

ONLINE EXCLUSIVE:

AVERAGE TAX AND ACCOUNTING FEES FOR 2017 (www.CPAPracticeAdvisor.com/12300091)

CPA

EDITION

Practice Advisor

Today's Technology for Tomorrow's Firm

**2017
READERS'
CHOICE
AWARDS**

What You Need to Know to Manage Cash Effectively!

- Software Reviews
- Apps Reviews
- Cash Management Tips
- Expert Commentary

IN THIS ISSUE:

- Building Your Niche Practice
- Apps We Love
- Year in the Life of a SALT Accountant
- Year in the Life of a Payroll Accountant

CASH MANAGEMENT

PRODUCT REVIEWS:

- Cash Management Systems

CPAPracticeAdvisor.com

February 2017
VOLUME 27, NUMBER 1



Lucy suffers from *MSTS*. (Manual Sales Tax Syndrome)

Manual Sales Tax Syndrome (MSTS) is treatable.

Ask your accountant about AvaTax today.

Find out if Avalara AvaTax™ is right for you:

▶ www.avalara.com/cpa

▶ 877-780-4848

WARNING:

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

Avalara

Making tax compliance less taxing



PAGE 26



PAGE 19



PAGE 5



PAGE 42

CONTENTS

FEATURES

18 Apps We Love: Anti-Anxiety/Stress Management

By Gail Perry, CPA, Editor-in-Chief

19 Lean Six Sigma Strategies: Why Lean? *By Dustin Hostetler*

21 The Road from Intuit's Lacerte® to Wolters Kluwer's CCH Access™: "Cloud is a Magic Word"

A Year in the Life of a SALT Accountant:

24 Get Ready for New Changes to Sales & Use Tax in 2017

By Kerry Alexander

25 How Sales Tax Impacts Cash Management

By Shane Ratigan

26 2017 Readers Choice Awards

By Isaac M. O'Bannon, Managing Editor

38 Creating an Environment for Diverse Leadership to Thrive

By Amy Vetter

A Year in the Life of a Payroll Accountant:

40 New Year, New Payroll

By Taija Jenkins, Assistant Editor

41 4 Tips on the Hold of the Final Overtime Pay Rules

By Aldor Delp

Building Your Niche Practice: eCommerce

42 Case Study: Learning eCommerce the Hard Way *By Dawn Scranton*

42 On Becoming an eCommerce Specialist *By Dawn Scranton*

45 Resources for the eCommerce Specialist

44 The ProAdvisor Spotlight: Celebrating 20 Years, 200,000 Global Members

47 The Month Ahead

CHANNELS

16 Small Business

37 Taxes

20 Accounting & Audit

39 Payroll

36 Firm Management

COVER STORY: CASH MANAGEMENT

5 Best Practices for Managing Cash

By Beth Melcher

6 Quick Tips for Surviving Cash Shortfalls *By Kristy Monahan*

6 Internal Controls Checklist *By Julie Babcock-Hyde*

6 Cash Management Resources

7 From the Trenches: Cash is King

By Randy Johnston

15 5 Steps & 5 Online Resources to Produce Accurate Cash Flow Projections

By Stephen Deason

2017 PRODUCT REVIEWS

8 Cash Management Systems

By Mary Girsch-Bock

13 Cash Management Apps

By Mary Girsch-Bock

COLUMNS

4 From the Editor: A New Year, A New Look

By Gail Perry, CPA, Editor-in-Chief

7 From the Trenches: Cash is King

By Randy Johnston

17 The Staffing & HR Advisor: 17 Professional Development Ideas for 2017

By Paul McDonald

22 Technology IN Practice: CES 2017: Laptops for Mobility

By Roman Kepczyk, CPA.CITP

46 Bridging the Gap: Increase Accountability in 2017

By Jim Boomer, CPA.CITP

Published by
SouthComm Business Media, Inc.

 SouthComm
 Business Media

 PO Box 803 | 1233 Janesville Ave.
 Fort Atkinson, WI 53538
 920-563-6388 | 800-547-7377

VOLUME 27, NUMBER 1
Publisher: Barry Strobel
Editor-in-Chief: Gail Perry, CPA
Managing Editor: Isaac M. O'Bannon
Assistant Editor: Tajja Sparkman
Columnists:

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

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

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

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

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

Article reprints: Brett Petillo
 Wright's Media 877-652-5295, ext. 118
 bpetillo@wrightsmedia.com

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


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

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

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

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

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

A New Year, A New Look

There have been times in my life when I've tried to reinvent myself. There was the winter I decided to be recognized for my hats and started wearing wide-brimmed felt hats to work every day.

This was in Chicago and the wind was not my friend.

Another time I decided to work on mastering racquetball, but I made the mistake of playing a game after eating a meal I was allergic to and ended up in the hospital as my body was fighting itself for adrenalin. A big change was when I decided to go from a journalist to a CPA, and then back again to a journalist (with a little CPA on the side). That one has worked out well. I think we all try changes on for size, some are more significant than others, and then we keep the ones we like.

And that brings me to this magazine, this month, this issue, where we have decided to give change a try at *CPA Practice Advisor*. When you look at the cover, you'll probably think this looks pretty much

like all the magazines you've seen in the past. But you'll be wrong. In the past, our cover highlighted one of the stories in the magazine. This month our cover shows that the magazine is about a topic, and this month the topic is *cash management*. We're giving you a deep dive into our cover topic. Our articles provide best practices for managing cash, our software reviews cover products that provide cash management solutions. We offer outside resources that you can access or download, including tip sheets and webinars, and some of our monthly columns feature exceptional information about managing cash as well.

You'll also notice that we've changed the way we prepare our software reviews. In many cases, we're no longer reviewing entire programs, but instead we're focusing on the features those programs have that correlate with our magazine theme. So this month we're examining the cash management features of a variety of programs. We've examined full service accounting programs as well as specific apps that are specialized in this area. And we've added a features chart so you can easily compare the features between programs and read about the ones that will best fit your needs.

In short, this issue is your one-stop guide for cash management, and because of our immersion in this subject, we hope you will want to keep this on your shelf as a resource, share it with others, and refer back to it in the future. Each month we'll cover a different topic and provide you with myriad solutions and ideas to help you improve your practice.

In addition, we are offering a new series called Building Your Niche Practice, where we provide tools and information on how you can build or enhance your tax and/or accounting practice within particular niches. Each month we'll look at a different niche and provide you with advice from real accountants who work within this niche. For February, our niche is eCommerce, so we're sharing information on how to work more effectively with your eCommerce clients.

Another change you'll see in our new magazine format is new pages for our channels. Our website is divided into several channels: Accounting & Audit, Firm Management, Payroll, Small Business, and Tax. We're devoting one page to each channel in our magazine to provide you with the latest news, best practices tips from our readers, and our favorite social media posts from the past month.

We still have the same outstanding columnists that you already know, and our regular features include Apps We Love, and A Year in the Life of SALT and Payroll accountants. We hope you enjoy our reboot and we welcome your comments. ●

— Gail Perry, Editor-in-Chief
 Follow me on Twitter at @gperrycpa
GPerry@CPAPracticeAdvisor.com



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

Best Practices for Managing Cash

By Beth Melcher

The word cash is starting to get a funny ring to it, isn't it? Like "davenport", "slicker" or "billfold". Coin and paper currency are fading into the background of modern finance and appear only most frequently in movies about heists or shady international transactions. However, the concept of cash management remains as vital as a heartbeat...because that is what it is for a business – its life blood. Liquidity keeps commerce flowing.

So, what is the best approach to cash management? The real answer is that there is no "right" answer. Your Banking and Finance 101 professor would disagree, but the best cash management strategy may not hinge on a weighted average cost of capital calculation. A strategy must also consider the inclination of the business owner to "mess with the money." My HP-12C (yes, I still have it) may say the NPV analysis indicates the best use of funds is in capital markets, but my client may be a whole lot happier parking the sum in three separate money market savings accounts at three financial institutions in amounts just under the FDIC insurance maximums.

However, there are general guidelines that satisfy the professor and the owner. Companies need a good relationship with a commercial banker at a reputable financial institution. He or she provides solutions for depositing, investing and borrowing of capital. A company may be able to minimize fees, maximize rates and extend availability of credit by coordinating its banking relationship through a designated provider.

How does a business owner pick the right bank?

- **CONSIDER BANK STABILITY** – this is best measured by the quality of the bank's assets and capital adequacy. Refer to the FDIC website at www.FDIC.gov for a searchable list of bank performance.
- **LOOK FOR PHYSICAL PRESENCE IN THE COMMUNITY** – are they literally there when you need them? Many banks have closed their smaller regional offices and centralized into larger cities. Think about whether it matters to your client to have access a human banker and not the 1-800 number.
- **REVIEW THE BANK'S LEVEL OF SOPHISTICATION** – will this be able to satisfy the company's needs if the company grows? Evaluate the needs of larger companies in your client's industry. What banking needs did

they have later in their life cycle? Think about that up front and avoid a difficult transition later.

- **CHECK OUT THE BANK'S ONLINE CAPABILITIES** – does it interface with the accounting system? Many still do not. Poor interfaces can cost companies plenty in labor grind in the accounting department if all they can get is a .csv file download.

OK, you have picked a bank, what do you order from the menu?

- **SHORT-TERM CASH DEPOSIT SOLUTIONS** – pick a checking and savings. Pay attention to monthly transaction maximums, balance requirements and maintenance fees. Review the business's typical average balance and number of monthly transactions. Choose the account that best aligns with those. Use a short-term savings account to segregate funds that can be used during leaner income cycles or for periods of larger operational cash requirements. Manage short term cash balances between the checking and savings to maximize interest income, but with rates on savings account so low, this may not be a high priority for the owner.
- **SHORT-TERM BORROWING NEEDS** – get an operating line of credit – access to short-term funding can save your bacon. Cash forecasting is never perfect. Limit the use of the line to funding expenses that will be more than covered by income within the next few months. Most banks require a line "rest" for 30 days each year.
- **LONGER-TERM CASH SOLUTIONS** – when a company enjoys a surplus of cash, the

owner can consider:

- ▣ **STARING AT IT**

– The client feels it took a long time to generate cash and is not ready to convert it to anything else. In this situation, find an account that is completely liquid and has the highest interest rate and no fees. Watch FDIC maximums.

- ▣ **PUTTING IT TO WORK** –

Investment may be the best option. The owner may consider capital markets investment options (stocks, bonds) or may choose to put the funds back into the company as capital expenditures. Low interest rates can make this path most attractive for many operators.

- ▣ **HANDING IT OUT** – If the company has met its own financial goals and has enough emergency cash to survive a market downswing (recommendations for cash reserves range from two months to six months of operating expenses) it may be time to reward the company stakeholders.

- **LONG-TERM BORROWING IS MOST APPROPRIATE** for

the acquisition of long term assets like buildings or equipment. A company with a healthy cash balance can more easily access debt from their financial institution.

The best cash management solution is a blend of smart BAFI (banking and finance) calculations and what feels right to the business owner. Create a partnership with a good banker and have access to a successful, living, breathing cash management strategy.

Beth Melcher is the founder of MoneyFit, a small business consulting firm in Traverse City, Michigan. She specializes in workflow efficiency and has more than 20 years' experience in banking, product management and QuickBooks integration. She can be reached at beth@bemoneyfit.com.

Internal Controls Checklist

By Julie Babcock-Hyde, CPA

Per the U.S. Chamber of Commerce, about 75% of employees are stealing from their employer. Research has shown that the most common item stolen was cash, with the average amount stolen amounting to \$20,000. Here is a checklist of internal controls your business clients should have in place to protect themselves both from internal employee theft and external theft:



SEGREGATION OF DUTIES – On the accounts receivable side, ensure that the same person who is receiving cash, is not also depositing it and recording it in the accounting records. For accounts payable, ensure that the same person approving payments is not also writing the checks and reconciling the bank account.



MAKE TIMELY DEPOSITS – Cash and checks received at a business should be deposited daily to decrease the chance of the money being stolen.



REVIEW CHECK SIGNING AUTHORITY – Review the records with the bank to ensure that the appropriate team members have check signing authority. Consider requiring more than one signature for checks above a certain threshold.



CONTROL ACCESS TO CHECK STOCK, ACCOUNTING SYSTEMS, AND CASH – Unused check stock should be locked up. Access to computer systems or banking systems where checks can be generated should require strong passwords. Cash and checks waiting for deposit should be securely stored in a safe.



DISCOURAGE MANAGEMENT OVERRIDE OF CONTROLS – Management override of existing controls should be strongly discouraged



RECONCILE THE BANK ACCOUNTS – All bank accounts should be reconciled on at least a monthly basis. Ideally, a person uninvolved in the day to day accounting activities for cash receives an unopened bank statement with canceled check copies to reconcile the bank account from so that the statement activity and canceled checks can be reviewed for irregularities. If there are not enough team members for this to happen, it is important that an owner, manager, or board member obtain the bank statement and review for irregularities prior to the regular bookkeeper preparing the reconciliation.



UTILIZE TECHNOLOGY TO HELP – New technology exists to help businesses prevent theft. Segregation of duties can be easily accomplished via system-based approval processes for purchases and payments. Controls on customer payments received can be gained by streamlining client payment collection via lockbox services. The risk of stolen check stock can be reduced by utilizing a bill payment service. Positive pay systems can be enabled at the bank to ensure fraudulent checks are not paid.

as it sets a poor example for team members about the importance of internal controls, and because external thieves are targeting businesses this way. We have seen thieves pretend to email as the company CEO requesting funds be wired, and the accounting employees follow those instructions without following the normal process and controls for purchases resulting in payments made to cybercriminals.

QUICK TIPS FOR SURVIVING CASH SHORTFALLS

By Kristy Monahan, principal, Dynamic Bookkeeping

Got Cash? Here are a few quick strategies to jump start cash flow when the going gets tough.

- **Hit your Accounts Receivable list hard.** You look great on paper and sales are through the roof...so where's the cash? Take a look at your open invoices and make some phone calls. Reach out to customers on account. Institute a late fee or offer a discount if invoices are paid before they're due. Utilize technology to collect quickly. Review your terms: do you need to decrease them or be paid up front? Net 30 is great for your customers, but it can be terrible for cash flow.
- **Stretch your Accounts Payable to the limit.** Do your vendors offer Net 30? Are you taking advantage of their terms? Paying your bills upon arrival isn't always the best use of your money. Look at your payables and push them out as far as possible without incurring finance charges.
- **Credit Cards/Lines of Credit.** Call the bank! Many businesses choose to utilize credit cards or lines of credit for short-term cash flow assistance. Caution - be militant about repayment. Once cash improves, pay debt down quickly to ensure minimal interest expense and avoid accumulation.
- **Cut Expenses.** Grab the scalpel and start slicing. Review financial statements to see where money is being spent unnecessarily and remove it! Start with larger expenses and work your way down. Don't ignore small expenses - they add up.
- **Once the cash is flowing, place safeguards to ensure droughts rarely reoccur.** Create a budget, perform cash flow projections, or strategize with a professional.

CASH MANAGEMENT RESOURCES

- **Multicurrency Best Practices:** <https://www.fireapps.com/8-best-practices-in-multicurrency-accounting-to-avoid-self-inflicted-currency-wounds/>
- **Webcast: The Automated Bill Payment Revolution:** <https://event.webcasts.com/starthere.jsp?ei=1130212>
- **Bank Reconciliations At a Glance and Tips for Success:** www.cpapracticeadvisor.com/12300962
- **Bank Reconciliation Made Fun with Xero:** www.cpapracticeadvisor.com/12300951
- **Petty Cash Tips & Tricks:** www.cpapracticeadvisor.com/12300969

Julie Babcock-Hyde, CPA, works with small business owners who want to make sense of their numbers so they can pay less taxes, make more money, and grow their business profitably. For over 20 years, Julie has supported businesses of all sizes to streamline their accounting processes, provide sound financial advice and help them grow their businesses with less stress.

Cash is King

Profits are great! Ample cash is even better. It is so much easier to manage businesses, make better decisions and help clients when cash flow is not an issue. But not every person or business has that luxury. If we can get clients to focus on what drives profits to the bottom line and brings cash into the business, we can be thoughtful and proactive about taking the right actions. As you know, the primary reason for small business failure is lack of cash.

The fundamentals are the same as they have always been: ample margin, adequate top line sales, minimize expenses, collect cash quickly, and if you choose, make the best of OPM (other people's money) by creative bill payment, financing and special options and offers. Further, we can monitor our actions with technology tools.

What Are We Trying to Accomplish?

Key business strategies and tactics can be aided by technology tools. Planning a budget, setting a pricing strategy, marketing and sales efforts, and other proactive tasks help us set the strategic direction of a business. However, the tools won't make better decisions for us. They should make it easier to model, see the results and prevent some errors.

On the other hand, tactical operations require effective bill payment, expense management, ordering and delivering products and services, and managing day-to-day operations. Likewise for operational systems, automating a bad approach or process simply makes for an inefficient automated system.

When we acquire software systems, the designers have spent time thinking through a process and have coded the system to accomplish that process. However, if we do not take the time to understand our processes or the processes of the new system, it is common that a system implementation will never be successful. To manage the business and cash in specific, we have to understand our business process holistically.

What Tools Can Help Us?

Remember tools come in all sizes, qualities and capabilities. We need to match the tool to the job at hand. If the business is larger, a stronger tool is typically needed. If the business is smaller a simple tool can frequently suffice. Most of us use the universal crescent wrench of business, Excel. We build models that can readily be updated, but may become

hard to manage. It is at this point that picking a more sophisticated tool can help.

For example, if you need budgeting tools, you can pick from a wide variety of products (with the mid-market products bolded):

- A3 Modeling - A3 Solutions
- **Adaptive Planning** - Adaptive Planning
- **Align Planning Enterprise** - Budgeting, Reporting and Rolling Forecast Software LLC
- **Budget and Planning Maestro** - Centage
- **Budgeting** - Prophix
- BudgetPak - XLerent
- Demand Planning - Vanguard Software
- DynacBudget - Dynac Software
- LivePlan - Palo Alto Software
- PlanGuru - New Horizon Software Technologies, Inc.
- Planning Cloud - Host Analytics
- Capterra listing for budgeting software (watch the marketing efforts!) - Capterra

As another example, if you need accounts payable tools, you can pick from a number of competitors.

- Anybill (I've recommended this to many industry CPAs and accounting firms) - www.anybill.com/
- Acom (more common in the Sage market) - www.acom.com
- Avid (lots of integrations, possible best candidate in your situation) - www.avidxchange.com/integrations
- Basware - www.basware.com/solutions/invoice-automation
- Bill.com (Cloud based, AICPA recommendation) - www.bill.com/
- CloudX (better on Sage 300, and expanding to other products) - www.cloudxdpo.com/
- Corcentric - www.corcentric.com/
- Kofax AP (high end) - www.kofax.com/software/markview-ap-automation/
- Merkur (higher end) - www.merkurgroup.com/
- OnBase Anydoc (a fine workflow product, too) - www.onbase.com/en/product/onbase-anydoc/examples/accounts-payable
- OnBase AP (higher end, interfaces with many different systems) - <http://bit.ly/2kVVAcj>
- Perceptive Intelligent Capture (Out of Kansas City, now owned by Lexmark/IBM, but I've used with many different products and companies) - http://www.lexmark.com/en_us/solutions/financial-process-automation.html
- Readsoft (higher end) - <http://bit.ly/2khgMuj>

As a final example, if you need expense management tools, you can pick from small to large tools, some of which are free:

- Concur
- Expensify
- Nexonia
- Tallie
- Zoho Expense

May You Always Have Plenty of Cash!

While we can't guarantee that simply managing cash will guarantee you'll have plenty of it, you'll have a good idea of where your cash is used, how you have chosen to use it, and what it takes to generate more. Yes, you'll still have the hard work of selling the product or service and managing the delivery of the projects, but there are tools to help us do that, too.

While many businesses squander cash and spend money in irrational ways, some choose priorities that almost certainly guarantees they won't have cash. We can't fix that. But if businesses want to manage cash, you can teach them techniques that work, and model these strategies in software that allows the business owners and managers to see the results. ●



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

Cash Management Systems Offer Vital Tools

By Mary Girsch-Bock

The term Cash Management can mean different things to different people. The small business owner may look at cash management as a necessity, particularly when revenues are limited and bills seemingly endless. These are some of the elements of cash management:

- The ability to track both current and projected revenues
- Tracking and managing both cash disbursements and other expenses
- Managing accounts receivable balances
- Cash flow budgets
- Bank reconciliations and automatic bank feeds
- Reconciling cash accounts

What do all of these things have in common? They're all part of cash management.

The corporate CFO may look at cash management as part of due diligence as the financial leader of a public entity; and as a public entity, those cash management needs change, particularly for businesses with a global presence. These businesses in particular will require more robust cash management capability in any software application that their business may choose to utilize.

The accounting professional often views cash management as another piece of the accounting puzzle that can often be handled more effectively by these same professionals. This has never been truer, as more accountants begin to offer cash management services along with general bookkeeping and accounting services to their clients.

