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CPA Practice Advisor

Today's Technology for Tomorrow's Firm

JUNE 2018

VOLUME 28
NUMBER 5

**MOST POWERFUL
WOMEN
IN ACCOUNTING | 2018**

FROM THE **TRENCHES**

Part II: What AI Means
for the Accounting Profession

THE STAFFING & **HR ADVISOR**

How to Make Mentorship
Programs Work for Your Firm

WOLTERS KLUWER
Empowers Firms to

THRIVE
in a world of
CHANGE

with CCH Axcess™ iQ

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When you have to be right



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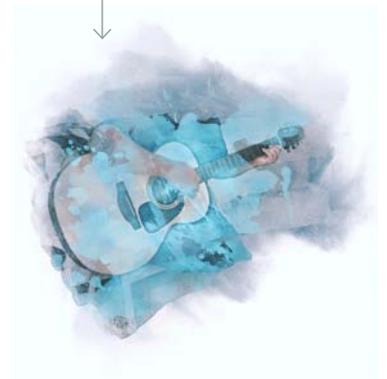
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GAIL PERRY, CPA
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The Sky Is Falling – But Don't Give Up Your Spreadsheets Just Yet

THE ACCOUNTING PROFESSION'S soothsayers are predicting that disruption is coming at us with the speed of a runaway locomotive. Barry Melancon, president of the AICPA, has repeatedly said the accounting profession will be unrecognizable in 5-10 years. Michael Platt, Principal of INSIDE Public Accounting, stated last week at The Rainmaker Companies' SuperConference, "We'll see more change in the next 50 months than we saw in the last 50 years."

The messaging is clear. Those who are keeping an eye on the profession as a whole can barely contain their excitement as they consider the opportunities for accountants who are poised to leave the basic accounting functions to artificial intelligence and souped up computer programs and start doing something *meaningful*, like using the expertise they were trained for in college and in all of the myriad continuing education hours they've logged.

I sense a little bit of left hand not talking to the right hand as we go down this path of uber-automation, and no, I'm not referring to taxicab substitutes, although this disruption has indeed been referred to as the uberization of the accounting profession. What concerns me is more of a first world/ third world scenario where you have one segment of the world (or in this case, the accounting profession), racing ahead, using the latest gadgets, tapping

apps on their ever-smarter phones to adjust the lights and the thermostats in their vacation beach condos, while a large percentage of the world is still hunting for dinner and hoping the beasts don't eat them first.

Results of the AICPA 2017 PCPS CPA Firm Top Issues survey support the findings that accountants are striving, reaching, *yearning*, to be more tech savvy, frustrated that they don't like any of the potential job candidates who come in for interviews, more frustrated when those they do hire get bored and don't feel loyal to their jobs or employers, and irritated that the government keeps making up new rules that impact financial reporting. But surveys don't always give the full picture. When we take a survey of readers at CPA Practice Advisor, or when the AICPA surveys its members, or various other organizations survey those accountants who are on their mailing lists, we're reaching the people who are already at least

somewhat tuned into the profession, reading about the changes on which we all report, being bombarded with new technological wonders, and working on the premise that life as we knew it is being upended.

But truthfully, those surveys, to a large extent, are more likely than not asking for feedback from the people who are making the waves in the first place, because it's the online connected crowd that receives the surveys and answers the questions. So there has to be a large amount of, "Mm-hmm, I agree, that's what's happening," when actually the survey-takers are the ones who gave us the ideas for the questions in the first place. Do you see the circular loop in which we find ourselves?

We're collecting information from accountants who define progress by the number of nano-CPE credits they can squeeze into a day. Modern world accounting pundits listen to the latest podcasts and TED talks from Silicon

Valley programmers and self-declared visionaries that take a sound bite and turn it into the meaning of life. How many accountants are out there, across the plains and the deserts and the mountains, and beyond our shores, who are serving their clients well by continuing processes that have been handed down by generations, and who will continue to survive without even hearing the names of those prophets that roll off our tongues, like Simon Synek, Richard and Daniel Susskind, Baruch Lev, Daniel Burrus, Michael Gerber, David Maister, Ron Baker – oh the list goes on and on.

Do we *really* know what the future holds for us? I believe we have the power to define our own future, use the tools we want, make our accounting practices whatever we want them to be. Fearmongering should take a back seat to daydreaming. ■

— Gail Perry, Editor-in-Chief

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3 Benefits of Flexible Workplace Arrangements

By Isaac M. O'Bannon, Managing Editor

An impressive 82 percent of U.S. workers say remote working allows them to maintain a healthy work-life balance, yet 62 percent still prefer to work in an office. This number is even higher among young workers. That's according to a survey by Randstad US, a provider of human resources services.

Sixty-five percent of those aged 18-24 prefer working in a traditional office, challenging the widespread perception that Millennial and Gen Z workers prefer digital interactions.

THE FLEXIBLE WORKPLACE DISCONNECT

Although flexible and remote work arrangements are a top priority for employees, employers often don't offer any or provide enough tools to fully support them:

- 66 percent of workers say they like the option of occasionally working from home or another location, but aren't able to do so.
- 36 percent of respondents report their workplaces support working from home any time and anywhere they want.
- 35 percent of employees disagree that their employers provide the necessary technical equipment to enable them to work from home.
- 30 percent of workers say they regularly have online or virtual team meetings via video conferencing.

REMOTE WORK ARRANGEMENTS DRIVE ENGAGEMENT

Working from home or another location is an attractive option to employees:

- 80 percent of workers say they like agile work (defined in the study as the ability to work from anywhere, anytime) because it increases their productivity, creativity and job satisfaction.
- More than half of all respondents (61 percent) don't believe this type of work interferes with their personal lives, or their ability to disconnect from work.

The takeaway for employers: workers appreciate having

the option to work *when* and *where* they want, but also value interacting with colleagues face-to-face in the workplace," said Jim Link, CHRO, Randstad North America. "Employers who strike the right balance — making flexible work arrangements as accessible as possible through technology while also cultivating a thriving office culture — will succeed in attracting and retaining top talent.

3 REASONS TO RETHINK REMOTE WORK

According to Randstad, 68 percent of U.S. employees say they still work in a "traditional environment," defined as a location where most staff work during "business hours." The workplace is still changing, however, due to tech that makes it possible for full-time on-site workers, remote staff, gig workers and other members of the "agile workforce" (temporary, contract, consultant and freelancers) to function cooperatively.

Three ways more flexible work arrangements can benefit businesses and their employees: **Access to a globally-diverse workforce.** Being open to remote and non-traditional workforce structures allow businesses to attract highly skilled staff from a pool that isn't limited by geography.

Increase employee engagement. Working remotely can increase engagement, rather than distract employees. More than 80 percent of workers surveyed say the ability to work remotely allows them to maintain a good work-life balance, and 80 percent say it increases their productivity, creativity and job satisfaction. Employers who embrace this trend will be seen in a more positive light and rewarded with a happier, more productive workforce.

Less time to hire. Businesses feel an economic impact from unfilled positions. Tapping into a remote workforce allows companies to broaden their talent pool and provide opportunities to employees with less traditional schedules. Employers who make working remotely a possibility for alternative hires can defray vacancy costs and fuel projects supported by a much deeper talent base. ■

THIS MONTH'S TOP PAYROLL SOCIAL MEDIA POSTS

- 3 Reasons Employees May be Disengaged. **Maren Hogan, via LinkedIn.** <https://bit.ly/1P8iiqi>
- Globetrotting Workers Complicate Payroll Taxes. **Bloomberg Payroll Blog.** <https://bit.ly/2sokYNp>
- How to Create a Successful Employee Referral Program. **Patriot Software Blog.** <https://bit.ly/2J1GBtU>
- The Pros and Cons of Unlimited PTO. **Zenefits HR Blog.** <https://bit.ly/2kynWuW>
- Why Giving Salary Ranges During Interviews is a Bad Idea. **Sid Lipsey, via LinkedIn.** <https://bit.ly/28AUs27>

LATEST PAYROLL NEWS

Women Freelancers Love Digital Economy.

Show a preference for direct-to-bank payment methods, as opposed to alternative methods such as e-Wallets, is also evident from Transpay's survey. www.cpapracticeadvisor.com/12413567

Many Businesses Don't Track Payroll KPIs.

The most common metrics include measuring impact of manual/voided/stopped payments, and payment errors. www.cpapracticeadvisor.com/12413461

Watch Out for Your 401(k) When Changing Jobs.

The advantages of having a 401(k), keeping it mobile with job moves, and continuing to grow it are vital for personal financial growth and retirement. www.cpapracticeadvisor.com/12413376

How Labor Spending is Designed to Leak.

Labor accounts for as much as 60 percent of overall operating expenses, but managing the costs of this workforce is not always done efficiently. Payroll overspend is a problem for today's employers. www.cpapracticeadvisor.com/12412432

The True Cost of Underperforming Employees.

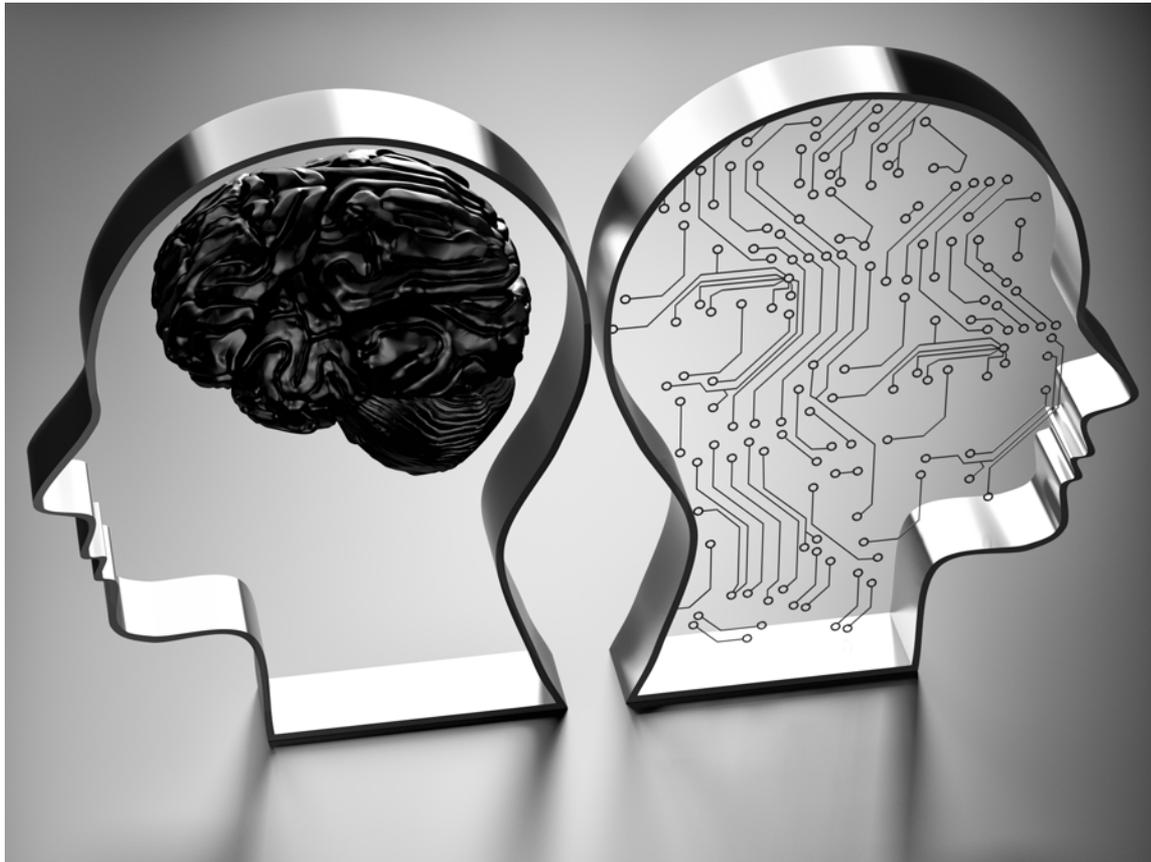
A bad hire signals that your hiring process may be flawed. It could be that you are not putting sufficient weight on soft skills or are overemphasizing qualities that aren't crucial to the role. www.cpapracticeadvisor.com/12413176



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PART II:



[In his column last month (May 2018), Randy explored the “Why and How of Artificial Intelligence,” with a focus on the positives and negatives of AI for accounting firms and professionals.]

WHAT AI MEANS FOR THE **ACCOUNTING PROFESSION**

ARTIFICIAL INTELLIGENCE HAS matured from technology buried in computer science labs using complex coding techniques to more common algorithms and supporting technologies used as part of the design strategy of new generation products. Many of the developers have known of AI techniques for years but did not have a practical way to apply the algorithms because the computer overhead was too high, the sample of data was too small and the number of techniques that needed to be applied made the code too complex. With centralized computing in SaaS applications and cloud data centers, AI has become much more practical and accurate.

SO HOW DO ARTIFICIAL INTELLIGENCE APPROACHES WORK? THEY USE:

- Cybernetics and brain stimulation – connection to neurology.
- Traditional symbolic AI – John Haugeland named these approaches to AI “good old fashioned AI” or “GOF AI” exploring the possibility that human intelligence could be reduced to symbol manipulation.

- Cognitive simulation – Economist Herbert Simon and Allen Newell studied human problem-solving skills from psychological experiments resulting in the Soar architecture in the 1980’s.
- Logic-based – John McCarthy in his laboratory at Stanford (SAIL) used formal logic and led to the Prolog language and the science of logic programming.
- Anti-logic or scruffy – Marvin Minsky and Seymour Papert found that solving difficult problems in vision and natural language processing required ad-hoc solutions.
- Knowledge-based – led to the development in the 1970’s of expert systems, introduced by Edward Feigenbaum of Stanford.
- Sub-symbolic – when traditional symbolic AI stalled in the 1980’s unable to solve problems in perception, robotics, learning and pattern recognition, researchers tried to not encode knowledge.
- Embodied intelligence – Researchers of robotics, such as Rodney Brooks, reintroduced the use of control theory and embodied mind.
- Computational intelligence – neural networks and “connectionism” was revived by David Rumelhart leading to soft computing approaches including fuzzy systems, evolutionary computation and statistical tools.
- Statistical methods – sophisticated mathematical tools to solve specific subproblems that are truly scientific, in the sense that their results are both measurable and verifiable.
- Intelligent agent – a system that perceives its environment and takes actions which maximize its chances of success.

