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CPA Practice Advisor

MARCH 2018

VOLUME 28
NUMBER 2

Today's Technology for Tomorrow's Firm

UNDERCOVER
OPERATION
RESULTS IN

**NEW
VERSION**
OF FRESHBOOKS

TOP SECRET

Project BillSpring

FEATURE

Busy Season
Opportunities

FROM THE TRENCHES

Why and How:
Cognitive Computing

THE LABOR LAW ADVISOR

An Aging Workforce:
Is 60 the New 40?

PRODUCT REVIEWS:

Invoicing
Accounts Receivable

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There are Thought Leaders Among Us

THE TERM “THOUGHT leader” has been around since the late 1800s, which makes me really happy because I was afraid it was something that was made up in the past couple of decades, like “paradigm shift” and “think outside the box.”

According to the *Cambridge English Dictionary*, a thought leader is an expert on a particular subject, whose ideas and opinions influence other people, especially in business. The *Oxford Living Dictionary* defines thought leader as one whose views on a subject are taken to be authoritative and influential. And the online *Business Dictionary* says a thought leader is a

gathered in Indianapolis in March for their annual meeting. The group of 30 has been meeting for 10 years (originally it was called the 25 top thought leaders, and the name seems to have stuck, even though the total number has crept up to 30).

The group that forms the Accounting Thought Leader Symposium is made up of members from all walks of the accounting profession. They take time out of their busy schedule to join forces once a year, reignite their passion, and consider their influential roles in moving the profession forward. Their goals are to touch base with one another, learn about the latest innovations, assess their roles in the profession, debate issues that are impacting accountants and their profession, learn from each other – it’s like taking a big drink of accounting soul juice for two and a half days.

In addition, many accounting technology providers seek out the opinions of these leaders as they make their own plans for the future. They discuss their direction as well as plans for improvement and innovation. They look for guidance and they look for the fresh outlooks that people who have seen the changes in the profession

for years, in some cases decades, can provide.

I’ve had the honor of facilitating this meeting for five years, and each year people ask me about the meetings, the members, and how to join. The meetings are roundtable discussions, topics are chosen in advance, and goals are open-ended. Some of the members have been in the group since inception. As members leave the profession or choose to leave the group, new seats open up (we are capped at 30 members), and there is a nomination process and voting for new members to join the group.

If you’ve been in the profession for a while, you’ve probably heard of all or most of the members of the symposium. They are the speakers, the writers, the leaders, the educators, the visionaries, the ones people turn to when they want to hear the voices of knowledge and experience. They are the keynote speakers. They are the people who wield influence in our profession. And none of them call themselves thought leaders – that’s a term that those who learn from them use when describing them. ■

— Gail Perry, Editor-in-Chief



2018 CPA Practice Advisor Thought Leaders.

person or thing that holds a dominant or superior position within its field and is able to exercise a high degree of control or influence over others.

Influence seems to be the key element in all these definitions. And influence is definitely the unifying factor if you look around the room at the accounting thought leaders who

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WHY AND HOW: Cognitive Computing

EMERGING TECHNOLOGIES HAVE always changed the practice of accounting. Further, your clients' businesses also change based on their choices to use technology. Emerging technology is no longer "emerging" when it becomes mainstream. For example, Optical Character Recognition (OCR) has been evolving from an emerging technology to a mainstream technology. If you use an expense reporting product like Zoho Expense, a 1040 workpaper product like CCH ProSystem *fx* Scan, or a note taking tool like Evernote that does OCR, you are beginning to appreciate how well OCR works now compared to a few years ago.

As the second column in a lengthy series on emerging technologies, it is time to begin building a framework to understand emerging technologies. Most of these emerging technologies have a relationship, much like the Grand Unified Theory (GUT) of particle physics. You'll see the overall relationships in a later column. In the first column, you were introduced to a structure to understand each of the emerging technologies in a simple table. Each why and how column will contain a table summarizing the main concepts, as you can see on the next page. Now, for the subject at hand.

Cognitive Computing (CC) is based on the scientific disciplines of artificial intelligence and signal processing. These platforms encompass machine learning, reasoning, natural language processing, speech recognition and vision (object recognition), human-computer interaction, dialog and narrative generation, among other technologies. Cognitive Computing applications link data analysis and adaptive page displays (AUI) to adjust content for a particular type of audience. Another definition of CC is: hardware and/or software that mimics the functioning of the human brain and helps to improve human decision-making.

Because of the way researchers position CC, it is close to the GUT of

emerging technologies. Making computers act and respond like humans is what CC is all about, and research areas largely lead back to CC.

WHY?

After reflection, you'll find that the concept behind Cognitive Computing is obvious. The goal is to build sufficient technology to meet or exceed what a human can do in the same role. While this sounds futuristic, much progress has been made in the last 40 years, particularly after a major shift in the strategies, called algorithms changed in the 1990s. Instead of trying to program computers to do each step, computer scientists and developers started using statistical models to help computers learn. These statistical machine learning techniques are used by companies like Receipt Bank and Zoho in the software products they have brought to market.

But note that the definition of CC includes data analysis and adaptive page displays. Applications that apply CC methodologies learn, analyze and present the data in a clear, usable way faster and more accurately than can be done by a person. The AUI approach is supported in browsers and mobile devices by HTML5 and responsive web design. Receipt Bank 1Tap is an

example of how these technologies are being used today. While the goal is 100% accuracy in all computing, algorithms are not perfect. But then again, neither are people.

However, 1Tap is the closest piece of technology to 100% accuracy in the field of accounting today. Applications will continue to use one-upmanship just like we saw in the early days of spreadsheets with Lotus 1-2-3, SuperCalc and Excel each introducing new features and innovation in each release. The pace is frenetic, although sometimes not well-tested in SaaS products because managers don't understand how to properly manage developers in scrum techniques...but that's a topic for a different column. Competition was good and led to superior functionality.

So why do we want cognitive computing? To provide automation of routine tasks giving us and clients time to focus on more important business goals. As I learned from Brock Philp, now CEO of Newforma, in 2016 while he was President of Doc.It workflow and document management systems, "If you say it real fast, it sounds easy," applies to Cognitive Computing and most emerging technologies. CC has required a mighty effort to build and understand, and the hardware and software computing resources needed to make it all work well have

just become available in the last ten years or so.

HOW?

So how do Cognitive Computing approaches work? They are:

- **Adaptive:** They may learn as information changes, and as goals and requirements evolve. They may resolve ambiguity and tolerate unpredictability. They may be engineered to feed on dynamic data in real time, or near real time.
- **Interactive:** They may interact easily with users so that those users can define their needs comfortably. They may also interact with other processors, devices, and Cloud services, as well as with people.
- **Iterative and stateful:** They may aid in defining a problem by asking questions or finding additional source input if a problem statement is ambiguous or incomplete. They may "remember" previous interactions in a process and return information that is suitable for the specific application at that point in time.
- **Contextual:** They may understand, identify, and extract contextual elements such as meaning, syntax, time, location, appropriate domain, regulations, user's profile, process, task and goal. They may draw on multiple sources of information,

including both structured and unstructured digital information, as well as sensory inputs (visual, gestural, auditory, or sensor-provided).

What does this mean to the practice of accounting and to accountants?

We have several working examples available from larger companies:

- **IBM Watson** – Tax processing for New York State, summarized on an innovative web site for marketing by the firm R&G Brenner Income Tax
- **KPMG** – Audit Services with IBM Watson, reported by AI Business
- **Deloitte** – Center for Technology, Media and Telecommunications

The next step will be to get these approaches simplified, less expensive and gain the ability to work in the mass market with mid-size and small accounting firms and their clients.

As development continues and cognitive computing transitions from an emerging technology to a mainstream technology, they will choose from many open source and proprietary suites that have cognitive computing capabilities. Examples today include:

- SparkCognition
- Microsoft Cognitive Services
- Expert System
- IBM Watson
- Numenta
- Cisco Cognitive Threat Analysis
- Facebook Deepmind
- Customer Matrix
- Cognitive Scale
- HPE Haven OnDemand

In future articles, if there are other examples of products available today that are working, they will be included here. We are not convinced that many of the vendors really have cognitive computing applications working. They are simply riding the band wagon of popular marketing terms or the latest fad.

For example, at the Consumer Electronics Show in Las Vegas in 2018, it was clear that there were emerging technologies that would become strategically important as brilliantly

summarized by Richard Quinell, editor-in-chief of *Electronic Products* in his article, “Peek behind the curtain at CES 2018 reveals innovations to come.” However, Brian Tankersley, director of strategic relationships at K2 Enterprises, LLC, and I concluded after our week at CES 2018 that there was a lot of “artificial, artificial intelligence”. Just like the first column in this series referred to a lot of “want to be” players in emerging technologies where their claims are ludicrous, loony, and ill-informed, there are a lot of band wagon/want to be vendors who frankly don’t have the technology or tools available or in use now.

When you see a tool listed at this point in future articles, you’ll know that it has been vetted to be the “real deal.” The best example of a tool for accounting that is working today is:

■ **Receipt Bank 1Tap**, used for small business tax Schedule C automatic accumulation and classification. With the company’s current strategy, you can pay one annual fee and use this product with an unlimited number of clients. It is a marvelous value.

Key Information

Why is the new technology better?

How can you do this today?

Risks

Where/When to use

How Much?

Displaced technology or service

Other resources

Technology: Cognitive Computing

It is the overall container for most emerging technologies

SparkCognition, Microsoft, Expert System, IBM

Need to properly define needs

When you need human/machine interfaces

Depends on platform

Traditional computing

CPA Practice Advisor magazine

Here’s a summary of what you need to know about Cognitive Computing:

Cognitive Computing is among the most difficult of the emerging technology concepts to grasp because to understand it fully, you need extensive computer science background. However, I’m reminded of the saying “don’t tell me how to make a watch, when all I want to know is the time” whenever

emerging technology is discussed.

As a practitioner of accounting, you have real world client problems to solve, and just want to know which solutions work, what they do, and which products or approaches you should avoid. That will continue to be my job in future Why and How columns.

RECOMMENDED NEXT STEPS

Watch for applications that have automatic classification and can interface to many different systems. Products that are just arriving in the market will probably be built with new generation development tools that leverage emerging technologies. There will be hype and lies, so you’ll need to be careful that you don’t get a solution that is not built properly to work at scale and in all situations. We saw that mistake made over the last ten years with 1040 Workpaper products. With today’s development tools (SDKs and APIs), it is possible to build a more sophisticated product rapidly. One caution that even the developers frequently miss: be aware

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A person wearing a white lab coat is holding a folder. The folder has a red stamp that says "TOP SECRET" and a green leaf icon. The folder also has the text "Project BillSpring" written on it. The background is dark.

COVER STORY

UNDERCOVER
OPERATION
RESULTS IN

NEW VERSION

OF FRESHBOOKS

By Gail Perry, CPA, Editor-in-Chief

FRESHBOOKS, AN ACCOUNTING program designed for small businesses, particularly those in the service-based arena, has been a household name in accounting software circles for about 15 years. But recently something has changed. Okay, well the household name thing didn't change. But the FreshBooks program you have heard about for more than a decade is not your father's FreshBooks anymore. And to get to where it is today, this program underwent one of the most innovative change-ups that I've ever encountered in this space.

It was late 2013 when FreshBooks CEO Mike McDerment found himself looking back and forward at the same time. "We have this market-leading product, we were the easiest to use, but when I think about five years into the future, are we set up with our technology and our platform to win? Can we truly realize the vision we want for our target segment? I started to have my doubts," explained McDerment.

"Since we started [in 2003], all the technology for people who've used products like ours had been created in the last 10 years. There were no smart phones when we started, no expectation of people using products on their phone as well as desktop. And it's not just using it on another device, but people expect today to push a button on their phone and have a car show up at their front door. As much as we had the easiest product to use, as much as we were the segment leader, I started saying you know what, I'm not sure if we're set up to win five years from now. So, we had better do something about that."

McDerment was convinced the dated technology used for the FreshBooks platform would not stand the test of time, and that the obvious solution was to redo the platform. Not just improve it, but completely rewrite the platform.

McDerment said he could think of a "whole bunch of really good reasons" why they shouldn't do a complete rewrite. "In terms of risk, there's no greater risk for a software company than rewriting. Chances are you won't even finish the project. It will take longer than you think. It will cost more. When you do it, the customers could like it less. And there are no guarantees that by building a new platform it's a better product. The number one rule in software is you don't replatform your software."

With that in mind, McDerment

FRESHBOOKS



cloud accounting

said that to move forward with a plan for revising the product, they had to establish some constraints.

- The product had to be completed within a reasonable period of time.
- It had to perform better than the existing product.
- McDerment didn't want his competition watching him.
- He wanted to create conditions where his team could take enormous risks.

Also, McDerment wanted to be able to test the product before launching it. He considered launching in another country where he had a smaller footprint, but then he had his eureka moment. "What if we created a new company and competed with ourselves?" A new company could have its own name, brand, logo, website, articles of incorporation, user agreement, service staff – "We could use that to figure out if we could build a product that's truly better than the one we were offering."

And so, the FreshBooks team went undercover and created a completely new product. Two years later BillSpring was launched. "It was free for a long time," said McDerment. "If you have a free product, you can do anything you want including losing people's data (we didn't). I wanted to create a condition where the team could take risks, big scary risks, and keep people from watching us."

The secret had to be airtight. "We wanted to stay under

FreshBooks client base, the team took extra care. "We wanted to introduce the revised product in a way that wouldn't upset existing customers or undermine their trust in us," said McDerment. "We had two goals – retain customers, and use this as an event to build trust, not diminish it."

Built into the new product was the ability to easily transition users and their data from FreshBooks (classic) to new FreshBooks (aka BillSpring). More importantly for some users, built into the product was also the ability to transition right back to FreshBooks classic if for any reason the user didn't want to use the new version.

When the transition occurred in mid-2017, anyone who signed up for FreshBooks as a new customer got the new product. "We started inviting our existing customers to try out and switch to the new version. They would receive the invite, log into their account, click a link, and all data would move over for them. The lion's share of people stayed. In some cases people didn't and we let them move back to their familiar version of FreshBooks." FreshBooks plans to continue supporting the classic version for the foreseeable future.