Whatever your motivation for learning more about cash management, this issue of *CPA Practice Advisor* will likely provide some resources for you to utilize, as well as a review of the cash management functionality that is found in popular accounting products and cash management apps.

This month, we looked at more than a dozen accounting software products, along with some cash management apps. These reviews look at only the cash management portion of each product, offering an overview of features and functionality found in these products.

While reviewing these applications, we chose to look at some very specific features, including the following:

- Cash forecasting tools
- Built-in bank reconciliation capability
- Cash management analytics
- Security options and the availability of an audit trail
- Reporting options
- Multi-currency capability
- Integration with applications from the same vendor
- Integration with third-party applications

Mentioned earlier, we divided the products reviewed into two categories; Accounting Software Applications and Cash Management Apps. The scope and complexity of the products vary widely, from those suitable for very small businesses, to ERP systems that would

be quite at home in a global business environment with multiple locations. Products included in this month's review include the following:

Accounting Software

Applications:

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

Cash Management Apps:

- Pulse
- Up Your Cash Flow
- PlanGuru
- Float

Depending on your needs, the needs of your business, and your circumstances, some of you may be looking for something as simple (and convenient) as a cash management app that provides quick access to cash flow data, while others may be looking for a comprehensive accounting program that integrates cash management functionality with more comprehensive accounting functionality.

The bottom line is that whether you're a freelancer with a part time business, a small business owner, a corporate CFO, or an accounting professional providing numerous clients with accounting and bookkeeping services, you all need the ability to manage cash adequately. These products and apps offer the opportunity to do so.



CASH MANAGEMENT SYSTEMS

	CASH FORECASTING	REAL TIME UPDATES	CASHFLOW DASHBOARD	BANK RECONCILIATION	IMPORT BANK STATEMENTS	TRACKING UNCLEARED TRANSACTIONS	RECORDING OF BANK CHARGES	ANALYTICS	INTERNAL CONTROLS & SECURITY	AUDIT TRAIL	REPORTING	ACCOUNT TRANSFER	MULTICURRENCY FEATURES	INTEGRATION WITH FINANCIAL MODULES	INTEGRATION WITH OTHER ACCOUNTING APPLICATIONS
Accounting Power		X	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
FreshBooks	X	X	X		X		X		X	X	X		X	X	
Kashoo	X	X	X	X	X	X	X		X	X	X		X	X	X
Intacct	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
QuickBooks Online	X	X	X	X	X		X		X	X	X	X	X	X	X
Sage 50	X	X	X	X	X	X	X	X	X	X	X			X	X
Thomson Reuters Accounting CS	X	X	X		X	X	X	X	X	X	X			X	X
Wave	X	X	X	X	X		X		X	X	X		X	X	
Xero	X	X	X	X	X	X	X		X	X	X	X	X	X	

AccountantsWorld Accounting Power

2017 OVERALL RATING: ★★★★★

www.accountantsworld.com

Accounting Power, part of the AccountantsWorld suite of products designed specifically for accountants is a comprehensive accounting product designed for accounting firms that offer accounting services directly to clients. Accounting Power offers a variety of cash management and related tools that make managing cash and cash flow for multiple clients a much simpler task. Accounting Power, like all AccountantsWorld applications, is cloud-based, offering anytime/anywhere system access.

The Virtual CFO dashboard offers accountants a snapshot of all client

finances on a single screen, and the customizable client dashboard offers client specific information in a graphical format that provides vital cash flow and business finance information. All transactions posted in Accounting Power are posted in real time, so all dashboards, reports, and ledgers always reflect the most current information.

Accounting Power contains automatic bank feeds that enable accountants to automatically download all banking transactions for all of the clients. Users can easily connect with thousands of banks and credit card companies. Bank statements can also be downloaded into

Accounting Power, with users able to later electronically upload transactions directly from that bank statement in order to expedite the bank reconciliation process. Transactions can also be uploaded electronically directly from a client's bank statement if desired. Users can also manually enter any bank transactions that are missing, such as bank fees or interest payments.

Accounting Power utilizes Amazon.com's secure data centers. All data is fully encrypted using SSL "green-bar" digital certificates. All system staff and

users are required to a unique login and password in order to access the system, and all logins are recorded and audited as necessary.

Accounting Power records all system activity and users can print the activity log, choosing the dates that they wish to include in the log. The report can also be grouped by user, if desired.

There is also a summary at the top of the report as well as financial ratios.

Read the full review for this product online at:
www.CPAPracticeAdvisor.com/12298807

Acumatica Financial Suite

2017 OVERALL RATING: ★★★★★

www.acumatica.com

Acumatica Cloud ERP is a robust accounting system that contains excellent cash management solutions for businesses of all sizes, though the scope of the product is to address the needs of small to mid-sized organizations. Acumatica offers industry specific solutions such as the recently released Field Services Edition and Commerce Edition, as well as various management applications such as Financial Management, Customer Management, and Distribution Management.

Acumatica offers a variety of financial and cash management solutions, including a separate cash management module. The cash management module seamlessly integrates with the GL, AP, and AR modules, and provides a system-wide view of all aspects of the business. All transactions are posted in real time, so reports and dashboards always contain the latest information and are accessible on mobile devices.

Acumatica contains excellent cash forecasting capability, with users able to review a 30-day cash trend that looks at

data from accounts receivable, accounts payable, and cash accounts. This allows users to anticipate future cash revenues and expenditures to get a better handle on their business. Also handy is the Cash Account Summary, which provides an overview of all cash accounts. Acumatica also features interactive dashboards that can be completely customized using various graphics and charts, with all dashboard data updated in real time. Users

can also customize a home dashboard for each system user that provides financial information in the areas that they require.

Bank reconciliation capability is included in Acumatica, with users able to enter statement information and reconcile transactions with posted data.

Read the full review for this product online at:
www.CPAPracticeAdvisor.com/12298811

CASH MANAGEMENT SYSTEMS

FreshBooks

www.freshbooks.com

FreshBooks is an accounting software in the cloud for self-employed professionals and their teams. The product is strong on time tracking and client billing, and make these two functions their main focus.

FreshBooks cash management features are fairly generic, with a basic cash forecasting report available that allows users to track their current billing and expenses, as well as get a handle on current and expected revenues. All transactions entered in FreshBooks are added in real time, so all dashboard information and reports will display

the most recent information available to users. The Dashboard offers a graph that displays outstanding revenues as well as total business profits and current spending levels. It does feature a handy list of spending, so users can see exactly where their money is going.

While FreshBooks offers connectivity with banking institutions, it does not offer a bank reconciliation feature, but it does have the ability to import bank statements. It does provide users with a mechanism to import expenses directly from a banking institution, which would allow users to track any related banking expenses as well.

2017 OVERALL RATING: ★★★★★

FreshBooks offers a decent selection of reporting options, which includes a summary of profits and outstanding revenues, which provides users with current profit as well as expected revenue levels. All reports can be exported to Excel or printed as desired. It also offers solid time tracking options and client management tools, and a review feature for some analytics.

FreshBooks offers solid security, with 256-bit SSL encryption, and all users are required to have their own login and password to access the system. There is

no traditional audit control in the product, but the Relationship Feed feature provides a log of all invoices and other communications sent to each client.

Freshbooks also offers multicurrency functions, integrating with Stripe in order to handle global payments. The product also offers integration with a series of apps that increase program functionality, such as integration with Shopify, Zapier, Google, Apple Pay and others. Users can also invoice clients in any currency, and all business expenses can be tracked no matter what currency is being used.

Read the full review for this product online at:
www.CPAPracticeAdvisor.com/12298814

Intacct

www.online.intacct.com

Intacct is a cloud-based accounting software product that offers a variety of core financial modules which include AR, AP, GL, Order Management, and a solid Cash Management module. Intacct also offers a variety of add-on modules that can boost cash management functionality, which include Contract Revenue Management, Multi-Entity & Global Consolidations and Project Accounting.

Intacct's Cash Management module offers user flexibility, with the ability to apply payments directly to customers without an invoice, record point-of-

sale payments that are not applied to a specific customer, as well as the ability to complete transfers. Cash forecasting functionality in the product allows users to track both assets and revenue, making it easy to pinpoint areas that are generating revenues, as well as areas that are not. Intacct also allows users to manage cash across multiple locations and entities, both domestic and foreign. Product dashboards feature colorful charts and graphs and dashboards are fully customizable, so users can choose to display the data they need. Particularly useful is the Company Insight Dashboard, which provides profit margin, net income, total revenue, and

2017 OVERALL RATING: ★★★★★

total expenses, indicating whether those figures are trending up or down.

Users can easily import bank statements from all financial institutions, with Intacct automatically reconciling checking, savings, and credit card accounts. Users can easily spot unposted transactions, locate any bank errors and process additional bank fees or interest payments. All transactions are posted in real time so dashboards and reports will always contain the most current information.

Intacct offers users excellent analyti-

cal reporting with features such as SaaS Metrics and Report Visualizations, which allows users to quickly spot any trends or exceptions when processing reports. Performance Cards can be easily customized in order to capture data such as operational measures and budgets, so users can better understand performance trends while also minimizing financial risk.

Intacct offers excellent network security to its customers, featuring Fortune 100-class data centers and Quality Technology Services.

Read the full review for this product online at:
www.CPAPracticeAdvisor.com/12298815

Kashoo

www.kashoo.com

Kashoo is cloud accounting software that is well designed and aimed at the small business owner. Cloud based, Kashoo also offers both iOS and Android apps, and can be used on any device. Pricing is simple, with a single monthly cost for all users. Kashoo offers complete accounting functionality, with invoicing, bill payment, and journal entry capability.

The cash management features in Kashoo are solid, and the Kashoo Dashboard offers users the ability to view summary detail such as monthly and annual income, accounts receivable and accounts payable amounts, as well as prior-month and prior-year comparisons, making it

easy to create a true cash forecast. Users are provided with detailed information on company cash flow, including year-to-date expenses and revenues. iPad users will also have access to three Dashboard reports, which include a Profit & Loss Overview, an Income Overview, and an Expense Overview.

The reports are thorough, and provide users with vital data such as total upcoming bills, details on various income streams, and year-to-date taxes, with a color-coded bar graph detailing each category by month. All reports and dashboards are updated in real time, so users will always have access to the most recent information. Users can also record

future bills in Kashoo to better manage their cash flow.

Kashoo allows users to connect with their banking institutions, and perform bank reconciliations. Users can begin by importing all bank and credit card transactions, followed by importing any bank statement transactions. Users can simply go to the Banking option in Kashoo to get started with the reconciliation process, and can save the reconciliation for future access. Users can also simply perform a traditional bank reconciliation by accessing the correct bank statement and comparing transactions, adding the

statement when it's reconciled.

Kashoo offers SAS70 Type II certification, with all data securely encrypted. A data backup is offered in case of a system crash, and Kashoo uses a data center that offers a 100% uptime guarantee. All system users are required to have a unique login and password, and the History function provides management with a complete audit trail of all activity performed.

Kashoo offers decent reporting capability, with standard accounting reports available. Users can also export reports to Excel, as a CSV file, as a PDF, or HTML.

2017 OVERALL RATING: ★★★★★

Read the full review for this product online at:
www.CPAPracticeAdvisor.com/12298818

CASH MANAGEMENT SYSTEMS

QuickBooks Online

QuickBooks.Intuit.com

QuickBooks Online is the cloud-based version of the ever-popular QuickBooks. Well suited for small business owners, as well as nonprofit organizations, QuickBooks Online offers complete accounting functionality in its three versions, though they are very different in both function and appearance than traditional desktop QuickBooks products.

QuickBooks Online offers fairly standard cash forecasting, mainly available through its Statement of Cash Flows, which offers users a glimpse of cash generated, cash spent, and investment cash totals. Also useful is the Company Snapshot, which offers product users a summary look at income and expenses with a year-to-year comparison, using bar graphs and pie charts to display the totals. A company dashboard also tracks

all system activity, with the dashboard completely customizable to suit business needs.

QuickBooks allows users to easily connect their bank accounts by choosing the appropriate bank. Users can simply enter their banking login and password, which will then begin the process of connecting the account to QuickBooks Online. Users can select to connect one or all of their bank accounts as desired. Once the account is connected, QuickBooks will automatically download all transactions for the last 90 days. While QuickBooks does attempt to assign transactions to a specific account, users have the option to edit that information by moving the transaction to the proper account. The Reconcile function allows users to quickly reconcile bank statements to the transactions posted in the product. Users can simply click the

Reconcile Now button and choose the appropriate statement date that needs to be reconciled. Users can enter any manual adjustments or bank charges during the reconciliation process. Once the reconciliation is complete a report is available that highlights any adjustments made. For those not connected to a bank account, users can upload a bank file into QuickBooks Online. Users can track uncleared transactions by reviewing vendor activity.

The Manage Employees option provides management with a list of the most recently entered transactions which offer some audit trail capability.

QuickBooks Online offers a solid selection of cash management reports, including a Profit & Loss, Statement of Cash Flows, which is fully customizable,

Profit and Loss Detail, and the Scorecard, which provides users with a comparison of profitability, sales growth, and cash flow to similar businesses. Reports can be printed, shared with accountants or emailed directly to recipients. The account transfer option allows users to process transactions as transfers, so transactions such as credit card payments or other bank fees can be processed internally as a transfer, rather than a payment.

QuickBooks Online offers multicurrency functionality, though it needs to be turned on. Once it is turned on, it cannot be turned off. Only one currency can be assigned to an account, and the system provides a home currency adjustment, so users can track income accordingly.

2017 OVERALL RATING: ★★★★★

Read the full review for this product online at:
www.CPAPracticeAdvisor.com/12296822



**THIS WILL BE YOUR SMARTEST BUSINESS DECISION
OF 2017!**

SWITCH NOW

GET ADDITIONAL **15% OFF*** ON OUR RATE CARD

* 15% Off Applicable for all client setup on or before 03-03-2017

Why Accountants Prefer Crest Payroll ?

1. e-filing and Payments to all 50 states - Federal/State/Local
2. Automated Payroll Tax Compliance
3. Direct Deposits and Check Printing with e-sign
4. Web-based Time Clock
5. 'Employee-Self Service' and 'HR Tools'
6. Garnishment and Deductions payments
7. Benefits Management & Health Insurance

Call Us

855-903-0023

Corporate Headquarters:

160 Littleton Road,
Parsippany, NJ 07054
www.crestpayroll.com

4.75/5 rating for several years



2016 Payroll Review The CPA Technology Advisor

SSAE-16

Privacy
Certified

Fully
Insured

Hacker
Safe

CASH MANAGEMENT SYSTEMS

Sage 50

www.sage.com

Sage 50 Accounting offers a hybrid desktop/cloud accounting solution. Ideal for small businesses, Sage 50 is available in three versions, with a 10 user maximum. Designed as an all-inclusive product, Sage 50 offers standard financial functions such as Customers and Sales, Vendors and Purchases, Inventory, Payroll, Banking, and Jobs.

Sage 50 offers solid cash management capability with a feature called Cash Flow

Manager, which allows users to choose a timeframe and project cash flow. Included is the ability to project cash flow for as few as 7 days to projecting cash flow for an entire year. The cash flow summary provides summarized totals as well as a graph that provides a look at projected cash flow. But one of the best features is the ability for users to enter numbers in the Cash Flow Manager in order to run 'what if' scenarios without affecting any Sage 50 data. Once the scenarios

are completed, users can simply add the transactions they wish to include in Sage 50. Fully customizable, this feature also allows users to customize the cash flow report based on the needs of their business. Along with the Cash Flow Manager Dashboard, Sage 50 also offers a fully customizable Dashboard, where users can choose from a list of available sections to display on the dashboard.

Sage 50 can import bank statements using the Online Banking feature which is found in Sage 50 Complete Accounting and higher versions of the product. Once the statement is imported, it can be reconciled with transactions posted in Sage 50 by simply clearing all matched transactions.

2017 OVERALL RATING: ★★★★★

Read the full review for this product online at:
www.CPAPracticeAdvisor.com/12298823

Thomson Reuters Accounting CS

<http://tax.thomsonreuters.com/cs-professional-suite>

Thomson Reuters Accounting CS is designed for accounting firms that handle accounting and bookkeeping for their clients. Designed to work with other Thomson Reuters products for accountants, Accounting CS offers solid cash management capability, allowing accountants to keep a better handle on their client's financials.

Though no cashflow dashboard is

available, the client dashboard offers accountants a look at client activity including revenues and expenses for a specified timeframe. Accountants can also access other information that can assist with cash forecasting for their clients, including net income, and income statement, and account analysis. The dashboard also contains any related bank account information, as well as current and pending vendors. In addition to the client dashboard, there are also firm and

staff dashboards available.

All transactions entered in Accounting CS are recorded in real time, so all dashboards and reports will always show the most current balances available.

Accountants can easily handle client bank reconciliations in Accounting CS. Banking information will need to be set up with a corresponding GL account in

order to process a bank reconciliation. Users can easily download bank statements directly into Accounting CS, or use the Bank Statement Import tab to import bank transactions directly from the bank statement. Adjustments can be made to the bank account using the edit menu.

2017 OVERALL RATING: ★★★★★

Read the full review for this product online at:
www.CPAPracticeAdvisor.com/12298805

Wave Accounting

www.waveapps.com

Wave Accounting is designed for the self-employed, freelancer, or very small business owner. Wave is currently available at no charge, though there is a fee for payroll functionality as well as the ability to accept credit cards. Wave offers real double-entry accounting functionality in an easy-to-use online application.

Wave does not offer extensive cash forecasting tools, but users can utilize

the included system reports to forecast cash flow. An Income and Expense dashboard provides users with both income and expense levels by month, with a comparison available for the past year or past two years. The dashboard also contains a recap of recent activity which includes all overdue bills and invoices, as well as outstanding invoice totals as well as outstanding billing amounts, including those coming due soon.

Wave offers an easy connection to over

10,000 banking institutions, which will automatically import banking transactions directly into the product. Users can also download electronic statements from their bank or credit card institution, and users can complete a bank reconciliation directly in Wave by filtering dates and accounts to reflect the month that needs to be reconciled. Users then enter the bank ending balance, compare to the

Wave balance, and locate and enter any missing transactions in order to reconcile the balance.

Wave offers excellent security, with all banking connections read-only. In addition, connections use 256-bit encryption, and the product is PCI Level -1 certified for handling all credit card transactions securely. There is no formal audit trail functionality in Wave.

2017 OVERALL RATING: ★★★★★

Read the full review for this product online at:
www.CPAPracticeAdvisor.com/12298834

Xero

www.xero.com

Xero is designed for small business owners and offers complete accounting functionality for businesses and their accounting and bookkeeping partners. Xero offers three product versions for businesses: Starter, Standard, and Premium, with each version containing more robust functionality. Special pricing plans and other perks exist for accountants and bookkeepers who join

Xero's free Partner Program. All versions of Xero are 100%online, and each includes free, unlimited users, 24-7 email support, and free software updates.

Xero contains an excellent Business Performance Dashboard that allows users to utilize charts and graphs to track business performance, with the ability to track gross profit, net profit, and debt to equity ratios. The Dashboard contains drill down capability which allows users to access related documents and

transactions. Users can also set goals and track subsequent performance, with tracking set up during the initial product setup. Metrics can be obtained weekly or monthly. While the dashboard can be customized to display what is desired, a standard dashboard display contains detailed amount on a business checking account, and account watch list, where users can track specific activity for certain

accounts, and invoices owed. Total cash in and out is also tracked, and a summary of bills that need to be paid are displayed as well.

Xero offers easy connection to bank accounts and credit card accounts, as well as PayPal and loan amounts. The product also offers an automatic bank feed for most bank accounts.

2017 OVERALL RATING: ★★★★★

Read the full review for this product online at:
www.CPAPracticeAdvisor.com/12298841

CASH MANAGEMENT APPS

Float

www.floatapp.com

Float is a cash management and cash flow forecasting app that integrates with Xero, Free Agent, and QuickBooks Online. Designed to be used with these three programs, users link Float to their accounting software during system setup. Float is available in three versions and can handle up to ten user accounts, making

it ideal for the small business owner. The product can also be used by accountants that offer bookkeeping and accounting services to clients.

Float works by pulling in all invoices, bills, payments, and other transactions from Xero, Free Agent, or QuickBooks Online. Float will automatically link to any bank account set up in any of the three applications that it integrates with,

but users have the option to determine which of these accounts are included in Float's cash flow forecast. After all relevant data such as bills and invoices have been imported into Float, users have the option to review them for accuracy. Users can pull information from their accounting application daily,

so all information reflected in Float will be current.

The cash flow information is created in Float using the chart of accounts found in the users accounting application. Users have the option to add additional cash flow rows to create a more comprehensive report.

2017 OVERALL RATING: ★★★★★

Read the full review for this product online at:
www.CPAPracticeAdvisor.com/12296848

PlanGuru

www.planguru.com

PlanGuru offers users excellent budget and forecasting tools. Designed for businesses of all sizes, as well as accountants that offer business and financial planning services to clients, PlanGuru is a cloud application.

