



## Getting Out of the Gap

Using technology to step up to  
paperless workflow integration.

**M. Darren Root,  
CPA.CITP**

Root and Associates, LLC  
Bloomington, Indiana

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## Solutions

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Indiana accountant Darren Root coined the phrase "getting out of the gap" to describe the move to paperless workflow integration with Creative Solutions technology.

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**COVER:** Darren Root, CPA, CTP, advocates paperless workflow integration and maintains the long-term benefits far outweigh the pain of making a change. He calls it "getting out of the gap," and predicts, in his words, "whether you change today or wait five years, eventually you'll be using a suite." (Photos by David Wolff)

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# Anticipating the Future with Integrated Workflow Management Systems

For as long as I have been in the software industry serving the accounting profession (31 years), accountants have been using individual products to accomplish individual tasks—and it has worked just fine. But in today's fast-paced world where workloads continue to expand, time is at a premium, and staffing is an ever-increasing dilemma, the individual product approach is no longer effective.

To remain profitable and continue to grow, today's firms are starting to move from a product perspective to a system perspective.

At Thomson Creative Solutions, we dedicate extensive resources to monitor, research, and analyze the challenges our

customers face in today's professional environment. A key focus area is the design and development of advanced technologies that produce realtime savings to help our users serve clients more effectively and be more productive, while using fewer resources. Our solution for advanced technology with a system approach is CS Professional Suite—a suite of seamlessly integrated products and services that our users can combine into systems to manage their daily workflow.

When our users combine the appropriate mix of seamlessly integrated products with 24/7 web access and paperless capabilities, they are able to utilize end-to-end digital processing that streamlines workflow from the moment clients enter data to the point of electronic delivery. The result of this unprecedented level of efficiency is

significant time savings, improved profit margins, enhanced client service, and a global footprint for the firm.

In this newsletter, you'll find real-life examples of how accountants just like you are combining integrated products from CS Professional Suite to develop systems that enable completely integrated workflow processes. You'll see how firms are serving clients over the Internet, completing tax returns

**To remain profitable and continue to grow, today's firms are starting to move from a product perspective to a system perspective.**

in minutes without having to re-enter data, providing lucrative payroll services with minimal resource investment, leveraging data to offer clients highly valued analytical and consulting services, and using digital dashboards to manage their practice.

As you address your particular challenges and make plans for the future, I invite you to consider evaluating your practice from a new perspective. Instead of looking at individual products to accomplish individual tasks, try to imagine the effect that a completely integrated system can have on your firm. With this vision in mind, you'll be on the path to achieving unprecedented levels of efficiency, a competitive edge, and a sky's-the-limit profit potential.

On your journey, Thomson Creative Solutions will be standing by to help you implement change and provide you with outstanding service. And as always, we'll continue our commitment to develop advanced technologies that make you more productive and profitable and help continually enhance the services you provide your clients.

#### Jonathan A. Baron

Executive Vice President and General Manager—Professional Software and Services, Thomson Tax and Accounting, and President and CEO—Thomson Creative Solutions



## CONGRATULATIONS TOP 40 UNDER 40 WINNERS!

The *CPA Technology Advisor* introduced the 40 Under 40 awards in 2006 to recognize the best of the best in the tax and accounting profession, or as the publication terms it—the movers, shakers, and thought leaders of tomorrow. The list was impressive, comprised of professionals who have taken an active leadership role to help guide the profession through ongoing changes in technology, new mandates, and general practice.

Of the top 40 recipients, we are excited to announce that 11 of the winners are from Thomson Tax & Accounting—including both customers and employees. We are pleased to recognize these exceptional leaders and hope they continue to play a major role in the evolution of the profession.

### 40 Under 40 Award Winners Congratulations to the following Thomson Tax & Accounting Customers:

- Brent Baccus, CPA
- Megan Durst, CPA, MSA
- David G. Echelbarger, CPA
- David Fitcher, CPA
- Scott Huebert, CPA
- Rebecca Machinga, CPA
- Ryan McCowan, CPA.CITP
- Andrew Spillum, CPA
- Amy Vetter, CPA, MBA

### Congratulations to the following Thomson Tax & Accounting Employees:

- Teresa Mackintosh, CPA.CITP
- Mark Schlageter, J.D.

