

CPA Practice Advisor

Today's Technology for Tomorrow's Firm

APRIL 2018

VOLUME 28
NUMBER 3



14TH ANNUAL
2018 WHO'S
WHO

Among Those Serving the
Tax & Accounting Profession

SERVING **PRO ATHLETE** CLIENTS

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Machine Learning

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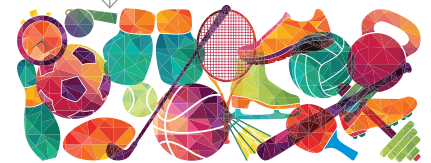
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Lessons I Learned from “THE GREATEST SHOWMAN”

I have to admit, I’m obsessed with the movie, “The Greatest Showman.” I’m not going to tell you how many times I’ve seen it because that number will be history by the time this magazine is in print. Suffice it to say that the movie has made my personal list of best movies of all time.

I’m trying to wrap my head around why I connected with this movie when most of the movie critics and those who vote for movie awards disagree vehemently. It’s not just me – the country of movie-goers as a whole has embraced the movie – evidenced by the fact that the movie is still showing at first run theatres four months after it was released. The movie is about to be released on DVD, and people are still watching it in the theatres, going back multiple times, bringing their friends and other family members, and even attending sing-a-long versions.

To put this in terms accountants will appreciate, a movie is released and typically stays in theatres about four to five weeks. The ticket sales start to drop and the theatre manager or booking agent knows it’s time to pull the movie and replace it with something else in order to keep people in the seats at the theatre. As of this writing, “The Greatest Showman” has been in first run theatres for sixteen weeks. Revenues have started to drop

measurably so the run is about to end.

The critics complain that the storyline isn’t true to fact, that the movie is “square” because people don’t like musicals any more, that the presentation of “human oddities” like a bearded lady, Tom Thumb, and others, is exploitive and inappropriate. Critics say the characters aren’t fully developed, the story is melodramatic and shallow. I could go on and on and on because the bad reviews are endless. And they all miss the point.

So what is the point that the critics are missing? The obvious point is that a grandiose musical based loosely on the life of P.T. Barnum was not ever meant to be a factual biopic – it is a crowd pleasing musical splendor that you can enjoy with children and grandparents, and the songs are infectious. But I wanted to dig a bit deeper and see if there are lessons to be learned here that accountants can use in our lives.

1. The audience will decide what it likes. The critics lambasted the movie, but the crowds decided on

their own what they liked. You can tout your accounting services and your education and your experience and your skills and the state-of-the-art software that you use, but at the end of the day, your clients have to like you. And if they do like you, they will stay with you. They will keep coming back. They will tell their friends and colleagues about you because they will want to share what they like with others. So your very first job is to make sure you take the time to connect with your clients and be the person they want to work with.

2. You can be the bridge to help people who don’t understand. People are often afraid of what they don’t understand. One of the elements of the movie was a collection of misfits, called “oddities” – people who had unusual physical traits – that became the centerpiece of the circus shows, and a theme of the movie was that these people were not accepted in society, but Barnum gave them a venue and created a safe space where all members of society

could be together. (Yes, I know, his personal goal was to exploit them and make money, but in the movie portrayal, the result was this safe place where the misfits felt like they had a family.) As accountants who are introducing financial planning techniques and new software services to your clients, you are that bridge, you are the person making it okay for the clients who don’t understand to make the connection with the tools they need to operate their businesses more effectively.

3. We learn as we go. Life is messy and obstacles come from unexpected directions. Bad press, building burns down, great ideas fail, you lose everything you thought you had. The true success stories are the ones of perseverance and friendship.

And so, the haters will hate, but I loved the movie and will see it again. And again. ■

— Gail Perry, Editor-in-Chief

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Why and How: **MACHINE LEARNING**

MANY US LIKE to think that we are consistent, but not predictably boring. One thing I enjoy about technology is that it never stays the same. I'm sure you feel the same way about practicing accounting: things are never the same. While the practice of accounting is often driven by regulations and laws, technology is obsessively driven by change. As stated in prior columns, technology can be used for good or bad, but the developers of the technology are typically building their products because they are trying to do what no one else has done with technology while solving a problem that they have creatively seen.

I have a fairly complete road map of many topics to discuss with you and I'm sure we'll take a few detours along the way based on new technology announcements. I've not seen this road map developed by anyone else, and I'm still marking out where there are luxury spas to enjoy and dens of thieves to avoid. When the map is complete and accurate enough, I'll share it in a future column. But I have a vision of where we are going, and why, and these emerging technologies are driving a fourth industrial revolution. The changes over the next five to ten years will have a much longer-term impact that the development of the personal computer, smartphone or SaaS applications. That may not seem possible, but farther along, you'll understand why. This third column in the series on emerging technology will discuss Machine Learning, one of the most interesting and useful emerging technologies. Wikipedia defines Machine Learning in an interesting, fact-filled way:

"Machine learning is a field of computer science that gives computer systems the ability to 'learn' (i.e. progressively improve performance on a specific task) with data, without being explicitly programmed. The name *Machine learning* was coined in 1959 by Arthur Samuel. Evolved from the study of pattern recognition and computational learning theory in artificial intelligence. Machine Learning explores the study and

construction of algorithms that can learn from and make predictions on data – such algorithms overcome following strictly static program instructions by making data-driven predictions or decisions, through building a model from sample inputs. Machine learning is employed in a range of computing tasks where designing and programming explicit algorithms with good performance is difficult or infeasible; example applications include email filtering, detection of network intruders or malicious insiders working towards a data breach, optical character recognition (OCR), learning to rank, and computer vision. Machine learning is closely related to (and often overlaps with) computational statistics, which also focuses on prediction-making through the use of computers."

Some of the terms like algorithms, computational learning theory and computational statistics may be as foreign to you as some accounting terms were to you when you were just beginning school, but the key principle is that developers and computer scientists are trying to teach computers to learn on their own. Consider for a moment the capabilities of computers or other technologies like self-driving cars if they could learn tasks on their own. This may sound like a daydream, but real work is being done and real progress on solving real world problems is being made. (Really?!?) A few vendors to the profession truly

have Machine Learning working and others are throwing the term around for sales purposes just like they have with cloud computing, artificial intelligence or "ease of use" before that.

WHY?

As humans, we learn every day. Scientists tell us, as well as through our own observations, that we learn the most rapidly when we are younger. We know less, everything is new, and we have the unending question of why? As we age, some professionals slow down the amount that they learn. Others enjoy continuous learning, picking up and applying new information while expanding on the context of what they already know. An old saying reflects on how some people have 20 years of experience, and others have 1 year of experience repeated 20 times.

Machines can be programmed to have the curiosity of a four-year-old perpetually asking why, and then learning from the answer developing 20 years of experience in a few minutes or hours based on the rate they can learn. Machines will make some dumb mistakes because they don't have our human logic, but this attribute of "judgment" is getting better, too. The two major tricks to get Machine Learning right are to 1) have the right sample data, and 2) have the right algorithm. Machine Learning can be accelerated when it is run on special hardware. Although



I'm looking for facts to support these observations, reports are that it takes from 10,000 to 1,000,000 records to for Machine Learning to work properly. While I'm sure there are many more, I reviewed 15 different algorithms and the approaches being used to develop Machine Learning algorithms. The most interesting to me was the neural network, Bayesian and clustering approaches. Digging into these algorithms reminded me of why Dr. Bob Spencer and I had computer science degrees and enjoyed our geek speak and analysis of the technologies. ■

Article continues online at:
www.CPAPracticeAdvisor.com/12403864

Want to Grow Your Firm?

THINK PAYROLL

FIRST

By David Bergstein, CPA, CITP, CGMA



THE TOPIC OF change comes up every year at the end of December. Everyone has New Year's resolutions and thoughts of how they are going to improve themselves in 2018 with regards to health, diet and fitness, as well as to how they are going to improve themselves in relationships, work and business.

While January is the perfect time to switch processes, and improve your technology and workflow processes, April is a close second.

The best time to implement new payroll processes is in January because there are no numbers to carry over. All you generally need to do is import the employee list which contains the information you need to start to pay them in the new year. If you switch later in the year, you have to bring over numbers for what they have been paid during the previous quarters, so while this doesn't mean you can't change later, January is the best time to do it.

The second- best time to switch is after tax season in the month of April because the first quarter's payroll taxes are not due until the 30 of April. You only have to deal with the first's numbers, which you can accumulate from scratch or import in.

The first thing you should do if you are going to do payroll for the first time or switch vendors

is to check on what they do to help your convert your data electronically. The second item to do is create a checklist to make sure that you don't miss any information that you need to bring over. It's actually better if you can get the vendor do the conversion for you or at least assist in the process.

CHECKLIST OF ITEMS:

- ✓ **Employee demographics** (name, address, SSN, W-4 withholding allowances)
- ✓ **Prior quarter balance information** of wages, deductions per payroll period assuming that we are doing this prior to doing the first quarter payroll taxes. This is better than just taking the first quarter's summary numbers.

I'm keeping this simple because it is. I am assuming that we have investigated the various solution providers to make sure that they are capable of handling our needs.

Some clients need payroll calculated hourly,

others by week, and some with variables to add on commissions, and so on. Others need various deductions for garnishments, retirement plan contributions, and voluntary wage deductions for insurances, charities, etc.

One additional word of advice is to try and establish a niche with your payroll services if you can and pick a certain type of client so that you can focus as an expert and offer additional services.

Once you make the decision to do payroll there are various choices as to how much work you want to do and how much work you want your client to do. Do you want it in the cloud or on-premise? Ten years ago your choices were limited and doing payroll was tedious and unprofitable. Today, making the right choices will yield profitability and increase realization to your bottom line.

Many larger CPA firms walk away from doing payroll because they think of it as unprofitable. They are missing the bigger picture and the fact that automation has reduced the work, making it a profit center. Also, if you outsource your payroll processing to another vendor, you could become out of touch with the client and lose the opportunity to sell them other services.

Many new people are entering the world of accounting — or should I say the world of consulting — and they are using technology to be connected and stay in front of their clients on a weekly basis. Payroll services are one such vehicle.

If you pass on payroll, you risk losing clients in the long run to others who will sell them additional services, including collaborative accounting, tax services and advisory services. ■

David Bergstein belongs to Intuit's Accountant Segment and is a thought-leader in Technology Issues in the Accounting Firm, such as Wireless, Paperless Workflow, Apps, Cloud and Mobile. Accounting Today listed him as one of their Top 100 Most Influential People within the accounting profession for 2017 as well as in 2015. Avalara has listed him in the Accounting Top 100 Social Media Leaderboard for 2018. He blogs on technology and new ideas in the global information industry, and has a popular Twitter following. He helps CPA's understand the true power of Cloud Accounting Services that allow them to become strategic advisors to their clients and increase their revenues and niche specialties.



One additional word of advice is to try and establish a niche with your payroll services if you can and pick a certain type of client so that you can focus as an expert and offer additional services.

Payroll Management: *Not for the Faint-Hearted*

MANY OF US have been there – employees standing in our office, demanding to know why they’ve been shorted ten hours or why their health insurance was deducted twice, employees whose paycheck never showed up in their bank account, or employees who are certain their available vacation time is too low or their PTO is not accurate.

Processing payroll is not for the faint of heart, and even small mistakes can have significant repercussions. No longer as simple as taking hours from a timeclock, businesses today have part-time employees, salaried employees, hourly employees, employees that work remotely, and even temporary employees. And it’s not just about the pay or the hours. Employers also have to track vacation and sick time, comp time, PTO, state and federal taxes, Social Security and Medicare deductions, insurance and other benefits, and voluntary deductions such as 401K contributions. Those deductions then have to be paid to the appropriate third parties: the insurance company, the IRS, the federal government. Processing payroll also means keeping abreast of the latest tax laws, ensuring the correct amount is taken out of employee paychecks at all times.

No, payroll is not easy. But the good news is that today’s payroll software programs and services have made it easier than ever before to accurately process payroll for

your employees or offer those same services to your clients.

If you’ve decided to start offering payroll services to your clients, be sure to take some time and look at the options available today. They range from payroll modules designed to work with their native program, like Cougar Mountain and CYMA, to those designed specifically for accounting firms such as Payroll Relief from AccountantsWorld to Accounting CS Payroll from Thomson Reuters. There are also various options such as ADP RUN, SurePayroll and Paychex, which are designed as a service, but offer options for accounting professionals and businesses alike.

In this issue, we took a look at 16 payroll applications that range from a do-it-yourself payroll option ideal for the small business owner, to payroll applications and services capable of handling an unlimited number of

paychecks. The majority of the payroll products reviewed offer online access, though there several designed for desktop or server applications that offer limited online access.

We’ve included a chart that displays the availability of common payroll features, allowing our readers to make a rapid determination if the product in question will be able to satisfy their needs. Those looking for a payroll application will also need to determine exactly how much (or how little) they wish to be involved in payroll preparation and processing, and make a decision based on those factors.

We always encourage our readers to ask questions prior to purchasing any software product, with payroll being no exception. Here are some of the questions that should be addressed prior to purchasing a payroll product:

- What is the cost, and how is pricing structured?
- What services are included in the cost?
- What are payroll funding requirements?
- Does the product handle all necessary taxes including state and federal tax payments, unemployment taxes and state unemployment insurance?
- Can multi-state payroll, including local and state taxes be processed?
- Does the product support direct deposit?
- Does the product process new hires?
- Does the product also handle year-end 1099s and W-2s?
- Is there a portal where employees/clients can access their paystubs and manage their account?
- If online, does the product offer adequate security?

Many of these questions can be answered with a simple visit to the vendor’s website, which we encourage. You should also try out a few products prior to purchasing, if a

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

demo is available.

Ultimately, whether you're looking for a comprehensive, multi-client payroll application for your firm or

a system that your clients can use themselves, with some oversight from your firm, we hope that the reviews in this issue serve as a good starting

point in finding the right solution. ■

Mary Girsch-Bock is a freelance writer specializing in business and technology issues and is the author of her first book,

several HR handbooks, training manuals, and other in-house publications. She can be reached at mary.girschbock@cpapracticadvisor.com

AccountantsWorld Payroll Relief

www.accountantsworld.com
Payroll Relief, part of AccountantsWorld suite of accounting and practice management applications is designed exclusively for accounting professionals. Completely online, Payroll Relief can be used as a stand-alone payroll solution or coupled with

other AccountantsWorld applications for greater program functionality.

Payroll Relief, like all AccountantsWorld products, is designed for accounting professionals. A terrific payroll solution for firms offering payroll and related services, Payroll Relief can be used as a stand-alone payroll

application, or in conjunction with other AccountantsWorld applications for a robust, completely integrated system. First year pricing for Payroll Relief is \$1,495 for the year, which also includes an unlimited number of payrolls. After the first year, pricing is per check, or per payroll.

★ **5** 2018
OVERALL
RATING

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12406115](http://www.CPAPracticeAdvisor.com/12406115)

AMS Payroll - 1099 Forms Filer/Payroll

www.1099-etc.com

1099 Forms Filer/Payroll (AMS Payroll) from Advanced Micro Solutions is an add-on module that is designed to work with other AMS software products including W-2/1099 Forms Filer. AMS

Payroll cannot be used as a stand-alone payroll application.

