

Choose a Tax Suite Based on Your Firm's Needs



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Accounting practices live and breathe by their business tax and accounting software. In the contemporary business climate, doing business without some software solution at the center of your operations is impossible, but selecting the best solution is difficult. Not only do the needs of firms differ, but so do software solutions. As a result, it is imperative to focus on the software features that address workflow, analysis and practice management.

Most tax firm decision makers fixate on the software's tax functionality, but in doing so they overlook one aspect of the software that impacts the firm most profoundly: how easy it is to use. Better solutions have clear navigation elements, intuitive labels and design elements enhancing usability, rather than merely providing decoration.

Reporting needs in most practices are multi-dimensional. Of course, most tax practices frequently need to deliver reports to clients—including the venerable "big three": balance sheet, income statement and statement of cash flow. Nobody forgets about the client reports, but they often overlook reports on their own practices. Every tax and accounting business is just that—a business—and consequently should be managed as such. The more robust solutions allow practice managers to analyze profitability, track billable hours and assess associate productivity.

Reports monitor the activity of a tax practice, but full practice management functionality entails much more. Tax preparers must be able to assign and oversee client work, track engagements, and manage the financial aspects of the practice effectively. Practice management addresses a tax firm's core operations. As tax software occupies a more substantial role in servicing clients, practice management activities become inextricably linked with business tax software.

Ultimately, the most important consideration when choosing a business tax suite is what your firm needs. No two firms are exactly alike, and even organizations of the same size often have different subtleties. To find the best software solution, identify the different services your firm provides and focus on software enabling you to conduct those specific activities. Make a list of your core services, and use it to evaluate different software products. It will help you make the right decision.

Regardless of your firm's size or specific services, the business tax suites reviewed in this issue represent the best the market has to offer—and are definitely worth a look. Even if a smaller or less feature-rich solution is more appropriate to your firm, the "all-in-one" solutions reviewed in this issue will help you figure out what matters most to your practice.

—By Tom Johansmeyer

Integrate ProSystem fx Applications for All-in-One Service

By Tom Johansmeyer

As the industry heavyweight, it comes as no surprise that CCH Tax and Accounting presents a comprehensive business tax solution with ProSystem fx. Using the same effective design themes pervading the entire ProSystem fx product line, CCH offers accurate accounting software that is feature-rich and easy to use. Further, the ProSystem fx ability to integrate with other tax software products increases efficiency and reduces reliance on paper. ProSystem fx stands among the leaders in the business tax and accounting space.



Features

ProSystem fx offers comprehensive business tax and practice management tools with powerful capabilities for preparing business tax returns, generating financial statements and trial balances, and managing engagements. With this solution, a practitioner oversees the workload associated with a particular client while ensuring that the work done on behalf of the client is tracked and recorded accurately. ProSystem fx's complete solution for business tax professionals is clearly one of the premier suites on the market.

The look and feel that CCH developed for its ProSystem fx products is intuitive and attractive. On-screen items are clearly labeled and placed intuitively within the application. The placement of fields on ProSystem fx's various forms corresponds with typical workflow and allows you to "tab" from field to field in the order that you would expect, permitting you to complete most tasks quickly and accurately.

The application summarizes all returns up front, making navigation exponentially easier. Select from the prominently displayed works in progress, or access other business and accounting functions using the detailed menu bar at the top of the screen. The summary shown when the user first accesses the software also displays the changes last made to each return, helping managers and practitioners track the activity of client returns to prevent errors or redundant effort.

ProSystem fx generates all the requisite reports for effective financial management. Practitioners can easily pull together



Engagement management remains one of the strongest features.

financial statements, financial analysis reports and charts of accounts. The software handles a variety of organized entities, including S corporations, C corporations, partnerships and estates. Subsidiary company accounting and tax functionality also is available, facilitating accounting services not only for large companies but also for smaller entities that may take equity positions in clients or other companies. This is particularly effective for hedge fund and private equity partnership returns.

