

# CPA

EDITION

# Practice Advisor

Today's Technology for Tomorrow's Firm

## PRODUCT REVIEWS:

- Accounts Receivable Systems
- Invoicing

Multiple Invoices  
Collection  
**ACCOUNTS RECEIVABLE**  
Analytics  
INTEGRATION WITH OTHER APPLICATIONS  
REPORTING  
Audit Trail  
PAYMENT HISTORY  
Payment Information  
Recurring Invoices  
Mobile Access  
Estimates/Quotes  
RETURN AUTHORIZATIONS  
Integration With Third-Party Applications  
Online Payment  
INTEGRATION WITH CORE PRODUCT  
DISCOUNTS  
Accounts Receivable Reports  
SALES TAX  
ELECTRONIC PAYMENTS  
ANALYTICS  
INFORMATION LEVELS  
Customer Statements  
Integration With The Core Application  
CREDIT MEMOS  
MULTI-CURRENCY  
TIME AND EXPENSE TRACKING  
ON TIME PAYMENTS  
Order History  
Automated Late Fees  
Cashflow  
AUTOMATIC PAYMENT REMINDERS  
Credit Limits  
CUSTOMIZABLE INVOICE TEMPLATES

# Accounts Receivable:

*The Heart of Business Operations*

**6 PR Tips**  
for Accounting Firms

**Marijuana**  
in the Workplace

**Is Your Accounting Firm**  
**Serious About Security?**



PAGE 17

Multiple Invoices  
Collection  
ACCOUNTS RECEIVABLE  
Integration With Other Applications  
Audit Trail  
Estimates/Quotes  
Online Payment  
INTEGRATION WITH CORE PRODUCT  
Accounts Receivable Reports

Customer Statements  
Integration With The Core Application  
CREDIT MEMOS  
Payment Information  
Recurring Invoices  
Mobile Access  
SALES TAX

Order History  
Automated Late Fees  
Cashflow  
AUTOMATIC PAYMENT REMINDERS  
Credit Limits  
CUSTOMIZABLE INVOICE TEMPLATES

ANALYTICS  
ELECTRONIC PAYMENTS  
REPORTING  
PAYMENT HISTORY  
RETURN AUTHORIZATIONS  
DISCOUNTS

INFORMATION LEVELS  
MULTI-CURRENCY  
TIME AND EXPENSE TRACKING  
ON TIME PAYMENTS

PAGE 4



PAGE 20



PAGE 24

## CONTENTS

### COVER STORY: Accounts Receivable

#### 4 7 Best Practices for Accounts Receivable

By Isaac M. O'Bannon, Managing Editor

#### 4 Third Party Debt Collection: The Basics

By Chad Shuford

#### 6 Sooner is Better for AR and Invoicing!

By Randy Johnston

#### 15 Cash Management Resources

### 2017 PRODUCT REVIEWS

#### 8 Accounts Receivable Systems

By Mary Girsch-Bock

#### 11 Invoice Management Functions

By Mary Girsch-Bock

### COLUMNS

#### 3 From the Editor: What Is the Thought Leader Symposium?

By Gail Perry, CPA, Editor-in-Chief

#### 6 From the Trenches: Sooner is Better for AR and Invoicing!

By Randy Johnston

#### 27 The Staffing & HR Advisor: 4 Elements of a Winning Compensation Package

By Paul McDonald

#### 31 The Labor Law Advisor: Marijuana in the Workplace

By Richard D. Alaniz, J.D.

#### 35 Bridging the Gap: Is Your Accounting Firm Serious About Security?

By Jim Boomer, CPA.CITP

### FEATURES

#### 17 Apps We Love: Sowing Your Garden

By Gail Perry, CPA, Editor-in-Chief

#### 19 How To Forge A Better Working World For Women

By Amy Vetter

#### A Year in the Life of a SALT Accountant:

#### 20 Should Sales Tax Be Included in Price

By Mary C. Thomas, CPA

#### 21 Recouping Sales Tax on Bad Debts

By Shane Ratigan

#### 23 The ProAdvisor Spotlight: Advanced Connectivity, Greater Control

#### Building Your Niche Practice:

#### 24 Specialized Services for the Medical Practices Accountant

By Gail Perry, CPA, Editor-in-Chief

#### 26 Resources for Accountants in the Medical Practices Niche

#### 26 Three Marketing Strategies for CPAs with Medical Practice Clients

By Becky Livingston

#### 28 2017 Thought Leader Symposium

By Isaac M. O'Bannon, Managing Editor

#### A Year in the Life of a Payroll Accountant:

#### 32 Labor Department Revises Garnishment Rules

By Christine Pulfrey

#### 33 Key Questions HR Leaders Need to Address Now

By Susan Hanold

#### 36 The Month Ahead

### CHANNELS

16 Payroll

30 Taxes

18 Small Business

34 Firm Management

22 Accounting & Audit



**Publisher:** Barry Strobel  
**Editor-in-Chief:** Gail Perry, CPA  
**Managing Editor:** Isaac M. O'Bannon  
**Assistant Editor:** Talja Sparkman  
**National Sales Manager:** Lou Meszoros  
**Columnists:**

Ken Berry, JD  
Doug Sleeter  
Jim Boomer, CPA.CITP  
Kristy Short  
Randy Johnston  
Rene Lacerte  
Roman H. Kepczyk, CPA.CITP  
Paul McDonald  
Amy Vetter, CPA.CITP, CGMA

**Art Director:** Rhonda Cousin  
**Site Manager:** Lester Craft  
**Production Manager:** Barb Evenson  
**Audience Development Manager:** Terri Pettit  
**Editorial Advisory Board:**

Jim Bourke, CPA.CITP, CGMA, CFF  
Jim Boomer, CPA.CITP, CGMA, MBA  
Bob Cedergren, CPA.CITP, CGMA, CISA  
Randy Johnston, MCS  
Greg LaFollette, CPA.CITP, CGMA  
Donny Shimamoto, CPA.CITP, CGMA  
Doug Sleeter  
Sandra Wiley, PHR, SPHR

**SOUTHCOMM, INC.**

**CEO:** Chris Ferrell  
**CFO:** Bob Mahoney  
**COO:** Blair Johnson  
**VP, Production Operations:** Curt Pordes  
**VP, Technology:** Eric Kammerzell  
**Executive Vice President:** Gloria Cosby  
**Director of Digital Business Dev.:** Lester Craft

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

**Article reprints:** Brett Pettilo  
Wright's Media 877-652-5295, ext. 118  
bpettilo@wrightsmedia.com

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



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

**Subscriptions:** Individual subscriptions are available without charge in the U.S. to qualified subscribers. Publisher reserves the right to reject non-qualified subscriptions. Subscription prices: The basic annual rate is \$3, based on qualifying associations of 10,000 or more public accountants that may also subscribe for all their public accountant members (certain restrictive covenants apply) for a basic subscription rate of \$9 per member for a three-year subscription. One year subscription for all others: USA - \$48; CAN \$70 GST; INT'L \$99 GST. All subscriptions payable in U.S. funds, drawn on U.S. bank. Canadian GST #R42773848. Back issue \$10 prepaid, if available. Printed in the USA. Copyright 2017 SouthComm Business Media, LLC.

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

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

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

## FROM THE EDITOR

By Gail Perry, CPA, Editor-in-Chief

# What is the Thought Leader Symposium?

hear that question a lot this time of year. The symposium is an annual event which developed over time, spawning from a casual meet-up with a group of accounting profession leaders nine years ago arranged by Greg LaFollette, CPA, who at that time was executive editor of *CPA Practice Advisor* (formerly *CPA Technology Advisor*). The group has grown since its beginnings and now has maxed out its membership at 30. New members are invited to join only when existing members leave the group.

The symposium itself, which is still hosted by *CPA Practice Advisor*, provides its members with an opportunity to immerse themselves in deep discussions about pressing issues in the accounting profession, develop opportunities to collaborate, plan their speaking and writing agenda for the year ahead. The members are well known in their fields and each has his or her own mission for making a difference in and providing a service to the accounting profession. This meeting allows them to ground themselves, reinforce their own mission while helping one another.

The format is that of a think tank where concepts and models within the accounting profession are discussed, dissected, analyzed, alternatives are considered, roadblocks taken into account. Each year we choose a few issues that are holding the profession back, issues where the members agree they can make a difference – breaking down barriers, charting new territory, cooperating with other leaders in the profession. What the members provide to the profession in the year ahead in terms of speaking, writing, consulting, educating often comes from this meeting.

In addition and just as important, we meet with key vendors that serve

the profession, discuss their ideas, products, strategies, and concepts that are being considered for both the short-term and the years ahead. Because this group has such a significant outreach across the profession it is able to see a very broad spectrum and provide a unique perspective. The input from this group is essential in helping these vendors shape their decisions, learn how they can improve and better serve the profession, and choose what to bring to market and how to get it there.

The newest addition to this annual event is the complementary 40 Under 40 think tank that occurs in the fall. The two groups meet independently of each other but share ideas and provide similar input to each other and to vendors. A major difference of the two groups is that the 40 Under 40 group changes each year, so new and younger and more innovative members are constantly joining in the conversations.

What distinguishes these groups is that both the Thought Leader Symposium and the 40 Under 40 are filled with members who have the ear of the profession, the willingness to serve, the ability to visualize new concepts, a platform for sharing ideas, and a mission to embrace the future of the profession as one of their personal goals. The accounting



profession as a whole and the vendors that serve that profession are the beneficiaries. ●

— Gail Perry, Editor-in-Chief  
Follow me on Twitter at @gperrycpa  
[GPerry@CPAPracticeAdvisor.com](mailto:GPerry@CPAPracticeAdvisor.com)



Gail is the Editor-in-Chief of *CPA Practice Advisor* and a CPA. She is the author of over 30 books (including “*Mint.com for Dummies*” and “*Idiot’s Guide to Introductory Accounting*”) and she maintains a small tax practice. She earned a bachelor’s degree in journalism from Indiana University and studied accounting at Illinois State University before starting her professional career at Deloitte. Gail is the former publisher and editor-in-chief at AccountingWEB and is a former columnist for the *Indianapolis Star* newspaper.

## 7 Best Practices for Accounts Receivable

By Isaac M. O'Bannon, Managing Editor

**A**ccounts receivable is essential to the health of a business, ensuring that payments are received for products or services sold. When managed ineffectively, receivables can dry up, or take such a long time to be received that the effect is a lack of funds for even basic operations such as payroll, as well as payables to vendors, taxes and necessary capital improvements.

To get a firm grasp on receivables, a business must establish firm processes for inputting invoices, ensure correct contact information for customers or clients, and establish payment terms that may include incentives that can prompt early payment by customers, or penalties for chronic late payers. Remember to start with the tasty carrot before moving to the stick. For invoice-based businesses, as opposed to payment-on-delivery businesses, strong receivables management procedures will not totally eliminate late payers, so a collections process must also be implemented as a final step,

prior to writing off or selling bad debt.

Here are some general tips that can help small businesses stay on top of their receivables, minimizing the aging and, hopefully, ensuring a steady stream of cash into the business.

- **Process invoices electronically.** Whether via email or apps that alert customers to due payments, electronic invoicing is much more efficient than paper-based bills that can get lost in the shuffle of daily work.
- **Allow online payments.** Most online invoicing systems offer elec-

tronic payments either through EFT or services such as PayPay, or the customer's bank.

- **Implement automatic payments.** If a customer has regularly recurring service charges or fees, it may be beneficial for both the client and the business to set up automatic drafts through their financial institution. Customers may also be incentivized (via discounts) to set up the automatic drafts.
- **Review receivables aging reports.** What you don't know, will hurt you. So keep up with which customers are routinely in the aging lists and work with them to find a way to invoice them more effectively.
- **Call late payers.** Paper-based late notices may be good for documenting your efforts to collect, but they don't offer evidence of receipt by the customer unless sent via registered mail. Likewise, emails can get lost in

spam folders, especially when they are from automated systems. But a phone call is effective, and once the calls start, customers will be more aware of their debt, and usually more responsive.

- **Incentives and penalties.** Here comes the carrot and the stick. Offer early payment discounts such as X%/10 Net 30 (X% off if paid within 10 days, the full balance due in 30 days). Or enforce penalties, which can vary by industry but are usually a percentage of the invoice.
- **Sell the hopeless AR cases.** Businesses can either sell their deadbeat debt accounts to a collection agency or receive a loan against them from a factoring service, often for a small percentage of the face value.

Do you have any additional tips to keep AR functioning efficiently? ●

## Third Party Debt Collection: The Basics

By Chad Shuford

### When to use a collection agency

The general rule is that you should only hire a collection agency when a debtor is ignoring the debt. When this is the case, don't hesitate to hire a collector because the probability of collections decreases 12 percent each month an invoice remains outstanding. If you don't have time or the desire to get your customers to pay attention to your invoices, you can hire an accounts receivable manager. There are several outsourced solutions that SMBs can use for this, including InvoiceSherpa and Funding Gates.

### Finding a collection agency

There are over 5,000 agencies in the US, each catering to different sized businesses, different geographies and different industries. Unfortunately, there's no single source to help identify the best agency for your business, so finding the right agency is a trial-and-error process that involves searching online, word-of-mouth referrals, asking industry associations, etc. Once you find an agency, it's important to make certain they are experienced, successful and in good standing with local and federal regulators. InsideArm, an online resource for the debt industry, provides a helpful guide

that walks you through how to find the right collection agency. For users of cloud accounting software, the CollBox app provides a free service that automatically matches your delinquent invoices with the best collector in its network of vetted collection agencies (full disclosure: I am an investor in CollBox).

### Cost of using a collection agency

Collection agencies generally charge on a contingency basis, which means you will only have to pay if they make a collection. The average contingency fee ranges from 20% to 50% of the amount collected. The



variance in rates has to do with how delinquent the debt is: the longer it's been outstanding, the harder it is to collect and the higher the rate will be. If nothing is collected, there will be no charge and the delinquent invoice will be returned to you after a mutually agreed upon period (typically 4-6 months).

CONTINUED ON PAGE 15



# FACE THE YETI

## World's Leading Technology Conference for Accounting Professionals

Every advisor who calls themselves a "climber" shares certain qualities like intention, determination, passion, and the highest levels of professional expertise. But, there is another key trait common to all climbers and to everyone who wants to accept Woodard's challenge to climb....**Courage.**

This brave response...this brave, courageous climb...is what we call "Facing the Yeti."

**JUNE 4 - 7, 2017**

Disney's Coronado Springs Resort

[ScalingNewHeights.com](http://ScalingNewHeights.com)

[Learn More](#)

# Sooner IS Better for AR and Invoicing!

In last month's column, we spoke about how cash is king. While we discussed the merits of having ample cash, another one of my favorite business axioms is: "happiness is a positive cash flow." Invoicing sooner, managing accounts receivable, and collecting sooner can cover up many sins.

This week included a conversation with a very successful business that does a very poor job of cash flow management. They are sinfully profitable, and "don't bother" collecting from clients until they see they need some cash. They make a few collection calls or go visit the firm in person and pick up money. We're not speaking small amounts, either. One example of a 9 month old receivable was "only" \$52,000. However, the business has had very little bad debt write-off, has ample cash in the bank, and is letting their clients finance their operations through an AR, and letting clients use another business rule: collect fast, pay slow. Businesses shouldn't be banks.

Realistic terms and collecting in a timely fashion are good measures of client satisfaction with a service. "The value of a service diminishes once the service has been performed." Billing closer to the point of time of delivery will likely result in billings questioned less, be approved faster, and will be less likely

to become a bad debt. We need to make it easier for our businesses to invoice, receive payments, work collections and manage the business cash flow. The size, style and scale of your business can make a difference on your approach. The main goal of this article is for you to be thoughtful about your own operations as well as those of your clients.

## What Are We Trying to Accomplish?

Holding billing for a more convenient time can work, but finding more time later is not likely. For most of us, we are busy a significant portion of our time. Further, it takes more time to pick up work done in the past, review it for billing and make a decision. If you can make billing a natural part of your process, bills are more likely to get out on a timely basis. "The engagement is not done until the paperwork is finished." Just because you've pushed out a client deliverable, not all of the paperwork is done.

I've promoted value billing and hotel billing as worthwhile approaches to increasing revenue by getting paid what your advice is worth and missing less billable time. Several pundits have jumped on the value billing band wagon and are promoting this extensively. I recommend tracking costs and setting up the billing to be recurring and paid through an ACH entry eliminating the collections efforts altogether as well as radically speeding up cash flow.

Of course, some firms delay billing trying to get all of the time and expenses in. This should be mitigated by asking for daily time sheets and expense entry. You'll miss less time and expenses by capturing this information as you go. In effect, preparing a bill and delivering it with the work (hotel billing) or within a day or two at most after the work is completed will let you know as soon as possible if there is any client contingency with your work.

It is best if time, expense, billing, receipt of payments and collections can be rolled into a single system. A number of vendors have provided invoice and immediate receipt of payment capabilities, including Zoho (Invoice and Checkout and/or Books), Intuit QuickBooks Online, FreshBooks, Dynamics 365, Xero, Accounting Power and Open Systems with their field service billing module. The trickier part beyond simply invoicing might including this information in a general ledger or accepting payment, but the products named above can be made to do all of these things.

A few things that are more difficult for accepting payments include: website payment mechanisms, links for payments in email, and making sure that you have PCI compliance. Based on today's regulatory environment, you'll want to use a third party payment provider and feel good about paying their discount rate (typically 2.25%-3.25%) to collect money more rapidly, with less overhead and without having to worry about PCI compliance.

