levy or seizure.

Once the IRS decides to issue a wage order, the agency will send the taxpayer's employer or customers (if the taxpayer is an independent contractor) Form 668-W(ICS) or 668-W(C) D.O. The IRS does not send a copy of this notice to the taxpayer. It is up to the taxpayer to request a copy of the order from his or her employer, and if your client has not done this already, it is essential a copy of the order be requested as soon as possible. This notice notifies the employer that the company is required (ordered) to begin garnishing the wages/payments of the affected taxpayer.

Employers generally have at least one full pay period to begin garnishment, and they do not want to ignore



or drag their feet on implementing the order in an attempt to help an employee. Employers who fail to submit wages that are to be garnished timely may be required to personally pay the amount that should have gone to the IRS. Additionally, the employer may also be assessed a penalty equal to 50 percent of the wages that should have been remitted. The employer will give the affected worker a Statement of Dependents and Filing Status, provided by the IRS, that must be filled out, signed under penalty of perjury, and returned to the employer within three days. The information provided on this form will determine how much of the wages will be exempt from garnishment. The following information is provided by the taxpayer:

- Filing status as it appears (or would appear if there is a change of marital status or the taxpayer can file Head of Household) on the taxpayer's individual income tax return.
- Number of dependents the employee may claim on the individual income tax return, as well as the relationship the employee has with the dependent (child, stepchild, parent, sibling, etc.).
- The number of additional standard deductions the employee and the employee's spouse are entitled to claim on their individual income tax return due to being age 65 or older or blind.

Each dependent must have a valid Social Security number. The only time the employee does not need to provide a Social Security number is if the dependent is an infant under six months old. If this statement is not filled out and returned within three days, the exemption amount will be calculated using married filing separately as the taxpayer's filing status with no dependents.

The employer takes the information above and applies it to the tables provided by the IRS in Publication 1494, Tables for Figuring Amount Exempt from Levy on Wages, Salary, and Other Income, to determine the total wages that are exempt from levy. There are different tables for each filing status, and each table determines the total wages the employee can keep based on the number of dependents claimed and the frequency in which the employee is paid.

Generally, the IRS does not garnish all of a taxpayer's wages. However, if the taxpayer has more than one job (which many people do), the IRS may garnish all of the wages from one employer. The IRS will collect all of the income received from any additional payments, such as bonuses or incentive pay, which the taxpayer receives during the garnishment period. It is essential to discuss with your client as soon as possible that the total of any bonuses or incentive pay they receive while the garnishment order is still in effect will be forwarded to the IRS, up to the total tax due, including penalties and interest.

WAGE GARNISHMENT REPRESENTATION BASICS

Once a wage garnishment starts, it generally does not stop until the debt is paid in full. Other ways a garnishment can be released are:

- The statute of limitations on the collection of the tax due has ended. Generally, the IRS has 10 years from the date the tax is assessed to pursue collection. Obtaining a Record of Account Transcript or Tax Account Transcript (depending on how old the tax liability is) will aid in determining the collection statute of limitations date. Keep in mind that several actions can suspend the collection statute, such as requesting an installment agreement or offer in compromise, serving in the Armed Forces on active duty, requesting a collection due process hearing, etc. Because there are various reasons why the statute can be suspended, it is key to confirm the collection statute of limitations date with the IRS representative assigned to the case.
- Making other arrangements with the IRS to pay the taxes that are due, such as an installment agreement or offer in compromise. Unless the taxpayer is experiencing severe economic hardship, entering into an installment agreement may be the quickest way to release a continuous wage levy.
- If releasing the levy will facilitate the collection of the debt.
- If the garnishment is creating an economic hardship, the taxpayer may qualify for Currently Not Collectible status. Generally, taxpayers will need to show proof that the garnishment is creating a severe economic hardship by submitting a completed IRS Form 433, Collection Information Statement.

A severe economic hardship is one where the levy is preventing the taxpayer from being able to pay for their reasonable living expenses. The IRS is required by Code Section 6343(e) to release a continuous wage levy as soon as it is practicable if it is determined that a taxpayer qualifies for currently not collectible status. Furthermore, if a taxpayer qualifies for currently not collectible status and has outstanding returns to file, the IRS may not withhold the release of the levy until the returns are prepared and filed.[2]

A request to release a wage garnishment can be made either in writing or by phone. The request should be made to the district director for the IRS district where the levy originated. Generally, the IRS has thirty days to respond to this request. Denials of wage levy release requests may be appealed.