Users can choose the correct business structure when setting up their business, and have the option to customize reporting and analytics options as well.

PlanGuru allows users to create an

unlimited number of analyses for each company, with users able to also import up to five years of financial data from other applications, which include QuickBooks, QuickBooks Online, Xero, and Excel. Both budgets and cash forecasts can be created for up to 10 years, and the product also offers more than 20 forecasting methods that can be utilized. Forecasts can also be created using non-financial data, and custom forecasting methods can also be created if desired.

All transactions are immediately posted in PlanGuru so reports and dashboards will always reflect the most current data available.

The product also offers a comprehensive online dashboard, PlanGuru Analytics, which is fully customizable and allows users to track and manage key performance indicators such as budget vs actual, as well as detailed financial state-

ments along with charts and reports. The Business Valuation feature allows users to create business valuations using a variety of methods, including discounting cash flow, capitalized cash flow, excess cash flow, invested capital method and direct to equity method, as well as a summary.

Users can activate the security function, which offers multi-level security.

2017 OVERALL RATING: ★★★★★

Read the full review for this product online at:
www.CPAPracticeAdvisor.com/12296851

#1 Research Products Books and Online

Real Answers. Real Fast.

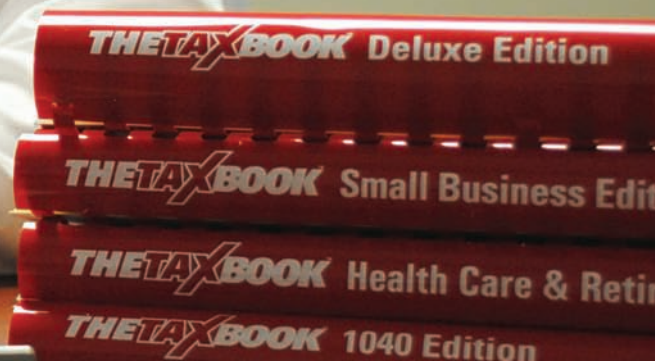


Thank you for voting for us as your #1 Tax & Accounting
Research System **5 years** in a row!

Have a great tax season from all of us at TheTaxBook.

THE TAX BOOK™

www.thetaxbook.com | 866-919-5277



CASH MANAGEMENT APPS

Pulse

www.pulseapp.com

Pulse is a cash flow app that allows business owners and accountants to keep track of cash flow for multiple companies. While not particularly strong in cash management analytics, Pulse does provide users with the ability to easily track and maintain cash flow for their business. The product is available in three versions, with users able to choose from Standard, Plus, and Premium levels, depending on their business needs.

Pulse offers quick product setup, with users able to import income and expense information from a CSV file,

or from QuickBooks or QuickBooks online. Once transactions are imported, users can easily add additional income and expense transactions directly in the product in order to maintain accuracy. Cash flow can be monitored by week, month, or users can enter a custom date if desired. Users can also easily review daily income and expenses as well, and attach related files directly to the income or expense transaction entered. Pulse also allows users to determine the impact projects, income and expenses will have in the future. Users can also create recurring income and expense items in Pulse,

using a daily, weekly, monthly, or yearly basis. All transactions entered in Pulse are posted in real time, so dashboards and reports will reflect the most current data available.

The Cash Flow dashboard provides users with a quick summary of detail, and is fully customizable. The dashboard offers a summary of information such as Cash on Hand, with users able to create custom categories as desired. The Income & Expenses report provides users with a graphical display that features informa-

tion about each company, including beginning cash totals, total income, and monthly totals displayed across the graph by whatever timeframe chosen during setup.

Pulse users can set up system access for co-workers and accountants, at an admin level, or with read-only access.

Pulse offers a solid selection of financial and cash flow reports, with users able to easily customize reports to reflect a specific timeframe.

2017 OVERALL RATING: ★★★★★

Read the full review for this product online at:
www.CPAPracticeAdvisor.com/12296844

Up Your Cash Flow

www.UpYourCashFlow.com

Up Your Cash Flow is business budgeting and cash flow forecasting software. Designed for both business owners as well as CPAs and accountants offering accounting and bookkeeping services to clients, Up Your Cash Flow offers users the ability to generate cash flow forecasts easily.

The Quick Start Guide directs new users through the process of setting up the product, beginning with entering company information. Users can then enter the beginning balance of all assets,

liabilities, and equity accounts, or this information can be imported from any accounting software application. Up Your Cash Flow uses a Question and Answer format to guide new users through the setup process, which will take some time.

Up Your Cash Flow allows users to create and have access to up to 99 separate financial forecasts. Users can also develop a multi-year forecast, utilizing up to five years in the forecast. Once totals have been entered in the product for comparison purposes, users can roll their forecast forward up to three months. The

product also offers a 'one-hour forecast,' that allows users to create a basic cash forecast in 60 minutes or less.

The product also offers an excellent selection of financial analysis tools, which include business valuation, economic value added, both annual and monthly ratios, along with product price analysis, economic order analysis and a currency converter, if needed.

Up Your Cash Flow contains a forecasting dashboard, where users can

create a variety of 'what-if' analyses. The dashboard entry is in a grid, and provides users with the ability to increase or decrease sales, fixed expenses, variable expenses, as well as other information such as adjusted planned sales gross margin, and depreciation.

Up Your Cash Flow offers 54 integrated reports for users, including both profit and loss and cash flow reports that can be forecast by month or by quarter.

2017 OVERALL RATING: ★★★★★

Read the full review for this product online at:
www.CPAPracticeAdvisor.com/12296854

	CASH FORECASTING	REAL TIME UPDATES	CASHFLOW DASHBOARD	ANALYTICS	INTERNAL CONTROLS & SECURITY	REPORTING	INTEGRATION WITH OTHER ACCOUNTING APPLICATIONS
Float	X		X	X		X	X
Pulse	X		X	X	X	X	X
PlanGuru	X		X	X	X	X	X
Up Your Cash Flow	X	X	X	X		X	X

5 Steps & 5 Online Resources to Produce Accurate Cash Flow Projections

By Stephen Deason

Cash, not income, is King!

We've all heard the statement, "Cash is King." Unfortunately, many business owners focus exclusively on Profit and Loss, often to their detriment. Income is not cash, and the money in your bank account pays your employees, purchases your inventory, and expands your business. Cash flows, not accounting profits, form the life-blood of your business. Thus, accurately creating and maintaining your cash flow projections often determines your success in business.

Project Your Cash Flow

Cash flow projections, also called "cash flow forecasting" or "cash flow management," predict when money will move into or out of your bank accounts. Businesses that run out of cash are insolvent (unable to pay their bills when due), bankrupt, or in liquidation – each a rather suboptimal outcome. Cash flow projections help you identify, and avoid, potential cash shortfalls. These projections also help you successfully manage receivables, payables, and stock, and plan strategies such as investments, expansions, and borrowings. So, how do we go about projecting cash flows?

What You'll Need

Cash flow projections forecast changes in your cash position on a periodic basis, typically monthly. To most accurately project cash flows, you'll need your financial forecast or pro forma statements. *Online Resource #1: If you would like additional information on financial forecasting, Rosemary Peavler does a good job covering the topic in a recent article: <http://bit.ly/2jVMDDP>.*

5 Repeatable Steps

In producing your cash flow projections, you're going to repeat the following steps for each period, typically a month. Step 2 and step 3 are discussed in greater detail below the steps:

1. You'll need to begin by determining your beginning cash balance, often found by simply looking at the bank account balance(s) for your business, and you're going to want a target amount of cash you want available each month.
2. Determine how much cash is going to flow into your business during the month.
3. Determine how much cash is going to flow out of your business during the month.

4. Determine your "financial runway." That is, how long do you have before you need to increase capital through investing or financing activities? If your cash outflow is greater than your cash inflow, determine your Cash Burn Rate. The Gross Cash Burn Rate is the total amount of operating costs that reduce cash (operating costs = expenses paid for with cash during a period) while the Net Cash Burn Rate is the total amount of cash a company loses each month (operating cash outflows minus operating cash inflows).
5. If your projected net cash burn rate is positive (your cash flow is projected negative), and your burn rate exceeds forecasts, consider reducing projected expenses or increasing available capital through proactive investing or financing activities in order to maintain relationships and attain the best possible terms. *Online Resource #2: Importantly, while cash crunches often create incentives to extend payables, CPA Practice Advisor Columnist, Dave McClure present four compelling reasons to avoid this tactic, unless you do so proactively. (<http://www.cpapracticeadvisor.com/10628023>)*

A Key to the 5 Steps

The most important part of creating accurate cash flow projections is understanding how and when your income differs from your cash flow. We will begin using your Profit and Loss projection. Since you've already projected sales and expenses, we're going to move through each line and note when you expect to collect from customers on your sales and when you will pay the expenses you incur, typically by making a payment reducing a liability. Fortunately, many items are identical between the projected P&L and you're Cash Flow Projection.

The items that often differ include insurance, prepaid rent, and taxes. Items that certainly differ include Depreciation, Amortization, Owner Draws, Capital Purchases, and Loan Principal Payments. While you should never expect to achieve 100% accuracy, the objective is to be as realistic as possible for each line item.

Stephen Deason is the senior success engineer for Sage Live, where his role includes providing accounting subject matter expertise. Stephen holds multiple graduate degrees in accounting and finance, most recently ABD (all-but-dissertation) for an accounting Ph.D at Emory University.

Online Resource #3: Freely downloadable templates including all these line items and more are available at: <http://bit.ly/29XwYxB>.

Webinar and Quick Assessment Resources

During a recent webinar with The Marks Group founder, Gene Marks, and Entryless founder and CEO, Mike Galarza - which can be accessed here: *Online Resource #4: <https://event.webcasts.com/starthere.jsp?ei=1130212>* - I had the pleasure of discussing cash flow management and financial measures such as cash flow projections, unlevered free cash flow, working capital, and NOPAT (net operating profit after tax). If you'd like to learn more about these topics and how Sage Live and Entryless can make cash flow projections easier for businesses, please feel free to listen!

Finally, if you need a quick "back of the envelope" method to determine whether you have potential cash flow problems, Susan Ward discusses comparing total unpaid purchases and total sales due in her recent article.

Online Resource #5: <https://www.thebalance.com/cash-flow-analysis-for-small-business-owners-2947137>.

She also provides more detail and additional texture in various areas of cash budgeting. ●

Checklist of top things to share with your clients this month

CPA Practice Advisor interviewed Margo Hoegler, CPA, manager in accounting services with Kansas City-based MarksNelson, to get some input on what you should be discussing with your clients this month. A lot of your small business client discussions this month will be around tax or personal finance issues, but this is also a great time to share tips for starting the new year in a more organized fashion.

✓ IDENTITY THEFT

More and more identity theft is occurring recently. Make sure clients are aware of ways to protect their identity. Have a policy in place to ensure employees change passwords, be more careful of phishing scams (electronic means to try to get information) such as emails requesting W-2 forms. Make sure they're using the accountant's portal so they're not sending Social Security numbers through email. The IRS is putting in new measures to help with identity theft, so provide tips about that.

✓ SUCCESSION PLANNING

A lot of Baby Boomer's are thinking about retirement – they're wondering how to get out of their business, what an exit strategy looks like, should they sell, how would they prepare to do that, should they transition the business to a relative? This is good time to start thinking about transitioning and what that succession planning looks like.

✓ INTERNAL CONTROLS

A lot of small clients only have one person that does all accounting; it's really hard to have a separation of duties. Perhaps they might consider outsourcing the bank reconciliations to us so we can try to help keep that separation. The owner needs to look at bank statements regularly and watch for unusual transactions.

✓ CLOUD ACCOUNTING

Discuss advantages of accessing data anytime/anywhere, talk about implementing apps they can access from anywhere, from outside the office, recommend clients check with their bank for what tech they're providing.

✓ COMPLIANCE

Make sure clients filed the IRS copy of Form 1098 with their W-2s by the end of January. Same thing with 1099s – those 1099 MISC for non employee compensation are also now due 1/31. Those two deadline changes are related to the IRS's attempt to thwart identity theft, trying to get information sooner so they'll be able to match up the forms when 1040s are filed.

✓ DEPARTMENT OF LABOR CHANGE

The rule for increasing the salary threshold for overtime was suspended but this is a good time to encourage clients to stay one step ahead. Make sure they're tracking employees' time. Even though the change has been delayed, it's still probably going to happen, maybe not at the same threshold. Make sure clients' employee handbooks are up to date and discuss overtime. If clients don't want to track time, they can mandate that no one works overtime.

✓ STATE TAX AUDITS

States are suffering and we're seeing a lot more state audits. Encourage clients to make sure they are in compliance with all state income, withholding, and sales and use taxes. Inform clients of state unclaimed property laws – a lot of clients don't necessarily know what that means. They might have written a check to vendor or employee that was never cashed – can't just void it – they're supposed to turn it over to state as unclaimed property – that's a big area where we can educate clients.

✓ EMPLOYMENT

There's a new I-9 form that came out in mid November. January 22 was the official date to start using the new form.

THIS MONTH'S TOP SMALL BUSINESS SOCIAL MEDIA POSTS

- 5 Top Security Tips for Small Businesses in 2017 – **SurePayroll Blog:** <http://bit.ly/2kmFv2U>
- Top 4 ways to stick to your business resolutions this year – **Xero Blog:** <http://bit.ly/2jG5Urc>
- Why Small Businesses Should Always Be One Season Ahead – **Sage Blog:** <http://bit.ly/2jR0M18>
- SMB Groups 2017 Top 10 SMB Technology Trends – **Laurie McCabe's Blog:** <http://bit.ly/2kn8Eu7>
- Five Co-Working Trends to Watch Out For in 2017 – **Virgin Blog:** <http://bit.ly/2kKV01c>

Latest Small Business News

Small Business Owners Expect Growth in 2017: A large percentage of American small business owners are optimistic for growth in 2017 with some important investments in their businesses, including hiring, according to a recent survey of more than 1,200 small business owners. Interestingly, the optimism among small business owners significantly outpaces that of the general public. www.cpapracticeadvisor.com/12298518

eBook Addresses Health Reimbursement Arrangements for Small Business: The Small Business HRA, just established in December 2016 through the 21st Century Cures Act, allows employees to purchase their own individual health insurance policy independent of the company. Zane Benefits has launched its newest resource,

The Comprehensive Guide to the Small Business HRA. The ebook offers support for businesses considering offering a Small Business Health Reimbursement Arrangement (HRA). www.cpapracticeadvisor.com/12296993

Federal Taxes and ACA Create Mountain of Regulations for Small Business: A recent survey from the National Small Business Association (NSBA) found that regulatory burden falls squarely on the small-business owner, as he/she handles the bulk of federal regulatory compliance. The top two most burdensome areas for small business were the federal tax code and Affordable Care Act. Astoundingly, 14 percent of small-business owners report they spend more than 20 hours per month on federal regulations. www.cpapracticeadvisor.com/12296171

Survey: Small Business Owners Upbeat on Trump: *The State of Small Business Report*, a recent survey of small business owners, shows more than half believe Donald Trump's administration will have a positive impact on their business, while only 9% think he will have a negative impact. www.cpapracticeadvisor.com/12296791

What is a Business? FASB Clarifies Definition: The Financial Accounting Standards Board (FASB) has issued an Accounting Standards Update (ASU) that clarifies the definition of a business. The ASU affects all companies and other reporting organizations that must determine whether they have acquired or sold a business. www.cpapracticeadvisor.com/12295258

17 Professional Development Ideas for 2017

It's no secret that a robust professional development program is beneficial for accounting professionals, but managers also reap rewards when they invest in employees. Your workers become more knowledgeable, which means they're able to contribute more fully to the organization. Staff members also will likely be happier in their jobs, and such programs give your firm an edge in recruitment, retention and succession planning.

Help employees — and your organization — thrive in 2017 with these 17 proven professional development strategies.

1» Publicize your programs. All the webinars, courses and workshops you make available won't do any good unless your staff know about them. Promote professional development opportunities during staff meetings, send out email reminders, and don't forget



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

to include dates and relevant links in internal communications.

2» Support industry credentials. A recent Robert Half survey of CFOs found nearly three in 10 employers do not offer financial support for employees who want to pursue professional certifications. If you're in that group, help your staff stay up-to-date — and keep them happy and loyal — by covering the costs of obtaining and maintaining in-demand designations.

3» Cover tuition. Motivate your employees to work toward another relevant degree by reimbursing the costs of tuition and course materials. To make this financial investment pay off, your firm may want to stipulate that unless workers stay a certain number of years after attaining the degree, they would have to refund the payments. As in all matters of compensation and benefits, check with your human resources and legal departments first.

4» Give them time. Help your employees maintain a healthy work-life balance by encouraging them to attend courses and take exams on company time. And if a conference requires extensive travel or a weekend stay, allow them to take an extra day off.

5» Provide free resources. Subscribe to virtual training sources or buy continuing professional education (CPE) self-study

courses from the American Institute of CPAs (AICPA). Then make them available to your staff.

6» Designate a quiet room. Some of your employees, especially working parents, may not have the time to study at home. Create a professional development haven by outfitting a room with comfortable chairs, accounting journals, exam study guides and computer terminals.

7» Subscribe to industry publications. Stock your break room and library with recent issues of trade and business journals. And since many of these magazines are online but behind a pay wall, give employees their own accounts.

8» Promote information sharing. Encourage your staff to learn from each other. For team meetings, assign a different person each week to lead a discussion on an article of his or her choice. When employees return from a conference, have them give a presentation on the tips and best practices they picked up.

9» Steer employees in the right direction. Hold career path discussions with your staff so you understand their aspirations. Then point them toward additional professional development opportunities that can help them reach their career goals.

10» Encourage cross training. Increase your workers' skill sets and business acumen by having them rotate jobs within the team and shadow colleagues in other areas.

11» Establish a mentorship program. Foster in-house mentoring so employees benefit from new perspectives while honing their technical and interpersonal skills and deepening their network within the firm.

12» Hold brown-bag sessions. Give your staff easy access

to experts in accounting and finance by hosting guest speakers. Topics for lunch-time talks could include innovative uses for big data and Sarbanes-Oxley Act (SOX) compliance trends.

13» Tap into employees' leadership capabilities. Bolster your succession plan by implementing a leadership program that identifies and grooms your firm's future managers, directors and partners.

14» Reimburse membership fees. Make it easier for employees to improve upon their networking and leadership abilities by covering their annual dues for professional organizations.

15» Build up your team. A large part of professional development has to do with nontechnical skills such as communication, leadership and problem solving. A good way to promote that is through team-building exercises, both on- and offsite.

16» Offer encouragement. Your staff will be more enthusiastic when you provide positive feedback on their activities. Take every opportunity to let them know you appreciate all their efforts to grow their careers.

17» Lead by example. Be their role model. Continue your own growth so your staff will be encouraged to follow in your footsteps.

Ongoing employee development gives your staff and your business an edge. Give your team an encouraging push by following these 17 tips. There's no time like the new year to make a fresh start. Let 2017 be the beginning of your revitalized professional development efforts. ●

Anti-Anxiety/Stress Management

By Gail Perry, CPA, Editor-in-Chief

Well it's that time of year again. I remember my first busy season at Deloitte and how shocked I was to go outside after work on April 15 and see daylight – after so many long days, I had forgotten what that felt like! You get used to it, but if the long hours, the seemingly endless piles of work, and the lack of family and free time are getting you down, we are here to help! We scoured the Internet and also checked in with our CPA Practice Advisor community so that we could bring some solutions that might help you make it through the darkness.

ALINA NIKISHINA, CPA, vice president of firm management/senior accountant at Inspirence Business Services really likes the app **Calm**. “I found it when I was looking for apps that would help with meditation. I love the themes and music/sound therapy choices and the guided meditations they have available. When I'm having a tough day during tax season I will put on my headphones, choose my favorite theme, and turn on the meditation timer in Calm for 5-10 minutes and close my eyes. It really helps me refresh my brain.”

BRETT MILLS, CPA at McCarthy Rose & Mills, likes **Calm** and also **Headspace** for guided meditation. “There are many benefits to meditation, some of which include stress reduction, reduced blood pressure, increased attention span, increased positive emotions, and reduced pain and inflammation. There is not a CPA alive that wouldn't benefit from practicing guided meditation during busy season!”

SCOTT HOPPE, CPA, CGMA, owner of Hoppe Tax, agrees. “**Headspace** lets the most average Joe successfully meditate. Highly recommended to be mindful of yourself and reduced stress.”

Another vote comes from **ELIZABETH PITTELKOW**, CPA, CITP, CGMA, DTM, director of accounting and compliance at

Arrowstream. “I love an app called **Headspace**. The first 10 meditations are free. If you purchase a subscription, Headspace makes a second subscription available to nonprofit partners for someone else to use. I do the meditations before bed and also during the day with some of my colleagues. Everyone can benefit from these meditations!”

CALEB JENKINS, CQP, of RLJ Financial Services, Inc., relies on the **Bible** for stress management. “I love to listen to the Bible while I drive into work each day. There are three Bible Apps that I like the best, 1) **YouVersion Bible**, 2) **Bible.is**, and 3) **Strong's Concordance**. I don't know how I could get through tax season without reading the Word of God each day and letting Him direct my paths.”

