

CPA Practice Advisor

Today's Technology for Tomorrow's Firm

APRIL 2017

VOLUME 27
NUMBER 3



THE STAFFING & HR ADVISOR

How to Keep Accounting Teams Happy

BRIDGING THE GAP

Cognitive Computing and the Future of the Accounting Profession

COVER STORY

4 KEYS TO A

MORE PROFITABLE PAYROLL PRACTICE


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- 5/6-8 Women's Chefs and Restaurateurs National Conference, Seattle
- 5/8-10 AICPA Employee Benefits Plans Conference, Nashville
- 5/9-11 Sage Summit, Atlanta
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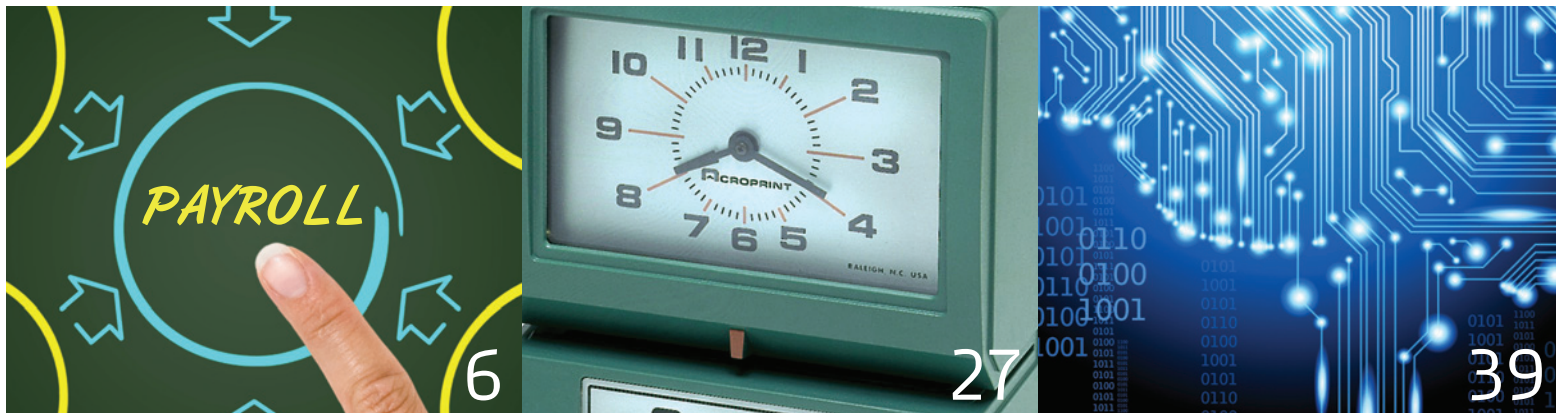
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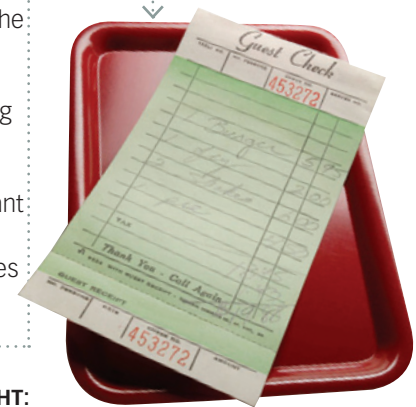
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Tax Client Procrastination Can Equate to Fear

REMEMBER THAT SCENE from the movie, *Field of Dreams*, when The Voice said, "Ease his pain"? You should be hearing that voice when your tax clients call or walk into your office, particularly when they wait until the last week or so before the filing deadlines.

There's a reason these people waited until the last minute. The reason might be different on the surface for each one, but the underlying reason has something to do with fear. Fear of how much they'll owe. Fear of not having enough money to pay. Fear of being harassed by the IRS. Forever. These people have nightmares. It took so much nerve to make that call or walk into to see you. And you hold it in your power to relieve that fear.

You might not be able to solve any of the problems they think they are facing – you can't make the tax lower that it is supposed to be. You can't put money into their accounts so they are flush enough to pay the government. You can't make the tax notices go away if they have already piled up. But what you can do is remove the stress and absorb that fear and become the buffer for your clients. Tax bill too high? Help them

with budgeting and planning. Not enough money? Work out a payment plan or compromise. Tax notices clogging the mailbox? Get a Power of Attorney and communicate with the government on their behalf.

What you have to offer is better than lower tax bills and the end of tax notices (well, almost). You can offer peace of mind for your clients, the knowledge that they no longer have to fear.

As you look back at tax season, for those of you who are tax accountants or even those who hear from your clients asking for recommendations for tax advisors, think about all of the frustration, grief, fear, stagnation, and bad judgment that came in the door along with your clients and how much of it you were able to assuage.

Now think about how you can be proactive for the rest of the year with your clients, helping them

tackle that feeling that led them to your doorstep. As a tax advisor, what can you do throughout the year to make sure clients know you are there for them, particularly when it comes to tax issues? Here are some suggestions:

- Advise your clients to send any correspondence they might receive from taxing authorities directly to you. Not only can you take care of responding on their behalf, you will be able to remain in the loop through the year if there are any requests for additional information from the IRS or state government.
- Just because you've made sure your clients are protected from underpayment penalty, that doesn't mean you shouldn't touch base with them about their tax situation during the year so there are no surprises come next April. Schedule pre-emptive appointments later in the year to meet and determine

what your clients can expect for their 2017 tax bill.

- Your self-employed clients might be having trouble making quarterly payments. Tax payments are so much easier when they are withheld from your paycheck. Work with your clients to help them budget, maybe put away tax money monthly instead of quarterly, so it won't be so difficult to make those tax payments.
- Have you started long-range financial and tax planning with your clients? If not, are you the person who can do that or do you need to help your clients find a financial planner? You should be part of that dialog and that process, and the sooner it is started, the better off your clients will be. ■

— Gail Perry, Editor-in-Chief

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Financial and operational reporting tools are far more specific than a hammer. While we might use a dashboard generated in Sage, Open Systems, Microsoft, Epicor, or Acumatica products, when it comes to the details to help us make management decisions, we look to the transaction details and reports.

The details have often been generated by a financial or operational system, and tools like Crystal Reports, FRx, and F9 were used to generate reports. As our needs became more sophisticated, we turned to business analytics and intelligence tools like Cognos, Hyperion, InfoBuilder and others at the high end. Tools like QCube, and Sage Intelligence are in the low to medium size markets.

Specialized tools like Forecast 5 were developed for markets like the not-for-profit segment or MyBusinessManager for packaging and delivery issues. Today, we see Tableau, Domo and others trying to solve this problem. There are about 100 reporting tools and yet, most of us use Excel.

WHY EXCEL?

More complex systems provide reporting that is structured and repeatable. Once you can define what a report should contain, you can create an automated, repetitive output. However, it is often easier to model this in Excel. Further, even if a business analyst understands the problems you describe, and they build what they believe you want, they frequently miss the key management information that you are looking for.

In larger companies, there are frequently many demands on the business analyst's time, and there

Financial and Operational Reporting Ease and Excellence

WE USE TECHNOLOGY tools to solve client problems and our own problems. Whether these are generic tools like Microsoft Office, Citrix ShareFile, or Square, or specific tools like Wolters Kluwer CCH ProSystem fx, Intuit Lacerte or AccountantsWorld Accounting Power, we review and select the best tools we can for the job. You know the old saying: Every problem looks like a nail if all you have is a hammer.

are delays getting the information needed. Also common is the need for adhoc reporting. These one-off reports, frequently for special projects, can be difficult to define, extract or produce from any built-in reporting mechanism. Since our task is often to solve a pressing problem, we resort to the tools we have at hand: download the data, format the report in Excel, and keep playing with the data until we are able to achieve the result desired. You also know the downsides of this scenario: it can take a lot of time, the process is error-prone, it is hard to repeat this in the future if needed, and sometimes it's difficult to get the answer you are looking for.

That brings me to a methodology that we have seen with F9, Biztools Professional and others. Extract the data, manipulate it in Excel and try to generate results. Microsoft has made great strides in the last two years with their PowerBI tool, however, it still lacks rich financial functions. It seems that BizNet Software's BizInsight may have broken this cycle. When combined with their other tools, BizConnector and BizBroadcast, you have a way with very little effort to automatically or manually extract data for repetitive or one-time reporting. A few new features also caught my attention.

One of the new features was PackNGo. The product can compress two million cells from Excel into one megabyte. This allows a spreadsheet model to work detached from the original system and to answer other questions beyond the original model.

Another feature of interest was the ability to hook to QuickBooks

exports and other Excel files natively. This allowed both entry-level users and ANY system that could produce an Excel output to be hooked in for automatic reporting in addition to the 20+ integrated systems.

A third feature was in-memory processing. Graphics, financial functions, and ease of use round out a winning combination to do all of your reporting in Excel.

It does not matter what system you have, you can report in Excel using BizInsight. One final thing that pushed me over the top on this Excel reporting tool was the subscription pricing at \$30/user/month. If you have any Excel model that is used repeatedly, the latest version of BizInsight will let you connect to the system of record, and automate reporting in a consistent, reproducible way. How much is your time worth? Do you have Excel sheets that you use every month? See how this works at: <http://info.biznetsoftware.com/accounting>.

IF THE TOOLS ARE GOOD, CAN WE LEVERAGE THEM?

After reviewing dozens of reporting tools from the high end to the low end, one consistent conclusion recurs. Most tools are too hard for most users to use. Typically, the final deliverable is created in Excel. While using Excel has all of the issues cited above, we still use this "system outside the system." Who among you has not taken a report, and reformatted it in Excel? Or for that matter, how many of you have looked at a report or system and re-keyed the data into Excel? Ugh!

A few guidelines consistently

applied about Excel through the years include:

- 1) If an accountant is keying data, there is a broken process.
- 2) Accountants should spend 80% of their time analyzing data and only 20% formatting it – most tend to use the opposite ratio of 80% formatting data, and only 20% analyzing the results.
- 3) Excel is a renegade system: Excel is a reporting system outside the system and is very hard to control. Vendors have built whole businesses trying to control Excel.
- 4) Over 95% of all spreadsheets have errors. Authoritative sources claim that 99.6% of all spreadsheets have errors.

WHAT TO DO?

While greatly admiring Business Analytics and Business Intelligence tools for 25+ years, it is clear that most of them are hard to use, have many end-user restrictions, are expensive and often do not produce the results desired. While some newer tools, like PowerBI, are greatly improving the situation, end-user skills have to be high to gain efficiency and effectiveness. Built in reports frequently do not produce the information desired or present the information in a way that can be readily comprehended.

Even the smallest business owner and the largest publicly-held corporations have questions that are just more readily answered in Excel. I'm thinking that BizNet BizInsight is an Excel accelerator. Is it time you pushed on the gas for yourself and your clients? ■

This month's focus is on payroll - what you need to know about payroll management within your own firm as well as information that will be helpful to you in guiding your clients with their payroll decisions. In addition to information about best practices how to make your payroll practice profitable, we reviewed many stand-alone payroll and 1099/W-2 software products as well as the payroll elements of your favorite accounting programs. You'll also find resources that can help you with specific payroll issues, and, sprinkled throughout this issue, there are tips and tools to improve your payroll skills, including a guide for documenting equal pay, information on accounting for tips in the restaurant industry, and much more!

7 Payroll Best Practices of 2017

PAYROLL IS ONE of the most crucial (but dreaded) tasks of any HR department. Not only is the collective payroll "check" likely the biggest expense your company incurs — it also goes to your most important payee: your team. Effective payroll practices keep your company's finances on track and contribute to employee satisfaction. For all their hard work, your employees don't just deserve accurate, timely pay — they and their families rely on it.

Payroll can be a beast. Luckily, it's a beast that software can help tame. As cloud technology and regulatory standards continue to evolve, payroll software changes every year. This can make choosing a payroll service difficult. Not only do you need to know which payroll software is the best, but you also need to understand how to use payroll software effectively for your own business.

Here are seven best practices to help you answer these questions in 2017:

1. ABANDON THE PAPER TRAIL FOR DIGITAL

Did you know that you should keep all records associated with an employee's payroll and taxes for at least three years? Even at a small company, that's a lot of paper. With the right payroll software in place, you can ditch all those filing cabinets in lieu of digital documentation and paperless payroll. It's not only space-effective — it's more accurate and searchable.

2. DIRECT EMPLOYEES TO DIRECT DEPOSIT

According to the electronic payments association NACHA, 82 percent of U.S. employees are paid via direct deposit. And of the few who aren't, nearly all are aware of the existence of the service. Direct deposit benefits

both you and your employees. On your side, it eliminates the time and cost associated with writing and printing checks. On their side, it saves time and reduces the risk of misplacing a check. It's another step toward a paperless HR process that gives everyone involved a smoother experience. If you aren't doing so already, encourage your employees to go the direct deposit route. You can even use your software to demonstrate to those who are nervous just how simple it can be.

3. BE TRANSPARENT

Payroll shouldn't be a mystery, but too often employees feel uncomfortable talking about it. This leads to a lot of unanswered questions and problems. Transparency about your payroll process is key to combatting this issue and making sure everyone at your organization has a good understanding of their responsibilities and yours. As it automates your processes, payroll software makes it easier to put them into writing than the "First I open an Excel spreadsheet ..." processes of the past. In 2017, ensure your payroll process is on paper and available for all your employees to review.

4. BUT STILL, BE CONFIDENTIAL

Payroll transparency can do a great deal of good for your employees' relationship with HR. At the same time, individual employee's salaries, Social Security

numbers, and banking information should always remain confidential. Payroll software organizes this information into a digital database, making it much more difficult to compromise that confidentiality.

5. CLASSIFY CORRECTLY

The Department of Labor has been tracking an increase in employee classification litigation for the past several years. Indeed, the difference between exempt and nonexempt employees can occasionally confuse even the most seasoned payroll veteran. This gets particularly dangerous when nonexempt employees are treated as exempt and not given the overtime pay to which they are entitled. Using payroll software automates the process of keeping track of employee classification and makes it easier than ever to record hours.

6. TAX ON TIME

As much as they all dread tax season, your employees are also on the lookout for important tax information in order to get their refund process underway. This is particularly important for independent contractors whose 1099s can get lost in the shuffle of your full-time employees' paperwork. You can make sure everyone gets their paperwork on time by automating the system or even going paperless with payroll software.

7. GET UP TO SPEED

Every time a new employee arrives at your office, so does a mountain of paperwork. It can take time to get new team members up to speed on the various HR processes at your organization, but payroll software can help. Using your tools, you can put stricter guidelines and more automation in place, shaving time and effort off of training new hires. ■

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Four Keys to A More Profitable Payroll Practice

IS YOUR PAYROLL practice not as profitable as it should be? Many accounting firms have seen their payroll practices generate margins in excess of 50 percent. So how do they do it?

Today, advances in payroll technology have automated most payroll tasks, giving accountants capabilities that match or even surpass what a major payroll service bureau can offer. Another major advantage for accountants is that they can access these powerful capabilities at a surprisingly low price.

Here are four proven ways to make payroll services highly profitable.

1 CHOOSE A PAYROLL SYSTEM DESIGNED FOR ACCOUNTANTS

Payroll software developed for accountants and CPAs operates on a completely different business model than software created for business owners or end users. An accountant-specific system should include a management console for an overview of all clients' payrolls and key information such as status, upcoming forms due, and tax due dates. It should also highlight any items that require immediate attention, and allow accountants to configure services for each client to best meet their needs.

2 HARNESS AUTOMATION TO ELIMINATE BUSY-WORK

Accountants want a system that

takes advantage of the latest technology to automate compliance filing and payroll taxes, and remove the manual processes and data entry that prevent many accountants from adopting payroll. These automated systems perform tedious tasks from federal and state computations to year-end processing. The ideal payroll program automatically submits tax forms and payments, and facilitates batch processing. Accountants can even eliminate the need to print checks from their office.