Having a wage garnishment order issued is frightening. Trying to navigate through the process alone can be intimidating to the point where the taxpayer just gives up and accepts their fate. As tax practitioners, we have an opportunity to not only provide empathy and the skills to resolve the matter with the IRS, we can also empower our clients by helping them understand the IRS process. Our clients hear many horror stories about wage garnishments, and some of the tales are frighteningly true. However, a taxpayer's liability does not have to get to this point. Offering guidance on how the system works and when to call for help can turn a taxpayer's oncoming tragedy into a success story. ■

Arnold van Dyk is a licensed California attorney and currently serves as the Director of Tax Services at TaxAudit, the largest tax representation service in the country offering both audit representation and tax debt relief services. In this role, he oversees more than 150 tax professionals, and assists taxpayers with IRS representation and assesses the complexities of the tax law and regulations to determine the best strategies for audit and tax debt resolutions. Arnold also operates his own law practice, Law Offices of Arnold van Dyk, focusing on tax and estate planning.



AGE AND OTHER POST-PANDEMIC DISCRIMINATION CLAIMS

THE DEVASTATING LOSS of jobs and permanent business closures are the most significant byproducts of the Coronavirus pandemic affecting U.S. workplaces. The record unemployment it has created, as well as cost-cutting measures taken by businesses to survive, could lead to a sharp rise in claims of employment discrimination in the near future.

The possibility of such claims has likely been exacerbated by the recent national focus on actual or perceived social and racial injustice in our society in general. Any one of these unrelated circumstances could create the potential for claims of workforce discrimination on the basis of one or more of the several statuses protected under Title VII of the Civil Rights Act of 1964. Together they almost assure that such claims will arise in the days ahead.

DISCRIMINATION IN A RECESSION

In 2019 the number of employee charges alleging discrimination filed with the Equal Employment Opportunity Commission (EEOC) was the lowest in 20 years. Each year between 2016 through 2019 saw a significant decline in such charges. The decline coincided with the growth in employment during that same period.

Full employment, with people working all of the hours they want and then some, understandably pushes concerns about perceived unfair or discriminatory treatment to the back burner. The correlation between the level of employment and the number of discrimination charges filed was also seen in the years immediately following the “Great Recession” of 2008 and 2009.

The years 2010, 2011, and 2012 had the highest number of charges of discrimination filed in the prior 18 years, as well as some of the highest unemployment rates seen in recent years.

The loss of jobs as a result of the pandemic is unprecedented, and

reminiscent of the conditions during the Great Depression. Current estimates are that up to 30% of all restaurants in the U.S. have closed or will close. It is also estimated that 25% of all retailers will also be permanently shuttered. Some were already struggling as the result of the tremendous growth of on-line shopping, especially Amazon.

Businesses that survived and those attempting to reopen have done so with reduced staff in most cases. Job eliminations, combinations and consolidations, restructuring and similar changes may become permanent for many employees. Since the majority of today’s workforce falls within a protected category under Title VII, there will be cases where an employee within one or more of the various protected categories will be passed over for recall or not recalled due to job elimination.

While claims of discrimination based on race, gender, national origin, or disability are always possible, perhaps the most potential lies in claims of age discrimination under the Age Discrimination in Employment Act (ADEA). The number of workers past the protected age of 40 in the workforce should be cause for concern during the recall process, during job eliminations.

In some cases, it may be a refusal to recall a worker due to possible Coronavirus exposure to vulnerable employees. Also, whether accurate or not, older workers are often viewed as less productive and more expensive than younger ones. It is also frequently assumed that they are less able to adapt to or master changing workplace technology. They are therefore potentially the first casual-

ties in a workforce reduction.

The impact of the extended employment and income loss, as well as the devastation of 401(k) accounts may force many near-retirement employees to keep working. Many were already considering this partially as a result of the significant losses to retirement plans incurred in the 2008-2009 recession. Knowing the difficulty of finding suitable employment when a person is 50, 60, or older, they will desperately want to hang on to their pre-pandemic jobs. Therefore, if theirs are the jobs eliminated the potential for claims of ageism could be significant.

DISCRIMINATION AT WORK

In a recent study on “Ageism in the Workforce” by global specialist insurer Hiscox, it was noted that of the 400 full-time U.S. workers over the age of 40 they surveyed, 67% responded that they planned to continue working after they turn 66.

The study also noted that workers 55 and older will soon be at least 25% of the U.S. workforce, with the fastest growth among those 65 and older. Medical science has enabled many to enjoy good health and continue working.

Given the real concerns of this segment of the workforce with continuing to work that were already present prior to the impact of the Coronavirus pandemic, they can be expected to challenge even the appearance of discriminatory treatment.

While age discrimination claims pose a particular problem, race, gender, and disability claims are possible as



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well. Employees with medical conditions which could pose a higher risk of serious illness from COVID-19 exposure, are entitled to reasonable accommodation for their disabilities under the Americans with Disabilities Act.