Reports, of course, do not have to imply "paper." ProSystem fx Tax integrates with various business software solutions to create an integrated business accounting and tax management environment. With ProSystem fx as your system of record, achieve integrated reporting without significant paper space and expenditure. ProSystem fx's robust network capabilities support the trend toward the paperless office.

Engagement management remains one of the application's stronger characteristics. Recognizing that any firm is first and foremost a business, ProSystem fx Tax provides the tools needed to manage a tax and accounting practice in a straightforward manner. ProSystem fx Write-Up exports periodic data for financial analysis and practitioner tracking.

Prominent among the software's engagement management products is an important but subtle tool called the "Time Clock." The Time Clock accurately tracks the time spent working in ProSystem fx on client-related work, allowing associates to record the hours spent on an engagement. This feature provides data to practice managers who must analyze billable hours in relation to the complexity of the assignments—or other financial and time analysis work that is vital to managing practice profitability.

Summary

ProSystem fx offers all the tools necessary to manage a business tax and accounting practice without requiring a lot of manual activity. Along with the ability to integrate with a number of different accounting software systems, ProSystem fx applications moves large and small firms closer to an integrated, paperless (or at least *less* paper) office.

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Thomson Creative Solutions Offers Fully Integrated Software

By Tom Johansmeyer

When it was acquired by Thomson in 1997, Creative Solutions already had an integrated suite of tax, accounting, depreciation, payroll and practice management software. Today, Thomson Creative Solutions markets the CS Professional Suite, which, according to the company, is used by firms of every size, including thousands of sole practitioners and two-partner firms. The suite includes Write-up CS, UltraTax CS, Financial Analysis CS, Engagement CS and Practice CS applications, which are *very* briefly reviewed here as a “suite.”

Features

Of paramount importance to any business system is its look and feel. A well-designed solution that is easy to use reduces practitioner errors resulting from software complexity. Intuitive systems also are easier to learn, reducing costs associated with introducing a new system into the business environment. Thomson Creative Solutions’ applications are adequately designed. Forms are easy to find, and all tax and accounting functions are labeled clearly. Although the design does not feel “Webified,” the entire suite is available in a Web-enabled, ASP version. The company states that CS Professional Suite is the only suite serving the tax and accounting profession that is available in a hosted environment and accessible via the Internet.

Write-Up CS fully integrates with its complementary offerings, reducing the time that practitioners spend preparing financial reports. Write-Up CS’s reports are easy to generate, with sample templates accelerating the rate at which balance sheets, income statements and cash flow statements are created. Further, Write-Up CS allows practitioners to develop custom reports suitable for client presentation—including full-color charts and graphs.

UltraTax CS, like Write-Up CS, is a comprehensive solution—in this case for preparing business tax returns, e.g., forms 1120 and 1065. UltraTax CS supports tax returns for



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more than 200 state and local tax jurisdictions and generates returns for all federal entities, such as C corporations, subchapter S corporations, partnerships, trusts, pension plans, nonprofit gift tax and estates. UltraTax CS automates the information feed from corporate tax returns to those of individuals associated with the corporate entity. For example, it flows partnership tax return data into the individual returns of a partnership’s members.

In addition to financial accounting features, Thomson Creative Solutions’ products offer management accounting functionality. In the business community, where accounting drives decision-making, Financial Analysis CS supports accounting-driven decisions. Using the comparison reports generated by Financial Analysis CS, tax returns give clients the information they need to set or revise corporate strategy. With Financial Analysis CS, a practitioner generates reports comparing the client’s current finances with those of previous years or quarters as well as with industry benchmarks.

Engagement management and practice management focus on ensuring the profitability of a business tax and accounting practice. Delivering tax and accounting services more efficiently entails using a firm’s resources wisely and measuring the results they generate. Engagement CS provides workflow functionality adaptable to specific firm requirements.

Managing workflow is central to efficient engagement management—and Thomson Creative Solutions excels. Practice CS extends the workflow capabilities of Engagement CS. Additionally, this module provides time and billing features helping practice leadership assess the effort expended on each client.