## If The Tools Are Good, Do We Have to Worry?

Unfortunately, conveniences like payment at the point of encounter (think lawn care, pool services or other field service operations) can lead to fraudulent activity if there are not proper controls around scheduling the service, project or engagement. Likewise, in professional services firms, you should have the control processes in place to make sure that all work that is completed is properly billed through the business. You may choose to have an exception for "friends and family," but you don't want the friend circle to extend too far. Further, the amount that you bill should not be discounted so far as to make it unwise or unprofitable to perform the work. One of the most sad analyses I performed in the last 30 days was for a firm that should have been netting 7 figures and that was struggling to make \$100,000. Discounting of complex services was completely out of control.

Your firm or your client's firm may be

well served by having hour standards or budgets for certain types of work. After completion, you can review the budget and standards and discern if you have the flexibility to charge more. In the future, you may want to specifically engage the clients for a larger amount or ask them to consider another firm to provide the service. If a client doesn't fit your model, having them leave your firm is a benefit because you have more time available for the right type of client.

Additionally, consider how you handle a team member who is excessively discounting or writing down work. Is there an education problem? Is there a control problem? How about a cultural problem? Too many professionals undervalue their worth to their clients and are afraid to charge a fair value. Frequently this is only a perception problem and not true in the market at all. This brings to mind a firm that I consulted for that believes that their clients are so cheap that if they raise their fees, the clients will leave. By the way, this firm is working an excessive number of hours and has trouble retaining staff. Do you think they might have a solution in raising fees?

## May You Always Have Plenty of Cash (and Clients)!

It seems odd to say this two months in a row, but I've managed businesses and helped too many businesses that have a cash flow problem. For sure, it is easier to manage a business with ample cash flow, but you don't want to be wasteful when times are good. A pretty good rule of thumb is to manage the business like you are having cash flow problems, but to never let anyone know that. You don't want to be penny wise and pound foolish, but it is easy to throw money away when you have plenty...you know the saying: easy come, easy go.

You should choose for your own business, as well as your client's businesses, what is believed to be "the best" course of action. If you choose the best interest of the clients, team members and owners, everybody should win! ●



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

# ACCOUNTS RECEIVABLE FUNCTIONS

## ACCOUNTS RECEIVABLE: *The Heart of Business Operations*

By Mary Girsch-Bock

If cashflow is the lifeblood of a business, then accounts receivable is the heart — ensuring that cash keeps flowing, while helping to manage core invoicing and collections activities. What can a good accounts receivable system do for your client’s business? What can it do for *your* firm? Unless a small business sells products and services on a cash only basis, it needs a good accounts receivable system.

Everyone wants to get paid – as quickly as possible, or at least, on time. An effective accounts receivable system helps businesses ensure that their customers are paying. But it’s not only about cash receipts, it’s also about the customers.

Remember, everything starts with a business’ clients and customers. If the business wants to be successful, it needs to find a way to manage them properly. That means having as much information about the customers and their purchasing habits as is possible, as well as payment history, payment type, discounts, how often they are in your late aging, and other data.

While accounts receivable is strictly about monies owed to the business, its effectiveness affects the entire operation, making it perhaps the most critical part of the business in terms of value and potential for disruption when things go wrong.

If customers or clients always pay on time, maybe a discount is in order. Or maybe you can use the temptation of a discount to help less timely customers pay earlier. That’s an accounts receivable function.

What about the chronic late-payer? Go ahead and add a finance charge to their account. That’s an accounts receivable function.

What about the customer who always returns something? That’s an accounts receivable function.

I think you get the idea. While accounts receivable is all about receiving payments, it also helps business owners handle many related tasks, including payment application, credit memos, the ability to apply a single payment to multiple invoices, and the ability to better manage your cash flow.

In this issue, we looked at numerous accounts receivable systems, and a few products that support accounts receivable functionality. These products range from online accounting products that are suitable for small businesses, to those that work with enterprise level operations, to those designed strictly for professional accountants

While reviewing these applications, we chose to focus on the availability of numerous accounts receivable features, including the following:

- Customer information levels
- Customer credit limits
- Payment history
- Payment information
- Order history

- Credit memos reports
- Return authorizations
- Application of payment to multiple invoices
- Accounts receivable
- Customer statements
- Integration with core product
- Integration with third-party applications
- Multi-currency
- Mobile access
- The ability to accept electronic payments

The accompanying chart provides an at-a-glance look at whether a particular feature is available in the product noted. However, the availability of the feature does not automatically assume a higher or lower product rating simply because it does or does not offer that feature.

Mentioned earlier, the products in the review vary widely in functionality and their particular audience. The products included in the Accounts Receivable review include:

### Accounting Software Applications:

- Thomson Reuters Accounting CS (for accounting professionals only)
- Accounting Power (for accounting professionals only)
- Sage 50c
- QuickBooks Online
- Xero
- Wave
- FreshBooks
- Kashoo
- Acumatica
- Intacct

### Related Accounts Receivable Apps:

- Centreviews AR
- FuseBill
- PaySimple
- Collbox

Finding a suitable accounts receivable product depends on the needs of your business; whether you’re a professional accountant that offers bookkeeping and accounting services, a business with a single employee or multiple offices in multiple locations. The one-person office will not need the same level of functionality as the international business, nor will the accountant providing financial services to their clients need the same functionality as the small business owner.

But ultimately, in order to be successful, all of these business owners will need to find a way to manage their accounts receivable properly. A solid accounts receivable system will help you do just that. ●

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

	CUSTOMER INFORMATION	CREDIT LIMITS	PAYMENT INFORMATION	PAYMENT HISTORY	ORDER HISTORY	CREDIT MEMOS	RETURN AUTHORIZATION	APPLY PAYMENTS TO MULTIPLE INVOICES	REPORTS	CUSTOMER STATEMENTS	INTEGRATION WITH GL	INTEGRATION WITH OTHER APPS	MULTI-CURRENCY	MOBILE ACCESS	ONLINE & ELECTRONIC PAYMENTS
Accounting Power	X		X	X	X	X		X	X	X	X	X			X
Acumatica	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
FreshBooks	X		X	X	X			X	X	X	X	X	X	X	X
Intacct	X	X	X	X	X	X	X	X	X	X	X	X	X		X
Kashoo	X		X	X				X	X	X	X	X	X	X	X
QuickBooks Online	X		X	X	X			X	X	X	X	X		X	X
Sage 50c	X	X	X	X	X	X		X	X	X	X	X		X	X
Thomson Reuters Accounting CS	X	X	X	X		X		X	X	X	X	X		X	
Wave	X		X	X				X	X	X	X	X	X	X	X
Xero	X		X	X	X	X		X	X	X	X	X	X	X	X

# ACCOUNTS RECEIVABLE FUNCTIONS

## AccountantsWorld Accounting Power

2017  
OVERALL  
RATING

4.5

Accounting Power is part of AccountantsWorld, which offers a series of applications designed specifically for professional accountants. Accounting Power offers complete accounting and bookkeeping functionality for firms that in turn offer these services to their clients. All AccountantsWorld

applications are cloud-based, offering anytime/anywhere access to both users and their clients.

The AccountantsWorld dashboard offers an easy way for users to access all of their clients from a single user interface. Once a client has been chosen, the screen will update with all of the accounting

Read the full review and see expanded ratings for this product online at:  
[www.CPAPracticeAdvisor.com/12308383](http://www.CPAPracticeAdvisor.com/12308383)

options available for that client, including Company, Banking, Sales, Job Costing, and others. Each customer for each specific client can be easily managed in Accounting Power, with users able to enter detailed information including the ability to enter sales preferences for each client, including specific

invoicing capability as well as the ability to apply finance charges to a customer balance.

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

## Acumatica Cloud ERP

2017  
OVERALL  
RATING

5

Acumatica Cloud ERP is a complete accounting application that offers excellent accounts receivable functionality. The core financial application contains GL, AP, Purchasing, AR, and Cash Management functionality, but the product also offers industry specific solutions as well. Acumatica is best

suited for small and mid-sized businesses with multiple locations that have more complex needs.

Acumatica allows users to easily manage their customer base. Users can manage AR more pro-actively entering a number of details about each customer, such as customer class, terms, write-off limits, credit

Read the full review and see expanded ratings for this product online at:  
[www.CPAPracticeAdvisor.com/12308284](http://www.CPAPracticeAdvisor.com/12308284)

verification information, and credit limit. Users can choose their preferred form of payment, and can also accept advance payments for customers as well. Acumatica tracks all payment and order history, so information is available to users at any time. Overdue invoices can have a finance charge calculated

automatically, with users able to calculate charges by percentage, fixed amount, or a minimum charge amount.

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

## FreshBooks

2017  
OVERALL  
RATING

4

FreshBooks is a cloud-based accounting application designed for freelancers and very small businesses. The product centers on time and billing, with other features such as project tracking available as well. FreshBooks also offers a mobile app that works with both iPhone and Android smart phones and tablets.

Setting up a client in FreshBooks is a really quick process, with very limited information required. One of the nice features of the Pro version of FreshBooks is the ability to customize client settings such as sending automatic payment reminders for specific clients, specifying the intervals to send the

Read the full review and see expanded ratings for this product online at:  
[www.CPAPracticeAdvisor.com/12308313](http://www.CPAPracticeAdvisor.com/12308313)

reminders, and the ability to include a personalized message. Users can also choose the default language and currency, though users can invoice and accept payments in any currency. Late fees and finance charges can also be set for each client during the setup process.

Users can easily process pay-

ments for multiple invoices by accessing the Invoices section and marking off the invoices that have been paid, then click on the Mark as Paid under the actions tab.

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

## Intacct ERP

2017  
OVERALL  
RATING

5

Intacct ERP is a comprehensive cloud-based application that offers solid financial and accounting functionality. Core modules in Intacct include AR, AP, GL, Order Management, and a solid Cash Management module. Add on modules are also available that bolster core modules.

Intacct provides users with an easy way to manage all of the customers. The customer list provides a summary of all customers, with basic contact information. Users can choose to view current customer information from this screen or edit existing information as needed. The customer entry screen also allows

Read the full review and see expanded ratings for this product online at:  
[www.CPAPracticeAdvisor.com/12308316](http://www.CPAPracticeAdvisor.com/12308316)

users to easily set up specific details for each customer, including default invoice message, and preferred invoice delivery method. Both payment terms and credit limits can be assigned to each customer as they are being entered into the system. Intacct supports over 190 currencies, so global users can easily

process both invoices and payments using a variety of currencies.

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

## Kashoo

2017  
OVERALL  
RATING

4.25

Kashoo is a cloud-based application designed for the small business owner. Along with cloud access, Kashoo also offers both iPhone and Android apps that make system access even more convenient. Kashoo is a double-sided accounting application that contains complete GL functionality. Kashoo

users can customize their GL as well as set new payment terms if desired.

Kashoo users can manage customer accounts directly from the Clients interface, which allows users to record all client contact information as well as details such as website address, referral, campaign, terms or payment and

income account. There is no option to set credit limits or detailed payment information. Users can Create an Invoice or duplicate an existing transaction from this screen. Users can manually add finance charges to a client/customer account if desired, and both payment and order history can be accessed by

clicking on the client or by viewing all transactions.

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



# ACCOUNTS RECEIVABLE FUNCTIONS

## QuickBooks Online

2017  
OVERALL  
RATING

4.25

QuickBooks Online has quickly gained popularity with small business owners who appreciate the anytime/anywhere access the product provides. Like QuickBooks Desktop, QuickBooks Online is well suited to both small businesses and nonprofit organizations. The product is also scalable, with three

versions available, which make it well suited for very small businesses as well as those that require more in-depth functionality.

QuickBooks Online utilizes an interface that is very different than its desktop counterpart, where users are able to access system functions from the vertical menu on the

Read the full review and see expanded ratings for this product online at:  
[www.CPAPracticeAdvisor.com/12308335](http://www.CPAPracticeAdvisor.com/12308335)

left and quickly create common transactions from the “+” shortcut on the upper right. QuickBooks Online offers fairly basic accounts receivable functionality, with users able to add a decent amount of information about each customer or donor, including tax information, payment and billing options as well

as any attachments related to that particular customer. There is also a notes field, which allows users to add any notes or other information about each customer.

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

## Sage 50c

2017  
OVERALL  
RATING

4.75

Sage 50c Accounting from Sage Software is a hybrid desktop/cloud accounting software product that combines the convenience of a cloud based product with a desktop installation. Designed for small businesses, Sage 50c is currently available in three versions; Sage 50c Pro, Sage 50c Premium, and Sage

50c Quantum, which can handle up to 40 system users. A complete financial application, Sage 50c offers standard accounting functionality in all standard areas including AP (Vendors and Purchases), AR, (Customers and Sales), Banking, Inventory, and Jobs.

Sage 50c offers complete AR

Read the full review and see expanded ratings for this product online at:  
[www.CPAPracticeAdvisor.com/12296823](http://www.CPAPracticeAdvisor.com/12296823)

functionality, with users able to track customer information, including both payment and order history, as well as detail such as last invoice date, last invoice amount, last payment date, and last statement date. Credit information, such as terms and credit can be customized for each customer, and a credit limit

can be assigned, as well as the ability to determine discount levels, if any.

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

## Thomson Reuters Accounting CS

2017  
OVERALL  
RATING

4.5

Accounting CS, part of Thomson Reuters CS Professional Suite is designed exclusively for accounting firms that wish to offer bookkeeping and accounting services to their client base. Accounting CS is designed to integrate with other Thomson Reuters products that are available for accounting professionals.

Accountants must enable the Accounts Receivable option in Accounting CS in order to process invoices and apply future payments. Once this is completed, users can simply access the setup option to begin to enter customer information. Customer information includes contact information as

Read the full review and see expanded ratings for this product online at:  
[www.CPAPracticeAdvisor.com/12308344](http://www.CPAPracticeAdvisor.com/12308344)

well as email and web addresses. Beginning balances can be entered at this time for customers, and users must indicate that the customer can be invoiced and accept payments. Customer data can also be edited during the payment application process, if necessary. Both payment terms and discount information is

entered in the setup option as well, though users can enter this information on the fly if necessary.

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

## Wave Accounting

2017  
OVERALL  
RATING

4

Wave is designed for the freelancer or small business owner. Wave is currently available at no cost, though additional functionality such as payroll capability and the ability to accept credit cards does carry a slight fee. Wave offers a complete, double entry accounting system that is deliverable on the

cloud and offers mobile apps for both iPhone and Android devices.

Wave offers decent accounts receivable capability. Setting up a customer is quick, with only basic contact information needed. Credit limits cannot be assigned to a customer's account, though users do have the option to request only cash

Read the full review and see expanded ratings for this product online at:  
[www.CPAPracticeAdvisor.com/12308354](http://www.CPAPracticeAdvisor.com/12308354)

payments. Finance charges will not be automatically billed, but users can create a flat rate finance charge fee in the products and services that can be added to an invoice that is overdue. Users can access the Transaction function to view all payment and expense activity.

Wave's Dashboard offers users

a good summary of all current activity, including a list of overdue invoices as well as a summary of those that are coming due shortly.

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

## Xero

2017  
OVERALL  
RATING

4.75

Xero is well suited for small business owners, and offers the flexibility of three different versions; Starter, Standard, and Premium. Xero offers complete accounting functionality with all versions of the application, which is deployed exclusively online.

Xero offers solid accounts receiv-

able capability, with all AR activity completed under the Sales option. Users can set up customers quickly under contacts, adding a business and personal contact name, as well as general contact information. Financial details such as a default account and default sales region can be added, and users can also

Read the full review and see expanded ratings for this product online at:  
[www.CPAPracticeAdvisor.com/12308281](http://www.CPAPracticeAdvisor.com/12308281)

add any sales tax information, and relevant discount and the type of default currency that should be utilized with each contact. Bill due dates and invoice due dates can also be assigned in contacts.

Users can easily access all related sales information from the Sales screen, which includes a list of all

invoices as well as a list of current customers who owe the most money.

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

# APPS FOR ACCOUNTS RECEIVABLE

## Centreviews AR

Centreviews offers AP, AR, and document management capabilities delivered via the cloud. Centreviews is designed to link all business invoices with their supporting documents. The linked documents are then stored in a centralized, searchable archive, where users can access them at any time. The application will also deliver both electronic and paper bills to customers.

While Centreviews isn't suitable for

everyone, it can be very useful for businesses with multiple locations, or those that have a high number of supporting documents that need to be matched with invoices, such as construction companies and builder/developers. The product is also useful for businesses with multiple locations, as it eliminates the need to email, copy, or fax documents between locations.

All files stored in Centreviews can



be exported to a .csv file, so users can utilize the documents with their current accounting software. The product also helps to capture payment data, matching payments to invoices, while also providing online payment options to business

customers.

Centreviews starts at \$500.00 per month, making it more suitable for larger businesses with a high level of AR activity.

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

## Fusebill

Fusebill is designed for businesses that need assistance in managing subscription and recurring billings. Focusing on the intricacies of managing subscription billings, Fusebill is also well suited to businesses that have regular, recurring billings.

Fusebill users can set up each customer account to automatically charge customer credit cards each month, ensur-

ing steady revenue flow. The application will also notify users promptly via email if their card has been declined.