Absent unusual circumstances, it would not be a basis for a refusal to recall them to work. In addition to blatant cases of discrimination, the on-going focus on racial injustice could easily claims of race discrimination if black employees are impacted in greater numbers than others in job elimination. The same would be true for gender or any other protected status.

In order to minimize the potential for legal fallout from these difficult decisions on who to recall or retain, employers must tread cautiously. The unique circumstances of each case must be carefully evaluated. Is the decision based upon defensible objective criteria, such as needed critical skills? Is the person chosen to remain employed truly the better candidate for retention?

Have all reasonable alternatives to avoid termination been explored and documented? Does the employee to be terminated have basis for a claim of discrimination or retaliation? These and similar questions should all be addressed and documented during the decision stage rather than in response to a subsequent charge of discrimination.

Anticipating the potential for claims of discrimination to arise, and being fully prepared to provide the objective bases for a failure to recall an employee, or for termination is perhaps the most effective means of defending against any such claims. ■

Part I: Reshaping Client Relationships

By Larry Furr

TODAY THERE ARE new technologies driving workplace transformations and they bring many clear benefits in modernizing your accounting firm. First, you can improve your client experience, making processes more functional and fluid. You can also use these tools to make accounting work easier.

We have identified five areas where accounting firms can be updated. This article – the first in a two-part series – will outline two of these aspects related to client relationships. In Part Two, we'll see how work can be improved using new technology.

There are now better ways to communicate with your clients. For example, client portals, a feature offered within cloud-based software, can vastly increase transparency between you and your clients, improve the process of gathering information and payments, enable clients to schedule appointments with you directly, and more.

Let's take a look at how client portals can specifically help with gathering information and timely payments from clients.

1. CLIENT INFORMATION GATHERING

You surely know the back-and-forth of waiting on your client to provide documents all too well—the case comes to a halt every time you need additional information. This is frustrating and pretty inefficient but can also lead to deadline stress and issues.

Seamless client collaboration is the most notable function of a client portal. You and your client can securely send each other files, notes, requests, and questions at the click of a button. No more unanswered emails getting lost in your client's inbox, no more faxing documents, and no more waiting for your client to visit your office to deliver important papers. They can conveniently send any needed information or materials from anywhere, at any time. This includes gathering e-signatures from clients.

Client portals can also help provide transparency for your clients. A lack of transparency can leave a client feeling uneasy or even misled; especially when you have access to their sensitive financial information. A key factor in gaining and keeping the trust of your client is to increase transparency, and a client portal can help. A client will be able to make sure that their case is progressing even if they are not hearing from you. This is a much better approach than disappearing for a while then showing back up with a bill.

Another way to easily gather client information is to work with a digital client organizer or survey. These questionnaires enable the gathering of relevant information and automatically auto-populate related fields. Organizers and surveys are made to be confusion-free so that your clients can fill them out with a minimal amount of hand-holding.



2. PAYMENT OPTIONS

As you are likely aware of, one of the biggest challenges for many accountants is getting paid in a timely manner. A client portal can also help solve this problem because your client will be more likely to pay you if they can easily do so. You can also automate friendly reminders for payment as frequently as you wish.

With these newly available tools, you can get paid faster using online billing and invoicing. The three benefits of an online payment method are:

- Increased likelihood of getting paid on time
- Ease of use for clients thanks to modernized and streamlined experiences
- Maintain PCI compliance by not collecting and storing client credit card information

People are now used to being able to pay online for virtually every service. If your firm is not also offering that modern, convenient customer experience, you are behind. And if your practice is behind the times, clients—especially younger ones—will be less likely to engage or continue their engagement.

Most clients can find the time to quickly pay you on their computer or phone, which is why it is often a good idea to find a software that includes a mobile app. Often, dropping a payment by your office or going to the post office to send it in the mail are clear roadblocks that make the process burdensome. A study of more than half a million invoices showed that people typically take 11 days to pay an online invoice versus 29 days using other methods.

Traditionally demanding tasks such as gathering client information or payment, have now become simple and streamlined. You may have to adopt new technologies, but the result is an improvement in client relationships and time savings for your firm. ■

Keep reading on the next page for Part Two.

Part II: Empower Your Work and Team

By Larry Furr

ON THE PREVIOUS page, I explored how the adoption of new technologies can significantly improve your client relationships. There are also many other benefits modernization can bring to your work. Your productivity will very likely increase, but perhaps the most significant benefit is how your quality of life will improve. Being an accountant becomes a whole new experience. You can now spend less time on repetitive, time-consuming tasks and enjoy more flexibility while being more performant.

Here are three areas that you can improve using new tools.

1. STORING AND MANAGING CLIENT INFORMATION

In the previous article, I discussed how to enhance client information gathering using client portals. After getting this information, you will need to manage and store it. This is also a task that can be completed

more efficiently than in the past. With the right tools, you will get projects started more quickly while keeping smooth progress.