Amazingly, for over two years, 250 people on the FreshBooks team kept the BillSpring secret - even from family members. "My wife found out about this the day we launched it publicly," said McDerment. "That's true of my cofounder as well. It had been the biggest thing in our lives for two years and our wives didn't even know about BillSpring." ■

You can find out more about the features available in the new FreshBooks program online at www.CPAPracticeAdvisor.com/12402863

2018 Reviews of Invoicing Systems

ACCOUNTS RECEIVABLE AND invoicing are designed as a partnership of sorts, which is why they're being reviewed in the same issue. After all, when you prepare and process an invoice, you want to then track that invoice, ensuring that the customer receives it on time and that payment (AR) is received on time. In fact, in order to utilize your accounts receivable capability properly, you'll need to have a comprehensive invoicing function available as well. One simply will not function properly without the other.

The invoice serves as formal notification to your customers or your clients that you expect to be paid for your services or your products by an agreed upon date. It also allows you to have an accurate accounts receivable balance at all times.

But a solid invoicing function does much more than simply produce a piece of paper with an amount on it. Offering a variety of payment options can be an important piece of the invoicing process. The fact remains that the easier a business can make it to pay an invoice, such as electronically or online, the less time they will have to wait for payment, and the less time they will have to spend initiating various collection procedures to ensure that the invoice does eventually get paid. The ability to process recurring invoices for items such as subscriptions and memberships, or monthly donations is important, as are things such as invoice branding

and customization capabilities. And it never hurts to send customers a payment reminder, which can be done via text or email. The ability to easily invoice for services is another key feature of any invoicing application.

For the Invoicing review, we looked at many of the same products that were included in the Accounts Receivable review also in this issue, primarily because the two features are so closely linked. These products range in scope, with some designed for smaller businesses with less complicated needs, to those that would be comfortable in an enterprise level environment. There are also a few products that are designed exclusively for accounting professionals. During the review process, we honed in on a number of key features and functionality that we felt were important

for any invoicing application. These features include:

- Attaching files to invoices
- Automated late fees
- Automatic payment reminders
- Customizable invoice templates
- Customer statements
- Discounts
- Estimates/quotes
- Integration with other applications
- Integration with the core functions
- Multi-currency
- Online payment options
- Reporting
- Sales taxes
- Recurring invoices
- Time and expense tracking

A comprehensive chart is available for readers to quickly view the features and functionality found in each of the applications reviewed to determine whether a particular product offers a specific feature. It's important to note that while the chart highlights a particular set of features, it does not ultimately determine the final rating of the product, which is determined by a variety of aspects.

The products in the Invoicing review vary widely, with some offering basic invoicing functionality, while others offer more invoicing options. The products included in the Invoicing review include:

Accounting Software Applications:

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

Invoicing Apps:

- Free Agent
- Zoho Invoice

Invoicing Utilities:

- Bill.com
- FundBox
- InvoiceSherpa

If you're in business, you need to be able to invoice your customers. And while the invoicing needs of the global corporation are not the same as those of a contractor, or an accounting firm, the bottom line is that each one of those entities needs solid invoicing capability. When coupled with solid Accounts Receivable capability, Invoicing provides business owners with the functionality they need to survive: the ability to be paid, on-time, for the products or services they provide. Hopefully finding the perfect invoicing solution is as close as this magazine issue.

	CUSTOMIZABLE TEMPLATES	ESTIMATES/QUOTES	RECURRING INVOICING	AUTOMATIC PAYMENT REMINDERS	ATTACH FILES TO INVOICES	REPORTING	AUTOMATED LATE FEES	CUSTOMER STATEMENTS	DISCOUNTS	MULTI-CURRENCY	TIME & EXPENSE TRACKING	ONLINE PAYMENT OPTIONS	SALES TAX	INTEGRATION WITH GL	INTEGRATION WITH OTHER APPLICATIONS
ACCOUNTING POWER	X	X	X			X	X	X	X			X	X	X	X
ACUMATICA CLOUD ERP	X	X	X	X		X	X	X	X		X	X	X	X	X
FREE AGENT	X	X	X		X	X			X	X	X	X	X	X	X
FRESHBOOKS	X		X	X		X	X	X	X	X	X	X	X		X
SAGE INTACCT	X	X	X	X		X	X	X	X	X	X	X	X	X	X
KASHOO	X		X			X		X	X	X		X	X	X	X
QUICKBOOKS	X	X	X	X	X	X		X	X		X	X	X	X	X
SAGE 50cloud	X	X	X	X		X	X	X	X			X	X	X	X
THOMSON ACCOUNTING CS	X		X	X		X	X	X	X				X	X	X
WAVE	X	X	X	X		X		X	X	X		X	X	X	X
XERO	X	X	X	X	X	X		X	X	X		X	X	X	X
ZOHO INVOICE	X	X	X	X		X			X	X	X	X	X		X

AccountantsWorld Accounting Power

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Accounting Power, from Accountants World is designed exclusively for accounting professionals and offers complete bookkeeping and accounting functionality that can be offered to their clients. Accounting Power, like all AccountantsWorld applications, is

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★ **4.5** 2018
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RATING

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www.acumatica.com

Acumatica Cloud ERP is a complete financial management application best suited for mid-sized businesses with more complex accounting and financial needs. Acumatica is available as a SaaS application and can also be accessed

from any iOS or Android smart phone or tablet. A complete financial management application, Acumatica offers GL, AR, AP, Cash Management, Tax Management, Inter-Company Accounting, Payroll, and Fixed Asset Management.

Acumatica is available in a variety of editions, including a Small Business Edition, Advanced Edition, Commerce Edition, Field Service Edition, Manufacturing Edition, and Enterprise Edition. Well-suited for the mid-sized business, with anytime/anywhere

★ **5** 2018
OVERALL
RATING

access, Acumatica pricing is available upon request.

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12399115](http://www.CPAPracticeAdvisor.com/12399115)

FreshBooks

www.freshbooks.com

FreshBooks is an online accounting application best suited for freelancers and very small businesses. FreshBooks really focused on client time and billing, but also offers solid invoicing

capability. A mobile app is also available for both iOS and Android smart phones and tablets.

FreshBooks offers solid invoicing capability, including excellent payment options and solid invoice tracking capa-

bility. FreshBooks offers three versions starting at \$15.00 per month, with a Premium version available for \$50.00 that supports up to 500 clients.

★ **4.5** 2018
OVERALL
RATING

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12399140](http://www.CPAPracticeAdvisor.com/12399140)

Kashoo

www.kashoo.com

Kashoo offers cloud-based accounting functionality, and is best suited for small businesses. The product also offers a mobile app that works with both iOS and Android smart phones and tablets, allowing users to access

the program from anywhere.

A completely integrated accounting product, Kashoo's core functions share data seamlessly, while also offering integration with a variety of banking institutes. The system also offers an optional payroll app as well as

integration with credit card processing systems, FreshBooks, and Square.

Well-suited for small businesses, Kashoo pricing is currently \$16.65 and includes product support as well as mobile access. A free 14-day trial is also available as well.

★ **4.25** 2018
OVERALL
RATING

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12399144](http://www.CPAPracticeAdvisor.com/12399144)

QuickBooks Online

www.quickbooksonline.com

QuickBooks Online is designed for the small business owner, offering easy anytime/anywhere system access that its desktop edition is lacking. Available in three editions, QuickBooks Online can be utilized by the freelancer as well

as the start-up and growing businesses.

QuickBooks Online is truly designed for the mobile user, offering a very different interface than the traditional desktop version. The product also offers a free mobile app in all product editions, and it is optimally

designed for easy mobile navigation.

QuickBooks Online is available in three editions: Simple Start, which is \$7.00 per month, Essentials, which is \$17.00 per month, and Plus, which is \$25.00 per month. Pricing reflects a 50% discount for the first three months

★ **4.75** 2018
OVERALL
RATING

of the subscription. There is also a free 30-day trial available as well.

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12399150](http://www.CPAPracticeAdvisor.com/12399150)

REVIEW: INVOICING SYSTEMS

Sage 50cloud

www.sage.com

Sage 50cloud Accounting from Sage Software is a hybrid product that combines the functionality of a desktop system with the convenience of a cloud application. Sage 50cloud is scalable as well; offering three versions that are make it well suited for freelancers and

small businesses alike.

Sage 50cloud offers complete financial and accounting capability including both Payroll and HR modules as well. The latest version of Sage 50cloud offers numerous product updates, including enhancements to Sage Dashboard and Office 365. Other enhancements include the ability

to snap a picture of a receipt to later upload to Sage 50cloud. Significant enhancements to the Sage One Mobile Invoicing feature.

Pricing varies depending on the version purchased, with Sage 50cloud Pro Accounting (1 user system) running \$439.00 per year, Premium Accounting (5 user system) running \$679.00 per

★ **4.75** 2018
OVERALL
RATING

year, and Quantum Accounting (10 user system) running \$1,729.00 per year.

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12399148](http://www.CPAPracticeAdvisor.com/12399148)

Sage Intacct

www.sageintacct.com

Sage Intacct is a cloud-based financial management system for small and mid-sized businesses. Formerly known as Intacct ERP, the product was acquired by software giant Sage in July of 2017. Known now as Sage Intacct, the product has retained the features

and functionality if offered prior to the acquisition. Sage Intacct offers an excellent selection of modules, including GL, AP, AR, Order Entry, Purchasing, and Cash Management, along with a long list of add-on modules.

Sage Intacct is a completely integrated financial and accounting

application designed for mid-sized to larger businesses that require more robust invoicing and AR capability. Sage Intacct offers those interested a 30-day free trial of the product, with users able to obtain a quote for the application directly from Sage. Pricing generally starts at around \$400.00

★ **4.75** 2018
OVERALL
RATING

per month, depending on modules purchased and user needs.

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12399145](http://www.CPAPracticeAdvisor.com/12399145)

Thomson Reuters Accounting CS

[Tax.thomsonreuters.com/cs-professional-suite](http://tax.thomsonreuters.com/cs-professional-suite)

Made exclusively for accounting professionals, Accounting CS from Thomson Reuters, offers excellent invoicing options, and is part of the Accounts Receivable feature found in Accounting CS. It's important to

note that the Accounts Receivable feature must be enabled in order to utilize the accounts receivable and the invoicing functions. An excellent choice for accountants wishing to offer bookkeeping and accounting services

to their clients, the invoicing function works in conjunction with the accounts receivable function in the product.

Accounting CS pricing is available from Thomson Reuters upon request. Those interested can download a product demo to try out prior to purchasing.

★ **4.5** 2018
OVERALL
RATING

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12399117](http://www.CPAPracticeAdvisor.com/12399117)

Wave

www.waveapps.com

Wave is a cloud-based app designed for freelancers and very small businesses. Available for free, Wave also offers some add-on apps that are available for a small fee. Designed for flexibility, Wave also offers a mobile app for both iOS and Android smart phones and

tablets.

The latest version of Wave offers enhanced navigation, the ability to auto-reconcile payments, and the addition of a Cash Flow Statement, with additional changes continuing to be rolled out throughout 2018.

Wave is a completely integrated

system, with all features working well together. Along with the optional payment app, Wave also offers a payroll app as well. Wave also integrates with third-party applications such as Shoeboxed, Etsy, and PayPal.

Wave offers solid accounting, invoicing and bill payment capability,

★ **4.25** 2018
OVERALL
RATING

as well as optional payment acceptance and payroll add-ons. Users can sign up for free at Wave.com.

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12399147](http://www.CPAPracticeAdvisor.com/12399147)

Xero

www.xero.com

Xero is best suited for small business owners, or accounting professionals that offer accounting and bookkeeping services to their clients. Cloud-based, Xero is available in three editions, making it suitable for even the smallest

business.

Xero is a completely integrated application, with all features working together. The product also offers integration with over 500 third-party apps as well.

The Starter version of Xero is cur-

rently available for \$9.00 per month, the Standard edition is now \$30.00 and the Premium edition remains at \$70.00. All editions include unlimited user capability as well as free product support and free product upgrades.

★ **4.75** 2018
OVERALL
RATING

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12399146](http://www.CPAPracticeAdvisor.com/12399146)

FreeAgent

www.freeagent.com

Free Agent is an easy-to-use, online accounting software product designed for freelancers and very small businesses. Free Agent offers on-the-go invoicing capability, along with decent

expense management and payment acceptance capabilities.

Free Agent offers complete, basic accounting capability, with all features and functions designed to work together.

Those interested in Free Agent can try the product out at no cost for 30 days. After 30 days, the cost rises to \$12.00 per month for the next 6 months, then to its final cost of \$24.00 per month.

★ **4.75** 2018 OVERALL RATING

Read the full review for this product online at: www.CPAPracticeAdvisor.com/12399142

Zoho Invoice

www.zoho.com/invoice

Zoho Invoice offers an easy way to process invoices. Designed for freelancers and small businesses, Zoho also offers Estimating, Online Payment,

Time Tracking, and a client portal, where customers can easily access all pertinent documents. Completely web-based, Zoho also offers mobile apps for iOS, Android, and Windows devices.

Zoho Invoice currently offers a free

version designed for those that process less than 5 invoices a month. Other editions include Basic, which is \$9.00 per month, Standard, which is \$19.00 per month, and Professional, which is \$29.00 per month.

★ **4.75** 2018 OVERALL RATING

Read the full review for this product online at: www.CPAPracticeAdvisor.com/12399149

Bill.com

www.bill.com

Designed to work with current accounting software, Bill.com is widely utilized for its excellent AP automation. But Bill.com offers solid payment processing capability as well. Best suited for small businesses, Bill.com helps to facilitate the accounts

receivable process by offering business owners the ability to accept electronic payments, including ACH, EFT, credit cards, and PayPal. Integration with popular accounting applications such as QuickBooks, QuickBooks Online, NetSuite, Xero, Intacct, Microsoft Dynamics and Sage help to ensure

that payment information processed through Bill.com will be automatically reflected in any corresponding accounting application as well.

There are four versions of Bill.com available, starting at \$29.00 per month for the Essentials version, though users will need the Team version in order to

sync Bill.com to current accounting software. An Accountant/Partner Program is also offered, which runs \$49.00 per month.

