



## Electronic Office/E-filing

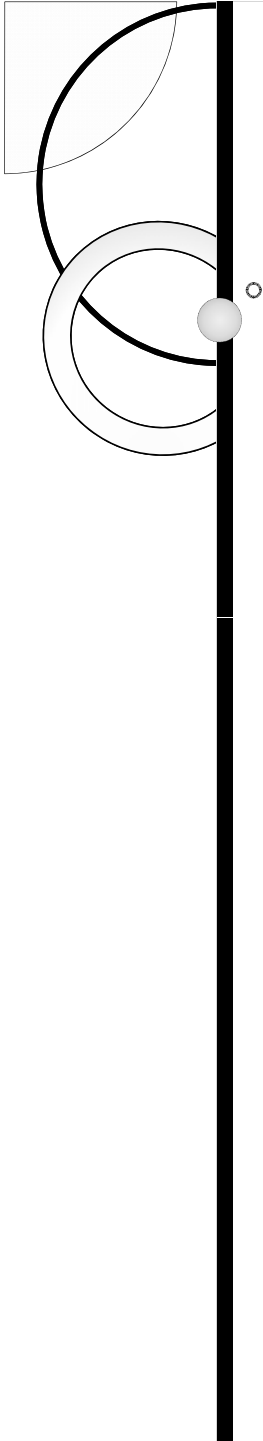
10:15am-12:15pm

Speakers: Allan Cohen, CPA, Next  
Level Technology and William Siciliano,  
Advance Business Systems

**Allan Cohen, CPA, CITP**  
Managing Partner, Naden/Lean, LLC  
CEO Next Level Technology


Allan Cohen is the Managing Partner of Naden/Lean, LLC, a 40 person CPA firm in Timonium, MD. Allan is also the CEO of Next Level Technology, a network integration and managed services technology firm which he start in 1997 when it became apparent that small to medium sized business clients needed a technology company that understood not only computers and technology but also the business needs of the client.

Allan started his accounting and computer careers in 1982 by purchasing and implementing one of the first IBM System 34 used in a public accounting firm in Baltimore. Since then Allan has implemented hundreds of computer and accounting systems as well as consulted on office automation for the health care, legal, financial and manufacturing industries.



# THE ELECTRONIC OFFICE

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## Definition

- From Wikipedia, the free encyclopedia
- The **electronic office**, or **e-office**, was a term coined to cover the increasing use of computer-based information technology for office work, especially in the 1980s. It was a marketing buzzword at the time, but now is not so widely used since all modern offices are electronic offices.
- The term appeared much earlier in the name of the LEO computer (Lyons Electronic Office), that first ran a business application in 1951 in England.
- The ongoing process that led to e-office adoption was elimination of paper and making most of the office communications electronic.

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## Definition

- The definition of electronic office is not precise, and it might be either:
- the introduction of individual computers running office software applications, such as word processors.
- or to the interconnection of office computers using a local area network (LAN),
- or to the centralization of office functions via web applications.
- The introduction of e-office improved accuracy and efficiency of organizations and thereby improved their level of service, while theoretically lowering costs and drastically reducing the consumption of paper. Many documents are still being printed out and circulated on paper, however, especially the ones that require signature.

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### History

- Mini Computers such as the IBM System 34 back in the late 70's early 80's.
- Centralized Computer Rooms
- Write-up
- Time and Billing
- Tax
- PC as we know came out in 1981
- Word Processing, Spreadsheets
- Not connected to other PCs.
- Novell networks in the mid 80s.
- The promise of the "Electronic Office" for the CPA

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### The Promise

- Integrated suite of applications for a CPA firm with one data base of all clients.
- Reality – loosely integrated suite of applications with many discrete databases.
- Why? Most code was written years ago or applications were acquired by purchasing smaller companies.