3 EVALUATE THE TOTAL PROCESSING COST OF A SYSTEM

When comparing systems, CPAs should use the "total cost of processing" as an apples-to-apples metric. Many accountants are finding that cloud-based systems can reduce costs in commonly overlooked areas for hidden fees, such as:

- Year-end or quarterly compliance items such as W2s, W3, and 1099s
- 401(k)s
- Time spent for data entry and processing
- Setup and migration costs
- Software upgrades or updates
- IT maintenance
- Staff training to learn how to use the program

4 SEEK SPEED AND SIMPLICITY

Accountants want all of the above accountant-centric features and automation without compromising on speed. In addition, accountants need a system that processes payrolls rapidly and accurately without crashes and downtime. Today, there are many methods of inputting time into a payroll system, from phone call-in to desktop entry and mobile upload. Many accountants find that the best way to enter payroll is through a spreadsheet using exception-based payroll. "Exception-based" payroll means default hours or amounts are listed automatically to save data entry time, and data entry is only required for exceptions.

Today's best payroll solutions for accountants feature an unprecedented combination of automation, value and processing speed. These systems can help accounting firms create a sustainable, highly profitable payroll service for your practice. ■

Dr. Chandra Bhansali is CEO of AccountantsWorld, the pioneer in cloud-based solutions designed exclusively for accountants. AccountantsWorld is also the creator of Payroll Relief, the leader in cloud-based payroll processing for accountants. Dr. Bhansali has been a thought leader on how technology can improve CPA firms, and has been named one of the "Top 100 Most Influential People in Accounting" by Accounting Today for over 10 years.

Payroll Internal Controls Checklist

By Lisa Galletti

No matter the size of the company or how employees are paid, internal controls are a necessity. Here are my suggestions for payroll-related internal controls that can protect you and your data.

Separation of duties. With payroll, a separation of duties is a necessity both to lessen the likelihood of potential fraud and to catch unintended errors. For example, HR may be responsible for setting up new employee information, assigning the wage rate and creating the work schedule. Payroll staff will be responsible for inputting the payroll data and the processing of paychecks. In smaller companies where there might be a smaller staff, a business owner or trusted manager should oversee the payroll process from start to finish.

Change authorizations. Any changes in an employee's status (address, withholding allowance, deductions, etc.) should not be processed until the employee submits a written, signed request for the company to do so. The same control applies to pay rate changes, work schedule changes, overtime, etc. A written, signed authorization by a manager should be required before implementing the change.

Check payment controls. Many employees now opt for direct deposit; however, there may be the occasion when actual checks need to be processed. Always hand "live" checks directly to the employee. This may help prevent a type of fraud where a payroll staff member might be tempted to create a check for a ghost employee and then pockets the check.

Internal payroll audits. Businesses should make a standard practice of routinely performing periodic internal payroll audits. This may deter a dishonest employee from creating a system to defraud their employer. It might also assist in uncovering unintentional errors that, if allowed to continue unchecked, could result in substantial penalties from regulatory entities such as the IRS, the Department of Labor and state employment departments. ■

Lisa Galletti is the Payroll Ace/owner of LMG Payroll Services. She lives with her husband and son in rural northern California. After two decades as a payroll specialist, she still loves "all things payroll" and feels it's the most important part of accounting!

RESOURCES FOR THE PAYROLL ACCOUNTANT

- Employer Payroll Tax Obligations for Tipped Employees: <http://bit.ly/2ohqP76>
- The Small Business Owner's Guide to 401(k)s: <http://bit.ly/2oj8NBN>
- Webinar: An Employee Died: What is Required from Payroll? American Payroll Association 5/4/17 <http://bit.ly/2ohoFEj>
- How to Offer Payroll as an Easy Add-on Service: Xero Blog: <http://bit.ly/2nSzYIU>

Making Payroll A Win-Win for Firms and Clients

IF YOU'VE EVER processed payroll, you'll understand the importance of accuracy. No one ever wants to be confronted by an angry employee whose check has been shorted. On the flip side, if you've ever been one of those employees who were paid inaccurately, you'll understand the importance of not just processing payroll on a timely basis, but processing it error free.

In its simplified version, payroll is just paying employees the monies they are owed for the job they perform. In reality, it is so much more, as any business owner or accountant that has processed payroll can testify. Along with getting the salary correct, hours worked entered, deductions properly entered, and taxes calculated, business owners are also responsible for ensuring that the taxes are paid to the appropriate agency on time. It also means ensuring that insurance and other deductions are entered properly, and that insurance premiums are paid on a timely basis. And there's one more thing, payroll tax laws frequently change, and it's up to the payroll processor to ensure that those laws are being followed when they process payroll.

In many ways, the sheer responsibility of processing payroll is one of the reasons why many business owners choose to outsource the entire process, leaving them time to focus on other vital aspects of their business. Other businesses simply do not have the staff, or the time to dedicate to the task of preparing payroll accurately. And with major tax law changes looming in regards to the possible repeal of the Affordable Care Act (ACA), it's likely that even more owners will want to outsource payroll processing to the professionals.

Enter the accounting firm. While payroll has traditionally been a service that many firms have shied away from offering in years past, many now find that offering payroll processing services to their clients is a win-win.

For the large international accounting firm that outsources its own payroll, adding these services may not be feasible, but for other firms looking to add to their menu of services offered, adding payroll to your services makes a lot of sense. The truth is that many business owners struggle to process payroll and keep abreast of new payroll and tax laws. They would likely welcome the opportunity outsource the payroll, particularly to a firm that they already know and trust.

Once you make the decision to add these services to your firm, you'll need to take a look at the products available, and what level of service you wish to provide. This can include everything from determining whether you want your clients to have access to any payroll information, or whether you'll be handling the entire process. You'll also want to look at how much you want to enter in-house – or whether you'd be more comfortable with a more automated payroll service.

That's where the reviews in this issue come in handy. We have looked at more than a dozen payroll



products that offer a dizzying variety of features and functionality. They range from a completely automated system, to a do-it-yourself program designed for businesses with fewer than 10 employees. Most offer cloud access or are available as a SaaS product, though there are some that are designed to be installed on a desktop or network system and offer limited remote access.

The products included in this review include:

- AccountantsWorld - Payroll Relief
- ADP - Run, Powered by ADP for Accountants
- AMS Software - 1099-Etc
- CheckMark Software
- Cougar Mountain - Denali Payroll
- CYMA Payroll
- Gusto Payroll
- Intuit - Intuit Online Payroll for Accountants
- Justworks
- Paramount Software - Crest Payroll
- Paychex - Paychex Flex
- Real Business Solutions - Payroll Mate
- Red Wing Software - CenterPoint Payroll
- SurePayroll - SurePayroll

- Thomson Reuters - Accounting CS Payroll
- Wolters Kluwer Tax & Accounting Payroll
- Xero Payroll

To make the process easier, we've added a chart of features that show some of the most vital features of a payroll system, allowing readers to quickly see whether a product meets their needs.

The majority of the products reviewed in this issue are suitable for both businesses and accounting firms, though there are some that are designed solely for the professional accounting office. Whatever the situation, the products reviewed here provide a good starting point for determining which product and process will work best for you, your clients, and your firm. ■

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



AccountantsWorld Payroll Relief

www.accountantsworld.com

Payroll Relief, from AccountantsWorld, is part of their suite of accounting and practice management applications that are designed exclusively for professional accounting firms. Payroll Relief is an excellent fit for firms that are already using AccountantsWorld products, though it can also be used as a stand-alone payroll product as well.

Payroll Relief is best suited for small to mid-sized accounting firms that desire the flexibility that cloud access can provide. Users can also access Payroll Relief using a mobile device.

The Firm Administration option allows users to easily monitor all payroll and related activities for each of their clients. Payroll Relief uses exception based data entry, so

users only need enter data when it varies from the regular payroll – an excellent option for businesses that have a large number of salaried employees. A payroll dashboard provides users with access to all payroll and related data for each client. For firms handling reporting for their clients, AccountantsWorld also offers a complete After-the-Fact payroll module for firms that pro-

★ **4.75** 2017 OVERALL RATING

cess a large number of after-the-fact payroll entries.

Read the full review for this product online at: www.CPAPracticeAdvisor.com/12322610

Read all reviews of PAYROLL SYSTEMS online at: www.CPAPracticeAdvisor.com/12318681

FIRST HAND
SPONSORED CONTENT

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

How Payroll Became a Booming Business for One Firm

There had to be a better way to do payroll. Kamran Awan had worked at accounting firms in North Carolina for ten years, before starting his own firm in 2013. He had grown it fairly steadily in the first two years, but he says that providing payroll services to his clients was often frustrating because of the limitations of the system he was using at the time.

“The payroll and accounting program we used was old technology and wasn’t able to handle our clients’ needs,” he said. Even worse, some potential clients would ask for certain features, which his system couldn’t handle, which meant his firm wouldn’t get their business.

In 2014, Kamran started researching alternative payroll processing systems and found *CPA Practice Advisor’s* five-star review of AccountantsWorld’s Payroll Relief (www.cpapracticeadvisor.com/11675539). After a little more research, he implemented the totally web-based system for the clients at his firm, Accounting Solutions (www.AccountingSolutionsNC.com), in Greensboro, North Carolina. The general accounting firm offers year-round services, including write-up, business consulting, benefits management, financial

reporting and full payroll, as well as business and individual tax compliance services.

Payroll Relief is among the cloud-based professional accounting systems offered by AccountantsWorld (<http://accountantsworld.com>), and offers streamlined payroll processing, comprehensive reporting, multi-account direct deposit, automated compliance, online portals for client collaboration, and self-service



features for client employers and their employees. In the two-and-a-half years since adopting the Payroll Relief system, Kamran’s firm has seen significant growth that he attributes directly to the program.

“We’ve grown our payroll practice by three times just because of Payroll Relief, and now process payrolls for more than 400 clients,” Kamran said. The clients range from sole proprietorships to employers with more than 65 employees. The firm has specialty niches serving medical practices, insurance agencies, hotels, gas stations and restaurants. Since the program is web-based

and allows remote collaboration and access, he says it has also helped him add clients in a dozen other states.

Most of the daily payroll processing functions are automated and managed by a dedicated paraprofessional staff member, with Kamran providing review and oversight, and troubleshooting any more advanced issues. In addition to the automation functions in Payroll Relief, Kamran says the system’s direct deposit features and portals for clients and their employees are exceptionally valuable and help set his firm’s payroll services above his competition.

“The W-2 functions are also amazing,” he said. “With just a few clicks we can prepare them all as early as the beginning of January. Before we used Payroll Relief, W-2 was a mess.”

Kamran’s firm is a great story of success, and Payroll Relief has been a part of it. Since 2013, the firm has grown from a start-up, to nine full-time employees in 2017, serving more than 400 local businesses, and preparing almost 1,000 individual and business tax returns annually. The firm also uses the cloud-based accounting and document management programs from AccountantsWorld.

“Payroll Relief has made my job easier, and has made our clients happier.”

Read the 2017 review of AccountantsWorld Payroll Relief at www.cpapracticeadvisor.com/12322610

REVIEW: PAYROLL SYSTEMS

ADP RUN Payroll

www.adp.com

RUN Powered by ADP (RUN by ADP) for Partners is a payroll product offered from industry giant ADP that is designed exclusively for professional accountants.

Completely cloud-based, RUN by

ADP offers easy mobile access, with users able to enter and run payroll from any location, even using a mobile device. RUN by ADP is a scalable product and is available in three versions; Essential Payroll, Enhanced Payroll, and Complete Payroll and HR. All versions

offer payroll, 1099/W-2 processing, tax filing and basic HR tools.

RUN by ADP offers an easily navigated dashboard interface that provides users with access to all payroll functions.

★ **5** 2017
OVERALL
RATING

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12322612](http://www.CPAPracticeAdvisor.com/12322612)

1099 Forms Filer/Payroll Advanced Micro Solutions

www.1099-etc.com

1099 Forms Filer/Payroll (AMS Payroll) from Advanced Micro Solutions is an add-on module that works with W-2/1099 Forms Filer. The product is well suited for small to mid-sized businesses as well as professional accounting firms that offer payroll services to their clients.

AMS Payroll is an on-premise payroll solution that is designed to work with other AMS Software applications and cannot be used as a stand-alone product. The product currently does not offer a cloud version of the product, nor mobile accessibility.

The main user interface offers access to product features such as

Module, Payer, Deposits, View, Input, and Reports available. Professional accountants can easily access all clients from this screen.

AMS Payroll supports after-the-fact payroll, as well as non-employee compensation. The product offers tax tables for all 50 states, as well as the District of Columbia and Puerto Rico.

★ **4.25** 2017
OVERALL
RATING

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12322598](http://www.CPAPracticeAdvisor.com/12322598)

CheckMark Payroll

www.checkmark.com

CheckMark Payroll is part of CheckMark's suite of software applications which include CheckMark Multiledger, 1099 and 1095. The company also offers payroll and accounting programs for Canadian businesses. CheckMark's products are stand-alone desktop applications for use on both Windows

and Mac platforms and are best-suited for small- to mid-sized businesses and accountants providing payroll and accounting services. CheckMark says it will soon offer cloud-based business solutions.

CheckMark supports setup of multiple companies. The built-in activity log allows accountants to easily view

all payroll and tax entries made in the system for each client. Users can access a company by selecting the appropriate database and choosing the company from the list. Once the company is open, users can select the desired function from a vertical menu on the left side of the screen.

★ **4.25** 2017
OVERALL
RATING

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12323961](http://www.CPAPracticeAdvisor.com/12323961)

Cougar Mountain Software - Denali Payroll

www.cougarmtn.com

Denali Payroll is part of Cougar Mountain Software's Denali Suite. Denali Payroll is well-suited to small- to mid-sized businesses using other Denali applications, though the product can be used as a stand-alone

payroll solution as well. Professional accountants may also find Denali Payroll a good fit for their firm.

Denali Payroll is an on-premise solution, and does not offer access to the product via the cloud or by mobile device, though users can opt

to purchase the SinglePoint Cloud Server add-on, which enables users to access the product from a remote location.

The main payroll interface is set up like a grid that is designed to speed up the data entry process.

★ **4.5** 2017
OVERALL
RATING

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12322602](http://www.CPAPracticeAdvisor.com/12322602)

CYMA Payroll

www.cyma.com

CYMA Payroll from CYMA is well suited for mid-sized businesses that have at least 50 employees. Though the product can be utilized as a stand-alone payroll solution, it works best in conjunction with other CYMA

applications. Professional accountants that offer payroll services to mid-sized businesses with at least 50 employees may find the product beneficial as well.

CYMA is available as an on-premise product or can be installed on a hosted cloud environment if desired,

though mobile access is not currently supported.

The main interface of CYMA Payroll is designed for expedited payroll entry. Users can choose the client that they wish to process payroll for, and can quickly view all employees to be

★ **4.75** 2017
OVERALL
RATING

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12322600](http://www.CPAPracticeAdvisor.com/12322600)

Gusto Payroll

www.Gusto.com

Gusto offers solid payroll functionality, and is well suited for small to mid-sized businesses with up to 150 employees. The vendor also offers discount pricing for accountants that choose to use the product to offer

payroll services to their clients.

Cloud-based, Gusto can be accessed from desktop computers along with laptops, smart phones and tablets.

Originally known as Zen Payroll, the company changed in name in

2015, while also adding HR tools designed for the small business owner. Gusto has built-in dashboard functionality for easy access to all system functions. For accountants, the client dashboard offers a variety of system options.

★ **4.75** 2017 OVERALL RATING

Read the full review for this product online at:

www.CPAPracticeAdvisor.com/12322603

Intuit Online Payroll for Accountants

Accountants.intuit.com

Intuit Online Payroll for Accountants is designed for accounting firms that wish to offer payroll processing services to their clients. The product is best suited for firms using other Intuit/QuickBooks products.

Intuit Online Payroll for Accountants offers easy online access from

desktop, laptop, tablets and mobile phones. The Client Overview screen doubles as a dashboard of sorts, providing users with quick access to all payroll clients. Users can also access their own payroll from this overview screen as well.

Once a client is chosen, the screen shows a to-do list specific

to the client, showing all tasks that need to be completed prior to processing payroll. Intuit Online Payroll also offers complete branding capability. Automated reminders such as when a client's payroll needs to be processed are automatically sent, ensuring that a deadline is not missed.