Spotify Premium is the choice of **JAMES MATTHIS**, CPA at Waters & Matthis CPAs. “Spend the money to go add-free. Nothing kills a relaxing mood like an ad from O'Reilly Auto Parts (no offense O'Reilly). I'm particularly fond of the mood playlists, 'evening acoustic' being my current favorite. Nothing helps me unwind like some relaxing music.”

For people who need a quick getaway from stress, **RICHARD ROPPA**, Intellectual Handyman at Quasar Cowboy Consulting, recommends **Buddha Board**. “It allows me to create 'water based art' that is as

mesmerizing when I create it as it is when it is fading away. It is based on the Zen concept of 'letting it go.' It is impossible to resist when I am feeling overwhelmed and it always clears the clutter in my brain.”

CATHY ICONIS, CEO of Iconis Group, recommends three apps for stress and anxiety relief:

Modern Essentials: “This is an app that suggests different essential oils to help with different ailments. If I ever have anything going on physically or emotionally, I put the symptom into the app, and it recommends some essential oils that can help.”

Instacart: “I'm all about automating my life and making things simpler. I use Instacart to get my groceries delivered to me. I recently set up 'recipes' which will add a list of items to my shopping cart with one click. I've setup lists for weekly staples, actual recipes, snacks and more so I can quickly find what I need to buy.”

Wordbubbles: “This is just a time waster that can take your mind off of work for a bit. Letters show up in bubbles and you have to put them together to spell a word. Definitely can relax you when you are overwhelmed with numbers.”

“My answer is a bit unconventional but my task management app, **Nozbe**, is the best stress reliever I have in my toolbox,” said **KRISTIN**

INGRAM, CPA, MSAT, MSAT Director, Barney School of Business, University of Hartford. “All of my tasks are listed there, which helps keep me organized, efficient, and less stressed.”

Arline Welty, partner at Data-Quest, uses **Stop Breathe & Think**. “I've been using this meditation app to calm the panicked, ancient lizard part of my brain. You answer a few questions about your current state of mind and the app talks you through a 5-7 minute meditation. Also, I like the voice on the app. It is peaceful and strong. I heard about it from an acupuncturist!”

Psychologists at the University of the West of England in Bristol have created the **Self-Help for Anxiety Management (SAM)** app which allows you to track your anxiety and also there is a chat feature where you can communicate with and get advice from others who have issues similar to yours in a closed network. There are resources and tools covering 25 self-help options.

Kelleigh Tegels Nelson, senior partner marketing manager at Avalara, suggests you try **Binaural-Pure Binaural Beats**. “Originally recommended to me by a friend for migraine management, Binaural also offers different binaural beats for meditation and relaxation, as well as binaural beats to enhance activity. I've found it is also helpful while traveling, almost like a white noise.” ●

APPS WE LOVE IS SPONSORED BY

Accountants First™... only at
AccountantsWorld™

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

WHY LEAN?



Don't Miss Your Life

You never know where inspiration will strike. I was on an early morning drive to the airport several years ago, driving a cold and dark state route as I made my way to the freeway. In my little part of the world, we tend to listen to more country music than other genres. While I'm not a huge music guy, I opted out of the news that morning and instead tuned into a local country station. A song came on that I had never heard before – "Don't Miss Your Life," by Phil Vassar. It was a game changer for me – both personally and in the insight it provided that applied to all of my clients as well.

It started with the lyrics. "On a plane to the west coast, laptop on my tray. Papers spread across my seat, a big deadline to make." And slowly it goes through one life event after another that busy business people may miss along the way. It hit me hard.

"The truth is half the time, I'm not even there." Wow, I thought. Is this a song about me? I travel a lot. I make it a priority to make almost every one of my kids' sporting events and activities, although as they get older and all three are starting to have more activities, my wife and I have had to divide and conquer more. Still, it struck close to home and made the point that I need to watch my work schedule.

"Hold on tight, because it doesn't happen twice. Don't miss your life."

Full lyrics here:
<http://www.azlyrics.com/lyrics/philvassar/dontmissyourlife.html>

Finding the Right Balance

As I thought more about the meaning of those words in that song, not

only did it inspire me personally to strive for better balance, but it gave me another talking point with my clients as we're all striving for better balance in our lives. For the past several years, Lean Six Sigma (Lean) has been helping CPA firms make their processes more effective and efficient. We've been saying for many years that at the heart of Lean thinking is a focus on optimizing value from the client's point of view. Most will understand right away what that means for the external client. Fewer understand that it also means optimizing value for the internal client – all of you and your co-workers inside the firm.

One of the more specific ways Lean adds value to the internal client is in the increased satisfaction and morale of being able to work in processes where you're working smarter, not harder, to get work done. The more we do this, the more we improve the way we work and our processes, the more time we free up. Time that can be spent both at a higher level of value for our clients (where the fun is!), but just as important is time that we can be more present in our lives outside of work.

Kano Model of Client Satisfaction

In every one of our Lean engagements, we always begin with the "why." Why Lean? Why is your firm embarking on this process improvement journey? What's in it for you and your team members? One of the most effective models we introduce, which allows us to quickly answer the "why" and optimize buy-in right out of the gate, is a model of client service called the Kano Model.

As you can see, there are three levels of service that you provide to your client. The basic level of service is viewed as a commodity (like it or not). This is the most basic compliance work that you perform. Clients take this work for granted. It doesn't matter how much time you spend there, you're never truly crossing that threshold of true client value and satisfaction.

You'll cross that threshold of playing above the line when you begin operating at the performance- and delighter-levels for your clients.

Performance services are the work you perform and time you spend that generate the primary benefit your client is seeking. It's being proactive in guidance, and timely in responses and deliverables. It's finding ways to make it easier for your client to do business with you. It's advising clients instead of being a historian. This is the first level of differentiation.

Delighter services are where you go above and beyond for clients. It's where you generate the "wow" factor. If you delight the client, it's often an unexpected element of service that you've provided. The most successful global brands for service understand this principle – and train/build it into their cultures.

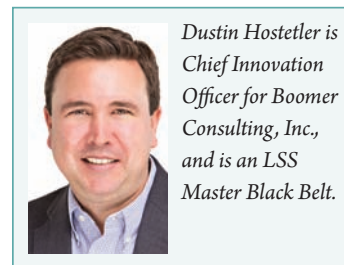
Why Lean?

Well, simply stated, because we need to be as crisp and effective down at the basic level of service, so we don't waste any time there. We need to free up time from wasteful processes to operate at that performance- and delighter-level for our clients. That is where the true value resides – both for clients of your firm as well as for all

of you working inside the firm. This is where your firm commands higher fees. This is how you work fewer hours on the compliance work. This is how you create more balance in your work and your life.

I hope this column has helped in the understanding that Lean is not just a process improvement initiative. It's a game-changer mindset. We don't have time to waste in our lives. To find the balance that keeps all of us individually performing at our best, we have to be part of effective processes with our team members. When we're "rowing in the same direction" with our team, we can become more forward looking and thinking for our clients. That elevates what we do and the value we add to our client relationships and our firms. This reinvestigates us AND gives us time to be more present for our friends and loved ones.

This busy season, don't miss your life. Don't miss those key moments with your kids. Don't be the one that always says no to your friends. Find ways to use the principles of Lean to better your processes, better your communication, and better your life – both your work life and your home life. *It's not about the hours you work. It is about the value you create.* ●



Dustin Hostetler is Chief Innovation Officer for Boomer Consulting, Inc., and is an LSS Master Black Belt.

At My Office

Just because we call it “Tax Season” doesn’t mean auditors get to take it easy. *CPA Practice Advisor* checked in with Brandi DeGiorgio, partner at Kansas City-based MarksNelson, to find out what a day in her life is like.

HOW DO YOU START YOUR DAY?

I start my day off with some exercise, often some running, have my breakfast - a bowl of oatmeal or cereal - and then head into office. I arrive at the office between 6:30 and 7:00 a.m.

WHAT IS THE FIRST THING A CLIENT NOTICES IN YOUR OFFICE?

I usually have a lot on my desk but it’s in organized piles. There might be some tabs so I can quickly find what I’m looking for

BEST TIP FOR MANAGING EMAIL?

The policy at our firm is to respond within 24 hours. I try to look at my email three to four times a day, even the first thing in the morning.

YOUR FAVORITE SCHEDULING APP?

I use my Outlook calendar, and I put reminders there for client deadlines, or internal deadlines, meetings, lunches, when my staff is going to be at particular clients.

THE MOST DIFFICULT TASK YOU HAVE TO DO?

I would say it’s probably managing expectations from an internal perspective. Since I’m in audit, I make sure the tax department is aware of and monitor their expectations for the wrap up of our work, I manage expectations from clients’ perspectives, I’m the cheerleader for my staff at client offices, visiting them, making sure they are able to work effectively there.

YOUR NICHE OR SPECIALTY? AND WHAT DO YOU LIKE BEST ABOUT THAT NICHE?

I focus on the manufacturing industry. I find it challenging and changing, and I’m able to visit not only with C- level folks but actual operations folks as well, and ask about what their challenges are and how that may impact what I’m seeing in their financial statements.

WHEN/WHERE DO YOU GET MOST OF YOUR CPE?

I attend both webinars and in person CPE – often by state societies. I attend an AICPA conference and go to tech updates, or a manufacturing-focused conference, and I’ll try to attend a webinar that has industry specific information on the manufacturing industry.

HOW SOCIAL (MEDIA) ARE YOU?

I’m on LinkedIn and Facebook. I don’t have a Twitter – I’m fairly active. Maybe not compared to some of the kids coming into our office out of college – I can’t keep up with them!

WHAT IS THE LAST THING YOU DO BEFORE YOU LEAVE THE OFFICE?

I try to organize my thoughts for the next day, make a list and prioritize my work. I find it important to try to tackle the highest priority thing in the morning, so if I have my thoughts in place before I come in the morning, I can work more effectively.

THIS MONTH'S TOP A&A SOCIAL MEDIA POSTS

- Announcing the Top 50 Cloud Accountants of 2016 (North America) – **Hubdoc Blog:** <http://bit.ly/2jRwZbp>
- The Promise of Blockchain Technology – **Accountex Report Blog:** <http://bit.ly/2kLtCAW>
- Got Intercompany Transactions? Transfer Pricing Under Increased Scrutiny – **FreedMaxick Summing It Up Blog:** <http://bit.ly/2kNGFVY>
- Learning to Manage Cash Flow for Your Small Business – **Bill.com Blog:** <http://bit.ly/2kQ9Uml>

Latest A&A News

FASB to Host Roundtable Meetings on Disclosure Framework: The Financial Accounting Standards Board (FASB) will host two public roundtable meetings to discuss proposals related to its Disclosure Framework project. The meetings will be held on Friday, March 17, 2017, at the FASB offices located at 401 Merritt 7 in Norwalk, Connecticut. www.cpapracticeadvisor.com/12295256

AICPA Issues New Revenue Recognition Guide: With companies and not-for-profit entities facing a top-to-bottom review of their revenue recognition because of a looming accounting standard, the American Institute of CPAs (AICPA) has issued the first online edition of an Audit & Accounting Guide on Revenue Recognition to assist entities and auditors understand, implement and audit the new

rules. www.cpapracticeadvisor.com/12295613

CFOs Say Sloppy Work is Biggest Peeve: Want to get on your manager’s good side? Don’t let the details slide. In a new survey by staffing firm Accountemps, more than one-third (35 percent) of CFOs cited lacking attention to detail or sloppy work as the most annoying behavior by coworkers. www.cpapracticeadvisor.com/12293915

Report Helps Auditors Avoid Common Practice Pitfalls: To help audit professionals navigate the unexpected consequences of audit and attest issues, Thomson Reuters has released a special report, Four Ways to Avoid Audit and Attest Deficiencies. www.cpapracticeadvisor.com/12293158

The Benefits of SSVS No. 1 for Business Valuations: The AICPA’s Statement on Standards for Valuations Services No. 1, known as SSVS No. 1, outlines how the AICPA expects its members to provide valuations. www.cpapracticeadvisor.com/12298745

Report Says Top Financial Firms Mislead Consumers, “Posting as Fiduciaries”: Twenty-five top U.S. brokerage firms and insurance companies present their employees as trusted financial advisors putting client interests first even as their lobbyists argue in court that they are nothing more than commission-driven salespeople, according to a major new report from the Consumer Federation of America and Americans for Financial Reform. www.cpapracticeadvisor.com/12296220

The Road From Intuit's Lacerte® to Wolters Kluwer's CCH Axcess™: “Cloud is a Magic Word”

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

Franks Stitely takes his tax practice seriously. As one of two partners at Stitely & Karstetter, PLLC, a public accounting and consulting firm based in Chantilly, Virginia outside of Washington DC, he has his eye on the future as he looks for ways to attract younger clients and utilize the skills of his younger staff.

Moving from Lacerte® to the Cloud

New technology, and specifically a change from Lacerte® tax preparation software to CCH Axcess, has produced opportunities to maximize the usage of his staff and improve the bottom line. “We work very hard on workflow management – it’s a big deal for us. It’s literally how we make our money. We’re doing twice as much revenue with probably four to five fewer employees than we had back in the early 2000s,” said Stitely.

The firm used Lacerte® software for tax preparation since about 2000, but found the program wasn’t keeping up with their needs. In particular, Stitely explained that the process of scanning documents and transferring information to the tax returns was slowing them down. “Scan and populate [using Lacerte®] was really rudimentary. We knew that CCH® ProSystem fx® Scan with AutoFlow Technology was a much more robust scan and populate product than Lacerte® - Lacerte® was four to five years behind.” So in 2014, the firm’s two partners made the decision to switch. “We decided enough was enough.”



Frank Stitely,
CPA, CVA
Partner



Changing the Workflow Process and Staff Responsibilities

One of the most dramatic changes that occurred in conjunction with the software change was the way in which staff members were utilized. “Before the change, our process was we would scan documents up front, but it took a higher level person to figure out what you wanted to pull in to the tax return and what you didn’t,” Stitely explained. “For example, you were pulling in Schedule D transactions whether you wanted to or not. If you had 400 Schedule D transactions and you would have rather entered them in a summary, it was too late – there wasn’t a process to validate the data entry before it went in.

“It’s actually a new way of thinking about how we enter data into a return. We don’t have to keypunch everything. [CCH Axcess and CCH® ProSystem fx Scan with AutoFlow Technology] allows us to push tasks down to the lowest level of staff who is competent to do it. And we can save our expensive, experienced preparers to work on Schedules C, D, E, things like that – instead of typing in W-2s and 1099s.” When data comes in from a client, the admin submits everything to the AutoFlow process, and then entry-level staff members can validate the data. “Five years ago the entry-level staff would have been entering W-2s, 1099s, 1098s, it would have hindered our ability to get them working on other tasks – there wouldn’t have been time for it. Now we’re teaching new entry-level people how to do tax



return preparation – they’re productive and billable almost from day one.”

Adapting to Client Needs

More effective use of staff goes hand in hand with improved relationships with clients, especially the younger IT-focused client base Stitely & Karstetter is now able to serve. “Cloud is a magic word,” said Stitely. “Our project management is a cloud-based product, clients see it every day, we post files, comments, they can post comments, they can see their invoices, pay online. If you want to deal with younger clients you’ve got to have something that’s a good portal. The young clients don’t want to come in for meetings. They might be working at 2 a.m. and they want to respond then.”

Staff is Able to Work Remotely

Stitely & Karstetter understands the advantages of allowing staff to work remotely, and cloud-based CCH Axcess allows those mobile workers to connect seamlessly without missing a beat in their work. Not only do some staff work full time from home, but if the weather is bad or if there are other problems (e.g. a construction company recently cut internet lines interrupting service to the firm), everyone can stay home,

access all of the software and data on their laptops or home computers, and work as if they are in the office. “We have 15 people working remotely in various states. They pretty much never come into the office. We train them remotely, the program is entirely cloud-based, so that’s how they access information.” The firm even sold additional office space that it had acquired years ago when the assumption of expansion was on the minds of the partners, but before the concept of remote workers had taken hold. “We thought someday we would need to move into it, but found out we never did,” said Stitely.

Embracing a Workflow That Caters to Millennials

“We now have a workflow that makes sense,” said Stitely. “[CCH] Axcess is a great tax return engine.” Stitely seems particularly pleased with the fact that he can onboard new staff members right out of college and get them working on real tax returns instead of data entry. “If you want to turn off Millennials, just have them sit in a back room and type W-2s all day.” ●

Learn how you too can centralize client data for huge savings.

CCHGroup.com/CloudReality today!

2017 CES® Laptops for Mobility

2017 marked the 50th Anniversary for the International Consumer Electronics Show (CES) and our 13th year on the show floor to peruse and discover the latest technologies that could be showing up in our accounting firms in the near future.



Roman H. Kepczyk, CPA.CITP, is Director of Consulting for Xcentric, LLC, and works exclusively with accounting firms to implement today's leading best practices and technologies. Roman recently updated his "Quantum of Paperless: A Partner's Guide to Accounting Firm Optimization," which is available at Amazon.com and a Certified Lean Six Sigma Black Belt.

With CES Showcasing 3,800 vendors spread out over 2.8 Million square feet of show floor (43 football fields), it was impossible to see everything, so our efforts focused this year on hardware that could improve mobility. For most accountants, having a 15"-17" laptop with a full keyboard/number pad is the standard selection, but new features and form factors are giving desktop users and consultants more interesting options than ever. In this article we feature the laptops, prototypes and head scratchers from our four days on the CES show floor.



Dell XPS 13: It's no secret that I am a proponent of Dell's XPS 13 Ultrabook as my top pick for a consultant laptop as I bought my first one after Dell announced it at CES in 2012, then my second with the updated screen that was released at the 2015 CES. Dell's 2017 refresh takes another jump in capabilities by adding two 360 degree hinges turning their award-winning laptop into a convertible 2-in-1, which can be used equally as a traditional laptop, a tablet, or viewed in tent mode for presentations. Dell added a Win-

dows Hello-capable fingerprint scanner, but unfortunately awkwardly kept the video camera below the screen to the far left just above the keyboard. We understand this was designed to optimize the InfinityEdge display and minimize the bezel around the screen in the working area, but the current video camera configuration is really only useful in tent mode where it would be closer to eye level.

Lenovo X1 Carbon: Lenovo has always presented well at CES with their X1 Yoga, Yoga Book, and the ThinkPad X1 Carbon which my more technical friends usually rate as their number one Ultrabook choice. The X1 Carbon laptop has a slightly larger 14" screen and is listed as the lightest 14" Ultrabook at 2.6



TECHNOLOGY // PRACTICE

lbs and fairly thin at .65 inches. The Carbon is also one of the toughest on the market as they are designed with satellite-grade carbon fiber and tested against some of the harshest (military grade) conditions for those accountants who are more accident prone.



HP Spectre: Listed as the world's thinnest laptop at a mere .41 inches and one of the lightest laptops we found at CES, the Spectre would be included in our top three Ultrabook options as it comes with the more powerful Intel Core i5 and i7 processors. While you get the full processing power, the offset is that this laptop can put out more heat due to the fan system that constantly pulls in external air to flow over the processor and out the back. The Spectre was built with security in mind with a biometric fingerprint scanner, Windows Hello-compatible camera, and a screen that has integrated privacy capabilities (similar to our 3M privacy filter which eliminates the view from side angles). To make it the thinnest laptop, the Spectre also was designed with a "piston" type hinge which unfortunately limits how far it can open (120 degrees) compared to the 180 degree hinge in Lenovo's X1 and 360 degree hinge the Dell offers. However, from a look and feel perspective this is one of the most elegant devices we handled at CES and the one that will be most noticed by clients.



Razer Project Valerie: We have talked about multi-screen laptop prototypes for years, but at CES 2017 Razer got the most attention with its Project Valerie laptop having three 17" screens (two that fold out from the center when closed). The screens support resolutions up to 4K and weigh in at 12 pounds, which is not so bad when compared to other 17" laptops that firms are buying and then adding the weight of two additional external screens. Unfortunately, Razer garnered more attention than planned when the prototypes were stolen from the show floor, so they won't be in any of our firms anytime soon.



Ockel Sirius A Pro: With a 6" 1080p touch screen and a back side full of USB, HDMI and DisplayPort ports, the Ockel Sirius A is the smallest Windows 10 PC we recall seeing at CES. It comes with 8Gb RAM and 128Gb flash storage but operates on an Atom processor reminiscent of Intel's "stick" PCs, rolled out at last year's CES. While this is currently an Indiegogo project, Ockel already has a track record of success with their first Sirius B device sans the screen and shows "how small can you go."



Miraxess MiraBook: Most of today's smartphones have much of the functionality and power of PCs but are lacking the larger screen and keyboard input which makes laptops the standard working tool. However, if you are one of the few running a Windows 10 phone and you want to run them from your smartphone, a company called Miraxess has given your smartphone a laptop shell with a massive battery to plug into and function like a laptop for up to 24 hours. If Miraxess starts making these Android or iOS capable and as thin as an Ultrabook, this could become a really interesting product niche.