WHAT DOES ARTIFICIAL INTELLIGENCE MEAN TO THE PRACTICE OF ACCOUNTING AND TO ACCOUNTANTS? WE HAVE SEVERAL WORKING EXAMPLES AVAILABLE:

- Accounting – Zoho Zia (Zoho Intelligent Assistant) workflow analysis, best time to contact, automatically research and suggest data to complete client records, email sentiment analysis.
- Auditing – Mindbridge.
- Financial services – Kasisto, Moneystream.
- Sales – Salesforce PredictionIO.
- Self-writing applications - Crane.ai.

We see a number of products that are running crude AI today and vendors that are pretty

far along in their use of AI. Getting products that apply to small and medium businesses is more of a challenge, but we see efforts at Intuit, Xero, BQE Core, Citrix ShareFile, Thomson, CCH and most other products that apply to the CPA profession and to small and medium businesses.

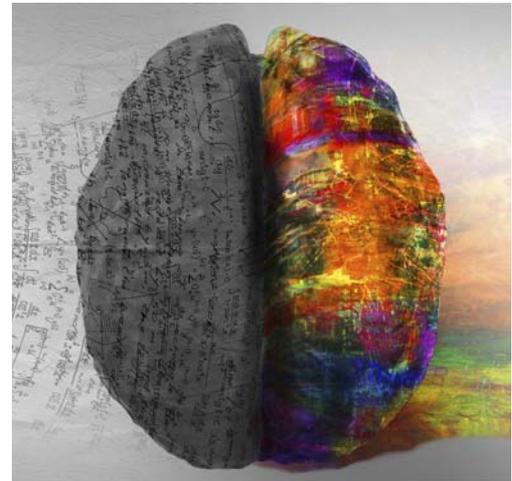
As development continues and Artificial Intelligence transitions from an emerging technology to a mainstream technology, vendors will choose from many open source and proprietary suites that have Artificial Intelligence capabilities or they will develop their own algorithms inside their products. Examples today include:

- Ayasdi
- Azure Machine Learning Studio
- Cloud Machine from Oracle
- Crane
- Cyc
- Deeplearning4j
- Playment
- TensorFlow
- Theano
- Torch

THE BEST EXAMPLE OF TOOLS FOR ACCOUNTING THAT ARE WORKING TODAY IS:

- IBM Watson – this tool has been configured for analysis of tax, as well as analysis of core financial and operational data by KPMG
- SAS – Visual Investigator cost \$1B to develop. David Stewart, Director, Financial Crimes & Compliance of SAS, suggests 50-70% of banks’ compliance spend is on AML. Financial firms spend 4% now and will spend about 10% in 2022.
- Zoho Zia (Zoho Intelligent Assistant) workflow analysis, best time to contact, automatically research and suggest data to complete client records, email sentiment analysis

Below is a summary of what you need to know about Artificial Intelligence:



RECOMMENDED NEXT STEPS

Watch for applications that claim they have Artificial Intelligence. Do the applications truly exhibit learning? Are they rules or forms based and limited? If so, they may not be AI. Do they improve over time? Does more data make them more accurate? Can the applications make new conclusions without additional programming? If so, they may be truly be AI?

Just like Machine Learning (covered in an earlier article in this series), what you are trying to filter out is products based on rules, forms or pattern recognition that is programmed to recognize each specific form/task and make a decision based on recognizing the form or task. You want the system to accept inputs of all kinds, recognize new data, learn about the data, and make conclusions that provide insight. Like the human race, it is hard to predict where AI will take the capabilities of machines and computers. As many of you have heard me say before, computing can be used for good or bad. I tend to look at the bright side of life as we are reminded by Monty Python. ■

Key Information

Why is the new technology better?

How can you do this today?

Risks

Where/when to use

How much?

When expected in mainstream

Displaced technology or service

Other resources

TECHNOLOGY: Artificial Intelligence

It is a method of data analysis that automates analytical model building

AWS, Azure, Google Cloud AI, IBM Watson, SAS

Wrong data set, conclusion unguided

When data can answer a specific question

Can be up to \$10K per hour, or free on open source

Simple AI now, fake AI common in current promotions, usable AI 4-6 years

Repetitive or analytical human labor

CPAPA, CSO

CCH Access iQ: Wolters Kluwer Empowers Firms to **THRIVE** IN A WORLD OF CHANGE

By Gail Perry, CPA, Editor-in-Chief

MUCH OF THE conversation among accounting professionals today focuses on how to build and protect client relationships by elevating the accounting practice to an advisory and strategy-driven level. As much of the traditional write-up and tax preparation work becomes automated and commoditized, accountants have the opportunity to hone their consultative skills in order to provide meaningful and long-term value to their clients. But exactly how does one do that? If you've built your practice on performing the same job each year for your clients, and you see some of that work slipping away, what are the steps you should take to cement your role as an integral financial team member for your clients?

"We know accountants want to deepen their relationships with clients, move away from interactions that are based on one-time events, like tax returns, and move to a relationship where they're interacting consistently and frequently with clients, offering important advice, not just about taxes, whether in their lives or their businesses," said Jim McGinnis, executive vice president and general manager at Wolters Kluwer Tax & Accounting US Mid/Large Firm Segment.

To help facilitate that transition, Wolters

DATE	TITLE	STATUS	VIEW
01/02/2018	2017 Tax Cuts and Jobs Act: Charitable Contribu...	Final	Clients (10) Letter
12/26/2017	Prepaid Real Property Taxes May Not Be Deductible	Final	Clients (12) Letter
12/21/2017	2017 Tax Cuts and Jobs Act: Individual Health Insur...	Final	Clients (1) Letter
12/21/2017	2017 Tax Cuts and Jobs Act: Limitation on Itemized...	Final	Clients (10) Letter
12/21/2017	2017 Tax Cuts and Jobs Act: Miscellaneous Remei...	Final	Clients (7) Letter
12/21/2017	2017 Tax Cuts and Jobs Act: Pass-Through Income...	Final	Clients (13) Letter
12/21/2017	2017 Tax Cuts and Jobs Act: Repeal of the Deductio...	Final	Clients (7) Letter

FIGURE 1: CCH Access iQ Event List

NAME	ID	CLIENT SINCE	RETURN TYPE	RETURN	PARTNER	SUBER	INDUSTRY	EMAIL
Dean, Inc		01/15/2015	1041 Federal	2017SDeanY1	Dean, John	Dean, Jane	Construction	admin@deaninc.com
FD, Inc		10/28/2016	1041 Federal	2017FDL302	Dean, John	Dean, Jane	Transportation	Admin@FDInc.com
Tridone, Charly		10/17/2015	1041 Federal	2017TridoneY1	Dean, John	Dean, Jane	Non-profit	tridone@tridone.net
ODE LLP		05/1/2013	1041 Federal	2017ODEL341	Dean, John	Dean, Jane	Construction	admin@odeit.org@usaa.com
Code, LLP		4/10/2017	1041 Federal	2017CodeY1	Dean, John	Dean, Jane	Construction	Admin@code.com
ACCURENS, LLP		6/12/2017	1041 Federal	2017ACCURENSY1	Dean, John	Dean, Jane	Technology	Admin@accurens.com
Plonchis, LLP		6/12/2017	1028 Corporation	2017PlonchY1	Dean, John	Dean, Jane	Technology	Admin@plonch.com
Smith, David		10/15/2016	1041 Individual	2017SmithY1	Dean, John	Dean, Jane		email@gmail.com
Walters, LLP		6/16/2013	1028 Corporation	2017WaltersY1	Dean, John	Dean, Jane	Agriculture	admin@waltersllp.org
Sale, Job		6/16/2017	1041 Individual	2017SaleY1	Dean, John	Dean, Jane	Construction	Admin@sale@gmail.com
Deal, LLP		11/11/2016	1028 Corporation	2017DealY1	Dean, John	Dean, Jane	Construction	Admin@dealcorp.org
Middleton, Minnie		6/12/2012	1041 Individual	2017MiddleY1	Dean, John	Dean, Jane		Admin@middle@gmail.com
Chance, LLP		6/25/2016	1028 Corporation	2017ChanceY1	Dean, John	Dean, Jane	Technology	Admin@chance.com
Smith, David		10/15/2016	1041 Individual	2017SmithY1	Dean, John	Dean, Jane		email@gmail.com
Walters, LLP		6/16/2013	1028 Corporation	2017WaltersY1	Dean, John	Dean, Jane	Technology	admin@waltersllp.org
Sale, Job		6/16/2017	1041 Individual	2017SaleY1	Dean, John	Dean, Jane		cche@sale@gmail.com
Deal, LLP		11/11/2016	1028 Corporation	2017DealY1	Dean, John	Dean, Jane	Agriculture	Admin@deal.com
Middleton, Minnie		6/12/2012	1041 Individual	2017MiddleY1	Dean, John	Dean, Jane		cche@middle@gmail.com
Chance, LLP		6/25/2016	1028 Corporation	2017ChanceY1	Dean, John	Dean, Jane	Agriculture	Admin@chance.com

FIGURE 2: CCH Access iQ Affected Clients List

FIGURE 3: CCH Access iQ Event Overview Page

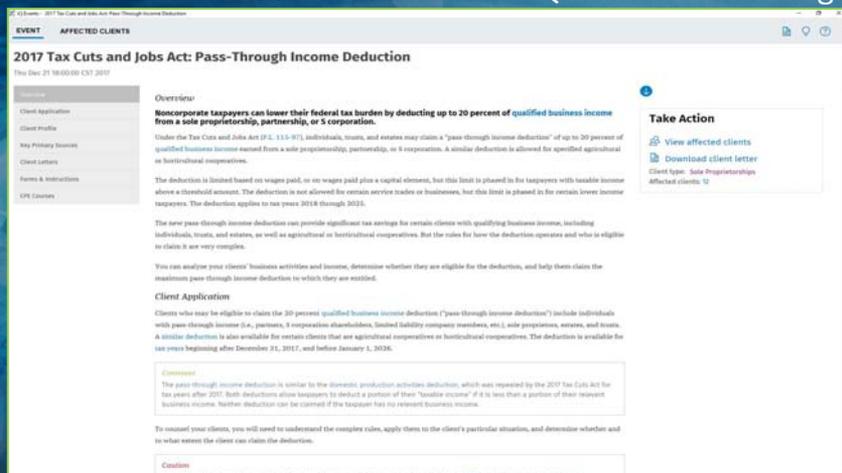


FIGURE 4: CCH Access iQ Client Communication Template



Kluwer has developed a new product called CCH Access iQ, described as a Predictive Intelligence tool. “We know about the trends,” said McGinnis. “People are moving from compliance to advisory services, moving up the value chain and creating more value for their customers. Our team has been working on bringing business intelligence to the platform – our first foray into this is CCH Access iQ.”

McGinnis explained that CCH Access iQ works with a series of complex queries crafted by AI and curated by CCH’s subject matter experts, analyzing tax events for relevance to various types of individuals and businesses, and then matching clients to these events. “It will surface an event for the accountant (figure 1) and then display those clients for whom the event is relevant (figure 2). For the first time, we’re taking knowledge and making it immediately useful. CCH Access iQ leverages information from CCH AnswerConnect, creates an event summary (figure 3) – a one-pager from which the accountant can learn about the event – and with a click of a button the accountants can see which clients are impacted. With a few more clicks, the accountant can reach out to those clients, utilizing communication templates provided (figure 4).”

The one-page digest is written in terms the client can understand. “Think of it as an executive summary, written from a point of view of usefulness for a layman or client, not a general article you might read in *The Wall Street Journal*, not a trade article burying you in tax law, but something that describes how a change might affect you, so that the accountant can pass the document along to a client.

“It couldn’t be more timely, because we are launching CCH Access iQ just as we’re heading into uncertainty about the new tax law,” McGinnis continued. “An example of the sort of event that CCH Access iQ would surface is clarifications by the government on pass-through income. The event will surface, relevant information will be presented, and any clients who are impacted by pass-through will be surfaced. You can click through and see their returns, along with the impact of the clarification.”

McGinnis cited other typical examples that would fit the CCH Access iQ program, such as disaster recovery changes or updates on California wildfires or Gulf area hurricane losses. “The system can search your client data and produce a list of clients that are likely to be impacted or have entities that might be impacted.” Another example could be changes in Roth IRA limits. When there’s a change, a list of clients who have contributed to Roth IRAs will be displayed.

“The mindset behind this program came from the realization that we need to be part of helping the accounting profession transform from compliance to advisory services. We looked to ourselves, and asked where do we have the expertise. We are a software company with deep domain expertise. Now we are providing a way to link that content expertise directly to the clients being impacted.

“This is work that the bigger firms have had full time staff doing, and smaller firms just haven’t had time to do,” said McGinnis. “The program is a good fit for firms of absolutely any size. It will provide the relevant information for all of your clients, whether there are thousands or tens of thousands. Pricing is based on a per client basis, so it is affordable for smaller firms and scalable for larger firms.” The product is available for anybody using the CCH Access platform. “Instead of sifting through news, data and client files, you can jump-start your business development and transform your client service. In turn, you can grow revenue... and serve your clients better. ■

FOR MORE INFO
ON CCH ACCESS iQ VISIT
<http://engagetax.wolterskluwer.com/CCHAccessiQ>

Lifesaving Time-Saver

A GOOD QUESTION to ask yourself is ‘Do I have a valid employee travel and expense policy?’ A better question to ask is ‘Does anyone follow my employee travel and expense policy?’

Employee travel and expense is ripe for abuse; accidental or intentional. Even when a business sets travel and expense policy, once an employee is on the road, it can be very easy to randomly make purchases without considering that same policy. Of course, creating the expenses is only part of the problem. Once an employee returns from traveling, the reconciliation process begins, as accounting personnel are tasked with making sense of piles of receipts, a vague description of expenses, and having to pay for over-priced hotel rooms, overpay for late airline bookings, and reimburse employees for carelessly created mileage reports. Then after finally reconciling the report, the process starts all over again.

Maybe it's time to start using expense and travel management software. Truly a life-saver in larger businesses, even the small business owner can benefit from using expense and travel management software.

If you're tired of fruitless searches for missing receipts, over-paying for hotels or flights, or patiently waiting for completed reports to materialize weeks or months after the travel date, it really is time to get some help. In case you're still not sure, here are a few more reasons to implement this time-saving software:

- Complete receipt management. Never look for or wait for a receipt again. Most of the applications available offer receipt capture capability that can be utilized from any smart phone or tablet device, with the ability to label the receipt at the same time
- Automatic bank feeds make reconcili-

ation a breeze, helping to ensure that all expenses incurred are completely accounted for on an expense report.