Read the full review for this product online at: www.CPAPracticeAdvisor.com/12399134

Fundbox

www.fundbox.com

Sometimes a single late payment can have catastrophic results for the small business owner. Fundbox is designed to proactively address cash flow issues that small business owners can face, providing owners with the ability to have consistent cash flow, regardless of the payment history of their

customers.

Fundbox makes it easy to get started, allowing those interested to create an account at no cost, as fees are only assessed when funding is requested. After creating an account, users then connect either accounting software of their bank accounts for Fundbox to have access to during the

review process. Supported accounting software includes Clio, FreshBooks, QuickBooks Desktop, QuickBooks Online, Xero, Zoho, and others. Once approved, business owners can then request funding when necessary. All of this is done without accessing personal credit.

For the very small business

owner that relies on timely customer payments, Fundbox can truly be a lifesaver; or at least a business saver.

Read the full review for this product online at: www.CPAPracticeAdvisor.com/12399138

InvoiceSherpa

www.Invoicesherpa.com

Designed to work with a variety of popular third-party small business accounting applications such as QuickBooks, Xero, Harvest, and FreshBooks, InvoiceSherpa completely automates the AR process, including offering various bill payment options.

InvoiceSherpa works by syncing

with the users' current accounting application, enabling the product to access all accounting data directly, including current invoices. Once access is enabled, InvoiceSherpa provides users with a variety of options that they can utilize, including the ability to send notifications to customers when an invoice is created and a reminder

when payment due dates approach. The product will also send past due notices as well.

InvoiceSherpa is available in three versions: Sole Proprietor version which is \$49.00 per month, and can handle up to 100 invoices. Small Business and Enterprise versions that handle a greater number of invoices are avail-

able as well, with all versions offering payment and accounting software integration capability.

Read the full review for this product online at: www.CPAPracticeAdvisor.com/12399139

The Taxability of Cryptocurrency

By Dave DuVal, EA

This past year, cryptocurrencies, particularly Bitcoin, saw a meteoric rise in popularity and usage. Once considered something that is only utilized by cutting-edge tech gurus, cyber criminals, and those who trade on the black market, cryptocurrency took residence on Main Street America in 2017. Hopefully, your tax organizer has a couple of questions about cryptocurrency this year. At minimum, we as tax practitioners should be asking all our clients if they invested in or received any income in cryptocurrency.

But do you know what to do if that answer is “yes”? What do we do if some of our clients have invested in Bitcoin or started using it to pay for goods or services like groceries, movie tickets and clothing? Although your first instinct may be to place the return in the extension drawer, lock your office and place a sign on the front door that reads “Gone Fishing Until July,” the situation is not that dire. In fact, it may be more manageable than you first thought.

Cryptocurrency is a form of convertible virtual currency. Because those who accept it agree upon its value, it can be used as a medium of exchange for goods, services, or fiat currency. Although it can be used like any other currency for buying and selling purposes, it does not have “legal tender” status in the United States. In IRS Notice 2014-21, the IRS stated that for U.S. tax purposes, cryptocurrencies like Bitcoin or Ethereum are to be treated as property for tax purposes, not as currency. Some countries, like Japan, treat Bitcoin as legal tender, while others may ban its use entirely.

Since issuing Notice 2014-21, however, the IRS has been silent about the tax issues surrounding Bitcoin and other cryptocurrencies. All the general tax principles that apply to property transactions will apply to cryptocurrency transactions. This means that using virtual currency may be similar to bartering transactions. For example, when

a taxpayer receives property in exchange for goods or services, the fair market value of the property on the date the property is received is includable in the taxpayer’s gross income. In this same respect, the basis of the virtual currency received as payment for goods and services must be measured in U.S. dollars as of the date of payment or receipt. To do this, the taxpayer receiving the virtual currency may use the U.S. dollar exchange rate on a digital currency exchange such as Coinbase, Kraken or Cex.io. Since cryptocurrency exchanges can have vastly different exchange rates, it is important for a taxpayer to choose an exchange with reasonable rates and use the same exchange on a consistent basis.

One area of Notice 2014-21 is clear: the IRS may impose such penalties as the accuracy-related penalties under Section 6622, and information reporting penalties under Sections 6721 and 6722 when taxpayers are using cryptocurrencies. On the other hand, the IRS stated that penalty relief may be available if the taxpayer can show reasonable cause for the error.

In addition to possible penalties for underreporting income from cryptocurrency transactions, the federal statute of limitations may be extended from three years to six years if the omission of income is more than 25% of total gross income reported on the taxpayer’s return. Remember, the extension of the statute of limitations will apply to all items on the return and not just the income that was omitted. For some states, the statute of limitations can be 20 years or more for substantially underreported income.

Continued online at
www.CPAPracticeAdvisor.com/12398310

THIS MONTH'S TOP TAX SOCIAL MEDIA POSTS

- New Tariffs Won't Work as Planned. **Scott A. Hodge, Tax Foundation.**
<http://bit.ly/2HpBHph>
- State Legislation for Online Sales Tax is All Over the Map. **Avalara blog.**
<http://bit.ly/2HpYLnO>
- Mnuchin Says IRS Needs More Funding. **Wolters Kluwer blog.**
<http://bit.ly/2FsSYBF>
- Tax Evasion Can Contribute to Loss of Professional License. **Tax Lawyer blog.**
<http://bit.ly/2oZ96R1>
- Tax Reform Isn't Over: Here Come the States. **Laura Rojo-Eddy, Thomson Reuters blog.**
<http://tmsnrt.rs/2p76nEc>

LATEST TAX NEWS

IRS Releases New 2018 W-4 Form. With the new tax law changes, it's especially important to also use the withholding calculator to make sure they have the right amount of withholding.

www.cpapracticeadvisor.com/12400766

Treasury Pushes Harder on Carried Interest Limits. The Treasury Department has moved to short-circuit a way to avoid this longer holding period by using the S corporation form of business ownership.

www.cpapracticeadvisor.com/12402139

All About Alimony and the New Tax Law.

For agreements entered into after 2017, the deduction is no longer available to payors, nor is alimony taxable to recipients.

www.cpapracticeadvisor.com/12400712

IRS Warns of Fake Charity Tax Scams.

These “fake” charities attempt to attract donations from unsuspecting contributors, using a charitable reason and a tax deduction as bait for taxpayers.

www.cpapracticeadvisor.com/12402237

IRS Increases Interest Rates for 2nd Quarter 2018.

Under the Internal Revenue Code, the rate of interest is determined on a quarterly basis. For taxpayers other than corporations, the overpayment and underpayment rate is the federal short-term rate plus 3 percentage points.

www.cpapracticeadvisor.com/12401796

Busy Season Opportunities

By Michael Wherry

ONE OF THE challenges many CPA firms face today is trying to figure out how to handle digital disruption and find new, valuable ways to work with clients. Let's break that sentence down into its two parts. First, digital disruption; what is it?

DIGITAL DISRUPTION

If you google, "What is digital disruption," you will see that every industry is affected by this. So, what is digital disruption in a CPA firm? This definition from Tech Target fits our profession well: "Digital disruption is the change that occurs when new digital technologies and business models affect the value proposition of existing goods and services."

Digital disruption is important because it is changing the value proposition between us and our clients. Knowing this allows us to change our focus away from amount of time we spend working on our clients to focus on what our clients value. The great thing about this is technology is at a point where we can free up time we typically spend on transactional and compliance work to roll up our sleeves and find higher value service opportunities with our clients.

NEW IDEAS

As a CPA, I well remember the challenges inherent in trying to be more proactive with client relationships during busy season. It's a time when we're so focused on getting a lot of work done that asking questions and thinking past the next deadline can sometimes be an afterthought. While getting the work done is obviously important, this time of year is also an opportunity to test new ideas and connect with clients.

What new ideas? I think we should start by asking two questions:

- How will busy season be different in 2025?
- What will be the same?

When I look into the future, I see a firm that doesn't spend much time on compliance. Technology will take care of that. I'm not sure which technologies, but we know that by 2025 compliance work as we know it will be disrupted by technology. Along with that, we anticipate the traditional paradigm of chargeable hours will have fallen by the wayside because compliance work will be handled so quickly that we'll be

forced to find another way to value the services we provide for clients.

Rather than fear this paradigm shift, we see it as a welcome change. A chance to focus on asking, "What's next?"

When you focus on what's next, pause and ask yourself what will stay the same. Two things come to mind for me:

- Client relationships
- Project management

CONNECTING WITH CLIENTS

What won't be different about busy season in 2025 is the need to connect with clients. In fact, it will become more important than ever to have frequent, meaningful conversations with clients year-round. There's no better time to work on this skill than busy season, when your services are front and center in your client's mind.

Start by asking your clients more questions. Here are a couple to get you started:

- How is technology disrupting them?
- Where do they see their business or personal situation in 2025?

The answers to these questions will help you focus on the things you can work on today to help your clients get where they want to be in seven years. Remember, everyone is impacted by digital disruption. Learn how your clients are handling it by asking the questions above.

PROJECT MANAGEMENT

Project management is a critical skill to master for success today and in the future. How would you rate your project management skills? Good project management starts with a focus on the end goal. What is it that you are trying to accomplish? You can shift your focus away from chargeable hours and focus on good project management with some new metrics. Here are a few ideas.

- The number of tax returns you reviewed per day or per week

Lean Six Sigma



- The number of tax returns completed by the firm this year-to-date compared to this time last year
- Average days between the end of fieldwork and the issuance of financial statements
- The percentage of financial statements drafted in the field
- The percentage of financial statements reviewed in the field

By focusing on connecting with clients and project management skills today you will be ready to bring new ideas to your clients and, in turn, deepen your client relationships. Now is a great time to embrace digital disruption as the opportunity that it is. Time is at a premium these days, but I encourage you to spend the time you have focusing on the skills and metrics that will carry you into the future. ■

As a CPA, Consultant and Lean Six Sigma Black Belt for Boomer Consulting, Inc., Michael leverages his past CPA firm experience to provide factual, reliable and thorough results on client engagements. He now focuses on Lean Six Sigma projects and training, strategic planning, technology planning and engagements designed to fulfill the custom needs of CPA firms across the country.



2018 Reviews of Accounts Receivable (AR) Systems

UNLESS YOUR FIRM or your clients operate on a cash only basis, an effective accounts receivable system is necessary for the success of the business. Not only useful for managing invoices and outstanding balances, a solid accounts receivable system also helps track vital data such as customer payment history and credit worthiness. A solid accounts receivable system can ensure that not only are you aware of what exactly is owed your firm or your client's business, but that you can be proactive when offering credit or initiating collection activity on a past-due invoice.

Yes, an accounts receivable balance is considered a business asset, but it's only an asset as long as customers are paying their bills on a timely basis. Otherwise it becomes an albatross, strangling business growth, and ultimately being written off as bad debt.

It's clear that business owners, like any of us, want to be paid on a timely basis. When we are an employee, we expect our paycheck to be received or deposited into our account on the agreed upon day. Business owners are the same. When credit is extended to a customer, it's with the expectation that the monies owed will be paid on time – on the agreed upon date,

whether that's 15 days or 30 days from the invoice date.

Successful business owners know that in order to remain successful, and in business, customers must pay their bills on a timely basis. A solid accounts receivable system offers a variety of features that can assist with that, including offering a discount for early payment, or the threat of a penalty if payment is received late. It also allows owners to issue credit memos, apply payments to numerous invoices, and even help determine credit worthiness.

That's why solid accounts receivable capability is an important component when looking to

purchase accounting software for your business or your client's business.

In this issue, we took a long look at a variety of accounts receivable systems that are available in popular accounting software products. These products range in functionality from basic accounting suitable for the small business, to enterprise level applications, to those designed strictly for accounting professionals. We also looked at some supporting applications that are designed to bolster accounts receivable functionality in their current accounting application. While reviewing these products, we paid particularly close attention to a variety of features and functions that are vital to any accounts receivable application. These features include:

- Accounts receivable reports
- Application of payment to multiple invoices
- Credit memos
- Customer credit limits
- Customer information levels
- Customer statements
- Electronic Payment Acceptance
- Finance charges
- Integration with core product
- Integration with third-party applications



- Mobile access
- Multi-currency
- Order history
- Payment history
- Payment information
- Return authorizations

Accompanying the reviews is a chart that allows readers to quickly ascertain whether a particular feature or function is available in each of the products reviewed. However, it's important to note that the inclusion or exclusion of a feature in a particular product

	CUSTOMER INFORMATION	CREDIT LIMITS	PAYMENT INFORMATION	PAYMENT HISTORY	FINANCE CHARGES	ORDER HISTORY	CREDIT MEMOS	RETURN AUTHORIZATION	APPLY PAYMENTS TO MULTIPLE INVOICES	REPORTS	CUSTOMER STATEMENTS	INTEGRATION WITH GL	INTEGRATION WITH OTHER APPS	MULTI-CURRENCY	MOBILE ACCESS	ONLINE & ELECTRONIC PAYMENTS
ACCOUNTING POWER	X		X	X	X	X	X		X	X	X	X	X			X
ACUMATICA	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
FRESHBOOKS	X		X	X	X	X			X	X	X	X	X	X	X	X
SAGE INTACCT	X	X	X	X	X	X	X	X	X	X	X	X	X	X		X
KASHOO	X		X	X						X	X	X	X	X	X	X
QUICKBOOKS	X		X	X		X	X		X	X	X	X	X	X	X	X
SAGE 50 CLOUD	X	X	X	X	X	X	X		X	X	X	X	X		X	X
THOMSON ACCOUNTING CS	X	X	X	X	X		X		X	X	X	X	X		X	
WAVE	X		X	X	X	X			X	X	X	X	X	X	X	X
XERO	X		X	X	X	X	X		X	X	X	X	X	X	X	X

ACCOUNTS RECEIVABLE SYSTEMS: REVIEW

may not necessarily affect the final product rating.

The products that are included in the 2018 review include:

Accounting Software Applications:

- Accounting Power (for accounting professionals only)
- Acumatica
- FreshBooks
- Kashoo
- QuickBooks Online
- Sage 50cloud

- Sage Intacct
- Thomson Reuters Accounting CS
- Wave
- Xero

Related Accounts Receivable apps:

- Centreviews AR
- Collbox
- Anytime Collect
- Fusebill
- PaySimple

While a couple of products are designed exclusively for accounting

professionals, others are suitable for the one-person office, or the growing business. Still others are designed for businesses with more sophisticated needs or those that have a global presence.