AMS Payroll is an add-on module that integrates with W-2/1099 Forms Filer, along with other AMS modules. Best suited for smaller businesses, AMS

Payroll is \$129, with W2/1099 Forms Filer running \$129, and is required in order to run AMS Payroll. the payroll module. Additional modules such as AMS E-File, 1042-S Filer, and Forms Filer Plus are all priced separately. A free demo is also

★ **4.25** 2018
OVERALL
RATING

available for users to download by filling out an information sheet.

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

ADVANCED MICRO SOLUTIONS

REVIEW: PAYROLL SYSTEMS

CenterPoint Payroll

www.redwingsoftware.com

CenterPoint Payroll, from Red Wing Software has been available for years as a comprehensive on-premise application, but now can be accessed from the cloud with the new CenterPoint Accounting and Payroll in the Cloud option. The on-premise and the cloud

application are identical, so users will receive the same features and functionality, no matter what deployment option they choose. Designed to work with other CenterPoint Accounting applications, CenterPoint Payroll can also be utilized as a stand-alone product.

CenterPoint Payroll is well-suited for small to mid-sized businesses that currently use Red Wing Accounting Software, though the Payroll module can be used as a stand-alone application as well. Pricing for CenterPoint Payroll is customized for each user, and is available upon request from

★ **4.75** 2018
OVERALL
RATING

Red Wing Software, with all add-on modules priced separately.

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12406108](http://www.CPAPracticeAdvisor.com/12406108)

CheckMark Payroll

www.checkmark.com

CheckMark Payroll is part of CheckMark's suite of accounting and payroll applications, which also includes CheckMark Multiledger, 1099 and 1095. CheckMark also offers accounting and payroll solutions designed for the needs

of Canadian businesses.

Well suited for small businesses, as well as accounting firms that handle payroll for multiple clients and prefer a desktop payroll application, CheckMark Payroll Pro is \$429 per year, while CheckMark Payroll Pro+ is \$499. Both

options include online access to all program fixes as well as updated tax tables throughout the year. For those looking to outsource payroll, CheckMark also offers payroll processing services, with pricing available from CheckMark upon request.

★ **4.25** 2018
OVERALL
RATING

Read the full review
for this product online at:
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Crest Payroll

www.paramountsoftware.com

Crest Payroll, from Paramount Software is designed for professional payroll service providers, making it an excellent option for accounting professionals who offer payroll services to clients. In addition to Crest Payroll, Paramount Software also offers Business Pay; a payroll service aimed at small to mid-sized businesses looking to outsource payroll and HR.

Crest Payroll offers accounting professionals an automated payroll system,

★ **4.5** 2018
OVERALL
RATING

designed specifically for accounting and payroll professionals offering payroll services to clients. A good solution for firms running multiple payrolls with a high number of employees, Crest Payroll pricing is based on the number of active employees in each client's business, with no additional per check or per payroll run assessed.

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12406111](http://www.CPAPracticeAdvisor.com/12406111)

CYMA Payroll

www.cyma.com

CYMA Payroll is just one of the payroll options available from CYMA. Though CYMA Payroll is designed for the mid-sized business with more than 100 employees, CYMA also offers additional payroll options designed for franchises, staffing businesses, and payroll service providers, as well as for PEOs, staffing firms, fiscal agents and ASOs. CYMA Payroll can be utilized as a stand-alone payroll solution, or coupled with other CYMA modules for extended product functionality.

CYMA offers a variety of payroll

★ **4.75** 2018
OVERALL
RATING

options including standard payroll for businesses with at least 100 employees, along with Staffing Payroll, Service Bureau Payroll, and Franchise Payroll, as well as several other options. CYMA can be used as a stand-alone application, or in conjunction with other CYMA modules. CYMA pricing varies, depending on modules purchased, and is available upon request.

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12406109](http://www.CPAPracticeAdvisor.com/12406109)

PAYROLL SYSTEMS: REVIEW

Denali Payroll Accounting Software

www.cougarmtn.com

Denali Payroll is part of Cougar Mountain Software's suite of accounting applications. Best suited for small to mid-sized businesses currently using Denali products, the product can also be used as a stand-alone payroll application if desired. Denali Payroll can be used in accounting firms, but will be better utilized if combined with other Denali products.

Denali Payroll is an on-premise payroll product, like all products in the Denali suite, and does not offer mobile or remote access, though it can be deployed in the cloud. Denali Payroll handles multi-state payroll and handles a variety of pay types including hourly, salaried, or a combination of the two. The product supports direct deposit and can handle wage garnishments as well.

★ **4.5** 2018 OVERALL RATING

Available in three customizable packages: Basecamp, Ascent, and Summit, Denali Payroll starts at less than \$1,000, with other modules available at an additional cost.

Read the full review for this product online at: www.CPAPracticeAdvisor.com/12406106

Gusto Payroll

www.Gusto.com

Gusto is a cloud-based payroll application well-suited for small to mid-sized businesses as well as accounting professionals looking to offer payroll to clients. Gusto can be accessed from any device, including smart phones and tablets.

Gusto is available in three versions; Core, Complete, and Concierge. The Core version has a base price of \$39

per month, plus an additional \$6 per person, per month fee. The Complete version also has a base price of \$39 per month, and a \$12 per person per month fee. The Concierge, the most robust version of the product has a base price of \$149 per month and a \$12 per person per month fee and is designed for businesses that are looking for payroll and HR functionality, along with access to an HR Resource Center. Special perks

★ **5** 2018 OVERALL RATING

and product discounts are available for accounting professionals. Gusto also offers a free 30-day trial of the product to try out prior to purchasing.

Read the full review for this product online at: www.CPAPracticeAdvisor.com/12406107

Intuit Online Payroll for Accounting Professionals

<https://quickbooks.intuit.com/aag/accountants/payroll/online-payroll-for-accountants/>

Intuit Online Payroll for Accounting Professionals is designed for accounting professionals who are offering payroll and related services to their clients. Though the product can be used as a stand-alone payroll option, Intuit Online Payroll works best for firms using other Intuit/QuickBooks Products.

As an online product, users can

access and enter payroll data from anywhere using any type of device, including a desktop system, laptop, tablet, or mobile phone. Users can also set up clients to enter their own payroll data online through an employee portal. The Client Overview Screen offers a convenient view of all clients, with an option to access firm payroll as well.

Pricing for the product starts at

★ **4.5** 2018 OVERALL RATING

\$35 per month for a single client plus \$2 per employee, with prices dropping significantly as additional clients are added.

Read the full review for this product online at: www.CPAPracticeAdvisor.com/12406101

Justworks Payroll

www.justworks.com

Designated a Professional Service Organization (PEO), Justworks provides complete payroll, benefits management and tax compliance in a single product. Best suited for smaller businesses that have limited staff, Justworks handles payroll, health insurance, HR, and tax

and benefit compliance.

Justworks is available in two versions; Basic and Plus, with the Plus version offering additional HR resources and reporting tools. Pricing for the Basic version for 5-24 employees is \$49 per employee per month, with the Plus version running \$69 per employee

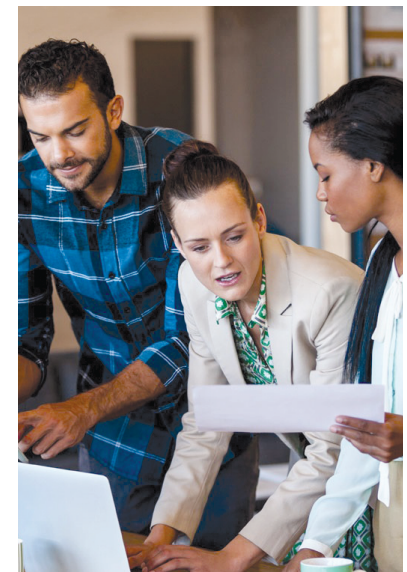
per month. Pricing may become prohibitive for companies with 25 or more employees.

Read the full review for this product online at: www.CPAPracticeAdvisor.com/12406113

★ **4.5** 2018 OVERALL RATING

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REVIEW: PAYROLL SYSTEMS

Paychex Flex

www.paychex.com

Paychex Flex from Paychex is a scalable, online human capital management solution well suited for small- to mid-sized businesses, as well as accounting professionals looking to offer payroll, and other HR and benefits

services to clients. Paychex Flex offers four versions of its popular product: Express, Select, Pro, and Enterprise, with each version offering increasingly robust features and functionality. Available strictly for accountants is AccountantHQ, a dashboard feature

which provides complete client payroll and HR functionality from a single user interface.

A variety of product package options are available, with pricing varying, depending on the package selected as well as options chosen.

★ **5** 2018
OVERALL
RATING

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12406092](http://www.CPAPracticeAdvisor.com/12406092)

RUN Powered by ADP

www.adp.com

RUN Powered by ADP (RUN) and RUN Powered by ADP® Payroll for Partners (RUN for Partners) are payroll solutions offered by ADP. RUN is designed for small businesses with 1-49 employees, with RUN for Partners designed exclusively for accounting professionals who offer payroll services to clients.

RUN is completely cloud-based and

enables users to access the application from any device, including smart phones and tablets. RUN is also scalable, offering four versions of its small business applications: Essential Payroll, Enhanced Payroll, and Complete Payroll and HR, and Complete Payroll and HR Plus. All four versions of RUN offer complete payroll processing, 1099/W-2 processing, tax compliance, including

electronic filing, and basic HR tools. ADP offers several payroll delivery methods, including direct deposit, prepaid VISA cards, ADP Checks, and Paperless delivery, with the option of having ADP print checks, insert them in envelopes and deliver them to a business location. Accountants can use ADP's free cloud-based platform, Accountant Connect to access their

★ **5** 2018
OVERALL
RATING

authorized RUN client payroll data. The product offers four versions, with business owners and accounting professionals able to obtain a personalized quote directly from ADP. Read the full review for this product online at:
[www.CPAPracticeAdvisor.com/
12406110](http://www.CPAPracticeAdvisor.com/12406110)

SurePayroll – A Paychex Company

www.surepayroll.com

SurePayroll – A Paychex company, is well suited for small to mid-sized employers with fewer than 100 employees. SurePayroll also works well for accounting firms that offer payroll processing services to clients with fewer than 100 employees. Accountants have a few options to partner with SurePayroll: To become a referral partner and

direct clients to the product; To use the partner dashboard to access client payroll information for those already using the product; Or to become a reseller and offer payroll services in-house to clients.

SurePayroll completely online and handles payroll in all 50 states. SurePayroll offers a mobile payroll app for both IOS and Android tablets and smartphones, take care of payroll

reporting, handles quarterly and annual tax reporting such as 940s and handles year-end tax filings such as W-2s and 1099s. SurePayroll gives accountants, resellers, and their clients peace of mind by using leading security methods and technology to keep sensitive information safe and handles all tax liability processing including reporting and remittance

★ **4.75** 2018
OVERALL
RATING

to the appropriate agency. In addition, SurePayroll offers solutions for managing 401(k) plans, health insurance, and workers' compensation. SurePayroll is a wholly owned subsidiary of Paychex. Read the full review for this product online at:
[www.CPAPracticeAdvisor.com/
12406088](http://www.CPAPracticeAdvisor.com/12406088)

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Thomson Reuters Accounting CS Payroll

<https://cs.thomsonreuters.com>
Accounting CS Payroll from Thomson Reuters is part of the comprehensive CS Professional Suite of products. Designed for accounting professionals who actively handle payroll processing for their clients, Accounting CS Payroll can be used as a standalone payroll product, though users will experience

greater functionality if the product is used in conjunction with other Accounting CS applications.

Accounting CS Payroll can be deployed as an on-premise payroll solution, or as a hosted application. As an added convenience, client staff can access the application in order to enter employee time or update personal

information for their employees. The remote payroll feature also allows users to send payroll schedules, unprinted checks, employee check stubs and W-2 information to their clients, where they can access the data through the NetClient CS or employee portal.

Accounting CS Payroll pricing var-

★ **5** 2018
OVERALL
RATING

ies, with users able to obtain a quote from Thomson Reuters.

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12406097](http://www.CPAPracticeAdvisor.com/12406097)

Wolters Kluwer Tax & Accounting Payroll

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

Wolters Kluwer Tax & Accounting's Payroll is best-suited for smaller accounting firms that offer or wish to offer payroll and related services to their clients. Designed to integrate with the Client Accounting Suite, the

Payroll module can also be used as a stand-alone application, though users will get more benefit from using the entire suite. Like all Wolters Kluwer Tax & Accounting products, Accounting Suite and the Payroll application

are designed and available only to accounting professionals.

The Payroll module and Client Accounting Suite are priced separately, with pricing available directly from Wolters Kluwer.

★ **4.5** 2018
OVERALL
RATING

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12406104](http://www.CPAPracticeAdvisor.com/12406104)

Xero Payroll

www.xero.com

Xero is an online accounting application designed for small to mid-sized businesses, offering complete accounting and payroll functionality in an easy-to-use application. Xero also offers Xero HQ, which is designed for accountants and bookkeepers who

wish to offer payroll and accounting services to their clients. Along with Xero's Software as a Service model, Xero also offers a mobile app, so users can access the application using any smart phone, tablet, or other device.

Xero is available in three versions; the Starter version which is best for

freelancers and is \$9 per month; the Standard version, which is good for smaller businesses and runs \$30 per month, and the Premium version, which is \$70 per month and can handle payroll for up to 100 employees (per company). Xero also offers a free 30-day trial.

★ **4.75** 2018
OVERALL
RATING

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12406105](http://www.CPAPracticeAdvisor.com/12406105)

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Jim Bourke	Carl Peterson
David Cieslak	Geni Whitehouse
John Higgins	Sandra Wiley
Marty McCutchen	Jean Caragher
Jackie Meyer	Gail Perry

New Tax Break on Repatriated Earnings Should Spur More R&D

By Ben Haimowitz, *American Accounting Assn.*

After years of national hand-wringing about trillions of dollars in profits held abroad by U.S. multinational corporations, the Tax Cuts and Jobs Act enacted in December has mandated repatriation of those earnings at a greatly reduced tax rate. At the same time, an upsurge in corporate stock buybacks has raised concerns that the benefits of this massive tax break will go mostly to the wealthy.

This concern should hardly come as a surprise. A wave of stock buybacks spurred by an earlier corporate tax holiday, the American Jobs Creation Act of 2004, provoked one of the nation's leading newspapers to accuse Congress of "us[ing] phony labels like 'job creation' and...economic growth' to justify excessive tax cuts that increasingly serve to concentrate wealth among the few." Or, alternatively, as one much-cited academic study concluded, the 2004 legislation succeeded in "putting overseas profits back in the U.S. economy – just not in the manner Congress intended."

Will Congress' latest effort to bring overseas profits home spur broader benefits than the recent upsurge in buybacks has suggested? New research provides some reason to hope that it will.

A paper in the March 2018 issue of the *Journal of the American Taxation Association*, published by the **American Accounting Association**, investigates the effect of the 2004 law on corporate research and development. It reports that, notwithstanding the surge in stock buybacks that occurred, repatriation resulted in an increase of R&D of about \$30 billion, or about 11 percent of the total of \$268 billion brought home by the large sample of nearly 400 companies included in the study.