For businesses that have monthly subscriptions, memberships, or nonprofits that have monthly donations coming in, Fusebill helps to ensure that monthly invoices are promptly sent, and provides a platform for customers to pay online, as well as the ability to set up recurring

monthly payments. Fusebill integrates with Salesforce, QuickBooks Online, and NetSuite, along with other applications.

Fusebill can be a lifesaver and a revenue generator for those whose main revenue stream is subscription or recur-

ring billings. Pricing starts at \$189.00 per month for a basic subscription level.

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



## PaySimple

PaySimple is a payment processing solution that is designed to process payments of all types, including credit and debit cards, eChecks, and ACH transfers, with payments processed on a one-time or recurring basis. PaySimple tracks invoices, indicating which invoices are due.

When payments are received, the

funds are automatically deposited into a business's bank account. Recurring billing is also available in PaySimple; once billing data is entered, PaySimple will automatically bill a customer.

A mobile app is available that allows PaySimple to be used with smart phones to process payments from anywhere. The product also handles subscription billing,

with customers automatically emailed a receipt once payment is received.

Businesses that are interested in using PaySimple will need to submit an application. Application approval typically takes three business days.

PaySimple is a good solution for

those looking to outsource the payment processing function while still retaining some control of the process. PaySimple pricing is \$49.95 per month, plus processing fees.

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



## Collbox App - Collections for QuickBooks

Collbox is a collections app that integrates with QuickBooks Online. Designed to simplify the collection process for small business owners, Collbox services are free, with users only paying a fee when a collection agency collects on an invoice.

To begin using Collbox, users will need to link the product to their QuickBooks Online account. Once this link is established, Collbox can review all invoices that are currently past due. Users can view this information from the Collbox

dashboard, which offers a quick look at all past due invoices, with a summarized total. Users simply choose the invoice(s) that they wish to have collected, review the customer detail to ensure accuracy, and click on the See Collection Offers. Collbox then sorts through their list of reputable collectors to find the collector that is a best fit for the debt. Users are then presented with an offer that includes the collection agency's rate, recoverable amount if the debt is paid in full, and the odds of collecting the debt. At this

point users have the option to agree to the terms of the offer or cancel the offer entirely.

100% cloud-based, Collbox is an excellent solution for the small business owner, since they pay nothing unless the debt is collected. Users need to know that if an invoice is sent to collection and the delinquent customer pays the business directly, they still need to submit pay-

ment to the collection agency.

Collbox is certainly worth a try for the small business owner who typically struggles to collect on old invoices. Users can stop the service at any time and pay nothing unless a debt is recovered.

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



# Invoice Management Features Help Strengthen Business

By Mary Girsch-Bock

Invoicing and accounts receivable go hand-in-hand, which is why they're both reviewed in this issue. It's impossible to have a solid accounts receivable system without including a proper invoicing function. How can you collect on balances due if customers and clients aren't provided with timely invoices?

While invoicing on the surface seems like a fairly straightforward feature, (and simple invoicing is), how customers and clients are invoiced can be just as important as when.

Some of the invoicing features we looked for in the applications that we reviewed include the ability to offer multiple payment options – which will likely ensure quicker payment. Accepting online payments often means quicker payment. Another feature we looked for is the ability to customize your invoices and statements. Branding is important – you want your customers and clients to know where the invoice is coming from immediately. Automatic payment reminders are essential, and if you're a service business or an accountant billing a client, can you track your time and invoice it easily?

In this issue, we looked at the same products that we looked at for the Accounts Receivable review, mainly because the two functions are so closely related. Again, these products vary widely, with some suitable for small businesses, to those that work with enterprise level operations, to those designed strictly for professional accountants. While reviewing these applications, we focused on the availability of some key features, including:

- Online payment options
- Customizable invoice templates
- Estimates/quotes

Do you provide your customers with a mailed invoice only? What about online or emailed invoices? Do you currently have the ability to provide your customers and clients with an invoice via email? Can you easily process recurring invoices, which are vital for those that collect a flat fee each month, such as for subscriptions or nonprofits that have recurring giving programs?

As I mentioned in the accounts receivable section of this issue, everyone wants to get paid on a timely basis, and while the function of accounts receivable is to manage balances owed your business, the job of an invoice is to remind your customers that you are owed a specific amount of money and that money is expected by a certain date.

- The ability to process recurring invoices
- Automatic payment reminders
- Reporting
- Automated late fees
- Discounts
- Multi-currency
- Time and expense tracking
- Sales tax
- Integration with the core application
- Integration with other applications

The included chart provides a quick look at which of the programs reviewed offer these features, although the final product rating is based on other aspects – not just the availability of absence of a feature.

Mentioned earlier, the products in the review vary widely in functionality and their particular

audience. The products included in the Invoicing review include:

## Accounting Software Applications:

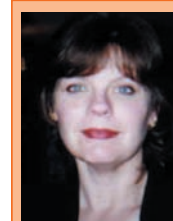
- Thomson Reuters Accounting CS
- Accounting Power
- Sage 50c
- QuickBooks Online
- Xero
- Wave
- FreshBooks
- Kashoo
- Acumatica
- Intacct

## Related Invoicing Apps:

- Zoho Invoice
- Free Agent
- Concur

Solid invoicing capability, like accounts receivable capability, is a necessity, whether you're a global enterprise or a freelance editor. While the needs of the global enterprise will not be the same as those of a freelance professional, ease, convenience, and the capability to produce professional invoices is the same.

Whether you produce a dozen or thousands of invoices a month, having a system in place to simplify the process will go long way towards getting your invoices out to your customers, and ultimately getting paid, which is what every business owner strives for. ●



### Mary Girsch-Bock

Mary Girsch-Bock began her career as an accountant in the property management and healthcare industries.

She is now a freelance writer

specializing in business and technology issues and is the author of her first book, several HR handbooks, training manuals, and other in-house publications. She can be reached at [mary.girschbock@cpapracticeadvisor.com](mailto:mary.girschbock@cpapracticeadvisor.com).

# INVOICING FUNCTIONS

## AccountantsWorld - Accounting Power

2017  
OVERALL  
RATING

4.5

AccountantsWorld offers professional accountants complete practice management, payroll, and accounting/bookkeeping functionality. Accounting Power offers complete accounting and bookkeeping functionality for accountants, providing them the

features needed to offer these services to clients. Only offered to professional accountants, all AccountantsWorld applications are cloud-based, offering anytime/anywhere access to their users.

Accounting Power offers a single user dashboard, where accountants

Read the full review and see expanded ratings for this product online at: [www.CPAPracticeAdvisor.com/12311222](http://www.CPAPracticeAdvisor.com/12311222)

can easily set up and access all of their clients. Once the user selects a client from the drop down menu, a series of tabs are displayed at the top of the screen, offering access to various system functions including Company, Banking, Sales, Job Costing, Expenses, and other accounting

functions. There is also access to reports, system utilities, and other resources as well.

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

## Acumatica

2017  
OVERALL  
RATING

5

Acumatica Cloud ERP is designed for companies that have more complex financial requirements. The product is also well suited for growing businesses, and can be used on PC's, Macs, tablets or smart phones. Acumatica offers a comprehensive core of financial management applications, including GL, AR, AP, Cash Management,

Tax Management, Inter-Company Accounting, Payroll, and Fixed Asset Management.

One of the nice features in Acumatica is the ability to *both* accept multi-currencies, as well as the ability to translate the product into another language, so users can send invoices and statements in multiple languages, as well as accept

Read the full review and see expanded ratings for this product online at: [www.CPAPracticeAdvisor.com/12309051](http://www.CPAPracticeAdvisor.com/12309051)

currencies from other countries. Real time adjustments are made in Acumatica to reflect exchange rates and gains or losses on monies billed and received.

Acumatica allows businesses to easily accept credit card payments, and the customer portal allows customers to access their current AR balance and download any related

invoices or statements, including statement history. The system can also be used with e-commerce sites, allowing users to offer products and accept payment online for those products.

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

## FreshBooks

2017  
OVERALL  
RATING

4.5

FreshBooks offers cloud-based accessibility, and is well suited for freelancers and small businesses. While FreshBooks has a focus on time and expense tracking and management, it also contains good invoicing capability, as well as a mobile app for both iPhone and Android devices.

Users can easily create a new

invoice in FreshBooks by simply clicking on the New Invoice option. Once selected, users can also add additional invoice settings, including the ability to accept credit cards, the ability to customize the style of the invoice, and the ability to make the invoice recurring. Having all three of these options available in one location saves a great deal of

Read the full review and see expanded ratings for this product online at: [www.CPAPracticeAdvisor.com/12309085](http://www.CPAPracticeAdvisor.com/12309085)

time, and allows uses to create a custom invoice and payment system for each client or even each invoice individually.

Discounts can be added directly to the invoice by clicking on the add discount feature and entering the appropriate percentage discount. In addition, the invoice screen allows users to set up automatic

payment reminders to their clients, and also add the ability to charge a late fee if a payment is not received by the specified due date. Again, having these options available in the invoice entry screen is a tremendous time saver.

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

## Intacct ERP

2017  
OVERALL  
RATING

4.75

Intacct ERP is a cloud-based application aimed at mid-sized businesses that typically conduct business globally. Core financial modules include AR, AP, GL, Order Entry, Purchasing, and Cash Management. Additional modules are available that enhance product functionality considerably.

Intacct allows users to easily

create custom templates for system invoices sales order, purchase orders and statements using Microsoft Word. Users can create a new invoice using the Quick Invoice Entry Preferences screen, which allows users to auto-populate the new invoice based on the prior invoice. Users can also create a new invoice from scratch, and can attach

Read the full review and see expanded ratings for this product online at: [www.CPAPracticeAdvisor.com/12309057](http://www.CPAPracticeAdvisor.com/12309057)

any relevant documents to the invoice when entering information. There is also an option to create a recurring invoice, where users can also customize start and end dates, invoice frequency, which includes day, week, month, or year.

The Apply Penalties option allows users to run a report of all past due accounts and apply a

penalty or late charge, with the charge based on either the invoice amount or the amount due. Users can choose which customers will receive the penalties, and can set a minimum, so those with a small balance due will not incur a penalty.

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

## Kashoo

2017  
OVERALL  
RATING

4.75

Kashoo is a cloud-based accounting application designed for small businesses. Kashoo conveniently offers both iPhone and Android apps, so users can access the program from anywhere.

Invoicing an item in Kashoo is easy, with invoice entry completed from the Invoices page. Users would

choose the customer(s) to invoice, and then complete the rest of the fields. Users have the option to set up default accounts and payments terms for each client reducing the number of clicks to create invoices for repeat customers. Users can set up an invoice in Kashoo as a repeating invoice by simply clicking

Read the full review and see expanded ratings for this product online at: [www.CPAPracticeAdvisor.com/12309061](http://www.CPAPracticeAdvisor.com/12309061)

the Repeat box and choosing the frequency desired which include daily, weekly, monthly, or annually.

Kashoo offers users customizable invoice templates, with the ability to upload a company logo for display on the invoice. Users can easily customize an invoice by simply click on an existing transaction in Kashoo,

and then choose the template desired in order to complete the invoicing process. Invoices can be previewed in the application prior to saving, and once saved, can be exported or saved as a PDF.

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

# INVOICING FUNCTIONS

	CUSTOMIZABLE TEMPLATES	ESTIMATES/QUOTES	RECURRING INVOICING	AUTOMATIC PAYMENT REMINDERS	ATTACH FILES TO INVOICES	REPORTING	AUTOMATED LATE FEES	CUSTOMER STATEMENTS	DISCOUNTS	MULTI-CURRENCY	TIME & EXPENSE TRACKING	ONLINE PAYMENT OPTIONS	SALES TAX	INTEGRATION WITH GL	INTEGRATION WITH OTHER APPLICATIONS
Accounting Power	X	X	X			X		X	X			X	X	X	X
Acumatica	X	X	X	X		X	X	X	X	X	X	X	X	X	X
Free Agent	X	X	X		X	X			X	X	X	X	X	X	X
FreshBooks	X		X	X		X	X	X	X	X	X	X	X		X
Intacct	X	X	X	X		X	X	X	X	X	X	X	X	X	X
Kashoo	X		X			X		X	X	X		X	X	X	X
QuickBooks	X	X	X	X	X	X		X	X		X	X	X	X	X
Sage 50c	X	X	X	X		X	X	X	X			X	X	X	X
Thomson Reuters Accounting CS	X		X	X		X	X	X	X				X	X	X
Wave	X	X	X	X		X		X	X	X		X	X	X	X
Xero	X	X	X	X	X	X		X	X	X		X	X	X	X
Zoho Invoice	X	X	X	X		X			X	X	X	X	X		X

## Intuit QuickBooks Online

2017 OVERALL RATING

4.75

Like all QuickBooks products, QuickBooks Online is well suited for the small business owner that desires the flexibility of anytime access that QuickBooks provides. QuickBooks Online is scalable, with three versions available, making it well suited for the growing business as well.

Though the interface in Quick-

Books Online is very different than the traditional desktop version, and favors those accessing the system using a mobile device, the functionality is similar, with users accessing all system functions from a vertical menu on the left side of the main screen.

QuickBooks Online offers a surprising number of invoicing

Read the full review and see expanded ratings for this product online at: [www.CPAPracticeAdvisor.com/12309045](http://www.CPAPracticeAdvisor.com/12309045)

options for small business owners. Users can simply click on the plus sign at the top of the screen, to access all invoicing functions. The product contains excellent customization capability, with users able to customize invoices, sales receipts, and estimates. Users can also add their business logo to invoices and receipts, and both the body and data

entry fields can be customized as well. Users can view a PDF of the customized invoice prior to saving to ensure that all fields are correct.

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

## Sage 50c

2017 OVERALL RATING

4.75

Sage 50c Accounting from Sage Software combines features of a desktop and cloud accounting software system, providing easy accessibility and the ability to install the product on local computer desktops. Sage 50c is also scalable, available in three versions that can work well for the sole entrepreneur as well as the growing small busi-

ness. Sage 50c offers complete accounting functionality in its core product, as well as access to Payroll and HR modules as well.

Sage 50c allows users to easily create custom quotes for customers for both products and services. The user interface can be completely customized by the user so that only applicable tasks are displayed on the

Read the full review and see expanded ratings for this product online at: [www.CPAPracticeAdvisor.com/12309053](http://www.CPAPracticeAdvisor.com/12309053)

interface. Templates are available to use when processing a quote, and users can also create a custom template to be used for future quotes. Users have the option to easily convert a quote to a sales order or an invoice, depending on preference. Once a quote is converted, it can be viewed, but not edited. If a quote is not necessary for whatever reason,

users can simply create a sales order, which can also be converted into an invoice.

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

## Thomson Reuters - Accounting CS

2017 OVERALL RATING

4.25

Accounting CS offers solid invoicing capability, with users able to choose from a variety of fields to include on an invoice. Options available include sales information, purchase information, inventory information, sales tax information, discounts, and shipping details. The Invoice Template screen allows

users to set up individual templates for invoicing using either the Detail tab of the Rapid tab. Users can further customize invoices by adding a firm logo of other information on the invoice for better branding. Invoices can be created when needed, or users can use the schedule details option to indicate

Read the full review and see expanded ratings for this product online at: [www.CPAPracticeAdvisor.com/12309049](http://www.CPAPracticeAdvisor.com/12309049)

that the invoice is recurring and to specify the terms of recurrence, such as weekly, monthly, quarterly, or yearly.

Users can add a new invoice by simply clicking on the Add option to create a new invoice. Users can also delete and void invoices from this screen as well. When printing

an invoice, users can choose the layout they wish to use for the invoices.

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

# INVOICING FUNCTIONS

## Wave

2017  
OVERALL  
RATING

4.25

Wave is a cloud-based accounting application designed for small businesses. Wave is available at no cost; though some add-on apps carry a small fee. Wave offers complete double-entry accounting functionality, and also offers mobile apps for iPhone and Android phones and devices.

Wave offers easy online payment capability through Payments by Wave, which allows clients to pay directly off of an invoice. The application also offers a series of templates that can be used when creating an invoice. One of the nice features in Wave is that users can set up preferences in the Settings

Read the full review and see expanded ratings for this product online at: [www.CPAPracticeAdvisor.com/12309086](http://www.CPAPracticeAdvisor.com/12309086)

option, or simply choose the invoice option they wish to use when entering the invoice. Estimates are also customizable, and users can easily convert an existing estimate to an invoice by clicking on the tab at the top of the created estimate.

Users can schedule a recurring invoice with the option to choose

frequency and start and end dates. Like all invoices, users can choose to add a payment reminder to the invoice so that clients will receive a reminder email before payment is due, as well as when a payment is past due.

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

## Xero

2017  
OVERALL  
RATING

4.75

Xero is well suited for small business owners; offering flexibility with its anytime/anywhere accessibility, as well as the availability of three product editions, making it suitable for the smallest business.

The sales dashboard in Xero offers invoice details, including the number of draft invoices entered

into the system, as well as those awaiting payment. Users can opt to set up online payment for their customers or accept payment via cash, check or credit card, then entering the payment information directly in each invoice.

The product offers excellent invoice customization capability,

Read the full review and see expanded ratings for this product online at: [www.CPAPracticeAdvisor.com/12309050](http://www.CPAPracticeAdvisor.com/12309050)

with users able to use the standard default invoice, or import their own from a Word document. Users can also customize other related documents such as credit notes, statements, purchase orders, quotes, remittance advice, and receipts. Xero offers an optional payment service that allows users

to enable their customers to pay any invoices online, as the interface can be branded with a business logo, so it appears that the invoice is coming directly from the user's business, not Xero.