Again, we congratulate all the 40 Under 40 winners, and thank each for their dedicated and ongoing contributions to the profession.

## ENGAGEMENT CS INTEGRATES WITH CAPITAL CONFIRMATION, INC. (CCI)

Taking the paperless engagement process one step further, users can now directly access CCI's CONFIRM™ technology from within the Engagement CS workspace. CONFIRM

enables users to perform secure online audit confirmations.

Capital Confirmation is a leader in online authentication and authorization services. CCI's CONFIRM technology provides an effective automated confirmation process that ensures the privacy and security of confirmation communications. It also offers a sound infrastructure for authenticating all parties involved in a confirmation. Providing direct access to validated responders both reduces risk of confirmation fraud and enhances engagement workflow efficiency.

Integration with CCI's CONFIRM technology represents Thomson Creative Solutions' ongoing commitment to helping our customers be as productive as possible. Engagement CS users are sure to enjoy the security and speed of automated online confirmation functionality.

## PRACTICE CS NOW OFFERS CREDIT CARD PROCESSING

In an effort to save you and your clients valuable time, Creative Solutions has added credit card processing functionality to Practice CS. This new feature allows you to offer clients the added convenience of paying for services with any major credit card, including Visa, MasterCard, American Express, or Discover.

Using the credit card processing feature is easy. For example, when your firm receives a credit card payment from a client, you simply enter the payment information into the Receipt and Adjustment Entry screen. You will then be prompted for your client's credit card number and other identifying information. Once the information is complete, Practice CS processes the credit card payment with a single click, and approval of the payment is verified in seconds. As an added convenience, if a charge amount needs to be adjusted, you can quickly and easily process a credit card return.

To take advantage of this new feature in Practice CS, you will need to establish a credit card processing account with InterceptEFT. Account credentials created through InterceptEFT are stored in Practice CS and used to process all credit card transactions.

## ULTRATAX CS NOW OFFERS INTEGRATION WITH PPC 1120, 1120S, AND 1065 DESKBOOKS

In addition to the existing PPC 1040 Deskbook integration via Checkpoint, the 2006 version of UltraTax CS offers seamless integration with PPC 1120, 1120S, and 1065 Deskbooks through Checkpoint. You can now conduct specific research directly from the UltraTax CS input screen when preparing Forms 1040, 1120, 1120S, and 1065. Additionally, direct links are provided to IRS publications, the Internal Revenue Code, and treasury regulations.

Expanded integration with PPC Deskbooks provides immediate access to timely, useful information. Some examples include:

### 1065 Deskbook

- Schedule K-1 with complete discussion of the latest coding system.
- Computation and pass-through of the new producer deduction.
- Over 45 sample election statements.

### 1120 Deskbook

- Guidance on complex, confusing, and unresolved issues that occur when preparing the 1120 form.
- Worksheets and completed forms for computing and claiming the U.S. producer deduction.
- Enhanced coverage of fringe benefits, accounting methods, and related party transactions.

### 1120S Deskbook

- Comprehensive guidance on preparing and filing Form 1120S, related Schedules K and K-1, and the S Corp election on Forms 2553 and 8869.
- Stock and debt basis adjustments, pass-through of the U.S. producer deduction and other items, and distributions.
- Completed sample forms and preparation aids to ensure that returns are accurately prepared.

Direct integration with PPC Deskbooks offers users quick access to a comprehensive and convenient repository of research to ensure accurate, timely tax return preparation. (NEWSLINE CONTINUED ON PAGE 12)



## CREATIVE SOLUTIONS 26<sup>TH</sup> ANNUAL USERS' CONFERENCE

THE OPPORTUNITY TO SHARE IDEAS WITH YOUR PEERS AT THE THURSDAY EVENING ROUNDTABLES IS ONE OF THE HIGHLIGHTS OF THE USERS' CONFERENCE. HERE ARE SOME OF THE BEST.