- Who remembers to note their starting and ending mileage? With many of the travel and expense products available, employees can automatically track their mileage with ease.
 - Currency conversion can be confusing for anyone. Many of the expense management products available today track expenses in multiple currencies by automatically applying the current conversion rate when expenses are entered.
 - Spending controls. While most businesses have spending guidelines, there may not be a process in place to ensure that these guidelines are followed. By creating spending rules within the software, those traveling will be able to easily follow the rules.
 - Is that trip worth the time and expense? With the various reporting options available, business owners and managers will be able to see exactly what they're spending their money on, and the ROI to go along with that expense.
 - Do your employees complain that it takes forever to get reimbursed after a business trip? Are they correct? Same day report approvals means that employees are reimbursed quickly, with funds deposited directly into their bank account.
- In this issue, we looked at 14 different categories that we felt potential users should look for when looking at Travel and Expense Management software. We also included a handy chart that displays which of these features are included in each product reviewed. The categories we looked



at include Complete Mobile Accessibility, Receipt Capturing and Uploading Capability, Multiple Product Access Levels, Multi-Currency Capability, Mileage and Time Tracking, Automated Credit Card Feed, Approval Process, Auto-Reimbursement, Spending Controls, Automated Expense Report Creation, Reporting Options, Integration with Accounting Systems, Help and Support, and Free Trial available.

While there are some similarities, the products vary widely in price and functionality. Many of the products were designed for very small businesses while others were well suited for the more complex needs of the larger operation that needed complete travel and expense management. A few of the products even integrated with popular accounting applications, eliminating the need to enter expenses twice.

The products reviewed include:

- Certify
- Chrome River
- Concur
- ExpensAble
- Expensify
- SpringAhead
- SutiExpense
- Tallie
- Xpenditure
- Zoho Expense

Apps reviewed include the following:

- MileIQ
- NEAT
- Receipt Bank
- Shoeboxed

So where do you start? First, determine exactly what issue you want to address. If most of your staff travels by vehicle, mileage tracking capability is must. If missing receipts are the bane of your existence, make sure that your employees can snap a photo of their receipts and upload them immediately. If reports get bogged down during the approval process, automating the approval process can speed the process up considerably. Decide what is best for your business, visit the vendor's website and download a trial of the product if available. Doing so will provide a degree of certainty if and when you choose to purchase the product.

If you and your staff are ready to process employee travel and expense reports quickly and easily without the ensuing drama, Employee Travel and Expense software is for you. ■

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

EXPENSE MANAGEMENT: REVIEW

PROGRAMS

PROGRAMS	ONLINE/MOBILE ACCESSIBILITY	RECEIPT CAPTURING & UPLOADING	MULTIPLE PRODUCT ACCESS LEVELS	MULTI-CURRENCY	TRACKS MILEAGE & TIME	TRAVEL MANAGEMENT	AUTOMATED CREDIT CARD FEED	MULTI-LEVEL APPROVAL PROCESS	AUTO-REIMBURSEMENT	SPENDING CONTROLS	AUTOMATED EXPENSE REPORT CREATION	USAGE REPORTING	INTEGRATION WITH OTHER APPLICATIONS	GOOD HELP & SUPPORT OPTIONS	FREE TRIAL
CERTIFY	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
CHROME RIVER	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
CONCUR	X	X	X	X	X	X	X	X		X	X	X	X	X	X
EXPENSABLE	X	X	X	X	X	X	X	X	X			X	X	X	X
EXPENSIFY	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
SPRINGAHEAD	X		X	X	X		X	X		X		X	X	X	
SUTIEXPENSE	X	X	X	X		X	X	X		X	X	X	X	X	X
TALLIE	X	X	X	X	X		X	X		X	X	X	X	X	X
XPENDITURE	X	X	X	X	X		X	X		X	X	X*	X	X	X
ZOHO EXPENSE	X	X	X	X	X		X	X		X		X	X	X	X

APPS

MILEIQ	X				X									X	X
NEAT	X	X											X	X	X
RECEIPT BANK	X	X	X					X			X		X	X	X
SHOEBOXED	X	X		X	X						X		X	X	X

*Users can upload receipts but only as an image

**Limited

Certify Travel & Expense Management

www.certify.com

Certify is a travel and expense management system well suited for businesses of any size. Certify is scalable, offering three product levels, and a variety of user-friendly features designed to easily track and manage expenses and their related receipts. All Certify plans offer seamless integra-

tion with QuickBooks and QuickBooks Online, and the Professional plan offers integration with a variety of other applications as well.

Certify Now!, which is designed for 1-25 users, runs \$8.00 per user, per month. The Professional Plan is for 25-200 employees and is billed monthly as a service fee. The Enterprise Plan

is for businesses with more than 200 employees and has an annual fixed cost, which is available upon request from Certify. A free trial of Certify Now! is also available to download from the Certify website. There are also a variety of add-on products available, including Certify Travel, Certify Invoice, and Certify ACH Pay-

 **5** 2018 OVERALL RATING

ments, with all add-on products billed separately.

Read the full review for this product online at:
www.CPAPracticeAdvisor.com/12413238

Chrome River EXPENSE

www.chromeriver.com

Chrome River EXPENSE is a mobile web application that is designed for mid-sized to larger corporations and global entities that need to manage travel and expenses. Chrome River also offers Invoice, Audit and Analytics applications for complete expense

management.

Completely customizable, corporate business rules are built into the application, including expense policies and approval routing processes. Organizational compliance rules can also be set up and maintained, with the ability to set custom rules according to

expense type, employee, or location.

Chrome River EXPENSE offers automated travel and expense management at its finest. Though system setup requires considerable time, for those with hundreds or thousands of employees traveling the world at any given time, the product would be

 **5** 2018 OVERALL RATING

hard to beat. Chrome River pricing is available directly from Chrome River.

Read the full review for this product online at:
www.CPAPracticeAdvisor.com/12413232

Concur Expense

www.concur.com

Concur Expense from SAP Concur is suited for small, mid-size and large businesses that wish to better manage employee travel and employee-based spend management. Along with Concur Expense, the company also offers

Concur Travel and Concur Invoice, which integrate seamlessly with each other.

Concur offers two versions: One for businesses with fewer than 1,000 employees, and one for businesses with more than 1,000. The average price of

the Standard Edition is billed at \$8.00 per user, per month with Concur Expense, Concur Travel and Concur Invoice pricing available upon request. Concur Expense, Concur Travel, and Concur Invoice can be bundled together if desired.

 **5** 2018 OVERALL RATING

Read the full review for this product online at:
www.CPAPracticeAdvisor.com/12413234

REVIEW: EXPENSE MANAGEMENT

ExpensAble - Insperity

www.expensable.com

ExpensAble Expense Management is a good fit for small to mid-sized businesses that wish to track and manage employee travel and expenses. ExpensAble is available in two editions;

Express, for businesses with fewer than 20 expense filers, and Corporate, which is for businesses with more than 20 expense filers.

Users can try the Express Edition for free for 45 days. The product

costs \$5.00 per user, per month. For those who need more features and functionality, the Corporate Edition is available, with users able to request pricing directly from the vendor.

 **4.75** 2018 OVERALL RATING
Read the full review for this product online at: www.CPAPracticeAdvisor.com/12413228

Expensify

Use.expensify.com

Expensify is a scalable expense management application that is well suited for businesses of any size. Expensify offers three editions including an individual edition ideal for freelancers. Both the Team and Corporate editions

offer solid integration with a variety of third-party software applications and mobile apps.

Individual is free, Team is \$5.00 per active user, and Corporate is \$9.00 per user. Both the Team and Corporate editions offer unlimited SmartScans and

direct integration with QuickBooks and Xero, with the Corporate edition also integrating with NetSuite, Sage Intacct, Microsoft Dynamics, and other applications. Users can also sign up for a free trial on the Expensify website.

 **4.75** 2018 OVERALL RATING
Read the full review for this product online at: www.CPAPracticeAdvisor.com/12413237

SpringAhead Expense Management

www.springahead.com

SpringAhead is a time and expense tracking product that also offers expense report creation. SpringAhead is best suited for mid-sized businesses

that need to track time and expenses for a number of employees.

SpringAhead fits mid-sized businesses that need to manage timesheets and track employee time, with the

application offering good expense report processing as well. SpringAhead is currently priced at \$50.00 per month for the first 10 licenses, with each additional license costing \$5.00 each.

 **4.25** 2018 OVERALL RATING
Read the full review for this product online at: www.CPAPracticeAdvisor.com/12413230

SutiExpense

www.sutisoft.com

SutiExpense from SutiSoft is an online travel and expense management software that tracks corporate travel and expenses. Designed for businesses of all sizes, SutiExpense also offers a

mobile app that works with smartphones and tablets.

SutiExpense is scalable, offering three versions: Professional is \$6.50 per user per month, with basic expense functions. The Premium and Enterprise

editions offer more complex features such as travel booking integration and corporate card link capability. Pricing for both the Premium and Enterprise editions is available upon request from SutiExpense. A free demo is available.

 **4.75** 2018 OVERALL RATING
Read the full review for this product online at: www.CPAPracticeAdvisor.com/12413235

Tallie Expense Report Software

www.tallie.com

Tallie is an online expense report application well suited for businesses of any size. Available in two versions, Tallie can be used from any platform on just about any device, including desktops and laptop computers as well as iOS

and Android smart phones and tablets.

Tallie's Business Plan, which runs \$9.00 per active user per month with a \$50.00 billing minimum and includes an unlimited number of system users, iOS and Android Apps, direct integration with popular third-party

applications, and automatic credit card feeds. The Enterprise Plan is designed for larger organizations and offers fixed fee pricing billed on a yearly contract, with pricing available from Tallie. A 14-day trial is also offered, with all features available during the trial.

 **5** 2018 OVERALL RATING
Read the full review for this product online at: www.CPAPracticeAdvisor.com/12413227

Xpenditure

www.xpenditure.com

Xpenditure is expense software designed for businesses of all sizes. Completely online, Xpenditure also offers the convenience of a newly updated mobile app for both iOS and

Android smartphones and tablets.

Xpenditure offers an easily navigated, scalable application that is well suited for businesses of any size. Xpenditure is available in three pricing levels; Single, which is \$4.27 per

user/per month, Team, which is \$5.83 per user/per month, and Enterprise, with pricing available upon request. Xpenditure also offers a free trial for users to try out prior to purchasing.

 **4.75** 2018 OVERALL RATING
Read the full review for this product online at: www.CPAPracticeAdvisor.com/12413233

EXPENSE MANAGEMENT: REVIEW

Zoho Expense

www.zoho.com

Zoho Expense is part of Zoho One, a comprehensive suite of applications designed for the small to mid-sized business. Part of the Finance Suite, Zoho Expense offers two product plans;

the Free Plan, for up to three users, and the Standard Plan, which offers more storage space.

Zoho Expense is best suited for small to mid-sized businesses. The product is available in two editions: A

Free Plan which includes up to three users and 5GB of storage space, and a Standard Plan that includes up to ten users, unlimited storage, and auto scan. The Standard plan costs \$15.00 per month. Those interested in Zoho

★ **4.5** 2018
OVERALL
RATING

can download the free plan or a demo of the Standard plan.

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12413229](http://www.CPAPracticeAdvisor.com/12413229)

APPS

MileIQ App

www.mileIQ.com

MileIQ is well suited for organizations that need to track mileage for numerous employees, though it also is a good solution for freelancers who need to track travel mileage for tax purposes.

Mile IQ currently offers three plans: Ahe Basic Plan, which is free and includes up to 40 drives per month; the Premium Plan, which is \$5.99 per month, or \$4.99 per month, billed annually; and the Team Plan, for

companies that employ professional drivers. Pricing for the Team Plan is available upon request. Businesses with an active subscription to Microsoft Office 365 can get the Premium Plan at no cost.

★ **4.75** 2018
OVERALL
RATING

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12413241](http://www.CPAPracticeAdvisor.com/12413241)

NEAT

www.neat.com

NEAT offers excellent document and receipt management, with the system accessible via desktop, online, or mobile access. Users can easily scan documents directly into NEAT using the desktop utility, with users able to

scan receipts, invoices, business cards, and any other business document. The NEAT mobile app also allows users to easily snap a photo of a receipt or document for easy uploading.

NEAT is available in three editions: Lite, which is \$79.99, and is designed

for a single user; Premium, which is \$119.99 and supports two users; and Business, which is \$249.99 and supports up to five system users with all plans billed annually. NEAT also offers a free 30-day trial, so users can try out the system prior to purchasing.

★ **4.5** 2018
OVERALL
RATING

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12413244](http://www.CPAPracticeAdvisor.com/12413244)

Receipt Bank

www.receiptbank.com

Receipt Bank is an automated book-keeping application designed for small to mid-sized businesses. Receipt Bank also offers a comprehensive accountant and bookkeeper program

that simplifies the sharing of information including invoices and receipts between offices.

Receipt Bank pricing for a multi-user system that processes up to 50 items per month would run \$25.00 per

month, while 150 items processed per month would run \$55.00 per month. An accountants program is also available that is priced separately. Those interested can visit the Receipt Bank website to download a free trial.

★ **5** 2018
OVERALL
RATING

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12413245](http://www.CPAPracticeAdvisor.com/12413245)

Shoeboxed

Shoeboxed.com

Shoeboxed offers receipt management for smaller businesses that don't have the time or resources to process multiple receipts. Designed to organize receipts and business cards, Shoeboxed can also create employee

expense reports as well,

Shoeboxed offers three plans which include Lite, at \$15.00 per month, which can manage up to 50 documents and supports one user, the Classic plan, which is \$39.00 a month and handles up to 150 documents a month and

supports two system users, and the Business plan is \$69.00 per month, can handle 500 documents per month and supports up to three system users. Both the Classic and Business plans also include integration with QuickBooks. Users can also visit the

★ **5** 2018
OVERALL
RATING

Shoeboxed website to access a trial of any of the plans.

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12413239](http://www.CPAPracticeAdvisor.com/12413239)

Read the full Expense Management reviews at: www.CPAPracticeAdvisor.com/12413226



PAUL McDONALD
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MENTORSHIP PROGRAMS: *How to Make Them Work for Your Firm*

MENTORSHIPS ARE A proven employee development tool, and CFOs' responses to a recent Robert Half Management Resources survey suggest they've received the message. Of those interviewed, 62 percent said they have served as a formal or informal mentor at some point in their career. Often seen as only a transfer of knowledge from experienced workers to new recruits, mentoring is, in fact, an asset to every party involved.

BENEFITS FOR MENTEES

Even though your recent graduates have just spent the last several years preparing for their first job, there's still so much more they need to know. It can be jarring to go straight from school to the fast pace of a public accounting firm. Senior staff can serve as their trusted guide, career counselor and sounding board. Mentors help ease newer employees into the corporate culture and navigate office politics by allowing them to ask questions and explore options in a safe-to-risk setting.