Probing the four years preceding and following the bill's enactment (2001 through 2009), Qi Dong and Xin Zhao of Penn State University at Erie report that the legislation resulted in an average annual increase in R&D of \$47 million

per repatriating company. "For comparison," they write, "the average increase in R&D expenditure is \$5 million for nonrepatriating firms during the same period. Therefore, the incremental increase in R&D expenditure for repatriating firms is \$42 million."

Among repatriating companies, the average annual expenditure on R&D increased from about \$151 million to about \$198 million, a boost of more than 30%.

The study contrasts with earlier research which concluded that companies that repatriated foreign earnings following the 2004 legislation tended to be those with rather limited investment opportunities both at home and abroad, a paucity, it was argued, that explains their failure to fund domestic investment through debt financing before the tax holiday. But that failure, Qi and Zhao maintain, may not apply to R&D, because R&D is not normally funded through debt but rather through internal equity, which is considerably enhanced by a large tax break.

Why focus on R&D? The professors provide three reasons: "(1) R&D is a critical driver of the competitiveness of the U.S. economy and therefore a relevant output for policy evaluation. (2) Unlike other forms of investment made by U.S. multinationals that could be spread all over the world, R&D expenditure is mostly incurred domestically. (3) The two industries with the highest amount of repatriation as disclosed by the IRS – pharmaceutical and medicine and computer and electronic equipment – are industries that are heavily reliant on R&D investment. Therefore, whether firms in these industries further strengthen their competitive advantages by spending the repatriated funds on R&D is of particular interest to policy-makers and investors."

Continued online at
www.CPAPracticeAdvisor.com/12403882

THIS MONTH'S TOP TAX SOCIAL MEDIA POSTS

■ Tax Pros: How Are You Protecting Your Clients' Data? **AICPA Insights**.
<http://bit.ly/2HPeE7F>

■ Sales & Use Tax Non-Collection Becomes PR Risk for Online Sellers. **Thomson Reuters blog**.
<http://tmsnrt.rs/2G834aB>

■ President Trump and House Republicans Discuss Part Two of Tax Reform. **Wolters Kluwer blog**.
<http://bit.ly/2DKn0Lo>

■ 10 Tax Preparer Penalties to Avoid. **Canopy blog**.
<http://bit.ly/2FRcsjB>

■ "LEAN" Tax Production Opportunities. **CPA Consultants Alliance blog**.
<http://bit.ly/2IGhey3>

LATEST TAX NEWS

The Disconnect Between Tax Pros and Trusts. Some people think that it is the best taxable situation for a client, and others think that all trusts protect assets.
www.cpapracticeadvisor.com/12407060

Tax Departments Play Critical Role in M&A Activity. M&A transactions present tax-related complexities, risks, hidden costs, and unknowns that tax departments must address.
www.cpapracticeadvisor.com/12407262

New Tax Loophole for Home Equity Loans. The deduction for mortgage interest paid on "acquisition debt" is modified, while write-offs for interest paid on "home equity debt" are eliminated.
www.cpapracticeadvisor.com/12405721

IRS Issues Guidance on Transition Tax. The notice describes regulations that the Treasury Department and the IRS intend to issue, including rules intended to prevent the avoidance of section 965.
www.cpapracticeadvisor.com/12405840

Tax Reform Means New Rules for Business Meal Deductions. Under the new tax reform law, no deduction is allowed for business entertainment, beginning in 2018. But the law isn't exactly clear how the new rules apply to business meals.
www.cpapracticeadvisor.com/12406116

21st Century 'Adulting'

THE URBAN DICTIONARY defines Adulting in this way: To carry out one or more of the duties and responsibilities expected of fully developed individuals (paying off that credit card debt, settling beef without blasting social media, etc). Exclusively used by those who adult less than 50% of the time. And Oxford Living Dictionaries adds this: The practice of behaving in a way characteristic of a responsible adult, especially the accomplishment of mundane but necessary tasks.

We thought we'd put our own twist on adulting by asking members of the CPA Practice Advisor community to share their favorite adulting apps. This is what we found.

Will Hill, manager, training consulting & implementation services, Thomson Reuters told us that he loves **AnyList**. "Great app for making shopping or to-do lists and sharing amongst family. Also, the output of a list to Text Message is nice and clean."

Lindsay Stevenson, CPA, CGMA, vice president at 1st Financial Bank USA, agrees. "My favorite 'adulting' app is AnyList. It is a checklist app that allows you to make any kind of list and check items off. You can also share your lists

(my husband and I use it for groceries and dinner menus so either of us can go shopping and have access to the list, and the meals and the lists update in real time)!

Joshua Lance, CPA, CGMA, managing director, Lance CPA group, said, "My favorite app is **Personal Capital**. It tracks all of my finances including providing real time market values for my investments and showing how they track over time. I also like **The Wall Street Journal** app to keep up with the latest news."

Rosalind Sutch, CPA, MT, shareholder, Drucker & Scaccetti said that among adulting apps, she likes **Daylio**. "Daylio enables you to keep a private diary without having to type a single line. Pick your mood and add activities you have been doing during the day. You can also add notes and keep an old school diary. Daylio is collecting recorded moods and activities in the statistics and calendar. This format will help you to understand your habits better. Keep track of your activities and create patterns to become more productive! You can set items to note if you did them that day or not. I've used this as a way to create new habits with personal accountability. The App pops up daily and asks you to input your day. It takes a minute to do daily once you have it set up properly, which doesn't take long either."

Caleb Jenkins, EA, CQP, leader of client accounting services at RLJ Financial recommends **Lumosity**, the

brain training app created by scientists and game designers. "I can do workouts to help challenge the core cognitive abilities. It is a great way to relax in the evenings and do some of the assigned workouts while expanding my cognitive abilities."

Lindsey Curley, CPA, CGMA, senior manager, firm services – public accounting, AICPA, suggests we check out **Paribus**. "Who has time to price match? This app does. You basically just link your email to the app and it will track the price of what you bought online and detect any price match opportunities AND will either get the cash you're owed directly or will give you step by step instructions. It's so easy and what CPA doesn't like to save money?"

Daniel Vidal, head of business development at Expensify, recommends a couple of apps that have helped me develop as an adult:

- **Calm** - great app to learn mindfulness and create a regular practice of meditation. It's great for beginners!
- **SworKit** - As a traveler, it's hard to get in a workout, SworKit allows me to exercise even when on the road with very little time.
- **Blinkist** - With so many books that I want to read it's hard to get to them all. Blinkist provides a summary and the main concepts from a book in a 20-30 minute format which is incredibly digestible. If I like a blinkist enough, then I'll read the full book but this allows me to consume a lot of books and still get the high level lessons.

Samantha Mansfield, director of professional development and community at CPA.com, said, "Do you ever get home from the store and realize you forgot that rare item you rarely have to buy? Using the **Amazon Alexa** app is a great tool. Simply tell Alexa to add to the list, and even if I go shopping two weeks later I can check the list and not forget to replace the turmeric I used up."

Chris DeBlanc, tax supervisor at RSM US recommends **Mint.com**. "Part of being an adult is getting your financial house in order. Mint helps paint your personal financial picture, so you can visualize your budget. You can use that information to make better financial decisions to help you achieve your financial goals." ■

Relaxing
TODAY
Adulting
TOMORROW

Contract Employees Are Not Going Away

IN 2005, APPROXIMATELY 10 percent of workers were considered freelancers or contractors. That number rose to almost 16 percent in 2015 and will likely continue to rise in the coming years, as businesses find that they can reduce salary and associated expenses by using freelancers and contractors instead.

One of the turning points in the U.S. was the recession of 2008. As more U.S. workers found themselves without a job, many turned to freelancing, and continued to do so, even as the economy gradually improved.

In 2018, contractors are being utilized in the workforce more than ever before, with both business owners and freelancers/contractors experiencing the benefits of this changed workforce. Businesses are able to get a handle on overhead and payroll costs, while freelance workers appreciate the flexible schedule and ability to have more control over their work environment.

What this means for business owners is an increase in the number of 1099s that will need to be processed. While processing W-2s for employees is a straightforward process, businesses need to understand that processing 1099s begins when a contractor is hired, not at year end, when forms are required to be processed and mailed/emailed out to those same contractors.

Even with the increase in free-

lance workers and contractors, many businesses find themselves struggling at year end to gather the information they need to process 1099s. January 1st is not the time to search out TINs and social security numbers. That information should be obtained when the contractor starts work. There's no reason why a contractor should be working at a business without a valid TIN or social security number on file. Taking five minutes to obtain this information would go a long way towards eliminating the year-end chaos that typically accompanies 1099 processing. And since non-compliance can be costly, ensuring that 1099s are processed both timely and accurately is more important than ever before.

The other thing that can reduce or eliminate the chaos is using a 1099 program that is designed to eliminate some of the year-end drama that

can occur when processing 1099's. While there's some terrific software available that can make the job a lot easier, many small businesses are simply choosing to outsource this task to their accountants. So, whether you're a small business owner looking for a solid 1099 software program, or an accountant looking for the same, there are many programs to choose from – some part of a larger accounting program, others used as an add-on solution.

When looking to purchase a 1099 program, it's important to make sure that the product has been updated for the appropriate tax year. Most of the applications update their products in late fall, with the updated version available in December. Many programs also offer a demo, so users can try out the application prior to purchasing.

We looked at ten products in this latest review. Many of the products are part of a larger suite, and work best when in conjunction with other modules in the suite, while others are designed to work as stand-alone products. Most of the products offer electronic filing options and offer TIN verification in order to ensure

accuracy. Both desktop and online products were reviewed, so users can choose the access option best suited for their needs.

The accompanying chart identifies the common features found in each of the products, making it easy to see if a product offers the features you're looking for. Some of the features in the chart include:

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

Contract employees are not going away. If you have a 1099 system that works well, that's terrific. But as the number of contractors rise, processing becomes more important, and the tools needed more comprehensive.

If you're looking for a 1099 program, one of the best places to start is with these reviews. ■

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

	ONLINE/MOBILE ACCESSIBILITY	PROCESSES W-2'S	PROCESSES 1099'S	TIN VERIFICATION	EASY SYSTEM NAVIGATION	SUPPORTS COMMON FORMS	ELECTRONIC FILING	PRIOR YEAR INFORMATION AVAILABLE	PRINTS ON BLANK PAPER	INTEGRATION WITH VENDOR MODULES	INTEGRATION WITH THIRD-PARTY APPLICATIONS	SOLID HELP/SUPPORT
ACCOUNTANTSWORLD AFTER-THE-FACT PAYROLL	x	x	x	x	x	x	x	x	x	x		x
AMS W-2 AND 1099 FORMS FILER		x	x		x	x	x*	x	x*	x	x	x
E.G. SYSTEMS W-2/1099 FILER		x	x	x	x	x	x	x	x*	x	x	x
EAGLE VIEW FILING	x	x	x	x	x	x	x	x	x		x	x
GREATLAND YEARLI W-2/1099	x	x	x	x	x	x	x	x	x		x	x
MAG-FILER	x	x	x	x	x	x	x	x	x	x	x	x
MAGTAX		x	x	x	x	x	x	x	x		x	x
TENENZ LASERLINK		x	x		x	x	x	x	x			x
TRACK1099	x	x	x	x	x	x	x	x	x		x	x
W2 MATE	x	x	x	x	x	x	x*	x	x*	x	x	x
WOLTERS KLUWER W2/1099		x	x		x	x	x	x	x	x	x	x

* with Add-on

W-2 and 1099 PREP SYSTEMS: REVIEW

AccountantsWorld After-the-Fact Payroll

www.accountantsworld.com

After-the-Fact Payroll from AccountantsWorld, is designed for accounting professionals. Along with after-the-fact payroll processing, the product also offers complete W-2 and 1099 processing. After-the-Fact Payroll is best used in an environment where

other AccountantsWorld products are utilized.

After-the-Fact Payroll from AccountantsWorld is an excellent solution for those looking for compliance and 1099 form processing. Designed to work with other AccountantsWorld applications, the product works best if coupled with

other products in the Power Practice System including Accounting Power, Cloud Cabinet, Website Relief, and Practice Relief. After-the-Fact Payroll is available at a cost of \$395.00 for the first year and supports unlimited clients. After the first year, the cost remains \$395.00, but includes only 75

★ **5** 2018
OVERALL
RATING

clients, with a \$4.00 per client charge assessed for each additional client.

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12406130](http://www.CPAPracticeAdvisor.com/12406130)

AMS W-2 and 1099 Forms Filer - 1099-Etc.

www.1099-etc.com

W-2/1099 Forms Filer is a good solution for businesses and accounting professionals who offer year-end form filing and compliance for their clients. W-2 and 1099 Forms Filer is part of

Advanced Micro Solutions (AMS) suite of products which also includes AMS Payroll and E-Filer.

W-2/1099 Forms Filer can be used as a stand-alone or with other AMS applications. W-2/1099 Forms Filer is

available from AMS for \$79 per year and is required in order to use any of the other AMS applications which include AMS Payroll, E-File Direct, ACA Filer, and Software Generated Forms, which are all priced separately.

★ **4.5** 2018
OVERALL
RATING

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12406139](http://www.CPAPracticeAdvisor.com/12406139)

Eagle View Filing

www.eagleviewfiling.com

Eagle View Filing Solutions from Tenenz offers a different approach to the task of processing year-end W-2s and 1099s. Shifting the burden of processing, printing, and filing these forms, Eagle View Filing provides

users with the option of entering data directly into their online filing system.

Eagle View Filing is volume priced, with prices reduced significantly as volume goes up. Pricing starts at \$4.50 per form for print, mail, and email processing for up to 10 forms;

with pricing dropping to \$1.25 per form for processing over 1,000 forms. Eagle View has also introduced a "Buy Down" option, where users can purchase an estimated number of forms needs prior to processing, saving a lot of money in the process.

★ **5** 2018
OVERALL
RATING

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12406128](http://www.CPAPracticeAdvisor.com/12406128)

Greatland Yearli W-2/1099

<http://yearli.greatland.com>

Yearli from Greatland Corporation is a complete federal, state, and recipient W-2 and 1099 processing and online filing product. Yearli offers three editions: Core and Performance, which are online filing solutions, and a Desktop

version that is designed to be installed on desktop and network computers.

Scalable, Yearli is a good option for small to mid-sized businesses that wish to automate year-end compliance form processing and filing.

Annual subscription prices are Core (free), Performance (\$79), and

Desktop (\$399), and there are nominal per-form filing fees in addition to the subscription prices. The higher level plans offer more form, reporting, and filing options.

★ **4.75** 2018
OVERALL
RATING

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12407560](http://www.CPAPracticeAdvisor.com/12407560)

LaserLink

www.Tenenz.com

LaserLink from Tenenz is best suited for larger businesses, or accounting professionals who process a high number of year-end compliance forms for clients. LaserLink is a stand-alone

application and is available in two versions: LaserLink with E-File, and LaserLink XL with unlimited E-File. LaserLink supports an unlimited number of payers and recipients.

LaserLink with E-File, is available

for \$67.99 per year and includes up to 25 free e-filings. LaserLink XL is an excellent solution for businesses or firms that process a large number of forms for a variety of payers and runs \$229.99 per year. Tenenz also offers

★ **4.5** 2018
OVERALL
RATING

ACA filing software.
Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12406134](http://www.CPAPracticeAdvisor.com/12406134)

Read all reviews for W-2 & 1099 PREP SYSTEMS online at: www.CPAPracticeAdvisor.com/12403887

REVIEW: W-2 and 1099 PREP SYSTEMS

MAG-FILER

<http://magfiler.spokanecomputer.com>

MAG-FILER, from Spokane Computer is a comprehensive W-2 and 1099 processing and filing solution. MAG-FILER is an on-premise application and is suitable for businesses and accounting

firms of just about any size. MAG-FILER can be installed on a desktop, laptop, or network, but does not offer online or mobile access.