So whether you're just starting a business, looking to expand your accounting practice, or currently selling your products to customers in 27 countries, you need a solid accounts receivable system that

provides the features and functionality necessary for a successful business. Hopefully this issue will serve as the first step in helping you find one suitable for your needs, both today, and for years to come.

AccountantsWorld Accounting Power - AR Functions

www.accountantsworld.com

AccountantsWorld is a complete suite of applications designed for accounting professionals. Accounting Power, part of that suite, offers complete bookkeeping/accounting functionality; allowing accountants to offers these

same services to their clients.

AccountantsWorld applications are designed for accounting professionals and are not available to others outside the accounting professional. A good fit for firms that currently offer bookkeeping and accounting services

to their clients, or are interested in doing so, Accounting Power is available for \$1,195 per year. Users can also opt to purchase the complete Power CAS System which includes Accounting Power, Cloud Cabinet, Website Relief, Practice Relief, and After-the-Fact

★ **4.5** 2018 OVERALL RATING

Payroll for \$2,195 per year, or \$220 per month.

Read the full review for this product online at:

www.CPAPracticeAdvisor.com/12399081

Acumatica Cloud ERP - AR Functions

www.acumatica.com

Designed for mid-sized businesses, Acumatica Cloud ERP offers complete accounting functionality, including excellent AR processing and management. Acumatica's core financial management system includes GL,

AR, AP, Tax Management, Currency Management, and Cash Management capability, but Acumatica also offers integratable industry-specific and niche products including distribution management, customer management, project management, and

manufacturing management.

Acumatica offers users complete online access, and can be used on a variety of devices including PC, Mac, iOS, and Android smart phones and tablets. Acumatica pricing is available upon request.

★ **5** 2018 OVERALL RATING

Read the full review for this product online at:
www.CPAPracticeAdvisor.com/12399076

Freshbooks - AR Functions

www.freshbooks.com

FreshBooks is a cloud-based accounting product best suited for freelancers, start-ups, and very small businesses. FreshBooks is an excellent choice for those who need to track time and billing, and also offers a mobile app that works with iOS and Android smart

phones and tablets.

FreshBooks' true sweet spot is time and expense tracking, but the product also offers decent accounts receivable capability; allowing users to easily keep track of invoices and balances, while offering good client follow-up options as well. FreshBooks

offers three editions of its product, with all editions including a mobile app for smart phones and tablets.

FreshBooks Lite supports five clients and is priced at \$15.00 per month. The Plus version supports 50 clients and runs \$25.00 per month. A Premium version that supports 500

★ **4.25** 2018 OVERALL RATING

clients is also available for \$50.00 per month.

Read the full review for this product online at:
www.CPAPracticeAdvisor.com/12399151

Kashoo - AR Functions

www.kashoo.com

Kashoo is a cloud-based accounting application designed for small businesses. Unlike many other small business apps, Kashoo offers double-sided accounting ability, along with GL capability, with users able to easily

customize the application to suit their needs. Kashoo also offers mobile apps for both iOS and Android smart phones and tablets.

Kashoo offers complete system integration, with all features and functions integrating with the GL. Kashoo

also offers integration with a variety of banking centers and offers an add-on payroll app as well as integration with FreshBooks.

Pricing for Kashoo currently runs \$16.65 per month and includes product technical support. The company offers

★ **4.25** 2018 OVERALL RATING

a 14-day free trial to new small business users.

Read the full review for this product online at:
www.CPAPracticeAdvisor.com/12399101

REVIEW: ACCOUNTS RECEIVABLE SYSTEMS

QuickBooks Online - AR Functions

www.quickbooksonline.com

In its relatively short life, QuickBooks Online has quickly become a small business favorite. Designed for the small business owner, QuickBooks Online offers the anytime/anywhere flexibility lacking in its desktop version.

Scalable, with three online versions available, QuickBooks Online can be used by freelancers and very small businesses, as well as those looking for in-depth functionality.

QuickBooks Online is available in three editions; the Simple Start edition

is \$7.00/month, the Essentials edition is \$17.00/month, and the Plus edition is \$25.00/month. A mobile app is available in all three editions of the product at no additional cost. Current pricing reflects a 50% discount, and is good for the first three months of the subscription.

★ **4.25** 2018
OVERALL
RATING

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12399106](http://www.CPAPracticeAdvisor.com/12399106)

Sage 50cloud - AR Functions

www.sage.com

Sage 50cloud Accounting from Sage Software offers a convenient desktop/cloud hybrid application that offers freelancers and small business owners the functionality of a desktop

application with the convenience of cloud-based access. Sage 50cloud offers complete accounting and financial capability, along with add-on modules for both Payroll and HR.

Sage 50cloud is a great fit for the

small to mid-sized business. Available in three versions, Sage 50cloud Pro starts at \$439 per year, 50cloud Premium is \$679 per year, and Sage 50cloud Quantum runs \$1,729 per year.

★ **4.75** 2018
OVERALL
RATING

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12399095](http://www.CPAPracticeAdvisor.com/12399095)

Sage Intacct - AR Functions

www.intacct.com

The Sage Group announced in July of 2017 that they had acquired Intacct. Formerly known as Intacct, the product is now known as Sage Intacct, with much of the functionality of the

product remaining the same, including cloud-based accessibility.

Designed for mid-sized and larger businesses, Sage Intacct offer complete financial and accounting functionality, including GL, AR, AP, Order Entry, and

Cash Management modules, with all modules working together seamlessly.

Sage Intacct also offers a free 30-trial for those interested. Pricing is available upon request directly from the vendor.

★ **5** 2018
OVERALL
RATING

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12399108](http://www.CPAPracticeAdvisor.com/12399108)

Thomson Reuters Accounting CS - AR Functions

[Tax.thomsonreuters.com/cs-professional-suite](http://tax.thomsonreuters.com/cs-professional-suite)

Accounting CS, from Thomson Reuters, is designed for accounting professionals that offer bookkeeping and accounting services to their clients. Part of the CS Professional Suite of

Products, Accounting CS offers seamless integration with other Thomson Reuters products.

Accounting CS, from Thomson Reuters, offers excellent accounts

receivable capability for the accounting professional that is offering bookkeeping and accounting services to clients. Those interested can download a product demo. Pricing for Accounting CS and the AR option is available directly

★ **4.5** 2018
OVERALL
RATING

from Thomson Reuters upon request.
Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12399068](http://www.CPAPracticeAdvisor.com/12399068)

Wave Accounting - AR Functions

www.waveapps.com

Available at no cost, Wave offers accounting functionality for the freelancer or small business owner. Cloud-based, Wave also offers online payment acceptance capability through Wave

Payments as well as complete payroll functionality for a small fee. Wave also offers a mobile app designed for both iOS and Android smart phones and tablets.

Wave offers solid accounting functionality, including decent accounts

receivable processes. While Wave doesn't offer the bells and whistles of a more robust financial program, it is more than sufficient for its target market. Wave is currently available at no cost, with payment processing/

★ **4** 2018
OVERALL
RATING

acceptance and payroll apps available for a small fee.

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12399091](http://www.CPAPracticeAdvisor.com/12399091)

Xero - AR Functions

www.xero.com

Xero is a cloud-based accounting application well suited for small business owners. Xero offers three versions, Starter, Standard, and Premium, with all versions offering complete account-

ing functionality.

Perfect for accounting professionals that wish to utilize Xero when offering bookkeeping and accounting services to their clients. Xero recently reduced the cost of their product, with the

Starter Edition now \$9.00 per month, with Standard edition now \$30.00 and Premium remaining \$70.00. All editions of Xero include unlimited user capability as well as free product support and free product upgrades.

★ **4.75** 2018
OVERALL
RATING

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12399109](http://www.CPAPracticeAdvisor.com/12399109)

Anytime Collect AR Functions

AnytimeCollect.com

Anytime Collect is a cloud-based accounts receivable and collection tool that helps businesses get paid faster. Designed for any business that sells on credit, Anytime Collect is available in three versions; Express, Standard, and Enterprise. Anytime Collect automates the entire AR and collections process

by providing a number of features designed to make it easy for customers to pay, and make it easy to follow up or institute a collection process when they don't pay.

Anytime Collect offers online bill payment, with users able to send customers an email with a secure link, where they can pay their bill, quickly

and easily. The Auto Email feature automatically sends out emails to customers based on preferences defined during setup, including welcoming emails to new customers, bill payment reminders, and past due notices. Users can also attach supporting documents to emails.

Anytime Collect is ideal for busi-

nesses that need to manage AR and collections more proactively. Available in three versions, users can contact Anytime Collect for a quote.

**Read the full review
for this product online at:**
[www.CPAPracticeAdvisor.com/
12399062](http://www.CPAPracticeAdvisor.com/12399062)

Centreviews Business Intelligence Suite

www.centreviews.com

Suitable for very large businesses that process thousands of invoices monthly, Centreviews is an invoice/accounts receivable management product that works to consolidate the receivables process to a central repository. In doing so, Centreviews helps to ensure that

all the relevant pieces of a complex AR process are in one location, with users immediately alerted if any required documentation is missing. Once all documents are linked, they are stored in a searchable archive that can be accessed at any time.

Centreviews also offers users

both eBilling and ePayment options, including the ability to create and send electronic invoices, as well as receive electronic payments. Centreviews provides users with easy invoice/payment matching, reconciling remittances automatically.

Centreviews starts at \$500.00

per month, making it more suitable for larger business operations with multiple locations and more complex needs.

**Read the full review
for this product online at:**
[www.CPAPracticeAdvisor.com/
12399061](http://www.CPAPracticeAdvisor.com/12399061)

Collbox - AR Functions

www.collbox.co

Designed as a go-between, Collbox works to establish a link between businesses looking for collection services for past due accounts and verified reputable collection agencies.

It costs nothing to sign up for Collbox, as users are only charged when a

selected collection agency collects on a past due invoice.

Collbox offers integration with a variety of third-party accounting applications, including QuickBooks Online, FreshBooks, and Xero. They also expect to offer integration with Sage applications in the near future.

Collbox can be an excellent partner for the small business owner with limited staff available to initiate collection procedures, particularly since users pay nothing unless they use a collection agency. There are no fees for signing up for Collbox, with users only paying if a debt is collected. Collbox

also is a good debt collection solution for accounting professionals that wish to add debt collection to the menu of services offered.

**Read the full review
for this product online at:**
[www.CPAPracticeAdvisor.com/
12399077](http://www.CPAPracticeAdvisor.com/12399077)

Fusebill - AR Functions

www.fusebill.com

Fusebill is well-suited for businesses of any size that need help with managing subscription and recurring billings. Fusebill offers integration with QuickBooks Online, Salesforce, NetSuite, Avalara, along with other applications.

Fusebill offers complete subscrip-

tion management, including online invoicing and payment capability. Recurring billing is also supported, with a variety of pricing and billing models available including usage-based billing, one-time, tiered, volume, discount, calendar year, fixed recurring, and one-time billing.

Managing subscriptions and recurring billings can be time-consuming and confusing. Fusebill makes it easy to stay on top of the situation, offering easy management and payment options for customers. Fusebill offers three editions with the Start-Up edition running \$99.00 per month, with cus-

tom pricing available for an Enterprise edition for those processing more than \$10 million in AR revenue annually.

**Read the full review
for this product online at:**
[www.CPAPracticeAdvisor.com/
12399100](http://www.CPAPracticeAdvisor.com/12399100)

PaySimple - AR Functions

www.paysimple.com

Designed for the online entrepreneur, PaySimple offers simple payment processing capability, automating the billing, processing, and deposit of all payments. PaySimple easily processes electronic check processing, debit and

credit card payments, eChecks, and ACH transfers, along with recurring billing.

PaySimple can also track invoices along with a host of other services, including the ability to track invoices. Users are notified via email when any

transaction, such as a customer payment, takes place. A payment history is also available for users to access if desired.

PaySimple is a good choice for businesses looking to expand and automate their online payment options.

PaySimple pricing is \$49.95 per month, plus processing fees.

**Read the full review
for this product online at:**
[www.CPAPracticeAdvisor.com/
12399099](http://www.CPAPracticeAdvisor.com/12399099)

Businesses Not Assessing Risks of Adopting Emerging Technologies

By Isaac M. O'Bannon

While businesses across the U.S. are increasing their focus on emerging technologies to help transform how they work and serve clients and customers, many are not assessing the risks that come with their adoption, according to KPMG LLP's Tech Risk Management Survey.

Nearly half (47 percent) of the 200 senior IT risk management executives surveyed whose companies have adopted mobile applications and devices have not included them in recent IT risk assessments. The findings for other emerging technologies are similar, with 46 percent that adopted Internet of Things (IoT), 44 percent that adopted cloud computing, 34 percent that adopted artificial intelligence (AI) and 32 percent that have adopted robotic process automation (RPA) not assessing their risks.

For more information, visit <http://bit.ly/2FOWDdH> for the KPMG Tech Risk Management Survey Report: *Disruption is the New Norm*.

"Change and disruption has never moved faster and the

speed of technology deployment is critical, but it can't be at the enterprise's expense," said Phil Lageschulte, leader of Global IT Advisory Services for KPMG. "Tech risk management should anticipate changes while or before they happen and determine the associated risks. Accordingly, tech risk management should be involved in strategic business planning, embedding the risks and

adding value upfront."

While not actively assessing the risks of adopting emerging and disruptive technologies, the majority of those surveyed are very aware that these risks exist. And, the risks may only escalate as companies seek to increase their investment in these technologies. The survey found that companies expect to make significant investments over the next year in mobile (48 percent), IoT (46 percent), cloud computing (46 percent), RPA (41 percent) and AI (40 percent).

"Tech risk management is challenged to improve how it filters through data in a meaningful and consistent way so that it can efficiently communicate how this data impacts the business," said Vivek Mehta, partner in KPMG LLP's Emerging Technology Risk Services practice. "The proper parameters should be created to classify data so that the organization can make well-informed business decisions from it."