Don't limit the opportunity to learn from a mentor to entry- and staff-level team members, though; everyone benefits from a mentor. Find senior-level colleagues to counsel managers and executives. Also consider reverse mentorships for higher-level employees, who can learn from less-experienced individuals about areas such as what motivates different groups of staff, new technology and diverse approaches to work.

BENEFITS FOR MENTORS

Productive mentorships are a two-way street. CFOs surveyed who have mentored someone said the greatest advantages they received from the arrangement were improved leadership skills and the satisfaction of helping others. Additional rewards cited were a larger professional

network and another way to stay on top of industry trends. Only 1 percent of respondents felt they gained nothing positive from the relationship. Whatever the ages or experience levels, serving as a mentor is a great way to be exposed to new ideas, different viewpoints, and new technologies and tools.

Only 1 percent of respondents felt they gained nothing positive from the relationship.

BENEFITS FOR ACCOUNTING FIRMS

The advantages of mentoring accrue to more than two people. It's also an excellent way to attract, develop and hold on to top accountants and auditors. New hires who encounter a colleague with an interest in their professional success are more likely to stay committed to your firm.

SETTING UP A MENTORING PROGRAM

Eighty-six percent of CFOs in a separate Robert Half survey said they believe having a mentor is

important for career development. But despite all the positives, only 26 percent of workers surveyed reported having an advisor. If mentoring isn't currently among your firm's priorities, it's time to reconsider.

Keep these tips in mind when launching a mentoring program:

■ **Know what it is and isn't.** For the program to succeed, it needs to become an integral part of the corporate culture rather than just a prolonged period of orientation. In addition, a mentor does not serve as the person's boss. Rather, the duo meets occasionally to explore big-picture topics like career development.

■ **Have a time limit.** Employees are more likely to sign up if they know it's a finite relationship rather than a permanent commitment. An end date also helps keep meetings focused and productive.

■ **Make it official.** Get buy-in from management, including senior partners. Put someone in charge to organize efforts and maintain momentum. Promote the mentoring program during recruitment, and then match new hires with tenured employees during the onboarding process. Revisit it during performance reviews.

■ **Keep it voluntary.** Don't force employees to participate. On the other hand, do emphasize the program's many benefits, and encourage employees to opt in.

■ **Serve as matchmaker.** Have interested participants complete a questionnaire about communication styles, career objectives and what they hope to get out of the program. Positive mentorship pairs often share common interests, attributes and aspirations.

■ **Meet consistently.** Each pair should plan regular meetings so the relationship doesn't wither from benign neglect. But let the two decide how often to get together and how they meet, from monthly Skype sessions to quarterly lunch outings.

■ **Encourage goal setting.** Clear objectives give the relationship extra purpose. Mentees will know what to work toward, and mentors can then offer feedback on performance and recognition for good work.

■ **Request feedback. At regular intervals, survey participants on what's working and what's not.** Use constructive criticism to improve the experience, and take advantage of positive testimonials to recruit future participants. If necessary, adjust the program and pairings based on what you hear.

A successful mentoring program requires the employer and its staff to invest time and resources. But the end results are well worth the effort. ■

DRY DOCKING:

A Ship-Owner's Accounting Dilemma *By Sameh A. Rassoul, CPA, CGMA*

Dry Docking is an essential process for all shipping companies that own ships, regardless of the type of a ship (marine vessel, cargo vessel, container ship or passenger ship) each ship should be operated through a set of regulations or otherwise operating the ship will be prohibited.

These regulations are set by the IMO (International Maritime Organization) and the U.S. Coast Guard primarily to emphasize safety prospects for ships, crew and environment ... so complying with those regulations is mandatory by all ship-owners. The ship (an expensive asset) is sometimes called "her majesty" among correspondences in the shipping field.

Among those regulations there is the Class of Registry requirement, which requires ship-owners to register a ship in a class which is approved by the regulatory agencies mentioned above to carry out the supervision and ensure the commitment of ship-owners to follow a set of standards which are definitely designed to achieve a certain secured level of safety operations. Those Classes of Registry require (among other requirements) regular dry-docking processes.

Each ship working in service has to comply with a regular maintenance process called "Dry-Docking," a regular, periodic overhauling process founded primarily because of the very special nature of ships' environment which is under water operations. Dry-docking can cost hundreds of thousands U.S. dollars (sometimes millions) to maintain the ship in the standardized working condition.

Dry-docking is a term used for repairs when a ship is taken to the service shipyard in the (dry dock). The ship is removed from the water to enable maintenance and inspection work to be performed on the exterior

part of the ship that stays below the waterline. Usually, dry-docking is done at periodic intervals (generally 3 or 5 years), and there are regulations as mentioned above that mandate inspections of the ship's bottom to be carried out at regular intervals to ensure safety of the vessels.

Types of repairs vary widely according to many circumstances such as the operating environment and water reaction with the hull of a ship because of salt water reactions with steel, the hull thickness, the humidity and temperature effects on various parts of the ship, from the hull to the main engine, passing by the accommodations of the crew.

Accordingly, we can account for a dry-docking process as a complete unlimited major overhauling process for a ship that definitely affects a ship's useful life includes but not limited to spare parts purchasing, anchors, tanks or hull replacement (steel replacement scale depends on various environmental & operational conditions), main engine & auxiliary engines overhauling, main deck overhauling, crank shaft, compressors, turbines, cylinder liner, electric devices, pumps and even life boats, rafts and safety gear.

WHAT ABOUT THE ACCOUNTING TREATMENT FOR THE DRY-DOCKING PROCESS?

The accounting treatment for the dry-docking process has been debated for a long time perhaps because of the complications associated with the nature of the process. The debate mainly revolved around whether to capitalize the dry-docking costs or to directly expense them during the accounting period in which they occurred?

Continued online at
www.CPAPracticeAdvisor.com/12412235

THIS MONTH'S TOP SMALL BUSINESS SOCIAL MEDIA POSTS

- 5 TV Shows to Teach Kids About Business. **AICPA Insights.** <https://bit.ly/2xBHlzp>
- Business ID Theft is On the Rise: How to Help Your Clients. **Firm of the Future.** <https://bit.ly/2L8NBps>
- How Small Businesses Can Survive Sales Cycles. **MarksNelson Blog.** <https://bit.ly/2kzjUmd>
- Building a Network When Part of a Family Business. **Harvard Business Review.** <https://bit.ly/2H3evDe>
- 4 Ways to Build a Movement (Not just a Brand). **Forbes.** <https://bit.ly/2H3PbGL>

LATEST SMALL BUSINESS NEWS

5 Retirement Tips for Small Business Owners.

Preparing financially for retirement can be complicated for anyone, but for small business owners the process often poses even more challenges. www.cpapracticeadvisor.com/12414181

Businesses Take Lead on Addressing Climate Change.

The private sector is advancing the cause to manage resources for cleaner, more resilient, secure and affordable energy supplies. www.cpapracticeadvisor.com/12413167

Small Businesses Conflicted Over Risks and Insurance.

Nearly a third of SMBs are putting their future at risk by having no forms of insurance whatsoever, nor do they have a solid contingency plan in place to mitigate risk. www.cpapracticeadvisor.com/12413166

As Business Revenues Grow, Hiring Becomes a Challenge.

Small business owners are overwhelmingly optimistic about the financial outlook of their businesses and the national econ-

omy, but many are facing challenges with hiring. www.cpapracticeadvisor.com/12413164

Trade War Threat Doesn't Worry Most SMB Owners.

Despite uncertainty over a future trade war, most advisors surveyed said tariffs will not impact the sale of business for both buyers (56 percent) and sellers (60 percent). www.cpapracticeadvisor.com/12413162



AMY VETTER, CPA, CITP, CGMA
Global Vice President, Education &
Head of Accounting, USA, Xero
@AmyVetterCPA

How Women Can **CLOSE THE CONFIDENCE GAP** to Get Ahead



ALTHOUGH EQUAL PAY Day was on April 10, we're still a ways from a world where professionals are paid the same regardless of their gender. A recent study from Pew Research found that, in 2017, women were paid 82 percent of what their male counterparts received. To make up this difference, women would need to work 47 extra days per year. And the gap is larger for women of color.

In addition to the obvious economic disparity this pattern creates, it also has psychological effects on women across all professions. A Women in the Workplace report conducted by Lean In and McKinsey & Company notes that, "women are less optimistic they can reach the top." When you look at the numbers in the report, it's not hard to see how the gender pay gap runs parallel with what might be called a "confidence gap."

Despite this gap, self-confidence can be coached, trained, and harnessed. It's a learned behavior, not an entirely innate one. Mindfulness, along with new technology like biofeedback — the electronic monitoring of body functions — can help women close the confidence gap.

THE CONFIDENCE GAP IS REAL

A study in the *Journal of Personality and Social Psychology*, led by

Dr. Wiebke Bleidorn, investigated the difference in self-esteem and confidence across genders and found that women tend to lack in these qualities compared to men. While the study didn't delve into reasons for this gap, Dr. Bleidorn was willing to offer a hypothesis as to why it exists. "I can speculate that in Western societies, women are more likely to compare themselves to men," she states. "Men tend to have higher-status positions

and higher salaries, for example, so the comparison is less favorable to women."

We find, even in the accounting profession, that more men tend to be in leadership positions. This observation can cause women in firms to lack confidence in their ability to reach the same level. Women, especially those who have felt they have reached what they believe to be the "glass ceiling" at their firm, end up losing confidence in their ability to ascend to a higher role. It's easy to see how this pattern can create a vicious cycle, but luckily there's a way for women (or anybody feeling disenfranchised) to break out of it.

TRAINING FOR CONFIDENCE

We've all heard the phrase "fake it 'til you make it" or "mind over matter." It might be a cliché, but there's some truth to it when it comes to developing a sense of confidence in professional environments, and when it comes to critical times in your career. If confidence doesn't come naturally to you, you have to hit the confidence switch consciously. How can you do that? You do this with a lot of practice and not worrying if you hear the "no's" along the way.

Our bodies can undergo measurable physiological changes based on our state of mind. That is why there is a field of study known as



biofeedback wherein scientists can track these changes. Biofeedback therapy has been used to transform those neurological processes that were once automatic to become voluntary instead.

Biofeedback therapy isn't yet affordable and accessible to everyone, but you don't need to use high-tech machines to learn from biofeedback principles. You can glean a great deal about how your physical state and mood are interconnected if you pay closer attention to it and respond accordingly.

The next time you acknowledge the feeling of confidence — on those days where everything feels like it is going right — pay attention to how you feel physically and emotionally. Note your heart rate,

breathing patterns, and any other markers you are able to identify. Then, when you're feeling less-than-confident (maybe you're about to give a presentation, or attend an important networking event), try to take yourself back and replicate the physical characteristics of your most confident and authentic self. You'll find that putting your body into a state of confidence will produce a similar feeling in your mind. You might say that creating an experience of "mind over matter" or being more mindful of your surrounding and how you are feeling can benefit you at the most critical points in your day or week. Alternately, you can think of this as reverse-engineering confidence when you need to.

Closing the gender pay gap won't happen overnight, but it's a battle that benefits everyone in the workplace, not just women.

HOW I'VE USED MINDFULNESS TECHNIQUES, AND HOW YOU CAN TOO

When I get nervous or feel a sense of anticipation coming on before a meeting or presentation, I try to center myself with a few deep breaths and audible exhales. Another tactic I use can be to simply close my eyes and sit silently for a few minutes, monitoring the flow of my breath. All of these, and many more practices, can help settle your nerves and allow you to approach an uncomfortable situation with confidence.

You should use any mindfulness techniques that allow you to decrease your heart rate and lower stress levels when you need it most so you don't hold yourself back from something you want. You don't need reams of data, after all, to know when you're feeling up and when you're feeling down. Maybe one day, we'll all have the option to experience biofeedback therapy and understand the precise physiological markers of our moods. Until then, we'll have to rely on old-school methods of listening to our bodies and putting ourselves in a confident mindset.

Closing the gender pay gap won't happen overnight, but it's a battle that benefits everyone in the workplace, not just women. We often look outside ourselves for others to fix it, but with practice and consistency of pushing ourselves to approach career opportunities in a different way, we may be able to break that glass ceiling after all. ■

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MOST POWERFUL WOMEN IN ACCOUNTING | 2018

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By Isaac M. O'Bannon, Managing Editor

THIS ISN'T YOUR grandfather's accounting profession, but it may be someone's mother's (or grandmother's) profession.

Women accounting professionals have long passed parity with their male peers in terms of those attaining degrees in the field, and are increasingly breaking the top ranks at firms of all sizes - from CEO-leadership at Big 4 firms Deloitte and KPMG, and partnership levels at national, regional and small firms. This leadership, coupled with rapidly advancing technologies, is resulting in a dramatic transformation of the profession that is more agile and better serves the thriving U.S. business market.

The **Most Powerful Women in Accounting** awards honor women who are having an outstanding impact on the accounting profession as a whole and in particular, on the lives of small practitioners. This year, the AICPA partnered with *CPA Practice Advisor* to select and present the awards, recognizing recipients for their remarkable contributions to the profession. These professionals are directly engaged in day-to-day client service as a partner or senior member of an accounting practice, or impact the profession through their roles in

consulting, technology, organizational leadership, government, education or other fields.

CPA Practice Advisor has hosted the awards program since its founding in 2012. Nominations were open to the public and the final selection of this year's recipients was made by an independent 13-person panel of judges. The awards were announced and presented during a special ceremony on June 13 at the AICPA ENGAGE Conference at the MGM Grand Hotel & Casino in Las Vegas.

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Accelerated QuickBooks Payroll Options for Employees and Contractors

AS THE PACE of business accelerates, Intuit continues to empower small businesses to keep up. The QuickBooks Payroll team knows that for many small businesses, getting workers paid quickly and accurately is a huge pain point. Accordingly, two new QuickBooks Payroll offerings will enable small businesses to compete better for talent in the burgeoning gig economy, as well as pay existing employees and contractors more efficiently.

The days of Net 30 terms are quickly fading into the past, precipitated by instant transfer services such as Venmo, along with technology start-ups such as Uber that enable their contractors to transfer earnings into their bank account up to five times per day. This ever-shrinking window between services rendered and payment can make small businesses feel behind the curve. Olivier Bartholot, director of product management, QuickBooks Payroll, explained that Intuit is unveiling enhanced offerings to complement its existing payroll service solutions and “give small businesses a smarter way to do business—expediting and simplifying the payroll process.”