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### Reality-Where we are today

- Still a bunch of separate databases.
- Most firms still revolve around their tax software.
- Document Management becoming mainstream.
- Combination of client server and web apps.
- Storage is cheap backup not so much.
- Remote computing a reality.
- Voice mail ubiquitous
- Smartphones, PDAs
- Fax machines still around but losing steam
- Unified messaging

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**Obstacles**

- Firm culture
- Willingness to change
- Comfort level
- Age of partners, staff
- If it ain't broke don't fix it
- Internet access & speed
- IT support
- Workflow
- Training
- ROI

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**Document Management**

- Must haves
- At least dual monitors ideally 3
- Scanners
- Multi-function digital copiers.
- Workgroup scanners
- Personal scanners
- Maybe all 3
- Either web based ASP model or in-house SQL.
- If in-house-bullet proof back up and disaster recovery plans

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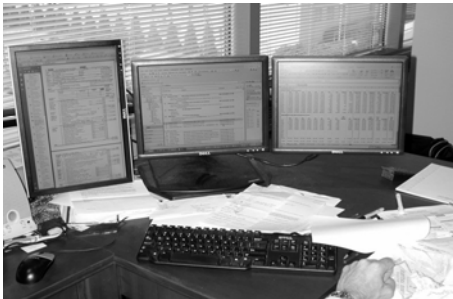
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**Document Management Must Haves**



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### Scanning – Front End

- Scan documents as they are received from clients
- Create the tax return from the on-screen copy of the support documents

**Advantages**

- Scanned files are verified with use
- Less bottleneck for scan dept
- Documents can be organized using Adobe or a scanning workflow product
- Client originals are delivered with Tax Return

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### Scanning – Front End

- Disadvantages
  - May end up scanning unnecessary documents.
  - Tax preparers must have the proper tools to that will enable manipulation and annotation of PDF documents
  - Tax preparers must be trained and proficient in Adobe and any third party software to mark up documents
  - Really hard to break old habits of using paper

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### Phone Systems

- VOIP the current buzz
- Great for multiple offices
- Great for work at home employees
- Can be a problem if combining bandwidth with data systems
- Hybrid systems have both key system for local office and ability to VOIP for remote offices or workers
- Unified messaging – vmail, fax all run through email system
- Follow me features
- Hosted phone systems

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### Portable Devices, Smartphones

- Blackberry using BB Enterprise Server.
- iPhones using MS ActiveSync
- Anything using MS Active Sync, even an iPod touch and WiFi
- Netbooks
- Broadband cards
- Myfi cards – instant hotspots
- RDP for remote access or Citrix
- Various remote access programs- GoToMypC, LogMeIn

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### Cloud Computing

- Infrastructure as a service
- Platform as a service
- SaaS – Software as a service
- All 3 take the service off the desktop and out of the local office.
- Service is accessed over the Internet or another network.
- Sounds like what we did in 1985 to input tax returns using Computax tax software. They called it remote job entry (RJE) using a 2400 baud modem that CCH supplied.
- Back then it was called Client/Mainframe computing

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### Cloud Computing – The downside

- Restricted infrastructure, operating systems and applications – one vendor philosophy
- Data stored outside of your office and could be outside of your control
- Depending on wording of contracts you may not own your own data
- Data may be stored outside the U.S. and not subject to U.S. privacy laws
- The leaders of the accounting software industry are very large and very secure, however the term “too big to fail” doesn’t mean much in today’s economy

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### Cloud Computing

- Remember the ASP models of the late 90's
- Many failed due to technology limitations as well as financial failure
- If your Internet connection fails, you're not working
- Internet connection has to be fast and solid. Consider multiple connections and ISP's
- Clients may have security concerns
- Accountants like to be in control

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### Cloud Computing – The upside

- Requires less application support from internal IT dept. IT staff role changes.
- Updates are done at the hosting site
- Stops “server sprawl”
  - Virtualization
  - Decreased need for space, cooling, power
- Simplified back ups
- Can work anywhere anytime. Work becomes what you do not where you work
- Allows for work at home employees – reduced need to office space

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### New Tax Tech – Scan and Populate

- Scanning products put source documents in order and bookmark pages
- Scanning products extract data from source documents and populating fields in tax prep software
- CCH Prosystem fx Scan (formerly BOCDIP)
- Thomson Reuters has 1040 workpaper-sorting available for Ultrtax CS and GoSystem Tax RS. Also built into GoFileRoom and File Cabinet CS using ScanFlow
- Intuit has Document eSort that recognizes scanned tax documents and organizes them into a tax return ready electronic file for use with Lacerte or ProSeries tax prep software.