OTHER KEY FINDINGS

- IT Risk Management: Value Center Aspirations, But Still Treated As a Cost – While 88 percent of survey respondents agree that IT risk management is driving value for the organization: Nearly half (49 percent) expect their IT risk management spending to stay the same or decrease over the next three years.
- Less than half are involving IT risk management in their IT initiatives at the outset of the project.
- More than ¼ (27 percent) have a perception that IT risk management impacts time to market, challenging the notion that ITRM adds value to the organization. ■

THIS MONTH'S TOP SMALL BUSINESS SOCIAL MEDIA POSTS

- 10 Ways to Stay Inspired and Grow Your Small Business. **Small Business Trends.** <http://bit.ly/2p3ekKG>
- Cosmo's Guide to Starting a Small Business. **Cosmopolitan.** <http://bit.ly/2FrwUqd>
- How to Budget as a Freelancer. **Rieva Lesonsky from Corpnet blog.** <http://bit.ly/2C2iwUG>
- Six Lessons to Take a Brand from Startup to Growth. **Xero blog.** <http://bit.ly/2quukjp>
- 3 Signs a Tech Company Could be at Risk for a Telecom Audit. **Tony Susak from Avalara blog.** <http://bit.ly/2FtCcSS>



LATEST SMALL BUSINESS NEWS

When Should Business Owners Consider a Fidelity Bond. Fidelity bonds can provide a compensation for monetary losses, as well as damages and losses to property and other assets. www.cpapracticeadvisor.com/12401497

Ohio Manufacturers Worry Steel Tariff Will Cost Jobs. American manufacturers would end up paying higher prices for steel and are worried it would make their businesses less profitable. www.cpapracticeadvisor.com/12402158

79% of Business Execs Optimistic on Economy. Business executives are upbeat about prospects for the economy. www.cpapracticeadvisor.com/12402018

How to Incorporate a Business in a Different State. Delaware is a highly preferred state in which to incorporate because it has the most flexible corporate statutes in the country and is considered pro-business. www.cpapracticeadvisor.com/12399687

Women in Senior Management Down 2%. There has been little progress for women in senior leadership roles in the United States over the past year, according to a new report based on Grant Thornton's latest survey. www.cpapracticeadvisor.com/12402142



New QuickBooks Accountant Apps Program Streamlines App Management

QUICKBOOKS ONLINE CURRENTLY integrates with over 500 third-party apps available through the QuickBooks Apps Store (<http://apps.intuit.com>). These apps help extend the functionality of QuickBooks Online (QBO) by automating data inputs, streamlining workflows, and helping accountants and their clients get even more value from their software. With so many apps to choose from, Intuit has partnered with top-rated, accountant-recommended apps to make the set-up process even easier. Now inside the Apps tab in QuickBooks Online Accountant (QBOA), these featured app partners are available with preferential pricing for accountants, and are fully integrated with QBO so the accountant can provision right from within QBOA.

According to Kevin Hwa, senior product manager at Intuit, the new Apps Program is a more efficient way for accounting pros to “provision, purchase and manage apps on behalf of their clients.” The program begins rolling out in March, and is soon expected to be available to all QuickBooks Online Accountant users in the United States, United Kingdom, Canada and Australia. All of the apps in the program are highly recommended by accounting

pros, fully compatible with QBO and accessible with a single sign-on via QBOA. Apps initially available in the QuickBooks Accountant Apps Program are:

- Circulus (bill pay)
- Excel Transaction Importer and Deleter (the app name says it all)
- Expensify (receipt tracking and expense management)
- Float (cash flow forecasting)
- Method:CRM (customer relationship management)

- ServiceM8 (operational tool for trades and service businesses)
- SOS Inventory (enhanced inventory management)
- TSheets by QuickBooks (time tracking)

New apps will continually be added to the program and app selection will vary by country as the program aims to meet the unique needs of accounting professionals globally.

While the new program helps simplify the app selection process, it also helps simplify billing. These partner program apps are available with preferential pricing for accountants and, when purchased through the apps tab inside QBOA, your firm will receive one itemized, consolidated bill for all apps each month. Accounting pros who provision apps through the program on behalf of their small business clients can choose to pass the app savings onto their clients or bill their client at the non-discounted price to improve margins. As an accountant, your access to apps deployed on behalf of your clients won't count against their number of users that a given app subscription provides. Currently, apps cannot be

purchased at the discounted rate for internal firm use (on your own books), but this feature is coming soon.

Some apps in this program require prepayment, so as part of the purchase process you may be required to pay a prorated amount for the first month. To respect the permission settings you and your clients have arranged, only master admins are able to add apps on behalf of clients.

All of the apps in the program are available via the Apps tab in QBOA, the one place for you to manage your firm and your practice. If you're not yet familiar with QBOA, you can learn more here (<http://quickbooks.intuit.com/accountants/online>). And if you'd like to learn more about the Apps tab, which launched in September, go here (<https://quickbooks.intuit.com/accountants/apps/>). ■

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

8 Marketing Tips for Eldercare and Retirement Accounting Services

By Becky Livingston

ACCORDING TO AARP, "By 2020, 117 million Americans are expected to need assistance of some kind."

What does that tell you about elder care facilities? They will be in need of many accounting services, from payroll to risk management and from government regulations to retirement and VA benefits. Additional services could also be provided to families that use the facility in areas like estate planning, wills, trusts, and more.

As an accounting firm, you can offer those services. But, how do you get in front of the facility managers to make your pitch? Then, what do you do to incentivize them to increase services with your firm? Here are some tips.

■ **Research is the most important factor.**

With the proper research, you can cut down on the amount of time it takes to find the type of facilities you want to target. Using tools like Hoovers and Dunn and Bradstreet research tools can help you to narrow the search by

facility location, type, size, revenue, and demographics. Once you have a list, break it down into a three-tiered group. Add the most lucrative prospects to Group A, the middle prospects to Group B, and the low-hanging prospects into Group C. Group B is usually the largest group, requiring the most effort.

■ **Website design will also make a difference.**

Ensure your target market is represented on the site. If using stock imagery, include photos and videos that mirror the target you are trying to attract. Consider increasing the page's font size for quick reading by facility staff who might have little time on their hands. Incorporate an easy-to-subscribe newsletter that highlights information facility managers and staff can use. Last, be sure to incorporate testimonials throughout the site from other facility managers using the firm's services.

■ **Search Engine Optimization** will be key for the website's visibility across browser search. Keyword placement on elder care pages, landing pages, and content will help to drive searchers to your site organically. Some keyword examples would be "assisted living facility accounting," "Quickbooks online for assisted living facilities," "assisted living management accounting services," "finance 101 for assisted living facilities," "long term care accounting," "asset management for assisted living," "asset management for senior living facilities," "assisted living operating expenses," "elder care facility accounting," and "assisted living accounting providers." You could swap the term "assisted" with "senior" if that's your firm's preferred term. Keyword placement should only be made on pages focusing on that service line, content related to that industry, or landing pages focused on lead generation from that industry. Avoid sprinkling the terms on all pages of the site, or it will dilute your SEO efforts

RESOURCES FOR THE ELDERCARE ACCOUNTANT

- Proper Bookkeeping Techniques in Nursing Homes - <http://bit.ly/2Dv9HON>
- Eldercare Financial Planning Resources - <http://bit.ly/2HEJMeK>
- 7 Things to Know About Nursing Home Trust Funds - <http://bit.ly/2piPTSV>
- Cost of Long Term Care Calculator - <http://bit.ly/1L6bBsb>
- Planning for Senior Clients: CPA Elder Care Services - <http://bit.ly/2Dy0eGq>

Long Term Care Accounting

By Amy Knight, CPA

AS BABY BOOMERS continue to age, the long-term care industry continues to garner much attention from both service providers and investors alike. The industry continues to grow and with that growth comes continued demand for solid accounting systems and knowledgeable professionals. If you plan to enter this niche in the marketplace there are definitely some things you will want to brush up on before soliciting clients.

In long-term care, we think of services and providers such as home health care, hospice care, nursing facilities and assisted living facilities. Each of these has a role in the long-term care spectrum. But as a whole they share many similarities.

Probably the most important factor to know going into a proposal or engagement is the provider's regulatory reporting responsibilities. This will vary from

state to state depending on the program and their enrollment with the state's Medicaid system. Federally, if the provider is enrolled in the Medicare program and Medicare is a payor source, they will need to file a Medicare cost report. This report is due 5 months after year-end, cannot be extended, and will result in 100% funds withholding if it is not filed on time. The Medicare cost report is a great source to review when setting

up your chart of accounts and general ledger. It will show the exact cost centers for that type of provider and serves as a great guide that will then allow things to flow smoothly at year-end into the Medicare cost report.

Many states will also require some kind of cost reporting or annual certification if the provider participates in the state's Medicaid program. You will want to check with that particular state to see what the requirements are. You will also need to understand what exact program the provider is participating in. For example, here in Texas we have Texas Medicaid home health skilled services. For straight Medicaid home health skilled services there is no reporting requirement. But, if the provider is enrolled in one of the many community

Building Your Niche Practice is sponsored by Intuit QuickBooks.



altogether. Take this same approach when marketing to the facility patients' families, such as "will and trusts," "estate planning," "retirement planning," and more.

- **Generate short videos that answer pain points** facility managers might have, such as topics about employee benefit plan audits, financial statement audits, tax filing and compliance, and internal control best practices. At the end of the video, incorporate a call to action to set up a free, 30-minute presentation at your facility to learn how you can help solve their problem.
- **Downloadable, branded content** is also a great way to increase lead generation. Provide high-quality downloads, such as checklist, FAQs, and tip sheets that facility managers can use. Be sure to use a short, landing page form that requires visitors to add an email address, phone, and facility name to get the desired content. Then add those names to your monthly email list.



based programs, also known as waiver programs, there is a completely separate cost reporting requirement. Waiver programs typically serve the low-income population and provide unskilled services such as bathing, dressing and daily activities. If a provider is strictly private pay – paid directly by patients or their families - then it would not have any reporting requirements to government agencies.

Each provider type will have unique cost centers, but in general, will have the same expense line items for each of their specific cost centers. Examples of cost centers are: skilled

- **Create a plan for face-to-face presentations as well.** Consider a lunch-and-learn format that is either broadcast or done in person for high-profile topics that are timed for the market need. For example, hold a tax meeting prior to their budget cycle and year-end filing due dates. It might take some time to understand your client's timing, so a CRM system might help you to trigger reminders to meet with them before their need.
- **Traditional marketing**, like post cards, is also a good way to keep your brand in front of people. With printing costs at a fraction of what they were just five years ago, this is a much more cost-effective option. Ponder the image you'd place on the postcard so it resonates with the recipient. Get right to the point about what you can offer and place that prominently on the card's front or back. Create a marketing plan that distributes postcards on a monthly or quarterly basis with unique landing page URLs, so each postcard may be tracked by website analytics, which will help determine its ROI.
- **Search engine marketing (SEM)** is

nursing, physical therapy, occupational therapy, spiritual counseling, home health aides, dietary, medical supplies, housekeeping, etc. The expense line items will be salaries & wages, taxes & benefits, mileage, and contract labor for each cost center. Some providers will have additional expense line items, such as, medical supplies, OTC drugs, X-Rays, house-keeping supplies, raw food purchase, etc. for those specific cost centers.

Being that labor is this biggest cost for these providers, you will want to setup the company's payroll reporting so that it integrates with the accounting records effortlessly. Consider creating a payroll department for each cost center, this will ease the reporting each month. There is no need to have to do any manual work to get the numbers where you need them on the

also a good way to get your name in front of assisted living directors who seek your services. You will need a budget for this, but consider when is the most opportune time to run ads. If it's spring, put more money toward a daily campaign than a campaign that runs in a slower season. Then, use a monthly campaign that only runs a couple days per week. Buy high-quality terms that reflect the facility manager's needs, such as "elder care facility accounting services." Look at your competition by doing an incognito search on your computer. You can view their ads and click to their landing page to see what they are doing. That should give you an idea of ad format, content, and landing page quality.

If you are contemplating social media platforms, here are some popular hashtags to consider #Care-Giver, #SeniorCare, #CareGiving, #LongTermCare #Facility, #SeniorLiving, #AssistedLiving, #HealthCare, and #HealthCareAccounting.

Creating a local listing for your firm's physical location is also helpful. In the description, include prominent

keyword phrases potential clients would search for, such as elder care facility accounting services, financial services, bookkeeping, tax, compliance issues, and more. The local listing includes a map with the firm's location, photos provided, a description about your company, company age, specialties, and hours of operation. Best of all, it's free.

Now that you have several options to attract potential clients, which will make it to the top of your marketing plan? ■

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



financial statements.

Visually, here is what this looks like:

SKILLED NURSING:

- Salaries & Wages
- Taxes & Benefits
- Mileage
- Contract Labor
- Other Direct Costs

PHYSICAL THERAPY:

- Salaries & Wages
- Taxes & Benefits
- Mileage
- Contract Labor
- Other Direct Costs

It is also important to report the Cost of Services in this manner so that the cost per visit or cost per day can easily be calculated by these various cost centers, also referred to as disciplines. Home health agencies like to see their cost per visit by discipline

and in total, while hospice, nursing facilities and assisted living facilities like to see their PPD – Per Patient Day costs.

In summary, knowing your reporting requirements is critical. And to complete those reporting requirements you will want to create an accounting system that flows seamlessly into those reports – even down to the payroll setup. ■

Amy Knight is the president of Knight CPA Group in Austin, Texas, where she oversees the firm's operation focusing on client relations, business development, and IT initiatives. The practice provides complete back office solutions for the home health, hospice, and nursing facility industries.



Salaries on the Rise According to New Study

By Isaac M. O'Bannon, Managing Editor

Show me the money! A new report suggests job seekers have a little more heft when it comes to their salaries. Continuing a recent trend, the most recent analysis in Randstad's U.S. Salary Guides shows that salaries have risen an average of three percent across many fields and industries.

This is great news for workers, but it puts pressure on employers, many of whom are finding that aligning pay with the overall market is no longer enough to attract top talent.

Paying employees a competitive salary has never been more important than it is today, said Jim Link, chief human resources officer at Randstad North America. Organizations benefiting from the recently reduced corporate tax rate should take advantage and look to invest in their workforce since today's tight labor market means employers risk losing both current and prospective talent if they don't pay according to job seekers' expectations.