The new enhancements improve on Intuit’s popular existing payroll solutions, QuickBooks Online Payroll and QuickBooks Full Service Payroll, and are:

■ **Contractor Direct Deposit:** This feature enables businesses of all sizes to pay independent contractors (1099 individuals) as easily as in-house employees (W2 workers). Direct deposit eliminates the need to pay contractors by cash or check. The days of checks getting lost in the mail or having coffee spilled on them fade into the past as well. Bartholot observes that, “Some businesses can hang onto their money nearly 5-7 days longer when they pay their independent contractors via direct deposit inside QuickBooks Payroll.” This leeway is crucial for businesses that periodically white-knuckle their way through collecting funds from customers while seeking abeyance from paying contractors. Direct deposits made through Contractor Direct

Deposit are posted to recipient’s bank accounts with 24 hours. Contractor Direct Deposit is available to both QuickBooks Online Payroll and QuickBooks Full Service Payroll customers.

■ **Same Day Direct Deposit:** Additional payment options are always a boon, especially for small businesses that have ever missed a traditional direct deposit deadline. The repetitive nature of these deadlines makes it difficult to always set aside enough time to schedule your payment. QuickBooks Full Service Payroll users can now initiate same day direct deposit transactions for employees. If direct deposits are approved by 7 a.m. PT, then employees receive their funds the same day. This ability can bolster employee confidence, especially at bonus time. Imagine a small business meeting with an employee to inform them of their bonus, and then telling them that the funds will be in their bank account at the end of the business day!

Both of these new services empower accountants and bookkeepers, who likely have been asked to jump through hoops to help business owners recover from missing a critical payroll deadline, or who serve independent contractors whose payments records are a mess of cash, check and other digital transactions. Unlike checks and cash payments, which can be transacted outside of QuickBooks, direct deposit requires that transactions be logged within QuickBooks, which then means that financial, payroll, and income tax reporting is all more accurate. Bank reconciliations are streamlined since no one has to chase down handwritten

checks or cash withdrawals that didn’t make their way into QuickBooks.

Further, Bartholot reports that since November 2017, “101,000 businesses [using 24-hour Direct Deposit] have been able to hold onto over \$2.3 billion in funds, granting QuickBooks users more flexibility with their money.” This means that small businesses who often had to worry about paying their employees on time or find ways to make payroll, had an extra five to seven days to track down a vendor payment or sale to clear in their bank before processing their payroll hours.

Additionally, Contractor Direct Deposit will help improve the confidence between contractors and small businesses. Independent contractors will welcome the certainty that their funds are posted directly to their bank account, rather than needing to follow up with business owners about payment. This eliminates paperwork for contractors, streamlines their bank reconciliations, and frees up time previously taken by depositing traditional paper checks.

Currently, it’s estimated that 30 percent of small businesses in the United States pay independent contractors annually, and this trend is only likely to increase as the gig economy grows. The gig economy tends to be rife with turnover, but small steps, such as direct deposit, can help small businesses retain talent and minimize turnover. Bartholot’s expectation is that “independent workers now will be paid by small businesses quickly, efficiently, and accurately—all while maintaining organized records to make tax compliance a breeze.”

To learn more about these online payroll enhancements, read the full announcement at <https://bit.ly/2sJdKUg>.

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Each month we explore the advantages and intricacies of developing and growing a niche practice.

This month we're examining what it takes to serve artists and musicians.

RESOURCES FOR SERVING ARTISTS & MUSICIANS

- Taxes 101: What Self-Employed Musicians Need to Know: <https://bit.ly/2HGhUSe>
- Top 10 Accounting Tips for Artists: <https://bit.ly/2MkqatK>
- How to Inventory an Art Studio: <https://bit.ly/2JuU0yL>
- How to Make a Business Plan for Artists: <https://bit.ly/2HHdPgy>
- Simple Bookkeeping for Creatives: <https://bit.ly/2JASsu9>
- Tax Deductions for Performing Artists: <https://bit.ly/2JELDws>

Building Your Niche Practice is sponsored by Intuit QuickBooks.



Getting Artists to Buy-In to Your Accounting Firm's Services

By Becky Livingston

MARKETING YOUR FIRM'S accounting services to an artist may feel like an up-hill challenge, but a challenge, none-the-less, that can be conquered. Helping artists perceive the connection between their art and financial planning to help them be successful, is the key.

With potential big highs and deep lows in their income stream, it's important for accounting firms to focus on the pain points artists feel and provide them with information they can use and easily understand. Take away the stigma that numbers are not what artists "do."

HYPOTHETICAL CASE STUDY

Amy is an actress who performs part time at her local theater. It's her dream, but it doesn't pay the bills. So, she waitresses to keep a constant

stream of cash on hand to help her get to and from her dream job.

One day, her mid-morning replacement doesn't show up. She's in a bind because her boss won't let her leave a room full of diners. When she is able to leave, she has enough cash on hand to put gas in her car and get to the theater before the opening curtain call.

As her day winds down, she thinks about all the money challenges she has in her life and hopes there are some remedies.

Enter from stage left, an associ-

ate from your firm, Ed, who tells her about the tax benefits she can claim when she's looking for work, including pictures, resume writing, transportation, and other costs. He also mentions how she can create a monthly budget to know where her money is going and how, by saving just a little each month, she can get ahead. He suggests that she get a free consultation at your firm for more insight.

The moral of the story is to consider the pain points unique for artists and to identify specific ways you can help them to overcome it, in areas such as:

- Budgeting
- Financial Planning
- Taxes

The 20% Pass-Through Deduction for Musicians

By Scott Stratton, CFP®, CFA

AS A TAX professional, you surely know about the new 20% tax deduction for "Pass Through" entities under the Tax Cuts and Jobs Act (TCJA). If you have musician and other performing art clients, you may have wondered if (and how) they qualify. For those who are self-employed (1099, not W-2), here are five frequently asked questions you should be prepared for your clients to ask:

1. Do I have to form a corporation in order to qualify for this benefit? No. The good news is that musicians and artists simply need to have Schedule C income, whether they are a sole proprietor (including 1099 independent contractor), or an LLC, Partnership, or S-Corporation.

2. How does it work? If the musician or artist reports earnings on Schedule C, their Qualified Business Income (QBI) may be eligible for this deduction of 20%, meaning that only 80% of their net income will be taxable. Only business income – and not investment income – will qualify for the deduction. Although we call this a deduction, please note that the taxpayer does not have to "itemize."

Instead, the QBI deduction is a new type of below-the-line deduction to taxable income. The deduction starts in the 2018 tax year; 2017 is under the old rules.

There are some restrictions on the deduction. For example, the deduction is limited to 20% of QBI or 20% of the taxpayer's household's taxable ordinary income (i.e. after standard/itemized deductions and excluding capital gains), whichever is less. If 100% of their taxable income was considered QBI, the deduction might be for less than 20% of QBI. If they are the owner of an S-corp, they will be expected to pay themselves an appropriate salary, and that income will not be eligible for the QBI. If they have



- Expenses
- Grants
- Royalties
- Intellectual Property
- Retirement Planning

MARKETING TIPS FOR ACCOUNTING FIRMS

If you want to increase revenue in an “artist” vertical, consider focusing your efforts on these steps.

- Clearly define the niche(s) you want to support – painters, actors, theater, etc. – and hone your knowledge about people in these industries.
- Attend other financial professional’s webinars and conferences to see what advice is being offered.
- Create a plan

outlining the problems artists face, along with solutions your company provides.

- Develop a marketing plan that clearly aligns each marketing effort to the vertical’s business goal, including an ROI analysis and measurement strategy. If a marketing effort does not directly support a goal, don’t use it.
- Talk their language. Work with a copywriter that specializes in that niche to help you write compelling materials, ads, and social media posts to help draw that audience toward your services. Tip: Including words like “you” and “your” in the copy will make it feel like you’re speaking directly to them. For example, “Did you know you could claim gas mileage as an expense when traveling to and from audi-

tions? Here’s how.”

- Consider what your website looks and feels like. If using traditional colors (blue, green, grey, burgundy, etc.), consider new ways to display your content that will attract an artistic eye. Employ a graphic designer that specializes in designing for artists to help you.
- Develop and share case studies about how working with an accountant, financial planner, and / or tax professional helped a person to succeed.
- Rely heavily on testimonials rather than “corporate speak” on your site and in social media to help bring a “personal” touch to your media.
- Engage with artists where they work and play. Avoid relying heavily on online media to help you to reach your goals.

When you start thinking about pain points, providing solutions should come easily. It’s packaging it in a way that will encourage artists to respond. That’s your challenge.

Challenge accepted.

Now go out and break a leg. ■

Becky Livingston has over twenty-five years’ experience in marketing and technology in financial services and engineering firms. She is the President and CEO of Penheel Marketing, a boutique marketing firm specializing in social media and digital marketing for CPAs. In addition to being a marketing practitioner, Becky is also an adjunct professor, author, and speaker. With a graduate degree from Pace University in Information Systems, Becky also holds undergraduate degrees from two other colleges and also has a Certificate in Corporate Training from NYU. She is also an active member of the Association for Accounting Marketing (AAM). Connect with Becky’s firm on Facebook, LinkedIn, Google Plus, Pinterest, and YouTube.



guaranteed draws as an LLC, that income would also be excluded from the QBI deduction.

3. What is the service business restriction? In order to prevent a lot of doctors, lawyers, and other high earners from quitting as employees and coming back as contractors to claim the deduction, Congress excluded from this deduction “Specified Service Businesses,” which includes not only health, law, accounting, financial services, athletics, and consulting, but also performing arts. High earning self-employed people in one of these professions will not be eligible for the 20% deduction.

4. Who is considered a high earner under the Specified Service restrictions? Musicians and other performing artists with taxable income below \$157,500 for single filers or \$315,000 married filing jointly are eligible for the full 20% deduction. The QBI deduction will then phase out for income above these levels over the next \$50,000 (single

or \$100,000 (married) of household income. Musicians making above \$207,500 single or \$415,000 married are excluded completely from the 20% QBI deduction. Please note that these amounts refer to total household income, not the amount of QBI income.

5. Should I try to change my W-2 job into a 1099 job? First of all, that may be impossible. Each employer is charged with correctly determining the status of their workers as an employee or independent contractor. These are not simply interchangeable categories. The IRS has a list of characteristics for being an employee versus an independent contractor. Basically, if an employer is able to dictate how a person does their work, then they are an employee. It would not be appropriate for an orchestra, university, or contractor, to list one worker as a W-2 and someone else doing similar work as a 1099.

Second, as a W-2 employee, workers have many benefits. The

employer pays half of their Social Security and Medicare payroll tax (combined, this is 7.65% of income, paid by the employer, and the same amount withheld from pay). While the 20% deduction may look like more than 7.65%, remember that a 20% deduction in taxable income in the 24% tax bracket only saves 4.8% in tax. That’s less than the value of having the employer pay their 7.65% half of the payroll tax.

Employees may also be eligible for other benefits, including health insurance, vacation, state unemployment benefits, workers comp for injuries, and most importantly, the right to unionize. The Lancaster Symphony spent eight years in court, unsuccessfully trying to assert that musicians were not employees, to prevent them from unionizing. A taxpayer could have a lot to lose by not being an employee, so I am not recommending anyone try to change their employment status.

Still, I expect many musi-

cians and artists have Schedule C income from teaching private lessons, playing weddings, or other one-time gigs. If they do have this self-employment income, they can benefit from the new tax law as long as they are under the income levels listed above. If they do other related work in music – publishing, repairing instruments, making accessories, etc. – that income might not be considered a Specified Service, so be sure to talk with your tax advisor about your individual situation. We will continue to study this area looking for ways to help musicians like you take advantage of every benefit you can legally obtain. ■

Scott Stratton earned a Doctor of Musical Arts degree and holds the CFP® and CFA credentials. Scott taught music for the State University of NY at Geneseo and at Texas Christian University before embarking in a new career in personal finance. He is the principal of Good Life Wealth Management.



4 Reasons Firms Should Offer HR Services

By Mike Grzegorek

NO COMPETITIVE BUSINESS can be successful without growth. In today's rapidly changing economic landscape, companies are under pressure to expand market share, seek out new development opportunities, and most importantly, identify unique offerings that deliver additional value to their customer-base.

So, what does this mean for accounting professionals?

Yes, it's critical that you meet your current customers' traditional accounting needs, but there is a next natural step that will deliver significant growth to large CPA practices. Why not get into the human resources game? Yes, we're talking about talent acquisition, onboarding, performance management, benefits administration, and other necessary HR activities that many growing organizations know they must tackle, but struggle to execute.

Here are four reasons why accounting firms should expand to offer not just payroll, but also human resources services and support:

1 Most businesses struggle with payroll record keeping and HR practices

Many accounting firms hear from their clients – or see for themselves when they look at their clients' books – that accurate payroll, timekeeping, and human resources are major pain points.

Managing these functions in-house is a complicated, time-consuming, and administratively burdensome process for many small to mid-sized businesses. Oftentimes, clients are using multiple, costly outside vendors or various, cobbled-together resources and technologies, leading to siloed information, a lack of visibility, and elevated compliance risk. Simple questions become hard to answer, positioning an accounting firm that can bring all of these functions together with a modern solution to save the day.

2 It's a great way to better service existing clients

In its 2017 Private Companies Practice Section (PCPS) CPA firm survey, the American Institute of Certified Public Accountants (AICPA) found that one of the top five concerns of accounting firms was transitioning into the role of a trusted client adviser. Working with your clients not just on tax preparation, filing, and auditing, but also on payroll, benefits, and other HR functions expands your role with existing clients, making you more intrinsic to the success of their business. Access to more data gives you the ability to provide better insight into broader areas of the business. As you begin to understand their business in greater depth, clients will begin to see you more as a trusted adviser and less as one of many outside vendors

performing a standalone task. With so much data at your fingertips, you can even launch a dedicated consulting practice to provide even more value – and bring in more revenue.

3 It's an effective strategy to bring in new clients

That same AICPA survey found another of the top five concerns of accounting firms to be - no surprise here - bringing in new clients. Moving into the payroll and HR space now gives your practice two entry points into every potential client – traditional accounting services and HR functions like recruiting and talent management. And don't forget, your existing CPA clients are a ready-made prospect pool to sell into: current clients already trust you, and this will create a stickier client relationship as you begin to provide additional high value services.

4 The Technology is There

While some accounting firms use outsourced services for payroll and HR, new, cloud-based technology has made providing these services in-house via white-labeled solution offerings easier and more profitable than ever. Indeed, the 2016-2017 Sierra-Cedar HR Systems Survey found that organizations using HR applications in the cloud are at least twice as likely to report that their overall business needs are met. Gartner also recently reported that by 2025, "55 percent of large enterprises will successfully implement an all-in cloud SaaS strategy." Why not be the organization to offer these services?