### MARKETING CBS TO YOUR CLIENTS

It's easy. Just train the client. Tell them they don't have to buy or install software. They don't have to back it up or restore it. We do that for you, becoming your technical support staff. If you have problems or issues call us, not the software company. We package it in our monthly fees.

We always put clients on the Internet version so they don't have to worry about it. I had a client call me last week and said their computer crashed. She was frantic because she had to do payroll the next day. I told her to take a breath and relax. She was on the ASP version of CBS. I told her to go to her neighbor or come to my house, anywhere

where she could log onto the Internet and have access to a printer. She lost nothing. I told her that if her computer crashes or is stolen she loses nothing, because the data is housed on a secure server, not on her computer.

My staff sells CBS; it's a marketing tool for us. It used to be partners always handled new clients, but now our staff does it. — *Felecia Dixon, Alfermann, Gray & Company, L.L.C., Rolla, Missouri*

### SERVING CLIENTS VIRTUALLY, WITH NO FACE TIME

The problems most CPAs face is a limited pool of clients and limited time to serve them. So if they can open up to more of a national market where they don't have to be in their clients' presence all the time, they can use NetClient CS portals and CBS to create an accounting package that clients can use anywhere. They can then leverage their time better and develop more client relationships than they would have in a traditional setting where there is a lot of personal contact.

Present your services to the client as a package. Tell him we're going to set him up on a portal with checkbook



software. We'll put your documents, financial statements, and tax returns on the portal. Present it as a product. People understand tangible products better than services, which are intangible. They understand packaged things more than having to put together a lot of disparate parts. — *David Ligotti, Oakwood Business Services, L.L.C., Ann Arbor, Michigan*

### FIRST STEPS IN ACQUIRING/MERGING FIRMS

The most important thing is to have good documentation, because whenever you go through a business transition, you will always have to refer to those documents. There will always be concerns or problems that have to be resolved, and 90 percent of the time if there is no existing document, you may end up going to court to try to resolve the issue.

Whenever you are acquiring a firm, due diligence will tell you everything. You can't get emotional about it; you have to look at it from a business standpoint to make logical decisions. A good business deal will always





be negotiated three to seven times when you are acquiring a firm.

Work with a resource of people. I belong to a national organization, the National Association of Small Business Accountants. They provide me the reassurance that when I'm making a transaction, I'm making the right decisions. — *Sean Manning, Manning & Company, P.C., Littleton, Colorado*

## GROWING YOUR WRITE-UP AND PAYROLL PRACTICES

Our firm has taken advantage of what is provided by the Internet. We can offer services to small business clients that they can't get other places. You just have to be patient with them and help them learn how to use the products.



Many of our CBS clients are leery of computers. In some cases, we start by showing them how to turn on a computer and how to use the tools. They are small businesses and have never been in a large environment with IT support. We take along IT support with the products. Learning to use the products helps them, as well as our firm on the bookkeeping side.

For the most part, once they are comfortable they like it. It's a big timesaver. One of our clients runs a mechanic business and his wife cuts the checks. Creative Solutions products have cut her bookkeeping time by more than one-half.

Most people are looking for ways to make processes easier on themselves. That's the approach we take. A lot of small businesses don't know where to go to get this type of help. We offer a solution for them. We look at it as service to our clients. In the end it helps us, too, because we can input their data. If we can make their life easier, they're a happy customer, which ties them to our practice. — *Phil Fitzgerald, A.M. Payne & Associates, Inc., High Point, North Carolina*

## MOTIVATE YOUR STAFF WITH INCENTIVE PAY

The first thing is to watch technology and staff; sometimes they can clash. You have to figure out how to give incentives, because



## Sharing Ideas in Orlando

This year marks the 14th time Creative Solutions has hosted the Users' Conference in sunny Florida...and every time it just gets better and better! Convening at the Gaylord Palms Resort and Convention Center in Orlando, more than 700 participants enjoyed informative workshops, product demos, keynote speeches, and one-on-one interaction with Creative Solutions expert staff—not to mention special events, including the golf outing and an exclusive visit to Marvel Super Hero Island®.