Mobility is, and will continue to be, one of the key differentiators of great accounting firms. Whether you are a consultant, field auditor, or tax person primarily working on a desktop, it will be increasingly important to work from any place and any time. Today's mobility options give you that opportunity. ●

Change Your PERCEPTION of PAYROLL



& Increase Your Bottom Line in Less Time

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



Easy & Secure Client Payroll

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



Total Control Over Markup

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



Payroll Portal with Your Name & Brand

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



Backed by Expert Service

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

Learn how you can easily manage payroll.

SUREPAYROLL
A Paychex® Company

Call 855-354-6941
or Visit easy.surepayroll.com/Payroll-Series

Get Ready for New Changes to Sales and Use Tax in 2017

By Kerry Alexander

In 2017, when it comes to sales tax, states are taking stances on everything from soda to streaming content, tobacco to tampons. The New Year will also bring renewed efforts by states to implement internet sales taxes and continue the legal battle to overturn existing legislation.

Here is a summary of 2017's most newsworthy federal and state sales and use tax changes:

The great nexus debate

The push by states for online sales tax revenue will likely continue in 2017. Oklahoma created new reporting obligations for remote sellers starting in November of this year. Tennessee implemented a new economic nexus policy that takes effect on July 1, 2017. A new use tax notification requirement for remote sellers is also set to take effect on July 1, 2017 in Louisiana.

States are also busy challenging existing precedent. Attorneys general in 11 states called for the U.S. Supreme Court to overturn *Quill Corp. v. North Dakota* — the 1992 decision that established that states cannot impose a tax collection obligation on businesses lacking a substantial physical presence in the state.

And four pieces of online sales tax legislation continue to languish on Capitol Hill; three look to impose tax on remote sellers: The Marketplace Fairness Act, the Remote Transactions Parity Act, the Online Sales Simplification Act, and one, the No Regulation without Representation Act, aims to prevent it.

PRODUCT AND SERVICES TAX CHANGES

Soda tax

Several states, cities and counties and the Navajo Nation impose higher taxes on sugary drinks like soda, which have “minimal-to-no-nutritional value food.” Philadelphia joins the ranks on January 1, followed by Boulder, Colorado; Oakland, California; and Cook County (including Chicago), Illinois, on July 1.

'Tampon tax' exemptions

A number of states enacted so-called “tampon tax” exemptions in 2016. More are likely to follow suit starting with Illinois where the exemption for

feminine hygiene products takes effect on January 1, 2017. Connecticut's exemption doesn't take effect until July 2018.

Streaming services

Streaming services such as those provided by Netflix, Hulu, and HBO Go will be subject to sales tax in Pasadena, California beginning January 1. Other cities in California may follow suit. Chicago, Illinois imposes a similar tax.

Tobacco, e-cigarettes and vaping

California is extending cigarette and tobacco taxes to e-cigarettes and similar vaping products starting January 1. The tax rate on tobacco products will also increase significantly once Proposition 56 takes effect in early 2017.

State sales and use tax rate changes

California's sales and use tax rate will drop from 7.5% to 7.25% under Proposition 30 (which temporarily increased the rate by 0.25% through December 1, 2016). The state rate decrease also affects certain partial state tax exemptions.

New Jersey's sales and use tax rate will decrease from 7% to 6.875% on January 1, 2017 to offset a recent gas tax hike. It will drop further in 2018.

North Carolina use tax will apply to businesses storing tangible personal property or digital property in the state for any period of time. This expansion of use tax is due to the enactment of Senate Bill 729.

Missouri sales and use tax will not be expanded to any currently exempt services in 2017. On November 8, voters approved prohibiting the expansion of sales tax to any services not taxed as of January 1, 2015. It will be interesting to see if Missouri legislators attempt to capture additional sales tax revenue another way.

Tax exemption changes

Ohio will once again exempt investment bullion from sales and use tax beginning January 1.

Maine is expanding the sales tax exemption for products used in certain commercial activities as of January 1. Additional information will soon be available from the Maine Revenue Services.

North Carolina will exempt certain service contracts sold by or on behalf of motor vehicle dealers, in addition to certain sales of food, prepared food, soft drinks, candy, and other items of tangible personal property at school sponsored events. Certain sales of repair, maintenance, and installation services that are part of a real property contract will also be exempt.

Georgia terminated a temporary exemption for tangible personal property used for or in the renovation or expansion of qualifying aquariums in Georgia effective January 1, 2017.

North Carolina will no longer exempt retail sales of tangible personal property, certain digital property, and taxable services by certain nonprofits from sales and use tax as of January 1. Purchases by a manufacturer of fuel or piped natural gas used solely for comfort heating will also no longer be exempt.

Local sales tax changes

Several states have announced local sales and use tax rate changes, effective January 1.

More details on all of these changes, including a state-by-state breakdown, can in Avalara's newly released 2017 Sales Tax Changes report. (<http://bit.ly/2jwxsRi>)

Automation can simplify sales tax

Understanding how these sales tax changes impact business is important, but can be overwhelming, especially if you are obligated to register, collect and report tax in several states. Automating sales and use tax compliance in your accounting, ERP or e-commerce system can alleviate much of this strain. ●

Kerry is a Seattle-based Avalarian – in other words, she works for Avalara. Kerry writes about the business challenges of managing sales tax and the benefits of automating compliance.

Permission to reprint or repost given by Avalara. Some content was previously published at www.avalara.com/blog.

How Sales Tax Impacts Cash Management

By Shane Ratigan

Even profitable companies can have problems with cash flow. Although some stem from external sources and are beyond control, many can be addressed by making adjustments to internal processes. The way companies handle sales tax can impact cash management in a number of ways.

Paying tax before it's collected

In an ideal world, sellers would never be required to remit tax that hasn't already been collected from customers. Unfortunately, real life is far from ideal. For many businesses, sales tax returns may be due before payment from customers has been received. This can cause cash management problems.

Embracing technology can increase cash flow by shortening the gap between invoicing and Accounts Receivable. Electronic delivery of invoices speeds up the billing process, while vendor portals permit immediate payment. These solutions can also improve reporting.

Switching from accrual basis accounting (sales tax is reported when a customer is invoiced) to cash basis accounting (sales tax is reported when payment is received) may give a seller more breathing room. Accrual accounting provides a more accurate account of a company's finances, and it may be required by some states (e.g., California). However, it can put a strain on cash flow. If the cash method is an option, it may be the better choice.

Early payment discounts

Early payment discounts encourage prompt payment, which improves cash flow. Yet they also can affect the taxable amount of a sale. Since states have different policies regarding the tax treatment of early payment discounts, it's important to know the policies in place where you do business.

Generally, cash discounts allowed by a retailer and taken by a customer at the time of sale — such as employee, trade, volume, and wholesale discounts — are excluded from the taxable sales price. Yet early payment discounts, which occur after the close of the sale, often don't reduce the taxable sales price. This is the case in New York.

Understanding state tax policies and predicting

which customers will take advantage of early payment discounts improves the overall cash management of a business.

Returns and refunds

If returned merchandise has an upside, it's that the returner may make additional purchases. More often, returns and refunds are merely a pain point for sellers — and at no time is that more true than the weeks following the holidays. Refunding sales tax after it's already been remitted to tax authorities can stress any cash management regime.

AVALARA TAX EXPERTS AND SOFTWARE PROFESSIONALS TAKE PRIDE IN HELPING THE WORLD'S BUSINESSES MEET THEIR TRANSACTIONAL TAX COMPLIANCE GOALS WITH CLOUD-BASED SOFTWARE AND AN ACCURACY GUARANTEE. VISIT WWW.AVALARA.COM/WHY-AVALARA TODAY TO LEARN HOW AVALARA'S END-TO-END SALES AND USE TAX COMPLIANCE SOLUTION CAN HELP.

The tax treatment of returns varies by state. In Connecticut, for example, a customer is entitled to a full refund of sales tax from the retailer if the goods are returned within 90 days of the date of purchase with a receipt showing the date of purchase and the tax paid (any applicable restocking fees reduce the amount of the refund and the sales tax refund). Goods returned after 90 days or without a receipt aren't eligible for a sales tax refund. California has a slew of rules regarding the tax treatment of returns, particularly with respect to motor vehicles.

Returns and exchanges happen. Forecasting and planning for them can help alleviate the tax pain they cause.

February SALT Checklist

- Sales tax rules are constantly changing. Now is a great time to compare new rulings with the business processes of your clients.
- Find out if your clients are offering any new products for sale. Assess if and where their sales are subject to sales tax.
- Are your clients making sales in any new states? If so confirm if nexus exists and set up sales tax registrations where necessary.
- Make sure your clients are remitting their sales tax on time in order to avoid late payment penalties.
- Make sure your clients are taking advantage of all available early payment discounts.
- Some states require online filing. Check the rules for all states where tax is owed.

Sales tax compliance drain

Change is one of the most constant aspects of sales and use tax. In 2016, there were 385 sales tax rate changes and 26,168 changes in product taxability. For example: Louisiana temporarily reduced or suspended a number of sales tax exemptions; North Carolina expanded sales and use tax to numerous previously exempt services; a handful of states decided to exempt tampons and sanitary napkins; and several cities enacted special taxes on soda.

New policies could cause consumers to alter spending habits, thereby reducing sales. Furthermore, rate increases and new taxes on previously exempt products and services can strain cash reserves when sales and use tax returns must be remitted before accounts have been paid.

Yet an even greater risk is the drain that simply accounting for changes can have on a company. Businesses need to ensure all applicable sales and use tax changes are recognized, understood, and instituted in a timely manner. It can take an inordinate amount of time: According to a study by Wakefield Research, companies' accounting teams spend an average of nine hours per week filing sales tax returns and remitting payments. That's an enormous resource drain.

Implementing tax automation software reduces the amount of time (and therefore money) companies must devote to sales and use tax compliance, while increasing accuracy and reducing late payment penalties. That's smart cash management. ●

Shane Ratigan, JD, LL.M., is a tax law and compliance expert at Avalara, as well as a former small business owner. He is responsible for managing compliance processes and tracking trends in the sales tax compliance ecosystem.

2017 READERS' CHOICE AWARDS

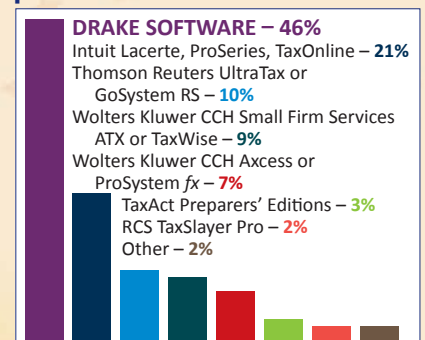
The accounting and tax profession relies on technology as much as almost any other (aside from rocket science, perhaps), which makes finding the right tech imperative to the productivity of a firm, and the small businesses that rely on it.

The Readers' Choice Awards, now in their 14th year, is your chance to give a shout-out to the technologies and vendors that help you be more productive, responsive to client needs, and profitable in your firm. This year more than 6,000 professionals voted in the awards, with categories ranging from tax prep to document management, and client accounting to mobile productivity.

IN-FIRM TECHNOLOGIES

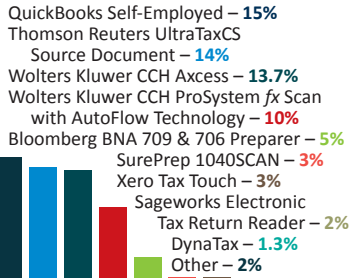
Federal/State Income Tax Preparation

Insight: With nearly 90 percent of our Readers Choice voters saying they use or recommend professional tax systems, this is our most popular category. Continuing a trend Drake Software, which has an actual market share of about 10% of the tax software market, won overwhelmingly. This is due to an active base of customers who support the product and company, and Drake's acclaimed customer service.



SPECIALTY SYSTEMS & TAX PREP TOOLS

GRUNTWORX – 31%



Specialty Systems & Tax Prep Tools

Insight: The professional tax suites on the market offer “almost” everything a tax pro needs but, depending on their client base or a particular specialty, many professionals need specialty tax systems that streamline tax workflow, cover areas their main tax system doesn’t, or goes into greater depth and gives them more control.

Tax Planning Systems

Insight: With tax law changing significantly almost every year, there is increasing value for clients to receive a tax planning engagement. Because tax planning is proactive, tax pros can help identify potential issues that their clients can take steps to remedy before it’s too late. This can result in direct, identifiable tax savings that clients see and appreciate. As such, tax planning systems go far beyond what tax preparation systems can do when it comes to creating hypothetical situations based on current and projected tax law, phase-ins and outs, and life event changes such as variations in income, college and other family matters. Nearly 60 percent of this year’s 6,000+ voters participated in this question. As with the “Tax Preparation” category, Drake Software again won handily because of its active user base.

WINNER: Drake Tax Planner (58%)

Runners Up:

- Intuit Lacerte Tax Planner (15%)
- Thomson Reuters Planner CS (8%)
- Wolters Kluwer CCH ProSystem fx Planning and fx for Small Firms (7.5%)
- Thomson Reuters Checkpoint Individual Business 6%
- Bloomberg BNA Income Tax Planner (5.5%)

Tax & Accounting Research Systems

Insight: Taxes are complex enough, and with the uncertainty of the Affordable Care Act, or whatever may replace it, professionals need a reliable tool for finding the information they need. This includes primary source material such as the federal tax code and state tax laws, as well as Tax Court rulings and expert analysis of these materials. Some of the available tax research systems integrate with tax preparation programs, while others are used separately, and can be used alongside any system. Nearly 90 percent of this year’s voters selected a preference in this category, with users of TheTaxBook actively driving over-all voting.

WINNER: TheTaxBook – Tax Materials Inc. (49%)

Runners Up:

- QuickFinder Tax Handbooks (14%)
- Thomson Reuters Checkpoint (RIA) (12%)
- CCH IntelliConnect (Wolters Kluwer) (7%)
- Intuit Tax Research & TaxAlmanac.org (5%)
- Parker Tax Pro Library (4%)
- TaxSpeaker (4%)
- Tax Talk Today (3%)
- Bloomberg BNA Financial (2%)

1099/W-2 Compliance

Insight: Many businesses have to prepare hundreds of W-2 and 1099 forms every year, some have even more than that, which causes headaches and potential fines for missing the compliance dates. Not to mention the changing compliance dates this year, which left many payroll and AP departments scrambling at the end of the year. While most payroll systems are adept at handling W-2 preparation, few offer the multi-client management tools that professionals need to manage all of their employer clients, and 1099s are often just a mess. Specialty W-2 and 1099 preparation systems help relieve much of this burden and streamline the entire process, including mailing of copies to recipients and federal and state agencies. Drake’s Client Write-Up won this year’s voting, with its integrated W-2 and 1099

compliance functions.

WINNER: Drake Client Write-Up (37%)

Runners Up:

- AMS 1099-ETC (20%)
- W2/1099 (Wolters Kluwer ATX and TaxWise) (11%)
- Thomson Reuters Accounting CS Payroll Compliance (9%)
- EagleView/Tenez Laser Link (6%)
- Yearli/Greatland (5%)
- 1099 Pro (4%)
- AccountantsWorld ATF Payroll (3%)
- Avalara AvaTax 1099 (2.5%)
- Real Business Solutions W2-Mate (1.5%)
- Others (1%)

Sales & Use Tax

Insight: For brick and mortar businesses with a very limited (and defined) sales area, sales taxes aren’t very difficult, and can often be accomplished with a regular visit to the state’s taxation board website. But even small businesses can quickly get over their heads when it comes to this compliance, whether due to internet sales, affiliations with other retailers, or even delivery and service issues. Suddenly, they may be faced with keeping up with sales taxes for dozens, hundreds or even thousands of jurisdictions across the U.S., and failing to keep in compliance can be costly. Fortunately, there are systems that now automate much of the compliance and reporting functions, as well as systems that make it easier to manage the processes manually. Most voters in this category said they use state tax agency websites or use the sales tax functions built into their (or their clients’) accounting systems. Among the votes for specific sales tax software, the results were:

WINNER: CFS Tax Software (28%)

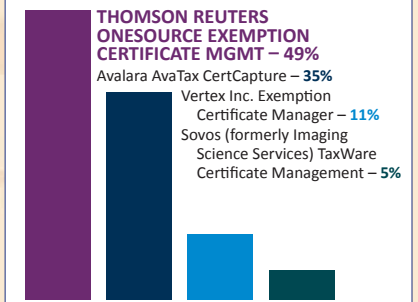
Runners Up:

- Avalara AvaTax or Trustfile (16%)
- eFileSalesTax.com (15%)
- CCH Wolters Kluwer (SureTax/SalesTaxOffice/SalesTaxSaaS/STRO) 14%
- Thomson Reuters ONESource Indirect Tax (11%)
- BNA Sales Tax Rates (5%)
- Vertex Indirect Tax (3%)
- Other (8%)

Sales & Use Tax Exemption Certificate Management

Insight: Another specialty area, managing exemption certificates is a critical function for many retailers and especially for wholesalers, since poor management can open them up to sales tax compliance failures, and substantial penalties.

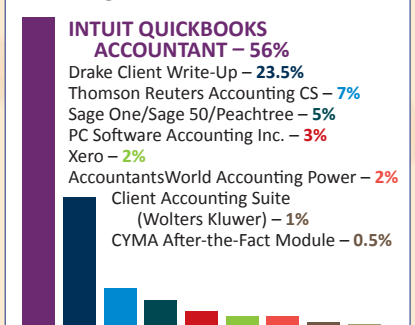
SALES & USE TAX



Write-Up

Insight: To put it mildly, write-up is changing. The increasing adoption of web-based accounting systems is fundamentally changing this function, which used to be a cornerstone of many full-service accounting firms. However, it was always a tedious, time-consuming and error-prone task. The functions are still as necessary today, balancing the books, performing account reconciliations, correcting erroneous transactions and producing financials, but they are much more streamlined, automated and less tedious. Which gives accountants more time to perform services that generate more revenue and cause fewer headaches. (Note, cloud-based small business accounting systems are in a separate category below.)

WRITE-UP



Audit Engagement Tools

Insight: Audit and attestation services are not only for large businesses, or large firms. Many small businesses and especially nonprofits must undergo periodic audits, and they naturally turn to their local accounting firms. Managing these engagements can be cumbersome if not using the right tools, which streamline these functions and provide greater controls on the processes. About 10 percent of this year's voters selected a preference in this category:

WINNER: Thomson Reuters PPC SMART Audit Suite & WorkPapers CS (39%)

Runners Up:

- Wolters Kluwer CCH ProSystem fx Systems (37%)
- Audit Confirmations (8%)
- CaseWare IDEA (5%)
- AuditFile (3.5%)
- Wiley Advantage Audit (3%)

- Capital Confirmation (3%)
- Rivio Clearinghouse (1%)
- Audit Dashboard Automated PBC (0.5%)

Payroll

Insight: Payroll is the largest single category in our annual Readers' Choice Awards, as well as in our reviews of payroll systems. In fact, there are so many systems on the market that are designed for accounting firms or for small businesses to use directly, that we often can't fit them all into a single issue of *CPA Practice Advisor*. This is testament to the importance of payroll to modern businesses and the need for firms to provide this service to their clients. Now that most of these systems are cloud-based and automatically update rates and other factors, they take much of the pain out of payroll, making it much easier to keep employees happy, and the state and federal

agencies satisfied with reporting and remittance of payroll taxes.

WINNER: Intuit QuickBooks Payroll, Enhanced Payroll & Full Service Payroll (40%)

Runners Up:

- Drake Client Write-Up/Payroll (16%)
- AMS 1099-Etc Payroll (10%)
- Run, Powered by ADP Payroll (9%)
- Paychex (8%)
- Thomson Reuters Accounting CS Payroll or myPay (6%)
- AccountantsWorld Payroll Relief (3%)
- PC Software Accounting Inc. (2%)
- Gusto (formerly ZenPayroll) (2%)
- Wolters Kluwer Payroll Compliance Reporting (1%)
- Other (3%)

Business Valuation

Insight: The life of a business may see occasional need for official valuations, whether for estate tax purposes, sales, divorces, litigation or other changes of

ownership. Accounting professionals offer the most expertise when it comes to assessing the value of an entity, taking into account more than just the assets and liabilities of that business. While still a specialty niche, valuation services, and the software that helps professionals provide the services, are highly valued.

WINNER: ValuSource Express Business Valuation (47%)

Runners Up:

- MoneySoft DealSense Plus & Corp. Valuation Professional (33%)
- Sageworks Valuation Solution (20%)

Practice Management/ Time & Billing Systems

Insight: What is practice management? It's everything that your clients don't see, but that your firm wouldn't run without. From tracking engagements and firm staff, to identifying bottlenecks and streamlining work-

**POWERFUL,
FLEXIBLE,
AFFORDABLE
PAYROLL
SOFTWARE.**

Call 1-800-536-1099 or visit www.1099-etc.com for a Free Demo and see what our payroll program can do to make your life easier.