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

# APPS FOR INVOICING

## Free Agent

2017  
OVERALL  
RATING

4.75

Free Agent is an online accounting software application designed for freelancers and small business owners. Free Agent offers invoice and expense management capability, as well as project management and sales tax management. During the initial setup, users will enter their company information, including

company type. Once this is complete, users can choose to send an invoice, record an expense, link a bank account or start a project.

Choosing the invoice option will bring users to the New Invoice screen, where customer details can be entered. When entering invoice information, users can choose the

Read the full review and see expanded ratings for this product online at: [www.CPAPracticeAdvisor.com/12309079](http://www.CPAPracticeAdvisor.com/12309079)

invoice template that they wish to use, as well as upload a company logo to the invoice.

Clicking the More Options tab allows users to add additional functionality to their invoicing process, including the ability to automatically email an invoice, set up automatic payment reminders if

the invoice remains unpaid, and the option to email a Thank You to a customer once the invoice is paid.

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

## Zoho Invoice

2017  
OVERALL  
RATING

4.75

Zoho Invoice offers quick, convenient invoicing for freelancers and small business owners. Web-based, Zoho also offers mobile apps for iPhones, Android, and Windows phones. Zoho boasts that users can create invoices in under two minutes, and allows users to choose the template they prefer during the

initial product setup phase.

Users can easily create a customer estimate in Zoho, or import an existing estimate if desired. The estimate is automatically assigned a number, and can be assigned a salesperson and a project name if necessary.

When setting up the first invoice

Read the full review and see expanded ratings for this product online at: [www.CPAPracticeAdvisor.com/12309046](http://www.CPAPracticeAdvisor.com/12309046)

in Zoho, users will have the option to select transaction preferences such as the ability to give discounts across the board, or individually, the option to add shipping charges and adjustments to an invoice, and whether items or services should automatically have tax applied. Users can set up tax rates in Zoho

or choose to integrate with Avalara to apply the appropriate tax rate to each invoice. Users can also opt to include sales tax in their pricing and not set up separate tax rates at all.

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

## Bill.com

Well known for its robust AP automation function, Bill.com also offers a decent payment processing platform as well. Bill.com provides users with the ability to choose their preferred payment method and will automatically send invoices to customers indicating those payment choices. Invoices are sent via secure email, but the application will also send paper bills for customers that do not want to receive invoices via email.

Automatic payment reminders are sent to customers prior to when payment is due, and all online payments received by Bill.com are automatically deposited into the business bank account the next business day. The product also handles recurring payments as well.

Overdue notices are also emailed automatically, and Bill.com can handle recurring customer payments as well. Bill.com syncs with QuickBooks, Xero, and



Intacct, and expects to add other programs to the list.

Bill.com is a good choice for those looking to expedite the payment process. Bill.com pricing starts at \$29.00 per user per month, with an Enterprise level edition available that offers custom pricing and additional integration features.

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

## Fundbox

Fundbox is designed to proactively address cash flow gaps that typically affect small and in-transition businesses that rely on timely payments from their customers. Fundbox users can create an account at no cost, with users only assessed a fee when they request an advance payment on an invoice.

Once an advance is requested, and the request approved, funds are typically available the following

business day.

Fundbox provides users with a business-purpose loan, or will simply purchase the outstanding invoice, depending on state regulations. Users can pay advances back in either 12 or 24 week increments, and payments are processed automatically by Fundbox. Users also have the option to pay early and eliminate extra fees.

Fundbox pricing is based on the invoice amount and

users will see the exact repayment schedule including fees prior to accepting the advance.

Fundbox has its own particular niche, and can be a lifesaver for the freelancer or small business owner who relies on steady cash flow to remain in business. Pricing is based on invoice amount and repayment schedule is agreed upon.

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



## InvoiceSherpa

InvoiceSherpa works with many popular accounting software applications such as QuickBooks, Xero, Harvest, and FreshBooks. InvoiceSherpa automates accounts receivable and bill payment options, as well as recurring billing for subscriptions.

Automatic syncing features allow InvoiceSherpa to access all invoices in your current accounting software product, and will automatically send reminders to customers when an invoice is created, when an invoice due date is coming up, when an invoice is past due, and a thank you when a payment has been received. InvoiceSherpa offers a comprehensive dashboard,

where users can view all current and past due invoices, with detailed information on each invoice below. Users can simply locate the invoices they wish to set an action for, and click the Set Action tab to the right of the invoice, where they can choose from various actions.

Invoice Sherpa also sends invoices, with an option to pay the invoice online or access a PDF of the bill. Integration with popular payment apps such as PayPal, Stripe, QuickBooks Payments, Authorize.NET and others allows customers to quickly pay an invoice by clicking on the Make Payment button. InvoiceSherpa also offers a customer portal where users can view



invoices and pay them directly online. The application processes recurring payments for monthly services and handles subscription billings.

Pricing starts at \$49.00 per month for 100 invoices. The Small Business edition is \$99.00 per month and handles 500 invoices, and the Enterprise edition is \$199.00 per month and can handle up to 1,000 invoices. All editions offer direct integration with accounting software and online payment options.

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

CONTINUED FROM PAGE 4

## Third Party Debt Collection: The Basics

### Preventative measures and ways to avoid hiring collection agencies

The best advice is to get paid up front. When that's not an option, it's always preferable to collect on your own (saves money and less risk of alienating customers). Collecting on your own means regularly contacting your debtors with emails, texts, letters and phone calls reminding them of their debt. If frequent reminders are not working, there are other techniques you can try (and service providers to

help you), including offering early discounts for pre-payment (FundETA), imposing late fees for delinquent payments (Late Fee Manager), or offering payment plans (Partial.ly).

*Chad Shuford is CEO of CollBox, a debt collection solution provider for users of cloud accounting software. Chad is also a principal at Shuford Ventures, a venture fund focused on the debt collection industry.*

### Accounts Receivable & Collections Resources

- 101 Ways to Optimize Your Receivables Management: by Meredith Wood, Funding Gates: <http://blog.fundinggates.com/2012/05/101-ways-optimize-accounts-receivable-management/>
- Five Signs Your Customer May Have Trouble Paying – ARO2C (Accounts Receivable & Order-to-Cash) Network: <https://www.thearnetwork.com/best-practices/collections/collections-general/five-signs-customer-may-trouble-paying/>
- Day sales outstanding calculation and usage - AccountingTools.com: <http://www.accountingtools.com/questions-and-answers/days-sales-outstanding-calculation-and-usage.html>

## What is Tax Reciprocity?

By Kaylee Riley

Employees who live in one state but work in another might benefit from a tax reciprocity agreement between the two states.

If you have an employee who lives in one state but works in another, you typically withhold state and local taxes for the work state. The employee would still owe taxes to their home state. If there is a reciprocal agreement between the home state and the work state, the employee is exempt from state and local taxes in their employment state.

For example, an employee lives in Pennsylvania but works in Virginia, states that have a reciprocal agreement. The employee only needs to pay state and local taxes for Pennsylvania, and not for Virginia. You withhold the taxes for the employee's home state.

### WHAT DOES TAX RECIPROCITY COVER?

Tax reciprocity normally applies to any wages an employee earns through employment: hourly wages, salaries, tips, commissions, and bonuses. Reciprocal tax withholding agreements between states usually do not apply to income earned outside of employment.

Tax reciprocity only applies to state and local taxes. It has no effect on federal payroll taxes. No matter where you live, the federal government still wants its share.

Check the state reciprocity agreements that pertain to your employee to learn what earnings apply to the agreement.

### HOW DO EMPLOYEES NOTIFY YOU OF TAX RECIPROCITY?

#### The employee works in ...

District of Columbia  
Illinois  
Indiana  
Iowa  
Kentucky  
Maryland  
Michigan  
Minnesota  
Montana  
New Jersey  
North Dakota  
Ohio  
Pennsylvania  
Virginia  
West Virginia  
Wisconsin

#### The employee lives in ...

Anywhere but the District of Columbia  
Iowa, Kentucky, Michigan, Wisconsin  
Kentucky, Michigan, Ohio, Pennsylvania, Wisconsin  
Illinois  
Illinois, Indiana, Michigan, Ohio, Virginia, West Virginia, Wisconsin  
District of Columbia, Pennsylvania, Virginia, West Virginia  
Illinois, Indiana, Kentucky, Minnesota, Ohio, Wisconsin  
Michigan, North Dakota  
North Dakota  
Pennsylvania  
Minnesota, Montana  
Indiana, Kentucky, Michigan, Pennsylvania, West Virginia  
Indiana, Maryland, New Jersey, Ohio, Virginia, West Virginia  
District of Columbia, Kentucky, Maryland, Pennsylvania, West Virginia  
Kentucky, Maryland, Ohio, Pennsylvania, Virginia  
Illinois, Indiana, Kentucky, Michigan

Employees must request that you withhold taxes for their home state and not their work state. Employees should ask you to stop withholding their work state taxes by giving you their work state tax exemption form. Employees can get the form from their work state's government website.

### YOUR ROLE IN STATE TAX RECIPROCITY AS AN EMPLOYER

If an employee gives you an exemption form, you should stop withholding for the work state. You should then begin withholding for the employee's home state. At the end of the year, use Form W-2 to tell the employee how much you withheld for each state.

### WHAT IF YOU WITHHOLD TAXES FOR THE WORK STATE?

When an employee who lives in one state and works in another starts working for you, you might automatically begin withholding taxes for the employment state. If you withhold taxes for the work state and not the residency state, the employee will have to submit quarterly tax payments to their home state.

When the employee does their tax return, they need to submit a tax return for each state where taxes were withheld. The employee will likely receive a tax return for the taxes paid to the work state.

### LIST OF STATES WITH RECIPROCAL AGREEMENTS

Tax reciprocity between states does not apply to all states. An employee must live in a state and work in a state that have a tax reciprocity agreement together. Below is a list of every state that has a reciprocal agreement.

#### Form employee must fill out

D-4A  
IL-W-5-NR  
WH-47  
44-016  
42A809  
MW507  
MI-W4  
MWR  
MT-R  
NJ-165  
NDW-R  
IT-4NR  
REV-419  
VA-4  
WV/IT-104 R  
W-220

The New York tri-state area (New York, New Jersey, and Connecticut) does not have reciprocal agreements. Because of this, employees in this area will have taxes withheld from their wages for their work state and will have to submit payments for their home state.

## THIS MONTH'S TOP PAYROLL SOCIAL MEDIA POSTS

- Employers: Follow your processes to avoid FMLA liability – Lexology: <http://bit.ly/2IYXaeh>
- Focus on the FMLA Part III – JDSupra Business Advisor: <http://bit.ly/2n2a2l6>
- 5 Benefits of Using HR Software – Ovgadgets blog: <http://bit.ly/2IYYDBm>
- The Rise of the Chief Learning Officer in the War for Talent – Bloomberg BNA HR blog: <http://bit.ly/2mxKJcT>
- Pop Quiz: Is Your Benefits Program Future-Ready? – BenefitFocus blog: <http://bit.ly/2mxJoCN>

Reprinted with permission. Kaylee Riley is a content writer for Patriot Software.

## Latest Payroll News

**Should Employers Stop Asking Job Seekers About Salary History?** If your organization still asks applicants how much they've been paid at previous jobs, you may need to soon drop that practice. The movement in state and local governments to ban questions about past pay is quickly gaining steam.

[www.cpapracticeadvisor.com/12311337](http://www.cpapracticeadvisor.com/12311337)

**Labor Department Revises Garnishment Rules.** The Labor Department revised its garnishment guidance on earnings under the Consumer Credit Protection Act to include amounts received as lump sums and wages for some tipped workers.

[www.cpapracticeadvisor.com/12309203](http://www.cpapracticeadvisor.com/12309203)

**Nevada and Utah Top List of States for Job Creation.** Nevada ranked dead last in 2009 and 2010, but has risen

steadily since then. The state's gaming and tourism industries have rebounded strongly from the Great Recession. Meanwhile, surging warehousing, logistics and manufacturing industries have paved new avenues for job growth.

[www.cpapracticeadvisor.com/12311339](http://www.cpapracticeadvisor.com/12311339)

**Millennials Save More for Vacation than Retirement.** What matters to millennials when it comes to saving? LendingTree surveyed 2,000 people about their spending, saving habits, and the reasons they put cash aside for future endeavors.

[www.cpapracticeadvisor.com/12307522](http://www.cpapracticeadvisor.com/12307522)

**States Start Offering 401K Programs to Public.** This July, Oregon will become the first state to offer a retirement plan to part- and full-time private-sector workers who don't

have access to one through their employer. The program is ultimately expected to cover nearly one million workers in the state.

[www.cpapracticeadvisor.com/12305026](http://www.cpapracticeadvisor.com/12305026)

**Which Cities Have the Oldest Workforces?** Is your city's workforce growing older or younger? CareerBuilder is out with a new study that explores employment trends for the 100 most populous U.S. cities, tracking how the shares of workers ages 22 to 34 and ages 55 and older have changed from 2001 to 2016.

[www.cpapracticeadvisor.com/12313894](http://www.cpapracticeadvisor.com/12313894)



## Sowing Your Garden

By Gail Perry, CPA, Editor-in-Chief

For this month's Apps We Love column, I'm straying away from business-related apps altogether because I can't stop looking at the buds coming out of the ground and the seed catalogs piling up on my desk. Spring can't get here soon enough as far as I'm concerned.

So... with that in mind, for those of you with green thumbs or at least a desire to play in the mud, I've prepared a list of apps to help you plan your garden, embrace landscaping, identify plants, work the soil, and so on.

Are you planning a major landscaping overhaul? Consider **ISCAPE** – there is a free version you can play with that lets you take a picture of the area you want to landscape, then experiment with adding shrubs, trees, flowers, decks and other construction, to get an idea of how the area would look with these changes. There is an enhanced version available for purchase (\$9.99), and landscape design companies that have reviewed the app use it to demonstrate their suggestions to clients.

Have you ever seen a particular flower or plant and wondered what it is? **Sandra Wiley**, president of Boomer Consulting said, "I am NOT a gardener, but I love flowers and when walking through the flint hills, or when I travel I often find flowers and plants that I wish I knew what they were. I found **GARDEN ANSWERS PLANT IDENTIFICATION**. Awesome app!"

Take a photo of the plant and the app will identify it and provide additional information. The app also offers information about plant diseases and insect infestations.

According to **Kristy Monahan**, principal at Dynamic Bookkeeping, "**GARDEN PLAN PRO**, (by the geniuses behind [www.growveg.com](http://www.growveg.com), \$7.99 USD) is my life line during planting season.

I love gardening but know very little. This app helps me plan my small raised bed for maximum utilization, tells me what crops do well in my region, when to plant, how to care for them, and when to harvest. I would be lost without it!"



plants you're considering using in the same garden. There are filters that provide information about sun and water requirements, height, blooming season, hardiness, resistance to deer, invasiveness, and much more.

Recommended by Paste Magazine, **GARDENING COMPANION** provides you with space in the app to record a searchable gardening journal, track your own planting experiences,



For those of you planning a perennial garden, HGTV recommends **PERENNIAL MATCH** (it's not free – cost is \$4.99). You can choose plants and then view images of how they will look together, and the app includes a tool that describes compatibility of



research articles on various aspects of gardening, and set reminders for yourself (Time to water the plants! Time to order seeds! Time to plant the autumn garden!).

The **GRO** app (free) from Scotts Miracle-Gro offers project ideas, as well as tips and advice on growing specific



plants. The app uses your phone's location to determine local conditions, such as USDA climate zone, temperature and popular geographic plants. It even offers step-by-step plans to make growing a variety of plants, from tomatoes to shrubs, easier.

In a veggie state of mind? The **VEGETABLE TREE** app (\$4.99) has a large catalog of plants and arms gardeners with the basics of sowing, growing and harvesting of each vegetable. It goes further with information about vital characteristics of each vegetable, including the ideal depth to plant seeds, germination times based on soil temperature, proper pH Range, and indoor and outdoor-growing requirements.



For a more humorous and casual approach to learning about plants, the **INTOGARDENS** app (free) offers witty articles, photos and videos, along with user-uploaded advice.



If you just want to be inspired, check out the **HOZZ** app which features beautiful photographs of real-life gardens that might motivate you to try something new. ●



APPS WE LOVE IS SPONSORED BY

Accountants First™... only at AccountantsWorld®



[HTTP://ACCOUNTANTSWORLD.COM](http://AccountantsWorld.com)

## Starting a Small Business? Here's What the Experts Want You to Know

**HOW TO BE A RISK TAKER:** What separates the risk takers – be they people or organizations – from the rest of us? These are the conclusions offered by the editors and writers of Fast Company in *The Rules of Business*:

- **Not overly preoccupied with making mistakes.** All the old clichés – such as “Even the best hitters in baseball fail 7 out of 10 times” – hold true here. Successful risk takers learn from their mistakes but don't brood about them.
- **Willing to admit when they are wrong.** They kill the project and start another.
- **Relentlessly upbeat.** They minimize the downside and focus on what could go right.