You can become paperless and store your documents in one convenient, secure place—the cloud. There are many advantages to leveraging the cloud to consolidate your document storage. These include increased document accessibility, improved time management, and enhanced data security, not to mention a massive reduction in paper usage, saving office space while reducing environmental footprint.

When you keep your documents in the cloud, anyone on your team can access the files they need. Additionally, the cloud updates in real time, so you won't have to worry about different versions of the same document floating around as different team members work on it.

Aside from the time savings you'll get from being able to work on your projects outside of the office, storing your documents in the cloud will also allow you to spend more time on meaningful work. Plus, documents in the cloud won't be compromised if anything unexpected happens to your computer or office.

Modern tools can also help you manage client information. For example, some software will pull transcripts (using e-Services) without the inefficiencies that can come along with the IRS website. Wait time decreases drastically when transcripts are delivered right to your computer.



It is even possible to pull multiple years of transcripts in as little as a few minutes and review easy-to-read reports that display the most relevant information.

To efficiently manage client contact information, you should keep a master contact list in a single location. Customer relationship management (CRM) software can offer a wide variety of ways to help organize your contact list.

2. PROJECT MANAGEMENT

It is common for an accounting firm to have laid out numerous tedious steps to get each job done, along with many administrative factors to manage. Team members often resort to using sticky notes and to-do lists to keep track of their work, which can make personal organization and team collaboration difficult.

To streamline the tasks and team members included in a project, you can start using a project management software. This will transform the way your firm runs. Project management software provides many different benefits, including: easier delegation of work, increased transparency, and improved task management.

Project management software makes the delegation process simple and transparent. It typically incorporates a dashboard of all the current projects. Flexibility in project and task creation varies among different tools, so look for one that allows users to assign team members to specific tasks. They should then receive a notification for the new assignment and be able to access any relevant information. With the right software, you

will be able to track the progress of all tasks from the dashboard or filter to narrow your view.

With this dashboard, transparency into projects is also increased. Every team member involved in a project can see exactly what is going on with it, in real time. Some software even notifies the user anytime a change happens within a task that involves your client—whether or not you are assigned to the specific task. This increases the level of transparency and reduces the need for team meetings. You'll have more peace of mind knowing that no one is falling behind on a project or missing deadlines.

It can be overwhelming to juggle numerous cases at one time, and it also can be quite challenging to identify priorities and timelines. Project management software helps with all of this. Tasks and deadlines – and where they fit in overall – are easy to identify in a dashboard. You can jump right into priority work that needs to be done each day.

3. SELECTING THE RIGHT ACCOUNTING SOFTWARE

All the tools we presented generally come with accounting software and choosing the right one is of utmost importance. You may already have invested in many pieces of software over the years and have access to a lot of services that are disconnected from each other, or you may be using software that isn't completely satisfactory.

It is paramount to accurately evaluate the return on investment (ROI) of a given software and the time needed to implement a new system in your firm.

To assess your current situation, you can do an audit that would include the following steps:

- Identify the real value of your current software
- You can use these questions to analyze any software you use:
 - What value does this software add to my firm?
 - How much do I spend on it?
 - Is using this software an enjoyable experience?
 - Do I already have other software that can perform the same tasks?
- Use your answers to evaluate how much benefit you're getting from each software. Identify which software provides the most value and make a plan to move off the others.
- Compare functionality with pain points
- You should then weigh the pros and cons of the software you want to keep. Do you need entirely new software or do you just need to add new features that work alongside your current software?
- Finally, shop for the best solution
- If you decide to replace all or some of your current software, you will need to shop for the best combination of tools, for the most reasonable price. This can be achieved through research, reading reviews, and signing up for free accounts. The point of doing this kind of audit is to optimize your firm with the best software for your particular needs.

When you do choose a new software, you should not worry about making the change. Typically modern solutions make it easy and intuitive to switch without losing data and functionality, and your practice will significantly benefit in the long run. ■

Larry Furr, Chief Product Officer at Canopy, inspires the teams delivering on Canopy's vision of powering the virtual accounting firm. He loves attending rock concerts and delivering products that delight customers. Connect with him @larryfurr.





CARES Act
Causing
Business
Valuation
Concerns
for Divorces,
Estate
Plans and
Partnerships

By James Gallagher, AICPA
THE COVID-19 PANDEMIC and federal Coronavirus Aid, Relief and Economic Stimulus (CARES) Act are having a major impact on business valuations, affecting large companies to small, Main Street businesses.

Those valuation changes can have major financial implications for divorcing couples, estate planning, those looking to buy or sell a business, or becoming an equity partner in an enterprise.