"We like to come back to Orlando every few years," stated Jon Baron, "It's a fun area and everyone always enjoys themselves."

The conference began with a welcome reception Wednesday night, where attendees and staff had a chance to mingle and gear up for the next few days of learning, sharing, and fun. On Thursday morning, Jon Baron delivered a powerful keynote

address—highlighting the importance of integrated workflow systems and enhancing communication and collaboration with clients. Over the next few days, attendees enjoyed networking with colleagues from across the country—all within a non-competitive, friendly environment. On Saturday, the conference concluded with an inspiring address by Albert Mensah, nationally acclaimed motivational speaker. Users left the 26th annual Creative Solutions Users' Conference with practical, productive ideas and information that they can put to work in their firms.

Overall, the 2006 conference started and ended with high levels of energy. We can only hope that the 2007 conference will offer even more excitement. **And for those who have not yet heard, the 2007 Users' Conference will take place November 7-10 in beautiful Waikaloa, Hawaii.** See you all there!

if I come in and show you how to save 70 percent of your time on a process, the staff looks at you and says "What's in it for me?" So you have to arrange an incentive, and for me, it's not always money. It can be more quality time or flexible hours. The bottom line is we have to understand what the staff means by incentives.

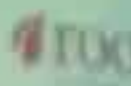


In the old days, if I was at 1,600 hours and produced an extra 100 hours, I got paid a bigger bonus. But that's anti-technology. The old ways

of incentive pay won't work today. If we want buy-in by staff and a better service to clients, we have to figure out incentives that work today. The baby boomers were driven by money. However, kids coming out of school today want quality of life. That's the incentive.

We're a small firm in the Ozarks, and we've added retirement plans, health insurance, flexible time, and monthly bonuses (not just at the end of the year). We try to look through the eyes of our team players. — *Larry Gray, Alfermann, Gray & Company, L.L.C., Rolla, Missouri*

# Net to Principals (per hour)



Top performers earn 64.9% more than average!



25%



## AT A GLANCE

**ROOT AND ASSOCIATES, LLC**

Bloomington, Indiana

**Staff:** 9

**Revenue:** \$1.2 million

**Client Base:** 800

# GETTING OUT of the GAP

**INDIANA CPA USES CREATIVE SOLUTIONS TECHNOLOGY TO IMPLEMENT A COMPLETELY INTEGRATED AND PAPERLESS WORKFLOW.**

**D**arren Root mused over a luncheon interview that if he wasn't a certified public accountant, he'd probably be an architect. "I'm very organized and detail-oriented, which fits the profile," he says, "but I also embrace technology and have a feel for the creative side."

It's difficult to speculate on what prominent structure Root would have designed, but it's easy to quantify the accounting firm he has built.

Root began his career in the mid-80's with Deloitte Haskins and Sells, and spent some time working with his father's firm where his father taught him how to work with the small business client. At one point in the early 90's Root was managing a staff of 21 producing annual revenues of \$700,000. Today Root, the sole owner of Root & Associates, LLC, has nine associates generating \$1.2 million in annual revenue.

How did Root accomplish this feat? He credits the pursuit of four disciplines—create a paperless environment, take advantage of software integration, make full use of the Internet, and maximize the efficiency and effectiveness of accounting firm processes.

Root and Associates has a client base of 225 physicians, and also works with law and engineering firms, as well as approximately 500 individual tax clients.

For the past year, Root has conducted half-day seminars nationwide for Creative Solutions' customers on how to use technology and apply it to managing their accounting practices.

"The phrase 'getting out of the gap' is something I coined," Root says. "It relates to where the accounting

profession was 20 years ago and where it is today. Many people who are in position to make decisions in accounting firms today have not fully embraced technology. They were not trained in it and are somewhat intimidated by new concepts. Closing the gap requires understanding technology, embracing it and utilizing it in your practice."

Root examines these four critical areas in detail:

## **1. Paperless environment.**

Root and Associates has been paperless since 1999. The obvious benefit is reduced file space, but there are also many timesavings throughout the day.