**WHY ARE WE IN BUSINESS?** Ron Baker discusses this on his radio show and the resulting book, *The Soul of Enterprise*: “I ask this question a lot, a majority of people answer, ‘To make a profit.’ But that's not the purpose of a business. The purpose of a business, [management consultant and author] Peter Drucker thought, was to create a customer. We're saying it's to create value outside of your four walls. Peter Drucker also made another point that ties these two laws together very nicely, which is that the only two functions that matter in any business are marketing and innovation. It's only marketing and innovation that create results. All the rest are costs. The customer doesn't really care about costs. It's something he called the marketing concept and I love it because it's simple, but not simplistic.”

In *So You Want to Start a Business*, authors Edward Hess and Charles Goetz reveal the eight most common start-up mistakes:

- **CHOOSING a bad business opportunity.** They claim the difference between a business idea and a business opportunity is that opportunities satisfy existing customers needs and customers are willing to pay for satisfying those needs, whereas an idea might be nice to have but not necessary.
- **CHOOSING the wrong customers.** A successful business creates a match between the right customers and the right products or services that meet the needs of those customers.
- **CHOOSING the wrong product.** The right product is the one that provides the customer with what he or she needs at a price they can afford and which will allow you to make a profit. Many entrepreneurs fail the product test by choosing a product that they love more than the customers.
- **PRICING PRODUCTS or services improperly.** Know how much it costs to produce your product, know the price your competition is charging for a similar product, and use the concept of value pricing which is truly understanding what your potential customer is willing to pay.
- **NOT SELLING to enough customers quickly enough.** Customers don't like to change their buying habits. Understand the lifespan of your product and how the time it takes to make the sale will impact your customers.
- **NOT EXECUTING well.** Always remember that you are required to deliver a quality product on time, every time, defect-free, at a profit.
- **PEOPLE PROBLEMS.** You must be prepared to be successful in all of the relationships with the people with whom you do business: your employees, your customers, your investors, your suppliers.
- **MISMANAGING GROWTH.** Understand the elements of how you can expand your business before you begin. Consider potential changes in cash flow, staffing, quality controls, technology, future investments, and leadership.

## Latest Small Business News

### 68% of Small Businesses Lack Disaster Plan

While most small-business owners don't have a formal plan, many have taken various steps to prepare for a natural disaster. The majority reported that they can work remotely in case of a natural disaster (82 percent), have duplicated and stored their company's vital records off site (75 percent) and have access to alternative suppliers (78 percent). [www.cpapracticeadvisor.com/12312342](http://www.cpapracticeadvisor.com/12312342)

### How Retailers Can Take Advantage of Amazon's Weaknesses

Major opportunities for retailers exist with younger shoppers - 76% of digitally native 18-24 year olds make less than half of purchases on Amazon. This group prefers

in-store shopping and a seamless buying experience. [www.cpapracticeadvisor.com/12312333](http://www.cpapracticeadvisor.com/12312333)

### Hispanic Small Businesses See Growth, Expect More Hiring in 2017

Hispanic small business owners across the country are significantly more optimistic about revenue goals and hiring plans in 2017 than their non-Hispanic counterparts, according to a new study by Bank of America. [www.cpapracticeadvisor.com/12309552](http://www.cpapracticeadvisor.com/12309552)

### Small Business Confident, but Cautious of Economic Instability

According to Xero's second annual Make or Break Report, which examines the opinions and character traits of both

small business owners and accountants in the U.S. and U.K., both owners (79 percent) and accountants (84 percent) feel more confident about 2017 than 2016. [www.cpapracticeadvisor.com/12307528](http://www.cpapracticeadvisor.com/12307528)

### Would an Import Tax Raise New Car Prices?

The supply chain for parts and vehicles made in the U.S., Canada and Mexico is among the most closely integrated in the world. Some raw materials components cross borders many times in the manufacturing process, potentially being taxed repeatedly before a finished vehicle ships to the dealership. [www.cpapracticeadvisor.com/12312131](http://www.cpapracticeadvisor.com/12312131)

## THIS MONTH'S TOP SMALL BUSINESS SOCIAL MEDIA POSTS

- **Small Business Trends blog:** 5 Invoice Tips to Get Your Small Business Paid Faster - <http://bit.ly/2jdbnXb>
- **NevadaSmallBusiness.com blog:** Invoicing Tips: Cutting Collection Costs - <http://bit.ly/2naBHPT>
- **Sighted blog:** Top Invoicing Tips for Small Businesses and Freelancers - <http://bit.ly/2mxicnH>
- **Iconis Group blog:** Invoicing Tips for PR Agencies - <http://bit.ly/2IYGB2b>
- **Oneresource blog:** 7 Invoicing tips for Small Business Owners - <http://bit.ly/2n1xK04>

# How To Forge A Better Working World For Women

By Amy Vetter

**W**hat better time than Women's History Month to consider how each and every one of us - men and women - can #BeBoldForChange and do our part to help women and girls achieve their ambitions.

The Center for American Progress has found that, at S&P 500 companies, women account for only 25 percent of executive and senior-level positions, hold only 19 percent of board seats, and are only 4.6 percent of CEOs. It's understandable that this lack of female representation in senior business roles may do little to inspire junior women with the confidence needed to move up.

While challenging conscious and unconscious bias and creating inclusive and flexible workplace cultures is everyone's responsibility, throughout my career, I've learned some of the ways for women to continually boost and rebuild their confidence.

## Ignore Self-Doubt and Celebrate Our Differences

Everyone has the niggling thoughts that tell us we're not good enough or don't have enough experience to go for what we want. Whether it be a business idea that you're passionate about or the desire for a promotion or pay raise, you're not alone in doubting your ability. Throughout the years, I've learned that these thoughts are rarely based in reality. Find a practice to process these thoughts and ensure you're being honest with yourself. Through yoga, I've learned to observe these thoughts from a distance and break the pattern of believing them.

Being a woman shapes our experience in business, and there are hidden rules that our gender has to navigate. This can lead many of us to behave in a way which we think will be pleasing to others, for fear of appearing to be

too aggressive or bold, but what that does is strip away the attributes of our personalities that make us unique. It's important to take the best, unique parts of ourselves to show our capabilities, and to use them to create value for the company.

At the end of the day, we don't have to be men to be successful. As women, we bring unique experiences and perspectives to the table, and these differences are our advantage. Think about the advantages you possess and use them to succeed and excel.

## Strengthen The Confidence Muscle

The tendency to expect too much of ourselves can be detrimental. When it comes to building confidence, remember that when you start to lift weights, you don't go from 2 lbs to 50 lbs in one visit to the gym. Weight training is a perfect example of how you can build your confidence. Start with taking a small step towards something that makes you uncomfortable - like presenting a sales pitch to a partner - and practice it on friends and family members and get their feedback to improve. Then, take it to someone

## WOMEN IN THE WORKFORCE

RECENT TRENDS



less familiar, like an acquaintance, get feedback and retune. Finally, try the pitch on your target, observe their body language and get a critique. With repetition and feedback, you'll build that confidence muscle over time.

When a specific movement is repeated over time - whether it be lifting weights or playing a certain song on the guitar - a muscle memory is created in the long-term banks of our brains. Over time, the task is able to be performed without any conscious effort - and it's a very similar process when it comes to improving our business skills like pitching, presenting, or just generally asking for something we want. With practice, you'll be able to build confidence in these areas quicker than you might expect.

## You Time

Women, especially mothers, have a lot to juggle - and we're especially giving by nature, which can often lead us to neglect our own well-being. It's important to give yourself space to alleviate all the pressures of everyday

life. Take some time for yourself to do what you enjoy, whether it's a spin or yoga class, a hobby, or sitting down with a good book. Time out doesn't just benefit you, it also benefits those around you in the workplace and at home. It gives you clarity to work and live better.

These are just a few of the things you can do to build and boost your confidence. While a lack of confidence isn't the root cause of the greater gender parity issue, it's a piece of a larger puzzle. Let's be honest, every day should be International Women's Day, and with support from men and women alike - we can make this a reality. ●



Amy Vetter, CPA.  
CITP, CGMA (@AmyVetterCPA) is Xero's Global Vice President, Education & Head of Accounting, USA.

## Tax Law

### Should Sales Tax Be Included in Price?

By Mary C. Thomas

**S**hould sales tax be included as part of the price of a product or service? When does (or doesn't) this make sense?

The question is deceptively simple. There are a few things to establish first.

- **Are you registered to collect sales tax?** If the seller is not registered with the state taxing authority to collect sales tax, the seller should not collect it. A seller with no active sales tax account has no mechanism to remit sales tax collected to the state.
- **Is the item or service you provide subject to sales tax?** If the item/service provided is not subject to sales tax, the question is moot. Everything is not taxable. Most states provide some exemptions.
- **Are you allowed to charge the customer sales tax?** If the seller is deemed to be the consumer of taxable tangible personal property or services instead of the retailer, the seller is barred from collecting sales tax from the customer and must pay it instead. The seller may pass on the cost by considering the expense when

deriving the price, but cannot separately state sales tax or make a statement that sales tax is included. This is most commonly seen in the construction context.

- **Are you allowed to make the election to include the sales tax in the price?** Not all jurisdictions give the seller the right to choose not to separately state sales tax. The states of Alabama, Florida, Washington, New York, and others do not allow the election. Make sure the election is available.

If the response is "yes" to all four queries, the billing option employed is a matter of preference. When a taxpayer collects sales tax, by either separately stating it or including a statement that sales tax is included, the taxpayer must remit the sales tax collected to the state taxing authority. The failure to do so is fraud.

Simplicity is key. If sales tax is charged separately, the amount

designated as sales tax is given to the state tax authority. If a statement that sales tax is included appears on the invoice, the seller calculates the amount of sales tax due and remits it to the taxing authority. Illustrations are:

#### Option 1: Tax Separately Stated

- Price \$100.00
- Sales tax (8.25%)\* 8.25
- Amount due \$108.25
- The taxpayer retains \$100 and must remit \$8.25 to the tax authority.

#### Option 2: Sales Tax Included

- Price \$100.00
- Sales tax included\*

- The taxpayer retains \$92.38 and must remit \$7.62 to the tax authority. The seller must ensure the disclosure that sales tax is included meets tax authority policy.

\* Sales tax rates vary by jurisdiction. The 8.25% rate was chosen for illustration only.

The tax rules, simplicity, and industry-related issues are a few practical matters to consider when determining the billing policy. There are more. Maddeningly enough, whether it makes sense to separately list sales tax depends on each seller's unique situation. Beware! If the seller is in a jurisdiction that requires sales tax appear as a separate line item, noncompliance with the rule can be expensive. ●



Mary C. Thomas is a Texas CPA/attorney who works in state and local sales/use tax. As a principal of Thomas, Thomas & Thomas, PC, she helps business owners and accountants comply with sales/use tax regulations. When she is not solving tax puzzles, Mary enjoys taking Ella (her dog) on social dates, gardening, and walking off good meals.

# Recouping Sales Tax on Bad Debts:

## Help Your Retail Clients Reduce the Pain of Bad Debts

By Shane Ratigan

For accrual method clients chalking up bad debts, a claim for refund of transactional taxes previously remitted can be a worthwhile engagement. Sales taxes are the most common form of transactional taxes for retailing vendors, and since the majority of retailers remit sales taxes on a monthly basis, sales taxes are often remitted in full to a taxing authority long before a vendor sees a penny. When the bills related to these sales go unpaid and uncollectible, your vendor-client, and you, are presented with an opportunity.

Here are some considerations:

**What debts are “bad” for purposes of the transactional tax itself?** General accounting principles apply; when an underlying debt is deducted from taxable income for income tax purposes, the transactional taxes remitted on behalf of those transactions are typically available for refund or credit.

**What is the proper format to claim the taxes back?** The states vary a bit, but generally provide one or more of the following three methods:

- A credit against taxes due.
- A deduction from taxable sales in the period when a debt is declared uncollectible.
- A refund claim submitted separately from regular monthly reporting forms.

Whether the process involves an adjustment (credit or deduction) or a refund, the challenges and opportunities for a requesting entity are similar.

**Who can claim a credit, deduction or refund of transactional taxes paid on bad debt?** In all cases, the vendor who paid and reported

the taxes paid can advance a claim through any method available. In some states, firms who provide third-party financing for retailers or who purchase debt that becomes uncollectible may make a claim, but not in others. A key early determination in these situations is whether the party holding the bad debt has standing to make a claim.

**What does it take to get this done?** It shouldn't surprise you that states require extensive documentation and support whenever a claim or adjustment is made. However, the trail of a bad debt is usually easy to identify for a retailer. A business with its billing house in order should be in a good position to support a credit, deduction or refund claim.

In general, a company hoping to claim, and actually receive, a sales tax refund, or to support an adjustment for bad debts should record and be prepared to make available the following:

- name of the purchaser;
- date of the sale;
- price of the property or services;
- amount of sales tax charged;

## March SALT Checklist

- Amnesty programs help miscreant taxpayers get back into the system without having to pay onerous penalties. Check the legislative updates in the states where your clients owe state taxes to see if there are amnesty programs in the works.
- Do you have multi-state clients? Develop a worksheet to help your team gather the appropriate information from your client so you'll have everything you need to handle apportionments.
- Offer to provide clients with an analysis of state tax obligations to make sure no double-taxation is occurring.
- Accountants are extra busy this time of year. If you discover state tax issues with your clients, set up appointments for the summer months to chart out the tax obligations and get your clients registered and paying taxes

- amount of interest, finance and service charges;
- whether the property was retained by the vendor or seller or repossessed;
- the dates and amounts of any payments made on the debt;
- records of the portions of the debt which represents charges not subjected to the tax in the original transaction; and
- records of collection activities and the determination of uncollectibility.

**What isn't available for a transactional tax adjustment or refund?** Naturally, states limit the scope of claims for adjustments or refunds. This likely strikes you as a given, but only taxes actually remitted can be claimed back. Still, pay attention to carefully trace the path of the original collection and remittance to

the state before you get too far. Also note the states universally exclude additional fees, interest or collection expenses from the scope of transactional tax refunds or adjustments.

If this short article has triggered interest in the possibility of a transactional tax refund or adjustment, rest assured, your work is just beginning ... once you have verified the debt is bad and that the taxes were actually remitted, gain a comfort level with the processes and paths available in the state(s) at issue. Since solving complex tax issues is already your specialty, a refund or adjustment of transactional taxes remitted can provide a lucrative engagement for you and provide a little reduction in your client's bad debt pain. ●



Shane Ratigan earned his Juris Doctorate at Syracuse University College of Law and his LLM Master's of Taxation at the University of Washington. He has spent several years counseling small business owners on tax and succession planning. He currently works in sales tax law and sales tax compliance with Avalara.

## 6 Tips Before Giving to Crowdfunding Websites

By Isaac M. O'Bannon

Websites like Kickstarter, GoFundMe and IndieGoGo have gained incredible popularity over the past decade, making it easy for people to seek funding for business ventures, as well as charities, disaster recovery efforts and local causes, and making it just as easy for people to give money.

As with any noble endeavor, however, there have also been countless tales of fraudulent fundraising campaigns, some using names that sound similar to legitimate causes and organizations, and all purporting to help those in need. The con men have known for a long time that the purse strings are often attached to the heart strings.

Accounting professionals are often natural skeptics when it comes to scrutinizing such fundraising efforts, particularly if there are tax implications for the donor. Unfortunately, many non-accountants don't have the same natural level of financial detective in them, and so they may fall victim to the fake fundraising efforts. Here are some simple tips to pass along to your clients on what to look for:

- **CHECK THE BUSINESS WEBSITE.** When someone is trying to start a new business and needs seed capital, they often go to their friends and family. The next step these days, instead of going to a bank, is often a crowdfunding website. The first step before donating should be to check out the business' website. If they can set up a fundraising page, they can surely set up a website. It's also possible, using tools like Whois (<https://whois.icann.org/en>) to see who owns the website and how long it has been registered and active. A reputable business will have contact information, including a physical mailing address, phone number and email contacts.
- **GET SOMETHING IN RETURN.** Most legitimate business-focused crowdfunding efforts will offer something in return for an "investment." These may be safer on the surface, particularly if the product is near production and going to market, but rarely does the business offer an actual stake in the venture.



- **CHECK OUT THEIR SOCIAL MEDIA ACTIVITY.** If they are actively trying to start a business, they should be actively promoting their product or service, or at least drumming up some pre-production publicity. Checking their social media (Facebook, Twitter, etc.) can also reveal posts from others who may be warning that it is a scam or disreputable organization.
- **PERSONAL TRAGEDIES.** Sometimes people encounter a personal challenge in their life, often medical in nature, that has them turn to their extended circles of friends, family and social media. While it's easy to advise not giving to such requests unless you know the person, sometimes our desire to help outweighs that notion of wariness. However, sites like GoFundMe allow linking of such pages to personal Facebook pages, so users may be able to check out the veracity of such claims based on posts to the social media page.
- **MAJOR DISASTERS.** Events like the earthquake in Haiti a few years ago spawned numerous legitimate charitable disaster relief websites and crowdfunding pages. Because of the nature of these events, it is often necessary for organizations to have deep experience in working in ravaged environments, so charitable giving is best focused on those organizations with the resources to most effectively use their funds.
- **ASK YOUR ACCOUNTANT.** Some charitable giving may be tax deductible, and some business-focused giving may have investment considerations that can also affect a person's taxes. An accounting or tax professional can advise on these issues, and may also be able to help verify whether giving to the person or organization is a good idea or not.