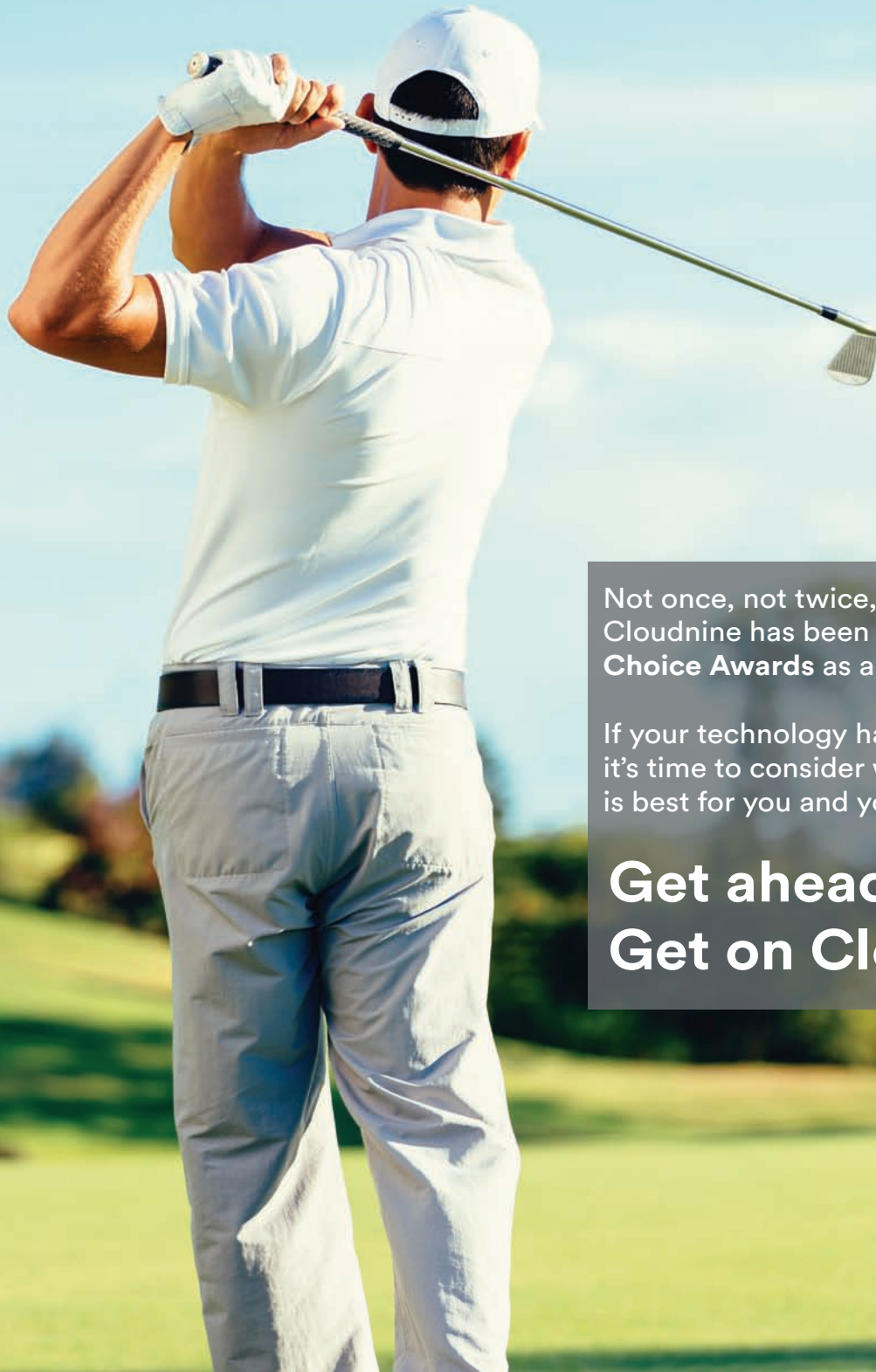
- Prepares W-2s and 1099 Forms
- Live and After-the-Fact Payroll
- Payroll Forms for all 50 States plus DC
- Electronic/Magnetic Forms Filing
- Imports Quickbooks, Excel & Competitors
- Free Technical Support

AMS

ADVANCED MICRO SOLUTIONS



Play with a handicap. Don't **work** with one.



Not once, not twice, but six years running Cloudnine has been voted **#1 in the Readers' Choice Awards** as a leading cloud provider.

If your technology has you stuck in office, maybe it's time to consider whether your current solution is best for you and your business.

**Get ahead of the game.
Get on Cloudnine.**



flow, to billing and time management ... running your practice efficiently is the key to maintaining profitability. The systems in this two-part category range from simple tools for functions like time tracking, to extensive systems that offer deep analysis of firm productivity and include advanced workflow management.

Practice Management WINNER: Thomson Reuters Practice CS (33%)

Runners Up:

- Wolters Kluwer CCH Access or CCH Pro-System *fx* Practice Mgmt. (29%)
- Sage Timeslips (15%)
- OfficeTools WorkSpace (13%)
- AccountantsWorld Practice Relief (5%)
- TaxWorkflow (3%)
- Commercial Logic (1%)
- Deltek Maconomy (0.5%)
- Other (0.5%)

Time & Billing WINNER: TSheets (35%)

Runners Up:

- TPS Software Time & Billing (20%)
- ImagineTime (12%)
- BQE BillQuick (6%)
- ClientWhys/TaxBuzz.com (6%)
- BigTime (6%)
- Bill4Time (3.5%)
- ClockShark 2.5%
- Commercial Logic (2.5%)
- Abak Time & Billing (1.5%)
- Other (5%)

Online Invoicing/Bill Payment Solutions

Insight: More and more small businesses, accounting firms, and even individuals are moving toward cloud financial management systems, and that includes paying their bills online. From the AR side, this makes even more sense, since these tools offer a streamlined way of keeping up with, and keeping track of, client invoices. Automation is making big ground here, as well.

WINNER: Intuit Payments (36%)

Runners Up:

- PayPal (27%)
- FreshBooks (2.5%)
- Bill.com (18%)
- ReceiptBank (2%)
- Xero (6%)
- Zoho Books (1%)
- Sage Payments (4%)
- CollBox (0.5%)
- Bill&Pay (3%)

Client Portals

Insight: Remember those shoeboxes of receipts? How about floppy disks? Even CD-ROMs and thumb drives weren't that much of a step up from the older systems. With almost everything living in the cloud these days, it's much easier and more efficient for both the client and the firm to simply drag and drop something into a shared portal. Firms get instant access to real client data, and the clients get access to their documents, when and wherever they need them. Brilliant. And much safer than sending files via email. Drake took a surprising lead in this category, thanks again to its motivated customers.

WINNER: Drake Software Secure-FilePro.com (48%)

Runners Up:

- Citrix ShareFile (13%)
- eFileCabinet – SecureDrawer (10%)
- Thomson Reuters NetClient CS Portals or Onvio (9.5%)
- Wolters Kluwer CCH Access Portal/Pro-System *fx* iFirm (7%)
- SmartVault (6%)
- AccountantsWorld Cloud Cabinet (2%)
- OfficeTools WorkSpace (2%)
- ClientWhys/TaxBuzz.com (1%)
- Other: 1.5%

Document Management & Document Storage

Insight: These products range from basic electronic file cabinets, to advanced programs that include client collaboration tools, automatic archiving, retention functions and multi-worker productivity features.

WINNER: Drake Document Manager (54%)

Runners Up:

- Thomson Reuters FileCabinet CS/GoFileRoom (12%)
- Intuit ProSeries & Lacerte DMS (9%)
- eFileCabinet (9%)
- CCH Access or ProSystem *fx* Document (5.5%)
- SmartVault Document Storage (4%)
- Office Tools WorkSpace (2%)
- AccountantsWorld Cloud Cabinet (1%)
- Doc.IT (1%)
- Other (2.5%)

Document Management Utilities

Insight: Many accounting firms also need specialty hardware for scanning and optical character recognition functions, faxing and other features. These systems often work directly with document management systems.

WINNER: Fujitsu (40%)

Runners Up:

- HP (26%)
- Canon (13.5%)
- Nuance (7.5%)
- cPaperless Tie-Calculator (7%)
- ABBYY (4%)
- Kofax (1.5%)
- Other (0.5%)

Tax Document Automation

Insight: Automating the tax preparation process is allowing tax professionals to manage hundreds of returns each, without relying on untrained seasonal workers or "outsourcing" confidential client information to foreign countries. Technology has made it possible, therefore, for tax pros to take on either more work during tax

season and generate considerably more revenue- or to work reasonable hours even during tax season, without losing revenue. Key to the technology is optical character recognition and smart systems that recognize the forms when they are scanned in. This year's voting was exceptionally close, with only 10 votes separating first and second place.

WINNER: GruntWorx Populate (32.64%)

Runners Up:

- Intuit Tax Import for Lacerte & ProSeries (31.86%)
- Thomson Reuters Source Document Processing & Workpapers CS (14%)
- CCH iFirm and ProSystem *fx* Scan with AutoFlow Technology (13%)
- SurePrep 1040Scan Pro, 1040Scan Organize (4%)
- CCH WoltersKluwer PaperlessPLUS (3%)
- cPaperless 1.5%

OUT-OF-OFFICE

Favorite Form of Physical Exercise During Tax Season

WINNER: "Who has time to exercise?" (41%)

- Jogging/Running (10%)
- Weightlifting (9%)
- Jumping to Conclusions (8%)
- Walking (8%)
- Bicycling (7.5%)
- Aerobics (7%)
- Team Sports (2.5%)
- Racket Sports (2%)
- Other (5%)

New Technologies for Professional Firms

Do you use smartphone or tablet apps designed specifically for tax and accounting professionals?

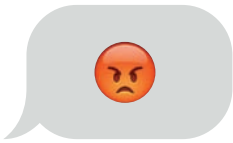
- Yes 19%
- No 81%

How remote are you? How many hours per week do you work on client engagements or firm business while away from the office (at a client, at home or anywhere else)?

- "My office is my home:" 37%
- Less than 1 hour: 19%
- Between 1-4 hours: 14.5%
- Between 5-9 hours: 9.5%
- Between 10-14 hours: 6%
- 15+ hours per week: 14%

How "social" are you? Which social media tools do you use in conjunction with your work? (Check all that apply.)

- LinkedIn 40.5%
- Facebook 40%
- Twitter 14%
- Google+ 13.5%
- YouTube 10%
- Instagram 7%
- Yelp 5.5%
- Pinterest 5%
- Other 2%
- No Social Media (43%)



😬 Everything OK over there?

Happy with your tax software?

❤️ Drake Software. Check out what others are saying... 😄

"When I decided to start my own business after 25 years in the tax industry, I knew I would need software that had a solid conversion. That's the reason I picked Drake; it was very easy to bring over files from my old software."

🗨️ Snow | Customer Since 2005

"Drake support is unparalleled, regardless of industry. When I call, I get answers. When asked what software I use, I say, 'Drake: go see them; go check it out; you can't beat it.' I will always recommend Drake. Just try it."

🗨️ Diane | Customer Since 1996

DrakeSoftware®

Professional Tax Solutions

Toll-Free **866.923.8205**

Free Demo DrakeSoftware.com



Voted #1

- Federal/State Income Tax Compliance
- Tax Planning Systems
- Document Mgmt & Document Strg
- Website Builders
- 1099/W2 Compliance
- Client Portals: Drake SecureFilePro



Comprehensive Firm Workflow Systems

Insight: While all accounting firms operate a little differently, most can benefit from best practices that streamline processes, leading to greater productivity and profitability. This category is divided into two groups: Comprehensive Workflow, and Other Workflow Tools, for aiding in specific tasks and engagements and for smaller firms.

Comprehensive Workflow

WINNER: Thomson Reuters Practice CS Project Management (30%)

Runners Up:

- OfficeTools WorkSpace (27%)
- XCM Workflow (10%)
- Wolters Kluwer CCH Axxess Workstream (8%)
- Wolters Kluwer CCH iFirm Practice Manager (7.5%)
- TaxWorkFlow (7%)
- Thomson Reuters FirmFlow (7%)
- Pascal Workflow (2%)

- Autonomy iManage Workflow Manager (1.5%)

Other Workflow Tools

WINNER: GruntWorx (16%)

Runners Up:

- Wolters Kluwer CCH ProSystem fx Systems (12%)
- Intuit Tax Import for Lacerte and ProSeries (11%)
- eFileCabinet (10%)
- Bill.com (9%)

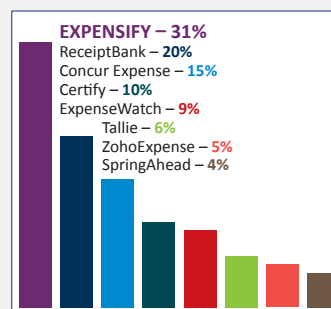
- Thomson Reuters GoFileRoom/Practice CS (6.5%)

- ATX and TaxWise (Wolters Kluwer) (6%)
- Intuit Lacerte DMS and ProSeries DMS (5.5%)

- Citrix ShareFile for Accountants (5%)
- SmartVault (4%)
- OfficeTools WorkSpace (4%)
- Expensify (3.5%)
- Other (7.5%)

Expense and Travel Management Solutions

Insight: A new category in the awards, expense management is a hot topic, providing tools that can help firms better control employee spending while on the road. With a new generation of cloud-based systems, managers can set spending limits and other preferences, while keeping up with receipts is made easier, since the online systems can automate many of the receipt management functions.



Website Builders & Services for Accounting Firms

Insight: Repeat after me: A Facebook page is not a website. Your firm is a professional entity, and your website should be too, with not only basic contact info, but also content about your services and expertise. You also need to integrate it with your social media. These are necessary marketing steps in the 21st Century, so don't ignore them. There are many tools out there that are affordable and make it easy.

WINNER: Drake 1040.com Preparer Sites (30%)

Runners Up:

- CPASite Solutions (15%)
- GetNetSet (13%)
- Thomson Reuters Web Builder CS (13%)
- Wolters Kluwer CCH ProSystem fx SiteBuilder (7%)
- AccountantsWorld (15%)
- Website Relief (6%)
- Tenenz AFSB (5%)
- Build Your Firm (3%)
- CPASites.com (3%)
- Rootworks (2.5%)
- NMGI WebCare (1%)
- Other: 1.5%



Thanks for making Expensify YOUR choice for best expense management tool

Thousands of CPAs trust Expensify as their go-to receipt and expense management solution. Visit expensify.com/accountants to learn why.



It's Tax Season



On a hiring search for that “unique” and “one of a kind” employee?

Let us help.

GruntWorx technology eliminates the need for hiring extra staff to organize and enter client data into your tax preparation software by automating those time-consuming tasks. Just scan client documents – in any order – and send those files to GruntWorx; we'll do the rest.



**Get the free trial
and see for yourself.**

Try now at GruntWorx.com
Toll-free **866.923.8205**



Tax Automation & Organization

Small Business Accounting Systems

Insight: The cloud gets all the news, but many small businesses still want their accounting on their own computers or servers. There are still several products available for installed accounting, as well as for web-based systems, and for many specialty business types, providing financial management, bookkeeping, inventory, AR, AP and checkwriting, along with other functions. There are several sub-categories in this group: Below are the top vote-getters in each category.

Small Business Accounting - Installed Programs

WINNER: Intuit QuickBooks Desktop (86%)

Runners Up:

- Sage One, Sage 50 or Sage ERP (9%)
- PC Software Accounting Inc. (4%)
- Other (1%)

Small Business Accounting: Web-Based Systems

WINNER: Intuit QuickBooks Online/Online Accountant (79%)

Runners Up:

- Xero (5.5%)
- Thomson Reuters Client CS or CS Client Access (5%)
- SageOne (4%)
- AccountantsWorld Accounting Power (2%)
- Intacct (1.5%)
- FreshBooks (1%)
- NetSuite (1%)
- Other (1%)

Retail Accounting/Point-of-Sale

WINNER: Intuit QuickBooks Point-of-Sale (87%)

Runners Up:

- NetSuite OnSite POS (4%)
- Vend POS (2%)
- AccuPOS Retail POS (2%)
- Cougar Mountain (1.5%)
- Wasp Barcode (1%)
- CAM Commerce (1%)
- Other (1.5%)

Not-for-Profit Accounting

WINNER: Intuit QuickBooks Premier Nonprofit (88%)

Runners Up:

- Blackbaud Financial Edge or Fundware (2%)
- Cougar Mountain FUND (2%)
- CYMA (1.5%)
- Abila (1.5%)

- Aplos (1%)
- Fund E-Z (1%)
- OneNFP for Nonprofits (1%)
- Open Systems TRAVERSE (0.5%)
- Other (1.5%)

Fixed Asset Management

WINNER: Intuit ProSeries Fixed Asset Manager (31%)

Runners Up:

- Thomson Reuters Fixed Assts CS (29%)
- Wolters Kluwer CCH ProSystem fx Fixed Assets & Fixed Asset Manager (16%)
- Drake Tax Fixed Assets (7%)
- Sage FAS Asset Accounting (6.5%)
- Pro-Ware Asset Keeper (4.5%)
- BNA Fixed Assets (3%)
- Open Systems TRAVERSE (1%)
- Real Asset Management (0.5%)
- WASP Barcode (0.5%)
- Other (1%)

GENERAL BUSINESS TECHNOLOGIES

ASP/Hosted Solution Providers

Insight: Some programs still aren't available in the cloud, or are only available as lighter versions, with different feature sets. For businesses that want the full version of their traditionally installed program available online, with the benefits of not having to maintain and update it, ASPs provide a good solution.

WINNER: Drake Hosted (45%)

Runners Up:

- Thomson Reuters Virtual Office CS/SaaS 16%
- Cloud9 Real Time (12%)
- Right Networks (11%)
- Xcentric (7%)
- Cetrom CPA Cloud (4.5%)
- Network Alliance Inc (3%)
- CPAASP/InsynQ (1.5%)

Outsourced Technology Services

Insight: Just as many accounting firms may partner with a local lawyer or financial advisor for some client services, they also often use specialized technology services that help them better serve their clients,

and better run their practice. These services run the gamut from virtual servers to fax systems and email management. The chart at left shows the most popular this year.

Laptop and Desktop Computers

Insight: You're a professional, which means you still have a "real" computer (as opposed to those young'uns who are now getting by with just a phone. Egad.) When it comes to your laptop or desktop computers, though, which brands do you prefer? Have you stayed faithful over the years, or do you concentrate on price over brand? In our annual voting, the readers chose:

WINNER: Dell (32%)

Runners Up:

- IBM (25%)
- Lenovo (10%)
- Apple (6.5%)
- Toshiba (6%)
- Acer (5.5%)
- Others: 15%

Tablet Computers/Devices

- Apple iPad 41%
- Samsung 16%
- Kindle 10%
- Microsoft Surface 8%
- Dell 6%
- HP 5.5%
- Google 3.5%
- Others 10%

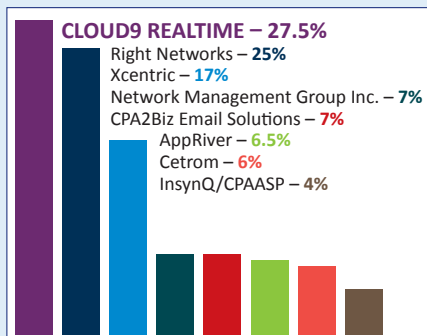
Printers & Scanners

Insight: Printers are needed even in the "paperless" office.

- HP 38%
- Brother 18%
- Canon 11%
- Fujitsu 10%
- Epson 6%
- Dell 4%
- Xerox 3%
- Samsung 2%
- IBM 1%
- Sharp 1%
- Others 6%

Office Supply Store

- Staples 27%
- Office Max/Depot 26%
- Costco 12%
- Sam's 9%
- Wal-Mart 8.5%
- Best Buy 8%
- Quill 7%
- FedEx Office 1%
- Others 1.5%



Smart Phone

Insight: It's been Apple versus the rest for several years now, but the winner depends on how you crunch the numbers. When it comes to individual brands, Apple with 43% share of our votes. But when it comes to phone operating system, the Androids have it won, with 53%. By operating system:

- Android (53%)
- Apple (43%)
- Microsoft (2.5%)
- Blackberry (1%)
- Other (0.5%)



Connecting powerful
tax and accounting tools
with expert tax research

Tax and Accounting Solutions from Thomson Reuters

When you pair the intelligent information of Checkpoint® and the powerful software from CS Professional Suite®, your firm has access to unparalleled tax and accounting tools and expertise. By seamlessly sharing information, research and automated workflows throughout your entire practice, you can be confident that you're providing your clients with smarter answers and better results.

Thank you.

We'd like to thank CPA Practice Advisor readers for selecting us as a 2017 Readers' Choice Award winner in four categories. Your support helps us continue to provide leading tax and accounting solutions.

To learn more about how our tax and accounting solutions can help you thrive, visit us at tax.tr.com.

The intelligence, technology and human expertise
you need to find trusted answers.



the answer company™

THOMSON REUTERS®

MarksNelson is Innovative!