When launching an HR and payroll practice, look for a partner that can help you jump-start the process by offering support such as:

- The flexibility to white-label a

technology solution to match your existing practice's brand;

- A solution built on a single database for payroll, HR, and workforce management that integrates with your own existing CPA functions, including robust report generation capabilities for key metrics like headcount, turnover, contributions and census reporting;
- Ongoing, top-tier product development resources to keep the software ahead of ever-changing HR/payroll legislative compliance;
- An expansive range of modules on a single database that solve specific business pain points, such as talent acquisition, onboarding, talent management, benefits administration, time and attendance, scheduling, and accruals, to name just a few;
- A fully stocked collection of customizable marketing resources and competitive intelligence information to support sales and marketing efforts; and
- An active and collaborative reseller partner community for shared ideas and best practices.

For many accounting firms, offering payroll and HR services is a great way to grow your business, increase revenue, and strengthen your relationship with your current clients. You can continue being a trusted adviser to existing clients while bringing on new ones – and offering everyone a more holistic approach to business management that results in better, faster decisions to ensure continued annual growth. ■

Mike Grzegorek is director at the Kronos Workforce Ready Partner Network.

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A Look at Deferred Compensation Plans

By Mike Kappel

FOR MANY EMPLOYEES, generous benefits are more important than pay raises. There are many benefits options your small business clients can offer to attract and retain employees, including deferred compensation plans.

WHAT ARE DEFERRED COMPENSATION PLANS?

Deferred compensation is a portion of an employee's compensation they earn in one year but receive in a later year. Deferred compensation plans are benefits that let employees reduce their immediate tax liabilities. Employers and employees can contribute to deferred compensation plans. These can be broken down into two categories: nonqualified and qualified deferred plans.

NONQUALIFIED VS. QUALIFIED DEFERRED COMPENSATION PLANS

Nonqualified and qualified deferred compensation plans have key differences. The employer and its employees must understand the deferred compensation rules.

Qualified deferred compensation plans are more strictly governed than nonqualified plans. There are annual contribution limits for employees, and there are nondiscrimination rules. This means if the employer offers a qualified plan, it must open it up to all employees and ensure all employees benefit equally. Qualified plans are also more protected than nonqualified plans, meaning the money the employee defers is secured in a trust account.

The best known qualified deferred compensation plans are 401(k) plans. A deferred compensation retirement plan lets employees contribute funds to their accounts and also defer the tax payments on that compensation. The contribution limit for a 401(k) plan is \$18,500 for 2018.

Nonqualified deferred compensation (NQDC) plans are more flexible than qualified deferred compensation plans. NQDC plans have no contribution limits. And, an executive deferred compensation plan can reward only highly compensated or key employees. Further, nonqualified deferred compensation plan contributions do not need to be placed in a trust. The employer can keep the deferred money with regular business funds. However, this means funds are not secure. Creditors could claim an employee's nonqualified deferred compensation if the business goes through small business bankruptcy.

Employees and employers must enter an agreement that outlines rules for receiving the deferred compensation. For example, an employee might not receive the deferred compensation if he or she switches jobs.

Like qualified deferred compensation plans, NQDCs

also include employee retirement plans. One example of a nonqualified deferred compensation plan is a supplemental executive retirement plan (SERP). There is no contribution limit for contributing to this type of retirement plan.

DEFERRED COMPENSATION PLAN BENEFITS

Some benefits to offering deferred compensation plans:

- Deferred compensation plans can help you attract employees. And, they can help retain key employees. Nonqualified deferred compensation plans, for example, are known as "golden handcuffs" because they are valuable benefits with the intention of keeping top employees. Employees who leave before fulfilling the deferred compensation agreement lose their money.
- Offering nonqualified deferred plans can also help when it comes to increasing cash flow. Since it is not necessary to put the funds in a trust account, the business has access to the fund until the deferred compensation is due.
- If the business provides qualified deferred compensation plans, it can receive tax benefits. For instance, it can immediately claim tax deductions for an employee's compensation as well as any contributions that were made. As for nonqualified plans, the business can receive tax benefits once the employees receive their deferred income.

DEFERRED COMPENSATION TAXATION

As stated, employees who defer part of their compensation also defer taxes on that income. Employees do not immediately owe federal income tax when they defer compensation. Instead, they pay federal income tax when they actually receive the deferred income.

Generally, deferred compensation is subject to FICA taxes at the time of deferral. However, if employees are required to perform future services to receive their deferred compensation in an NQDC plan, FICA tax is not owed until the specified service has been performed.

DEFERRED COMPENSATION ACCOUNTING

When an employee defers a portion of the compensation to a nonqualified plan, the employer owes employees in the future. In accounting, the amount the employer owes but has not yet paid is known as accounts payable.

Accounts payable represent a liability, or an amount you owe. Liabilities are increased by credits. For accurate accounting books, the business must credit accounts payable the amount of the deferred compensation. This creates a record representing that you still owe the employee money. ■

Mike Kappel is the CEO of Patriot Software.

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Smart Spend Analysis is Easy When Finance and IT Work Together

By Doug Adamic

According to a Gartner survey, finance and accounting leaders need better technology to facilitate timely analysis and decision making, monitor performance and inform business decisions using quality data. During a time when employees are spending more across more expense categories with a broader set of vendors and using more payment methods than ever before, the need for their two worlds to work more collaboratively has never been more prominent.

This is often easier said than done. A 2017 Forrester study sponsored by SAP Concur on travel, expense and invoice technology found 61 percent of firms believe IT decision makers prioritize user experience instead of spend reductions. Conversely, 64 percent of firms say finance decision makers are focused more on reducing spending and less on usability and employee experiences. The good news is both can be achieved.

When finance leaders collaborate more closely with IT, businesses can more proficiently identify the right user-friendly tools to save money, create efficiencies and improve overall spend analysis. And with the right solutions at hand, finance and IT leadership can work to achieve their collective goals of improving transparency and compliance; controlling costs and increasing savings; and safeguarding employees' travel and expense data while at the same time reducing costly errors that occur with a more manual process.

To accomplish these collective goals, here are some suggested best practices for IT and finance teams to adopt:

Break down silos. When developing an organization's technology stack, finance leaders aren't always aware of how IT prioritizes software to increase efficiency and improve performance. Conversely, IT decision makers often lack insight into how these processes take shape in financial workflows. This becomes compounded with the

speed of change and innovation that each department struggles to keep up with. It's important that finance and IT leaders take the time to better understand one another's priorities so they can guide each other toward products that address their collective needs. For example, if IT departments have a better understanding of the financial analysis process and goals, they can more accurately recommend the best solutions.

Audit travel, expense and invoice solutions together. Employee spend data is fast becoming a critical data point by which many departments manage their businesses and meet their objectives. And finance and IT leaders have valuable albeit unique perspectives when evaluating the best options for travel, expense and invoice management. The first step toward a more collaborative relationship is collectively auditing how their current tools and systems are working for them. This helps pinpoint the pros and cons of each solutions. They can then consider integration with other tools and systems – even those outside finance such as IT, HR, compliance and risk. With a connected ecosystem, companies get a better picture of spend so they can pinpoint savings and improve overall financial performance across the entire company.

Create a comprehensive strategy. A unified strategy should satisfy the needs of both IT and finance stakeholders. According to Forrester, 75 percent of companies with a unified finance and IT strategy report much higher levels of satisfaction with travel, expense and invoice management tools than those without one. ■

Continued online at
www.CPAPracticeAdvisor.com/12416372

Doug Adamic is GM of North America Enterprise for SAP Concur.

THIS MONTH'S TOP ACCOUNTING & AUDITING SOCIAL MEDIA POSTS

- How to Innovate Like Google. **Tom Hood, via LinkedIn.** <https://bit.ly/2kAoOim>
- The Newest Audit Technologies: Are You On Board? **Walters Kluwer Blog.** <https://bit.ly/2sjXARN>
- The Endless Possibilities of Blockchain. **Bloomberg Accounting Blog.** <https://bit.ly/2JdoAMD>
- 5 Cloud Advantages for Accountants and Bookkeepers. **Firm of the Future Blog.** <https://bit.ly/2H2ThPx>
- Needed Now: Female Financial Planners. **AICPA Insights.** <https://bit.ly/2J1C7Ud>

LATEST A & A NEWS

Lengthy Tenures Boost Big 4 Profits, But What of Auditor Independence? A paper in Accounting Horizons notes that opposition to term limits for external auditors has been "the subject of active lobbying by the accounting profession, especially the Big 4 audit firms." www.cpapracticeadvisor.com/12413456

Next Recession to Start in 2020? The current economic expansion is the second longest in American history, and will be the longest ever recorded if the panelists' predictions hold true. Few experts think the hous-

ing market will be at the center of the next downturn. www.cpapracticeadvisor.com/12414312

IAASB Launches Survey to Identify Key Audit Issues. The survey helps identify key issues for consideration in developing its future strategy in the context of the IAASB's broad strategic focus and the changing environment. www.cpapracticeadvisor.com/12414307

Sageworks Acquired by Private Equity Firm.

The company's ProfitCents was originally designed to convert financial numbers into plain language to help business owners understand their financial statements. www.cpapracticeadvisor.com/12413124

AICPA Comments on IRS Proposed Regs for Valuing Inventories. The changes would amend the IPIC method pooling rules to clarify that the rules are applied consistently with the general LIFO pooling rule. www.cpapracticeadvisor.com/12413885



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Bucking the **DEREGULATION TREND**

ONE OF THE more significant election promises made by then-candidate Trump was his promise to reduce the regulatory burden on American businesses. With his “two regulations withdrawn for every one proposed” approach, he has been largely successful in making his promise a reality. In part, as a result, the economy has boomed in relative terms. Gone seem to be the days of one-to-one half-percent growth. We were almost at 3% in the latest quarter. Unemployment is at the lowest level it has been in decades. “Help wanted” signs are on the doors of virtually every business and across all electronic job posting boards. Much of this is the result of the major de-regulation that has occurred.

GOVERNMENT AGENCIES PUSH BACK

While the reduction of regulations in general has cut across almost all executive branch agencies, those related to labor and employment matters, at least at the regional level, appear to be pushing in the other direction. It could be argued that they are choosing to re-interpret the laws they enforce as a way of responding to de-regulation. The Occupational Safety and Health Administration (OSHA) within the Department of Labor (DOL) and the National Labor Relations Board (NLRB), the two primary agencies that deal with the workplace, both appear to be expanding their reach through novel enforcement strategies never seen before. Whether this is nothing more than the natural evolution, of the administrative state, or an effort to create issues in areas where substantial employer compliance has been the norm to justify their budget is unclear. In either case, they have identified work-related issues to which they are applying their respective laws in a manner that certainly seems to expand their jurisdiction.

OSHA REEXAMINES SAFETY RULES

OSHA, from its inception in 1970, has relied substantially upon what is commonly referred to as the “general duty” clause to assure that America’s workplaces are safe. That provision in the law requires employers to provide a workplace as free as pos-

sible of known hazards that could cause death or serious physical harm to its employees. It is much broader than the hazard-specific standards that OSHA also issues and enforces. It also requires employees to comply with occupational and health standards issued pursuant to the law. It was under that provision that OSHA recently began an investigation in one workplace into an issue that rarely, if ever, has been considered their jurisdiction. Apparently as the result of an employee complaint, one of the agency’s field offices began a top to bottom investigation of an employer’s handling of the employer’s post-injury return-to-work procedures covering the last several years. At the heart of the investigation is whether the employer pressured injured employees to return to work before they had fully recovered thus subjecting them to hazardous conditions. In addition to the 300 logs, Report of Injury forms, and all related documents, the all-encompassing record subpoena included every medical and related record for every employee that had suffered a reportable injury. It is unclear what they hope to establish by review of every single medical record. Few employees return to work contrary to their doctor’s medical opinion and employers rarely have direct contact with a treating physician.

Aside from the time-consuming and costly task of copying and providing volumes of medical records, there could also be the possibility

of an OSHA citation for a serious violation, along with the resulting fines. It will be interesting to see how the case develops, and more importantly if return-to-work procedures become a routine part of future OSHA inspections.

THE NLRB INVESTIGATES SEXUAL HARASSMENT CLAIMS

The issue on which the NLRB seems to be expanding its jurisdiction is one that up to now, has always been the exclusive realm of the Equal Employment Opportunity Commission (EEOC): sexual harassment.

So, how has the National Labor Relations Act (NLRA) now come to cover issues related to sexual harassment? The issue that has seen the most growth in terms of NLRB enforcement activity in recent years is that of “concerted protected activity” under Section 7 of the NLRA. This is the corollary to the well-recognized “union activity” that has always been the core focus of the NLRA. It generally refers to employee activity, most commonly speech, that is engaged in by employees, or an employee, on behalf of themselves and other employees. A typical example would be employees demanding a pay increase or a change in benefits. In the context of a sexual harassment claim, it is not the alleged harassment as such that is the basis for the claimed unfair labor practice, but rather interference or retaliation for the concerted activity of complaining about harassment that affects

more than one employee. It could also include complaining of a sexually hostile working environment, since by definition, that affects all employees. Seen from that perspective, it might just be the NLRB expanding the concept of concerted activity to issues never before considered.

In a worst-case scenario, employees who felt that they were the victims of unresolved sexual harassment after complaining, could quit work and allege that they were the victims of a “constructive discharge”. If they could tie their quitting to their concerted activity of complaining with no sufficient employer response, they would have a viable unfair labor practice charge. Obviously, if the employer terminated or took other retaliatory action against a complaining employee the same result would hold.

CONCLUSION

Both situations addressed above admittedly involve unique facts. Nonetheless, they are good examples of how two of the more significant federal agencies that deal with the workforce and have been hit with de-regulation appear to be going beyond their recognized jurisdiction. At the very least, they are enforcing the law in new ways. It would be interesting to see if such expansions of jurisdiction are occurring in other executive agencies that have been subjected to de-regulation. Could it be a conscious reaction to the current administration’s roll back of the regulatory or administrative state? ■

The Taxability of Cryptocurrency When Used in A Business By Dave DuVal, EA

Now that the rush of tax season is in our rearview mirrors, and we've had an opportunity to see the morning sun after a good night's rest, it is time to start considering how we are going to tackle those extended returns where our clients utilized cryptocurrency in their small businesses. More and more businesses are accepting cryptocurrency as a form of payment. Additionally, new businesses are forming around the world of cryptocurrency such as bitcoin kiosks and cryptocurrency bill paying services.

During February, some of our clients may have received notifications from Coinbase (one of the most popular U.S. based cryptocurrency exchanges), regarding their 2013-2015 returns. Complying with the "Notice of Narrowed Summons Request for Enforcement" from the IRS, on February 23, 2018, Coinbase issued notifications to approximately 13,000 taxpayers that the following information about their Coinbase accounts were forwarded to the IRS: name, SSN, date of birth, address, and most notably, their historical transaction records for the years 2013-2015. The taxpayers whose records were transferred to the IRS have one thing in common: at least one of their cryptocurrency transactions (whether it was a buy, sell, send or receive) was \$20,000 or more during the aforementioned years.