"In the old model with a paper file," Root says, "a client called and wanted a copy of a tax return sent to a bank. Someone had to pull the return, make a copy, put the file back, package the return and get it to the bank. That was hard for us to bill. In a paperless environment, the bank either gets a copy from our Creative Solutions web portal or we email a digital file."

**"The long-term benefits of integration far outweigh the pain of making a change. The suite concept is on the upswing, and it will only get stronger and better. Whether you change today or wait five years, eventually you will be using a suite."**





*The firm uses the services of a branding consultant to project a consistent professional identity.*

**2. Software product integration.**

Root says the value of this step can't be underestimated. He uses the example of Microsoft® Office®.

"Most people wouldn't use WordPerfect, Microsoft Outlook® and Lotus as their software," he explains. "If they're using Microsoft Word they're using Excel® and Outlook because they work together. It makes sense to use an office suite because the programs are integrated."

The same is true in the accounting profession.

"Instead of picking software from different companies where none of them talk to each other," Root says, "I get a full complement of products from Creative Solutions that communicate together, which saves time. We can train staff, share data between programs and be more efficient with just one company's products because the programs are consistent."

Root adds, "I know some people are resistant to change, but I believe it is shortsighted not to use a suite of software. The long-term benefits of integration far outweigh the pain of making a change. The suite concept is on the upswing, and it will only get stronger and better. Whether you change today or wait five years, eventually you will be using a suite."

Root calls Creative Solutions the front-runner in the marketplace.



"They were the first company to offer a robust suite of products," he says, "and they are backed by a solid company (Thomson), so they'll be around a long time. I wanted to go with a major player that is a leader in the market that was working with a suite of software. I've been with Creative Solutions since 1996."

**3. Internet.** Root believes that most of his clients embrace and use online banking, so it was an easy decision to deliver the firm's services using the Internet.

"We use client portals to deliver tax returns, financial statements, and payroll reports so they don't have to come to our office," Root says. "They can go to our website and get this information immediately. We also use employee portals to deliver

paychecks to our clients' employees."

Using the Internet makes the entire firm's accounting processes more efficient for the client.

"My perspective is that you must lead clients in a direction that makes the most sense for them," Root says. "We educate our clients on what is available and what best practices look like. Ten times out of 10 the client will follow our lead. We're the professionals and that's what we're supposed to be doing. In my seminars, someone always stands up and says their clients aren't interested in doing this. I disagree because I don't think they understand their clients well enough. Their clients are using online banking, which shows they are willing to use the Internet. They'd rather do that than go to the bank. We haven't had any clients ask us not





*The Root & Associates team:  
Back row, left to right: Sonja Jackson,  
Jared Hammack, Ryan Deckard, Kelly  
Root, Anita Rausch, and Darren Root.  
Front: Mary Kay Bell, Kelly Strahl,  
and Wanda Clark.*

to provide their services over the Internet. In fact, the Internet is part of our selling process. We save our clients time because they don't have to come to our office."

#### **4. Understand your firm's processes.**

How does an accounting firm deliver products to a client? Root asks managers to think through this process.

"Understand each step and how to use technology to do the task most efficiently," he says. "A paperless environment, software

integration and the Internet are really tools to facilitate the process. We want clients to deliver their payroll on our portal where we can download it into our software, initiate a direct deposit to our clients' employees' bank accounts, upload check stubs to employee portals, upload reports to client portals and pay payroll taxes electronically. We've implemented a paperless payroll process using Creative Solutions accounting software and FileCabinet CS. The software has the tools to plug into the process."



*Darren Root with branding consultant  
Wade Schultz.*

"The accounting profession has changed and will continue to change," Root continues. "If you are afraid to adopt change, you will be left behind."

#### **The next step**

Once the decision has been made to change, a firm probably will need a consultant to implement processes and software.

"If a firm is capable of doing this themselves, I tell them to go ahead," Root says. "But if making these changes isn't a firm's strength, they should find a consultant to help them through the process. It's not difficult, but firms have to understand certain components to make it work. If a consultant spends a day or two with a firm, they will have a good path for where to go."