## THIS MONTH'S TOP A&A SOCIAL MEDIA POSTS

- Internal audit has an integral role to play in improving the organization's strategic performance – **The Institute of Internal Auditors blog:** <http://bit.ly/2mzdlei>
- Beyond the Spreadsheet: Technological Changes Mean Industry Innovation for CPAs – **NYSSCPA The Trusted Professional:** <http://bit.ly/2mfu35T>
- Take control of Your Debt Collection Efforts by Partnering with a Collection Agency – **DirectRecovery blog:** <http://bit.ly/2mX3RBA>
- Best Practices for Accounts Receivable Management for 2017 – **Clients A.R.M. (Accounts Receivable Management):** <http://bit.ly/2mWZuGJ>
- Transfer Pricing Methods for Intangible Property – **FreedMaxick Summing It Up blog:** <http://bit.ly/2nj72zW>

## Latest A&A News

**SEC Proposes Inline XBRL Filing of Tagged Data.** The Securities and Exchange Commission has voted to propose amendments intended to improve the quality and accessibility of data submitted by public companies and mutual funds using eXtensible Business Reporting Language (XBRL). <http://www.cpapracticeadvisor.com/12311007>

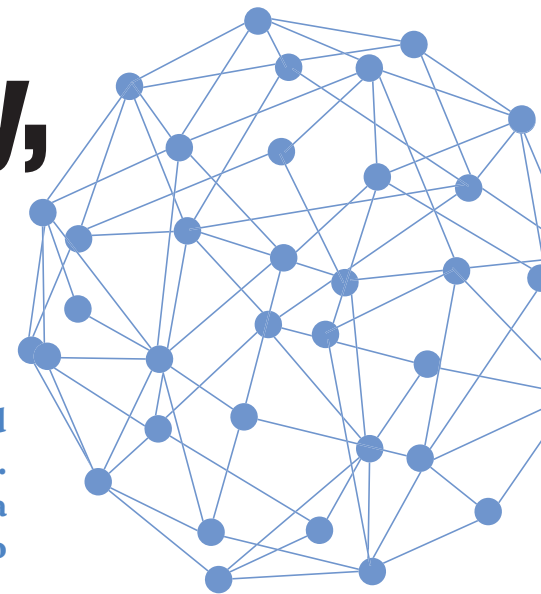
**AICPA Proposes New Guidelines for Allocating Expenses for Exempt Orgs.** The AICPA has submitted proposed guidelines to the IRS about how to address the allocation of unrelated business income expenses of tax-

exempt organizations for dual use facilities and/or personnel. <http://www.cpapracticeadvisor.com/12311265>

**Making Sense of Travel and Expense Management in 2017.** A recent survey of more than 600 CFOs and accounting professionals conducted by Certify, found 46 percent of businesses today are using some form of a paper- and spreadsheet-based manual process for employee expense reporting and reimbursement. <http://www.cpapracticeadvisor.com/12310832>

**PwC Faces Fall-Out from Oscar Night Flub.** Confusion reigned at the Academy Motion Picture Art and Sciences awards as Warren Beatty and Faye Dunaway, the duo who appeared together in the iconic film, "Bonnie and Clyde" 50 years ago, initially announced the winner of the Best Picture as "La La Land," only to backtrack minutes later. "Moonlight" was then announced as the actual winner. <http://www.cpapracticeadvisor.com/12310575>

## Advanced Connectivity, Greater Control



**In a world that's connected through a few taps of the finger, users need to remain in control of who and what has access to their information. Maintaining a secure balance between connectivity and productivity is a focus point for accounting professionals and small business owners who want to run their businesses more effectively.**

### Enter Intuit's bank API integrations.

Intuit has always focused on empowering its customers to take control of their finances and providing accountants with the best tools for success. Now, the financial management solutions provider is rolling out bank API integrations that will allow Wells Fargo and Chase customers to securely connect their bank accounts directly to an Intuit product without needing their bank's login credentials. The integration uses a business-to-business API to quickly authorize and download the requested information on behalf of the user, allowing customers to decide what they want to share and when they want to share it.

"In an effort to give users even greater access and control of their financial information, we have entered into agreements with JP-Morgan Chase and Wells Fargo that will allow our shared customers to electronically share their financial data securely with Intuit's financial management applications including QuickBooks, Mint and TurboTax," said Olivier Helleboid, vice president, product development of financial data services at Intuit.

Intuit's agreements with Chase and Wells Fargo aim to ensure the accuracy and reliability of financial data across Intuit's platforms by automatically transferring data

between banks and financial management platforms. Users' banking information is seamlessly integrated into Intuit applications, and they can add and reconcile expenses with one click, saving time and increasing control over their financial information.

Reliable access to financial information is also critical when it comes to empowering accountants to help their clients take control of their business. As data is automatically populated within Intuit products via bank API integrations, accounting professionals are provided with a better overview of the financial health of their client's business. This not only saves time performing manual data entry, but also arms them with accurate and reliable information to provide expert guidance as trusted advisors.

"Through these strategic partnerships with Wells Fargo and Chase, Intuit is enabling the next generation of secure, robust data connections – creating a simpler and more efficient experience for our shared consumer and small-business customers," said Helleboid. "These agreements set the bar for how banks and technology companies can work together to serve their shared customers. By allowing users to electronically share financial data within Intuit's financial management applications, both accountants and small business

owners can easily and accurately view and manage all of their financial information in one place so they can make informed financial decisions."

The enrollment process is designed to work seamlessly within the Intuit user experience. When Intuit customers log onto Mint, QuickBooks Online or TurboTax Online and wish to add a Wells Fargo or Chase account, they will be directed to a bank system to begin the enrollment process. Once they log directly into their bank account, a "Connect Accounts" page will appear, where they can authorize the specific data the bank will share with Intuit. The user is then directed back to the Intuit service they're logged in to. Data sharing between the banks and Intuit's servers is then automatically synced via a unique token that identifies the user and the user's accounts.

Intuit's financial data integrations use a dedicated API to connect its products to users' bank accounts, allowing customers to access their data directly from the bank through the application. The data connection is done through dedicated bank servers, eliminating the need to access the user's data through online banking platforms and reducing the load on the bank's systems. This not only increases the reliability of the connection, but also provides the user with full visibility and control

of the data that they are sharing with their Intuit application.

As part of ongoing enhancements, Intuit and Chase will introduce Open Authentication and exchange data through the Open Financial Exchange 2.2 API. The functionality will be delivered in phases, starting with new Mint users. Wells Fargo customers will be able to experience connecting to Intuit via the data exchange API by the second half of 2017.

Intuit is also working with other financial institutions and other industry players to define and drive adoption of API standards for financial data access, building on its track record with the establishment and use of the Open Financial Exchange specification across more than 7,000 banks, brokerages and major payroll processing companies.

"Looking ahead, we believe that further coordination among all of the stakeholders in this discussion – financial institutions, software makers, regulators and consumers – will be critical to achieving a more inclusive and innovative financial data-sharing ecosystem that supports consumer financial health," said Helleboid. "We're continuing to pursue similar partnerships with other industry players to better serve our customers and give users even greater control over their finances." ●

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

# Specialized Services for the Medical Practices Accountant

By Gail Perry, CPA, Editor-In-Chief

“From measles to mumps, sprained knees to broken bones, heart attacks to surgery, he was ever present, reassuring and helpful. We never worried.... Some would say it was his job, his profession, his duty to be there. We look at it differently. We weren't a dollar sign – we were people in need.”

~ From *Family Practice Stories* by Richard D. Feldman, MD.

Even the idea of serving the medical profession can be daunting – medical professionals often seem exalted in our minds. And doctors are not always the easiest people to work with. “Sometimes they can be really high maintenance,” said Kristy Monahan, principal at Seattle-based Dynamic Bookkeeping. “If you have the patience to cut through their ego, you can drill down and show them something they didn't know in a financial statement, you'll have that ‘aha moment.’ Running a business is a whole different skill than practicing medicine. My goal is to be able to help in that regard and become more of a partner in the clinic. It can be really rewarding.”

Dynamic Bookkeeping specializes in serving medical practitioners – doctors, dentist, orthodontists, chiropractors, physical therapists – and one of the biggest challenges is dealing with Health Insurance Portability and Accountability Act (HIPAA) privacy and security rules. “HIPAA went into effect in 2009 – it's been almost a decade – and a lot of things have changed since then,” explained Monahan.

You know what it's like to work with your client, studying financial statements, preparing tax returns, analyzing performance, consider-

ing recommendations, monitoring workflow, calculating turnaround of accounts receivable – you do some part of this every day, and there are software tools to help with every aspect of these tasks. But imagine trying to accomplish all of this work with the virtual equivalent of one hand tied behind your back.

“HIPAA is so important to understand – a lot of doctors don't even understand it. The biggest challenge is helping people understand that personally identifiable information such as what you would normally find in QuickBooks Online is not HIPAA compliant. You can't drill down by patient, the reporting is different; you can't even drill down by insurance companies. For example, you can't input, ‘Jane Doe came in and paid this much for this service,’” said Monahan.

Intuit has addressed the situation in its support community: “Currently, QuickBooks Online (QBO) meets industry standards for online security, but it is not compliant with the HIPAA standards for privacy. If you are a health care professional using QBO, it is not recommended that you enter in ‘individually identifiable health information.’ ...For more information on the subject, as well as to seek legal advisement regarding



this issue, go to: <http://www.hhs.gov/ocr/hipaa/>.”

Monahan mentions that if you are providing services to the medical community, you might be asked to sign a Business Associate Agreement (BAA). According to the AICPA Insights blog, the BAA deals with your responsibilities as a business associate under HIPAA with regard to Protected Health Information (PHI). The HIPAA Privacy Rule protects all “individually identifiable health information” held or transmitted by a covered entity or its business associate – which would include the accountant – in any form or media, whether electronic, written, or oral. Patient names, addresses, social security numbers, and medical records are protected.

Areas of risk include patient billing data, accounts receivable detail, write-offs to doubtful accounts, and even the general ledger and journal entries. Recommendations for the medical service provider include using summaries or using only patient account numbers on records and not any identifying information.

The BAA shifts the liability for protecting a client's privacy from the medical service provider to the business associate signing the agreement (in this case, the accountant). The AICPA recommends that accounting professionals only sign a BAA if the engagement you are performing specifically requires you to access

PHI. The AICPA also recommends:

- If you're not 100% certain your electronic systems comply with the HIPAA Security Rule, ask the client to specify in the BAA that you will only receive printed copies and you will not convert them to electronic format.
  - If you determine that electronic access to PHI is necessary for your engagement, keep in mind that any cloud-based software or data storage provider that you will use to process, transmit or store the electronic PHI will also need to sign a BAA.
- Monahan follows the AICPA suggestions in her practice and recommends that her clients summarize their information so that she does not have access to any PHI. “I had a psychologist who came up with a lettering system that didn't give away any information regarding her clients. She could use the accounts receivable module in QuickBooks Online and she knew what the codes meant but no one else did. There were no social security numbers, no chart numbers, just her own code and that works for her,” said Monahan.

Beyond accounting, Monahan enjoys helping her medical service clients with marketing their practices. “It doesn't occur to them – the marketing campaign can help drive in business.” ●



# 5 QuickBooks Online subscriptions for \$25 per month.<sup>1</sup>

QuickBooks Online lets your clients stay on top of their books anywhere, anytime.

- **On-demand access**  
Give your clients the freedom to take their office with them anywhere.
- **Ease of use**  
Your clients are never more than a click (or swipe) away from completing their next task.
- **Always in sync**  
With one set of books that you and your clients can manage in real time.

Call **(888) 862-1950**.



<sup>1</sup>Eligibility: For firms who register or have registered for Intuit QuickBooks Online Accountant. Eligible QBOA Customers will be entitled to obtain one bundle of 5 QBO Plus subscriptions. Eligible QBOA Customers will be entitled to obtain one bundle of 5 QBO Plus subscriptions, purchased in one day, at the discounted price of \$5 USD per QBO Plus subscription per month for their clients ("Client(s)") using the "bill my firm" (wholesale) invoicing option. This offer is limited to one bundle of 5 QBO Plus subscriptions per accounting firm (accounting firm includes any office, branch, or site within the network of such firm) and cannot be combined with any other QBO offer. "Bill my firm" (wholesale) invoicing means that the accountant agrees to pay for the client's subscription fees. The discount is obtained via a rebate to be paid by Intuit to the QBOA customer in accordance to the mechanism described in the full offer details. This offer excludes firms that already have a strategic partnership with Intuit QuickBooks that includes negotiated commercial agreements which shall be determined at Intuit's sole discretion. The offer is only available to accounting firms that are legally based in the US and is non-transferable. Pricing: QBOA Customers meeting the eligibility criteria of this offer shall be entitled to obtain subscriptions to QuickBooks Online Plus ("QBO Plus") only at the current monthly standard price reserved by Intuit for QBOA Customers as published on the Intuit website in the Accountant section, less the rebate set forth in Rebate section below. All prices are quoted without sales tax. All prices are quoted with first 5 users. Additional charges apply for all additional users. Rebate: QBOA Customers meeting the eligibility criteria of this offer shall be entitled to a rebate plus applicable tax, paid quarterly that will reduce the price of the monthly subscriptions to \$5 USD per QBO Plus subscription. Rebates are paid quarterly to the billing address on file: First Payment will be on October 15, 2016 for quarter ending August 31, 2016. Each credit payment to follow for the subsequent quarters will be on or about January 15 for quarter ending November 30, April 15 for quarter ending February 28, July 15 for quarter ending May 31. Quarterly rebate amount is at the current price of the subscription. The first rebate will be calculated on a pro-rata basis depending on how many monthly subscription payments have already been paid. Rebate amount will be pro-rated if the QBOA Customer or Client cancels one or more units of the bundle at any time during the life of the subscription. Billing: The QBOA Customer's account will automatically be charged on a monthly basis on the billing date indicated by the QBOA Customer for all active QBO Plus subscriptions at the regular accountant "bill my firm" (wholesale) price until the subscription is terminated. Payment is due, in full, immediately upon monthly invoicing. Intuit will use Intuit's own records to assess criteria are met and calculate the amount due as Rebate. Terms, conditions, pricing, special features, and service and support subject to change without notice.

# Three Marketing Strategies for CPAs With Medical Practice Clients

By Becky Livingston

If your firm specializes in medical or dental practice clients, addressing their pain points is just as important to them as them addressing their patients' pain points. But how do you do it?

Begin by knowing who your target market is. Is it small, family practices, large organizations, such as hospitals, or is it specialists in specific industries?

Knowing who you want to attract will help you to create a marketing strategy to help increase engagement, to generate leads, and to enhance your firm's branding.

Here's how:

Consider the pain points your target market clients have. List them and tackle each pain point in a blog article or video for your website. Tackle only one topic at a time. For example, in 2015, *PR Newswire* conducted a survey focused on healthcare providers' top pain points.

It resulted in sluggish technology as the top pain. *AMA Wire* also identified top pain point issues, including the time required to input data, systems not matching the practice's workflow, and the inability to exchange information between practice offices.

How could your firm address those pain points? What suggestions could you offer that have a unique perspective?

Once you have several posts on your site, link them together in an "Additional Resources" section at the



bottom of each post. Remember, no hard selling. Keep the post about the facts, solutions, and a call to action to contact you for more information or a consultation.

### Tip 1: Share in Social Media

Once the posts have been added to your website, share them on social media and online groups where your target market hangs out. Remember to add relevant hashtags to the social

media posts. [Hashtagify.me](#) is a great resource to help you find the most popular hashtags.

### Tip 2: Use Twitter's List Feature

Another interesting way to reach your target market is with Twitter lists. Twitter lists allow you to create a list of Tweeps (profiles) to whom you can send targeted Tweets. Research your top prospects. Find their Twitter handle. Add those handles to a Twit-

ter list. Create a series of Tweets you want to send using this formula:

\* @YourFirmHandle/ListName  
\* Insert your tweet [link to your blog post]

\* Hashtags - e.g. #Dentist  
#DentalPracticeTips

Then schedule the series of Tweets over a period of weeks.

### Tip 3: Don't Forget Traditional Techniques

Finally, consider more traditional marketing avenues, such as email and print materials to send a message directly to your clients. Include a compelling image, interesting headline, and link to your blog or video. Then encourage them to share the information.

Now that you have three tips, which of these techniques will you begin using in 2017? ●

## Resources for Accountants in the Medical Practices Niche:

- Email marketing piece – sample newsletter: <http://bit.ly/2mqv1d>
- Book: Accounting Handbook for Medical Practices: <http://bit.ly/2mq8PT4>
- Blog: Making Sense of Form 1095 Minimum Essential Coverage Reporting <http://bit.ly/2j923B4>
- Blog: Should You Sign a Business Associate Agreement under HIPAA? <http://bit.ly/2IYEa3Q>
- Blog: CPAs Performing ACA Reporting... Pay Attention to HIPAA Compliance <http://bit.ly/2nqRIIV>
- Article: HIPAA Implications of Form 1095-C Reporting <http://bit.ly/2mHkoa0>

# 4 ELEMENTS OF A WINNING COMPENSATION PACKAGE

**It's been a while since you've reviewed compensation packages, you may be risking losing star employees to your competitors or discouraging skilled candidates from accepting your job offers. And that's something public accounting firms can ill afford.**

According to the latest figures from the U.S. Bureau of Labor Statistics, the unemployment rate for U.S. accountants and auditors is 1.3 percent. Skilled accounting professionals have options, and talent shortages make them increasingly difficult to replace.