Mark Radetic, CPA, CGMA, managing partner at MarksNelson discusses the changes that have occurred as the Kansas City-based firm settles into the 21st Century. When you look at innovation and where we're at, you have to go back to where it changed. Five to six years ago we had a number of partners, including some of our rainmakers, getting towards retirement. We wanted to remain independent (not merge with another firm). We had a very good firm even back then, but the route we were following would be unsustainable with the number of partners edging toward. We needed a culture shift.

- ✓ **WE REDID OUR OPERATING AGREEMENT, THE SUCCESSION PLAN;** we made several acquisitions and several strategic hires; we set strategic objectives and goals for the next one, five, and ten years; we started providing different services and specializations and some enhanced skills to our clients – all of this changed our culture and some of the different services that go beyond foundational services (what we all grew up with: audit, tax, accounting services).
- ✓ **WE BUILT OUR HUMAN RESOURCES TEAM** to include the development of MarksNelson University – a program to hopefully attract top talent. We work with each staff member, give them the tools needed to develop, put together success proposals on every one, develop learning tracks designed to help them master technology competencies and soft skills.
- ✓ **WE OFFERED ENHANCED NICHES WITH SITE LOCATION WORK** in economic development, modeling, enterprise resource solutions. Providing public and large private companies with some of our talent allows us to do special projects for these companies, to step in and become their talent where they can't hire talent permanently – it's a growth area for us.
- ✓ **WE ASSIGNED MENTORS AND CAREER COACHES** to deliver real time and ongoing feedback. Evaluations were redesigned from semi-annual to constant feedback based on the goals that were set at the beginning of year.
- ✓ **WE JUST WENT THROUGH THE LEAN PROCESS** to enhance our audit process, provide more efficiencies and more time to do the audit, to spend more time with our clients, to become their trusted business advisor.
- ✓ **WE HAVE ENHANCED OUR RECRUITING.** We recruit at six or seven colleges around the Kansas City metro area, and some state schools around us.
- ✓ **WE OFFER A LEADERSHIP PROGRAM** during summer for students that hopefully turn into our interns.



These are all new things we've done over the last five to six years. We've been very fortunate that we've seen some phenomenal growth from these things we've done. As much as we had a really good firm before, I think we have a great firm now.

Latest Firm Management News

How Small Accounting Firms Find Big Advantages in the Cloud: It's a trend to watch for in 2017, as cloud services enable CPAs to be strategic partners that can offer more in-depth and timely financial advice to help their small and medium size business (SMB) clients succeed. www.cpapracticeadvisor.com/12294496

3 Steps to Ensure Data Privacy: When taking steps to protect online privacy, companies shouldn't overlook documents that transition between paper and digital formats during their lifecycle. www.cpapracticeadvisor.com/12298744

Accounting Firm Develops Alternative Work Arrangement with Flexible Time Off System: The accounting firm Friedman LLP is implementing a formal Alternative Work Arrangement program, which formalizes processes for employees to craft working hours best suited to their needs and responsibilities. It includes a policy in which "busy season" weekend hours are no longer mandatory and are instead based on workload and client need. www.cpapracticeadvisor.com/12298513

Competency-Based Education Legislation for CPAs Introduced in Indiana: The movement toward a new learning model for professionals in the state of Indiana con-

tinues to gain momentum. Draft enabling legislation was introduced in the Indiana General Assembly and has the potential to add competency-based education to the current hours-based education model for CPA license renewal in Indiana. www.cpapracticeadvisor.com/12297225

5 Tips for Managing Multiple Generations in Your Firm: CFOs in a Robert Half Management Resources survey said they see the greatest generational differences in employees' communication skills, ability to adapt to change and technical abilities. www.cpapracticeadvisor.com/12297224

THIS MONTH'S TOP FIRM MANAGEMENT SOCIAL MEDIA POSTS

- My Entrepreneur Manifesto: How to Make 2017 Your Best Year to Date – Virgin Blog: <http://bit.ly/2jyCb0c>



- 7 Facebook Marketing Tips to Help Increase Engagement – Hootsuite Blog: <http://bit.ly/29w7tjq>
- Shifting Your Practice to Advisory Services Isn't About Dashboards or Apps – Accountex Report Blog: <http://bit.ly/2jysYF4>
- 5 Tips for Designing a Workspace to Inspire Productivity – LivePlan Blog: <http://bit.ly/2juGBox>

What Are Your Clients Asking This Month?

Linda Freeman, tax partner, MarksNelson

When you can anticipate the questions your clients will ask, it's likely your meetings will go smoothly. We asked Linda Freeman, tax partner at MarksNelson, about the types of questions clients are asking as they meet with their accountants to review their tax situation and have their tax returns prepared.

It doesn't matter if you're Warren Buffet or a kid just out of college. By far, everybody starts with, "WHAT CAN I DO TO REDUCE MY TAXES?"

If the meeting occurs before the end of the year, they ask, "WHAT ARE THE NEXT STEPS I NEED TO HURRY UP AND TAKE BEFORE THE END OF THE YEAR?" They're looking for the available options to reduce taxes before the year end. "WHAT CAN I DO WITH THE TIME REMAINING THAT COULD ACTUALLY HAVE AN IMPACT?" Examples include donating funds to charitable organizations, options for giving cash or non-cash contributions, putting additional funds in retirement plans.

If considering retirement contribution options and if the taxpayer or spouse are participating in a plan with their employer, they ask what their limitations are, THEY ASK ABOUT LONG RANGE EFFECT BUT ALSO ABOUT SAVING TAXES RIGHT NOW.

If the taxpayer had a windfall during the year, like company stock options that were exercised, the question is, "WHAT DO I NEED TO BE CONCERNED ABOUT?"

If they're facing major life changes this year or next, such as retiring, a dependent graduating from college, they'll ask, "WHAT DO WE NEED TO BE BRACED FOR?"

They'll ask what they need to shift or change regarding spending money on deductions in the next year.

Business owners ask about EQUIPMENT WRITE OFF RULES since those rules have been in flux for several years. They want to know if they have TAKEN FULL ADVANTAGE OF THE WRITE OFFS AVAILABLE and if they've PURCHASED ENOUGH THIS YEAR to take advantage of the write offs.

Business owners have several questions about BENEFIT PLANS. Looking at the taxable income their business may have generated in the past year, they'll ask, "WHAT ARE OPTIONS FOR EXPENSES THAT COULD BE PAID BETWEEN NOW AND YEAR END, ARE THERE PLANS THAT NEED TO BE PUT INTO PLACE, CAN WE ALLOCATE RESOURCES TO BENEFIT KEY PEOPLE, HOW CAN WE BENEFIT EMPLOYEES, CAN WE STEER ADDITIONAL BENEFIT TO OWNERS' DEPENDENTS?" There might be opportunities to fund benefit plans after the year is over – they need to know what their particular plan allows.

Questions we are getting that we never used to have are in the IDENTITY THEFT area. With the number of instances where taxpayers' accountants have been breached or a return has been filed using a family member ID, this is turning into an explosive growth area.

THIS MONTH'S TOP TAX SOCIAL MEDIA POSTS

- If You Owe Taxes to IRS, You Could Lose Your Passport and Your Ability to Fly – Kelly Phillips Erb/Forbes Tax Blog: <http://bit.ly/2jQQxd4>
- The Divorce Penalty: This 401(K) Fee Can Add Insult to Injury – Bloomberg Blog: <https://www.bloomberg.com/news/articles/2017-01-23/the-divorce-penalty-this-401-k-fee-can-add-insult-to-injury>
- Top 10 Resources for the 2017 Tax Season – AICPA Insights Blog: <http://bit.ly/2kmLB38>
- Financing Growth for Rural Manufacturers Through New Markets Tax Credits – Financial Executives International Blog: <http://bit.ly/2kcyfE1>



Latest Tax & Compliance News

The Top Five Business Tax Issues of 2017: "The tax action list for business leaders in 2017 is relatively short, but it is critical for organizational success," says Jeffrey C. LeSage, Vice Chairman-Tax at KPMG LLP. Here are LeSage's five action items for business leaders in 2017. www.cpapracticeadvisor.com/12298743

Report Looks at eCommerce Corporate Income Tax Issues: Thomson Reuters has released a special report, The Tricky Intersection of E-Commerce and State Corporate Income Taxes, which addresses some of the many corporate income tax issues arising from pure e-commerce transactions. www.cpapracticeadvisor.com/12296218

Tax Season Opens, as Experts Warn of Possible Delays: Tax filing season for individuals opened on January 23, but for some, this doesn't mean a speedy refund can be counted upon. While IRS expects to issue nine out of ten refunds in fewer than 21 days, they'll be holding onto refunds for returns that claim the Additional Child Tax Credit (ACTC) and the Earned Income Tax Credit (EITC) until February 15. www.cpapracticeadvisor.com/12296990

New Scam Targets Tax Professionals: The new phishing scheme is targeting accounting and tax preparation firms nationwide, with the cyber criminals trying to collect sensitive information that will allow fraudsters to prepare fraudu-

lent tax returns. www.cpapracticeadvisor.com/12294005
State-by-State Guide to eFiling and Payment of Sales Taxes: Every state now offers online or telephone options for filing and payment. However, these vary widely. If you are a small business filing sales taxes in several different states, it can be tricky to keep track of all the different filing requirements, and even online filing may not be that convenient when you have to log-in to each state's website to file each return separately. www.cpapracticeadvisor.com/12293132

CREATING AN ENVIRONMENT FOR DIVERSE LEADERSHIP TO THRIVE

Women in accounting have come a long way. Christine Ross, the first female CPA in the U.S., received her certification in 1899 — but only after an 18-month delay by state regents because of her gender. While today we're at around a 50-50 split of females in accounting, we're still only seeing about 19 percent of CPA firm leadership positions represented by

women. While there are more women entering the profession than ever before, they're not finding the same level of ease when trying to progress to leadership positions.



Last year, I spoke extensively about how to create a supportive network with and for women — presenting on the topic at both Accountex and the AICPA Women's Global Leadership Summit, as

well as at Ensuring Success. I've led discussions about how technology is key in order to break the glass ceiling and create more opportunities for women to spearhead their path. By utilizing cloud technology within your accounting practice, you can create new paths for women to pursue leadership throughout their careers — no matter what life may throw at them.

This means establishing a culture that incorporates these cloud-based tools and enables flexibility, mobility and opportunities to employ staff or attain clients from all over the country. By doing so you create an environment where diverse leadership thrives.

Know Your Firm's Purpose

Knowing your firm's purpose or "why" will prove invaluable when it comes to establishing a culture that is conducive to diverse leadership.

Purpose and culture are inseparable in the modern workplace. Offer training early on to female staff that aligns with your firm's sales processes and business development. This way you'll provide them with the skills necessary, those beyond accounting, in order to be successful in the firm. Many accountants don't realize that having these skills is a bonus when pursuing leadership positions. Training can involve shadowing a mentor, partner or boss on sales calls to learn what the process is like or even attending outside sales and business development training. By offering these programs you're giving leaders the skills they need to thrive.

My purpose was, and still is, to help small businesses succeed — a desire that developed from growing up around small business owners. This set me on the path to where I am today. I constantly realign myself with this purpose, ensuring the work I do is fulfilling and makes a difference. People who have a clear understanding of why they do what they do feel a strong sense of contentment with their work. If the women in your firm on a leadership path are clear about their purpose and it aligns with the firm's, they will be

able to set goals and achieve success in their job — benefiting the firm as a result.

Advisor Skillset

Leveraging cloud technology in your firm also opens up a world of offerings for your clients. Using cloud accounting software, you can create actionable reports and forecasting with the click of a button — saving time and enabling you to offer more proactive, higher-level advisory services to your clients. By doing so, you become the connected advisor — with the ability to offer services such as strategic planning, cashflow management, budgeting, process improvement, financial statement analysis and virtual CFO services. In order for your staff to branch out to these services, you need to first equip them with the skillset they need in order to be this advisor.

There are countless resources out there that can help build your future leaders' advisor capacity. Make an investment in your future leaders' learning by sending them to industry conferences locally and abroad. AICPA membership provides a wealth of resources and opportunities for upskilling and transformation, including the CGMA or CITP designations as well as the IMTA training center. Other great resources include Coursera -which offers online courses from universities worldwide - the MACPA learning center and courses from the Business Learning Institute. It's simply a matter of finding the right fit.

Encourage Remote and Flexible Work Opportunities

Part of establishing a culture that

encourages diverse leadership is building a foundation that enables staff to work on a flexible schedule as well as remotely. Unfortunately, parenthood can become a roadblock for career progression because traditional firm work schedules aren't always conducive to raising a child — but that doesn't have to be the case. Cloud technology gives staff the opportunity to work from anywhere, at anytime and should be leveraged to encourage a successful leadership path — rather than a delayed one.

The cloud doesn't require an office, instead you can utilize practice management tools that help manage workflow so staff know what work needs to be done, when the deadlines are and then jump in and check out work. Google's G Suite offers collaborative cloud tools including video conferencing software, Hangouts, so staff can attend meetings remotely and Docs for collaborative writing and editing. Today, there's nothing stopping work-life integration.

In the future, as practices transform and continue to adopt more cloud technology, women will hopefully keep gaining ground and hold more leadership roles in the workplace. For accounting firms, it's a matter of creating a collaborative environment where women can not only lead but thrive at work and at home. ●



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

Payroll Dos and Don'ts

By Luke Reynebeau

✓ DO:

- Review IRS guidance on filing and document prep deadlines (<https://www.irs.gov/filing/self-employed-small-businesses>)
- During filing season client meetings, review 2016 payroll data and employee classifications
- Prepare your clients for 2017 federal and state tax changes (<https://www.surepayroll.com/resources/blog/small-business-tax-changes-guide>)
- Monitor employee and wage regulation changes that may affect clients

✓ DO NOT:

- Ignore client payroll opportunities during tax time – in-person and high-touch client meetings in the spring can uncover new service opportunities that create recurring revenues all year long
- Pass over non-business clients, who may have household employees or side businesses that require payroll tax consideration
- Allow clients to knowingly misclassify employees
- Miss the chance to do an account review and set goals with each and every payroll client
- Hesitate to ask for client referrals during every client engagement this month, whether it be in-person, via your email signature, or through a concerted referral campaign

THIS MONTH'S TOP PAYROLL SOCIAL MEDIA POSTS

The Payroll Edge
@ThePayrollEdge
Follow

[Free Whitepaper] What U.S. Companies Need to Know About Paying Employees in Canada
ow.ly/7952307Tj9q #canadianpayroll #canadiantaxes

- New Laws Give New Dads Paid Paternity Leave – Bloomberg BNA HR Blog: <http://bit.ly/2jnOUEA>
- Out of State, Out of Mind? Not Quite. Payroll Tips for Out-of-State Employees – Gusto Blog: <http://bit.ly/2kPUgHV>
- 5 Employee Benefit Trends to Watch in 2017 – BenefitFocus Blog: <http://bit.ly/2kmWyBi>



Latest Payroll News

Payroll in 2017: What to Expect. As we prepare for a new administration, let's take a look at what we know, what will change and what 2017 may bring. www.cpapracticeadvisor.com/12295253

5 Manager Mistakes that Can Cause Labor Lawsuits: Employee lawsuits are exploding nationwide in the past few years, and manager mistakes are the cause of many of those lawsuits. That's why it's important for managers to know at least the basics of employment law. www.cpapracticeadvisor.com/12295232

Trump Administration May Mean Big Employment Law Changes: During the campaign, Trump promised to repeal many of President Obama's executive orders, but it is not clear which ones he has in mind. Obama made extensive use of executive orders to require federal contractors to pay a higher minimum wage, provide paid leave and set goals for hiring disabled workers. www.cpapracticeadvisor.com/12294061

40% of U.S. Employers Plan on New Full-Time Hiring in 2017: The hiring outlook for 2017 is the best the U.S. has seen in a decade, with 40% of employers planning

to hire full-time, permanent employees over the next 12 months, according to CareerBuilder's annual job forecast. www.cpapracticeadvisor.com/12295863

4 Tips on the Hold of the Final Overtime Pay Rules: As a trusted advisor to your clients, you've probably gotten your share of questions about the new Fair Labor Standards Act (FLSA) overtime regulations or "Final Rule" and the latest court ruling blocking the Final Rule from taking effect. The future of the Final Rule is uncertain. In the meantime, here are four key questions you may receive and how you can respond to them. www.cpapracticeadvisor.com/12293133

New Year, New Payroll

By Taija Sparkman, Assistant Editor

Every year, the New Year is filled with talks of goal setting. And, though it may sound cliché, the New Year is actually a good time for accountants to review the previous year with their clients and start planning for the year ahead.

The New Year usually brings with it new laws and rules that small business owners must be aware of. In 2017, the IRS has issued new deadlines for filing forms. Forms W-2 and 1099 must be issued to employees and independent contractors by January 31, 2017. In addition, forms must be filed with the IRS and SSA by February 28, 2017. Meeting these deadlines is important to avoid any late fees and/or penalties.

The IRS issued new tax rates for 2017, as well as a new mileage deduction rate of 53.5 cents per mile for business miles driven (down from 54 cents in 2016). The minimum wage also increased in several states, although some increases won't go into effect until later in the year. In addition to a minimum wage increase, small business owners that do business in California should also be aware of other changes enacted such as a reduction in the overtime threshold for agricultural workers and an expansion to the Fair Pay Act that covers race, ethnicity and prior salary.

With these changes, also comes some uncertainty as the Department of Labor Overtime Rule Change continues to hang in limbo and the repeal of the Affordable Care Act continues to move forward. Many small business owners may find themselves a bit anxious and confused about how to manage payroll moving forward. Before the DOL rules were delayed, many accountants had already begun working with their small business clients to be compliant when the new rules took effect. Many payroll vendors rolled out updates and new features to ensure customers had the tools they needed. Moving into the new year, accountants and their clients should move forward with their preparation for compliance while they wait for a decision.

"Many of our customers worked with their clients to be compliant with the rules if they hadn't been delayed. As such, accountants are in a good position to help their clients by being familiar with the thresholds that were proposed. Continuing to keep their fingers on the pulse to know what's going on and being educated is a good place to be in this uncertain time," said Luke Reynebeau, partner marketing account manager for SurePayroll, Inc.

Right now, accountants are meeting with clients to prepare taxes. This is a great time for accountants and payroll professionals to assess 2016 and make plans to ensure compliance moving into 2017. With the impending changes and uncertainty, accountants can use the New Year to work with their clients and partners to put together a plan and make sure they are proactive as changes are rolled out.

"Accountants are busy this time of the year, with tax season coming up, but this is really a great time to check in with clients. Accountants are already meeting with clients and collecting documents to prepare and file taxes. Reviewing these documents with clients to make sure last year went smoothly and they were compliant is a great start to steer them on the right path for compliance in the coming year, especially as new laws are enacted," said Reynebeau. "This is a good opportunity to reset and make sure everyone's on the same page."

For more on IRS deadlines, visit <https://www.irs.gov/businesses/small-businesses-self-employed/employment-tax-due-dates>.

STATES THAT WILL SEE A MINIMUM WAGE INCREASE IN 2017:

Effective December 31, 2016:

- New York:
 - ▷ Greater New York: \$9.70 per hour
 - ▷ Nassau, Suffolk, and Westchester counties: \$10 per hour
 - ▷ New York City (small employers): \$10.50 per hour
 - ▷ New York City (large employers): \$11

Effective January 1, 2017:

- Alaska: \$9.80 per hour
- Arizona:
 - ▷ \$10 per hour
 - ▷ Scheduled to increase to \$10.50 per hour on January 1, 2018
- Arkansas: \$8.50 per hour
- California:
 - ▷ Employers with 25 or fewer employees: \$10 per hour
 - ▷ Employers with 26 or more employees: \$10.50 per hour
 - ▷ Scheduled to increase to \$11 per hour on January 1, 2018

- Colorado:
 - ▷ \$9.30 per hour
 - ▷ Scheduled to increase to \$10.20 per hour on January 1, 2018
 - Connecticut: \$10.10 per hour
 - Florida: \$8.10 per hour
 - Hawaii:
 - ▷ \$9.25 per hour
 - ▷ Scheduled to increase to \$10.10 per hour on January 1, 2018
 - Maine:
 - ▷ \$9 per hour
 - ▷ Scheduled to increase to \$10 per hour on January 1, 2018
 - Massachusetts: \$11 per hour
 - Michigan:
 - ▷ \$8.90 per hour
 - ▷ Scheduled to increase to \$9.25 on January 1, 2018
 - Missouri: \$7.70 per hour
 - Montana: \$8.15 per hour
 - New Jersey: \$8.44 per hour
 - Ohio:
 - ▷ Gross receipts of \$297,000 or more: \$8.15 per hour
 - ▷ Gross receipts under \$297,000: \$7.25 per hour
 - South Dakota: \$8.65 per hour.
 - Vermont:
 - ▷ \$10 per hour
 - ▷ Scheduled to increase to \$10.50 per hour on January 1, 2018
 - Washington:
 - ▷ \$11 per hour
 - ▷ Scheduled to increase to \$11.50 per hour on January 1, 2018
- Effective July 1, 2017**
- Washington D.C.:
 - ▷ \$12.50 per hour
 - ▷ Scheduled to increase to \$13.25 per hour on July 1, 2018
 - Maryland:
 - ▷ \$9.25 per hour
 - ▷ Scheduled to increase to \$10.10 per hour on July 1, 2018
 - Oregon:
 - ▷ \$10.25 per hour
 - ▷ Scheduled to increase to \$10.75 per hour on July 1, 2018
 - ▷ Portland metro area: \$11.25 per hour
 - ▷ Scheduled to increase to \$12 per hour on July 1, 2018
 - ▷ Nonurban counties: \$10 per hour
 - ▷ Scheduled to increase to \$10.50 per hour on July 1, 2018

4 Tips on the Hold of the Final Overtime Pay Rules

By Aldor Delp

As a trusted advisor to your clients, you've probably gotten your share of questions about the new Fair Labor Standards Act (FLSA) overtime regulations or "Final Rule" and the latest court ruling blocking the Final Rule from taking effect. In November, a U.S. District Court in Texas issued a nationwide preliminary injunction blocking the Department of Labor's (DOL's) Final Rule, which sought to raise the required salary level to qualify for white-collar exemptions. That ruling has since been appealed by the DOL. A final decision by the appeals court is not expected until the new administration takes office.