★ **4.5** 2017 OVERALL RATING

Read the full review for this product online at:

www.CPAPracticeAdvisor.com/12322604

Justworks Payroll

www.justworks.com

Justworks is a complete payroll and benefits compliance product that is well-suited for growing businesses that have a need for payroll, HR, and other compliance resources. Justworks is designed as a Professional Employer Organization (PEO), and serves as a mechanism that provides business owners with the resources they need to provide benefits to their employees such as health insurance, provide HR support, and handle payroll and all compliance needs.

There are two versions of Justworks available; Basic and Plus, with additional services such as Medical, Dental, and Vision and 401(k) available in the Plus version of the product.

★ **4.75** 2017 OVERALL RATING

Completely online, Justworks offers complete payroll capability for any business with at least two employees. Users simply add employees in the system, specifying whether they are salaried employees or hourly employees. Users can enter hourly payroll information or just enter a specified amount that they wish to pay their employees. This allows users to automate payroll for their salaried employees.

Read the full review for this product online at:

www.CPAPracticeAdvisor.com/12322608

Read all reviews for PAYROLL SYSTEMS online at:
www.CPAPracticeAdvisor.com/12318681

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www.redwingsoftware.com

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For more information, please visit CPAPracticeAdvisor.com/10015491

REVIEW: PAYROLL SYSTEMS

Paramount Software - Crest Payroll

www.paramountsoftware.com

Crest Payroll from Paramount Software is designed specifically for payroll service providers, including professional accounting firms that offer payroll services. Paramount also offers Business Pay, which is primarily aimed at small

to mid-sized businesses interested in processing payroll in-house. Crest Payroll supports an unlimited number of clients and employees, making the product well suited for those processing high volumes of payroll for clients.

Crest Payroll is an online payroll

product and can be used on a variety of devices including desktop and laptop systems, smart phones and tablets. The mobile version of Crest Payroll offers the same functionality as the online version, so all payroll functions can be handled from anywhere, using any device.

★ **4.75** 2017
OVERALL
RATING

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12322599](http://www.CPAPracticeAdvisor.com/12322599)

Paychex Flex Payroll

www.paychex.com

Paychex Flex is a scalable payroll application that is well suited for businesses and professional accountants alike. Paychex Flex users are able to choose between the Small Business and Enterprise level editions, making it a good fit for businesses large and small.

Paychex Flex is cloud-based, and the Paychex Flex Mobile app is available for iPhones, iPads and Android smart phones and tablets. The main user interface offers users a variety of payroll and related functions, with only those subscribed to appearing on screen.

Users can quickly choose the

client that they wish to access from the list that appears on the main screen. A grid-like interface allows users to quickly enter payroll, and can easily handle a variety of pay options. Payroll can be generated automatically; great for clients with a large number of salaried employees, or users can access the grid to

★ **5** 2017
OVERALL
RATING

quickly enter payroll data.

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12322609](http://www.CPAPracticeAdvisor.com/12322609)

Real Business Solutions - Payroll Mate

www.realtaxtools.com

Payroll Mate from Real Business Solutions is an on-premise payroll product well-suited for smaller businesses or professional accounting firms that have a limited number of payroll

clients.

Payroll Mate currently supports up to 10 companies/clients, with a maximum of 75 employees per client. For those with more clients, Payroll Mate offers an add-on that increases

the number of clients supported to 100, with up to 1,000 employees each.

As an on-premise product, Payroll Mate does not offer cloud accessibility, mobile access, nor an employee portal.

★ **4** 2017
OVERALL
RATING

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12322611](http://www.CPAPracticeAdvisor.com/12322611)

Red Wing Software CenterPoint Payroll

www.redwingsoftware.com

CenterPoint Payroll, from Red Wing Software, is a comprehensive payroll product that can be used as a stand-alone application, or part of an integrative system using other Red Wing Software financial and accounting applications. CenterPoint

Payroll is well suited to those that prefer an on-premise payroll product and can be used by both businesses and accounting firms that offer payroll processing to their clients.

Currently, CenterPoint Payroll does not offer remote product access, and does not offer a mobile app.

CenterPoint Payroll's interface lets users customize it with shortcuts and other time saving options available. The product utilizes a transaction entry grid that is designed to speed up the data entry process considerably, with the grid customizable as well.

★ **4.5** 2017
OVERALL
RATING

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12322590](http://www.CPAPracticeAdvisor.com/12322590)

SurePayroll

www.surepayroll.com

SurePayroll is a good fit for small businesses with fewer than 10 employees. The product is also suitable for smaller accounting firms that offer payroll services to small employer clients. Accountants can utilize Sure Payroll in a variety of methods, including becoming a product reseller, by referring cur-

rent clients to Sure Payroll, or by using the Partner Dashboard which allows users to access payroll information of clients already using the product.

SurePayroll is a cloud-based application, and a mobile payroll app is available for Apple and Android smart phones and tablets.

SurePayroll offers an intuitive dash-

board interface that allows accountants to easily access payroll for all of their clients. Along with payroll processing, the dashboard offers quick access to all payroll related data such as payroll approval dates, recent payrolls and amounts, and a list of system reminders. The product also offers after-the-fact payroll processing, so users can

★ **4.5** 2017
OVERALL
RATING

enter single checks into the system at any time.

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12322613](http://www.CPAPracticeAdvisor.com/12322613)

PAYROLL SYSTEMS: REVIEW

	CLOUD VERSION AVAILABLE	MOBILE ACCESS	DASHBOARD DATA ENTRY	AFTER-THE-FACT PAYROLL	TAX TABLES FOR ALL 50 STATES	CUSTOM REPORTING	REPORT EXPORT	PAYROLL LIABILITY REPORTING	INTEGRATION WITH TIME-KEEPING SOFTWARE	INTEGRATION WITH VENDOR MODULES	INTEGRATION WITH THIRD-PARTY APPLICATIONS	CLIENT/EMPLOYEE PORTAL	CLIENT ACCESS TO PAYSTUBS & W-2'S	HR TOOLS	ROBUST ONLINE HELP SYSTEM
ACCOUNTANTSWORLD PAYROLL RELIEF	X	X	X	X	X	X	X	X	X	X	X	X	X		X
RUN POWERED BY ADP	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
1099 FORMS FILER/AMS PAYROLL			X	X	X			X		X	X				X
CHECKMARK PAYROLL				X	X		X	X	X	X	X				X
COUGAR MOUNTAIN DENALI PAYROLL			X	X	X	X	X	X	X	X				X	X
CYMA PAYROLL	X			X	X	X	X	X	X	X	X	X	X	X	X
GUSTO PAYROLL	X	X	X		X	X		X	X		X	X	X	X	X
INTUIT ONLINE PAYROLL	X	X	X	X	X	X	X	X	X	X	X	X	X		X
JUSTWORKS	X		X		X		X	X		X	X	X	X	X	X
PARAMOUNT SOFTWARE CREST PAYROLL	X	X			X	X	X	X	X	X	X	X	X	X	X
PAYCHEX FLEX	X	X		X	X	X	X	X	X	X	X	X	X	X	X
REAL BUSINESS SOLUTIONS PAYROLL MATE					X	X	X	X*	X	X	X				X
RED WING SOFTWARE CENTERPOINT PAYROLL				X	X	X	X	X	X	X			X		X
SUREPAYROLL	X	X	X		X	X	X	X	X		X	X	X	X	X
THOMSON ACCOUNTING CS PAYROLL	X	X**	X	X	X	X	X	X	X	X		X	X	X	X
WOLTERS KLUWER PAYROLL			X	X	X	X	X	X	X	X	X				X
XERO	X	X	X			X	X	X	X	X		X	X	X	X

*Limited to 5 States

**Limited to Paystub/W-2 Access

Thomson Reuters Accounting CS Payroll

<https://cs.thomsonreuters.com>
Accounting CS Payroll is part of the CS Professional Suite of Products from Thomson Reuters. Designed for professional accountants who handle large volumes of payroll for clients, the program can be used as a stand-alone product, though it functions

best if used with other Accounting CS applications.

Accounting CS Payroll is available as an on-premise or hosted application. The payroll admin person at the client business can also use the system to enter and approve time, as well as update employee data. With

the remote payroll feature, the firm can send payroll schedules, unprinted checks, payroll check stubs, and W-2 information to Thomson's NetClient CS and Employee Self-Service portals.

Accounting CS Payroll offers a Payroll Home Dashboard that offers system users quick access to all payroll related

 **5** 2017 OVERALL RATING

tasks including payroll forms, tax due dates and tax payment information.

Read the full review for this product online at:
www.CPAPracticeAdvisor.com/12322591

Wolters Kluwer Tax & Accounting Payroll

<https://www.cchsfs.com/professional-accounting-software/payroll.aspx>

Wolters Kluwer Tax & Accounting's Payroll is designed for smaller firms that offer or wish to offer payroll and related services to their clients. Designed to integrate with both ATX and TaxWise, Payroll can be installed as a desktop product or on a server.

Payroll can also be used as a stand-alone payroll product, but those using other Wolters Kluwer products will see greater functionality. The system is only available to professional accountants.

Wolters Kluwer's Payroll has an easy-to-use interface where users

can access all of their clients. Payroll supports an unlimited number of payroll clients, as well as an unlimited number of employees per client. An express setup feature is included in the product, which helps to streamline employee setup.

 **4.5** 2017 OVERALL RATING

Read the full review for this product online at:
www.CPAPracticeAdvisor.com/12324376

Xero Payroll

www.Xero.com

Xero is a robust, online application designed for small to mid-sized business owners looking for complete accounting and payroll functionality. The product also offers an excellent program; Xero HQ, that is designed

for accountants and bookkeepers who wish to offer payroll and related accounting services to their clients.

Xero is cloud-based, so both accountants and their clients can access payroll features, though accountants can determine the level of access

that clients will receive. All authorized users can also access Xero from any mobile device.

Xero offers easy management of clients through dashboards, so accountants can easily access the clients for whom they will be processing payroll.

 **4.5** 2017 OVERALL RATING

Read the full review for this product online at:
www.CPAPracticeAdvisor.com/12323496

CPA Practice Advisor 2017 WHO'S WHO



Among Those Serving the Tax & Accounting Profession



A leader in cloud solutions for accountants

COMPANY OVERVIEW

For over 15 years, AccountantsWorld has used cloud technology to create new opportunities for accountants like you, so you can better serve your clients and boost your bottom line. We now offer a fully integrated suite of award-winning solutions for professional accounting, bookkeeping, payroll processing, document management, client portals, and more. Our solutions are designed to help you increase your firm's productivity and profitability – without adding clients or staff.

MARKETS SERVED

Unlike many other solutions providers, AccountantsWorld has only one target customer: you, the professional accountant. In fact, AccountantsWorld is the only leading cloud solutions provider that puts **Accountants First™** by never competing with accountants or selling services directly to their clients.

PRODUCTS

The Power Practice System includes six practical, innovative, powerful yet easy-to-use solutions that work together seamlessly to solve the key problems you face in your day-to-day work. These solutions allow you to collaborate with your clients in an entirely new way, and streamline your processes so you can boost your bottom line.

Payroll Relief is the first cloud-based payroll system designed exclusively for accountants. This award-winning solution delivers fast, easy payroll

processing with fully automated compliance. Rated five stars by CPA Practice Advisor for five years running.

Accounting Power is the first-ever Accountant-Centric solution for accounting. It includes everything you and your clients need—a professional system for your firm to perform write-up and trial balance work and prepare fully customizable financial statements, plus a bookkeeping system for you and your clients. Now you and your clients can work collaboratively, with you remaining in full command.

Cloud Cabinet is a document management system and client document portal, all in one. No matter what solutions you use for tax, accounting, and payroll, Cloud Cabinet makes document handling simpler and more efficient.

Website Relief is an easy-to-use website builder designed just for accounting firm websites – plus it includes client portals, a free domain name, free email for your firm, and much more.



ACCOUNTANTSWORLD

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ContactUs@AccountantsWorld.com

Website:

www.AccountantsWorld.com

Founded: 1984

Directory Listing helps you attract new clients with premium online listings for your firm, prominently displayed on Google and Bing, whenever a prospect searches the Internet for an accountant, CPA or tax preparer.

Practice Relief performs traditional time and billing functions with the utmost ease. Even more importantly, Practice Relief gives what you need to enhance your practice – reports and analyses that present a true picture of where you stand.

Using the same platform as Payroll Relief, **After-The-Fact Payroll** is the industry's most fully featured cloud system for year-end compliance.

CUSTOMER SUPPORT

Our entire team is committed to providing exceptional customer service for all our solutions. Customers receive personalized service from a Practice Development Consultant, ready to help with onboarding and data migration. We also offer free unlimited technical support, as well as free webinars and training so you can make the most of your partnership with AccountantsWorld.

Forget Value Billing.



Think Value Building.

We've all certainly heard a lot of buzz about value billing. It sounds like a great concept to boost a firm's bottom line, but have you tried it? Chances are you haven't.

Why not? Because although it's a great theoretical concept, it's too complex to implement. You haven't found a practical way to use it in your practice.

Does this mean that there is no simple way to make your practice more profitable?

Just the opposite! There is a way that virtually every accounting firm can use to boost their profits - without adding any clients or staff.



To learn how to build real value, download our ebook
"Forget Value Billing. Focus on Value Building."
at AccountantsWorld.com/Value

 **AccountantsWorld**[®]
www.AccountantsWorld.com

CPA Practice Advisor 2017 WHO'S WHO



Among Those Serving the Tax & Accounting Profession

Avalara

Making sales tax less taxing

OVERVIEW

Your clients, whether a home-based business, a growing startup, or a multinational enterprise, face the burden of accurately calculating, collecting, and remitting transactional taxes – or demonstrating that they're exempt from doing so. Before Avalara came around, most businesses were forced to manage this burden with cumbersome and inaccurate manual processes, or expensive and overly complex hardware and software systems. Avalara changed all that by pioneering a cloud-based software platform that provides an end-to-end suite of transactional tax compliance solutions.

Avalara believes the time has come for all businesses to outsource and automate sales tax, much like companies did with payroll years ago.

Avalara works within your clients' accounting, billing, ecommerce, or point of sale system to deliver accurate tax calculations in real time via a secure internet connection. And even better, once your clients are using Avalara, they no longer have to worry about ever-changing sales tax rates, rules, boundaries, exemptions, tax holidays, reporting requirements, and filing deadlines.

PRODUCTS

Avalara AvaTax connects to the software that your clients already own and dynamically delivers instantaneous sales tax decisions based on precise

geo-location mapping in more than 12,000 taxing jurisdictions in the U.S. For most businesses, sales tax is an obligatory, complex nightmare. Automating this process saves time, money, and effort. AvaTax automatically assigns hundreds of thousands of taxability rules and the latest jurisdiction boundaries to deliver the right rate and tax calculation.

Avalara Returns helps ensure end-to-end automation of your clients' sales tax compliance processes. With the help of pre-loaded calendars, they can easily manage their remittance schedules, automating the entire filing process. Avalara Returns ensures the right amount is remitted to the right taxing authority at the right time so that filing and remitting sales tax returns and payments is no longer a time-consuming, budget-draining, and error-prone activity.

Avalara CertCapture is a powerful management tool that creates, validates, stores, and manages sales tax exemption and reseller certificates and makes them available for easy retrieval. Having an end-to-end exemption certificate management system in place limits audit exposure and ensures that every nontaxable transaction is tracked correctly. CertCapture manages expiration dates and flags upcoming renewals to ensure accurate tax billings on invoices and to prevent order processing delays.

AVALARA

1100 2nd Ave., STE 300
Seattle, WA 98101

Phone: 877-780-4848

Website: www.avalara.com

Year Founded: 2004

Number Of Employees: 1,000+

For a complete list of Avalara products, go to www.avalara.com/products.

MARKETS SERVED

Avalara's products and services are relied upon by accountants and bookkeepers at all levels of practice, as well as thousands of businesses worldwide. Avalara serves small, medium, and large accounting firms, in addition to businesses of all sizes and in all industries.

Avalara's Fuel Excise Tax, Lodging Tax, and Communications Tax solutions are designed for the added complexity of industry-specific taxing and filing needs, and Value Added Tax (VAT) solutions automate taxing and filing in more than 190 countries for easy international tax compliance.