“Depending on your position, there are potential windfalls in these valuation changes or huge losses,” said Paul Wapner, CPA, ABV, CGMA, senior manager of valuation services for the Association of International Certified Professional Accountants. “It’s important that people consider how valuation changes will affect them financially both now and in the long term.”

Business valuations are forward-looking and there are multiple approaches to them. An income approach to valuation applies an opportunity cost of capital to an expected future benefit stream, such as cash flows or net income, while a market approach applies multiples, such as price-to-earnings, derived from reasonably comparable companies.

The pandemic forced the closure of many businesses, such as bars, restaurants, and gyms, while others were able to remain open but at different operating levels. This will have a major impact on cash flow and net income, driving down valuations.

The CARES Act added other considerations into the mix. Changes to tax laws can create one-time surges in cash flow, while the Paycheck Protection Program is providing additional funding, much of which will not have to be repaid if conditions are met. These efforts have helped many businesses stay afloat but may not be enough to maintain or enhance their value.

Those who may be affected should consult with a CPA or valuation expert before making major financial decisions.

THE BUSINESS OF BREAKING UP

For the approximately 800,000 couples who get divorced each year, they are looking at major potential changes in the value of their real estate, investment portfolios or jointly owned business interest, and this could alter how much one must pay the other in the divorce settlement.

“If you started divorce proceedings at the end of 2019 and determined your asset and business values before February 2020, you should consider updating those figures for the economic effects of COVID-19,” said Nathan DiNatale, CPA, ABV and member of the American Institute of CPA’s (AICPA) CARES Act Valuation Impact Task Force and immediate past Chair of the AICPA Valuation Committee.

Recent economic changes may have reduced the values of their home, shared investments or businesses, and it may be many years before the values of those assets return. Depending on how those assets are divided, one spouse may be set up for a bigger rebound in the future or paying more than they should.

“What is good for one spouse, many not be good for the other,” said DiNatale.

Divorcing couples should look at their settlement plans to determine whether they need to consider re-valuing their jointly held assets before concluding the dissolution of their marriage.

ESTATE CONSIDERATIONS

For those managing large estates, now may be an opportune time to transfer ownership stakes of a business, real estate or investment holding company to family members or a trust. The IRS limits your lifetime giving exemption to \$11.4 million.

The COVID-19 pandemic has pushed some stock prices down, forced many businesses to close or cut back operations, and may have reduced real estate values. But like many investments, these drops are likely temporary.

Investment holders who have been considering passing their holdings on to family members or a trust can take advantage of the current lower valuations to transfer more shares or a greater percentage of their ownership stake and stay under IRS limitations.

There are other valuation considerations as well, such as discounts for lack of marketability or lack of control, that can be applied in some situations to increase estate tax savings. Marketability discounts reduce the market value of closely held or restricted shares of enterprises that do not have an active market, while lack of control discounts reduce the market values when the ownership interest lacks control over the entity.

CPA estate planners can work with valuation professionals to help those looking to distribute their wealth to optimize their giving and minimize their tax liability as part of a holistic tax planning strategy.

BUYING OR SELLING A BUSINESS

It’s more of a mixed bag for people looking to buy into or sell a business.

For those looking to buy into a business, now may seem like an ideal opportunity, as one can get in at a lower cost. But it can be more complicated than that, depending on the type of business and other equity partners.

If existing owners or partners do not need immediate additional capital, they can opt to hold off on taking in new partners until the value returns or maintain their

Those who
may be
affected
should consult
with a CPA or
valuation
expert before
making major
financial
decisions.

initial price with expectations that the business will recover quickly.

For those looking to sell a business, they have to weigh several factors, including a potentially reduced sales price resulting in a lower tax bill on the sale and how fast they need to get out.

“If owners can wait to sell, valuation specialists can help them model forecast scenarios and determine what may need to be done to help recover lost business value and how long that might take,” said Bethany Hearn, CPA, ABV, CFF and chair of the AICPA’s ABV Credential Committee.

The AICPA also recently released a set of FAQs discussing ways the CARES Act can impact valuations and how valuation professionals can address them. ■

James Gallagher is the public relations manager for the AICPA.



How to Conduct a

BUSINESS INSIGHT REVIEW

By Jim Buffington, CPA

WHEN BUSINESSES ARE connected to a tax and accounting professional, they are more financially stable, more creditworthy, and twice as likely to succeed than businesses that attempt to navigate the waters on their own. In fact, 89 percent of small business owners say they are more successful when working with an accounting professional, a powerful reason to implement regular Business Insight Reviews (BIRs). Once firms have created an advisory workflow in the cloud, it becomes much easier to deliver higher-value advisory services that build on traditional compliance services. While tax planning is often the first advisory service for firms, providing consistent business performance reviews with clients is often the next advisory service to power prosperity for clients.