#### **Find a competitive edge**

While adopting these four disciplines will make a firm more successful, it is still important to develop a competitive edge. Root has taken several steps, including a very attractive design for the firm's offices, conference room and reception area.

"It is important to have a pleasing and professional environment," he says. "We deal with sensitive issues, and a clean and organized environment makes a client feel comfortable and confident. We have to show clients we're capable, and our facility portrays that image."

The appearance and presentation of material and documents is also important. To that end, Root hired a branding expert to design these packages.

"Our 'look' has to be consistent with our brand and image," Root says. "We want everything to be of the highest quality."

Responsiveness is another important factor. Every associate has a BlackBerry to be able to stay in constant touch with clients. And they have the capability to connect to the office at any time.

"We thrive on getting back to people," Root says. "All these elements make a difference. We want to please our clients. And, the value added services we provide save time, which lets us staff correctly and increases margins. This allows us to reinvest in our practice, which makes us better."

**WASHINGTON ACCOUNTING  
FIRM USES PAYROLL CS  
AND NETCLIENT CS  
AS KEY INGREDIENTS  
TO SERVE UP WINNING  
CLIENT SERVICE.**

**I**n the past year, Danta, Chase & Co., CPAs, PS, Everett, Washington, increased its base of payroll clients nearly 50 percent. The firm uses Creative Solutions Payroll CS and NetClient CS to put the payroll process online, making it paperless and highly efficient for both the firm and its clients.

Otto Chase, CMA, started out working for a certified public accountant in 1984 after having passed the CPA exam in November 1983. In March of 1987 he decided to hang out his own shingle. Today, he is more than happy to share some of his secrets to success.

**How many clients do you have and what services do you provide?**

Counting both offices in Everett and Arlington, we have 2,000 clients and 15 associates. We prepare 1040s for 1,500. The remaining 500 are corporations, LLCs, partnerships and non-profits for whom we perform bookkeeping services all the way from bill paying to live payroll to write-up work to once-a-year tax returns. We have 200 live payroll clients and are focusing our growth in this area. By providing payroll services we find we end up providing other, more lucrative services such as end-of-year tax preparation. Also, by providing payroll services, we establish a much tighter bond with our clients. While we don't market the service, by preparing W-2s at the end of the year, we end up getting more 1040 business, too.

**How did you come to focus on payroll and the hospitality industry?**

We really like payroll, and while it is true that all aspects of our business are growing, we focus our efforts in this area. Also, we like working in the hospitality industry. My fellow shareholder, Mark Danta, used to work in a restaurant. Another employee used to own a bar and was at another time the controller for a large hotel

DAVID WOLFF

# Menu for SUCCESS



*Otto Chase at one of his client restaurants, the Majestic Cafe.*



## AT A GLANCE

**DANTA, CHASE & CO., CPA'S, PS**

Everett, Washington

**Individual Clients:** 1,500**Business Clients:** 500**Payroll Clients:** 200

in Los Angeles, so we bring a lot of experience to the table. We work with a lot of small businesses, but there is a concentration in the hospitality industry.

### How long have you been using Creative Solutions software?

I still remember reading an ad in the Journal of Accountancy about Creative Solutions Write Up Solution II. For \$50 I ordered a demo version of the software. That was in 1987 and I never looked back. I tell people the smartest thing I did was to go out on my own. Next on the list was to partner with Creative Solutions. I am convinced that I could not have grown to the level I am at today without their help. Working with Creative Solutions helps me handle clients that would be beyond my reach otherwise. For example, one of our clients has 800 profit centers. Creative Solutions software gives us the ability to handle complicated situations like this. And, we're able to give clients financial statements the way they want them to look. Other software manufacturers can't do that, and that's big.

We were beta testers for Creative Solutions UltraTax CS when it came out years ago. It did not take the programmers at Creative Solutions long to get the tax software on at least a par, if not superior to, the competition. That's the nice thing about Creative Solutions—they make all the software an accounting firm needs, and the integration is such a big time saver. The competitors might have a good product, but they can't achieve the integration.