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Dennis used to suffer from *MSTS*. (Manual Sales Tax Syndrome)

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WARNING:

Some side effects of AvaTax implementation are common and well documented. These include, but are not limited to: greater sense of ease and well-being, significantly reduced risk of penalties and interest in the event of an audit, greater focus on profit-making activities, more free time to enjoy the things you love — including family and friends. If you experience any of these very common side effects, contact your accountant immediately.

Avalara
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CPA Practice
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2017

WHO'S
WHOAmong Those
Serving the
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intuit.

INTUIT, INC.

2632 Marine Way, Mountain View, CA 94043

Phone: 650-944-6000 | Website: www.Intuit.com

Number of employees: 7,900 | Year founded: 1983

Q: What is your key differentiator in the market?

A: Intuit connects a global network of more than 60 million small businesses, developers and accounting professionals via our premier ecosystem of products and services. Over our 34-year history, Intuit has continued to be proactive to industry changes in order to best meet the needs of accounting professionals and develop innovative solutions for our customers.

QuickBooks Online remains the number one cloud accounting solution for small businesses and accountants with more than 1.87 million paid subscribers worldwide, 80 percent of which are new to the Intuit franchise.

We serve more than 300,000 accounting professionals across the globe and 49 percent of our small business subscribers are linked to an accountant.

QuickBooks Online integrates with more than 435 published apps on the QuickBooks App Store and our comprehensive ecosystem allows data to be shared seamlessly between accounting, tax and app solutions, reducing the amount of time accountants spend on manual data entry and allowing them to focus on being strategic advisors to their clients.

Q: How is Intuit continuing to help drive connections between accountants and small businesses?

A: Intuit's priority has always been to connect accountants with meaningful leads that turn prospects into long-term, profitable clients. We recently celebrated the 20th

COMPANY OVERVIEW:

Intuit's Accountant Segment is dedicated to helping accounting professionals save time and grow their practice while confidently helping their clients succeed. Working within Intuit's Small Business Division, the Accountant Segment supports accounting professionals' use and recommendation of Intuit's financial and employee management solutions, including QuickBooks Online, the number-one cloud accounting solution used by 1.87 million subscribers worldwide. The Accountant Segment also supports the more than 200,000 global ProAdvisors with products and services that help them serve as strategic advisors to their clients.

MARKETS SERVED:

Our portfolio serves small businesses and accountants

anniversary of the ProAdvisor Program and reached a record number of 200,000 ProAdvisors earlier this year. To commemorate this milestone, Intuit reinvented the Find-a-ProAdvisor platform, a matchmaking marketplace with a redesigned customer search experience and improved ProAdvisor profile features. Prospects who search for a ProAdvisor now see a professional's key data such as reviews, certifications and services right in the results, allowing the small business to easily select and contact the best fit for their business. Each year, more than one million small businesses visit the Find-a-ProAdvisor site and more than 130,000 connections between small businesses and accounting professionals are made.

Q: What is Intuit's focus for the accounting profession over the next 5-10 years?

A: We are focused on lowering, if not eliminating, the barrier to help accounting professionals transition to an online accounting platform so they can focus on being strategic advisors to their clients. We are dedicated to providing even further product integration end-to-end, from bookkeeping to tax, by providing one place where accounting professionals can manage their teams and all their clients across their firm.

We're also concentrating on workflow and automation tools that will eliminate data entry on the front end of all accounting systems. This digitalization of the practice makes it easier to change to value pricing and add in

worldwide, with a focus on delivering localized QuickBooks products to the U.S., Canada, the United Kingdom, Australia, Singapore, France, Brazil, Israel and India.

PRODUCTS:

Our flagship products – QuickBooks, TurboTax, Quicken and Mint – define our commitment to revolutionize the way people manage their personal finances, run small businesses and pay employees. Our lineup of tax preparation products helps individuals, small business owners and accountants easily and accurately file taxes. By working with accountants as close partners, we've become a staple of small business, with a widespread and deep-rooted presence that's second to none.

advisory services as another major revenue stream.

Finally, we are focused on helping accounting professionals transform their practices into Firms of the Future by aiding them as they transition to the cloud.

Q: How is Intuit helping accounting professionals make the move to online accounting solutions and transform their practices into Firms of the Future?

A: We aim to reduce as many barriers as possible to make it easy to learn and use our online solution. First, Intuit offers accounting professionals the opportunity to try QuickBooks Online at no risk through our free QuickBooks ProAdvisor Program which provides one free QuickBooks Online account to use themselves.

Second, we provide QuickBooks Online Accountant for free, which gives accounting professionals the specific tools they need to manage their clients' books. This includes new Practice Management capabilities, launching worldwide at the end of April, that help accountants better manage all their clients and workflow. Accountants are able to get an overview of all their workflows, create new jobs/tasks, assign them to employees in seconds and edit jobs straight from the dashboard.

Third, accounting professionals also receive a multitude of resources including customer support, free QuickBooks training, and access to products and services at exclusive discounted prices.

RICH PREECE

Global Accountant Segment leader

Rich Preece is the global accountant leader for Intuit QuickBooks. His priority is to create more connections between small businesses and accounting professionals so both can achieve long-term profitability and growth. Previously, he was the vice president and managing director of Intuit QuickBooks UK, where he helped small businesses and accountants move to the cloud to manage their finances more effectively with QuickBooks. Since joining Intuit in 2002, Rich has played a critical role in growing the QuickBooks business and bringing products to market in different regions, including the U.S., UK, France and India for both small businesses and accountants.

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¹Eligibility: 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.

CPA Practice Advisor 2017 WHO'S WHO



Among Those Serving the Tax & Accounting Profession



COMPANY OVERVIEW

After serving the accounting profession for nearly 20 years, OfficeTools remains the proud developers of the most comprehensive practice management software for the accounting and tax market. WorkSpace™ Desktop, our flagship application, provides the most powerful practice management system on the market, and is the embodiment of our company mission statement: Building Digital Firms. OfficeTools continues to receive accolades as the best solution for the small to mid-size firm. WorkSpace™ has become the accountant's choice. Awards include *CPA Practice Advisor* "Reader's Choice Awards" for superior workflow, time billing and document management software and *K2 Enterprises* Best Practice Management software for five years running.



WorkSpace SaaS Edition, coming in 2017

This year we're breaking new ground with the much-anticipated release of our fully redesigned, next-generation SaaS version of WorkSpace™. We've leverage the power and flexibility of the cloud to redefine what's possible for practice management software. Reliable, secure, and lightning fast, the SaaS version of WorkSpace is best application we've ever created, and we can't wait for you to try it. Coming summer 2017.

Our culture is all about resources. We recognize that to really serve our industry, we need to provide firms with

meaningful resources to help them run their practice. In addition to our software, we produce the annual Accelerate Technology and Practice Conference and publish *My Office Today*, an industry magazine for accounting and tax professionals. Accelerate includes brings together today's top thought leaders and industry vendors that equip and empower our attendees. It is also a great opportunity to learn how to use all of OfficeTools WorkSpace™ software features.

My Office Today is specifically designed for small to mid-sized firms. We publish online and in print, focusing on the most relevant issues facing the industry today while providing a vehicle for thought leaders and experts to share their insight.

PRODUCTS

As a leader in office applications, we focus on developing software with tools that solve specific problems for the accounting firm. Our unique workflow methodology uses a single interface that provides access to nearly every office task and function within one click, providing the following benefits: seamless integration, simplified management, improved delegation, and increased productivity.

As a companion to our desktop application, we offer WorkSpace™ Online, a suite of integrated cloud services including a client portal, kiosk check-in system, on-line appointment requests and reminders, tax interview system, mobile time entry for staff, and a secure invoicing and payments portal. OfficeTools™ has always realized the importance of synchronizing data between all software applications that are used in the office. Seamless integration is at the center of WorkSpace™, where contact information is updated immediately to all programs. Importing is now available for ALL tax programs, free of charge.

OFFICE TOOLS

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Year Founded: 1997

Price: \$700/First User, \$300 additional users

We're proud to offer compressive, seamless integrations between WorkSpace and the most popular applications for accounting and tax firm, including QuickBooks, Lacerte, FileCenter, and Microsoft Outlook. These tools enable to users to synchronize contact information, invoices and payments, project statuses, documents, and much more. **Additional integrations available:** ProFile (Canadian), FileCenter PDF Markup Tools, Crexendo VOIP Phones, Microsoft® Excel Data Import Tool (import from any tax program), Print to PDF Return Connection, Adobe Acrobat® Toolbar Add-on, Microsoft® Office Toolbar Add-on, Laser App®, Dymo® Label Printer Integration, and Google Maps® Integration.

MARKETS SERVED

With nearly 15,000 users, *OfficeTools WorkSpace™* is easily integrated into any accounting firm whether you're a CPA, EA, or tax and bookkeeping professional. Other service professionals such as consultants, architects and attorneys can easily adapt it to their specific needs.

CUSTOMER SUPPORT

OfficeTools' success and growth is built on exceptional client care. Professional technical support personnel are available during regular business hours at no charge to end users. We pride ourselves on having a courteous representative answer your questions directly. Superior customer support has allowed us to achieve nearly 95 percent customer retention year after year. We have nearly 1000 active firms in our LinkedIn Group, where customers can speak with other users about how they run their practice. Users can also view free user guides on-line or purchase personal training time. WorkSpace™ is available for an annual fee and is the only industry software vendor that allows a reduced-cost tax season license. Purchase this year and find out what our users have known for some time—a firm changing experience that increases billings and reduces costs.



CHAOS, MEET ORDER

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Intuit Revolutionizes Practice Management

INTUIT CONTINUES ITS efforts to enable accountants to be trusted advisors by focusing on two key areas: matchmaking, with its recently enhanced Find-a-ProAdvisor (<https://proadvisor.intuit.com/app/accountant/search?region=US>) directory, and practice management, with a new cloud-based solution that allows accounting professionals to manage their workflow from one central location.

Practice Management, which is connected through the QuickBooks Online ecosystem, gives accountants more control over their business and ultimately frees up their time to provide quality service to their clients. Practice Management aims to solve for the three main pain points accountants currently experience when managing workflow – tedious management, maintenance burden and disconnected communication with clients.

Currently, most of accountants' workflow is manual. Accounting professionals spend a lot of time tracking deadlines and compliance for every client. They often use multiple solutions to track their work, switching between each tool to maintain progress and status separately. Moreover, Intuit estimates that accounting professionals spend approximately 65 percent of their time tracking down source documents from clients. Client communication usually happens outside of the context of their work, so accountants don't always have visibility into what they've asked for, what they've received and what they're still waiting on at the point of client communication.

Practice Management allows accounting professionals to move from the cumbersome, disjointed experience

of manual tracking to a unified view of work for managers and their teams. It not only provides visibility across all initiatives, but also supports integrated task creation and completion from within QuickBooks Online Accountant, so that accountants no longer need to track their work in multiple places. Users will also automatically see task suggestions based on their client activity so they can always stay on top of the most important deliverables. Customers can also override this feature at any time, if necessary. With Practice Management, accountants will always know what was requested, received and still needed from clients, minimizing the time spent trying to collect source documents.

"Practice Management is our first step in helping accounting professionals better manage their workflow. This solution will create a more efficient and cleaner communication stream between accountants and their clients," said Ariege Misherghi, director of product management, QuickBooks Online Accountant. "Our mission is to give accountants the confidence that nothing will fall through the cracks for them and their team."

Practice Management features a new dashboard that provides accountants with an overview of all their workflows by showing every task assigned to them. Managers within the practice can receive insight into what their team is working on so they can better plan their week or month by

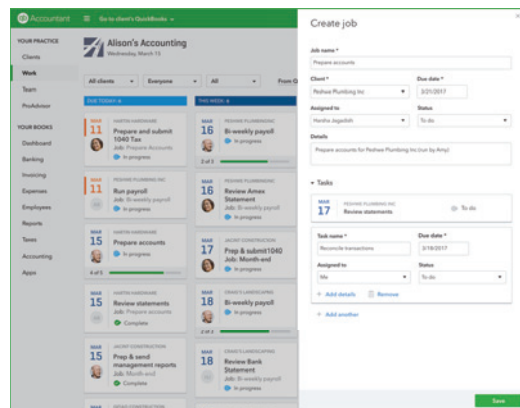
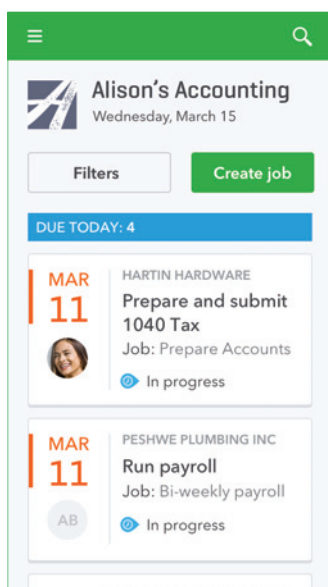
managing the workload across their team. This increased transparency helps managers make informed staffing decisions, such as whether to permanently or temporarily increase staff.

The dashboard is also client-loaded, allowing professionals to see all the tasks that belong to a client they are working on, regardless of who is assigned the work. Since client tasks are rarely isolated, collaboration is common among professionals who work with the same client. As such, it's often helpful for professionals to see what other staff members are working on so they can see how those tasks impact the tasks assigned to them. Practice Management also allows managers to create new jobs and tasks within each project, along with individual deadlines and assignees, requests for clients and communication chains, as well as change the status of tasks and who they are assigned to.

"Efficiency is built into Practice Management, taking seconds for users to create and assign new jobs and tasks," said Misherghi. "We are going to continue investing in this space to help accountants grow their practice."

Practice Management is free and natively integrated within QuickBooks Online Accountant. Accounting professionals can access it from their phones, making it easy to manage their workflow anytime, anywhere, while small business clients can see communications from their accountants all in one place under "My Accountant" in QuickBooks Online.

Intuit will roll out Practice Management starting the end of April through early May, and accounting professionals can get more information from the dashboard of the QuickBooks Online product they use. A demo of the Practice Management capabilities within QuickBooks Online Accountant is available at <http://intuit.me/2mSIAWn>. ■



The ProAdvisor Spotlight is sponsored by Intuit QuickBooks.





Payroll Record Retention Tips

By Lisa Galletti

HOW LONG SHOULD RECORDS BE KEPT?

The short answer is "it depends." A starting point is to verify current federal, state and local agencies record maintenance and retention requirements. Time spans can vary from 3 to 7 years and some indefinitely.

A master list which includes the agency name, required records and length of time to retain is a good way to develop your own payroll record retention schedule.

HOW SHOULD I STORE RECORDS?

Paper files, storage cabinets, microfilm, backing up to a separate drive or remote location, online and in the cloud. There are a lot of choices on storage methods.

One thing to keep in mind, you will need easy access to provide documentation to answer any notices or to prepare for an audit. If you're going to store paper, don't forget to create a disaster plan to protect records from physical damage. For example, a locking fire-safe cabinet or other environmentally secure storage area.

Electronic and online record retention can relieve

the storage and security issues that paper files carry.

Confidential payroll file access should be limited to staff who work directly with payroll. But what happens when someone is on vacation or out with an illness and all the pertinent information is stored "somewhere" and only they know the location. Documenting a disaster plan is an imperative.

And when the time comes to finally time to dispose of records?

Before you shred paper or press "delete" do one final check of retention dates in your master retention schedule. Any paper should be shredded thoroughly and properly disposed or recycled. Deleting electronic files is less labor intensive and there are two things to remember: 1. once it's gone, it's gone! 2. Electronic storage is cheaper than you think. ■

Lisa Galletti is the Payroll Ace/owner of LMG Payroll Services. She lives with her husband and son in rural northern California. After two decades as a payroll specialist she still loves "all things payroll" and feels it's the most important part of accounting!

THIS MONTH'S TOP PAYROLL SOCIAL MEDIA POSTS

- Hiring Interns, The Legal Way – JustWorks JustBlog: <http://bit.ly/2oJAwBU>
- How to Avoid Working Late as a Payroll Practitioner – Ceridian HCM Blog: <http://bit.ly/2oDEvcy>
- Lobbying for Uniform State Taxation of Mobile Workers – BNA Payroll Blog: <http://bit.ly/2oDMFC5>
- The Average American Pays This Much in Social Security Payroll Tax – Motley Fool blog: <http://bit.ly/2oaL0mR>
- Eliminating Repetitive Work Can Boost Productivity – ADP Blog: <http://bit.ly/2oakIfM>

LATEST PAYROLL NEWS

3 Reasons Small Businesses Should Offer Retirement Plans.

Small business owners probably think they have enough headaches already, what with meeting payroll, dealing with government regulations and pleasing customers. <http://www.cpapracticeadvisor.com/12321406>

How Much Does a Bad Employee Cost?