Here is a BIR framework to consider that incorporates best practices from

firms who have been on the journey for a few years.

STANDARDIZE, STANDARDIZE, STANDARDIZE

As tax and accounting professionals, we are great at standardizing to deliver efficiently at scale. Monthly BIRs are no different. Standardize the agenda, documentation, processes, reporting, team trainings, and the feedback loop to improve.

- **Standardize the meeting agenda and follow the same format for every client.**

Not more than 25 percent of the meeting should cover historical financials and reports; 75 percent or more should be forward looking and action oriented. If you run a practice management system such as Intuit Practice Management powered by Karbon, consider using the



recurring engagement checklists to drive the agenda, as well as document insights and actions. Alternatively, start with a spreadsheet or document template for each client.

- Standardize the video meeting process.** Given COVID-19 and the fact that we're all working remotely, Zoom is a good way to share screens and see clients, but there are other easy-to-use video meeting tools in the market. Unless the firm is also providing bookkeeping and related services, the BIR should be the first time the team member reviews the financials, so the reviewer should be comfortable with imperfect financials and focus on "decision over precision."

The process should be outlined in your bundled service packages or engagement letter, and clearly state the BIR is about performance.

- Standardize tutorial videos.** Create short, reusable videos to illustrate how to read financials and reports, and how to perform common functions in the platform. When clients have questions, it is faster and more effective to send a tutorial video with your commentary than repeat explanations.
- Automate management reporting.** Instead of preparing and sending financial reports that clients don't read, teach them how to find their key information on their mobile devices. Having instant access to information is a delighter for busy professionals on the go. For other management reports, design and package the client reports once and schedule for auto delivery. Some reports such as A/R aging might be a weekly report to the collection's manager, while the P&L might be given monthly to the owner. Eliminate the non-value work of exporting data and formatting reports, and only auto send actionable reports that help clients run their business.
- Standardize team training to deliver consistent insights.** Certification in the software the client uses (such as QuickBooks ProAdvisor certification for accountants whose clients use QuickBooks Online) is foundational. As you expand and standardize your tech stack to automate more functions for your clients, including payroll, payables, time tracking, and key performance indicators (KPIs), you will want to develop specialists on the team who are certified in ecosystem applications. Early career staff are excellent at researching and implementing technologies to automate workflows.
- Standardize biweekly team huddles to celebrate insights and wins, as well as unpack new challenges.** The more BIRs your firm delivers, the faster the team will ramp up and get excited about this new service line.

BEST PRACTICES

Once you've standardized your BIR internal procedures, here are some best practices to conduct BIRs.

Meet with clients monthly. Create a recurring monthly, one-hour, video meeting between your team members and the client. This proactive approach addresses the #1 complaint by clients that their accountant is too reactive. Sometimes, clients have conflicts. If a client can't make the standing appointment, for example, Renee Daggett, EA, and her team at Adminbooks, simply record a Loom video with highlights and actions, and emails the video to the client to review at a convenient time. The clients love the experience and the team has honored the importance of the monthly BIR.

Be curious. Start with open-ended questions to understand the client's goals, what makes their company unique, what they are passionate about, and what challenges are in the way of achieving goals. Document the goals and challenges, but resist solutioning. The BIR agenda includes a tab with a list of sample interview questions. Early career professionals can be great at interviewing, because they are naturally curious and hungry to make a difference.

Create a financial plan. Most businesses operate without a plan, including many accounting firms. Start by creating a plan. A financial roadmap provides clarity and insight that often delivers immediate results. With the client's goals and financials in hand, we can flex our accounting skills and business acumen to help owners reach their goals.

Report regularly. The BIR includes reviewing KPIs, but remember that the conversation is more important than the reports. Discuss operational issues, including margins, overtime, sales growth, actual results compared to the plan, and a few balance sheet trends. Look forward more than backward. The Business Performance

dashboard in QuickBooks Online Accountant, for example, helps you identify trends and guide conversations to make a difference with clients.

Be a coach. As accountants and tax pros, we are natural teachers and regularly coach clients. However, in traditional firms, that coaching is narrowly focused on tax, accounting, and compliance issues. BIR coaching extends our natural talents to include operational challenges, growth opportunities, and interpreting the data. Many accountants feel like a therapist helping the entrepreneur self-discover the best solution. According to a recent survey, clients said what they valued most from their advisor was being a trusted advisor, responding quickly, and understanding the client's business. The BIR is a framework to deliver exactly what clients desire.

Set up your actions. Before ending the monthly BIR, agree on three specific, measurable actions. At least two of the actions should be related to business performance. That helps business owners prioritize how to invest their time in improving business outcomes. Meeting monthly ensures accountability. Owners want to engage in dialog that helps them reach better outcomes.

