

Automate 1040 Tax Workflow from Start to Finish

Tools & Techniques that will Save Hours this Tax Season

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Agenda

- Tax workflow strategies
- Using OCR technology with source documents
- Streamlining the tax workflow process
- Getting buy-in from your staff
- Engaging your customers to use secure client portals
- Other key points to consider

Tax Workflow Trends

- Heightened attention to automate tax preparation processes
- An acceleration of portals and end-to-end workflow solutions
- Advanced availability of enabling technologies

Why Automate Your Tax Workflow?

- Save on paper and mailing costs
- Perform more with the same or fewer staff
- Enjoy quicker turnaround times with clients
- Improve client service
- Solidify a progressive image for your firm
- Keep pace with competition and fee pressures

Using OCR Technology with Source Documents

Using OCR Technology with Source Documents

- **What is Optical Character Recognition (OCR)?**
 - Converts printed materials into text or word processing files.
 - OCR text can be edited and stored.
- **In 1929, the first OCR machines were invented in Germany.**
- **Commonly used in today's document management systems**
 - Document searching (profile-based)
 - Full text searching (based on keywords contained in documents)

Using OCR Technology with Source Documents

Scan and Organize

- Scan client source documents.
- Create a structured PDF following logical order of documents.
- Create labeled bookmarks for easy navigation.

Scan and Populate

- Scan client source documents.
- Identify key tax data elements.
- Transfer tax data elements to tax compliance software.
- Eliminate data entry.

Scan, Organize and Populate

- Combine “scan and organize” and “scan and populate.”

Streamlining the Tax Workflow Process

Automating the Tax Workflow Process

1040 WORKFLOW



Implementing a Tax Automation Process

Step 1 – Determine efficiencies to be gained

WORKFLOW PROCESS

EFFICIENCIES GAINED

TECHNOLOGIES TO CONSIDER

Receive

- Reduce missing information.
- Eliminate “back and forth” communications.
- Reduce time consuming meetings with clients.

- Web organizers
- Secure client portals

Organizing

- Standardized tax files.
- Easy data entry and reference of source docs.

- Scan and organize services
- Document management software

Prepare

- Automation of data entry.
- Reduce costly mistakes.
- Ensure efficient staff utilization.

- Links between source documents and data fields
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Implementing a Tax Automation Process

Step 1 – Determine efficiencies to be gained

WORKFLOW PROCESS	EFFICIENCIES GAINED	TECHNOLOGIES TO CONSIDER
Review	<ul style="list-style-type: none">• Faster navigation with source documents.• Improve quality of referencing.• Provide stronger advice.	<ul style="list-style-type: none">• Scan, organize and populate• Tax compliance software with automated review
Deliver	<ul style="list-style-type: none">• Reduce delivery costs.• Increase security.• Offer client convenience.	<ul style="list-style-type: none">• Secure client portals• Document Management Software
E-File	<ul style="list-style-type: none">• Reduce response time.• Timely and accurate e-filing.	<ul style="list-style-type: none">• Tax compliance software with automated e-filing

Implementing a Tax Automation Process

Step 2 – Begin with a solid foundation – tax compliance software

Choose a tax software that is designed for end-to-end workflow.

- Integrates with portal technology
- Integrates with document management systems
- Is paired with a strong e-filing process
- Has the ability to read and work with OCR data
- Includes on-screen review tools
- Integrates with tax research

Implementing a Tax Automation Process

Step 3 – Drive efficiencies into your tax preparation and review work

Treat tax preparation and tax review as separate processes.

- Separate tax preparation and review work/roles.
- Take advantage of remote staff and locations.
- Offload source document organization and data-entry tasks from tax professionals.
- Maintain consistency in source document organization to facilitate specialization in tax preparation roles.

Implementing a Tax Automation Process

Step 4 – Extend your workflow to your clients

Remember, your clients are part of your workflow.

- Communicate requirements for source tax information.
- Follow up on missing information.
- Distribute tax returns electronically.
- Accepting e-filing authorizations from your clients.

Start building an online relationship.

Implementing a Tax Automation Process

Step 5 – Leverage your portal channel to drive value-added services

Use technology to gain additional benefits.

- Communicate firm news and capabilities.
- Online bill payment
- Offer additional services through the portal
 - Bookkeeping services
 - Payroll services
 - Check writing and invoice payment authorization

Getting Buy-in From Your Staff

Getting Buy-in From Your Staff

- Define goals, targets and objectives.
- Define, document and communicate new processes from the top down.
- Assign a “super user” to help champion the process.
- Identify symptoms that indicate non-compliance and plans to get the project back on track.

Getting Buy-in From Your Staff

- Plan ahead to anticipate areas of resistance from your staff and determine solutions ahead of time.
- Prepare technical environment.
- Schedule up-front and refresher training.
- Consider conference room walk through of procedures.
- Employ incentives to help keep users positive.

Remember, change can be stressful.

Engaging Your Customers to Use Secure Client Portals

Engaging Your Customers to Use Secure Client Portals

- Announce your portal strategy to your clients
- Educate your clients.
 - Explain benefits to them on using your portals.
 - Offer incentives to drive behavior (e.g., fee structures).
- Reinforce your message to clients.
 - Repetition
 - Different methods of communication
- Be open to client feedback, make adjustments.

Other Key Points to Consider

Other key points to consider

- Assign a responsible project leader.
- Plan for supporting technology and infrastructure.
 - Multiple monitors
 - Production grade scanners
 - Adobe® Acrobat®
 - Wireless Internet cards
 - Hosted solutions
- Leverage training and consulting programs.

Other key points to consider

- Whitepaper “Automating Tax Workflow” by Thomson Reuters
- Leverage your capable vendors to help you.

Good Luck!