As expensive as it is to replace a bad hire, the money isn't what concerns employers most. <http://www.cpapracticeadvisor.com/12318180>

Tax and Payroll Legislation Updates for 2017.

Forms 1094 and 1095 will most likely survive for at least this year, so make sure to keep tracking. The Cadillac tax will probably go away later this year, and it is possible that the employer mandate could go away this year, as well (not yet confirmed). <http://www.cpapracticeadvisor.com/12312786>

Key Questions HR Leaders Need to Address Now.

More than 400 HR leaders recently descended on Denver to attend the Mile High SHRM Confer-

ence, where leading practitioners and speakers shared inspirational stories on human resources. <http://www.cpapracticeadvisor.com/12309159>

Texas Legislature Considers Pay Equity Law.

The legislation, House Bill 290, is similar to legislation passed in California, Maryland, Massachusetts, New Jersey and New York. The city of Philadelphia enacted a similar measure in January. <http://www.cpapracticeadvisor.com/12313090>

Creating Trust Through Change Management

By Michael Wherry, CPA

Your firm is focused on improving your tax and/or audit process by leveraging Lean Six Sigma (LSS). LSS is a proven process improvement methodology used by many leading firms to improve their processes. Lean focuses on the speed of the process, Six Sigma is about the quality. Together, your improved process has just the right mix of increased quality and efficiency.

The benefits of LSS are not limited to just process improvement. LSS is also a powerful change management tool. The tools of LSS help your process improvement team communicate the changes to your entire firm. The ultimate success of your change initiative will be measured on your team's ability to understand and explain why you needed to make changes and why will these changes be better. You and the team spent ample time answering these two 'why' questions.

Fast forward a few months. Now, you are in the throes of busy season, and some people are not following the new processes. In fact, some of them are ignoring the changes that you thought made the most sense. How can this be?

HOW MUCH DO YOU CARE?

Have you ever heard this quote from Theodore Roosevelt? "No one cares how much you know until they know how much you care."

When faced with the challenge of changing processes in your firm, you must remember that you need to gain the trust of your peers. In some instances, they need some extra reinforcement to understand the change.

Remember, most of your firm was not in on all of the discussions. They probably don't have the deep understanding of what Lean Six Sigma is, why the firm needs to make

changes or how it will be better when those changes are made. They didn't spend the time you did answering the 'why' questions.

Of course, every member of the firm doesn't need to be privy to every detail that the team discussed. But they should know what Lean Six Sigma is and the reasons for undertaking the project. Without this understanding, they could be making assumptions about the reasons for change. Remember, a key aspect of successfully leading any type of change is to understand that people's reaction to change is largely based on emotion, not logic.

GAINING TRUST

To establish trust, you need to do more than share your vision for the project. You need to execute the project in a way that shows genuine interest in the concerns of the employees responsible for implementing the process.

When you come across resistance to following new processes, consider this strategy: "I know how you feel. During our team sessions, I felt the exact same way. Here is why we made the change and here is what I found after I made the change to my daily routine."

We like to say, all progress begins with the truth. So start there. It can be difficult to get people on board with change, but when you demonstrate that you care, you strengthen the trust between you and them.

When firms cultivate a culture of trust, buy-in is not something that they need to work to achieve. It just happens. This is especially important during times of significant change. Trust helps your firm not only improve your process but also improve the speed of implementation. It's not just a "nice to have." It's an imperative.



PROVIDING FULL VISIBILITY THROUGHOUT YOUR FIRM

To grow your accounting practice, or even just to operate at your most efficient, visibility is pivotal. To help boost the visibility throughout your firm, this guide by Karbon outlines 7 strategies being used by some of the most transparent and progressive accounting practices around the world. <http://bit.ly/2p4pFtI>

LATEST FIRM MANAGEMENT NEWS

How to Increase Firm Revenue and Client Satisfaction At Once. Large, successful accounting firms are typically immune to this; they have a regular, growing client base and revenue stream. But how can CPAs break the cycle? www.cpapracticeadvisor.com/12321910

5 Tips to Get Highest ROI from Your Website. Most CPAs rely on referrals and face-to-face marketing methods like networking so much that they miss out on the power of online marketing. Having not just a website but a website that generates qualified busi-

ness prospects is the first step. www.cpapracticeadvisor.com/12315833

Education and Social Media Use Affect Risk of Hacking. According to a recent Gallup Poll, Americans are more afraid of being hacked than of being murdered – and for a good reason. www.cpapracticeadvisor.com/12320248

Three Secret Steps to Introduce Efficient, Sustainable Workflows with Accounting Clients. Not even a decade ago, clients would engage an accounting firm, fill out forms and send over docu-

ments. It may have felt a bit like a black hole for some companies. While the accounting firm was doing its job, it wasn't a very collaborative process. www.cpapracticeadvisor.com/12315835

Putting Clients on Hold Can Cost Your Firm Business. Every call made to U.S. accounting firms, as part of a large-scale study conducted by audio branding specialist PHMG, was put on hold, compared to a North American average of 70 percent. www.cpapracticeadvisor.com/12318978

THIS MONTH'S TOP FIRM MANAGEMENT SOCIAL MEDIA POSTS

- Coaching to Effect Change and Develop Talent – Allan Koltin LinkedIn Post: <http://bit.ly/2nJeUj4>



Jennifer Lee Wilson

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- The Value of Trailing Twelve Month Charts – GrowthForce Blog: <http://bit.ly/2pdhKtF>
- Thought Leadership from the Leaders in Virtual Accounting and Bookkeeping Services – AccountingDepartment Blog: <http://bit.ly/2obvgfu>
- Moving from Transactional to Transformational Client Service – Convergence Coaching Blog: <http://bit.ly/2obixEO>



Email Management

YOU'VE JUST SPENT your busy season juggling projects and are probably already thinking about how you could make your life easier going forward and in particular next spring. We've done some investigation and have requested input from members of the CPA Practice Advisor community and we think we can provide you with some tools to handle at least one of life's little irritations – email overload.

Our first recommendation is for **SaneBox** which bills itself as "Email management for any inbox." **Doug Sleeter, member of the Accounting Technology Hall of Fame and founder of The Sleeter Group (now Accountex)**, said, "Sanebox automatically sorts your email into separate inboxes so you can easily prioritize the process of reading and responding to email. It learns from you as you move items between inboxes so future emails from the same sender will be automatically categorized for you. Sanebox reduced the clutter of my inbox, and increased the relevancy of the main inbox. It's rare that an app like Sanebox comes along that I consider a 'requirement' for my setup."

Scott Hoppe, CPA, of San Francisco-based Hoppe Tax says, "I run everything on Gmail at the firm. We use **Mixmax** for advance management (share templates for email, send emails at a later time, snooze emails, add youtube/fancy links/etc) and **Virtru** for encryption (control emails with sensitive information from being opened by the wrong people).

We received three recommendations from **Randy Johnston, executive vice president at K2 Enterprises, CEO & Founder of Network Management Group, Inc., and member of the Accounting Technology Hall of Fame:**

Mimecast – The key benefits of this solution include: reliability, advanced filtering with URL protection, attachment protection, and impersonation protection. Further, with the mail bagging facility, email continues to be available when your hosted or premise-based system has stopped working.

Reflexion – This spam filtering and email encryption tool is highly accurate and configurable. The accuracy of the filtering is good and it learns more about your preferences over time.

Office 365 email filtering – Clutter and pure spam filtering have improved notably in the Office 365 email hosted offering. Microsoft is working to make this as seamless as possible to users.

Caleb Jenkins, CQP, leader of cloud accounting at RLJ Financial Services recommends

two apps: "For work I use **Karbon HQ** for email management. It is extremely helpful to turn my emails into to-do items and link emails with work projects and then get to inbox zero every day by clearing out triage. For personal – I use **Inbox by Google** to snooze emails that I need to deal with at a later date. This is helpful because it helps me get to inbox zero every day by working with the items that need dealt with that day."

Kristin Ingram, CPA, MSAT director at University of Hartford, also uses **Inbox by Google**. "It allows me to have emails resent to me based on a date or location. I use it when I need information from a client at our meeting or when I want to deal with an email later in the week. It decreases the amount of clutter in my inbox and allows me to see emails when I need them."

And finally, we have several recommendations for **Boomerang**. **Mathew Heggem, CEO of SUM Innovation and managing partner of Neuland Alliance**, uses Boomerang, a plugin for Office 365. "It is a god-send! The ability to push an email into the future and clear your inbox gives you the space you need to keep a digital desk tidy and stay super-focused on what's most important."

Brett Mills, CPA, partner at McCarthy, Rose & Mills in the Dallas/Fort Worth area, agrees. "**Boomerang** does several cool things, but my favorite functionality is that it allows me to write emails really late at night and then schedule them to be sent at normal business times the next morning. This way I am maximizing my productivity during the day by not responding to emails every 10 minutes throughout the day, as well as not coming across as a maniac sending emails at one o'clock in the morning."

Stacy Kildal, owner of Kildal Services, creator of StacyKAcademy, and co-creator of the QBOShow, gives her vote to **Boomerang** as well. "Boomerang for Gmail is my favorite email tool. I can have client related emails returned to me for follow up, I can schedule classes with members of the StacyKAcademy, and it reminds me of travel reservations. Added bonus: Using the responsible feature to write better emails!" ■

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5 Tips to Help Navigate Pay Equity

By Ellen Feeney

LEADERS OF ACCOUNTING firms have joined a growing list of businesses interested in equitable pay practices. Specifically, expectations for greater transparency concerning equal pay for equal work are on the rise among employees, business owners, and investors. In particular, gender-related pay gaps have become a top-of-mind issue for workers and government alike.



It's certainly not a new issue. Perceptions of inequitable pay practices can lead to employee turnover, lower engagement, and lower employee productivity. They can potentially erode morale, teamwork, and service levels. Together, these forces also may impact a firm's brand in the marketplace and could make it difficult to attract top talent, which, as we all know, is a huge issue for the accounting industry and many other industries right now.

While pay equity always has been important, recently it has become even more imperative as companies need to prepare for expanded U.S. government reporting requirements. Those requirements expand the data needed and number of fields on the EEO-1 form. Starting in March 2018, private employers with 100 or more employees (or those with 50 or more employees that have a federal government contract) will need to provide summary pay data and hours worked along with demographic details including gender, race and ethnicity.

As yet another regulatory deadline

looms, you'd think companies would be making EEO-1 compliance a priority. Interestingly, that's frequently not the case. According to ADP Research Institute® data, when it comes to awareness of the new EEOC requirements, just over half of midsized and nearly three-quarters of large companies are aware of these requirements, but only 20 percent report having a plan in place to manage them. And just about half of companies feel extremely or very confident they will be able to comply with the law by 2018.

Given that level of uncertainty, here are five things accounting firms can do to dig deeper into understanding their pay practices:

1. Familiarize yourself with the latest pay equity laws, including new EEO-1 requirements. Pay equity involves both federal and state laws and companies that have global operations have additional compliance responsibilities. In light of that, the first step is to learn about the new EEO-1 requirements and any other applicable equal pay laws, ascertain which ones apply to your firm, determine where the required data resides, and develop an efficient method for collecting it. For some companies this may be easier said than done. Frequently, the data required has to be collected from multiple functions, not just human resources (HR). Other firms may have to upgrade their systems or expand their payroll infrastructure to comply.

2. Examine payroll and HR data. For many companies, payroll data resides in multiple systems. However, a full view of HR and payroll data can help accurately diagnose where pay equity gaps may be and help identify specific groups of employees for further analysis. Data analytics can help accounting firms do this. Diagnostic tools and analytics can help:

- identify potential pay gaps in jobs being performed by people in specific EEOC Protected Classes.
- examine and address potential pay equity gaps at the intersections of race, gender, location and job to determine if further analysis is required.
- deliver “decision-quality” benchmarking data that helps ensure pay is not only equitable, but is also market-competitive.

3. Audit your information. Conduct a proactive audit to identify and correct disparities – not only based upon gender, but also race. You may want to discuss with your legal counsel how to protect this information, as well as the proper way to invoke attorney-client privilege before you start examining your payroll and HR data.

4. Evaluate the suitability of implementing an “equal-pay for equal-work” policy. In effect, the new EEO-1 report can act as a trigger to evaluate your pay practices. Firms that take positive corrective action to fix gaps are far more likely to be perceived as an employer of choice and potentially improve their ability to recruit and retain employees. Potential new recruits want to know that they're joining a fair enterprise with engaged employees.

5. Educate managers and engage employees. Most employees can accept the differences in pay that occur

CONTINUED ON NEXT PAGE

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



6 TIPS

for Measuring Time and Attendance

By Susan Pruskin

ONE OF THE most frustrating aspects of payroll can be measuring the time and attendance of employees. Here are a few tips for making it easier:

1. Timesheet rounding – if you are still using paper timesheets (and many are), rounding can make the calculation easier. The DOL does allow for this as long as it's Timesheet Neutral. That is, it can't favor the employer more than the employee. So use a fair method, for example the fifteen-minute rule. Seven minutes or less are rounded down to the last quarter-hour. Eight minutes and more are rounded up to the next quarter-hour. Watch out, however, for employees who stand by the clock and wait for 5:08 to punch out. It happens!

2. Eliminate Paper - More and more companies are moving to electronic timekeepers. Requiring employees to clock in and out on a computer or App aids efficiency in calculating payroll. Many of these processes integrate directly with payroll providers as well as accounting software

3. PTO Banks – This is helpful to both employees and employers. If all Paid Time Off is lumped into the same bucket, there is no need for employers to track events individually. Employees can use PTO for sickness (which may be limited if a Sick Policy is in place), vacation, or the need to perform personal chores.

4. Attendance Incentives – Bonuses just for showing up? Yes. Particularly in service industries, a minimal investment in an attendance bonus can increase attendance, which enhances efficiency.

5. Wellness Programs – again, a minimal investment can help employees live healthier, which reduces time off. This benefits both the company and the people.

6. Keep it Simple – as in all things, the simpler, the better. Employees will appreciate it, and the payroll processors will be delighted!

You don't have to let keeping track of employees frustrate you. There are many apps and other resources available to help. Most offer a free trial which is a painless way to find out if the program is a good fit for you. ■

Susan Pruskin is a Top 100 QuickBooks ProAdvisor with advanced certification in both desktop QuickBooks and QuickBooks Online. She hates calculating time cards and loves Apps that eliminate that chore! She can be reached at susan@susan-pruskin.com



CONTINUED FROM PREVIOUS PAGE

through well-communicated standard procedures and objective criteria. That's why it's important to conduct consistent, transparent, and actionable pay practices every day, including determining and communicating individual pay decisions. It may benefit your firm to conduct hands-on training for supervisors and hiring managers to help ensure they manage disciplined, objective pay practices.

The impact of pay equity goes beyond compliance. It can have an effect on talent attraction and retention,

as well as the value of a firm's brand. It may be prudent to take advantage of the knowledge and expertise of your legal counsel, consultants, and trusted service providers. It may also be helpful to refer to a more detailed guide to pay equity that provides answers to other questions you may be thinking about or ones that may not have occurred to you. ■

Ellen Feeney is Vice President and Counsel in ADP's Global Compliance Group.



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Helping Your Clients Understand Basis

By *Dave DuVal, EA*

Sometimes, in dealing with clients, it is easy to slip into using tax lingo — terms that your tax professional colleagues are familiar with, but that may not be so recognizable to the average Joe or Jane. One of these terms is “basis,” and a little understanding of this term when property is acquired can save a client a boatload of money and confusion down the road. It is generally best to educate clients on basis when a property is acquired — however it was acquired — rather than wait and ask questions when a property is sold, or when it is converted to a depreciable use.