With these rules on hold, businesses are wondering how to proceed. They want to know: Are the rules going to be retroactively applied? Will they be eliminated altogether? Should operational changes applied in anticipation of the rule remain in place?

The future of the Final Rule is uncertain. In the meantime, here are four key questions you may receive and how you can respond to them:

• **What should I do about the payroll changes I made ahead of the anticipated rule change?** Many of your clients likely spent months preparing for the FLSA changes, identifying workers affected by the final regulations, determining whether to increase their salaries to comply or reclassify them as non-exempt employees, and communicating those changes to their employees. If an employer already notified employees of a salary change, it may be too dif-

ficult to reverse that decision. As your client's counselor, consider advising your client to go ahead with the initial plans and stay the course, especially if they already authorized the change in payroll.

• **Could the DOL retroactively apply the rule?** Yes, the court may side with the DOL and the proposed regulations could be reinstated retroactively to the original effective date of December 1, 2016. For that reason, your clients who decide to maintain the exempt status of impacted exempt employees without raising salaries to meet the Final Rule's thresholds should consider directing these employees to track their time. In the event the final rule is later upheld and overtime becomes due retroactively, this would help ensure that clients will have an

accurate record of employee hours worked.

• **If the rule is not upheld, do FLSA classifications still apply?** Whether

or not the rule is upheld, employers remain subject to existing FLSA requirements that dictate proper job classification and payment methods. While the fate of the Final Rule is uncertain, employers should continue to evaluate the exempt status of their employees by carefully reviewing job duties and descriptions to ensure that employees are properly classified in accordance with FLSA requirements. Take this opportunity to make sure employees' duties match their job descriptions.

• **How should I talk to my employees about these changes?** In deciding how to proceed, advise your clients to consult with internal or external legal counsel and other experts to discuss options available before making and communicating decisions related to this latest development. Employee relations and financial implications should be considered. Your clients should also keep in mind that applicable state laws may require advance notice of any changes in pay. State laws may also govern the overtime exempt status of employees.

While it is still unclear what will happen going forward, advise your clients to take this time to make sure they are in compliance with existing wage and hour laws, including properly classifying employees as overtime exempt or non-exempt. Staying organized and developing a proactive plan will help keep clients prepared for most possible outcomes. ●

Aldor H. Delp is Division Vice President and General Manager of Resource and HR Solutions at ADP.

Change
the way you
connect.

Accountant
Connect.™

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

Change the way
you connect.

Accountant
Connect.

adp.com/
accountantconnect

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



A more human resource.™

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 eCommerce clients.

Case Study: Learning eCommerce the Hard Way

By Dawn Scranton

You've seen them – companies that do all of their business online. It looks easy, right? Getting from idea to execution doesn't exactly happen overnight. Here's how one company went from an idea to a functioning eCommerce website.

Trade Your Blades (www.TradeYourBlades.com) began as a service in need of scheduling software that

had the ability to process orders online. The mission of the Lake Park, Florida-based company was to swap out dull pet grooming clipper blades for sharp ones – a simple concept.

The requirements were simple too: Build a website that would allow for

CONTINUED ON PAGE 45



On Becoming an eCommerce Client Specialist

By Dawn Scranton

If you're interested in starting or growing a niche service for eCommerce clients, these concepts, ideas, tips, and quips from eCommerce expert and QBPluggedIn Founder and Director, Dawn Scranton, will help point you in the right direction.

It starts with data. With an eCommerce client, there is data coming from all directions. You, who are accustomed to working with many different clients and all of their issues, are comfortable with the chaos. You can parse it and compartmentalize,

and make sense of it all.

Your eCommerce clients are dealing with data silos originating in and moving through several different locations – sales orders in the financial software, sales orders in the online shopping cart, sales orders coming via email – you get the idea. Whether your client is fully immersed in eCommerce or just dipping toes in the pool (is there anyone out there who hasn't experimented with selling through Craig's list, eBay, Amazon, or some other website?), managing the

data is a key element in maintaining and growing that business. You need to be the IT expert, the empathizing consultant, the financial guru, all rolled into one.

I consider myself an eCommerce specialist, but it didn't happen overnight, and my skills continue to grow. I got my start by asking questions. I questioned computer people, consultants, and even my clients. I asked, I learned, I asked again, even when I felt ignorant or frustrated. I wondered about how we could get

customer, financial, and transactional data from one place to the next, from a website to the shopping cart to the financial software. How do we update everyone during the process, how do we avoid paying two or three times? How do we maintain our integrity while figuring this out?

It wasn't about my knowledge of computers or software, coding, or my special skills, my clients would tell me – leave that part to the developers and

CONTINUED ON PAGE 45

5 QuickBooks Online subscriptions for \$25 per month.¹

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

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

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



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

Celebrating 20 Years, 200,000 Global Members

Intuit's ProAdvisor Program is celebrating its 20th anniversary and is commemorating its latest milestone of achieving 200,000 subscribers worldwide.

"This is a huge milestone for Intuit. We have evolved so much as a company since the initial rollout of the program, and it's amazing to look back at where we came from," said Chris Hamilton, leader of the Global ProAdvisor Program. "We are humbled by the fact that we now have 200,000 ProAdvisors on our 20th anniversary and we continue to be committed to helping our ProAdvisors around the world put their best foot forward."

Intuit began its foray into accountant-client matchmaking with the official launch of the ProAdvisor Program in January 1997, in conjunction with QuickBooks 5.0, the desktop version of their accounting software. Since its launch, Intuit's ProAdvisor Program has celebrated several key milestones, first achieving 50,000 ProAdvisors in June 2008, and then doubling its growth to 100,000 ProAdvisors worldwide in 2014. To further recognize the ProAdvisors who were getting cer-

tified and recertified, the company introduced QuickBooks Online Certification in 2012 with the iconic Silver, Gold and Platinum tiers that remains at the heart of the program today. The next year, Intuit launched the QuickBooks Cloud Program to help ProAdvisors grow their practice and become a trusted advisor. Fast forward to January 2017, and the ProAdvisor Program continues to evolve, offering award-winning training and certification, as well as best-in-class discounts on third-party programs.

"From the very beginning, we have always focused on how we can help accounting professionals achieve maximum success," said Hamilton. "With the ProAdvisor Program, we are extremely invested in providing tools and benefits that empower accountants to grow their practice, as well as connect with and be a trusted advisor to clients."

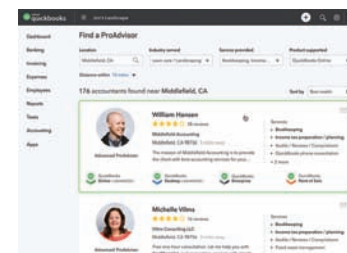
Over time, Intuit has listened to customer feedback and worked with third-party partners to add additional benefits – such as training and certification courses, accountant-specific editions and do-it-yourself tools – to help customers be successful. These resources not only help accounting professionals build their practice, but also offers trusted support to their clients. One such benefit is the Find-a-ProAdvisor directory which gives ProAdvisors access to 1.5 million small businesses once they're certified. As part of Intuit's focus on bridging a connection between small businesses and

accountants, the company wants to help accountants recognize how being a ProAdvisor can facilitate these relationships.

In conjunction with the 20th anniversary, Intuit has recently given the Find-a-ProAdvisor directory a complete facelift, making it even easier for small businesses and accountants to connect. Accountants using QuickBooks Online Accountant will notice that their profiles are more accessible, while a renewed visual design clearly distinguishes their individual certifications. Professionals can also link to their social media profiles, giving them even more ways to connect with their clients. The updated profile page now displays to accountants the number of profile views, leads and inquiries and clicks to social media links within the last 30 days. Intuit really wants their QuickBooks ProAdvisors to succeed so they've created an assessment of an accountant's profile strength and actionable suggestions that ProAdvisors can perform to make their profile stand out.

"We heard from accountants that they wanted a tangible way to assess the strength of their profile and see how they were doing," said Hamilton. "We have also made it easier to create a standout profile by surfacing actionable suggestions, which are customized for each accountant."

Searching for accounting professionals and ProAdvisors also just got simpler for small business customers. The new search function now displays the key data that most small businesses look for in their search for a new accountant. A professional's reviews, certifications, services provided and profile preview are



now front and center right in the list of results. Small business users then have the option to navigate to a profile, where they can contact accountants directly. This simplicity eliminates extra steps and makes it easier for accounting professionals and small businesses to connect.

"Our goal is to drive more connections so that accountants can get the best leads possible and take their business to the next level. We are focused on how we can best put their expertise in focus and highlight it," said Hamilton. "We have worked to make QuickBooks Online Accountant the one place that accounting professionals can access all of their benefits. Our goal is to make it easy for them to manage and grow their practice."

The new profile experience is currently available to anyone using QuickBooks Online Accountant, however professionals do need to be QuickBooks certified to be listed in the Find-A-ProAdvisor directory. Users who are not certified will see a link on their profile to easily get certified, while those who are new to QuickBooks Online Accountant will also see the program highlighted when they first use the platform. The new search function will roll out to users later this month. For more information, visit <https://quickbooks.intuit.com/accountants/proadvisor/>.



LEARNING ECOMMERCE THE HARD WAY CONTINUED FROM PAGE 42

online orders; shoppers would agree to recurring credit card charges, implement a few auto-responders for order confirmations, and finally share sales transactions with QuickBooks. Here's the story of how this all came together.

Creating the website: There were two unsuccessful attempts to work with custom designers. We visited advisor forums and software evaluation sites and, two weeks later, we found one that seemed to be the perfect fit. Installation had begun. We eventually implemented WIX (a build-it-yourself) solution.

Adding Merchant Services:

We spent two weeks shopping for a merchant services provider. Believe it or not, Intuit had the best rates, along with the open API that we needed for our Opencart and for QuickBooks.

Back to square one: The next step was to trash what we thought had been the perfect solution and start over with a desire to have a custom built solution. We paused the project to find a technical guru in the Ukraine using Upwork.com with the goal of having a custom-built Opencart shopping cart. We had chats, filtered through resumes, and finally found an expert with all the desirable skills. We hired him, and the project was resumed.

Testing and tweaking: The custom site was implemented, tested, retested, and tested some more. The design was tweaked until we got the right look and feel, the shopper experience was tweaked until we reached the level of simplicity we were looking for, and we integrated Intuit Merchant Services, PayPal, and QuickBooks.

Adding features: We started our hunt for the ability to incorporate and print RETURN shipping labels with every order. After investigating several shipping label apps, we learned that most do not offer the option to print RETURN labels that are only charged if used. We finally found Endicia, and luckily, our Ukraine guru was familiar with that app.

The Customer Experience:

We still need email responders, a customer portal, and customer relationship management features. We investigated several apps, tried to find one within our \$10,000 budget (got laughed at a lot), made more phone calls, called every friend I had and made some new ones, but we were stuck. We took a break for a few days, and then, reenergized, started looking again.

The bottom line (at this point)? This is and conceivably always will be a work in progress. The cycle continues, the learning continues, I'm building my network, and I'm learning I need a bigger toolbox. But I'm not drowning as much, and my client loves my willingness to persevere. ●

RESOURCES FOR THE eCOMMERCE ACCOUNTANT

- **Accounting Processes to Consider When Managing your eCommerce Business**, from Taxify <https://taxify.co/2016/05/10/accounting-processes-consider-managing-ecommerce-business>

- **Marketing and Social Media Tips for CPAs with eCommerce Clients**, by Becky Livingston www.cpapracticeadvisor.com/12301052



ECOMMERCE CLIENT SPECIALIST CONTINUED FROM PAGE 42

software experts. What I learned was to identify the data that we needed to collect. Know what information is important, just as important is to know what's not

important, and know where you want all the data to land. Knowing how the final picture should look will help you figure out how to make it happen. Oh, and by the way, each client is different, has different goals, and needs a different roadmap.

To specialize in this area, you need to log some hours. I've probably spent over 300 hours online, googling my questions, learning the terminology, reviewing the technologies that cover different aspects of the eCommerce business: inventory, logistics, order fulfillment, packing & shipping, email auto-responders, list management, prospects, multiple sources of payment, flat-rate, interchange and gateway merchant fees, postage options including click-n-ship, order tracking, customer and vendor portals, download and import. All of these are terms of endearment in the eCommerce world.

In addition to mastering all of the above, you need to develop excellent people and management skills. Being able to work well

with others is key. Together you can explore challenging questions, seek solutions, create alternatives. Be ready to lead by example, and be encouraging and positive even when presented with new challenges, even when you feel beaten and exhausted. Don't let road blocks get you down and don't be afraid to evaluate and test. Most importantly, don't be afraid to reject solutions and try again. Look at each new client and new situation as a learning experience, for both you and your client, and your enthusiasm will ignite the relationship and bind the two of you together.

At the end of the day, our role as eCommerce specialists is to connect the data points and deliver useful information to help our clients' businesses grow and succeed. ●

Dawn Scranton is the founder & director of QBPluggedIn, a resource center for business owners seeking solutions. Dawn has been a QuickBooks guru, add-on advisor and reporting ninja since 1993. She is also a member of the Intuit Developer Network, Intuit Trainer/Writer Network and is a Sleeter Certified Consultant.



Increase Accountability in 2017

Accountability is a simple concept – do what you say you’ll do. Yet we often lack the discipline to hold ourselves accountable. As we flip the calendar to a new year, I challenge you to increase accountability in 2017. It will positively impact results and eliminate any surprises when you look back at what you’ve accomplished at year-end. If you follow a simple process of think, write and share, you will be amazed at how many of your goals you will achieve.



Jim Boomer is the CEO of Boomer Consulting, Inc. He is the director of the Boomer Technology Circles™ and an expert on managing technology within an accounting firm. He also serves as a strategic planning and technology consultant and firm adviser in the areas of performance and risk management. In addition, Jim is leading a new program, The Producer Circle, in collaboration with CPA2BIZ and the AICPA. Jim was selected for the 2011 AICPA Leadership Program and the inaugural class of the KSCPA’s “20 Under 40” Leadership Program. He has been named to The CPA Technology Advisor’s “Forty Under Forty” and “Top 25 Thought Leaders” lists multiple times.
jim.boomer@cpapracticeadvisor.com

Think, write and share

One reason our goals fall by the wayside is that we often just think about them. We internalize what we want to accomplish but don’t write it down or share it with anyone. This keeps things simple, but it also increases the chance of failure.

Commitment and accountability increase when you write down your goals and share them with others. It’s easy to discount a goal or justify why we didn’t accomplish it when it only exists in our minds. Writing it down elevates our level of commitment and increases the likelihood of achievement, but unless we share it, it’s too easy to fall into the trap of self-justifying reasons we failed to reach our goals. Sharing them with others allows us to externalize it and take accountability to the next level. Tell someone what you want to accomplish. It’s more devastating to let someone else down than to let yourself down.

Group accountability

To get everyone in the firm headed in the same direction, you must reach a consensus on the most beneficial direction for the firm. The best way to do this is to conduct a strategic planning session. Unfortunately,

too many firms operate without a current strategic plan to provide a roadmap to the firm’s success.

If your firm’s strategic plan is out of date or doesn’t exist, start the New Year by committing to developing or updating it. Define and document the core values, vision and mission statement and strategic objectives for 2017. What initiatives will support those objectives? Setting due dates and assigning responsibility can help ensure accountability. Then be sure to communicate the plan throughout the organization. Everyone on your team needs to be aware of the firm’s direction.

Individual accountability

Once the strategic direction of the firm is set and documented, it’s time to develop individual game plans. Team members should map out projects that will contribute to the achievement of the firm’s objectives. This step reinforces the importance of sharing the firm’s strategic plan with the whole team. When the strategic plan isn’t shared or the firm doesn’t have a strategic plan, you simply end up with a bunch of rugged individualists.

We recommend 90-day game plans. This time frame provides an opportunity for people to sharpen their focus on a quarterly basis. These regular accountability reviews are an important time to not only plan ahead but also to look back at results. These should be done

at all levels of the firm – including partners. The tone starts at the top and if leadership isn’t willing to participate, you’ll never get buy-in from the rest of the team.

Peer accountability

Successful firms seek out and capitalize on the knowledge and experience of one or more peer groups to gain outside ideas and fresh perspectives. Peer groups aren’t just about gathering new ideas. They help hold you and your firm accountable and accelerate progress.

Think back to your adolescence when your peers were a powerful influence on your behavior. Why not harness the power of peer pressure to make us more effective in our professional lives?

Write it down


Assuming you have written down your goals for 2017, take out your list and add a few items.

- Develop a strategic plan for your firm and communicate the plan to everyone in the firm.
- Document personal goals aligned with the strategic plan and share them with others.
- Join a peer group that will help you learn and will hold you accountable.

If your goals are still just floating around in your head, write them down. Then start telling others about the great things you plan to achieve in 2017. ●



MARK YOUR CALENDAR:

- 2/9-11: APLG/FSA Annual Seminar, Phoenix, AZ:
<http://aaahq.org/Meetings/Meeting-Info/sessionaltcd/17APLG02>
- 2/15 Monthly Payroll Tax Deposits Due
- 2/28 Copy A of Paper form 1099 with Form 1096 with no entries for Box 7
- 2/28 Paper form 8027 (Employer's Report of Tipped Income)
- 2/28 Paper W-2s (AZ, AK, KS, ME, MA, MI, MN, MO, MT, NJ, NM, WV)
- 3/1-3/3: 2017 National Tax Lien Association (NTLA) Annual Conference & Meeting, Fort Lauderdale, FL: <http://www.ntla.org/events/EventDetails.aspx?id=871348>
- 3/9: National Crabmeat Day 
- 3/10 Tipped Income Reports Due

YOUR TO DO LIST:

- Learn something new:
<http://www.cpaacademy.org/>
- Support a worthy cause:
www.kiva.org/team/accountants_for_social_good
- Take care of yourself:
www.yogajournal.com/category/beginners/how-to/office-yoga



WHAT YOU'LL FIND IN THE MARCH CPA PRACTICE ADVISOR:

- Monthly Theme: Accounts Receivable/Invoicing/Collection
- Reviews: Accounts Receivable/Invoicing/Collection Programs and Apps
- Expert Commentary: Collection Processes
- Features: Accounting Thought Leaders Annual Meeting
- Building Your Niche Practice: Medical Services
- Social Media Tips for Attracting Medical Services Clients
- Apps We Love: Planning Your Garden

WHAT'S ONLINE AT CPAPRACTICEADVISOR.COM:

- 2017 Income Tax Refund Schedule:
<http://www.cpapracticeadvisor.com/news/12281144>
- IRS Income Tax Rates and Brackets for 2017:
<http://www.cpapracticeadvisor.com/news/12281147>
- Average Tax Preparation Fees:
<http://www.cpapracticeadvisor.com/news/12300090>
- New Scam Targets Tax Professionals:
<http://www.cpapracticeadvisor.com/news/12294005>
- Is It Time to Change from an S-Corp to a C-Corp?
<http://www.cpapracticeadvisor.com/news/12290472>

FOLLOW US!



LINKEDIN:

WWW.LINKEDIN.COM/GROUPS/CPA-PRACTICE-ADVISOR-3927201



FACEBOOK:

WWW.FACEBOOK.COM/CPAPRACTICEADVISOR



TWITTER:

WWW.TWITTER.COM/CPAPRACADVISOR





Behind every
great business
is a great
accountant.

Behind them
is Accountant
Connect.SM

Accountant ConnectSM by ADP is the cloud platform for on-the-move, single sign-on access to your client payroll data.

It gives you easy-to-use dashboards, multi-client reporting, smart analytics, payroll calculators and resources you need to service clients efficiently – and the CPE courses to help you develop your skills.

Oh, and it's free.

Change the way you connect. **Accountant Connect.SM**
adp.com/accountantconnect

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



A more human resource.SM