Our greatest value is not accounting, but accountability to help clients realize their goals. Delivering business insight reviews can help you power prosperity for clients and create a purpose driven culture that excites your team. ■

Jim Buffington, CPA, is a customer liaison with Intuit ProConnect. He has 20+ years of professional experience in sales management, public accounting, strategic alliances, product marketing, business process design, new business development and strategic planning.



Global Coalition Issues Guidance on Adopting a Long-Term Value Creation Agenda

To support businesses in this uncertain environment, the International Federation of Accountants (IFAC), International Integrated Reporting Council (IIRC), the Association of International Certified Professional Accountants (AICPA) and the Chartered Institute of Management Accountants (CIMA) have released new guidance for Chief Financial Officers (CFOs) and finance teams to navigate their organizations toward long-term value creation.

The report contains actionable insights for CFOs, finance teams, and other business leaders to sharpen their perspective on value creation beyond the financials, including how to:

- Understand the value creation process
- Identify principal opportunities and risks related to the organization's strategy and business model
- Develop an integrated view of performance and value, incorporating balance sheet, business, and societal perspectives; and
- Drive priorities for value creation into decision making and reporting.
- The approach outlined in this report helps CFOs and finance teams to think about how to ensure that all relevant information around performance, opportunities, risks, and trade-offs are available to internal decision-makers, investors, and other capital providers. ■

Updated Standard on Accounting Estimates and Disclosures for Auditors

The AICPA Auditing Standards Board (ASB) has issued Statement on Auditing Standards No. 143, Auditing Accounting Estimates and Related Disclosures, to supersede SAS No. 122 section 540, Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures, and amend various other AU-C sections in AICPA Professional Standards.

SAS No. 143 is one piece of a larger project to enhance audit quality (see the AICPA's Enhancing Audit Quality Initiative at www.AICPA.org/eqq.html). It enables auditors to address today's new accounting standards and to enhance the auditor's focus on factors driving estimation uncertainty and potential management bias.

SAS No. 143 becomes effective for audits of financial statements for periods ending on or after December 15, 2023.

CORONAVIRUS DROPS AMERICANS' FINANCIAL SATISFACTION

As Americans continue to endure the economic impact of the COVID-19 pandemic, financial satisfaction continues to fall from its recent all-time high. The AICPA's Q2 2020 Personal Financial Satisfaction index (PFSi) measures 15.2, a 55 percent (18.5 point) decrease from the Q1. This is the PFSi's largest quarterly drop in the history of the index. The previous record decline was a 16.3-point drop in Q4 2007. The average Americans financial satisfaction is now similar to levels seen in early 2015.

The primary factor driving the quarter-over-quarter PFSi decline was a 246 percent (75 point) increase in underemployment. Rising underemployment hurts overall financial satisfaction. This factor more than doubled from the prior quarter, surpassing its former peak set in Q4 2009 to reach a new record high. The Q2 level reflects data measured through the middle of June.

The second largest contributor to the PFSi decline from the previous quarter was the AICPA's CPA Outlook Index, which experienced a 68 percent (35 point) drop. The CPA Outlook Index captures the expectations of CPA executives in the year ahead for their companies and the U.S. economy. It is the only index factor that is calculated from sentiment, which was captured in a survey conducted from May 5 to 27. Its decrease was primarily driven by a steep decline in optimism about the U.S. economy's outlook over the next 12 months. Also contributing to the PFSi decline was a 32 percent (25 point) drop in job openings.

"Finding yourself unemployed or experiencing a sudden loss of income from your business warrants revisiting your financial plan immediately and updating your monthly budget," said Dave Stolz, CPA/PFS chair of the AICPA's PFS Credential Committee. "It is essential to understand the available COVID-related government assistance such as business loans from

the Paycheck Protection Program and federal unemployment benefits and incorporate them into a revised financial plan."

In a separate survey of AICPA members— CPA financial planners have been busy helping clients make sense of the newly-passed Coronavirus Aid, Relief and Economic Security (CARES) Act. The vast majority of financial planners (90 percent) advised clients on Paycheck Protection Program (PPP) loans, and nearly eight-in-ten (79 percent) advised their clients on Economic Impact Payments – also known as "stimulus checks." And half of all respondents (50 percent) indicated that they had helped clients file for Federal Pandemic Unemployment Compensation.

Going into 2020, Americans were seeing record high levels of personal financial satisfaction. Though the PFSi has experienced a record decline, its current value of 15.2 is still 55.5 points above its all-time low of -40.3 set in Q3 2011. Back then, Americans were still emerging from the lingering impact of the Great Recession.