Randstad's Salary Guides include pay ranges for common job titles or positions within engineering, finance and accounting, clinical and non-clinical healthcare, human resources, information technology, life sciences, manufacturing and logistics and office and administration.

A sample of what you'll find in Randstad's 2018 Salary Guides includes:

Engineering

Validation Engineer \$125,233 Northeast | senior-level

Finance and accounting

Financial Analysts \$65,015 – \$75,090 Baltimore, MD | large company

Healthcare

Medical Assistant \$21.52/hour midwest | expert

Non-clinical healthcare

Medical Receptionists \$14.51 - \$17.71/hour Houston, TX | 5 years of experience

Human resources

HR Generalist \$65,616 – \$87,472 New York, NY | professional services industry

Information technology

Machine Learning Engineer \$114,722 Atlanta, GA | mid-level

Life sciences

Drug Safety Associates \$125,000 Chicago, IL | average mid-range salary

Manufacturing and logistics

Maintenance Mechanics \$25.70 - \$29.97/hour Ontario/Riverside, CA | 6 years of experience

Office and administration

Executive Assistants \$30.82 - \$38.57/hour Miami, FL | 7 years of experience

Visit <http://randstad.us/2E5i84d> to download Randstad's 2018 Salary Guides for engineering, finance and accounting, clinical and non-clinical healthcare, human resources, information technology, life sciences, manufacturing and logistics and office and administration.

Every year, Randstad US publishes its Salary Guides highlighting compensation information across many fields and industries in key geographic markets.

Salaries in specific regions may vary based upon local market conditions and position-specific requirements, such as experience levels, professional certifications or knowledge of certain software. In addition, the salary data has been drawn from multiple industries and may not accurately portray a company's specific situation.

The salary data is a combination of proprietary Randstad information and data provided by Economic Research Institute (ERI), a widely known resource of robust job competency, cost-of-living, executive compensation and salary surveys. ■

THIS MONTH'S TOP PAYROLL SOCIAL MEDIA POSTS

- 5 Proven Strategies to Retain Top Talent. **Corpnet blog.** <http://bit.ly/2FLWSou>
- The 6 Best and Worst Cities for Small Biz Hiring. **Sonya Mann, Inc.** <http://on.inc.com/2Dl4Z5V>
- Impact of Oregon's Equal Pay Act. **Jennifer Kiesewetter, ADP Boost blog.** <http://bit.ly/2tFeHAS>
- Payroll Filing Deadlines for 2018. **James Paille, Thomson Reuters blog.** <http://tmsnrt.rs/2lm32Kj>
- How to Calculate a Raise. **Patriot Software blog.** <http://bit.ly/2FHCplD>

LATEST PAYROLL NEWS

Vacation Time & Company Culture Top List of Worker Concerns. U.S. accounting firms that use advancement programs for promoting women to leadership positions overwhelmingly view them as effective tools in recruiting and retaining talent. www.cpapracticeadvisor.com/12399430

44% of Professionals Lose Sleep Over Work. More than four in 10 professionals often lose sleep over work. Common reasons include an overwhelming workload, a looming business prob-

lem and strained coworker relationships.

www.cpapracticeadvisor.com/12402272

3 Steps to Reduce Employee Tardiness.

Employee tardiness can chip away at your profitability. Here are 3 easy steps to reduce employee tardiness with an automated employee attendance tracker.

www.cpapracticeadvisor.com/12402274

Are We Too Hard on Millennials? Are Americans between the ages of 22 and 37 really

responsible for this country's economic ruin? Are they somehow less financially savvy than those that came before?

www.cpapracticeadvisor.com/12401803

Wages Grew for Most U.S. Workers in 2017. While many workers finally have hourly wages higher than before the Great Recession, large gaps by gender, race, and wage level remain—and some of these gaps are increasing. www.cpapracticeadvisor.com/12402017

Eldercare

OUR NICHE PRACTICE focus this month is Eldercare, so the time is right to consider how technology is helping us care for our parents, grandparents, and other elderly people in our lives. We surveyed the *CPA Practice Advisor* community for recommendations and augmented the resulting list with a few apps that come highly recommended in the internet at large.

Chris DeBlanc, tax supervisor, RSM US recommends putting **Mint.com** by Intuit to use. "Taking care of our parents in their old age oftentimes includes managing or monitoring their finances. Mint.com is a great app you can use to track mom and dad's spending. It links directly to their bank account and tracks all their bank activity. It categorizes items for budgeting and notifies you when there is unusual spending activity. This is crucial in identifying and stopping financial fraud and elder abuse.

As someone who had an elderly relative die recently without leaving his wife any information about his passwords, I can relate to this next recommendation. **Doug Sleeter**, formerly of The Sleeter Group and Sleeter.com, suggests you look into using **LastPass Family Edition**. "It allows you to 'lock up' your elder parents' passwords and help them create unique passwords for the sites they visit. You can also share passwords among family members, so it's easier to help parents with accessing their banking or other sites without knowing their passwords."

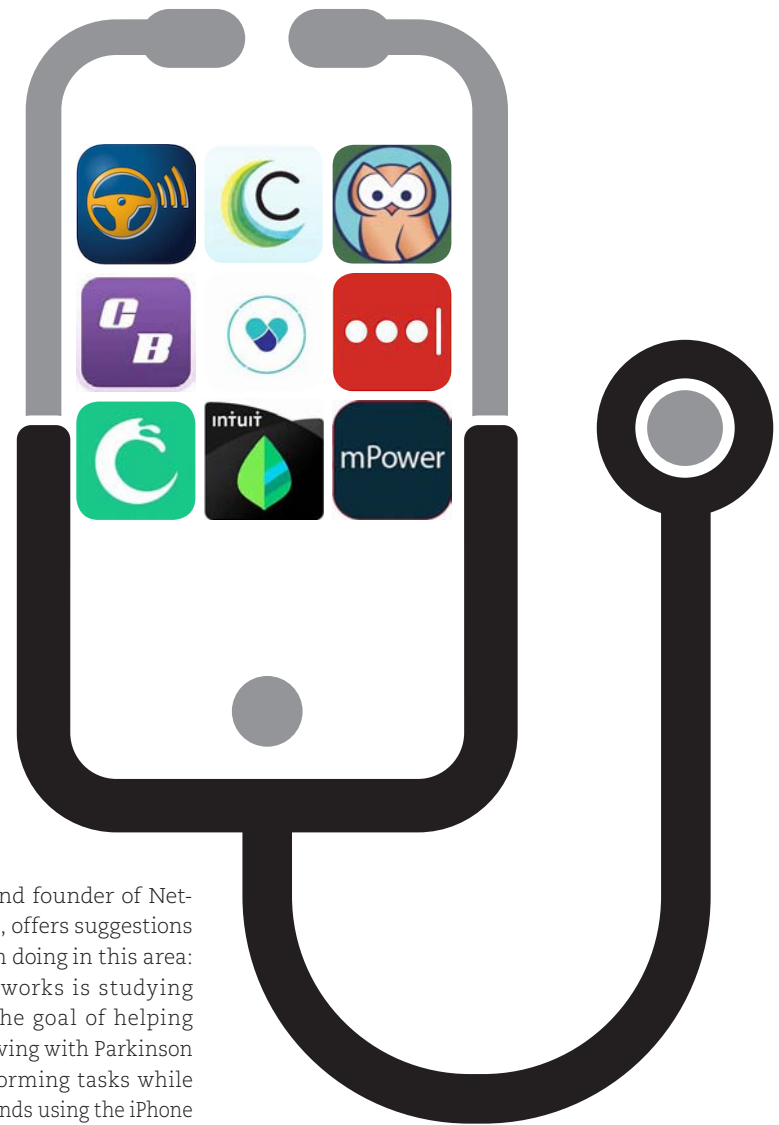
Angie Grissom, president of The Rainmaker Companies, has two suggestions.

- **Care.com** - This app can be described as the Uberization of home care. The Care.com matching services allow you to choose, qualify, and vet a caregiver. "I have used it to find nannies, baby-sitters and elder care for years. I just hired a new nanny this week with it," said Grissom. Care.com also offers matching services for pet care and housekeeping services and is available in 20 countries.
- **Motosafety** - "This has a plug-in component in your child or elderly parent's vehicle and allows you to track where they are, if they are driving in an unsafe way by speeding or erratic or sudden brake use. You receive a daily report card from the app," said Grissom.

Samantha Mansfield, director of professional development and community at CPA.com: "When a family member ends up in a nursing home it is stressful for everyone and one of the worst are the finances. I have seen the help of using **Bill.com** to be a great communication and tracking tool for siblings to track expenses, file receipts, and everyone has insight."

Randy Johnston, executive vice president and owner of K2 Enterprises and CEO and founder of Network Management Group, Inc., offers suggestions based on research he has been doing in this area:

- **mPower** from Sage Bionetworks is studying Parkinson's disease with the goal of helping researchers. Users who are living with Parkinson track daily changes by performing tasks while measuring tremors in their hands using the iPhone accelerometer. This can have the effect of allowing medics to spot Parkinson's digitally before it is symptomatic in the patient.
 - Use the **GIVMED** app to donate unused prescriptions to the needy. Register your medicine, indicate what you are able to donate, find out about medicine shortages in welfare organizations.
 - **Pear reSET** treats misuse of alcohol, cocaine and other stimulants with interactive therapy lessons and information. The app provides a 12-week program requiring weekly check-ins.
- Mashable.com** recently recommended several caregiving apps including:
- **CareZone**, an app that you can use to track medications, allergies, insurance cards, and ID cards. You can keep track of appointments in the app as well.



- If you're helping someone with Alzheimer's, you know that the patient isn't the only one who suffers. Help manage your own stress levels with **Alzheimer's Caregiver Buddy**. You'll receive tips for caring for your loved one as well as support to help you deal with various behaviors.
- And if you find the stress of caregiving is overwhelming, check out the **Pacifica** mindfulness app to help manage your own stress, anxiety, and depression.
- Caring.com recommends the app Caring Bridge, an app that allows you, your family members, and caregivers to share information including medical updates. ■

Do Businesses Have to Report Non-Taxed Sales to Other States?

By Gail Cole

YOU MIGHT THINK your retail or ecommerce clients have no legal obligation in states where they aren't required to collect and remit sales tax. You, and your clients, could be wrong.

A small but growing number of states now impose rigorous use tax notice and reporting requirements on non-collecting vendors. These are new — the first such laws took effect July 1, 2017. If they prove effective at increasing use tax collections or spurring non-collecting businesses to register and collect, they'll likely be emulated in other states.

Use tax notice and reporting requirements differ from state to state, but all strive to make it so onerous for a business to not collect that it will voluntarily tax and report sales instead. Quite a feat, given how complicated sales tax compliance can be.

States stand to gain from use tax notice and reporting requirements no matter what the business decides. If it chooses to comply with the use tax reporting rather than collect and remit sales tax, states will obtain the information they need to more easily enforce use tax compliance on the consumers

WHY ASK NON-COLLECTING SELLERS TO REMIT CONSUMER USE TAX INFORMATION?

State laws require consumers to remit use tax to state tax authorities whenever a seller doesn't collect

tax on a taxable transaction at the time of sale. However, use tax compliance is extremely low — fewer than 2 percent of taxpayers report it — and it's difficult for states to enforce. For starters, they'd have to audit everyone to discover who failed to pay sales tax on taxable purchases. It would be a painstaking process, and the costs would outweigh the benefits.

Yet retailers have all that information: They know who purchased what, where, and whether tax was paid. And now they need to share it with states with use tax notice and reporting requirements.

WHAT IS NON-COLLECTING SELLER USE TAX NOTICE AND REPORTING?

These laws typically require non-collecting sellers to notify customers about their potential use tax liability, provide customers with an annual purchase summary, and provide the state with a customer information report. The precise nature of these requirements varies by state: Some states may ask sellers to do more or provide more information, some less.

Customer notification. Generally, non-collecting sellers must inform customers at the time of sale that they don't collect sales tax in State X and that the customer may have a tax obligation to the state. Colorado provides a sample transaction notice as an example.

Annual purchase summary. By a specific date, non-collecting sellers must send each customer an annual

purchase report containing the date of each purchase, the amount paid, and the item type. Sample annual purchase summary for Colorado: <http://bit.ly/2FFPKKV>. Most states with these laws require sellers to inform the purchaser that the total amount of their purchases will be shared with the state tax department, and that purchasers are required to pay any tax due on their purchases. Sellers generally aren't responsible for sharing the taxability of the products sold, though they can if they know it. As a result, consumers need to know which purchases are taxable and which are exempt. The state may also require non-collecting sellers to include instructions for remitting use tax revenue.

Annual customer information report. Finally, non-collecting sellers are required to submit an annual customer information report to the state department of revenue. At a minimum, these must contain purchasers' names, billing and shipping addresses, and the total dollar amount of their purchases in the state. To get a clearer idea of what a state could require, take a look at Colorado's reporting instructions (PDF: <http://bit.ly/2tYn8r0>).

WHICH STATES HAVE USE TAX REPORTING REQUIREMENTS FOR NON-COLLECTING BUSINESSES?

To date, use tax notice and reporting laws have been enacted in the following states (listed with effective date):

- Alabama (July 1, 2017)
- Colorado (July 1, 2017)
- Louisiana (July 1, 2017)
- Oklahoma (November 1, 2016)



- Pennsylvania (March 1, 2018)
- Puerto Rico (July 1, 2017)
- Rhode Island (August 17, 2017)
- Vermont (July 1, 2017)
- Washington (January 1, 2018)

This list is organic. Since the start of 2018, use tax notice and reporting requirements have been proposed in both Hawaii and New York. In addition, the Multistate Tax Commission is finalizing a model sales and use tax notice and reporting statute that, once finished, will make it easier for other states to follow suit.

ARE USE TAX NOTICE AND REPORTING REQUIREMENTS LEGAL?

They are. The first use tax notice and reporting requirements were established in 2010 in Colorado. These were challenged and did not take effect until after the Supreme Court of the United States let them stand. Other states have merely followed Colorado's lead.

WHAT NOW?

Before your business clients decide to comply with use tax notice and reporting requirements — or not — they should have a clear understanding of what these laws are and what impact they'll have on their business. Check out this detailed report about non-collecting seller use tax reporting to help educate you. <http://bit.ly/2ouc6ES>. ■

Gail Cole is a sales tax writer and researcher for Avalara.