Professionals can download a free

demo from the Spokane Computer website. MAG-FILER can be downloaded from the website for \$364, or users can request a USB Flash Drive of the program for \$404 per year.

★ **5** 2018
OVERALL
RATING

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12406133](http://www.CPAPracticeAdvisor.com/12406133)

Magtax

www.magtax.com

Magtax from American Riviera Software offers easy e-filing of W-2 and 1099 forms. Suitable for both businesses and accounting professionals, Magtax offers two versions of its application, with both versions

(Standard and Professional) supporting unlimited payers and recipients. The Standard version only offers a single-user license, with the Professional version offering a 5-user license, with more licenses available if needed. Magtax can be downloaded from American Riviera Software's website and is an

on-premise application. Magtax does not offer remote access nor a mobile app at this time, though it is compatible with hosting services if users wish to have the application hosted.

The standard version costs \$199 and the Professional version is \$299. Renewal pricing is \$119 and \$159,

★ **4.75** 2018
OVERALL
RATING

respectively. Product support is included in the cost of the application.

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12406129](http://www.CPAPracticeAdvisor.com/12406129)

Track1099

www.track1099.com

Track1099 is an innovative online W-2 and 1099 processing program that provides complete form processing and filing. Track1099 is a good solution for businesses and accounting firms of all sizes, and easily processes any number

of year-end compliance forms. The product offers electronic filing for all IRS required forms, allowing users to schedule a filing date in the system.

New users can create a free account and will only be charged when scheduling and submitting forms

through the system.

Pricing starts at \$3.99 for the first four forms filed, with the next 96 billed at \$1.99 each. Pricing includes e-filing to the IRS & SSA, e-delivery to recipients, e-corrections for recipients, combined federal and state filing for

★ **5** 2018
OVERALL
RATING

1099s, state 1099 files, and e-filing of 1094-C & 1095-C ACA forms.

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12406136](http://www.CPAPracticeAdvisor.com/12406136)

W-2/1099 Filer by EG Systems, Inc.

www.w21099.com

W-2/1099 Filer from EG Systems is best suited for accounting professionals that handle year-end compliance reporting for multiple clients.

EG Systems offers a downloadable demo version. Users can purchase and download W-2/1099 Filer directly from the EG Software website. The basic W-2 and 1099 program costs \$109 for the

first year, with a renewal fee of \$79 yearly. There are also a variety of add-on options available that are designed to increase product functionality, with all add-ons priced separately.

★ **4.75** 2018
OVERALL
RATING

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12406127](http://www.CPAPracticeAdvisor.com/12406127)

W2 Mate

www.realtaxtools.com

W2 Mate is an affordable W-2 and 1099 system with several add-on options. The core system costs \$39, though most businesses and accounting firms will likely opt to purchase some add-on

modules for more comprehensive functionality.

Add-ons include: Generate Laser Forms for \$25; Network Installation for \$125; Import Data from Excel, QuickBooks, and Sage 50cloud for \$35; Electronic

Filing for \$90; Additional 1099 Forms for \$25; PDF Creation for \$30; and the 1099 Emailer, which auto batches high volumes of 1099s and W-2s, for \$135.

★ **4.75** 2018
OVERALL
RATING

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12406140](http://www.CPAPracticeAdvisor.com/12406140)

Wolters Kluwer Tax & Accounting W-2/1099

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

W-2/1099 from Wolters Kluwer Tax & Accounting is well suited for smaller accounting firms that currently use other Wolters Kluwer applications.

W-2/1099 is currently priced at

\$239 per year. The product also allows users to file an unlimited number of payroll returns for \$1.50 per TIN. For more comprehensive payroll compliance reporting, Wolters Kluwer also

offers the Payroll Compliance Reporting option for \$409, which contains federal, state, and municipal payroll withholding and registration forms along with W-2 and 1099 processing capability.

★ **4.5** 2018
OVERALL
RATING

Read the full review
for this product online at:
[www.CPAPracticeAdvisor.com/
12406138](http://www.CPAPracticeAdvisor.com/12406138)

Online Merchants Look to Instant Financing to Boost Sales *By Isaac M. O'Bannon, Managing Editor*

Online merchants in the U.S. are increasingly recognizing the importance of offering instant financing to shoppers, according to a new online e-commerce survey. Nearly two-thirds of retailers polled (64 percent) believe providing online financing options through their store is important to driving new and increased sales.

Forty-six percent indicate it would decrease cart abandonment – still one of the most critical challenges for online retailers today. The survey was released here by Klarna, a global payments provider.

Instant financing is an easy-to-use, revolving line of credit that consumers apply for within a merchant's online checkout. It enables merchants to offer consumers the option to spread payments over time with low APR financing offers and provides an attractive alternative to credit and debit cards when paying for an online purchase. It is particularly appealing to millennials, less than a third of which carry credit cards, according to a 2016 Bankrate survey.

"Instant financing is clearly recognized by online merchants as a means to attract consumers by providing additional freedom, flexibility and buying power," said Klarna North America CEO Jim Lofgren. "The speed and simplicity with which consumers can apply and be approved for instant financing is widely believed to convert more sales."

The online study was fielded between January 2 and 23, 2018 by Researchscape International on behalf of Klarna North America (www.klarna.com). The survey of 263 U.S. online retailers was designed to better understand their behavior, implementation and attitudes regarding instant financing and its impact on their business. The roles of respondents ranged within their organizations from manager to president. The credibility interval is ± 9 percent. The survey results were not weighted.

Following on to their belief that instant financing is important to boosting their bottom lines, online retailers also

rated the top three most important features of point-of-sale (POS) financing as simplicity of online application, speed of approval and keeping consumers on their sites during the approval process.

The merchant survey, which recognizes the importance of instant financing among online retailers, corresponds with consumer attitudes as revealed in a Klarna-sponsored survey last year that showed:

- Three quarters of consumers (75 percent) indicate preference for online merchants offering instant financing
- 39 percent said they would spend more money if given instant credit options when purchasing goods and services online
- 28 percent would be very likely or completely likely to change merchants in order to use instant financing
- Nearly half of respondents (47 percent) would like to be presented with an instant financing option while shopping online

"Our survey of U.S. online merchants provides an intriguing look into the 'sell side' of the instant financing equation, and we've found similar patterns in terms of the growing awareness, acceptance and integration of this alternative payment option," said Lofgren.

"Our goal is to create the smoothest possible payment transactions in the industry. We empower consumers with more choice and control in how they pay for their online purchases and we treat our customers fairly by clearly stating the interest rate they will receive upfront. We do not vary the rate by customer. At the same time, we empower our merchants by giving them the flexibility to offer the financing that helps them achieve their business goals rather than determining the rate unilaterally. This includes providing them with the quickest and most seamless instant approval process that does not take the customer away from the sites of our merchant partners." ■

THIS MONTH'S TOP SMALL BUSINESS SOCIAL MEDIA POSTS

- How Even the Smallest Startups Can Project a Professional Image. **Entrepreneur.** <http://bit.ly/2puOwHu>
- How to Monetize the Data in a Business. **Inc. Magazine.** <http://on.inc.com/2GbxXe9>
- 4 Steps to Forging a Strong Rapport with Prospects. **Thomson Reuters blog.** <http://tmsnr.rs/2puYQIR>
- Small Business Insurance 101. **Paychex WORX blog.** <http://bit.ly/2GerEq6>
- 6 Important Lending Terms for Business Owners. **Kabbage blog.** <http://bit.ly/2FYB9GI>

LATEST SMALL BUSINESS NEWS

SMB Owners Unsure of Tax Reform Benefits. Small business owners say they are optimistic about current and future business conditions but also are worried about the impact of the new law. www.cpapracticeadvisor.com/12406519

More U.S.-Cuba Commercial Flights Approved. The new flights, which all service Havana instead of lesser-known Cuban cities, indicate demand may be creeping up again for travel to Cuba. www.cpapracticeadvisor.com/12406660

Harvard Business School Launches Gender Initiative. The program will support research, teaching, and knowledge dissemination that promotes gender equity in business and society. www.cpapracticeadvisor.com/12405864

New Invoicing System Modernizes Processes. Qualpay works in partnership with their customers to address specific payment needs and ensure customer and cardholder data is stored securely. www.cpapracticeadvisor.com/12406123

Midwest Farmers Worry About Trump Tariffs. A potentially damaging political game of "wait and see" could harm Kansas farmers as China and the United States take steps toward a trade war. www.cpapracticeadvisor.com/12406662

Distracted Workers Blame Technology and Lack of Training for Lower Morale and Productivity

By Isaac M. O'Bannon, Managing Editor

New research finds a strong correlation between increased levels of distraction, decreased productivity, and a lack of proper training at work. That's according to "Udemy In Depth: 2018 Workplace Distraction Report," from Udemy, a marketplace for learning and teaching online.

WORKERS WANT TRAINING BUT ARE RELUCTANT TO ASK FOR IT

Though 69% of full-time employees surveyed report being distracted at work and 70% agree that training could help them learn to focus and manage their time better, 66% have never brought this up to their managers. Younger workers, in particular, are also having trouble balancing work and personal activities on devices they use for both; 78% of millennials/Gen Z say using technology for personal activity is more distracting than work-related tools like email and chat.

Soft skills training on topics ranging from productivity hacks to time management, combined with training on how to use communication tools efficiently, can help employees stay focused and engaged.

- 42% say feeling empowered to learn new skills would make them more engaged
- 40% think that flexible/remote work options can reduce workplace distraction
- 52% say they are more productive when working remotely

"It's shocking that 54% of employees attribute their underperformance to workplace distractions, but it's also clear that companies have the power to change that statistic by investing in training. By embracing a learning culture and prioritizing training and development, businesses can help develop employees that keep up with nonstop technology and are competitive, competent,

and engaged," says Darren Shimkus, general manager for Udemy for Business, a curated learning platform that helps enterprises continuously upskill their workforce and foster a culture of learning. The platform has 2,400+ high-quality courses taught by the world's leading experts that cover a wide range of topics from programming and design to leadership and stress management.

WORKERS CAN'T RESIST THE PULL OF SOCIAL MEDIA

The top sources of employee distraction include: chatty coworkers (80%), office noise (70%), feeling overwhelmed by changes at work (61%), and social media (56%). Meetings, too, were cited as a source of distraction by 60%, and meetings themselves are then disrupted by distractions like small talk and office gossip.

Most survey respondents (58%) said they don't need social media to do their jobs, but they still can't make it through the day without it. When asked to rank various social media sites and communication tools by degree of distraction, Facebook came in first (65%), followed distantly by Instagram (9%), Snapchat (7%), and Twitter (7%).

In addition to recognizing how workplace distraction can hurt productivity and diminish quality of work, companies need to be aware of the very real damage to employee morale and retention. Among millennials and Gen Z, 22% feel distractions prevent them from reaching their full potential and advancing in their careers, and overall, 34% say they like their jobs less as a result.

When people are engaged, they report being more motivated, confident, and happy, and feel they deliver higher quality work. And, based on our survey, opportunities around learning and development are the top drivers of engagement. ■

THIS MONTH'S TOP PAYROLL SOCIAL MEDIA POSTS

- Payroll Filing Deadlines for 2018. **Thomson Reuters blog.** <http://tmsnrt.rs/2Im32Kj>
- What Your Should Know About the Gender Pay Gap. **HR Payroll Systems blog.** <http://bit.ly/2GbfxrR>
- Many Workers Have a Mid-Career Crisis - Here's How to Help. **Harvard Business Review.** <http://bit.ly/2FVCWw4>
- Research Shows How Independent Workers Can Thrive in Gig Economy. **Ross School of Business.** <http://bit.ly/2ud49sC>
- Mistakes in Onboarding New Employees, and How to Avoid Them. **Paychex WORX blog.** <http://bit.ly/2pwvsbT>

LATEST PAYROLL NEWS

How the \$15 Minimum Wage is Affecting Small Businesses. It is too early to tell what kind of impact a \$15 minimum wage will have on local economies.

www.cpapracticeadvisor.com/12406512

It's Time for a Paycheck Checkup. The new tax law could affect how much tax someone should have their employer withhold from their paycheck. www.cpapracticeadvisor.com/12406118

New Law Offers Tax Credit for Family Leave Wages. A little-noticed provision in the new tax law may provide a big tax benefit to qualified businesses.

www.cpapracticeadvisor.com/12405712

An A+ Resume Doesn't Always Equal an A+ Hire. Employers impressed by a job candidate's resume often discover the person isn't such a good match for the position after all.

www.cpapracticeadvisor.com/12404088

How to Use Disagreements to Build Stronger Teams. I love building team alignment and collaboration. But I also think we need to work just as hard to promote divergent thinking and unpopular views.

www.cpapracticeadvisor.com/12406119



PAUL McDONALD
Senior Executive Director
Robert Half
paul.mcdonald@cpapracticeadvisor.com

6 Ways to Adapt Hiring Practices for Today's Realities

PUBLIC ACCOUNTING FIRMS require a steady pipeline of auditors, analysts and tax accountants — not to mention specialists in information technology, marketing and business development. Bringing these professionals in, though, is easier said than done.

Why? There aren't many available.

Since 2013, the U.S. has seen a 57 percent increase in job openings, from 3.7 million jobs to 5.8 million. The national unemployment rate has hovered just north of 4 percent for several months, the lowest it's been in a decade. The rate is even lower among those with at least a bachelor's degree, 2.3 percent, and lower still for accountants and auditors — just 1.8 percent.

It's little wonder more than six in 10 CFOs in a Robert Half survey said it's challenging to find skilled professionals. And there's another reason hiring is tough: Technology has changed virtually every job and the skills required. In response to these trends, many firms are adapting their hiring processes for accounting and finance professionals, including considering recent graduates for roles that typically weren't open to them, broadening the search geographically, and bringing in interim professionals to evaluate for full-time positions.

To effectively staff your business, you may need to reassess your hiring strategies. Here are six steps to consider:

1. Use the right 'lure.' To entice highly skilled accounting professionals, your job postings must stand out from the crowd. Start by highlighting the firm's corporate culture and values. Then segue into a high-level summary of the nontechnical skills and responsibilities for this role. Follow that with a more detailed list of what duties the position entails and the minimum

requirements — degrees and certifications, years of experience — of the ideal candidate.

2. Loosen hiring criteria. Don't drop your standards, but do re-evaluate whether certain requirements can be moved from the "required" to the "preferred" list. For example, rather than mandating applicants be proficient with a specific tax software, consider candidates who possess broader tax systems experience and have shown an aptitude to pick up new technology quickly? Also expand the net to include a wider geography, and then cover the new hire's moving costs.

3. Leverage your social media presence. Job candidates do their research. What will they find when they read about your firm and peruse your social media accounts? Skilled professionals can afford to be choosy nowadays, and they're looking for signs of a workplace that appeals to them. Conduct an audit of your company's online presence, and then shore up your weak points. A good way to reel in strong candidates is to maximize your employer brand on LinkedIn, Facebook, Twitter and YouTube with timely, high-quality content.