BASIS OF PURCHASED PROPERTY

The purchase price is the starting point for computing cost basis. But acquisition costs add to the basis of the property. Acquisition costs are those things you had to pay for in order to buy the property — such as sales commissions — that are not otherwise deductible.

BASIS OF INHERITED PROPERTY

Generally, the basis of inherited property is the fair market value (FMV) on the date of death of the decedent. One of the more common errors is to not document this amount. An executor of an estate can use an alternate valuation, if the property has dropped in value between the date of death and the date of the alternate valuation (six months after the date of death or the date the property was disposed, whichever is sooner). If property is held in a community property state, then the surviving spouse gets a “full” step up in basis in the inherited property.

If property is held by tenants, whether jointly or by the entirety, then the heirs receive a step up in basis based on the

decedent’s share of the basis. However, if it is a qualified joint interest (joint interest between husband and wife, whether in the entirety or with survivorship, and no other joint tenants), then the spouse’s step up is their adjusted basis plus one half of the FMV included in the decedent’s estate (one half is generally included in the decedent’s estate regardless of amounts contributed by each spouse to the original purchase).

BASIS OF GIFTS

For gifted property, the basis for the receiver is generally the lesser of the giver’s basis or the FMV of the property on the date of the gift. However, both values may need to be tracked, as the different bases may need to be considered depending on whether the property is ultimately disposed of for a gain or for a loss, and how much of that gain or loss will need to be accounted for on a future tax return.

TAX-FREE §1031 EXCHANGE

Generally, the new basis is the same as the owner’s basis in the old property given up in the exchange, plus any additional costs incurred in the exchange, plus or minus any cash or other property (boot) exchanged in regard to the sale. If unlike property (not cash) was exchanged in addition to the like-kind property, then any basis adjustment is applied first to the unlike property up the FMV of the property, with any remaining applied to the basis adjustment of the like-kind property. Remember that gain or loss must be recognized on any unlike property given up.

PROPERTY RECEIVED FOR SERVICES

The amount included in income, which is usually the FMV of the property on the date

received, is the basis. If the parties involved have agreed to a FMV ahead of time, that amount is used as FMV absent any other evidence as to value.

ADJUSTMENTS TO BASIS

The costs of improvements generally are not immediately deductible, but add to basis. If there are any reimbursements for improvements made, including tax credits, then these reimbursements are a decrease to basis.

There are some safe harbors available to rental property owners that allow certain expenses below specific threshold levels to be expensed rather than capitalized, which should be discussed with the taxpayer before taking a tax position.

Depreciation subtracts from basis. As a reminder, the depreciation amount taken into account when a property is sold is “allowed or allowable,” so always document the basis used for property depreciation when depreciation commences.

Casualty losses subtract from basis in the amount of the deductible loss and insurance or other reimbursements received, while the costs of any restorative work adds to basis.

If the taxpayer is paid for an easement or other property rights, it is a subtraction from basis.

SUMMARY

This article presents a summary of the basis rules. Depending on the situation, basis can become quite confusing for the average taxpayer. Whether the circumstances are simple or complex, providing your clients with education about basis can be a real opportunity to add value to your services. ■

Dave Du Val, EA, is vice president of Customer Advocacy for TaxAudit.com.

THIS MONTH'S TOP TAX SOCIAL MEDIA POSTS

- New Tangible Property Regulations Updates: What Taxpayers Need to Know – FreedMaxick Blog: <http://bit.ly/2nx6hmu>
- Is your tax-free IRA really tax-free? ShindelRock’s View From The Rock blog: <http://bit.ly/2obkK8a/>
- Stephen Colbert Goes Undercover As An H&R Block Tax Pro – YouTube: <https://youtu.be/aSa0zBSTRb4>
- Why Use An LLC? – Paul Neiffer, CliftonLarsonAllen Agribusiness Blog/ Farm CPA Today: <http://bit.ly/2pd675T>
- New Taxes: I, Robot – Bordeaux & Bordeaux Blog: <http://bit.ly/2p0TePq>

LATEST SMALL BUSINESS NEWS

Private IRS Tax Collection Starts: Professionals Are Pessimistic on Program. The IRS announced today that it will start using private debt collection companies to try to collect overdue taxes. Many tax professionals and groups are voicing their opposition to the program. www.cpapracticeadvisor.com/12322452

How Robots and A.I. are Revolutionizing the Tax Season. Tax season has arrived again and everyone is working crazy hours to fulfill their obligations. However, this season brings a refreshing and long-awaited wave of

innovations that aim to put an end to the pain of repetitive manual data entry for good: artificial intelligence bots. www.cpapracticeadvisor.com/12322465

Income Tax Rules for Working Odd Jobs. In this modern era, where computer geeks are a prized commodity in the business world, there’s still a strong demand for the “handyman,” or handywoman, who can do odd jobs around the home. www.cpapracticeadvisor.com/12321920

AICPA Urges Passage of Tax Technical Corrections Legislation. The AICPA has asked the chairmen and ranking minority members of the tax committees in Congress to reintroduce the Tax Technical Corrections Act of 2016. www.cpapracticeadvisor.com/12318624

Tax Tips for the Sharing Economy. Freelancers and contract workers have been around pretty much forever, but the collaborative workspace is suddenly finding itself front and center. www.cpapracticeadvisor.com/12313677

W-2 and 1099 Preparation Systems

ONCE UPON A time, there was a very distinct line drawn in the sand that indicated the separation between employees and contractors. Years ago, employers rarely used contractors with any regularity, choosing instead to add to their staff by hiring an employee.

Fast forward to 2017, where contractors are frequently being used - not in addition to, but in place of - permanent employees. There are a number of reasons why this is so; an increase in the cost of employee benefits such as health insurance and workers compensation insurance have made hiring contractors a better economic decision for employers. The number of contractors has also increased as more professionals, bogged down with punching a clock choose to create a schedule and a list of clients with whom they wish to work.

What this means for business owners is that while they will always process W-2s for their employees, it's likely that they will continue to see a significant increase in the number of contractors with whom they do business. And with an increase in contractors comes an increase in the number of 1099s that need to be processed each year.

What many business owners fail to

understand is that processing 1099s is a year-long job, not one to start at year end. One company I worked for years ago had five staff accountants that had to dedicate eight hours a day for an entire week to process all of the 1099s, including obtaining Tax ID numbers or social security numbers from vendors at the very last minute.

The time to obtain this information is when the contractor starts work. No contractor should be working for a business without a valid social security number or Tax ID number on file. Collecting that information alone will dramatically reduce the typical year-end chaos that often comes with 1099 filing.

While some businesses may opt to use a more automated product that will enter data, print W-2s and 1099s, handle electronic filing, and even mail the forms to their designated recipients, other businesses may choose to simply outsource this task to their accountant, who typically has access to much if not all of the data

needed to process W-2s and 1099s. And since non-compliance can bring costly penalties to a business, whatever their choice, it must be one that ensures timely processing of all year-end forms.

Users also need to keep in mind that it isn't just 1099-MISC that may need to be filed. Other forms, such as 1099-DIV, 1099-INT, and 1099-C are also filed with some frequency. The Affordable Care Act has also created additional reporting requirements.

It's also important to keep in mind that when researching these products, they are typically updated at the end of the year and offered sometime in December, so users will always want to make sure that they have access to the most current version of the product that is available. As an added convenience, many of these products have downloadable demos available, so users can take their time and try out the products to see which one suits their needs the best.

In this review, we looked at a variety of products; some part of a suite of applications, others designed to be used as a stand-alone application. Some offer convenient online access, while others are designed to be installed on a desktop or network system. The products that are reviewed in this include:

- AccountantsWorld After-the-Fact Payroll
- AMS Software - 1099-Etc
- CCH Small Firm Services - W2 and 1099 Payroll Compliance
- Spokane Computer - MAG-FILER
- Tenenz LaserLink
- Tenenz EagleView
- Real Business Solutions - W2 Mate
- American Riviera Magtax
- EG Systems

If you're looking for a particular feature or features, we've also included a handy chart to which you can refer. Some of the features that we highlight are:

- Online/mobile accessibility
- Processes both W-2s and 1099s
- TIN Verification available
- Electronic filing available
- Prints on blank paper
- Integration with vendor module
- Integration with other applications

While there are sure to be other features that you might be looking for, these provide you with something of a head start when trying to determine which products you should take a closer look at.

So whether you're in the market for a product for in-house use, or to offer services to your clients, there's a product available that is sure to suit your needs. ■

	ONLINE/MOBILE ACCESSIBILITY	PROCESSES W-2'S	PROCESSES 1099'S	TIN VERIFICATION	EASY SYSTEM NAVIGATION	SUPPORTS COMMON FORMS	ELECTRONIC FILING	PRIOR YEAR INFORMATION AVAILABLE	PRINTS ON BLANK PAPER	INTEGRATION WITH VENDOR MODULES	INTEGRATION WITH THIRD-PARTY APPLICATIONS	SOLID HELP/SUPPORT
AccountantsWorld W2-1099 After-the-Fact	X	X	X		X	X	X	X	X	X	X	X
American Riviera Software Magtax		X	X	X	X	X	X	X	X		X	X
AMS W-2 and 1099 Forms Filer		X	X		X	X	X*	X	X*	X	X	X
CCH Small Firm Services W2/1099		X	X		X	X	X	X	X	X	X	X
Real Business Solutions W2 Mate	X	X	X	X	X	X	X*	X	X*	X	X	X
Spokane Computer MAG-Filer	X	X	X	X	X	X	X	X	X	X	X	X
Tenenz Eagle View Filing	X	X	X	X	X	X	X	X	X		X	X
Tenenz Laser Link		X	X		X	X	X	X	X			X
Track 1099	X	X	X	X	X	X	X	X	X		X	X

* with Add-on

REVIEW: W2 & 1099 PREPARATION

AccountantsWorld After-the-Fact Payroll

www.accountantsworld.com

After-the-Fact Payroll, like other AccountantsWorld products, is designed specifically for the professional accounting office. It is comprehensive as a standalone solution, but is best leveraged in an environment with other AccountantsWorld applications.

After-the-Fact Payroll is an add-on

module from AccountantsWorld that handles not only after-the-fact payroll processing, but also all related year-end tax forms such as W-2s, W-3s, 1099, 1098, and 1096 forms. The system also handles quarterly returns and unemployment insurance along with federal forms 940, 941, 943, and 944. The product offers easy accessibility from any browser, and users can

also use After-the-Fact Payroll from a smartphone or tablet. As an added convenience, the product also supports multiple users.

After-the-Fact Payroll contains an easily navigated dashboard, so users can access all clients that are entered in the system. As a full service payroll module, After-the-Fact Payroll also offers specific payroll calculations such

★ **4.25** 2017
OVERALL
RATING

as net pay, FICA and Medicare deductions, as well as specialized deductions such as tips, third party sick pay and payroll reimbursements.

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12322946](http://www.CPAPracticeAdvisor.com/12322946)

American Riviera Software - Magtax

www.magtax.com

Magtax from American Riviera Software is suitable for both professional accountants and business owners processing W-2s and 1099s in-house. Magtax is available in two versions; Standard and Professional, with the professional version supporting more forms, as well as offering more

advanced importing options along with an enhanced client management capability.

Magtax can be downloaded from American Riviera's website, with a demo to try and later activate if a user wishes to purchase it. Magtax supports common year-end compliance forms including W-2, 1099-

MISC, 1099-INT, 1099-DIV, 1099-C, 1098, and 1098-C, all of which are supported in the Standard version of the product. Additional 1099 forms and 1042-S are supported in the Professional version of the product. Magtax contains an easily navigated user interface with easy access to system functions such as W-2 and

★ **4.5** 2017
OVERALL
RATING

1099 processing available.

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12322955](http://www.CPAPracticeAdvisor.com/12322955)

AMS Software W-2 and 1099 Forms Filer

www.1099-etc.com

W-2 and 1099 Forms Filer is designed for accountants who offer payroll and year-end filing services to their clients. The product is part of Advanced Micro Solutions (AMS) 1099-Etc. Suite of related products.

W-2 and 1099 Forms Filer is installed on a local desktop system,

multiple PCs, or on a network. Each application is sold separately, and users can choose the modules that they desire, though complete payroll and year-end form processing will require that users purchase all of the modules.

All year-end forms can be processed using W-2 and 1099 Forms

Filer, which is required in order to run any of the other modules that are available. The product supports common year-end forms including W-2, W-2C, W-3, all 1099 forms, 1096, 1098, 5498, and 1042S. The product also supports several Puerto Rico forms including PRR-3, PRW-2, PRW-2C, and others.

★ **4.5** 2017
OVERALL
RATING

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12322985](http://www.CPAPracticeAdvisor.com/12322985)

CCH Small Firm Services W2/1099

www.cchsfs.com/professional-accounting-software/w2-1099.aspx

W2/1099 from CCH Small Firm Services is well suited for smaller accounting firms that use or plan to use other CCH products. W2/1099 is not designed to be used as a stand-alone W2/1099 processing application.

W2/1099 is designed to work with other CCH programs including Client Accounting Suite and Payroll. The product is available only to professional accountants, and easily processes and files both W-2s and 1099s electronically. The

interface is designed to mimic the actual form being processed, so data entry is straightforward, though data entry is minimal as the majority of the details needed to process both W-2s and 1099s are imported from other CCH Small Firm Services

applications.

★ **4.5** 2017
OVERALL
RATING

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12322980](http://www.CPAPracticeAdvisor.com/12322980)

Read all reviews for REVIEW NAME online at: www.CPAPracticeAdvisor.com/12322938

W2 & 1099 PREPARATION: REVIEW

Real Business Solutions W2 Mate

www.realtaxtools.com

W2 Mate is part of Real Business Solutions' menu of W2 and 1099 products. W2 Mate is designed to run on a desktop computer, but network installation is available as well. W2 Mate is suitable for business owners as well as accounting firms.

W2 Mate supports W2, 1099-MISC,

W3, and 1096 processing, with an add-on module available for those who wish to process additional 1099 forms. The product can support an unlimited number of employees and recipients, and an optional module is available that allows users to create PDFs of both W-2s and 1099s to distribute to recipients electronically. Unlimited companies

are supported, making the product a good fit for accounting firms handling W2 and 1099 processing for their clients.

W2 Mate's user interface is easily navigated, with icons offering access to system functions. Shortcuts are also available to those that need to either import or export data from other applications. Bulk TIN matching capability is

★ **4.25** 2017
OVERALL
RATING

also available in W2 Mate, with system users able to simply create a matching request file that can be electronically transmitted to the IRS for verification.

**Read the full review
for this product online at:**

[www.CPAPracticeAdvisor.com/
12322978](http://www.CPAPracticeAdvisor.com/12322978)

Spokane Computer MAG-FILER

www.magfiler.spokanecomputer.com

MAG-FILER, from Spokane Computer is an on-premise W-2 and 1099 processing and filing solution that is suitable for accounting firms of any size. Installed on a desktop or network, the product does not offer online or mobile access.

MAG-FILER supports both paper and electronic filing for both W-2s and 1099s, and works as a stand-alone prod-

uct, with no additional modules needed to run the application. A product demo can be downloaded directly from the vendor website. Users have the option to enter data into MAG-FILER manually, or import payer and payee information from an Excel spreadsheet, a text file, or from QuickBooks. MAG-FILER offers SSN masking on 1099 forms, and a

bulk TIN Matching capability helps to ensure accuracy, and notify users when additional information from vendors or employees is necessary.

Data entry screens are designed to mimic the original form so entering data is easily. Users can choose to process a single form, or process large volumes of forms in batches. The product easily transfers data from previous

★ **4.75** 2017
OVERALL
RATING

years, so information does not need to be re-entered.

**Read the full review
for this product online at:**

[www.CPAPracticeAdvisor.com/
12322954](http://www.CPAPracticeAdvisor.com/12322954)

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REVIEW: W2 & 1099 PREPARATION

Tenez Eagle View Filing Solutions

www.eagleviewfiling.com

Eagle View Filing Solutions, from Tenez offers online W-2 and 1099 filing services for both professional accountants and small businesses. Designed to shift the burden of processing, printing, mailing and E-filing all year-end forms, Eagle View Filing allows users to easily enter data directly into the system, with the vendor then handling all form E-filing, printing and mailing. Users have two options when enter-

ing data; they can enter information through the easily navigated user interface, or simply upload data directly to Eagle View Filing, where the entire process from data entry to electronic tax filing will be handled directly by the vendor.