Sales & Tax Compliance is sponsored by Avalara



Making sales tax less taxing

The Future of the Online Sales Tax - Part 1

By Michael T. Dillon, Esq.

ACCOUNTANTS ARE BEING pulled in to the trend of the online marketplace. The ease offered by online ecommerce platforms means even small clients can suddenly be mired in complexities of multistate tax rules from their very first sale. The following article is the first in a six-part series discussing policy changes brought on by the growth of ecommerce sales.

The United States Supreme Court is set to hear oral arguments on April 17, 2018, in *South Dakota v. Wayfair, Inc. et. al.* *South Dakota v. Wayfair Inc., et. al.*, 901 N.W.2d 754 (S.D. September 13, 2017); cert. granted (U.S. January 12, 2018) (No. 17-494) At issue is whether the Court should abrogate Quill's sales-tax-only, physical-presence requirement?

To understand the significance of this issue, it is important to understand the Court's decisions that led to the Quill sales-tax-only, physical-presence requirement.

In 1967, the U.S. Supreme Court held that both the Due Process Clause and the dormant Commerce Clause prohibit a State from requiring catalog retailers to collect sales taxes on sales into the State unless the retailer is "physically present" there. [*Nat'l Bellas Hess v. Dep't of Rev. of Ill.*, 386 U.S. 753 (1967)] The Court stated that "the Court has never held that a State may impose the duty of use tax collection and payment upon a seller whose only connection with customers in the State is by common carrier or the United States mail." [386 U.S. at 758]

The Commerce Clause of U.S. Constitution reserves to Congress the power to regulate commerce among the states, with foreign nations, and with Indian tribes. [U.S. Const. Sec. 8, Cl. 3, Art. I]. The dormant Commerce Clause, also known as the negative Commerce Clause, refers to the authority judicially inferred to Congress by virtue of the exclusive power of Congress to regulate interstate commerce. This dormant authority is a restriction prohibiting a state from passing legislation that improperly discriminates against interstate commerce. In *Complete Auto Transit, Inc. v. Brady*, the U.S. Supreme Court established the following four-part test to determine the constitutionality of a tax on multistate transactions:

(1) the tax is applied to an activity having

substantial nexus with the taxing state,

(2) the tax is fairly apportioned,

(3) the tax does not discriminate against interstate commerce, and

(4) the tax is fairly related to services provided by the taxing state. [430 US 274 (1977)]

The purpose of the four-part test established by the U.S. Supreme Court in *Complete Auto Transit, Inc. v. Brady* is to determine when non-resident businesses conducting interstate commerce in a State may be asked to contribute their "just share" to collecting that State's taxes. The operative issues in most cases involving remote sellers (e.g., e-commerce retailers) concerns the first part of the test: the "substantial nexus" between the taxing State and the activity taxed. As such, for sales tax nexus purposes, the requisite "substantial nexus" required physical presence.

In *Quill Corp. v. North Dakota* [504 U.S. 298 (1992)], the Court was asked to address a similar set of facts previously considered in *National Bellas Hess*. The Court determined that its "substantial nexus" standard set forth in *Complete Auto Transit, Inc.* did not limit or undo the *National Bellas Hess* "physical presence" rule. However, the Court reversed, in part, its decision in *National Bellas Hess* pertaining to the Due Process clause, noting that an out-of-state seller may have the minimum contacts required by the Due Process clause, and still fall short of the "physical presence" substantial nexus required by the dormant Commerce Clause.

Notably, the Court indicated that in light of *Complete Auto Transit, Inc. v. Brady*, "contemporary Commerce Clause jurisprudence might not dictate the concurring same result" as the Court had reached in *Bellas Hess*. [504 U. S., at 311]. However, believing that it was bound by principles of *stare decisis* (respecting the precedent established in *National Bellas Hess*) the



Court noted that the bright-line rule of *National Bellas Hess* "furthers the ends" of the dormant Commerce Clause.

Since *Quill*, it has been clear that a business must have a physical presence in a state for that state to require it to collect sales taxes. However, the Court in *Quill* explicitly stated that Congress can overrule the decision through legislation. Furthermore, the Court did not indicate a clear set of guidelines for what activities, and what level of activities, may establish the "physical presence" substantial nexus required by the dormant Commerce Clause.

Obviously, despite numerous efforts of federal legislators to put forth legislation that might enable states to impose sales tax collection obligations on remote sellers, none of these measures have passed. [see most recently, Marketplace Fairness Act (S.976); Remote Transaction Parity Act (HR 2193)]

In Part 2 of this article, we will discuss the tests of physical presence in more detail. ■

Read Parts 2 and 3 online at
www.CPAPracticeAdvisor.com/12402389

Michael Dillon is an attorney, and the founder and President of Dillon Tax Consulting. With more than twenty years of state and local tax experience, Mike has both public accounting expertise leading the State and Local tax department for two of the country's largest accounting and consulting firms, as well as serving as Tax Director for a publicly traded e-commerce retailer and as a tax attorney in one of the world's largest communications companies. With his focus primarily on the state and local tax needs of businesses, Mike provides solutions and planning recommendations to clients' questions regarding sales tax, , business license tax, various other state and local tax matters, and other business compliance requirements.



6 Tips for Recruiting Today's Top Accounting Students *By Paul McDonald*

Hiring recent graduates has long been a vital part of accounting firms' recruitment strategies. But it's also one that's consistently challenging. Talented college students frequently find they have their pick of employers when they enter the job market. The onus, then, falls on employers to woo them away from the competition.

What does your firm do to stand out as a great place for new accounting grads to land? Is your online presence fresh and engaging? Do you show entry-level employees the money? Do you give them room to grow as they progress in their careers?

Today's workers have different expectations and sensibilities than in the past. If you don't have a game plan tailored to attract the top talent of the graduating class, you risk having your pipeline of new accountants, auditors and analysts run dry or ending up with potentially bad hires.

Here's advice to help keep the talent flow going strong:

1. BOOST YOUR SOCIAL MEDIA IDENTITY.

Generation Z, the latest entrants into the job market, grew up in a digitized world with a smartphone in their hands. To catch the eye of this group, your accounting firm should be on the social media networks they use — and engage with them. And don't stop at Facebook, LinkedIn and Twitter. Continue on to YouTube, Instagram and Snapchat.

2. TAKE CONTROL OF YOUR REVIEWS. Don't forget about websites that rate employers. Your future auditors and analysts grew up reading reviews on everything from earbuds to college professors — and you better believe they pay attention to what past and current employees say about you.

Rather than leaving your reputation to unknown reviewers, actively cultivate your brand on these sites. Upload photos showing your office and employees at work and play. Respond thoughtfully to reviews — positive and negative. Make these sites extensions of your company

that appeal to potential job candidates.

3. NETWORK THE OLD-FASHIONED WAY. Don't believe the myth that Gen Zers prefer phones over people. They actually put a lot of stock in face-to-face interactions, and they pay attention to who shows up at their campus.

Accept invitations to be guest speakers. Participate in job fairs. Collect phone numbers, and call promising candidates. Sponsor events put on by student groups. Over pizza or tacos, talk up your internships, conferences and competitions for everyone from freshmen to grad students. The more active and visible you are, the more opportunities you have for building relationships — a top value for this generation.

4. STREAMLINE YOUR HIRING. Many accounting firms miss out on top-notch graduates because they wait too long to make a formal offer. But how do you retool your processes and accelerate recruiting? Look for individuals who demonstrate strong work ethic and nontechnical skills, know Generally Accepted Accounting Principles, and fit your corporate culture. Almost everything else can be taught after they're hired.

Make sure your internship opportunities work as a recruiting tool, too. A strong program draws talented, ambitious students. You can evaluate their performance and potential fit firsthand and extend a full-time offer while they're still working for your firm. If interns do leave, stay in contact in case a position opens that would be a match for their skills and interests.

(If you don't have an internship program, consider implementing one soon. Students look for firms offering attractive internships, and your lack of opportunities may be putting you at a disadvantage.)

Continued online at
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AN AGING WORKFORCE: Is 60 the New 40?

AS THE OVERALL economy continues to expand and improve, in virtually every industry employers are finding it increasingly difficult to hire employees. The number of baby boomers reaching retirement age, estimated to be almost 10,000 each day, makes the labor shortage even more acute. In addition to the loss of their services, baby boomers who leave take with them institutional knowledge, operational know-how and informed best practices that may be difficult or even impossible to replace. Such losses are likely to continue for at least several more years if not longer.

Despite spending on average almost \$4,000 to fill an open position, employers are finding that those tech-savvy millennials, Gen X, Y and Z new hires, often jump ship in a matter of months, if not sooner. Studies have confirmed that millennials change jobs on average every six (6) months or so, usually seeking higher salaries or more responsibility. They rarely, if ever, take a job intending to make it a career. More often, they use one job as the jumping off point for the next. They are always looking for that job with the perfect work/life balance.

In many cases these job-hopping Gen X'ers and millennials are not staying on the job for sufficient time to learn from the experienced older workers who depart. Having grown up with PCs, smart phones, e-mail and texting, they are more focused on electronic communication and social media than acquiring the needed practical job experience. As a consequence, much of the unique knowledge and business awareness possessed by the retiring employees will be lost.

Given the difficulty in finding suitable applicants to fill open positions, it should be no surprise that employers across most industries are seeking to

attract and retain older workers. If they have not already considered this potential pool of experienced workers, perhaps they should. There is no question that, in general, the nature of most work today permits workers to be productive much longer than in the past.

AN OLDER WORKFORCE

According to Inc. Magazine, more than 76,000,000 Americans will soon reach the age of 60 or older, and many plan to continue working. In many cases out of necessity. The relaxing retirement that so many dreamed of has become unaffordable on the limited income from today's pensions or recession-impacted 401K plans. Most workers are understandably concerned that they will outlive their retirement money. It is estimated that for an employee to be able to retire comfortably by the age of 67, they should have ten times their annual earnings in retirement funds.

Given life expectancies into the 80's and beyond that have become the norm, outliving their funds is clearly a legitimate concern. In light of these realities, the greying of the workforce should come as no surprise. According to the Bureau of

Labor and Statistics, 25% of all workers will be age 55 or older by 2020. In fact, today employment of persons 65 or older has more than doubled. We will soon, if not already, have multiple generations working alongside each other in most workplaces.

EMPLOYEES ARE LIKE FINE WINE. THEY GET BETTER WITH AGE.

There have been numerous studies and articles over the last several years describing the benefits that older workers bring to the workplace. All consistently agree on the virtues of employing "seasoned" employees. The benefits resulting from employing such persons described in these articles are numerous, to say the least. Many relate to the experience and dedication they bring to the job. Most have had a varied work history, utilizing a range of skills that the 20-somethings just do not have today. They obviously require less training for most jobs, and in fact can actually be mentors or trainers to less experienced employees. In addition, they are generally less concerned with the work/life balance and time off that most millennials seem to value most. They rarely take time off and almost always report to work on time. If some of the "seasoned" employees that are used as mentors are potential retirees who were convinced to stay longer, it has the added benefit of curtailing the loss of institutional knowledge.

One blogger on the issue, Lewis Lustman, a Los Angeles journalist, provided an excellent summary of the advantages to employing "seasoned talent", as he describes older workers. He specifically noted that, among other things, older employees:

- Are a steady and reliable source of skilled labor;
- Bring years and often decades of experience;
- Are more flexible in their work schedule;
- Are not job-hoppers;
- Are more focused on their tasks;
- May have some computer skills and are eager to learn;
- Are generally willing to mentor younger employees.

He also suggests that in terms of fringe benefit costs, older workers may have lesser health insurance requirements than younger employees with families. Many are on or eligible for Medicare.

CONCLUSION

Given the competitive labor market that we find ourselves in today, no company can afford to overlook potential employees who could help contribute to a successful operation, especially those who come ready to work. Sixty may truly be the next forty. Perhaps your company can benefit from this development. Why not take a chance! ■



Four Ways Businesses Can Lower Payroll Management Risk

By *Nicole Eshnaur, CPA, CGMA, MBA*

AS SOON AS a business hires its first employee, the challenges of payroll management begin. The technicalities and need for vigilance increase exponentially as the company grows and its workforce expands. Even if the company downsizes staff and turns more toward independent contractors, considerable payroll-related issues should be considered.

What's a business owner to do? To stay apprised of payroll management's risks to the ongoing stability of your company, the business owner should keep an eye on the following four fundamentals. Succeed in these spheres and the employer will stand a better chance of heading off mistakes or oversights before they turn into major crises.

1 UNDERSTAND THE PROCESS

Many businesses outsource their payroll functions to their accounting firm or external providers. This is a perfectly reasonable way to reduce time, effort and money spent on payroll administration. In addition, providers may have better technology and offer additional services related to regulatory compliance.

The use of a payroll services provider doesn't absolve an employer of its responsibility for payroll taxes. Miscommunications, mistakes and, in rare cases, even intentional wrongdoings can occur. So, even when outsourcing, the business owner needs to understand the company's distinctive requirements and processes for tracking, administering and recording payroll.

It's also a good idea to monitor the payroll tax account to verify funds are being deposited in a timely fashion and in accurate amounts. If using electronic deposits, the federal government's EFTPS website (<https://www.eftps.gov/eftps>) can help keep an eye on the account's activities.

2 KNOW WHAT'S TAXABLE

Another fundamental to guarding against payroll risk is simply knowing what's taxable and what's not — and keeping up with these items from year to year. So, what is taxable? "Wages" of course, but the law defines this word broadly to include many types of compensation, including full- and part-time salaries, hourly wages, fees, bonuses, and commissions.

It's also helpful to look into what's generally not subject to payroll taxes under the Internal Revenue Code. Some non-cash compensation may be deemed a "statutorily excluded" (or "fringe") benefit and, therefore, excluded from employee income.

Examples include group term-life insurance (up to certain limits), some health care coverage and parking privileges. In fact, one potential way to ease your payroll tax burden is to compensate employees partially in the form of such benefits rather than wages.

Another way to reduce the payroll tax burden is to create an accountable plan to reimburse employees for the costs of travel, entertainment, tools or other eligible business-related expenses.