4. Streamline hiring. A low jobless rate means a smaller talent pool, but top-notch job seekers are out there. They just get snapped up quickly. The way to land talented accountants is with a hiring process that allows you to make fast yet informed decisions.

■ **Schedule interviews over a couple**

of days, not weeks. That way you keep top candidates' interest and the hiring committee can compare applicants while everyone's memory is still fresh.

■ **Use video interviews** to evaluate the first round of candidates.

■ **Speed up interviews** with fewer but more effective questions.

■ **Extend a job offer** during the first or second interview if you feel you've found the right person. Make it contingent upon satisfactory reference and background checks.

5. Be prepared to boost compensation. In a candidate-driven market, your firm likely needs to increase starting salaries. Use resources such as the 2018 Robert Half Salary Guide for Accounting and Finance Professionals to see what the latest compensation ranges are, i.e., what your competitors are offering.

Also, adjust your bucket of employee perks and benefits so they're in line with what professionals expect today. Some of the most in-demand offerings include flexible scheduling, telecommuting options, productivity bonuses, free food and generous leave policies.

6. Partner with a staffing firm. Hiring is complex and time-consuming, but working with a specialized recruiter eases the process. Your organization also gains access to a much larger network of job



seekers than you may be able to tap on your own, including passive candidates who aren't necessarily looking for another position but would jump if the right challenge came along. A recruiter understands your company's specific needs and can help fill a variety of roles — from entry-level to executive, short-term contractors to full-time employees.

The best practices that worked five years ago may not be enough to attract top performers today. For the firm's future and your own productivity, it may be time to update your hiring strategies. ■

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 professional athletes.

RESOURCES FOR THE ATHLETE-SERVING ACCOUNTANT

- The Tax Travails of Employees Crossing State Lines: <https://bit.ly/2uDjTpo>
- Five Accounting & Tax Challenges for the Sports Industry: <https://bit.ly/2GUwWVK>
- Athletes and Entertainers: Multistate Tax Issues - A Self-Study Course: <https://bit.ly/2iLi2AX>

Follow Robert Raiola, CPA on Twitter @SportsTaxMan

Making a Pitch to Athletes and Their Agents That Gets a Home Run *By Becky Livingston*

WITH THE OLYMPICS in our recent past, it's no wonder you might be thinking about adding a professional athlete industry vertical to your firm's growing business. But, where do you begin? How do you get on their radar? What should your pitch look like? These are great questions.

According to Deloitte (<https://bit.ly/2GUwWVK>), there are five accounting and tax challenges facing the sports industry today:

- New revenue recognition criteria
- Accounting for athlete contracts
- Apportioning revenue and expenses
- Active versus passive team ownership, and
- Stadium and arena leases

Before you jump right in and begin offering service solutions to those challenges, first think about the type of professional athletes you want to represent, or if you want to represent areas of the industry overall, such as facilities, ticketing products, major-league teams, etc.

Once you have those questions answered, it's time to begin thinking about your service offerings and marketing efforts. Each segment that you've defined may have similar requirements and creative.

LET'S BEGIN WITH THE BASICS.

Following professional athletes on social media well before they are endorsed, sign professional contracts, or gain international recognition is a great stepping stone to adding new clients to the roster. However, how do you do that? Begin by committing to following the sport, player, and industry of choice. You cannot be in all places at all times; so, creating



a sports-minded business development team will help tremendously. Their goal should be to help find the disruptors, influencers, up-and-comers, and newbies with the most earning potential. Where should they look? Player's association for the athlete's respective sport; team's front office to get in touch with the athlete's agent; and Twitter and Instagram are great places to follow athletes.

Once the athletes or businesses of choice have been identified, begin following them on all their social media channels. That step should give you a feel for their personality, brand, and image. Knowing those things will help you to create a pitch that resonates with the person or business.

Next, define the services you want to provide and how you plan to become their trusted advisor. Be the team who

10 TIPS for Accounting for Professional Athletes *By Travis Tandy*

WHETHER YOU'VE PROVIDED tax and accounting services for professional athletes in the past or are just getting started, you'll want to pay special attention to these 10 key issues that are unique to this type of client. Adding to the special circumstances these athletes have faced in past year is the new tax law. Many business expenses that are common among professional athletes are no longer deductible or are limited. Tax planning opportunities abound for this type of client as we all sort through the ramifications of the new Tax Cuts and Jobs Act. Here are some of the many things you'll face.

1. Jock Tax: Under the terms of what is commonly called the "Jock Tax," athletes must report their income in each state in which they play. An additional challenge from a tax planning standpoint is player trades during the year. We may set up a tax plan, only to have the player traded to a different state or team in which they will play in an entirely different set of states.

2. Residency: Establishing residency can be most challenging for rookie players. Rookies are often young and unestablished outside of their parents' home state. Veteran players have the benefit of choosing a permanent residency based on their tax situation. The key is to establish residency in a favorable county near the home stadium. Establishing residency can be done

simply by finding a living space, obtaining a driver's license in that state and setting up utilities in the player's name. Many players choose states like Florida, Texas, and Washington that have no state tax requirements.

3. Charitable Giving/Non-profit: Players can take advantage of their status to help others through charitable giving. This allows them to support a cause close to their heart. You can help by explaining the value of maximizing charitable donations.

4. Agent Fees & Unions Dues: As of the tax year 2018, union dues and agency fees directly related to the generation of W-2 income no longer qualifies as an itemized deduction. Rookie players have minimum dues exceeding \$17,000 per year and agent fees of around 3%. These once-deductible items will need to be removed from the player's tax plans moving forward, or

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helps them create a cash flow strategy for today, as well as for their future. Maybe you want to add services and technology, like state residency or athletic-specific deduction strategies, international tax law, bill-pay services, IRS problem resolution services, plus other services or an exclusive text line for direct consultations with your team.

Then, break down the sports industry pain points and create content pieces that provide solutions to those points. For example, estate and trust plans for athletes may not be on the top of their radar, but helping them to understand why it should be is something they should have and that you can provide.

Use creative solutions so athletes, their family members, and other trusted advisors, such as lawyers, can access the content easily. Podcasts, videos, tips sheets, and case studies are helpful in this case. Interviews with athletes you've assisted in the past provide a soft testimonial to your services and how you helped the

athlete overcome a pain point.

Another avenue to consider is the athlete's family members, business managers, and lawyers. Creating relationships with each of those entities could help get your foot in the door. Reach out to them and invite them to exclusive events and VIP hours your firm is hosting. Get to know what pain points they are facing and create opportunities to provide solutions for them.

THE PITCH

Now that you have the background you need, have identified the people you want to reach, and have creative "in the bank," it's time to think about your pitch. What will it take to get in front of these people and what will you tell them so that they hire your firm? Here are some tips:

- Tell a short, concise story about an athlete that has a common pain point and how your firm solved it. True, rather than hypothetical, stories have more weight.
- Identify why you chose this athlete/

agent for the pitch, along with the vision you have for helping the person over the long run.

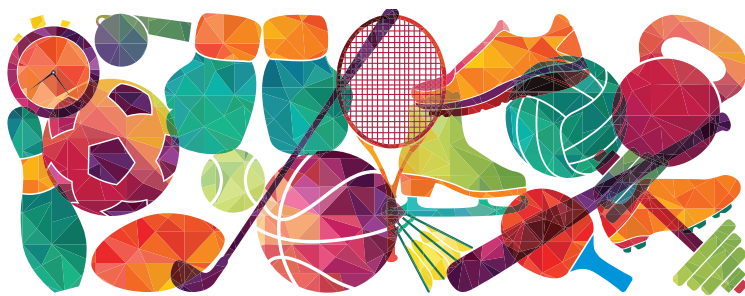
- Share your services, including any overflow services for agents, business managers, and family.
 - Rather than bore them with statistics, wow them with examples of failed opportunities athletes could have had if they'd worked with a CPA firm like yours.
 - Create an amazing leave behind, for example, instead of giving a baseball agent/player your card, give them a firm-colored baseball with your information on it.
 - Let them know you're going to let them think about what you've said, and that you'll contact them in a week to follow up.
- If you're looking for a more streamlined approach, here is a more traditional, eight-slide pitch deck:
- Introduction – who you are and why you're here. Keep this very short.
 - Problem – the story.
 - Solution for the pain points referenced in the story.

- Products and advantages of working with your team in relation to the story.
- Traction within the industry.
- Business model – How you plan to set expectation for their busy schedule. You might unveil a unique communications channel, such as a dedicated VIP text line, or 24-7 online access to data, etc.
- The team – use a metaphor for your team members that mirrors the athletic field, e.g., for baseball use pitcher, catcher, first-baseman, short stop, etc.
- Call to action and contact information with an awesome leave behind.

In the end the goal should be to present the before (current state), after (life after problems are solved), and the bridge (your firm) to getting there.

Now get out there and swing for the fence. ■

Becky Livingston has over twenty-five years' experience in marketing and technology in financial services and engineering firms. She is the President and CEO of Penheel Marketing, a boutique marketing firm specializing in social media and digital marketing for CPAs.



different tax structures need to be explored. However, we are working diligently to review the NFL Collective Bargaining Agreement in conjunction with the new tax laws in hopes of changing the way this is handled.

5. Player Fines: Nobody wants to see a situation where a player does something to generate a fine against them. The fines are often donated in the name of the player, turning the fine into a tax deductible expense to the player. Fines not donated to a charity may be considered a necessary and ordinary

business expense to the player, subject to new and limiting tax rules.

6. Athletic Equipment: Footballs, golf clubs, tennis rackets, racquetball rackets, basketballs, etc. are considered ordinary and necessary for the player to continue to play at a high level, and to maintain their employment with their team. Again, new tax rules cause us to reexamine the nature of this former itemized deduction. Look for professional athletes to start incorporating themselves to take advantage of more favorable tax provisions.

7. Royalties: Royalties can sometimes be a difficult issue with athletes. Most are unsure of the amount due to them through the year, making tax planning for royalty income a difficult task. Royalty deals also come and go based on player performance. A fluctuation in a multi-million dollar royalty deal can really change the outcome of the player's tax situation.

8. Unknown increased salaries: It doesn't happen all that often, but a veteran player may get sent to the injured list for the season. This means a lower paid backup player will be used to replace the player. Players moving from the bench to a starting position receive a significant increase in pay. This can cause a change in their current tax rate and plan.

9. Signing bonuses: The benefit of a signing bonus all comes down to the form in which the bonus is paid out. If

the bonus is paid out properly by the league, it may not need to be included in state income.

10: Taxable Swag: Gifts or swag given to players is not truly a gift and it actually comes with a price tag. The items are almost always given in connection with an appearance or as a bonus for the player's appearance. Unfortunately, the IRS will want a cut of that swag in the form of a tax payment. These fortunate events create additional taxable income for the players often overlooked in the excitement and lack of notice from the agency providing the swag. ■

Travis Tandy is a staff accountant with Ferguson, Timar & Co in Fullerton California. He has a passion for helping others maintaining financial wealth through tax and business planning. When he's not crunching numbers you can catch him focusing on his physical health, enjoying the California sun with his two children Grace and Drew.



Among Those Serving the Tax & Accounting Profession



ABACUSNEXT

ADDRESS:

9171 Towne Centre Drive, Suite 200
San Diego, CA 92122

WEBSITE: AbacusNext.com

PHONE: (800) 726-3339

NUMBER OF EMPLOYEES: 483

YEAR FOUNDED: 1983

Alessandra Lezama, CEO

Alessandra Lezama is a veteran technology executive who has enjoyed a high impact career taking underperforming companies and turning them into scalable, high-performance powerhouses. From the sales floor to the board room, Lezama's hands-on leadership has transformed companies across industries and earned her a reputation as a rainmaker. When Lezama became CEO of AbacusNext in late 2013, it was a niche software publisher exclusively focused on the legal industry—today it is a global technology leader that's disrupting the cloud computing industry. Under Lezama's leadership, AbacusNext has expanded its offerings to include a fully integrated and managed suite of technology products ranging from private cloud solutions to Desktop-as-a-Service, cyber security and a wide range of business management software options for the professional services market. Prior to joining Abacus, Lezama held CEO and COO roles for other technology companies including the largest data center operator in southern California, American Internet Services, which she grew from one 15,000 sqft facility to a combined capacity of over 150,000 sqft. Lezama lives in her adopted hometown of sunny San Diego, California, where she is active in the business community and an advocate for women pursuing careers in Tech and other STEM fields.



COMPANY OVERVIEW

As the largest Technology-as-a-Service (TaaS) provider for the professional services sector, AbacusNext helps legal and accounting professionals achieve ultimate success and peace of mind through the delivery of a complete suite of compliance-ready technology solutions designed to support a secure and cloud-enabled practice at a cost they can afford. Our portfolio of turnkey solutions include hardware, software and infrastructure on a pay as you go model; Practice Management, Client Resource Management (CRM), Payment Processing, Email, Document Automation, Desktop as a Service (DaaS) and Managed IT. Over 1.5 Million Professional Service firms trust AbacusNext as their TaaS partner.

PRODUCTS

- Abacus Private Cloud (APC)
- OfficeTools Practice Management
- ResultsCRM
- HotDocs
- Commercial Logic Practice Management
- Abacus Payment Exchange (APX)
- AbacusLaw
- Amicus Attorney
- Microsoft Reseller
- IT Support

AbacusNext Has Been Well Established in the Legal Profession for Over 30 Years, Why Move Into Accounting?

We saw a lot of synergies between legal firms and accounting practices. Not only in the way that they work and need to be mobile, but the types of applications

(practice management, workflow etc) and also the security requirements. Accountants are a little more complex due to the sheer number of applications they work in compared to attorneys, but professional service firms are our niche and we plan to continue developing solutions that fit their unique needs.

AbacusNext Has Acquired Quite a Few Companies Over the Past 2 Years, Any Insights Into Future M&A?

We are always looking to expand our portfolio of solutions to better serve clients. The key is determining where the holes are in a firm and how we can improve the security, efficiency, and productivity through the technology lens of an organization.

What is your Key Differentiator to the Market?

We are the trifecta. We provide software solutions, cloud enablement, as well as support. Our clients love that they can call one company to resolve any issue. On top of that, we are app agnostic, so if a firm has a product they want to use outside of our own IP, we can work with that as well to cloud enable and secure.

What is the #1 Technology Initiative Accounting Firms Should focus on in 2018?

Security should be the #1 priority for all firms. The sensitive data that accounting firms house is a prime target for hackers and unfortunately their tactics evolve daily making the defense mechanisms an ongoing job to maintain and improve. A common misconception is that if a firm is on SaaS products they are safe; reality is the biggest threat to a firm is the employee opening up risks that are not quickly identified then mitigated. So partnering with a company that focuses on security deployments is a wise choice for 2018.

TEE UP YOUR FIRM FOR SUCCESS

What is your game plan to 'future-proof' your practice?

Can you prevent a client data breach or ransomware attack against your firm?

AbacusNext is the largest Technology-as-a-Service provider for accounting professionals. We provide accounting firms with a complete suite of compliance-ready technology including cyber security solutions, practice management, private cloud, fully managed IT, and payment processing - all without capital investment, so you can pay as you grow.