Eagle View Filing offers users an Excel template, which is ideal for submitting large quantities of data. The product also allows both QuickBooks and Xero users to simply import data directly into

★ **4.75** 2017
OVERALL
RATING

Eagle View for processing. Users can choose from two options; E-File and Delivery, which handles all E-filing of tax forms, as well as printing and mailing and emailing W-2s or 1099s directly to the specified clients.

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12322951](http://www.CPAPracticeAdvisor.com/12322951)

Tenez Laser Link

www.Tenez.com

Laser Link from Tenez, Inc. is well suited for accountants that are looking for a stand-alone year-end compliance tool. The product is now available in two versions; Laser Link with 25 Free E-File, and Laser Link XL with Unlimited E-File.

Laser Link is sold on a CD Rom, with users able to install the product in minutes on a desktop system.

Currently, Laser Link supports

all common year-end compliance forms including W-2 and 1099 forms including 1099-MISC, DIV, R, INT, and S.

Laser Link XL supports 30 forms, including W-2, W-2G, W-2C, 1099(A, B, C, CAP, DIV, G, H, INT, LTC, MISC, OID, PAT, Q, R, S, SA), 1096, W-3 & W-3C, 1098, 1098-T, 1098-E, 3921, 3922, 58498, 5498-ESA, 5498-S, ACA(1094-B, 1094-C, 1095-B, and 1095-C), making this robust version

★ **4.5** 2017
OVERALL
RATING

a great choice for accounting firms that have more complex year-end compliance needs. While Laser Link XL can e-file all W-2s and 1099s, ACA forms 1094 and 1095 can be processed but not e-filed.

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
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Track 1099

www.track1099.com

Track 1099 is an online W-2 and 1099 processing program that is well suited for both businesses and accounting firms alike, and is completely online. New users can quickly access a free, online demo, where they can try the product out.

Track 1099 handles all electronic filing, with users able to schedule a date to e-file the forms. Users can

also schedule a date they wish the completed forms to be delivered to their respective recipients.

The TIN Match feature in provides a link to the IRS along with instructions on how to create and submit a TIN Match file. For firms using Track 1099, they can simply click on the All Companies link at the top of the screen to submit a file that includes recipients from all the

★ **5** 2017
OVERALL
RATING

clients for whom they currently file 1099s and W-2s.

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PAUL McDONALD
Senior Executive Director
Robert Half

How Accounting Firm Managers Can Help Their Teams Work Happy

CHANCES ARE, YOUR firm's accounting staff appreciate their jobs and may even like them, but they don't really love them.

That's what some of your fellow accountants reported when surveyed for *It's Time We All Work Happy: The Secrets of the Happiest Companies and Employees* from Robert Half and well-being expert Nic Marks, CEO and founder of Happiness Works. Accountants indicated they are not as satisfied in their jobs as many other professionals — ranking fifth (out of eight professions) for happiness and seventh for the level of interest in their work.

Happiness at work is more important than many managers realize. Content employees tend to be more passionate about company goals, which means stronger performance, a higher retention rate, and fewer resources spent on hiring and training.

About two-thirds of staff who identify as working happy say they put in extra effort at the office. Additionally, happy employees are statistically healthier individuals, which means fewer sick days and greater productivity. Happiness is bottom-line affecting.

WHAT MAKES ACCOUNTANTS HAPPY?

The study finds that feeling appreciated is the most important factor in whether accounting professionals are happy in their jobs. Being treated with fairness and respect ranked second, and feeling a sense of accomplishment from their work was third.

As a manager in public account-

ing, one of your jobs is to enhance your team's engagement, empowerment and motivation — all of which boosts the bottom line. Read on for tips for helping your employees be happier in their jobs.

ENCOURAGE INDEPENDENT THINKING.

Micromanaging kills motivation and is the death knell of happiness at work. Be a better boss by encouraging employees to make decisions, solve problems and take risks.

Your role is to offer support, advice and guidance. Allow your staff to do the job they were hired to do. Empowering them is also a good managerial move because you are helping them prepare for future leadership roles in finance.

SHOW YOUR APPRECIATION.

Never underestimate the power of recognizing a job well done. With frequent travel and finicky clients, public accountants sometimes do a thankless job. Here are a few ways to acknowledge your staff:

- If your firm does not yet have a peer-to-peer recognition program, this year is a good time to start one. The prizes don't have to be big. To make it effective, make sure senior management personally thanks each nominee and winner.
- Tax season is long and grueling, so celebrate after it's over with a party, bonus, outing and well-deserved time off.
- When you catch employees doing

great work, acknowledge their efforts in a public email or meeting. Be detailed in how they went above and beyond, and explain how their action had a positive effect on the department or firm.

PROMOTE A BALANCED LIFESTYLE.

Accounting firms have a reputation for demanding long hours, which could contribute to why accountants rank themselves low on the work happy scale. But even though the job is grueling during peak seasons, it shouldn't be that way all the time. Help your employees find work-life balance by encouraging long vacations, bringing in interim help when necessary and having senior management "walk the talk" by setting a good example.

HIRE WITH THE RIGHT FIT IN MIND.

Your public accounting firm has a unique corporate culture, and every job candidate you consider when hiring has his or her own traits. Before employees can work happy, they have to feel they are a good fit for the company and the role.

This requires you to ask interview questions that go beyond tax knowledge and Excel proficiency;

be sure to prioritize soft skills and personality in your hiring process. Also, have your team spend time with short-listed candidates. When potential new hires have an accurate picture of the job, they're less likely to become disillusioned, bored or unhappy at work.

CHECK IN OFTEN.

An accountant who's happy during the first week may not feel that way



after his or her first tax season. Touch base with your staff regularly. Find out if they still feel challenged by the role and whether you need to tweak their assignments or job duties. Remember, employees' career goals are likely to evolve over time, and being responsive to those changes helps them work happy. Happiness at work is a key to your accounting firm's success. By tweaking the way you hire and manage employees, you can help ensure your accountants work happy — now and into the future. ■

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 restaurants.

EXPERT COMMENTARY: ACCOUNTING FOR TIP INCOME

Joe Carufe, president at Knoxville, TN-based Two Roads Bookkeeping and Tax Services reminds accountants that many restaurant owners book tip revenue as income and later an expense when the amount is paid to the employees. "Make sure those tips go into a liability account. It's really not income for the restaurant – it's income for their employees. Many restaurant owners do the same thing with sales tax. They don't understand that it's not their money."

RESOURCES FOR THE RESTAURANT ACCOUNTANT

- Marketing to Restaurant Clients - by Becky Livingston - www.cpapracticeadvisor.com/12325622
- Restaurant Accounting with QuickBooks - by Doug Sleeter and Stacey Byrne: <http://bit.ly/2p1kEvr>
- Restaurant Tips & Taxes - What Employers Should Know Beyond the Tax Credit: <http://bit.ly/2o1xwMg>
- A Guide to Restaurant Payroll Challenges: <http://bit.ly/2pyKooS>

Building Your Niche Practice is sponsored by Intuit QuickBooks.



Building an Accounting Niche in the Restaurant Industry:

What You Need to Know By Gail Perry, CPA, Editor-in-Chief

CPA PRACTICE ADVISOR spoke with Gary Shamis, CEO of Winding River Consulting, a company that focuses on strategic issues in the restaurant and accounting industries. Our goal was to determine what differentiates accounting services provided to restaurants from general business accounting. Here's what Gary had to say.

The restaurant industry has areas that are totally specific to it. Those who want to get into that area, who want to do it right, need to become experts in those areas that really differentiate that industry:

- Most restaurant clients are tax oriented clients; sometimes you will have audits

if you have a large restaurant group or franchise with a significant amount of debt level.

- Within the tax realm, one specific area is tip credits, which very few other industries have.
- There are specific rules with respect to

depreciation.

- There is special treatment for things we call smallware, like glasses and silverware.
- Specific rules apply when you open a new location. In most businesses you have to amortize startup costs. In the restaurant industry, if you're opening up new location that is just copy of another location, you don't have to amortize startup costs.
- Gift cards – there are special treatments for gift cards – you need to know how to treat those for tax purposes.

Accountants can be particularly

Helping Your Restaurant Clients Navigate Accounting Software

By Taija Sparkman, Assistant Editor

RUNNING A RESTAURANT presents a unique set of accounting challenges for many managers and owners. Issues such as transient staff, high transaction volume and theft are key concerns for restaurant owners, and having a robust system in place to handle these situations can go a long way. From general purpose accounting software to restaurant-specific accounting software, there are several options to choose. As technology continues to evolve and change the business environment for restaurant owners, accounting professionals have a real opportunity to be a trusted advisor with specialized knowledge.

"The accounting industry serves restaurant clients as well as it serves any other type of clients – which is to say, with varied degrees of success, depending on our area of expertise. For our clients, there is a vast difference between working with a finance team that really knows, understands and lives and breathes your industry, and one that dabbles," said Matt Hetrick, President, Culinary Accountants, Inc.

Restaurant owners need to implement a robust accounting system that is independent from the personnel executing them and simple to use, can handle processing numerous transactions in a short time span, and will streamline processes. The food industry can be a

hectic and stressful environment that oftentimes require quick decision making, and having accurate information readily available is crucial. Another characteristic of the restaurant industry is that many workers are young, not financially savvy and/or reliant on tips, which can result in errors or theft, or both.

"Restaurants deal with a high volume of individual transactions – many of which take place in a kitchen, bar, or dining room during the 2-3 hour rush each evening. Decisions need to be made on the fly, and often accounted for on the fly, after the guest is satisfied. The potential for

theft in the restaurant world is quite high, comparatively, too. Staff are often tempted to exchange free (stolen) goods for higher tips, because of the tip-based compensation model," said Hetrick.

Accounting professionals that are focused on the restaurant industry will not only be familiar with the challenges their clients face, but will also know what solutions exist to help alleviate their clients' pain points. Available restaurant accounting software varies from simple to fully customizable. Some restaurants, like startups, may benefit from general-purpose accounting software, while others will need restaurant accounting software.

General-purpose accounting software have features such as general ledgers, profit and loss, cash flow, basic inventory and payable and receivables, but they need to be customized for the restaurant industry. Even then, reporting limitations still exist.



Continued Online at www.CPAPracticeAdvisor.com/12321559

valuable to their restaurant clients in these areas:

- You can help them benchmark their restaurant by being able to look at national statistics based their category, see how they compare, if they're not comparing well, you've hopefully seen enough that you can probably tell them what they're doing wrong or right.
- Access to capital – In the restaurant industry, it's more difficult to borrow than in other Industries because the equipment has a very low resale collateral value. It's tricky to find loans for restaurants – you're often dealing with the Small Business Administration.
- I've seldom met a restaurateur who

didn't want to open a second location – it's in their DNA to want to grow and expand. You can help them build a structure that will allow them to expand, create some liability protection, create an environment that make it easy for them to grow the business.

- Be aware of strategies for real estate, how to buy it, this is a big area for restaurant clients.

What should accountants who serve restaurant clients be wary of? Where are the pitfalls, black holes, that accountants should be on the lookout for?

- One of the real opportunities for CPAs is also one of the idiosyncrasies of the

restaurant industry – there is a high failure rate – CPAs have to very carefully pick their clients.

- With a chef-driven concept, the restaurant can be more worried about food than business.
- If the restaurant has only one location, it is probably doomed for failure.
- If the restaurant can focus on the business side, and blend that with its creative side – there is a better chance for them to be successful.
- It's really easy to pick a bad restaurant client to work with. It's much harder to figure out if they have a real opportunity. In my experience, we looked for multiple unit restaurants, with

revenue of at least \$10 million.

- We were very careful about who we selected. We tried to carefully pick clients that would appreciate what we could bring to the table.
- It's important to work with restaurant owners who stay in tune with their cost, take a weekly inventory, calculate cost of goods sold at least weekly, keep an eye on labor. ■

Gary Shamis spent thirty-five years building SS&G, one of the nation's largest, fastest growing, and most respected accounting and consulting firms in the country, into the 37th largest firm before combining it with BDO USA, LLP. At SS&G/BDO he was co-leader of the firm's national restaurant practice. He left BDO at the end of last year to form Winding River Consulting.

Sales and Use Tax Incentives for Restaurants

By Taija Sparkman, Assistant Editor

ANYONE RUNNING A restaurant business may qualify for certain sales and use tax credits. With tax season ending, it's a good time for restaurant owners to check in with their accountants to see what they qualify for this season and start preparing for next season.

Common sales and use tax incentives for restaurant owners include utility and power credits. Restaurant owners can claim a credit on equipment, such as ovens and grills, that take base ingredients and turn them into something else, or even manufacture a new product. Field studies are conducted on restaurant equipment to determine how much power is used by the equipment, which can then result in credits.

"In Indiana, the restaurant industry falls under manufacturing, so restaurant owners can take advantage of the manufacturing exemption. Existing entities undergo a field study on their equipment, which helps determine if they qualify," said Becky Fromm Quintana, CPA, CGMA, principal at Indianapolis-based Somerset CPAs.

"The best way for restaurants

to know what they qualify for is to reach out to their accountants," said Quintana. New restaurants or those starting a new location may qualify for credits such as sales and use incentives, segregation of cost, special depreciation and research and development credits. Other incentives include solar energy credits and reverse audits. In some progressive states, restaurants using power generated from solar panels can claim a credit. While not a credit, reverse audits can potentially generate revenue for restaurant entities by looking at the sales and use tax they've paid over time.

"There are companies that will data mine an entity's sales to see if they have overpaid sales tax. This is something that is useful for existing restaurants as it looks at their history of transactions and can save them

lots of money in the long run, moving forward," said Quintana.

As trusted advisors, accounting professionals have the connections needed to not only refer their clients to the best solutions and services for their business, but to also make them aware when they qualify for an incentive or could be facing a penalty.

"Across the board, state and local budgets are compressed, and state governments are looking for ways to generate cash inflow. The easiest way is to go after restaurant entities for sales and use tax," said Quintana.

Accountants and their restaurant clients should work together to ensure the proper controls are in place, so sales and use tax never becomes a problem. Timely and accurate reporting is very important. In the event of an audit, restaurant owners and managers should be cooperative, helpful and friendly, and pull their accountant in as soon as possible to look at everything before the auditors. Accountants can prepare the restaurant owners and management for issues they see, as well as help with negotiating the overall amount due or penalties.

Accountants can best help their restaurant clients take advantage of sales and use tax incentives through regular check-ins. Many times, clients don't communicate every purchase to their accountant, resulting in the loss of incentives and credits. Accountants should regularly reach out to clients to discuss past transactions and future plans to help clients benefit from the credits available to them.

"Somerset has an internal policy where we meet with clients regularly to see what's going on. When clients don't tell us they're thinking of purchasing equipment, we can't let them know what credits they could qualify for," said Quintana. "We reach out to clients quarterly to ask about any new purchases and what they're thinking of in terms of their business, such as remodeling or cash outs. Asking these questions usually triggers consulting work and deeper conversations. At the very least, we're meeting with our clients, so they understand they're important to us." ■

EBook Shows Easy Ways to Improve Cash Flow

By Isaac M. O'Bannon, Managing Editor

A new eBook helps accountants help their business clients understand and take advantage of opportunities to improve cash flow.

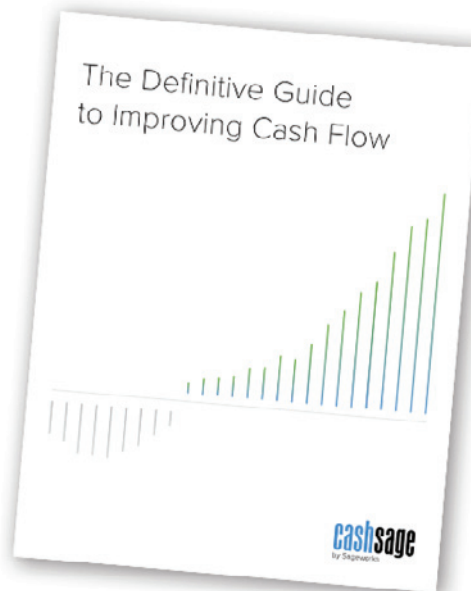
The Definitive Guide to Improving Cash Flow, which was produced by Sageworks and is free to download, focuses on three major subjects and includes chapters that cover how to:

- Identify Opportunities for Cash Flow Improvement
- Seize Cash Flow Opportunities
- Leverage Technology to Improve Cash Flow

Additionally, the eBook concludes with a one-page practice aid that briefly summarizes and includes quick tips on how to "Avoid Cash Flow Catastrophes." Shared with clients, the aid will provide actionable advice that demonstrates the value accountants can provide.