As long as the plan meets IRS standards to qualify for tax-advantaged treatment, the business won't have to pay employment taxes on the reimbursements, and employees won't have to pay income taxes or their portion of employment taxes on them, either. Plus, you can deduct the reimbursements as a business expense.

3 CLASSIFY EMPLOYEES PROPERLY

Arguably, the biggest payroll management risk at the moment has nothing to do with individuals already on the company's payroll. Rather, it has to do with those the IRS believes should be on the payroll. Specifically, the agency is concerned many employers are misclassifying employees as independent contractors to sidestep payroll taxes and benefits obligations.

Under the simplest definition, if a business has the right to direct and control a worker regarding the when, where and how of his or her work, this person is an employee — not an independent contractor. In such cases, the business must issue the worker a Form W-2 and withhold and pay the appropriate payroll taxes. This pertains to both full- and part-time employees as well as seasonal workers.

If the IRS reclassifies an independent contractor as an employee, the business may face back taxes, interest, and even penalties. So businesses need to carefully track the engagement, progress and project completion of each independent contractor. It's risky having one of these individuals performing services for you indefinitely.

Moreover, double-check that no managers or employees are issuing orders to a contract-based worker. Independent contractors should be, among other factors, largely free to completely control what they do and how they do it. Contractors also need

to pay self-employment taxes and they incur a financial risk by working for the company. The business should keep a Form W-9 on file for these independent contractors and issue Form 1099 at year-end for payments made to them.

4 MAINTAIN SOUND RECORDS

Employers must retain thorough payroll records for a variety of reasons. Applicable documentation includes hiring records (such as Forms W-4 and I-9) and ongoing employment records (such as time sheets, expense reports, and W-2 forms). Although not directly related to payroll administration, documents related to each employee's performance reviews, disciplinary actions and terminations should also be retained.

Once again, even if the business outsources its payroll functions, maintaining a high visibility level of the payroll records is critical. It's also a good idea to periodically perform an internal audit of these records to ensure they're in optimal shape. The worst time to learn about lost or mishandled payroll documentation is after a lawsuit has been filed or an IRS agent is at the door.

RESPECTING THE COMPLEXITY

There's a saying that goes, "The best way to manage payroll taxes is to pay them." But it's hardly that simple in practice. The process, tax distinctions, employee classifications and record keeping are so complex that, indeed, an entire industry has sprung up to manage it. As a business grapples with the risk involved, it's important to respect the complexity of payroll management and never let your guard down. ■

Nicole Eshnaur, CPA, CGMA, MBA, is a practice leader with Marks Nelson CPA.

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



March Madness Brings Mayhem to the Workplace

By Isaac M. O'Bannon, Managing Editor

EMPLOYEES ARE MAD about sporting events like March Madness, suggests a new survey from staffing firm OfficeTeam. Professionals said they spend an average of 25.5 minutes per day on sports-related activities in the office during the college basketball playoffs. With the tournament spread across 15 workdays, that's the equivalent of six hours per employee.

ADDITIONAL FINDINGS:

- Male employees and those ages 18 to 34 spend the most time on tournament-related activities at work (36 minutes and 34 minutes on average a day, respectively), such as talking to colleagues and participating in informal competitions.
- Nearly half of professionals (46 percent) are big fans of celebrating sporting events like March Madness in the office. Another third (33 percent) aren't very fond of these activities but still play along. More than one in five respondents (21 percent) would rather focus on work and not celebrate sports.
- Men (64 percent) and employees ages 18 to 34 (55 percent) most frequently said they love keeping up with sports in the office and bonding with colleagues over them.
- Checking game scores and team rankings (62 percent) and an increase in sports talk (59 percent) are the most common workplace behaviors around major sporting events, according to managers.

"While employers may worry about events like March Madness being a distraction in the office, allowing workers to enjoy sports-related activities for even a few minutes can be time well spent," said Brandi Britton, a district

president for OfficeTeam. "Staff will appreciate the opportunity to bond with colleagues and return to their desks rejuvenated."

Britton added, "Companies should trust employees to manage their time. Good workers still get their projects done, even if they take occasional breaks."

OfficeTeam offers four questions employees can ask themselves before celebrating sporting events like the college basketball playoffs at work:

- **Is this against company policy?** Don't get in trouble for not following the playbook. Know your organization's rules on employee breaks, personal internet use, sports attire and workplace decorations.
- **What's on my to-do list?** Take quick time-outs to check scores or chat about games with colleagues, if allowed. However, don't fall behind on assignments.
- **Am I overdoing it?** It's fine to root for your favorite team, but no one likes a poor sport. Remember, it's just a game.
- **Should I take time off?** If you want a day off to enjoy the tournament, submit your request early. This gives your boss the opportunity to determine if temporary support should be brought in. ■

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Whatever You Do, Do NOT Forecast!

By Justin Hatch

I resigned recently from the role as a VP on a NASDAQ listed company. We spent our lives forecasting. Wall Street wanted to know exactly what we were going to do the next quarter and year and preferably the next ten years! They were ruthless. So we gave them what they wanted. If we were under what our guidance suggested, there was blood running in the streets. If we were over (that seems like it's gonna be better, but oh boy, was it not) our guidance, the bar was raised, and that was the new expectation. Then if we didn't exceed the following quarter, we were tarred and feathered.

Oh, and heaven forbid a spike. If for some period our revenues spiked, that spike, however out of the ordinary, was the new expectation.

Fortunately, there were also a lot of upsides to having a public enterprise. Being in that environment taught me a lot about the right and wrong ways to approach forecasting, and the effect and ramifications of a well-run projection meeting.

Private businesses, thankfully are much different than public. Spikes are welcomed. Guidance is not expected. Volatility is par for the course. Forecasting, or whatever its pseudonym, is still essential.

As financial advisors, we are tasked with the responsibility of creating an environment where business owners can carefully develop a strategy for taking their coming year to the next level. In the title, I said, "do NOT forecast." The reason for that is that as a business is preparing for the coming quarters and year, this should be a time of excitement and creativity. Often "forecasting" comes with a bad connotation and the meetings are avoided or dreaded. It's too bad because when planning or financial strategy meetings are executed carefully, they can have an enormous value for the business as a whole.

Here are some tips for a successful forecasting meeting.

TIP #1

Get the creative juices flowing. Let the dreamers dream. Forecasting is a careful balance of idealistic and realistic.

The main goal of the management team is to steer the ship. In order to do that, they need to have a destination in mind. A great brainstorming meeting consists of delving deeply into what the possibilities are, however grand. Look at all the possibilities. This can inspire the team. Often as financial advisors, we feel we are required to be the sobriety test. In this part of the discussion, focus instead on what is indeed within the realm of possibility. Amazing things can happen when a team is focused and driven to attain a certain goal.

TIP #2

Your careful, experienced guidance will affect the direction and tempo of the meeting. Once the realm of possibility has been identified, the company needs to look at the current trajectory of the ship. If the rudder were to remain untouched, where would the ship be one year from now? This is important because we are now establishing a delta. We have the scope of possibilities, and we now have the current trajectory.

This is often best done with a financial dashboard identifying current trajectories of the various metrics. Consider Fathom, Futrli or (shameless plug) Startegy. All have excellent reporting capabilities and provide understandable trajectories and understandable metrics.

Continued online at
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Top 5 Executive Networking Mistakes — And How to Avoid Them

TRUE OR FALSE: Senior-level accounting leaders automatically have a large, thriving network. **False.** Just because you have an extensive work history does not mean you have a robust circle of professional contacts. And one reason for that deficit is networking mistakes. When you commit these faux pas, you could be losing out on business opportunities, top talent and career advancement.

Read on for the top five networking mistakes CFOs in a Robert Half Management Resources survey said executives make, followed by advice on how to avoid these pitfalls.

NOT ASKING FOR ASSISTANCE

The solution is obvious, yet difficult to execute. Why?



Many leaders feel as though they should be able to handle everything on their own. No one has all the answers, though, and everyone needs a helping hand now and then.

What's more, asking for advice makes your contacts feel valued.

The fix: When you do reach out, be as specific as possible. That way, you allow your network contacts to determine how they can use their skills to best assist you, as well as recommend additional resources. For example, when weighing cloud-based financial systems, you could start an online discussion and invite your network to participate. People who have recent experience with purchasing such a subscription likely would be happy to share their experiences.

FAILING TO KEEP IN TOUCH OR REACHING OUT ONLY WHEN SOMETHING IS NEEDED



A professional network is like a garden: The more you tend it, the

more it grows. It's an ongoing effort. Sure you're busy, but if you ignore your friends and acquaintances until you need a favor, they're less likely to go out of their way to help.

The fix: Set weekly or monthly goals to check in with a certain number of contacts. You could stay in touch by sending a congratulatory

email on their new job or promotion, forwarding an interesting article, or alerting them to job opportunities. With a little practice, reaching out becomes a habit. Then, when you need a business introduction or assistance with your executive job search, your network won't feel like you're all take and no give.

NOT CONNECTING WITH THE RIGHT PEOPLE

It's natural for finance leaders to connect with each other. But if public accounting partners and managers make up 99 percent of your network, you're doing yourself a disservice. Networking is like investing, where



diversification is a smart strategy.

The fix: Get to know a variety of people and connect with them on LinkedIn. Your network should include industry influencers as well as up-and-comers, CEOs as well as entry-level accountants, and even summer interns.

Venture outside of accounting

and finance, too. For example, get to know professionals in academia, technology, healthcare, manufacturing, and the legal and creative fields, to name a few. Since you never know what type of help you'll need or in what areas, put your networking eggs in more than one basket.

NOT THANKING CONTACTS WHEN THEY PROVIDE HELP

Executives sometimes get so busy that they overlook the small yet crucial step of showing their appreciation. If you neglect this basic courtesy, people are unlikely to help out the next time they're asked.



The fix: A heartfelt email or quick phone call will suffice for small courtesies, such as when friends send you a business lead. Bigger favors, such as ones leading to a new job or client, deserve a handwritten card and perhaps a token of appreciation, such as a box of gourmet chocolates or a nice lunch.

NOT HELPING OTHERS

Networking is a two-way street. Taking without giving back ultimately results in a stagnant network — and possibly a few unhappy contacts.



The fix: To build an active network, say "yes" whenever possible. This includes easy and quick actions, like following an acquaintance's new business on Twitter and Facebook. But also agree to more time-consuming requests, such as an informational interview with a coworker's friend or an invitation to speak to a professor's accounting class. Proper networking takes time and savvy, and not everyone — including accounting veterans — gets it right every time. By examining your tactics and seeing what mistakes you might be making, you can correct your course and make the most of your network. ■

5 Keys to Successful Technology Consulting

MORE CPA FIRMS are recognizing the value of providing technology consulting services to their clients. As a trusted advisor to your clients, you have a valuable understanding of your client's business, and it's natural for your clients to turn to you for needs beyond transactional and compliance work. Some firms choose to purchase an existing technology consulting firm to acquire talent and a client base. Others are working to develop and hire the skills needed to be successful organically. Whether you build it or buy it, the keys to success in a technology consulting firm are very different from those of a traditional tax and accounting services firm. So let's take a look at what it takes to be a successful technology practice.

1 DEVOTED RESOURCES

Many firms starting out in technology consulting face the same common challenge: trying to use internal resources for external client services. It seems like a natural progression: you already have excellent IT professionals on staff, so they become your consulting team. It may be a decent short-term solution, but this setup doesn't work well long term.

As your technology consulting service line grows, natural friction between priorities starts to solidify. In other words, who is the priority when both the firm and a top client have an emergency at the same time? For this reason, we strongly recommend separating the two as soon as possible.

2 NICHE FOCUS

Many firms have bought into the idea that developing niche practices for their traditional audit and tax services can help differentiate them from the competition and position them as the experts in their vertical. The same advantages apply to developing a niche in your technology consulting. Niche focus has two components. The first

involves developing expertise in a specific type of business or industry.

As you can imagine, the technology needs of a medical office are very different from those of a restaurant, an automotive dealership or an agricultural concern. Specializing in an industry you know can give you more confidence in your skill set, provide a deeper understanding of your clients' needs and challenges, and help generate referrals.

Next, work to develop expertise in a few services you will provide within your chosen verticals. Some firms getting started in technology consulting try to offer too many services and that lack of focus tends to stretch people too thin. Worse yet, it draws consultants into areas where they lack the required expertise and ultimately disappoint clients.

Rather than trying to be a jack of all trades in your consulting practice, choose a few key areas to focus on in the beginning. That might include accounting software selection and implementation, cybersecurity services, business continuity solutions or other areas where you have (or can develop) the expertise needed to meet client needs. Which niche you choose is less important than the decision to focus on only one or a limited few.

3 STANDARD PROCEDURES

The second key to success is to develop standardized processes that can help you gain efficiency with each engagement. The specific procedures you follow will depend on your niche, but they should include good engagement letters and change orders that will shape client expectations and ensure you don't wind up on open-ended engagements that leave both you and your clients unhappy in the end.

Your procedures should cover not just client-facing aspects of your engagement, but the administrative side as well. As you refine your processes from engagement to engagement, each one will become more streamlined and thus more profitable.

4 VALUE PRICING

Even if your firm has not yet made the leap to value pricing tax and audit engagements, to be successful in technology consulting you will need to gain comfort with pricing based on value rather than effort.

Again, your pricing structures will vary based on the work in which you've chosen to specialize, but they



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will require more frequent and meaningful conversations with clients and a commitment to truly listen to what your clients want and need.

Many firms balk at value pricing because they worry they'll underestimate the cost of their work, and thus lose money on their jobs. Instead of falling back on the familiarity of billable hours, put yourself in the mindset of a business owner. What would it cost to hire an internal resource to provide this function or expertise? That mindset, combined with looking at the market rates of your competitors, will give you a good starting place for valuing your services.

5 LEVERAGE EXISTING CONNECTIONS

The final key to success is to leverage your existing connections with other firms that are building a technology consulting niche. Our profession is lucky to have so many excellent state, national and international associations and peer groups that bring together firms with similar challenges and objectives. Why reinvent the wheel when you can get lessons learned from the real-world experience of your peers?

As you develop your technology consulting practice, keep in mind these few simple keys to success: focus your efforts, standardize your processes, price based on value rather than effort and leverage the power of your peer networks. They're not a guarantee of success, but they will give you a strong head start in the right direction. ■

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