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Among Those Serving the Tax & Accounting Profession

COMPANY OVERVIEW

AccountantsWorld's primary focus is to raise the value and relevance of accounting firms.

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

MARKETS SERVED

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

KEY PRODUCTS

Payroll Relief is the first cloud-based payroll system designed exclusively for accountants. This award-winning solution delivers fast, easy payroll processing with fully automated compliance. Rated five stars by CPA Practice Advisor for five years running.

Accounting Power Professional delivers an array of powerful capabilities not found in any other cloud-based accounting system. Accounting Power Professional includes a customizable trial balance with notes, adjusting entries, fully customizable financial statements, financial ratios, a dashboard, and consolidation. You can analyze and review an entry using trial balance, financials, Journals or general ledger.

Accounting Power CAS. Combining the remarkable capabilities of the professional system, streamlined workflow for offering bill payment and receivable services, and comprehensive bookkeeping system, Accounting Power CAS has become a premier solution for offering client accounting services. With Accounting Power CAS, your staff can do what your clients staff currently does, only faster, easier, and more accurately... all without leaving your office. That's how Accounting Power CAS enables you to offer highly-profitable Client Accounting Services.

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

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

CUSTOMER SUPPORT

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



ACCOUNTANTSWORLD

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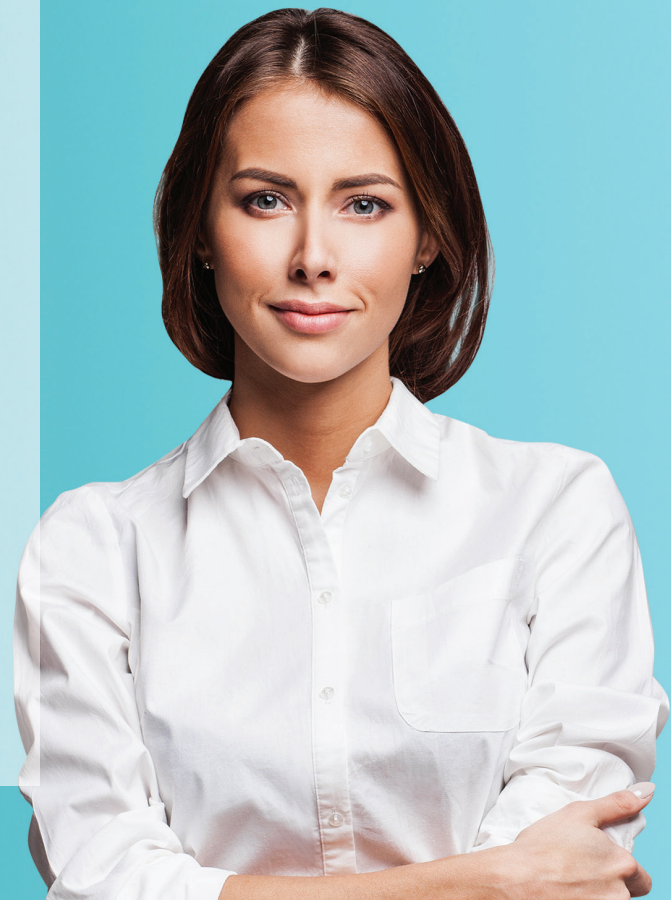
E-MAIL:
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Founded: 1984

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**WHEN DOING
BETTER
MATTERS**



We value the crucial role that YOU play in core business services - accounting and payroll - just as much as you do.

That's why, since 2000, we've been building innovative ways for accountants to harness the cloud to make their practices more relevant to client's needs. And to accomplish that we've broken some norms.

While other solutions providers bypass accountants and sell their accounting systems directly to accountants' clients, we've created **Accounting Power** - a professional accounting system that gives you stronger control over client accounting. With Accounting Power you can do write up and trial balance work, prepare customizable financials, offer Client Accounting Services and outsourced CFO services... faster and easier than ever. Now you can better serve each client's unique needs, add more value to clients' businesses and raise your relevance.

And that's not all.....

We've used the power of the cloud to make it possible for accountants to offer personalized, professional and highly profitable payroll services without any compliance headaches. Today, **Payroll Relief** users have become the premier providers of payroll services.

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delivers new possibilities for
you and your firm, visit
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intuit®

Among Those Serving the Tax & Accounting Profession



Q: What is your key differentiator in the market?

A: Intuit's mission is to power prosperity around the world. Our innovative ecosystem of financial management solutions serves partners and 46 million customers worldwide, including small businesses, developers and accounting professionals. We see accounting and tax professionals as partners, and we are committed to helping them succeed, grow and deliver the best services possible to their small business clients. Over our 35-year history, Intuit has continued to be proactive to industry changes in order to best meet the needs of accounting partners and customers.

QuickBooks Online remains the number one cloud accounting solution for small businesses and accountants with more than 2.8 million paid subscribers worldwide, 87 percent of which say QuickBooks Online is essential for running their business.

More than 700,000 accountants globally use QuickBooks Online Accountant (QBOA), the one place where accounting and tax professionals can manage all their clients and work, from books, to tax, payroll, payments and third-party apps. Practice management capabilities within QBOA help accounting professionals be more efficient, track their work and manage their staff, allowing them to focus on being strategic advisors to their clients.

QuickBooks Online integrates with more than 555 published apps in the QuickBooks App Store, and our comprehensive ecosystem

allows data to be shared seamlessly between accounting, tax and app solutions, reducing the amount of time accountants spend on manual data entry.

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

A: Intuit's priority has always been to connect accounting professionals with meaningful leads that turn prospects into long-term, profitable clients. Currently there are more than 300,000 ProAdvisors worldwide, and the Find-a-ProAdvisor platform connects 1,000 self-employed and small businesses to accountants every day. We recently expanded Find-a-ProAdvisor to highlight those individuals who offer tax services, making it easier for them to connect with clients who are looking for a tax professional.

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

A: With an overwhelming majority of accounting professionals still using desktop software, we are focused on lowering, if not eliminating, the barrier to help them transition to an online accounting platform, which enables them to be a Firm of the Future and focus on being strategic advisors to their clients.

We're also concentrating on workflow and automation tools that leverage machine learning, artificial intelligence and voice commands to eliminate data entry on the front end of all accounting systems, making it easier to change

to value pricing and add in advisory services as another major revenue stream.

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

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

Second, we provide QBOA for free, which gives accounting professionals the specific practice management tools they need to manage their clients' books. This includes access to the new QuickBooks Accountant Apps Program, which helps accounting professionals save time and work more efficiently when provisioning, purchasing and managing apps for clients.

Third, accounting professionals also receive a multitude of resources including customer support, free QuickBooks training, and access to products and services at exclusive discounted prices. The newly reimagined QuickBooks Online Certification and Training Program further enhances the ProAdvisor experience, giving them easy access to benefits and on-demand training and certifications.

and accountants easily and accurately file taxes. By working with accountants as close partners, we've become a staple of small business, with a widespread and deep-rooted presence that's second to none.

MARKETS SERVED:

Our portfolio serves small businesses and accountants worldwide, with a focus on delivering localized QuickBooks products to the U.S., Canada, the United Kingdom, Australia, Singapore, South Africa, France, Brazil, Israel and India.

PRODUCTS:

Our flagship products – **TurboTax, QuickBooks, Mint and Turbo** – define our commitment to revolutionize the way people manage their personal finances, run small businesses and pay employees. Our lineup of tax preparation products helps individuals, small business owners

INTUIT, INC.

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2632 Marine Way,
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PHONE:

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WEBSITE:

www.Intuit.com

NUMBER OF EMPLOYEES:

8,300 worldwide

YEAR FOUNDED: 1983

Rich Preece (@Rich_Preece) Global Accountant Segment Leader

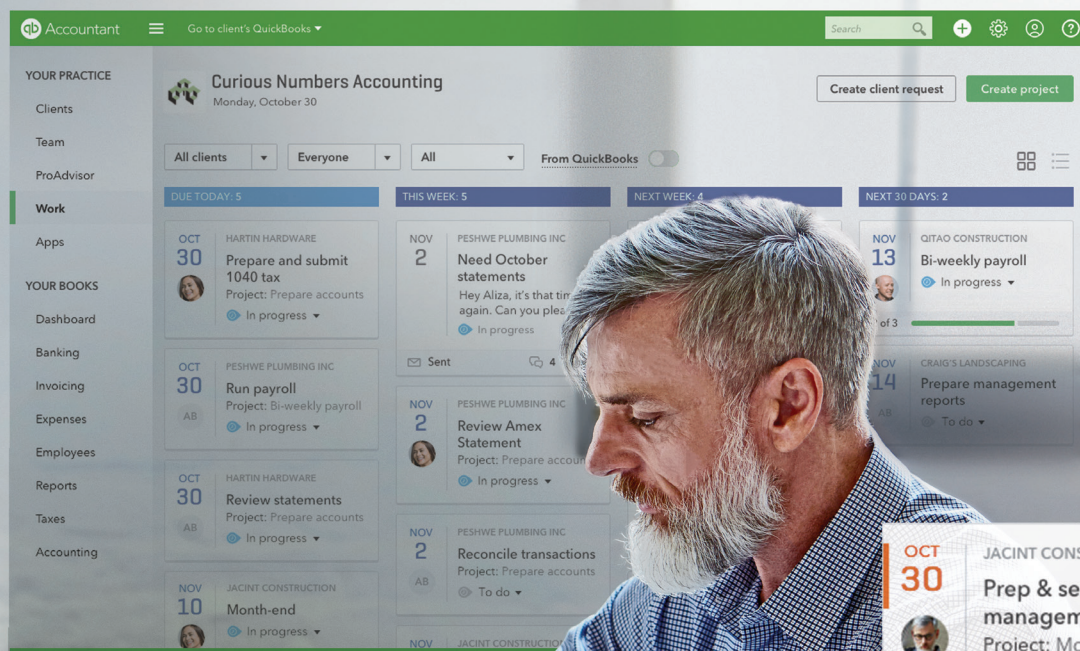
Rich Preece is the global leader of the Accountant Segment within the Small Business and Self Employed Group at Intuit. His priority is to create more connections between small businesses and accounting professionals so both can achieve long-term profitability and growth. Since joining Intuit in 2002, Rich has played a critical role in growing the QuickBooks business and bringing products to market in different regions, including the U.S., UK, France and India for both small businesses and accountants.

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A man with a grey beard and a blue checkered shirt is sitting at a desk, writing in a notebook. He is looking at a laptop screen. On the desk, there is a white coffee cup and some papers. The background is a bright, modern office space with large windows.

OCT 30 JACINT CONSTRUCTION
Prep & send management reports
Project: Month-end
In progress

7 of 8

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2018 WHO'S WHO

JUSTWORKS.



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Meet Justworks.

Payroll, benefits, HR, and compliance - all in one place.

Justworks is a Certified PEO.

We built Justworks as a PEO because we believe it's better for entrepreneurs who are serious about taking care of their team. Businesses that use a PEO get the best of both worlds: the autonomy and thrill of entrepreneurship, with the cost savings and efficiencies associated with being part of an enterprise.

Justworks offers the power of a PEO combined with easy-to-use software and exceptional customer service. That means seamless payroll, HR support, and access to high-quality, affordable benefits, all in one simple platform. Plus 24/7 support so you and your clients can speak to a real person anytime.

As one of the first PEOs to receive 'certified' status by the IRS, we are subject to stringent operational and financial standards. We are also SOC-1 certified.

It's all part of our mission to give you and your clients the support and peace of mind to work fearlessly. Let us handle the nitty gritty, so your clients can focus on what matters: building their businesses and creating a great place to work.

Supporting Growing Businesses in All 50 States

Justworks is best suited for U.S. based companies with 5 to 50 employees. However, we can work with companies as small as 2 people (with at least one W2) and as large as 200. We are a great fit for

companies in business services, such as accounting, financial services, technology, creative agencies, nonprofit, media, law, and consulting.

Let's Provide More Value Together

We love partnering with accountants to provide more value to businesses together. With Justworks, you can expand the services and support you provide your clients - on a platform they will love.

"Our partnerships are part of our solution. It's nice to know we can refer our clients to someone like Justworks. When we have clients who are pleased with what we are offering, they are more likely to refer us more business."
- Tina Duncan, HR and Payroll Specialist, HPC

The Most Compliant and Delightful All-in-One HR Solution

With Justworks, your clients get the power of a PEO with the simplicity of modern SaaS.

Affordable Benefits

Your client's employees get access to big-company benefits and perks they deserve — all at affordable rates.

- Medical, dental, and vision insurance
- 401(k) retirement
- Life insurance
- HSAs & FSAs
- Pre-tax commuter benefits

Automated Payroll

Schedule payroll seamlessly and make

any payments you or your clients need to — at no extra cost.

- Full-time and part-time employees
- Contractors and vendors
- Bonuses, commissions, and expense reimbursements

Compliance Support

Don't sweat the small stuff. Lean on us for employment-related compliance support.

- Payroll taxes (940/941s)
- Tax forms (W-2s & 1099s)
- Workers' compensation
- Multi-state employee management
- Unemployment insurance management
- Disability insurance

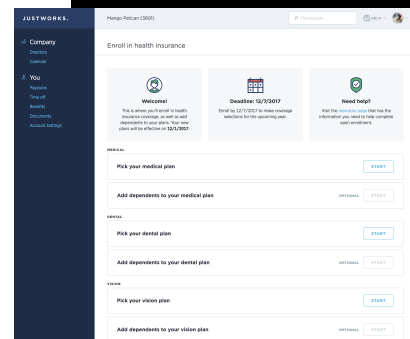
HR Tools

Ditch the spreadsheets and manage employees from one place.

- Company calendar and directory
- Paid time off tracking
- Online employee onboarding
- Document center to store all essential employment docs

Here to Help, 24/7

We know running a business isn't exactly a 9-5 job. That's why we offer our customers and their accountants full-service support, whenever and wherever. By phone, email, chat, or Slack, our certified HR consultants and product support specialists are ready for the tough questions you throw our way. Talk to a real person. Anytime.



JUSTWORKS

ADDRESS:

601 W 26th Street, Suite 400,
New York, NY 10001

WEBSITE:

<https://justworks.com/partners>

NUMBER OF EMPLOYEES:

307

YEAR FOUNDED:

2012

Benefits, payroll, HR, and everything you and your clients need to work fearlessly.

With Justworks, you can expand the services and support you provide your clients—on a platform they will love.

JUSTWORKS.



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



The Future of the Online Sales Tax - Part 2

By Michael T. Dillon, Esq.

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

In Part 1 of this series, we discussed the U.S. Supreme Court cases that defined the rules of physical presence for all sales and that are now being applied in some states to ecommerce transactions. Now, let's consider how states have sought to define sales tax nexus rules:

For the past 25 years, states, sellers and practitioners have been left to argue amongst one another and/or determine for themselves what types of activities, or what level of activities, create a physical presence for sales tax nexus. Legal and practical interpretations of this standard over the past 25 years make it clear that physical presence sufficient to create sales tax nexus can be created by employees, as well as by offices, inventory, equipment or other assets in a state (owned or leased).

It is widely agreed among sales tax practitioners that nexus and sales tax compliance obligations are established for retailers as a result of storing inventory in a state. As such, for remote sellers that store inventory in a third-party warehouse in a state, it is widely understood that this creates a **physical presence** for sales tax nexus purposes.