In the eBook's introduction, Sageworks Research Specialist Mary Ellen Biery reviews the importance to business owners of understanding cash flow. She notes, "A recent study found that the median small business has an average of only \$7 more in daily cash inflow than it has in daily cash outflow. This thin line of liquidity illustrates the opportunity for businesses to take steps to improve cash flow. As cash flow improves, the owner has the ability to invest in the products, the employees or other growth drivers of the business." Additionally, she notes that the Small Business Administration has identified insufficient or delayed financing as the second most common reason for business failure.

The first chapter, "Identify Opportunities for Cash Flow Improvement," recommends that accounting firms begin with an assessment of how cash flow



improvement can advance day-to-day or long-term goals of their client and his or her business. In the next chapter, Sageworks provides a roadmap for uncovering advisory engagements that generate additional cash for business clients by focusing on the key drivers of cash flow. The final chapter provides an overview of technology that helps create and accelerate cash flow, from smartphone-enabled credit card readers to business intelligence software.

To download the free eBook, visit *The Definitive Guide to Improving Cash Flow*.

THIS MONTH'S TOP SMALL BUSINESS SOCIAL MEDIA POSTS

- Why Small Businesses Should Offer Retirement Plans in 2017 – Jeff Rosenberger, Gusto blog: <http://bit.ly/2o7UM8L>
- The Finance Function for Small Business: or Piece de Resistance – Stephen King, GrowthForce Blog: <http://bit.ly/2oFKOYX>
- A Customer Files for Bankruptcy, What Now? – Michael Von Lehman, ScheiderDowns Blog: <http://bit.ly/2oeNwbr>
- How Much Strategy Is Enough? – Jason Blumer in Thriveal Blog: <http://bit.ly/2niYe6q>
- 4 Tips for Communicating a Lean Continuous Improvement Manufacturing Operation – Karilyn Shay, Skoda Minotti Blog: <http://bit.ly/2oH2gwM>

LATEST SMALL BUSINESS NEWS

Three Reasons Small Businesses Must Innovate or Perish. While it's true many individuals and businesses have gone a long way on the strength of a lone idea, plenty of others prospered even further because they are constantly innovating – coming up with one good idea after another.

www.cpapracticeadvisor.com/12322594

Farmers Face Soaring Health Care Costs. Health insurance is a huge concern for Americans in general. But it may be particularly worrisome in agriculture.

www.cpapracticeadvisor.com/12321934

Self-Employed Survey Shows Risks and Rewards of Entrepreneurship. Small business owners and other self-employed individuals often earn great rewards for their hard work, but they also face risks that regular employees don't.

<http://www.cpapracticeadvisor.com/12318314>

1/3 of Small Businesses Faced Potential Insurance Claims in Last Year. Those events included six common incidents: customer complaint or contract dispute; employee injury; burglary or theft; fire, storm damage, or cracked pipes; customer injury; and injury from

a product sold. www.cpapracticeadvisor.com/12317400

Portland, ME to Limit Airbnb Rentals and Charge Homeowners. Beginning next year, people renting their properties through services such as Airbnb will be required to register with the city of Portland, Maine, and pay a fee as part of new short-term rental rules. www.cpapracticeadvisor.com/12320242

Thomson Reuters Ultra Tax User Changes to CCH Axxess™

Julie Lepper, CPA, and her company of mom accountants are tipping the CCH Axxess charts.

"I came out of school with a bachelor's in accountancy – it was back in the day where we were the girls, when I would have a new client come in who was a woman who was the breadwinner and I would put her name as the first taxpayer on the tax return – I got into very long discussions in my firm about why that was wrong," said Julie Lepper, reminiscing about tax prep in the 1980s.

The first accounting firm Lepper worked used CCH® ProSystem fx® Tax software. "I think it was the first year they were actually using software in-house instead of writing it all down and sending it in and them sending it back. The software format setup was like, 'Here's what we do to process the return manually, and then put it into software.' It was very tedious; our firm was not into technology."

After some time had passed, Lepper saw an advertisement for a position at Thomson Creative Solutions which was located near her in the Ann Arbor area. "I had an opportunity to feel like I could make an impact on other accountants' lives. Ultra Tax CS® was fabulous; at that point it was so much better than what CCH ProSystem fx Tax was doing.

"I always had it in the back of my mind to start my own practice. I had a child, Thomson was not as family-oriented as I would have liked them to be, so when I had my second child and I was out on maternity leave, I incorporated with the intention of probably leaving in the next year or so to start my own firm."

Lepper began by working out of her home, but continued to take on more business, she needed to hire people, found an opportunity for some office space, and the pieces fell into place. She was and remains dedicated to working with people who understand the importance of work/life integration. "Everyone who works for me and who has ever worked for me has either been

a stay-at-home mom getting back into work, or has faced challenges with trying to balance work and focusing on their children."

Although Lepper started her practice using Thomson products, there were two factors that caused her to step back and look at other software options. The first was cost. Thomson was a Software-as-a-Service (SaaS) product.

"Their pricing model didn't accommodate part-time staff – you have to have separate access for every user – it started to get very expensive for the type of practice we had. We were paying Thomson for Ultra Tax, paying another company to host our software so we can have a cloud version. It made no sense at all. We were transferring files back and forth – that's nonsense in this day and age," said Lepper. Meanwhile the firm was growing, opening a second office, so the ability to access files in the cloud became imperative.

"The other problem we encountered was when Thomson changed from Creative Solutions Accounting to Accounting CS in 2010. Payroll was a big part of our practice and the new payroll product was not comparable to their legacy program." Lepper's firm tried going back to Thomson's Creative Solutions product for payroll, but having to know and understand multiple systems was a challenge. They tried a few alternative applications but nothing seemed to make sense, in particular paying for multiple programs.

In 2015, the firm decided to switch to CCH Axxess. "It was so much better. I was saving a ton of money. It's cloud software: anywhere I am, I have what I need." With the use of CCH Axxess technology, Lepper is able to allow her staff to work from home if necessary. "If someone has a sick child, they can be home."

The transition to CCH Axxess occurred easily. "There were no hiccups or obstacles," explained Lepper. "When I changed to CCH Axxess, I gave them my data to convert – I procrastinated and they told me my data won't be back until December. I thought, 'This is going to be a really fun tax season...'" but knew I was just going to stay the course. I got the email that said my data was converted, I opened up the tax software, and all my data was in there. And the diagnostics are fantastic. They're actually worth reading, absolutely helpful. I like seeing last year's data on the screen instead of having to go back and forth. I can have multiple returns open at once. The best part is the [IRS Form] 8879 process – I can send that securely off to clients quickly. I feel that process alone is probably what helped us limit our extensions.

"We also use Wolters Kluwer's CCH® ProSystem fx® Scan with AutoFlow Technology, which imports data right into the tax return. I'm the person who wants every 1099 sale in the return – I don't want the IRS coming back later – so we put every transaction in there. Thomson had the ability to do it, but it used to take forever. With CCH Axxess, I actually enjoyed tax season. I can process things faster."

Lepper's office environment is accommodating to the staff of parents. "If somebody has to have their child(ren) here, we set them up in the conference room. We have things for them to do so we can keep working," explained Lepper. "We wanted to create a culture in our firm that reflects our belief that people can be great parents and great professionals. We believe that having a supportive family-friendly environment is good for the firm, and that it helps our team do a better job of taking great care of our clients." ■

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Julie Lepper, CPA



Lepper & Company, LLC
Accounting, Tax and Business Consulting

Top performing firms are leveraging technology to build efficiency, save money, bring value-added services to clients, allow for easier communication with clients and staff and better manage the firm's practice and processes. In this series, we highlight firms that share their best practices so you can follow the roadmap they provide and join them in the winner's circle.

Payment Fraud Hit Record Number of Businesses in 2016

By Isaac M. O'Bannon, Managing Editor

Nearly three quarters of corporate treasury and finance professionals said their companies were victims of payments fraud last year, according to the 2017 AFP Payments Fraud Survey, underwritten by J.P. Morgan.

This is the highest percentage since the survey debuted in 2005 and comes after a dramatic increase in 2015. Check fraud and business email compromise are both on the uptick.

Checks continue to be the most popular method for committing payments fraud. Fully 75 percent of organizations that were victims of payments fraud in 2016 experienced check fraud—an increase from 71 percent in 2015. This is a reversal of the declining trend observed in check fraud since 2010.

KEY FINDINGS:

- 74 percent of survey respondents said their organizations were victims of business email compromise in 2016—a 10 percentage point increase from 2015.
- 70 percent of organizations are being proactive and have implemented controls to prevent business email compromise.
- 63 percent of payments fraud attempts were made by outside individuals.

“With the advancement of technology, organizations are more vulnerable to fraud attacks now than before, and business leaders need to equip their people and systems with the tools and resources needed to prevent fraud and alleviate the impact of an attack,” said Jim Kaitz, president and chief executive of AFP. “Companies that offer mandatory training for all employees, particularly around cybersecurity, and that have a plan to respond to payments fraud, will fare better than those that do not.”

Over 70 percent of corporate treasury and finance professionals are hesitant about adopting mobile payments at their organizations as they question the security of this payment method.

“The fraud survey serves as an important resource in understanding the potential risks within the payments industry and should not be underestimated,” said Nancy McDonnell, Managing Director and Treasury Sales Executive at J.P. Morgan. “With three-quarters of companies experiencing fraud in 2016, it is important that businesses take preventive measures by educating their employees and implementing the products and processes they need to prepare and protect their assets and data from cyberfraud.”



THIS MONTH'S TOP A&A SOCIAL MEDIA POSTS

- 8 Questions Your Financial Statements Won't Answer – Geni Whitehouse LinkedIn post: <http://bit.ly/2o775IA>
- The Promise of Blockchain Technology – Doug Sleeter in the Accountax Blog: <http://bit.ly/2o7alxx>
- The 2017 Top IT Security Risks: Everything is Connected – Chris Ellingwood in Berry-Dunn's Firm Footing blog: <http://bit.ly/2nlov4B>
- Supreme Court Nominee's Record Provides Insight into Views on Internet and Social Media Law: Michael Lambert in Specialty Technical Publishers Audit, Compliance and Risk blog: <http://bit.ly/2nhisbU>
- Can What You Are Doing Be Done By Artificial Intelligence? – Rita Keller's Solutions for CPA Firm Leaders blog: <http://bit.ly/2o1WayT>

LATEST A&A NEWS

60% of CFOs Optimistic on Economy and Their Businesses. CFOs in the U.S. and Canada have increased optimism on macroeconomic conditions and their own companies' prospects, according to Deloitte's CFO Signals survey for the first quarter (1Q 2017). www.cpapracticeadvisor.com/12320475

How Money Savvy are Millennials? Millennials have become the largest segment of the adult population, and a Deloitte study reports they are expected to grow their wealth significantly in the next several years, at least in part because they are heading into their prime-earning years. www.cpapracticeadvisor.com/12321408

Financial Audits Help Improve Business Performance. Financial statement audits, essential to helping the capital markets function effectively and with confidence, are helping today's business leaders improve the performance and operational processes of their companies, according to a new Deloitte survey. www.cpapracticeadvisor.com/12320476

Internal Audit Functions Need Disrupting, says PwC Study. Internal audit functions are losing ground in trying to keep pace with stakeholder expectations, according to the annual PwC State of the Internal Audit Profession study. www.cpapracticeadvisor.com/12320590

4 Questions to Ask New Business Valuation Clients. Attracting new clients is a common challenge for valuation professionals. Unlike traditional accounting services (such as tax preparation and audits) that some clients need each year, valuations are often performed to meet a one-time need triggered by situations such as a shareholder dispute, a divorce settlement or a bankruptcy. www.cpapracticeadvisor.com/12320252



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 Director, Boomer Technology Circle™
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Cognitive Computing and the Future of the Accounting Profession

YOU MAY ALREADY check the weather or order more paper towels using Amazon Echo, remind yourself to pick up milk at the store using Microsoft Cortana and make dinner reservations using Apple's Siri. Cognitive computing is changing the way we function at home, and it's quickly moving into the workplace by providing greater collaboration between humans and systems by analyzing massive amounts of data to deliver insights quickly.

Last year, KPMG announced plans to apply IBM's Watson cognitive computing to its auditing services. This technology gives KPMG the ability to analyze a greater volume of data, giving them enhanced insights into their client's financial and business operations. The usefulness is not limited to audit departments. In February of this year, H&R Block announced a partnership with IBM Watson to reinvent tax preparation. Watson can comb through the massive amounts of data necessary for tax preparation, understanding context, interpreting intent, and drawing conclusions regarding a client's tax statements and returns.

Does this mean artificial intelligence will be a job-killer in the accounting profession? On the contrary, most innovative firms believe cognitive computing will be a job-creator, relieving accountants of time-consuming and mundane process work and freeing up space to work on more complex work.

For an example of how this looks in other professions, consider IBM's Watson Health Immersion Room. The demonstration shows a doctor evaluating treatment options for a cancer patient, including chemotherapy and surgery. Watson factors in the patient's age, gender, and other health and demographic information and analyzes an exten-

sive database of medical records and journals. Then, it provides the doctor with information on the merits of various treatment combinations, ranked by effectiveness, strength of supporting research, speed of treatment and convenience for the patient.

Note that in this scenario, Watson did not replace the doctor. It simply provided information to help the doctor decide on the best course of action for her patient based on its analysis. We believe the same will occur in the accounting profession.

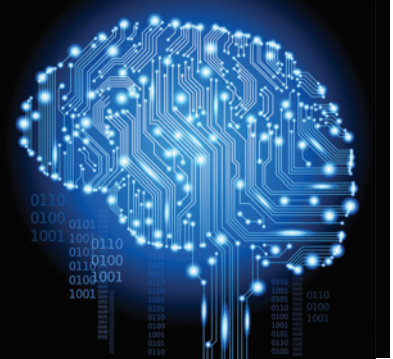
That's not to say that cognitive computing doesn't present any risks to the profession. Firms that continue to base their revenue models on billing by the hour for lengthy tax research projects and compliance work should be concerned. Those that recognize the need to transform and expand their practice toward more advisory services will see this as an opportunity to move up the value chain.

How do we see artificial intelligence transforming the profession in the future?

TAX RESEARCH AND PLANNING

Cognitive computing is especially valuable in tax compliance, an area that is heavily regulated and often faces rapid changes. The process of preparing filings, ensuring compli-

Accountants will be able to give clients a real-time view of their tax position throughout the year and offer forward-looking strategies to improve their business.



ance, and optimizing a business' tax position is complicated, resource intensive, and costly. With cognitive computing, a machine can contain the entire Internal Revenue Code, all Treasury regulations and other official guidance, rulings and advice and automatically assimilate updates.

Tax compliance won't be a manual, deadline-driven, reporting process. Accountants will be able to give clients a real-time view of their tax position throughout the year and offer forward-looking strategies to improve their business.

AUDITING

Cognitive computing can also be used to pore over thousands of pages of contracts and other documents, quickly summarizing them into useful criteria. Auditors will be able to analyze larger populations of data than possible in traditional

sampling. As a result, they will free up time to focus on areas requiring more judgment and expertise.

TREND ANALYTICS

Cognitive computing can reveal insights that can inform operational and strategic decisions for clients. Accountants will be able to take large and complex data sets to make high-quality predictions for their clients, giving them an edge in their field.

Rather than taking the place of accountants, we believe cognitive computing will be used to augment the skill sets in our profession. It will serve as a complement to the evolution of accountants from technical advisors to strategic, value-added advisors. We already see the big names investing heavily in this technology. It's wise to actively embrace its potential, rather than live in fear of its uncertainties. ■



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