Along with the information the IRS receives from the Coinbase narrowed summons, the IRS is utilizing blockchain tracing and analysis software from Chainalysis. Given the IRS's enforcement actions and the continued rise in the use of cryptocurrency in small business, it's important tax practitioners understand the tax treatment fundamentals of this complex area. Although cryptocur-



rency is considered a convertible virtual currency (meaning it is interchangeable with fiat currency for buying and selling purposes), it is not considered legal tender. IRS Notice 2014-21 states that cryptocurrency is considered property for income tax purpose and not currency. All the general tax principles that apply to property transactions will apply to cryptocurrency transactions. For a cash basis taxpayer, each time he or she earns cryptocurrency through mining or providing goods or services, the U.S. fair market dollar value of the cryptocurrency earned must be recorded as of the date of receipt. This fair market value represents the reportable ordinary gross income subject to self-employment tax. Unless the taxpayer immediately exchanges the cryptocurrency earned, there may be an additional reportable gain or loss when the cryptocurrency is used to pay for the business's operating expenses or converted into U.S. dollars. If the fair market value of the property or service received in exchange for the cryptocurrency exceeds a taxpayer's adjusted basis in the cryptocurrency, the taxpayer has a reportable taxable gain. Conversely, a taxpayer will realize a loss if the fair market value of the property received is less than the adjusted basis of the cryptocurrency. Mining for bitcoins is considered a service and not property that is produced. When a taxpayer receives bitcoin for mining a block or confirming a transaction, the gross income will be equal to the fair market value in U.S. dollars at the date the cryptocurrency is received.

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THIS MONTH'S TOP TAX SOCIAL MEDIA POSTS

- New Scam Targets International Taxpayers. **Taxing Subjects Blog.** <https://bit.ly/2xoTz3G>
- Digital Marketing & Your Tax Practice. **Canopy Tax Blog.** <https://bit.ly/2AKjzxX>
- Debunking 4 Myths About Voluntary Disclosure Agreements. **Avalara Blog.** <https://bit.ly/2sovioD>
- Lesson From the Tax Court: A Tax Truism. **Bryan Camp, via TaxProf Blog.** <https://bit.ly/2H3EZxV>
- The Complicated Taxation of Retirement Accounts. **Tax Foundation.** <https://bit.ly/2sqbEIO>

LATEST TAX NEWS

6 Groups of Taxpayers Most Affected by Tax Reform. Those who heavily invest in fixed-assets have almost full write-off of depreciable assets. Before reform, these taxpayers had to depreciate the cost over five or 10 years. www.cpapracticeadvisor.com/12413224

More Time to Challenge IRS Levies. The tax reform law extended the time limit for filing an administrative claim and for bringing a suit for wrongful levy from nine months to two years. www.cpapracticeadvisor.com/12414303

SCOTUS Clears Way for Sports Gambling. Ruling is expected to bring a windfall in tax revenue to the states that set up legitimate gambling operations for their residents. www.cpapracticeadvisor.com/12412760

The IRS Has a 5-Year Plan to Help Taxpayers. The strategic plan, developed with input from external partners as well as IRS employees, focuses on six goals that will help improve customer service. www.cpapracticeadvisor.com/12414344

The 3 Most Important Things to Know About Tax Reform. It's common knowledge that the TCJA has nearly doubled the standard deduction, however, the offset to this is that the personal exemptions enjoyed by taxpayers have now been set to zero. www.cpapracticeadvisor.com/12413892

Apps for Your Artsy Side

WE ARE FOCUSING on Artist clients in the niche practices area of this month's magazine, and so we decided to go down the path of art creation and appreciation apps as a corollary to those articles. I like to think of Venus Paradise coloring sets as the first art app – but we've come a long way since those boxes of numbered colored pencils. In fact, if you search for "draw" or "paint" in your phone apps, you'll spend the rest of the day looking at all of the options – there are hundreds. For this article, we surveyed members of the *CPA Practice Advisor* community to find out what their favorite apps were in the art genre. We're not restricting these results to drawing and painting, and we're looking beyond art creation to art appreciation as well. So get out your right brain, and enjoy!

Doug Sleeter, founder of Sleeter Group and Sleeter Consulting, and currently wielder of wood carving tools, recommends **Craftsy** – "A great app for finding art projects for all ages, and for taking courses to build your skills." He also is a fan of **Pinterest**. "Find great ideas for the home, yard, or anything in life. Find a great web page, just pin it and visit all your pins later when you want to pursue the idea. Organize pins into topic areas, and share ideas with friends. Very addictive." And for those who prefer pursuing the literary arts, Sleeter suggests you visit Goodreads, "A great app for sharing book reviews with friends."

Melisa Galasso, director at Cherry Bekaert, and Becker CPA instructor, recommends **Canva**. "Canva is great for designing Facebook posts or any social media post. It is also great for brochures and other documents that need to look great but aren't difficult to make."

Jennifer Warawa, executive vice president, partners, accountants, and alliances at Sage, seconds the nomination for Canva. "I love this app as it allows me to quickly create 'in the moment' custom graphics ready for all the main social media platforms, which contribute to social engagement and drives increased 'shareability.'"

Rick Telberg, president of CPA Trendlines Research and Bay Street Group, uses **Instagram**, where he follows the great museums of the world and a few galleries in New York.

Elizabeth Pittelkow, controller at Litera Microsystems, told us, she "is inspired by an app called **DailyArt** that gives me access to beautiful paintings from all around the world. It is an art museum at my fingertips. The app provides stories around the paintings and tells me where the physical paintings reside."

For those who want to make their own music, try **GarageBand**, where you can play, record, create loops, play multiple instruments, share your songs, play with others, or be your own DJ. You can also use **ultimate-guitar.com** if you are looking for chords for anything in any of the popular genres (just about anything besides classical).

If your creative side is calling, a quick search will unearth online lessons on any art or music form, from beginner to advanced. And don't forget you can identify and study music that you

hear and art that you see through the **Shazam** and **Magnus** apps, respectively.

How will technology impact the way we appreciate art in the future? That's a question that is haunting artists, art aficionados, and museum operators around the world. On the one hand, making art more accessible and using technology to preserve our creations seems very positive. What are the downsides? Imagine a world where our technology creates the art. Is it art, if it's not created by humans? If it comes out of a machine, do we risk losing sight of our own creative muses? And what does it mean if we stop trying to create? ■



Increase Your Add Sales Tax Compliance to

FOR YEARS, ACCOUNTANTS have heard that our profession is changing. With the advent of new technology, we no longer will be data entry specialists or spend excess billable hours working on tax returns; instead, we have to morph ourselves into trusted advisors and business consultants.

I find two general reactions to this prediction of our evolution. First, internally, we may not feel that we're really qualified to be a "business consultant", and we may not be sure how we will find the time to become qualified. The second, and perhaps even bigger, concern is that we may not think our clients see us in that way. After all, we are tax advisors. That's where we shine and it's what our clients expect of us.

The reality is that your clients already view you as their resource for all things tax related. So, why not do more with your practice to take advantage of this? There are benefits to an accounting practice by expanding services and adding efficiencies in the process. And in fact, the fastest way to increase your profits is to perform more services for your

existing clients, and the best way to start is to create a state and local tax practice of your own.

STATE AND LOCAL TAX IS A SPACE YOU CAN OWN

In the 2018 survey by *Accounting Today* of the top 100 accounting firms, the third biggest of the top niche services is state and local tax (SALT), and it's been in the top two or three over the last several years of this survey. Why? The estimated revenue from tax compliance practices of the Big Four and the top 100 firms is \$1.6 billion annually. This is a big revenue opportunity and it's getting bigger every day.

Clients expect you to help them be on the defensive regarding tax compliance issues. State governments have become insatiable, always looking for more tax revenue. And there is benefit to them from getting those revenues from out-of-state businesses. There is very little political cost to getting revenue from someone who can't vote you out of office, so they are focused on going after your remote clients.

One of the easiest entry points to adding these services to your firm is to add to or expand on your sales tax returns filing. You can add accuracy and efficiency to that process and several automated solutions are available.

Your clients want more tax compliance services, and your firm can grow and be more competitive if you extend even to your existing client base. Yet

when I advise firms on how to expand their business with state and local tax compliance services I encounter two myths – that clients don't really need tax compliance help and that you need to be an expert to offer any services. Let's break these two concepts down.

Myth #1 – Clients Don't Need This Service

Every business that sells taxable items should be collecting tax somewhere. Now, if you have a client in a non-sales tax collecting state like Oregon and all of their customers are also in Oregon, then they are off the hook. Otherwise, if your clients are in a state that has a sales tax and they sell taxable items into that state, then they should be collecting sales tax.

Let me tell you a cautionary story of a client we worked with. His was a one-man operation doing swimming pool maintenance and repairs in Texas with annual revenues around \$70,000. The owner was in his 60s and thinking about retirement. Then, he got hit with a state sales tax audit which uncovered the fact that for the entire 11 years he was in operation, he wasn't charging sales tax on his services, which were taxable in Texas.

There is no statute of limitations if you're not filing returns. So the state went back 11 years and assessed the owner \$116,000 in taxes. His small business was not able to pay. Now his life is drastically changed. Instead of retiring in a few years, he is required to make \$2,500 monthly payments until he is in his 70s. This is a common mistake that could have been avoided.



Firm's Profits: Your Services

By Andrew Johnson, CPA

I predict that every one of you has a client just like this person. As I said before, your clients already consider you to be their expert in all things tax, so they may assume that if you're not doing sales tax returns for them, they don't need to worry about it. There is room here for many unfortunate mistakes.

Here are the three biggest risks with state sales tax compliance that your clients (and your firm) face.

#1 – Undetected nexus. Your clients may be performing activities that create nexus, and no one has ever considered the sales tax implications.

#2 – Under-collected tax. Your clients may know about nexus, but they're not using the right rate. The United States has thousands of separate sales tax jurisdictions, and the rate can change by three to four percent from one location to another if the sale crosses a boundary. If your clients have customers in many jurisdictions, it can be hard to get the rate right. An easy way is to look it up on tools like Avalara's TaxRates.

#3 – Tax collected and not remitted (TCNR). This is the cardinal sin of sales tax. TCNR can happen when your clients are collecting tax, but not filing returns. States tend to view that as very serious and criminal penalties can apply.

Myth # 2 – You Need to be a State and Local Tax Expert to Provide Services

I know that many accounting firms use a manual approach for sales tax returns, if they do them at all. It's how we first started in my firm. The manual effort goes like this: Accountants download the sales data from their clients, and after endless spreadsheet manipulations and macros, they produce a report that tells them how much

tax was collected in each taxing jurisdiction. Then, they fill out the forms manually or online.

Just as automation in bookkeeping has introduced amazing efficiencies, automation in sales tax return preparation is turning what used to require hours of data manipulation into something any accountant can do, easily. With easy-to-use software, you can produce accurate returns with a few clicks of a button and you don't need to be a sales tax expert.

THE EFFICIENT WAY TO DO SALES TAX RETURNS: AUTOMATION

There are several solutions for automating sales tax returns. These bring efficiency in time, accuracy and the client experience. For example, Avalara's automated solution for sales tax returns, called TrustFile, hooks up directly to your clients' sales data. This eliminates the need to download sales data and perform endless spreadsheet manipulations. Another beautiful thing about the automated returns process is it integrates with all of your clients' accounting platforms. The data is pulled into TrustFile and it actually populates all of the forms.

Automating sales tax returns also removes one of the major pain points of the old method. With the old method, we would populate the forms and send them back to the clients. It would be up to the clients to file them and pay the taxes.

With automation, once the returns are populated, you can just click a button and the returns will be filed in every state, with the funds be removed from your clients' account.

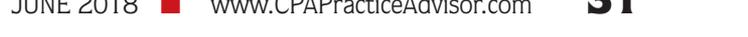
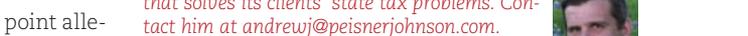
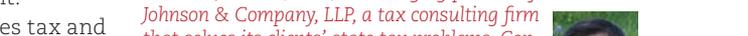
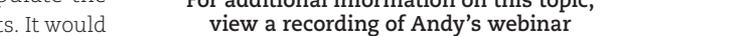
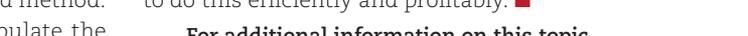
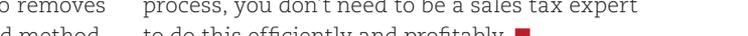
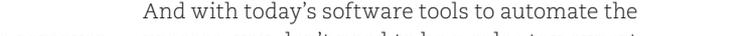
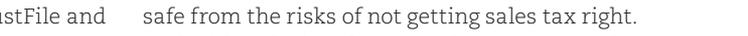
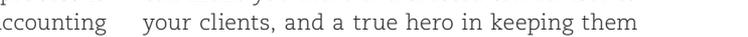
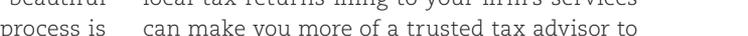
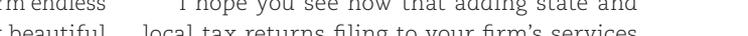
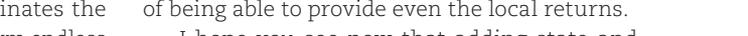
Accurate calculations for both sales tax and remittance provide another major pain point alleviated by automation. In the United States there are 13,000 taxing jurisdictions that impose their own tax rates, but not every state has central administration of all the local taxes. In many

states, each local jurisdiction administers its own sales tax, so you actually have to file returns with those local jurisdictions. TrustFile is on the verge of being able to provide even the local returns.

I hope you see now that adding state and local tax returns filing to your firm's services can make you more of a trusted tax advisor to your clients, and a true hero in keeping them safe from the risks of not getting sales tax right. And with today's software tools to automate the process, you don't need to be a sales tax expert to do this efficiently and profitably. ■

For additional information on this topic, view a recording of Andy's webinar **How To make Money Doing Sales Tax Returns** (<https://www.youtube.com/watch?v=MsX2Y1602R8>)

Andrew Johnson, CPA, is managing partner of Peisner Johnson & Company, LLP, a tax consulting firm that solves its clients' state tax problems. Contact him at andrewj@peisnerjohnson.com.