Above-average salaries are often the key to attracting and retaining top performers. But that's not all. A robust package also includes the top perks many accountants have come



Paul McDonald is senior executive director at Robert Half, the world's first and largest specialized staffing firm. He writes and speaks frequently on hiring, workplace and career-management topics. Over the course of more than 30 years in the recruiting field, McDonald has advised thousands of company leaders and job seekers on how to hire and get hired.

to expect — and perhaps even some they haven't thought of yet.

Here are four components of an attractive compensation package:

**1 SALARY:** What's the top reason workers quit their jobs? If you said compensation they feel is too low, you're right, according to a Robert Half survey of CFOs and workers.

To find out what competitive starting salaries look like for your job titles, locations and firm size, consult resources such as reports from professional associations and the Robert Half Salary Guide for Accounting and Finance and Salary Calculator. When your leading staff accountant or auditor asks for a raise, you'll have a good idea whether their proposals are in the ballpark. Even better would be to proactively offer higher salaries — either to outstanding performers or across the board.

When hiring, aim to offer top applicants a salary that's above the market average, and don't forget to add 5 percent to 15 percent for graduate degrees and professional certifications, per research for the Salary Guide. Even if candidates counter with a slightly higher figure, recognize it may be more advantageous to accept their offer than let them get away — they could choose to join a competitor — or settle for a less-experienced worker.

**2 BENEFITS:** Today's professionals look at much more than dollar figures when it comes to deciding whether to accept a new position or to stay with their current employer. Review your compensation package to see where and how you can sweeten the pot.

**INSURANCE:** Health and dental are basic. To attract and retain the best performers, add vision insurance and lower employees' overall contributions.

**RETIREMENT:** Many top applicants will expect you to match what they put into their 401(k) plans. And if you do so already, see if you could go up another percentage point or two.

**TIME OFF:** Offer a generous vacation and sick-day package. Several U.S. businesses have started to allow employees to take time off as needed to meet their individual needs instead of a predetermined set number of paid time off days.

**CLOSED FOR THE HOLIDAYS:** If you can, help your staff enjoy the holidays — and rest up before tax season — by closing the firm during the last week of the year. If possible, do the same during the week of Independence Day for a mid-year treat.

**LEARNING ON THE COMPANY'S DIME:** Top performers are life-long learners and appreciate employers who reimburse them for the costs of attaining and maintaining a professional certification, earning an advanced degree, and participating in outside training opportunities.

**3 FLEXIBILITY:** Employees prioritize work-life balance — sometimes even more than the amount of their paycheck. A strict

9-to-5, in-office mentality can discourage short-listed candidates from accepting your job offer and may push your current top performers to seek employment elsewhere.

To promote a positive workplace culture, emphasize during the recruiting, hiring and onboarding process your policies regarding flexible scheduling and remote work. This can be the deciding factor when a talented accountant is weighing two job offers.

**4 EXTRAS:** Want to stand out from all the other accounting firms in your area? Consider adding one or more of these attractive perks to your compensation package, and then publicize your positive corporate culture.

- Wardrobe and dry-cleaning allowance for client-facing staff
- Reimbursement for home-office expenses
- Partially paid sabbaticals after a specified number of years of service
- Financial incentive for employees to use vacation days
- Childcare and eldercare reimbursements
- Generous parental leave
- Gym membership or on-site facility
- Healthy food options provided in-house

To attract and retain skilled accountants, an upgrade in your compensation package may be in order. Yes, an above-average salary and better benefits cost money upfront, but you will be rewarded with stronger applicants and lower staff turnover — two prerequisites for running a successful public accounting firm. ●

## 2017 Thought Leader Symposium

By Isaac M. O'Bannon, Managing Editor

**W**hat are the key issues that accounting firms and professionals will face in the coming years? How will changes in technology drive small business growth, and how can business consultants help their clients be positioned to take advantage and thrive?

The most influential thought leaders in the accounting profession gathered for CPA Practice Advisor's 9th annual Thought Leader Symposium in Indianapolis, February 26-28, where they participated in discussions, and occasional disagreements, about how these and many other factors will shape the profession and businesses. The thought leaders also met with the leading developers of technologies for accounting firms and small businesses.

The Thought Leader Symposium draws professionals from around the world who are engaged in helping shape the profession. They are all widely-respected and are frequent speakers at accounting conferences. Sponsors of this year's event were: Intuit, ADP, Sage, Xero and Cetrom.

Among the topics this year's attendees hope to focus on are: The evolving role of metrics and KPIs, blockchain technology, the end of legacy accounting services, Uberization of some services, new regulations and standards, artificial intelligence, firm demographics, and continuing M&A activity in firms.

### 2017 CPA Practice Advisor Thought Leaders

- Ron Baker, CPA (Verasage Institute)
- L. Gary Boomer, CPA.CITP (Boomer Consulting)
- Jim Boomer, CPA.CITP (Boomer Consulting)
- Jim Bourke, CPA.CITP (Withum)
- Jean Caragher (Capstone Marketing)
- David Cieslak, CPA.CITP, CGMA, GSEC (Arxis Financial)



Jennifer Wilson, Clayton Oates, Leslie Shiner, Geni Whitehouse, John Higgins, Angie Grissom, Gary Boomer, Brian Tankersley



Top Left: Jim Bourke, Donny Shimamoto and Jim Boomer, with David Cieslak in foreground.



Darren Root addresses the 2017 Thought Leaders.



Doug Sleeter, Kacee Johnson and Clayton Oates.

# FEATURE

- Gale Crosley, CPA (Crosley+Company)
- Chris Frederiksen, CPA, CGMA, PFS (2020 Group USA)
- Angie Grissom (The Rainmaker Companies)
- John Higgins, CPA.CITP (CPA Crossings)
- Tom Hood, CPA.CITP, CGMA (Maryland Assn. of CPAs)
- Kacee Johnson, MBA (Blue Ocean Principles)
- Randy Johnston (K2 Enterprises and NMGI)
- Roman Kepczyk, CPA.CITP, CGMA (Xcentric)
- Allan Koltin, CPA, CGMA (Koltin Consulting Group)
- Mark Koziel, CPA, CGMA (AICPA Firm Services)
- Greg LaFollette, CPA.CITP, CGMA (CPA.com)
- Clayton Oates (QA Business)
- Edi Osborne, CSPM, CPBA, CPVA (Mentor Plus)
- Rick Richardson, CPA.CITP, CGMA (Richardson Media & Technologies)
- M. Darren Root, CPA.CITP, CGMA (Root Advisors and Rootworks)
- Donny Shimamoto, CPA.CITP, CGMA (Intracorp TechKnowlogies)
- Leslie Shiner (The Shiner Group)
- Doug Sleeter (Sleeter Consulting)
- Sandi Smith-Leyva, CPA, CMA (Accountant's Accelerator)
- Brian Tankersley, CPA.CITP, CGMA (K2 Enterprises)
- Rick Telberg (CPA Trendlines)
- Geni Whitehouse, CPA.CITP, CSPM (Even A Nerd)
- Sandra Wiley (Boomer Consulting)
- Jennifer Wilson (Convergence Coaching)



Amy Selich, ADP



Ray Barlow, Sage



Mark Koziel



Mark Koziel in foreground with other Thought Leaders in background.



Todd Robinson, Sage



Clayton Oates, Leslie Shiner, Geni Whitehouse and John Higgins.



The 2017 Thought Leaders participate in a round-table discussion.

## Change Your PERCEPTION of PAYROLL



### & Increase Your Bottom Line in Less Time

Join thousands of CPAs nationwide that manage payroll in just a few clicks. View payroll differently and get paid on-time, every time, with SurePayroll®.



#### Easy & Secure Client Payroll

- Easy to use, proven and secure payroll product that automatically calculates, files and pays federal, state and local payroll taxes.
- Client payroll managed from one central location 24/7 with instant access to payroll reports.



#### Total Control Over Markup

- Build and profit through payroll processing.
- Control client billing: easily add a custom markup to the wholesale cost, either by a percentage (%) or dollar (\$) amount.



#### Payroll Portal with Your Name & Brand

- Promote your firm's brand and scale your payroll business with SurePayroll. Clients access a fully branded online payroll portal complete with your business name, logo, and color scheme.



#### Backed by Expert Service

- Receive support from a highly experienced customer care team if you or your clients have questions regarding payroll or taxes.

Learn how you can easily manage payroll.

**SUREPAYROLL**  
A Paychex® Company

Call **855-354-6941**  
or Visit [easy.surepayroll.com/Payroll-Series](http://easy.surepayroll.com/Payroll-Series)

## Tax Tips for the Sharing Economy

By Gail Perry, CPA, Editor-in-Chief

Freelancers and contract workers have been around pretty much forever, but the collaborative workspace is suddenly finding itself front and center. Whether you call it the sharing economy, the peer economy, the gig economy, or just “This is how I do my job,” everybody seems to be talking about new directions in this workspace.

Accountants who advise clients who are making their livings with Uber, Airbnb, eCommerce shops, meal delivery services, or any of the countless combinations of do-it-yourself job creations are likely encountering new questions and creative tax dilemmas.

We talked with Kathy Gregory, program manager for the strategic advisor channel at LivePlan/Palo Alto Software, about some of the questions and some related advice that she’s seeing in this arena.

- **MANY MEMBERS OF THIS GROUP ARE RESPONSIBLE FOR THEIR OWN HEALTH CARE COSTS.** If they are itemizing, they should be reminded to track not just the cost of health insurance, but any out-of-pocket expenses including prescription drugs, and also mileage to and from health facilities, doctor offices, physical therapy, and so on. The mileage rate is 19 cents per mile (for 2016 tax returns).
- **THE COST OF FINDING WORK TRANSLATES** into a deductible expense, particularly for Schedule C freelancers. Fees paid to a service that provides the freelancer with customers qualify as business expenses.
- **PEOPLE NEW TO THE SHARING ECONOMY** might find themselves earning less than they did if they were previously employed full time. They should be advised that the Earned Income Tax Credit might help them



if their net earnings from self employment combined with earned income from other sources is below the income threshold—which ranges from \$14,880 to \$53,505 depending on marital status and number of children.

- Gregory advises that **INDEPENDENT CONTRACTORS MAKE SURE THEY MAXIMIZE ALL BUSINESS EXPENSES.** The Schedule C form and accompanying instructions explain many of the deductions available, but it’s likely a tax advisor can provide a more complete analysis of what expenses apply to the independent work.
- And speaking of tax advisors, clients and potential clients should be reminded that **THE ADVISOR CAN PROVIDE SIGNIFICANTLY MORE BENEFICIAL SERVICE THAN JUST THE PREPARATION OF A TAX RETURN.** A tax advisor who understands the complete financial picture of the client can offer advice on how to grow the business beyond a gig.

### THIS MONTH'S TOP TAX SOCIAL MEDIA POSTS

- Your Guide to Claiming the R&D Tax Credit – CFO.com: <http://bit.ly/2n3BmPK>
- Construction and Sales Tax – Wolters Kluwer SalesTax.com blog: <http://bit.ly/2n3uHVT>
- How Does Your Tax Refund Compare? – Kelly Phillips Erb TaxGirl blog: <http://bit.ly/2IVxL4n>
- How to Handle Gambling Wins and Losses This Tax Season – TheStreet blog: <http://bit.ly/2nbWvq7>
- How High Are Corporate Income Tax Rates In Your State? – TaxProf blog: <http://bit.ly/2IVmq4r>

## Latest Tax & Compliance News

**Will Tax Reform Hurt Housing Market?** A proposal coming out of the White House to raise the standard tax deduction would be welcome news for most taxpayers, but some in the housing industry fear it could discourage new homeowners. [www.cpapracticeadvisor.com/12312128](http://www.cpapracticeadvisor.com/12312128)

**IRS Enacts New Regulations for Gambling Income.** Do you enjoy wagering at casinos and participating in other games of chance? The IRS requires you to pay tax on your fair share of winnings as reported by the “house.” [www.cpapracticeadvisor.com/12311338](http://www.cpapracticeadvisor.com/12311338)

**AICPA Asks Senate to Approve Income Tax Treaties.**

The American Institute of CPAs (AICPA) says the United States Senate should promptly consider and approve the bilateral income tax treaties and protocols currently pending before it. <http://www.cpapracticeadvisor.com/12311209>

**New Income Tax Form Needed for S-Corps, Says AICPA.** The form proposed by the AICPA in its February 21 letter would be a required attachment to any income tax return and would include items of income, loss, deduction or credit of an S corporation. [www.cpapracticeadvisor.com/12308771](http://www.cpapracticeadvisor.com/12308771)

**Tax Preparers Beware: Hackers in Your Rear View.** If a

CPA or tax pro receives their clients’ W2s, 1099s, 4562s, 8829s, pay stubs, banks statements, TINs and SSNs in email, they are putting their clients at risk. The CPA or tax pro is also putting themselves and their business at risk. [www.cpapracticeadvisor.com/12307530](http://www.cpapracticeadvisor.com/12307530)

**Which States Have the Highest Beer Taxes?** How much tax revenue do the states rake in from alcoholic beverages like beer? It varies widely across the country. <http://www.cpapracticeadvisor.com/12314411>

# Marijuana in the Workplace: What Employers Need to Know

**M**aintaining drug-free workplaces has long been the rule for American industry. In fact, it is mandatory under federal and state law in many instances. Now, given the reality of increasing marijuana legalization, assuring that its presence in the workplace and the impairment that it causes is prevented has become a critical concern for many employers. Never before have employers faced such widespread acceptance of behavior that is so glaringly at odds with workplace safety. All told, 28 states and the District of Columbia have legalized marijuana use in some form.

The trend is strongly favorable for even more widespread growth of such laws. In certain areas of the country,



Richard D. Alaniz is senior partner at Alaniz Schraeder Linker Farris Mayes, L.L.P., a national labor and employment firm based in Houston. He has been at the forefront of labor and employment law for over thirty years, including stints with the U.S. Department of Labor and the National Labor Relations Board. Rick is a prolific writer on labor and employment law and conducts frequent seminars to client companies and trade associations across the country. Questions about this article, or requests to subscribe to receive Rick's monthly articles, can be addressed to Rick at (281) 833-2200 or [ralaniz@alaniz-schraeder.com](mailto:ralaniz@alaniz-schraeder.com).

employers are already finding it difficult to hire persons who can pass a pre-employment drug test. And once employees have been hired, many manufacturing employers are finding that substantial numbers of employees either fail random or post-accident drug screens, or simply quit if asked to take such a test. Although always a challenge, finding and keeping qualified and productive employees has become only more challenging.

It is difficult to definitively quantify the effect marijuana use has on productivity and safety, but, according to the National Institute on Drug Abuse, part of the National Institutes of Health, studies have suggested links between marijuana use and negative consequences in the workplace, such as a higher risk for injury or accidents. One study found that postal workers who tested positive for marijuana on a pre-employment drug test had 55-percent more industrial accidents, 85-percent more injuries, and 75-percent greater absenteeism compared with those who tested negative for marijuana use.

On top of this, federal and state agencies are making it increasingly difficult to enforce strong drug free policies. For example, the Occupational Safety and Health Administration ("OSHA"), the federal agency that enforces work-



## WHAT TO DO NOW

- Review Your Company's Drug Testing Programs.
- Look Into Oral Fluid Testing.
- Stay Up-to-Date on OSHA's Actions.
- Update and Communicate Policies.
- Train Managers and Supervisors.

place safety, recently issued new guidance explaining that some post-accident drug testing programs may unlawfully deter or discourage a reasonable employee from accurately reporting a workplace injury or illness.

With the proliferation of legalized marijuana among the states, the widespread use among employees that these state laws encourage, and changing positions from enforcement agencies, now is a good time for employers to review their drug testing policies and adapt to the changing legal landscape.

## The Growing Acceptance of Marijuana Use

As mentioned, more than one-half of the United States has legalized some form of marijuana use. In fact, with the addition of California, Massachusetts, Maine, and Nevada, now more than 20-percent of all Americans live in a state where recreational marijuana use is legal.

Despite the increase in legalized marijuana, it is still illegal in many states and, importantly, under federal law. Along with the federal Controlled Substances Act, which classifies marijuana

as a Schedule 1 drug along with LSD and heroin, a number of different federal laws can impact employers, employees, and their drug policies. Such laws include the Drug-Free Workplace Act and U.S. Department of Transportation regulations.

## OSHA and Post-Accident Drug Testing

In recent months, OSHA has caused a stir among employers with comments related to post-accident drug tests. Effective December 1, 2016, new OSHA regulations require employers to establish a "reasonable procedure" for employees to report work-related injuries and illnesses promptly and accurately. These regulations prohibit this procedure from deterring or discouraging a reasonable employee from accurately reporting a workplace injury or illness, and prohibit any retaliation for reporting an injury or illness.

**CONTINUED ONLINE AT:**  
[www.CPAPracticeAdvisor.com/12307330](http://www.CPAPracticeAdvisor.com/12307330)

## Labor Department Revises Garnishment Rules

By Christine Pulfrey

**The Labor Department revised its garnishment guidance on earnings under the Consumer Credit Protection Act to include amounts received as lump sums and wages for some tipped workers.**

The amount of pay subject to garnishment is based on an employee's disposable earnings, which is the amount of earnings left after legally required deductions are made. States decide whether (and how much) to garnish from amounts that are unprotected by the CCPA. So, the clarification is important.