In Q2, the PFS 750 Market index, an AICPA stock index comprised of the 750 largest companies on the US Market, bounced back from its depressed Q1 reading. The Market index increased 21 percent (16.8 points) above the prior quarter, regaining almost all the prior quarter's lost gains. It is now just shy of its recent all-time high set in Q4 2019.

"The stock market's recent rebound is a good reminder why it's important to resist the urge to time the market and instead remain focused on the long-term goals of your financial plan," added Stolz. "If you had exited the stock market after its Q1 decline, you would have missed out on all of Q2's big gains. The recent market fluctuation was a good gut check for risk tolerance and an opportunity for Americans to revisit their asset allocation." ■



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Creating a Data Culture

HOW DO CPAs move from being historians to being advisors and consultants? One of the crucial ways to make that shift is by leveraging data. CPA firms possess an incredible amount of data, and the tools allowing them to use that data are increasingly available. However, firms need a plan for using those tools to provide value to clients and create value for themselves. Part of creating that plan is to build a data culture.

WHAT IS A DATA CULTURE?

For firms with a strong data culture, it's normal, even automatic, for employees to use data in their decision-making processes. They have a consistent and repeatable approach for basing decisions and client recommendations on data rather than gut instinct.

Here are five ways you can work on guiding your firm into a more data-centric culture.

SET THE TONE FROM THE TOP

As with any aspect of firm culture, you need to set the right tone at the top. Lead from example. Encourage your teams to provide data to back up decisions and recommendations. This helps promote the use of data and provides opportunities for your team to develop their data skills and capabilities.

Communication is key, so share data-driven insights on performance in emails and meetings and recognize employees who find new ways to leverage data with their clients.

FOCUS ON STRATEGY

One characteristic of a strong data culture is flexibility and the ability to spot alternative uses for data.

Often, this means employees will need to acquire new habits. For example, employees in the tax and audit departments may regularly come across client information they have no use for while preparing a tax return or performing audit

steps. However, if employees in that department are trained to see that information within the context of a larger data strategy, they start to recognize links to other services the firm can provide, such as wealth management, strategic planning, process improvement initiatives, and risk management. So encourage employees to find alternative uses for data beyond their own job responsibilities and reward them when they do.

Everyone in the firm needs to understand why you're implementing a data strategy and why this will be better than the way you've handled data in the past. This generates buy-in and helps people understand how data strategy will affect their role and the skills they need to develop and use. Ensure people understand how growing the firm's use of data will help them better serve clients, progress in their careers and improve the firm as a whole. Having a clear strategy will create a more receptive environment.

INVEST IN THE RIGHT TOOLS

For your firm's data culture to thrive, you need to invest in the tools and technology that will support data-driven results and processes, now and in the future.

The most crucial step here is to ensure that your data isn't siloed. Silos of information are the enemy of a thriving data culture. Firm leaders must promote data as a flexible asset that's available to multiple

departments, from tax and audit to marketing, business development and HR.

Your team cannot make data-driven decisions if all of the data you need for those decisions is in disparate systems that aren't connected to each other. You wind up with inconsistent and outdated information across multiple systems. This hurts both your own team members and the client experience because it slows down workflows and requires people to spend more time double-checking and cleansing data.

Some people in the firm may want to cling to familiar applications and processes, even if they don't support integration. CPA firms use an impressive number of solutions and apps, but the more unique, non-integrated applications you use, the harder it is to bring all of that data together.

There's no room for personal preference in a data culture. Ensure all of your systems are integrated and communicating with one another so you can have a complete and accurate view of the data throughout the firm. Ultimately, this will provide better information for people to make data-driven decisions.

MAP THE FIRM'S USE OF DATA

Educate employees on how the data they collect and use daily impacts other parts of the firm so they can see the bigger picture.

Draw maps showing how data sets are used by different departments



and link that data back to your firm's processes. This map will become a framework for everyone in the firm to better understand how information is used.

This process can also help uncover other sources of siloed data that you may not have realized were there. For example, if your innovation team is working on new lines of service that your sales and marketing teams aren't aware of, they can't help the firm promote and sell the new services. If auditors are unaware of the tax planning conversations happening with a client, they may not understand why clients are structuring transactions in a certain way, and client service suffers. Identify those pockets of data and look for ways to bring it in.

Everyone in your firm needs to understand how data can help the firm and its clients. Support this knowledge with an easily understandable data strategy, data mapping and the right technology. That will set your firm up for success with a strong data culture. ■

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- 7 Labor Day
- 15 S-Corp, C-Corp, Partnerships
Tax Deadline (extended returns)
- 17 Constitution Day
- 19 Rosh Hashanah
- 19 Talk Like a Pirate Day
- 22 Autumnal Equinox
- 22 Emancipation Day
- 28 Yom Kippur



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