### What Creative Solutions products do you use?

It would be easier to answer what we don't use. We use CS Professional Suite Accounting products, Client Bookkeeping

Solution, Fixed Assets CS, UltraTax CS, Financial Analysis CS, Practice CS (we just switched from Creative Solutions Practice), Payroll CS, and Trial Balance CS.

We use NetClient CS in conjunction with CBS, and by the time this article is read we will be on Virtual Office CS. I am really excited about the possibilities with this service. The ability to work from anywhere is the biggest feature.

### How has offering payroll services made your practice grow?

The main players in payroll are ADP and Paychex. It is almost a statistical certainty that smaller employers like the ones we work with are unhappy dealing with

these big companies. It is our job to let these employers know there is a choice out there. Many CPAs, I believe, think processing payroll is somehow beneath them, so there is not much competition. Well, I have learned that a payroll firm billing out "X" dollars a year is worth far

more than an accounting or tax firm billing the same amount. Also, you don't need CPAs to process the payroll, so labor costs are lower for the payroll operation.

We have grown from 140 payroll clients one year ago to 200 today. We have achieved this growth primarily from referrals, but we have also partnered with our bank. I have convinced them it is mutually beneficial to refer clients to me and they have started doing so. I have hopes that this will be a huge source of referrals in the future. Also, having a bank mention our name results in instant credibility.

In the next 12 months we will be shooting for a total of 250 payroll clients and with that will come the accompanying growth in the related areas of bookkeeping, accounting and tax work.

CONTINUED ON PAGE 12

**"I tell people the smartest thing I did was to go out on my own. Next on the list was to partner with Creative Solutions."**





Otto Chase with associates in his Everett, Washington office.

### How have Payroll CS and NetClient CS made you more productive and efficient?

We used to process payroll after the fact. I can still remember those days. Often the payroll deductions did not foot. We would spend hours processing payroll for clients whose data was error-riddled. Then the time to prepare employer tax returns would come. How much did the clients pay toward their 941 tax? That was difficult to

ascertain. Lastly, my clients would end up having to pay substantial penalties for late tax payments. It is actually faster for us to calculate live payroll. I was able to convince my clients of the benefit, and after a few payrolls they end up true believers.

When clients process their own payroll, it's a big time waster for everyone involved.

**“Creative Solutions makes all the software an accounting firm needs, and the integration is such a big time saver.”**

My clients are better off making money and not dealing with payroll. Because we calculate payroll and the related payments, there is never a case of a miscalculation or a question of how much tax has been paid, so even payroll tax preparation is more profitable

and efficient. And W-2s are a snap. We will have more than 3,000 of them in the mail by January 5.

### What sort of support from Creative Solutions do you use?

I am very pleased with the support I get from Creative Solutions. Personally, I call a lot and naturally I wish my support calls were free, but I understand that by charging, Creative Solutions encourages the customer to try other forms of support. What I find most helpful is Accountants' Resource Network (ARNE2), Creative Solutions' online user forum. It allows me to talk to other practitioners in the real world to find out how they handle tax problems or make software work. I refer to it at least once a day, even during tax season. It has saved me time, money and clients. It is a real advantage for a small operation like mine to have access to professionals across the country. I encourage my staff to access ARNE2 frequently.

(NEWSLINE CONTINUED FROM PAGE 3)

## NEWSLINE

### ANNOUNCING THE NEW FINANCIAL ANALYSIS CS DATA EXCHANGE MODULE

We are excited to introduce the new Data Exchange module for Financial Analysis CS. As many users already know, the software's easy-to-use charts and reports, combined with your expert analysis, enable you to provide clients with useful industry comparisons. Now, with the addition of the new Data Exchange module, you can further customize reports based on unique criteria—such as specific geographic region, number of employees, or custom assets and sales ranges.

The Data Exchange module, which is available exclusively within Financial Analysis CS, offers unique industry data that comes from the most trusted sources—your peer accounting firms that also use Financial Analysis CS. With the module, you have the opportunity to submit your own client data (stripped of any client-specific information), and then retrieve aggregate client data based on the criteria you specify. This opens the

door to a world of opportunity in creating specialized industry comparisons and benchmarks for clients.