What remains to be determined, and is not currently before the U.S. Supreme Court, is whether remote sellers that use third-party fulfillment services, such as Fulfillment By Amazon, are actually the "seller of record" or a "retailer" under state sales tax laws, given that such remote sellers lose all but legal title to the

inventory once it is in the hands of the third-party fulfillment service provider.

Over the course of many years worth of audit adjudication and litigation, states have developed "attributional nexus" theories, through which nexus is imposed on an out-of-state seller based not on its activities, but rather on the activities of an in-state representative, or an in-state affiliate. In the sales tax context, these so-called "attributional nexus" standards have been based on theories of agency. As such, nexus can also be established by independent contractors or third parties that are deemed to represent the remote seller.

All states consider that in-state solicitation, either by employees or independent contractors, will establish sales tax nexus. Many states – in particular the most populous and aggressive states, from a sales tax nexus perspective – will assert that any third-party activities conducted "on behalf of" an out-of-state seller that are associated with the ability of the out-of-state seller to "establish and maintain a marketplace" will create sales tax nexus, regardless of the third party's activities or their purpose.

As examples, consider these cases:

- *Tyler Pipe Indus. Inc. v. Wash. State Dep't of Revenue*, 483 U.S. 232 (1987) (quoting the Washington Supreme Court decision on appeal, 715 P.2d 123, 126 (Wash. 1986))
- *Standard Pressed Steel Co. v. Dep't of Revenue of Washington*, 419 U.S. 560, 562 (1975); *Scripto v. Carson*, 362 U.S. 207 (1960); *State*

v. Dell Intern., Inc., 922 So. 2d 1257 (La. Ct. App. 2006) *reh'g denied*, No. 2004 CA 1702, 2006 La. App. LEXIS 867 (2006)]

The implication of these decisions and their judicial offspring is that an out-of-state seller will have nexus by attribution of a third party's in-state activities when the third party is acting "on behalf of" the out-of-state seller, and the third party's activities are "significantly associated with the taxpayer's ability to establish and maintain a market in this state for the sales." [Tyler Pipe, 483 U.S. 232, 250 (1987) (quoting the Washington Supreme Court decision on appeal, 715 P.2d 123, 126 (Wash. 1986)); *Scripto*, 362 U.S. 207, 211 (1960).]

As such, a company that doesn't have a physical presence in a state may still be found to have a substantial nexus if its connection with an in-state third party meets these requirements. For example, having an employee or a third party (even if considered an independent contractor) provide marketing, training, installation, support services, picking up or delivering inventory, meeting with suppliers, are all activities that can and have established nexus for an out-of-state seller.

In addition, if a company or its representatives are conducting certain activities in a state, even if the presence is only for a few days, it may be deemed to have nexus and be "engaged in business" or "doing business" in that state for purposes of sales tax.

In part three of this series, we will discuss how certain states are using these sales tax nexus decisions and theories to define physical presence rules for ecommerce retailers. ■

Read Part I of this three-part series.
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Making sales tax less taxing

The Top 3 Sales Tax Changes Companies Must Know

By Diane Yetter

SALES AND USE tax is always evolving. It evolves to keep up with new industries, to meet the changing needs of a state, or one of countless other factors. It's a complex thing. And that means we're always on the lookout for new sales tax trends across the states.

2018 is certainly no exception. There is already a long list of new legislative changes that could potentially have a significant impact on your clients' business operations. And if you're responsible for sales and use tax at your company, you should be aware of the big changes that are taking place, so you can account for them and minimize the potential risk for your clients.

At the **Sales Tax Institute**, we track the sales tax changes that are taking place in 2018 to keep you informed. Today, we'll break down what the changes mean for you and your clients and what we think these changes indicate for the future of sales tax.

Here are three of the biggest, most important sales tax developments that could have an impact on your clients' companies in 2018.

1. REMOTE SELLER NEXUS LEGISLATION CONTINUES TO FLOURISH

If your client makes online sales, remote seller nexus legislation should be at the forefront of your mind. States enacting legislation that targets remote, out-of-state sellers (such as internet retailers) was huge in 2017 and we expect the trend to continue and expand in 2018.

Among the **different types of remote seller nexus legislation**, the three types that are being enacted most frequently lately are economic nexus, market-place nexus, and notice and reporting requirements.

Numerous states have enacted legislation that became effective January 1, 2018 or whose requirements take effect in early 2018. It's a lot to keep track of, and with states rushing to capitalize on this significant revenue stream, we fully expect more states to continue introducing and enacting these types of legislation throughout the year.

With the U.S. Supreme Court accepting the **South Dakota v. Wayfair, Inc.** case, it is an exciting and likely formative year in sales tax. Twenty-six years have passed since the High Court has ruled on nexus. We are monitoring and tracking case activities, including how the case could impact what the states do while they await a decision.

What can you do to stay on top of new changes?

For starters, bookmark the Sales Tax Institute **Remote Seller Nexus Chart**, where you can keep track of which states have enacted legislation along with the effective date of the legislation.

2. STATES ENACTING SIGNIFICANT ADMINISTRATIVE CHANGES

Sales tax administration may seem like a mundane topic, but that doesn't negate how important it is to do it right. States frequently enact **changes to sales tax administrative requirements**, such as how taxpayers are required to file their taxes.

Two states, Illinois and Arizona, have enacted changes to their electronic filing requirements for sales and use tax filers, effective January 1, 2018. You might say "So What? Big deal." Well actually, these types of changes are really important. Penalties can be quite stiff for non-compliance.

For example, per the Illinois legislation, if a taxpayer is required to file electronically and fails to do so, numerous discounts and collection allowances for timely filed and paid returns will be disallowed. With a collection allowance of 1.75%, it is a significant loss.

Arizona's legislation specifies that failure to comply with the electronic filing requirements could result in the assessment of penalties.

Neglecting to keep up with changes to administrative requirements can easily lead to money flying out the door when it doesn't have to. Stay informed with the requirements of your clients' states, make sure they are in compliance with sales tax administrative changes, and you'll bring cost savings to their companies.

3. TAX AMNESTY PROGRAMS PROVIDE TAXPAYERS WITH GREAT OPPORTUNITIES

Tax amnesty programs are fantastic for companies but are frequently underutilized. We've seen tax amnesty situations that have literally saved a company from going under!

As states crack down on collection, they also tend to introduce an amnesty program to help companies get ahead of a bad situation. 2018 is no different.



Numerous states have enacted tax amnesty programs that are running this year, and more may do so throughout the year. What is the benefit to taxpayers? If you are required to collect and remit sales tax in a state and have neglected to do so, tax amnesty programs typically offer some terrific benefits – sometimes including full back tax forgiveness.

Connecticut's "fresh start" tax amnesty program began October 31, 2017 and will run through November 30, 2018. The benefit of coming forward under this program is waiver of most penalties and 50% of interest related to a failure to pay tax due to the commissioner by its due date. Qualified taxpayers may also receive limited look-back periods for failure to file a tax return.

Texas announced its 2018 tax amnesty program early in the year. Running May 1, 2018 to June 29, 2018, the program applies to periods before January 1, 2018 and only includes unreported liabilities. Penalties and 100% of the interest on tax due will be waived for qualifying taxpayers who participate.

An **Alabama** tax amnesty program will also take place this year, July 1, 2018 through September 30, 2018. The program will apply to all taxes administered by the Alabama Department of Revenue apart from motor fuel, motor vehicle, and property taxes. All interest and penalties associated with the tax periods for which amnesty is granted will be waived under the program.

As you can see, there are multiple opportunities for your clients to take advantage of to get compliant, get penalties and interest waived on outstanding tax liabilities, and provide peace of mind. To keep an eye out for other tax amnesty programs in 2018, bookmark our **Sales Tax Amnesty Chart** and check back regularly. (See the chart at: <https://bit.ly/2Hcc3rQ>.) ■

Diane L. Yetter has been a strategist, advisor, speaker, and author in the field of sales and use tax for over 30 years. She is president and founder of The Sales Tax Institute, a premier professional training school helping professionals better manage corporate sales and use tax for more than 21 years.

4 WAYS Payroll Certifications Can Help Your Team

MODERN PAYROLL IS complicated. From cloud-based systems to tax and regulatory issues, there's a lot that a payroll coordinator or specialist needs to know. To make sure your workers have the proficiency necessary to process payroll efficiently and accurately, there is something company leaders like you can do: You can help them attain their payroll certifications.

Supporting your payroll staff is a smart move for your organization. Here are four ways payroll certifications can lead to a return on your investment:

1. IMPROVED WORK QUALITY

Payroll is a fast-paced, challenging environment with an extremely low tolerance for error. Even a minor misunderstanding of procedures can have enormous repercussions. Workers who have undergone certification training have a demonstrated level of knowledge pertaining to payroll processes, which leads to fewer errors and a boost in productivity. What's more, staff members preparing for the exam are actively working to better understand the intricacies of the field. That kind of focus raises performance across the entire team.

2. A STANDARDIZED APPROACH

Your payroll team includes people from diverse backgrounds. They may range from junior clerks to senior administrators, including those who've worked in other industries, larger or smaller companies, and multiple states. All of them have their own set of knowledge and best practices — some of which may be outdated or just plain wrong. After everyone goes through the same payroll certification program, they should all be on the same page about how the department works.

Looking for professionals who have their payroll certifications? Work with a specialized staffing agency to access temporary payroll specialists.

3. LOYALTY AND STAFF RETENTION

Top performers want employers to invest in their professional development. Industry qualifications are major milestones in that development, providing a tangible reward after a long period of hard work. When you support employees during the certification process, allowing them to study

on company time and paying for coursework and exam fees, they will feel that you value their contributions and professionalism. The results? Loyal, highly trained staff members and employee retention.

4. GREATER COMMITMENT TO PAYROLL

With their attention to detail and compliance knowledge, good payroll professionals are frequently poached by other finance teams within the organization. But if your team members work toward and attain their certifications, they are, in essence, declaring their intention to make payroll a lifelong career.

HELPING YOUR TEAM GET CERTIFIED

It's certainly possible for payroll workers to attain certifications on their own time and dime. But seeing all the benefits of this credential, it's a smart move for employers to support their efforts. You can do this by:

- Encouraging entry-level payroll associates to earn the Fundamental Payroll Certification (FPC), and experienced payroll professionals to work toward their Certified Payroll Professional (CPP) — more on those below.
- Reimbursing them for the cost of study materials.
- Allowing them to study and take the exam on during work hours, cultivating your company culture.
- Sending them to American Payroll Association (APA) seminars and classes so they can accrue enough recertification credit hours (RCHs) to keep their payroll certifications up to date.

In the U.S., the gold standards are the two certifications issued by the APA. Some Canadian companies, especially those that also do business in the U.S., also value these credentials.

FUNDAMENTAL PAYROLL CERTIFICATION

The FPC is aimed at entry-level payroll workers with little or no experience in the field. The exam consists of 150 multiple-choice questions, and

test takers must answer 80 percent of them correctly to receive this certification. FPC candidates normally study for six to 12 weeks before taking the exam, which is offered every quarter.

The exam covers a broad range of key topics, including core payroll concepts, compliance, calculating paychecks, payroll processes, payroll systems, payroll management, auditing and accounting. After attaining the FPC, employees should have a solid grasp of all the main concepts of the field.

The FPC exam fee is \$320 for APA members and \$395 for non-members.

CERTIFIED PAYROLL PROFESSIONAL

The CPP is aimed at more experienced payroll workers. Candidates for this payroll certification are required to meet one of three criteria before sitting for the exam:

- **Criteria 1** — Must have practiced payroll for at least three of the past five years before the exam date.
- **Criteria 2** — Must have been employed as a payroll worker for at least two full years before the exam date, as well as having completed specific APA coursework within the same time period.
- **Criteria 3** — Must have been employed as a payroll worker for at least 18 months before the exam date, have previously obtained their FPC, and have completed specific APA coursework within the same time period.

The CPP exam consists of 190 multiple-choice questions. The topic list is the same as for the FPC, but the subjects are covered in much more depth than the fundamental certification. There is the addition of a section on leadership and management. CPP holders are experts in their field and are ready for senior roles within a payroll team.

The CPP exam fee is \$380 for APA members and \$550 for non-members.

Professionals have long understood the value of payroll certifications: greater job satisfaction, more opportunities and a higher salary. Now it's time for company leaders to realize the many benefits of helping their payroll specialists attain and maintain their credentials. ■

This article first appeared on the Robert Half blog.

When it Comes to Office Romance, **EMPLOYEES DON'T TRUST HR**

By Isaac M. O'Bannon, Managing Editor

WORKPLACE RELATIONSHIPS ARE remarkably common. How common are they?

According to the results of the **Love@Work Survey** from HR company Namely, 4 in 10 employees have engaged in an intimate relationship with someone at work—be it a peer, manager, or even member of the C-suite. Five percent of employees have had a relationship with their boss, and millennials were most likely to have done so.

Among those surveyed, 61% said their company does not have an office relationship policy.

Additional survey insights:

■ **Office dating may not deserve its bad rap.** Of those who have been



in a relationship at work, 70% says it changed nothing. 15% say it decreased their productivity, while 14% found the opposite. For 5% of employees, the biggest career impact was receiving a promotion as a result of their relationship.

■ **No one is telling HR.** Workplace relationships are taboo. If involved in one, most people would tell no one, and less than 5% would tell HR. If a dating policy required employees to report their relationship, only 42% say they would comply. Men are twice as likely not to tell HR if required.

■ **Employees don't trust HR to keep their secret.** 49% of employees have below average trust in HR to keep their office relationship confidential. On a scale of 1-5, with 5 being the most trustworthy, only 14% of employees give HR the top rating.

■ **Employees give HR high marks on sexual harassment preparedness.** In the wake of the #MeToo movement, 6 in 10 employees say their companies are well or outstandingly prepared to handle a sexual harassment situation. Plus, the vast majority of respondents (62%) have been required to take sexual harassment training.

■ **Employees hesitate to "swipe right" on coworkers.** Most employees (79%) would not swipe right if they saw a coworker on a dating app. A willingness to swipe is correlated to age, with Gen Z most likely, and Baby Boomers least likely. Men are more than twice as likely to swipe right than women. "With the average workweek

rounding out to over 47 hours, work has become such a big part of our lives. It's no surprise that workplace relationships are so common," says Julie Li, Senior Director of People Operations at Namely. "As HR, supporting employees is not just about having a policy in place. HR should be an accessible and trusted resource for all employees, particularly in cases when love at work has a negative impact."

Where does HR fit in? Employees were quite mixed on how HR should respond to a manager dating a direct report, for example. 34% opted to transfer the manager to a new department or location, and 29% opted to transfer the direct report. Some opted for terminations, while 21% said "do nothing."

When it comes to dating at work, every situation is unique. Leesa Schipani, SHRM-SCP and HR consultant, has a personal take. "While I don't advocate legislating 'love,' I believe companies can put guardrails in place to minimize risk and acknowledge that people who spend significant time together at work could become romantically involved. This even happens to HR professionals—I am one of them who met her husband at work." ■

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THE 21ST CENTURY ACCOUNTANT: Blockchain is a Database, Get Over It

By Brian Tankersley

I'm so glad to be back with you, the gentle reader of *The CPA Practice Advisor*, after a four-year sabbatical. The title of this column is "The Twenty-First Century Accountant", and my job here is to tell you what you need to know about the technologies which are going to change how we work in the future. I hope to provide you with a little perspective – and levity – while discussing the technologies we may use in the future in our work.