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### New Tax Tech – Scan and Populate

- Third Party Software
  - Copanion – Gruntworx – web based system that will integrate with GoSystem RS and additional tax programs in the future
  - SurePrep – 1040 Scan – the first scan & populate software. Also has OCR functions

Goal of all of these products is to reduce data entry time as well as standardize workpapers so lower level staff can prep much of the return. One of the fastest growing software segments for CPA firms.

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### Client Portals & Secure File Transfer

- Definition - gateway to a collection of electronic information and files that is accessible over the Internet via web browser (CPA Tech Advisor)
- Provides clients with secure, online, self-service access to their information
- Most firms use portals to post PDF copies of tax returns and financial statements
- Most higher end Document Management Systems have a publishing portal that can publish information such as tax return & Fs to the client portal for viewing & downloading by the client

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### Client Portals & Secure File Transfer

- Most portals are two way. Clients can upload files such as Quickbook backups to the accountant via their portal
- Vendor managed portals such as Leapfile can be easier to deploy and use
- Some states have passed laws prohibiting use of email to transmit confidential information such as medical records & SS #'s
  - Third party programs such as Leapfile integrate with MS Outlook to send secure email & file transfer

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# Resources

<b>Comprehensive End-to-End Workflow</b>	<b>Product</b>	<b>Website</b>	<b>Phone Number</b>
Autonomy Inc.	iManage Workflow Manager	accounting.interwoven.com	866-341-3786
Office Tools Pro	Office Tools Pro 2009	officetoolspro.com	888-667-8440
Thomson Reuters	FirmFlow	cs.thomsonreuters.com	800-968-8900
XCM Solutions	XCM	xcmsolutions.com	781-356-5152
<b>Other Workflow Tools</b>	<b>Product</b>	<b>Website</b>	<b>Phone Number</b>
AccountantsWorld	CyberCabinet	accountantsworld.com	888-999-1366
Acct1st Technology Group	EDRMS	acct1st.com	888-790-7045 Ext. 705
Bill.com	Bill.com	bill.com	877-345-BILL
Cabinet NG, Inc.	CNG-Safe/CNG-Books	cabinetng.com	800-621-6501
CapSys	CapSys Capture	capsystech.com	877-322-7797
CCH Small Firm Services	ATX Scan&Fill	atxinc.com	800-681-1752
CCH Small Firm Services	TaxWise Scan&Fill	taxwise.com	800-681-1750
CCH, a Wolters Kluwer business	ProSystem fx Document	tax.cchgroup.com	800-PFX-9998
CCH, a Wolters Kluwer business	ProSystem fx Scan	tax.cchgroup.com	800-PFX-9998
Computhink, Inc.	ViewWise	computhink.com	800-98-THINK
Conarc, Inc.	iChannel	conarc.com	770-849-0508
Coppanion	GruntWorx	coppanion.com	800-291-2136
Doc.It Corp.	Doc.It	doc-it.net	888-MY-DOC.IT Ext.1
Drake Software	Drake Document Manager	drakesoftware.com	866-670-8471
eFileCabinet, Inc.	eFileCabinet	efilecabinet.com	877-574-5505
FileVision USA	FileVision	filevision.com	770-551-1400
Intuit	Intuit Document eSort	accountant.intuit.com/ documentesort	800-765-7777
Intuit	Lacerte DMS	lacerte.intuit.com	800-765-7777
Intuit	ProSeries DMS	proseries.intuit.com	800-934-1040
Personable Inc.	Workflow DMS & SourceLink	personable.com	800-688-4281
RedGear Technologies	ArkWorks	ark-works.com	800-706-8261
ShareFile	ShareFile for Accountants	sharefilecpa.com	888-242-6220
SmartVault Corporation	SmartVault	smartvault.com	866-674-6785
SpeedyScan Company	Speedy Organizer	speedyscan.biz	800-655-2870
SurePrep, LLC	1040SCAN	1040SCAN.com	800-805-8582
Thomson Reuters	GoFileRoom	CS.ThomsonReuters.com	800-968-8900
Thomson Reuters	FileCabinet CS	CS.ThomsonReuters.com	800-968-8900
Treeno Software	Treeno Document Management	treenosoftware.com	800-528-5005