Trends in CPE for Accountants:

Hello Free and Online, Farewell to Fees By Scott Zarret, CPA

The most respected universities in the world, such as Harvard and MIT, have led the charge in doing what was once unthinkable: offering access to thousands of online educational courses, for credit, at no cost to their potential students. Why are for-profit institutions giving away their prized content? These institutions have already discovered that this approach allows potential students to “sample their goods” prior to making a costlier commitment.

As a community of lifelong learners, accountants will benefit greatly from the current shift to online education, an innovation that saves students and presenters time and money. The accounting profession is not immune to such shifts in how people receive information and how much they are willing to pay for it. Because CPAs have a 40-hour/year continuing professional education (CPE) requirement, our industry is deeply impacted by pedagogical shifts and trends in education. Yet the national, state and most for-profit private learning institutions that serve the accounting community have maintained a more traditional business model, unlike the aforementioned universities. These organizations continue to charge for online education and now find themselves competing with companies that offer the same content for free. As a result, they are losing students.

Progressive companies that provide services to the accounting community, however, are embracing the global trend of offering free education because they have learned the value of using education as a means to attract the largest target audience. They know that the “students” are their potential clients and thus, they are willing to give away valuable ideas and knowledge to gain market share over the competition. Like the major universities, these companies stand to gain more by

selling goods or services than by charging prospects for their content. And like the universities, they are highly motivated to provide the highest quality free education before they lose that opportunity to the competition.

What has created this opportunity and driven costs to the attendees down to zero? The world has “flattened” thanks to reduced costs in technology. In the long run, this will make it extremely difficult to compete with the free model. Audiences also realize that free doesn’t necessarily equate with low quality either. As a matter of fact, we are learning the opposite is true. Many of our favorite educational and social resources are already free. How much do you pay to use Facebook, LinkedIn, Wikipedia, Google and YouTube? Not one dime!

If you don’t believe “free” can be profitable, let me share my own experience that proves the opposite is true. Six years ago, I learned the lesson about the free model when I first started selling specialty tax services within the accounting profession. I needed a way to get maximum exposure or my business wasn’t going to thrive. I began teaching webinars because it offered the highest rewards with the lowest costs. Initially, I charged a small fee to the participants and my audience size was modest. Then I stopped charging fees, and my audience size mushroomed to over 500 attendees! While the fees for putting on this free CPE webinar cost about \$3,000, just one of the resulting leads produced over \$11,000 in new business, providing almost a 300% return on investment (ROI)! You don’t have to be a CPA to know this is a high ROI, and that not only is it extremely scalable, it also increases name recognition for future offerings.

Continued online at
www.CPAPracticeAdvisor.com/12411509

THIS MONTH'S TOP FIRM MANAGEMENT SOCIAL MEDIA POSTS

- What U.S. Firms Need to Know About GDPR. **Canopy Blog.**
<https://bit.ly/2H2uMC1>
- 5 Ways to Project Confidence in Front of an Audience. **Harvard Business Review.**
<https://bit.ly/2LCHlax>
- Business Development Strategies for Accounting Firms. **Wolters Kluwer Blog.**
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Automating Sales and Marketing Tasks with Forms and Autoresponders

ONE OF MY personal goals this year is to increase the amount of automation I use in my work so that technology is working for me instead of me working to maintain the technology. I've used cloud-based accounting packages along with Receipt Bank, 1Tap Receipts, and bank rules/bank feeds to reduce the data entry in my accounting software for years, so the "easy first steps" have already been taken. I need to start automating some of the business processes – and like most areas where you have to change long-standing bad habits or become more disciplined – it was uncomfortable at first, but I've been very pleased with the results.

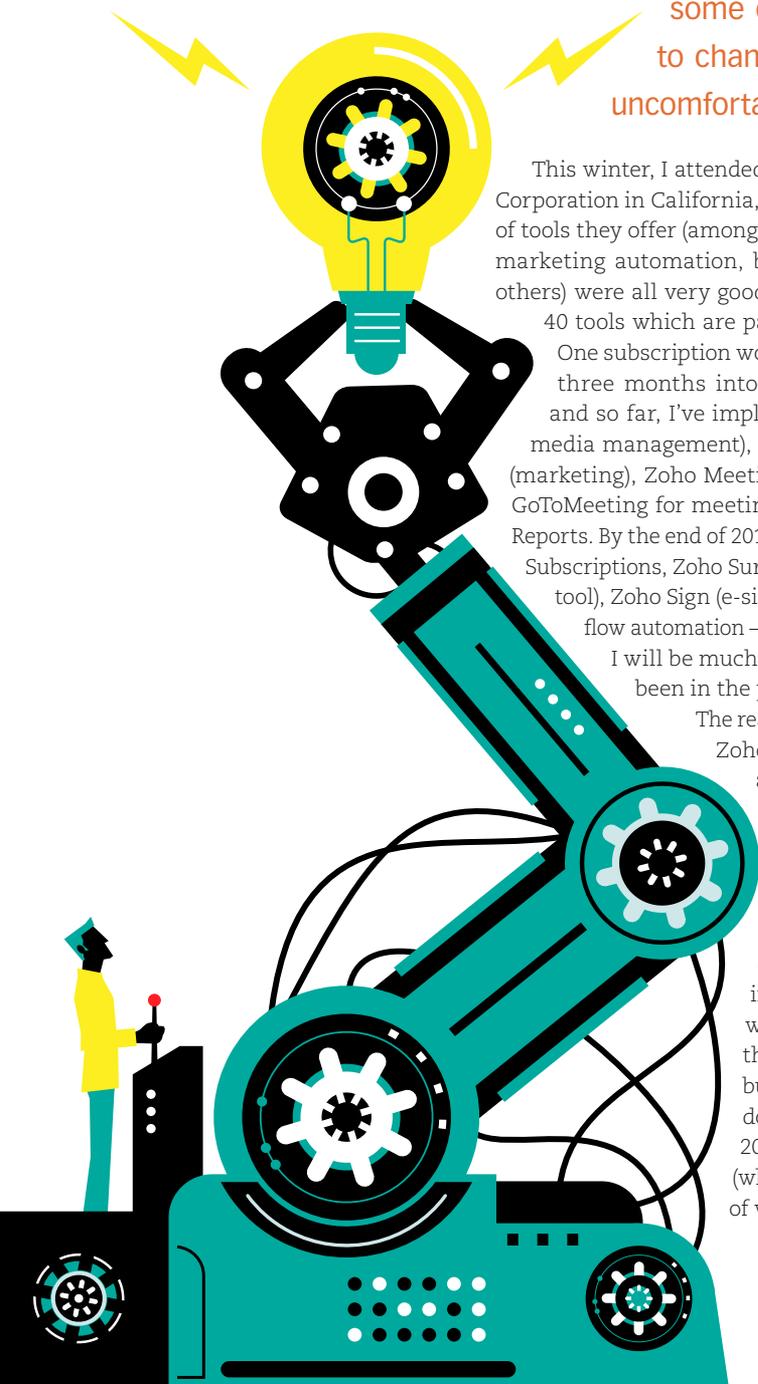
This winter, I attended an analyst briefing for Zoho Corporation in California, and while I knew the dozens of tools they offer (among them E-mail, calendar, CRM, marketing automation, books, inventory, and many others) were all very good, I had no idea how well the 40 tools which are part of the \$30/mo./user Zoho One subscription worked together. I'm now about three months into my adoption of Zoho One, and so far, I've implemented Zoho Social (social media management), Zoho CRM, Zoho Campaigns (marketing), Zoho Meeting (replacement for WebEx/GoToMeeting for meetings and webinars), and Zoho Reports. By the end of 2018, I expect to implement Zoho Subscriptions, Zoho Survey, Zoho Creator (mobile app tool), Zoho Sign (e-signature), and Zoho Flow (data flow automation – think "digital plumbing"), and I will be much more automated than I have been in the past.

The reason data integration tools like Zoho Flow and digital plumbing apps like Zapier, IFTTT, and Microsoft Flow are necessary is that most of us have dozens of apps we use, all with separate data stores which do not integrate. While it doesn't take that long to key in data a second time, it's the way we lose our day – it's not the half hour we take for lunch, but rather, it's the 200 items of double-entry which each take 20 seconds throughout the day (which totals well over an hour of wasted time).

I've spent a couple of days in the last two weeks working on learning how to create forms, mail-merge e-mails, social media integration with CRM, and drip-marketing campaigns in Zoho, and it has been nothing short of amazing. I first set up an e-mail list for my website, CPATechBlog.com, and worked on creating a form which I could embed in my WordPress website. I completed it a couple of weeks ago, and already have a few subscribers. The Zoho Campaigns tool handles all the list management issues – who opened it, who clicked on something, whose e-mail address bounced, as well as handling the recipients' consent to receive messages from me.

After I mastered setting up a list, I moved on to creating an autoresponder which instantly responds to requests for a document entered on my website. It took a while to get the autoresponder to work properly – but now you can request documents/files from me without me having to ever attach them to a message to you – and you can receive them 24 hours a day. These forms and e-mail responses can be used in connection with workflows which automate the sending of multiple messages in a drip marketing campaign.

While we accountants often think of increasing our productivity by using bank feeds, bank rules, and other areas to eliminate data entry for our staff, the sales and marketing tools created for automating routine correspondence, social media, and contact tracking can save a lot of time for the most expensive and time-constrained people in your firm – partners, managers, and firm administrators. If you can make the technology for automating work for these key people in your firm, you'll be creating a lot of value and making them more effective at working with clients – which is what public accounting is about. ■



The Ideal Hire? Sometimes it's Not an Accountant

WITH OUR PROFESSION facing automation across all service lines, CPA firms are doing what would have been unthinkable just a few years ago: recruiting non-accounting graduates. According to the 2017 AICPA Trends Report, 20 percent of all new hires are now non-accounting graduates.

It's one thing to read about this trend, but it's another to understand what firms are actually doing and who they are hiring. Based on discussions with our clients (many of whom are Top 50 or Top 100 firms) and a dive into the careers page of many of these firms, here's a look at the roles these firms are filling with non-accountants.

TECHNOLOGY

As I've written about previously, many firms are expanding into technology consulting, either by buying an existing technology consulting firm or building it from scratch. So it's no surprise that one of the major skillsets for non-accountant hires is professionals with IT experience.

Many firms are hiring technology advisors, especially those with experience working with early- to mid-stage startups, to help clients implement and run their accounting and financial functions. They're also looking for IT consultants who can perform general IT controls consulting, perform control assessments and assist in systems and organization control engagements.

Some firms are also hiring or acquiring developers with experience developing front-end applications and building digital workplace solutions. These developers and analysts will consult with clients to define their needs and design and implement portals, intranets and mobile apps.

Often, these professionals will have degrees in computer science or

information systems and have experience working in a related field.

FINANCIAL

Many of your firm's high net worth clients already turn to you when considering transactions that affect their finances, so wealth management has been a natural extension for firms of all sizes. Hiring investment advisors with a CFP or CFA designation is becoming more common. It's especially beneficial if they can bring in an experienced advisor with a transferable practice.

HUMAN RESOURCES

CPA firms providing HR consulting has been around for decades, even in small to midsize firms. Clients have a lot of confidence in their firm's integrity and abilities, so firms are administering cafeteria plans, employee benefit plans and health plans, assisting in recruitment and selection, writing policy manuals, helping clients with discipline issues, teaching management classes, and developing compensation systems and salary surveys.

HR and compensation specialists employed by CPA firms may provide guidance and consultation to external clients regarding compensation strategies and programs. They may also help in compliance with labor and employment laws.

In most cases, an accounting background is not required. Instead, they hire professionals with a degree in Human Resources and a



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According to the
2017 AICPA Trends
Report, **20 percent**
of all new hires are
now **non-accounting**
graduates.

strong foundation in compensation administration.

NICHE EXPERIENCE

As firms drill down into niche areas, they're hiring professionals with experience working in those areas. For instance, a firm with a dealership niche may employ consultants who have worked in sales, marketing, finance or other areas of an automotive dealership because they can provide a unique understanding of the needs and issues of that industry.

Likewise for other niches, such as non-profit organizations, agriculture, communications, construction and real estate, financial institutions, gaming, government, healthcare, manufacturers, etc.

STEM MAJORS

With big data, automation and machine learning on the horizon, many firms are stepping up their

recruitment of students and experienced candidates with degrees in science, technology, engineering and mathematics (STEM) subjects.

Increasingly, auditing and accounting are less about reporting on historical numbers and more about aggregating data to get insight from those numbers. That requires people who understand data and can use tools that pull whole populations of data together.

They're hiring candidates with a minor or a double major in accounting plus data science or data analytics, computer science, programming or management information systems.

The accounting profession is changing, and CPA firms increasingly realize that they must change with it or fall behind. This doesn't mean that accounting isn't still an in-demand skill set, but soon accountants will be one of many professionals that make up a firm of the future. ■

TELL US:

Who is the greatest thing since...



Accepting Nominations!

WHO TO NOMINATE

The "40 Under 40" program recognizes young professionals working within the profession, who are having an impact on the broader accounting and tax profession.

WHY NOMINATE

Nominees are astute at navigating the constantly changing face of the accounting profession. They are technically advanced, nimble and committed to serving clients whenever and wherever the need arises. Recognizing their accomplishments sets the tone for our profession today, tomorrow and beyond.

HOW TO NOMINATE

The first step in helping us tell the "40 Under 40" story, is yours. Please visit www.CPAPracticeAdvisor.com/awards, and click on the nomination link found in the "40 Under 40" award listing.

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Why are most payroll practices only marginally profitable?

Because most accountants don't know one critical fact.

And those who know this fact have done tremendously well.



This is Tyler Winn, CPA, Founder of Cirrus Payroll. His firm processes 176 payrolls with just one staff member. Search on Google for "payroll services in Tulsa, OK". You'll find 91 five-star ratings, compared to two-star ratings for a national payroll service bureau.



Richard Rogers, EA is CEO of Mother Lode Bookkeeping. The payroll solution they use has eliminated compliance headaches, enabling them to process hundreds of clients painlessly.



This kind of success isn't limited to small firms. Top 100 firms like Hill, Barth & King, CPAs and Consultants have also done extremely well with payroll services. According to Martin M. Gargano, Principal at HBK, his firm has expanded its payroll practice through 14 of their offices.



These firms discovered that **Payroll Relief** from AccountantsWorld lets their firms process payroll much faster and easier than the payroll solutions they were using. That's because cloud-based Payroll Relief was created exclusively to help accountants offer highly profitable payroll services without compliance headaches.

Knowing this fact, these firms did what any firm that is serious about their payroll practice would do – **they switched to Payroll Relief.**

So how did these firms do it? →

Learn how Payroll Relief can boost your practice at
AccountantsWorld.com/Payroll-CPA