The CCPA defines earnings as compensation for personal services, which includes: wages, salaries, commissions, bonuses or other compensation, such as periodic payments from a pension or retirement program or payments from an employment-based disability payment program, according to Fact Sheet No. 30: "The Federal Wage Garnishment Law, Consumer Credit Protection Act's Title III," which was updated in November.

Earnings also may include lump-sum payments, according to the fact sheet. Previously, the department

said payments must be periodic to be covered earnings.

For tipped employees, earnings include cash wages paid directly by the employer and any tip-credit amount claimed by the employer, for the purposes of the wage-garnishment law. Previously, the division said that tips are never earnings because they are a gratuities, not compensation.

Garnishment changes in 2016 extended beyond the federal labor department's changes to its fact sheet. Several states also saw significant changes to their garnishment laws take effect. Among them:

Effective Sept. 1, Tennessee garnishments directed to an employer must include contract payments to independent contractors under a measure that includes independent contractors within the definition of employees.

Effective July 1, the maximum amount of disposable earnings subject to garnishment in California is not to exceed the lesser of 25 percent of an employee's weekly disposable earnings or half of the amount in excess of 40 times the greater of the state minimum wage (\$10 or \$10.50, based on employer size) or the local minimum wage.

Also effective July 1, the maximum disposable earnings subject to garnishment

in South Dakota are revised to not exceed the lesser of 20 percent of disposable earnings for the workweek or the amount by which disposable earnings for the week exceed 40 times the federal minimum hourly wage (\$7.25) or the state minimum wage (\$8.65), if greater.

Effective June 9, West Virginia increased the maximum amount of wages subject to withholding for garnishment to the lesser of the amount that weekly disposable earnings exceed 50 times the federal minimum wage (\$362.50) or 20 percent of disposable earnings.

Georgia's garnishment law was overhauled, effective May 12, clarifying the amounts exempt from garnishment and the options available to quickly recover amounts improperly garnished. Forms are identified that are to be sent with a garnishment notice and safe harbors are identified that are available for garnishees responding in good faith. Nonlawyers may file garnishment answers for garnishees, but lawyers still must represent entities for certain claims.

Finally, in November, the Uniform Wage Garnishment Act became available to states as a model to consider adopting to standardize, simplify and clarify otherwise varied state wage-garnishment laws.

The measure, prepared by the Uniform Law Commission, offers states a standard process for wage garnishments, reducing the burdens and costs faced by employers that do business across multiple states and must comply with different state garnishment requirements.

As under current law, garnishments would begin with a court filing served on an employer, but the

employer's answer would be made directly to the creditor and amounts deducted from employee wages remitted directly to the creditor, not the court.

The measure, which would only apply to debt garnishment and not approved wage deductions, provides garnishment calculation forms and plain-language notices of employees' rights and obligations.

"The ULC will now begin working with states to enact the uniform act," said Kaitlin Dohse, legislative counsel at the Uniform Law Commission. "States will often make stylistic or formatting adjustments when they go to draft their version of the uniform act, but we try to ensure the language is as close to uniform as possible," she said.

In 2017, only a few states likely would be selected by officials to be approached, said Amy Bryant, an observer to the ULC committee that drafted the measure.

The ULC also is responsible for the Uniform Interstate Family Support Act that was adopted by all states by spring 2016. The organization is a nonprofit that works to create uniformity among state laws. ●

*Christine Pulfrey is an editor and writer for who covers federal and state wage and hour, garnishment, and child support developments for Bloomberg BNA's Payroll Library publications.*

Reproduced with permission from Payroll Blog, <https://www.bna.com/payroll-blog/> (Feb. 10, 2017).

Copyright 2017 by The Bureau of National Affairs, Inc. (800-372-1033) <http://www.bna.com>





## Key Questions HR Leaders Need to Address Now

By Susan Hanold, VP HCM Strategic Advisory Services,  
Talent Management, HR Transformation at ADP

**M**ore than 400 HR leaders recently descended on Denver to attend the Mile High SHRM Conference, where leading practitioners and speakers shared inspirational stories on human resources.

As a speaker at the event, I led a discussion on “HR’s Changing Role” and shared insights into current and emerging issues in human capital management, employment trends, and the evolving role of HR.

According to the ADP Workforce Vitality report, employees who switch jobs after three to five years are poised for higher wage growth. With that work experience under their belt, those employees are highly marketable but not entirely committed to their current job.

In this jobswitcher’s market, HR leaders need to ask themselves the following questions.

**What are you doing to develop and retain key employees?** Many of the HR professionals I met with said they are increasing training opportunities and changing flex time and telecommuting policies to develop and retain key employees. Other ini-

tiatives mentioned included offering retention bonuses and advancement opportunities in addition to evaluating benefits and conducting salary benchmarking.

**What are you doing to stay competitive with your total rewards strategy?** Attendees said they were working on a variety of initiatives such as providing corporate contribution and employer match, paid tuition, pay adjustments and increasing transparency about salary in the interview process.

What changes has your organization made or does it plan to make to your performance management process? The feedback from the audience showed growing momentum to overhaul performance management. The majority of the attendees said they are planning to simplify their performance management process and increase the frequency of perfor-

mance conversations. Other changes included eliminating performance ratings and forced distribution of ratings as well as increasing manager training.

**What is your top learning priority for your organization in 2017?** Many of the HR leaders at the conference said their organizations are planning to provide more leadership development training in the near future. Grovo, in partnership with Wakefield Research, surveyed 500 middle managers across the United States to get a clear, unbiased picture of the management training environment. The research shows that 87 percent of managers wish they had received more training after being promoted.

It’s becoming increasingly apparent that HR leaders see management training and leadership development as one of the most important strategies they need to work on to retain their top talent. You often hear that employees don’t quit companies, they quit bosses. By developing your managers to be better coaches and providing front-line, on-the-job training, you’ll increase the likelihood your employees will enjoy coming to work and put off any plans to leave! ●

Change  
the way you  
connect.

**Accountant  
Connect.™**  
is the new  
cloud platform  
that makes  
accessing  
payroll client  
data and  
resources fast  
and easy.

Change the way  
you connect.

**Accountant  
Connect.**  
[adp.com/  
accountantconnect](http://adp.com/accountantconnect)

ADP and the ADP logo are registered trademarks of ADP, LLC. ADP A more human resource. and Accountant Connect are service marks of ADP, LLC. Copyright © 2017 ADP, LLC. ALL RIGHTS RESERVED.



A more human resource.™

## 6 PR Tips for Accounting Firms

By Sandi Smith Leyva, CPA

A public relations effort is one of the best ways to build your firm's brand as well as to gain thought leadership status for your partners and firm owners. Here's a few steps, tips, and apps that can get your PR launch off to a great start.

### DEVELOP A PRESS LIST

Once you've decided where you want to gain attention, have an admin research relevant news sites, publications, and blogs. For example, if you want to build your name in Dallas, TX, you'll want to know reporters, editors, and bloggers at the *Dallas Morning News* and *Dallas Business Journal*. Depending on your niches or services, you can dig deeper to find publications on those areas.

Add these names to a special press list in your list management software (such as Constant Contact). When you have news or an article to share, you can email the list.

### ADD A PRESS PAGE TO YOUR WEBSITE

Have you been mentioned in articles already? Have you authored articles that have been published? If so, list them on a press page on your website. At the top of this page, be sure to list contact information on how you can be reached for comments.

### MAKE NEWS

Partnerships, new hires and promotions, charity work, and new services are things that can easily be put in a traditional press release and distributed to numerous places. You never know when something as little as a firm mention of a C-level change can trigger a call from a large client for more work.

Use one or more of these cost-effective apps to distribute your news:

<http://www.prweb.com>

<http://www.prnewswire.com>

<https://www.newswire.com>



### GET COACHED

There is a whole world of rules we don't learn in Accounting 101 about how to be interviewed. For example, a TV interviewer prefers 10-second sound bites and a radio interviewer likes 30-second sound bites. To bring your best game, you may want to consider a media coach.

### SHARE EXPERTISE

When Prince recently died without a will, it was a huge opportunity for estate tax experts to speculate about what would happen. When the latest celebrity is caught owing big taxes to the IRS, it's a perfect chance for a tax expert to make a comment about what went wrong. Pay attention locally to what's happening so you can offer to give your expertise on a recent news event.

### BE AVAILABLE

Reporters have extremely tight deadlines. They appreciate an expert who can call them back immediately and produce a good sound bite. You may need to give up your cell phone number in order to capitalize on these opportunities.

Try these tips when you're ready to venture into public relations to build your brand and thought leadership.

### THIS MONTH'S TOP FIRM MANAGEMENT SOCIAL MEDIA POSTS

- 5 Time Management Mistakes You're Making Without Even Realizing It – Clients A.R.M. (Accounts Receivable Management) blog: <http://bit.ly/2myYyFH>
- How Can You Make the SHIFT to Trusted Advisor? – Account-text Report blog: <http://bit.ly/2mWR5mo>
- How to Write a Social Media Policy for Your Company – Hootsuite blog: <http://bit.ly/2lItAv>
- Simple Twitter Analytics Tips to Immediately Improve Your Engagement – SurePayroll blog: <http://bit.ly/2ntbU5y>
- 50 KPIs that Really Matter for YouTube Channel Growth – ReelInReel blog: <http://bit.ly/2lQJmGM>

## Latest Firm Management News

**Efficiency is Not Enough to Power a Successful Accounting Firm.** The concept arises in articles, webinars and conferences. Accountants who have operated in a particular manner for years are now re-evaluating everything from services to marketing to communications and more, scouring each area for opportunities to simplify processes and amplify benefits. [www.cpapracticeadvisor.com/12312568](http://www.cpapracticeadvisor.com/12312568)

**New Phishing Scheme Shows Need for Stronger Data Security in Accounting Firms.** This latest scam is just another step cybercriminals are taking to gain access to your firm's and your client's personal information so

they can attempt to file and claim fraudulent tax returns. [www.cpapracticeadvisor.com/12307965](http://www.cpapracticeadvisor.com/12307965)

**Survey Shows Latest Fees for Accounting & Tax Firm Services for 2017.** Firms reported that on average 57.3% of gross income comes from tax-return preparation, 15.4% from write-up work, 8.9% from payroll services, 7.0% from tax services, 3.6% from QuickBooks/bookkeeping, 2.6% from financial statement presentation, and 5.2% from other services. [www.cpapracticeadvisor.com/12300091](http://www.cpapracticeadvisor.com/12300091)

**French Firm ORIGA Group Joins PrimeGlobal Accounting Network.** The French accounting and audit firm ORIGA Group has joined the PrimeGlobal net-

work of independent accounting firms. ORIGA will join the association's Europe, Middle East & Africa Region. [www.cpapracticeadvisor.com/12311236](http://www.cpapracticeadvisor.com/12311236)

**Atlanta Accounting Firm NBKJ Joins Carr Riggs & Ingram.** The CRI-BNKJ merger strengthens CRI's position as one of the nation's leading benefit plan audit service providers. Collectively, the two firms perform more than 450 benefit plan audits annually. [www.cpapracticeadvisor.com/12310805](http://www.cpapracticeadvisor.com/12310805)

# Is Your Accounting Firm Serious About Security?

**T**his digital world in which we live is an exciting one with opportunities to connect, share and collaborate in ways we never imagined. Technology impacts almost everything we do in our personal and professional lives in some way. Most of those impacts are positive.

At the same time, today's environment can be quite scary. It seems that every time we look at the news, there is another major security breach. And what we see in the media is backed up by data. According to a report released by the Identity Theft Resource Center and Cyberscout, the number of tracked U.S. data

breaches in 2016 hit a record high of 1,093 – a 40 percent increase over 2015. So it's no surprise that most firms list security as a top priority. But is their behavior consistent with what they say? In my opinion, not as much as it should be.

## Investment is increasing

On the positive side, more and more firms are investing in the technology, training and processes to protect the sensitive data they possess. Whether it's intrusion detection software, bringing in an outside party to conduct a security assessment or implementing a security awareness and training program, firms are investing in a lot of the right things to create a more secure firm.

As I wrote in a previous column, whether it's securing a perimeter in a war zone or an accounting firm, the strength of the defense is only as robust as the front lines. In your firm, the front line is your people who are handling sensitive client data on a daily basis. An informed and diligent workforce is your best protection against an attack.

## It takes commitment

Unfortunately, when it comes to personal sacrifices required to take security initiatives to the finish line, there is often push-back. "The training takes too long!" "I can't remember my password when I have



to change it all the time!" "Why can't I just email that tax return to the client?" These are just a few examples of the resistant comments and questions that confront the technology team.

Technology leadership should approach this as an opportunity rather than dismissing it as just another complaint from end-users. It is a chance to learn where the pain points are and to meet the challenge head on by finding solutions that make it less complex while still protecting the firm. It's also an opportunity to align with firm leadership to ensure the business problem is clearly communicated when talking about a security initiative or solution. Otherwise, it's easy to discount it as "just another technology project."

## Change starts at the top

The biggest pushback often comes from leadership. And most firms have one or more people on their team who think they are above the

law. They simply choose to ignore training and look for ways to bypass security measures. It's the responsibility of the leadership team to support the firm's security initiatives not only through words and investment but also behavioral changes. In other words, leadership must walk-the-walk. And they must hold everyone accountable, especially those few that make no attempt to change their behavior or increase their security savviness.

The only way to gain buy-in and compliance from the rest of the team is for them to see modeling behavior coming from their leadership. So while it's easy to say that security is a top priority, it's more difficult to change behaviors that will take the security initiative beyond words and turn it into results. All progress starts with the truth. So ask yourself, is your firm serious about security? If not, start making changes today. There is no better place to start than with yourself. ●



*Jim Boomer is a shareholder and the CIO for Boomer Consulting, Inc. He is the director of the Boomer Technology Circles™ and an expert on managing technology within an accounting firm. He also serves as a strategic planning and technology consultant and firm adviser in the areas of performance and risk management. In addition, Jim is leading a new program, The Producer Circle, in collaboration with CPA2BIZ and the AICPA.*

[jim.boomer@cpapracticeadvisor.com](mailto:jim.boomer@cpapracticeadvisor.com)

## MARK YOUR CALENDAR:

- 3/12 Daylight Saving Time Begins
- 3/15 S Corps Form 1120S Due
- 3/15 Partnerships Form 1065 Due
- 3/20 First Day of Spring
- 3/21 The Cannabis Industry: Understanding Current Tax and Business Issues: <http://bit.ly/2mTSvxD>
- 3/22-24 AICPA Fair Value Measurements Workshop, NYC
- 3/30 National Pencil Day
- 3/31 Electronic Filing Deadline for Forms W-2G, 1096, 1098, 1099 (except 1099-MISC), 8027, 1094-C, 1095-C, 1094-B, and 1095-B
- 4/18 Tax Return Due Date Form 1040, 1040A, 1040EZ, 1120
- 4/18 First quarter 2017 estimated tax payment due



## YOUR TO DO LIST:

- Learn something new: The 24 Best Podcasts for Entrepreneurs in 2017: <http://bit.ly/2nh0TYW>
- Support a Worthy Cause: Buy1Give1 global business giving community <https://www.b1g1.com/businessforgood/>
- Take care of yourself: Apps We Love: Anti-Anxiety and Stress Management [www.cpapracticeadvisor.com/12299983](http://www.cpapracticeadvisor.com/12299983)

Buy 1 GIVE 1  
**B1G1**<sup>®</sup>

## WHAT YOU'LL FIND IN THE APRIL CPA PRACTICE ADVISOR:

- Monthly Theme: Payroll
- Reviews: Payroll, W-2/1099, Tips
- Expert Commentary: Accounting for Tips
- Features: Who's Who in the Accounting Profession
- Building Your Niche Practice: Restaurants
- Social Media Tips for Attracting Restaurant Clients
- Apps We Love: Email Management

## WHAT'S ONLINE AT CPAPRACTICEADVISOR.COM:

- IRS Enacts New Regulations for Gambling Income [www.cpapracticeadvisor.com/12311338](http://www.cpapracticeadvisor.com/12311338)
- New Income Tax Form Needed for S-Corps, Says AICPA [www.cpapracticeadvisor.com/12308771](http://www.cpapracticeadvisor.com/12308771)
- What Accounting Students Don't Know about the Profession [www.cpapracticeadvisor.com/12302606](http://www.cpapracticeadvisor.com/12302606)
- Labor Department Revises Garnishment Rules [www.cpapracticeadvisor.com/12309203](http://www.cpapracticeadvisor.com/12309203)
- Excel Isn't Dead: 87% of Accountants Say It's a Critical Tool [www.cpapracticeadvisor.com/12308727](http://www.cpapracticeadvisor.com/12308727)
- Did the IRS Just End Obamacare? [www.cpapracticeadvisor.com/12306304](http://www.cpapracticeadvisor.com/12306304)

# FOLLOW US!



LINKEDIN:

[WWW.LINKEDIN.COM/GROUPS/  
CPA-PRACTICE-ADVISOR-3927201](http://WWW.LINKEDIN.COM/GROUPS/CPA-PRACTICE-ADVISOR-3927201)



FACEBOOK:

[WWW.FACEBOOK.COM/CPAPRACTICEADVISOR](http://WWW.FACEBOOK.COM/CPAPRACTICEADVISOR)

TWITTER:

[WWW.TWITTER.COM/CPAPRACADVISOR](http://WWW.TWITTER.COM/CPAPRACADVISOR)