There is a mania surrounding the blockchain technology which underlies cryptocurrencies– it is surrounded by a boundless enthusiasm, and based on the breathless excitement, one might believe that it is the cure for cancer, Alzheimer's disease, and the common cold, all in one. Allow me to inject some reality into this conversation:

BLOCKCHAIN IS JUST A WAY OF RECORDING TRANSACTIONS IN A LEDGER.

Yes, even though someone recently told you about how critical blockchain is for your future life in the same breathless excited voice with which your parents told you bedtime stories about the Three Little Pigs, Cinderella, or the Very Hungry Caterpillar, the truth remains that **blockchain is just a tamper-resistant way of recording transactions into a digital ledger**. Billionaire investor Warren Buffet, the king of plain-spoken quotes on investing, warns you to watch out in different terms. Those quotes include:

- "Risk comes from not knowing what you're doing," and
 - "Never invest in a business which you cannot understand."
- While there are some cryptocurrency investors who are buying Lamborghini sports cars with their Bitcoin gambling winnings, there are also some people who are going to lose fortunes in this speculative market and spend their seventy-something years greeting shoppers at Wal-Mart.

The "fear of missing out" FOMO surrounding cryptocurrencies is so strong that the speculative market was the featured story on the March 11, 2018 episode of HBO's *Last Week Tonight with John Oliver* (www.youtube.com/watch?v=g6iDZspBRMg - NSFW due to foul language), but he isn't the only one who is chiming in on the cryptocurrency market, which has all of the markers of a classical asset bubble – others include:

- The Atlantic's Derek Thompson (January 10, 2018) penned a column titled "It Is Silly Season in the Land of Cryptocurrency" which compares the current bitcoin and blockchain enthusi-

asm to the dot com bubble in 2001.

- Reuters produced a story comparing the current cryptocurrency market and an accompanying infographic showing the irrational spikes in market cap when companies change their names to include the word "blockchain"

While I'm optimistic about blockchain and distributed ledger technology, I caution you to be careful when dealing with cryptocurrencies. FOMO is contagious and is very dangerous to your nest egg. In my life, FOMO has almost always been the beginning of bad business decisions, so remember that if something seems too good to be true, it usually is.

The real value of blockchain to the accounting profession is the tamper-resistance of the blockchain protocol. Each successive block (batch of transactions) is tied to the other blocks with cryptography, making the entire ledger tamper resistant and making it possible to know when someone has changed anything in the underlying ledger. While we won't get into the variety of ways a blockchain can be configured (private, public, distributed, or centralized, among others), you can currently think of blockchain as an incorruptible database platform which can be used to record many kinds of transactions. Some potentially interesting uses for blockchain technology include: recording the stock ledgers of private companies, recording permanent records like real estate transactions, creating unalterable medical records, and validating the date and time when an insurance policy was underwritten and approved. All these uses are interesting, but I don't sense an overwhelming, imminent change to all of our lives as a result of this technology.

My best advice to each of you is to stay tuned for how blockchain is going to affect your life – because it may have some impact on you in the future. I'd also listen to Warren Buffet's investing advice and stick with what you know, because there are a lot of people gambling on things here that they most likely don't really understand. ■

Brian F. Tankersley, CPA, CITP, CGMA (@BFTCPA, CPATechBlog.com) advises firms and companies on accounting technology issues. He currently teaches courses in the US and Canada through K2 Enterprises for professional accounting organizations across the US and Canada, and was the technology editor of this magazine through 2014. Brian and his family make their home in Farragut, Tennessee.



THIS MONTH'S TOP ACCOUNTING & AUDITING SOCIAL MEDIA POSTS

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- How to Price Your Accounting Services. **Canopy blog.** <http://bit.ly/2ptn7GC>
- Accounting Bodies in U.S. and Scotland Sign Historic Accord. **AccountEX report,** <http://bit.ly/2DKK2Sa>
- Accounting Has Evolved: Don't Get Left Behind. **MACPA blog.** <http://bit.ly/2FQRTiI>
- Start Your Audit Off Right with Data Analytics. **AICPA Insights.** <http://bit.ly/2puEbeB>

[1] "The Genius of Warren Buffet in 23 Quotes," Marketwatch (<https://www.marketwatch.com/story/the-genius-of-warren-buffett-in-23-quotes-2015-08-19>), retrieved on March 3, 2018.

[2] The encryption underlying blockchain appears to be sound for now, but emerging technologies like quantum computing may provide ways in the future for hackers to subvert the cryptography in Blockchain by recalculating the private encryption keys which are used to prove the ownership of the related digital assets.

LATEST A & A NEWS

5 Ways to More Successful Banking and FinTech Partnerships. It's important that the fintech-banking partnership is able to scale as business grows. www.cpapracticeadvisor.com/12406121

Tipalti Announces Integration with NetSuite. The multi-entity integration syncs Tipalti's multi-entity payables management capability with subsidiary instance ledgers in NetSuite OneWorld. www.cpapracticeadvisor.com/12407061

Electronic Payments: Is Efficiency or Speed More Important? For inbound payments, 52 percent of corporate treasurers viewed the ability to post more information as more imperative to operations. www.cpapracticeadvisor.com/12406120

Automation within Intuit Products Empowers Business Owners and Accountants

REFERENCES TO ARTIFICIAL intelligence, often referred to as AI, are popping up everywhere these days. Many media reports allude to widespread fear of artificial intelligence, and that countless jobs will be eliminated as its reach extends further into our society. However, a study released by Intuit in conjunction with Emergent Research begs to differ. Fear-mongering aside, 54% of small-to-medium businesses (SMB) see automation and AI as an opportunity. Only 5% of businesses in the study view such automation as a threat, and very few businesses fear job losses.

The study indicates that 31% of respondents think automation will help them expand their employee base, while 59% don't think there will be any change. This means that 90% of businesses expect to either maintain or expand their present staffing levels, which is completely counter to the negative AI and automation drumbeat in the media. Surprisingly only 1% of respondents said they anticipate significant job losses.

To be clear, automation has long been a part of SMB toolbox. E-commerce automates retail operations. Automatic synchronization with your bank automates reconciliations. Macros created within Excel spreadsheets automate repetitive business tasks, and so on. To wit, the study found that 66% of SMB already use automation technologies to streamline finance and billing, marketing, sales, customer service, and operations. QuickBooks users can immediately benefit from the following technologies:

■ **QuickBooks Auto Categorization** (<http://quickbooks.intuit.com/tutorials/lessons/manage-expenses-in-quickbooks>): As you enter transactions such as invoices or bills in QuickBooks, this machine-learning

based feature automatically assigns categories based upon previous transactions. You can of course override these suggestions, but over time the suggested accounts should start to anticipate where revenue and expenses belong, which means your books will more accurate with less effort.

■ **QuickBooks Payments Automated Invoicing** (<http://quickbooks.intuit.com/invoicing>): There often seems to never be a good time to get invoices out the door, and yet without invoicing, cash flow dries up. QuickBooks offers automated invoicing features that allow you to keep track of both paid and overdue accounts. Recurring charges can be invoiced automatically on a schedule that you set, and estimates can be transformed into invoices—which eliminates retyping. This sort of automation empowers you to smooth out your cash flow while minimizing mistakes that can occur while manually transferring information from one transaction screen into another.

■ **QuickBooks Self-Employed Expense Finder** (<http://quickbooks.intuit.com/business-expenses>): Do you ever feel that you're leaving money



on the table by way of business expenses posted to a personal credit card, or a check drawn on a personal account? This machine learning feature enables you to check credit card and bank accounts for possible deductions as far back as one calendar year. Such transactions are brought to your attention for your review, but without the need to sift through shoeboxes of paper receipts. In this case artificial intelligence is offering a safety-net to catch income tax deductions and reimbursements that you may have missed in your day-to-day endeavors.

Automation of all sorts is helping business owners in a variety of ways. 79% reported getting more done in less time. In addition, 77% of respondents reported improved customer service, while fully 74% of respondents have discovered new ways to innovate. Accountants have a stake in this automation trend as well. As manual data entry and computation tasks fade into the past, small businesses will look to accountants for strategic guidance on embracing new tools. Intuit's findings are that a small business' chance of success goes up to 89% when the business works with an accountant. In short, accountants are far from being displaced, and instead

are positioned to become even more valuable as trusted advisors helping business owners navigate the rapidly changing future. As the pace of change quickens, it's ever more crucial for accountants to keep a finger on the pulse of technology to vet features that are worthwhile, and to weed out solutions that solve one problem while inadvertently creating new ones.

In short, Intuit found that the study corroborated internal findings about customer's use of automation features within their products. Further, automation tends to spark virtuous cycles, where saving time in one area frees up a space to apply technology into new areas, especially some previously deemed as always requiring manual effort. This parallels what occurs within software development teams, where knowledge gained in automating one process can then offer a running start to automating other processes as well. ■

The ProAdvisor
Spotlight is sponsored
by Intuit QuickBooks.



Are You Preparing Your Firm for the Gig Economy? *By Dustin Hostetler*

"Dad, let's just leave the bikes locked up here and take an Uber back. We can come back for them tomorrow."

That's a statement my 10-year-old son, Austin, made last week while we were vacationing in Florida. To give the quote some context, we were on a family bike ride, about four miles from our condo and in a fun, beachside shopping and restaurant plaza. The sky started to look like we were about to get rained on and the radar confirmed it. We needed to get back to our condo to clean up and get ready for a dinner reservation, so we didn't have time to wait it out. We also didn't want to get soaked.

Just four years ago, this statement would have been foreign. Now, even our kids know how to take advantage of the gig economy.

So, how does this relate to the CPA profession?

Did you know:

- There is an Uber-like service for tax returns already in the market
- Several companies are working on gig staffing business models for audit and tax work within CPA firms, essentially connecting supply (gig workers with CPA licenses) and demand (CPA firms)
- According to Intuit research, 34% of the American workforce participated in freelance work last year
- Gig economy workers are projected to be 43% of the entire workforce by the year 2020 and over half of all workers shortly thereafter.

The gig economy is already here. And hopefully your senior leadership and talent leadership are working together to develop the strategies and plan on how to take advantage of it. Because you will feel the impact sooner rather than later, and whether you want to or not.

I'd like to highlight five areas I see CPA firms needing to address as it relates to the gig economy:

STAFFING MODEL IMPACT

The convergence of technology (namely more artificial intelligence), along with the gig economy, is going to change the way CPA firms hire entry-level staff in the very near future. Basic compliance work will be automated through technology and what isn't fully automated will be sourced to the gig economy. The new staff you bring in must demonstrate the ability to grow/develop into a client-facing advisor much earlier in their careers than has historically been the case. They also need to possess more skills in the areas of data analytics, financial analysis and strategic thinking.

PROCESS CHANGES

Your firm's processes are going to have to adjust and change with the new staffing model and technology changes coming. They need to support both the optimization of technology as well as the ability to integrate outsourced contract and remote workers. The mid to upper levels of firms MUST be dedicated to client service and much more advisory type work. They can't be spending all their time "in the weeds" in the compliance processes. That's not where the value is.

TECHNOLOGY CHANGES

As I frequently like to say, you would have to be living under a rock to not know how technology is re-shaping the way firms operate – today and into the future. As stated above, AI and general automation are here, and the technology is only going to get better. Your firm should be proactive around technology as the gap between the top performing firms and average performing firms continues to widen.

Continue Reading at:

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- Introducing the Blockchain Concept to Your Firm. **CPA Consultants Alliance blog.** <http://bit.ly/2Ggm0nk>
- How Frustration Can Make Us More Creative. **TED Talks video.** <http://bit.ly/1Zgutpp>
- 5 Ways to Get the Most from Any Mentor Relationship. **Inc. Magazine.** <http://on.inc.com/2ptEVbt>

LATEST FIRM MANAGEMENT NEWS

4 Red Flags on Choosing New Clients.

Hindsight is 20-20. Over the course of my career, I have regretted accepting select engagements.

www.cpapracticeadvisor.com/12404793

How to Expand Your Accounting Firm.

Are you ready to grow your accounting firm? If so, there are a few ways to go about it.

www.cpapracticeadvisor.com/12407030

3 Ways to Build Better Teams and Kill a Toxic Culture.

Nearly a third of executive-level employees said that a colleague had tried to make them look bad in a variety of ways.

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Illinois CPA Society Appoints New Board of Directors.

The Illinois CPA Society (ICPAS) announced its Board of Directors to serve April 1, 2018 – March 31, 2019.

www.cpapracticeadvisor.com/12406340

5 Reasons Your Firm Might be Giving Away Business.

In order to be successful in changing the perception of your business, your practice, and how you sell and deliver your service, you may also need to change your mindset.

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How GDPR Will Impact U.S.-Based Firms

IF YOU PAY attention to overseas regulations, the term GDPR has probably entered your consciousness. But what is it exactly? More importantly, can it potentially impact U.S. based firms?

WHAT IS THE GDPR?

The EU Parliament approved the General Data Protection Regulation (GDPR) in April of 2016. According to EUGDPR.org, its intent is to “harmonize data privacy laws across Europe, to protect and empower all EU citizens data privacy and to reshape the way organizations across the region approach data privacy.” In short, the aim is to protect EU residents from privacy and data breaches in an increasingly data-driven world.

The GDPR outlines significant changes for the public as well as organizations that handle personal information of EU citizens. Full details on all of the changes are beyond the scope of this article, but the regulation sets out rights of individuals and places obligations on organizations that handle personal data of EU citizens.

This includes giving people easier access to the data companies hold about them, giving them the right to demand that errors in their data are rectified or have their data erased or forgotten. It also holds companies more accountable for handling people’s personal information and levies significant fines for businesses that don’t comply.

HOW IS PERSONAL DATA DEFINED?

The definition of personal data is broad. The GDPR defines it as “any information relating to an identified or identifiable natural person.” That may include names, addresses, IP

addresses, phone numbers, email addresses, credit card details, financial information, medical information and even posts on social media websites.

WHICH BUSINESSES WILL BE IMPACTED?

The GDPR does not only apply to organizations located within the EU. It applies to any organization that processes or holds the personal data of EU residents, regardless of the company’s location. Essentially, it has the potential to impact every business on the planet.

On a practical level, the EU may not levy a fine on a U.S.-based company, but it’s very likely they would pursue an EU-based subsidiary of a U.S.-based organization.

WHEN DOES THE GDPR TAKE EFFECT?

The EU Parliament established May 25, 2018, as the enforcement date for the new regulation. At that time, organizations not in compliance could face hefty fines.

WHAT SHOULD YOU DO?

To help prepare for the start of the GDPR, the Information Commissioner’s Office (ICO) created a 12-step guide, available at <http://bit.ly/1XLwlsA>. Your firm may need to have more detailed one-on-one conversations to lay out specific plans on how to apply the GDPR articles.

However, it’s worth noting that the ICO has said that, in the event

of a breach, they will consider all measures taken by an organization to adhere to GDPR when deciding on any recourse.

Achieving compliance with GDPR may not be straightforward, especially with the May 25 deadline

right around the corner. But consider this an opportunity to improve data efficiency, data protection, client relations and trust. Compliance efforts can only serve to better secure your firm against future data breaches. ■





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