Summary

Thomson Creative Solutions’ integrated business tax and accounting applications offer extensive functionality to practices of all sizes. A reasonably intuitive user interface makes this rich functionality accessible. While CS Professional Suite applications may at first appear overpowering to smaller practices, they are, in fact, ideal for smaller practices with less personnel that depend on advanced technology and fully integrated software solutions to give them a competitive edge.

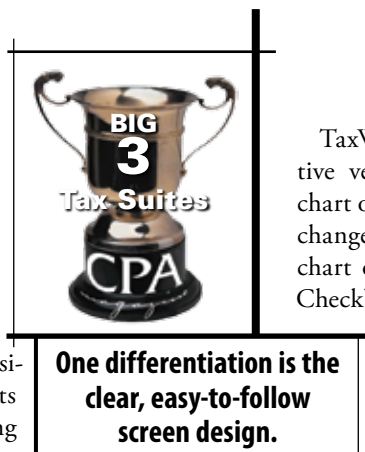
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TaxWise Offers a Cost-Effective, Comprehensive Tax Suite

By Tom Johansmeyer

TaxWise makes it affordable to provide business tax and accounting services. Without the high price tag of other major tax and accounting software vendors, TaxWise provides all the tools needed to offer comprehensive solutions to clients. The TaxWise business tax and accounting suite consists of a number of products facilitating trial balances, write-up, corporate tax returns and fixed asset management. This program enhances the offering with a clear, well-designed user interface, the quality of which separates it from its competitors.



Features

In a market full of similar commodity products, TaxWise differentiates itself through nuances that could significantly impact the productivity of a tax practice. For example, a feature setting the solution apart is the ease with which the interview forms can be learned and used. Although the interview forms are consistent with the IRS forms they represent, accountants preferring to use actual forms to prepare business tax returns may be disappointed.

TaxWise also differentiates itself with a clear, easy-to-follow screen design. While the tax forms themselves are not available in TaxWise, the software's data entry forms follow the conventions of IRS business tax forms; field names correspond to those on the IRS forms, and they appear in the same order. The sparse interview forms focus on rapid data entry—this is as close as you get to entering the data into the IRS forms without actually using them.

TaxWise generates business tax returns and includes forms for 1120, 1120s, 1065, 1041, 990, 706, 709 and 5500. TaxWise also offers comprehensive state business tax filing capabilities. TaxWise Trial Balance facilitates journaling and accounting validation prior to filing, and the TaxWise Fixed Asset System (reviewed separately in this issue of *CPA Magazine*) provides comprehensive functionality for asset tracking and depreciation management.

TaxWise's Computer Checkbook application offers an intuitive venue for managing client accounts. Configuring the chart of accounts is easy, and the flexible functionality permits changes when necessary (though one should not modify the chart of accounts without careful planning). The Computer Checkbook offers a plethora of reports that are flexible based on their parameters, including bank reconciliation, check register, time card, vendor summary and trial balance. A practitioner or practice manager conducts detailed financial analyses—both for the client and pertaining to his client's relationship with the firm—using the Computer Checkbook's reporting capabilities.

Although functionality, design and navigation are superior, TaxWise's products could be easier to install. In addition to requiring separate installation for each component, the system seems incomplete until the user actually accesses some of the features, such as Computer Checkbook and Client Write-Up. For example, when creating a new client in Computer Checkbook, the installer runs. This also was the case for the chart of accounts. Once the user completes the installation processes, however, TaxWise's products are quite easy to use.

Summary

To provide a full-service offering to business tax and accounting clients, it is essential to have a comprehensive software solution that does not get in the way of doing business. The software's clean design facilitates rapid data entry and intuitive navigation. Eschewing the various "bells and whistles" that most vendors perceive as value-added, TaxWise simply makes it easier to service clients and manage your practice. The functionality targets the actual needs of accountants. While the installation process could be easier, using the software is simple and intuitive.

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