The Data Exchange module, combined with RMA Annual Statement Studies™, allow you to offer yet another value-added service to your clients. Not only will this further strengthen your client relationships, but it will ultimately increase overall profitability. For more information on the Data Exchange module, please contact a Creative Solutions Account Representative at (800) 968.8900.

### YEAR-END TRAINING UPDATE—BE PREPARED FOR BUSY SEASON!

Prepare for the busy tax season by attending one or both of our Year-end Update and Productivity Training classes for UltraTax CS or CS Professional Suite Accounting products. In these classes, we will introduce you to many timesaving tips and show you how to maximize the value of your software to ensure an efficient and productive tax season.

Year-end training sessions began in

November and run through mid-January 2007. To check dates and locations, simply view the class schedule online at [CreativeSolutions.Thomson.com/Training](http://CreativeSolutions.Thomson.com/Training). Classes are lecture-style, run one full day, and are eligible for 7 hours of CPE credit.

- UltraTax CS—We will show you what's new in the 2006 UltraTax/1120, 1065, and 1040 programs, and provide numerous tips to maximize your productivity with UltraTax CS.
- CS Professional Suite Accounting products—You will learn how to improve year-end closing procedures and payroll processing. You will also be informed of changes in payroll law, updates to 940 and 941 electronic filing, and learn how to easily set up clients for next year.

We also offer convenient web classes for those who cannot attend any of the in-class sessions. Please note that a high-speed Internet connection is required for web-based classes. For a schedule of web classes, please visit [CreativeSolutions.Thomson.com/Training](http://CreativeSolutions.Thomson.com/Training) or contact a Creative Solutions Account Representative at (800) 968.8900.

## ALL PRODUCTS

**Q: What is the difference between a product release and a CS Connect update?**

**A: Product release** is delivered via CD or download from the Creative Solutions website and includes updates for the entire application. Product releases are distributed based on a pre-determined schedule throughout tax season.

**A: CS Connect update** is a software update that Creative Solutions issues between product releases and makes available via CS Connect. Using CS Connect, you can quickly and easily apply updates to software that you already have installed. CS Connect updates may include new features and enhancements, changes and additions to the help documentation, and adjustments made to address issues in prior releases.

**Important!** It is critical that your firm stays current on both product releases and CS Connect updates. To help you stay current, Creative Solutions issues software update notices via email. To receive these notices, you must sign up for the Email Subscription service by visiting the My Account section of our website at CreativeSolutions.Thomson.com. (Note that you must establish a Creative Solutions web account to sign up for email subscriptions.) Notice of updates will also appear on the software's Home Page.

## ULTRATAX CS

**Q: Is there a quick way to view key amounts while I'm preparing or reviewing a return?**

**A:** Yes, you can press CTRL+Q to open the Return Summary. This screen provides an easy-to-read list that includes the following amounts: income, adjustments, deductions, tax computation, payments, refund/amount due, 2006 estimates, and tax rates—all in one convenient location.

**Q: How can I find the input screen in which I need to enter data for a particular form?**

**A:** With the client open in UltraTax CS, choose Help / Tax Subject Index, click the **Forms** option at the top of the dialog, and then double-click the form you want to complete. UltraTax CS opens the input screen in which data for the selected form should be entered. You can also use the Tax Subject Index to access instructions for a specific form online. Just click the Web Form Instructions option at the top of the Tax Subject Index dialog and then double-click the desired form to open the corresponding instructions in a browser window.

## WEB SERVICES

**Q: Is there a way that my clients and I can receive notification when new information is available in Document Presentation and/or File Exchange?**

**A:** Yes. You can activate the email notification feature in NetClient CS. To do this, login to NetFirm CS, click the Utilities Tab, click the Notification Tab, and then edit the notification settings for staff and/or clients. Email notification is also available for W-4 updates in Web Employee.

## WRITE-UP CS

**Q: How can I close the year when a Revenue or Expense account type has been coded incorrectly as Balance Sheet account?**

**A:** Because assets and liabilities do not close into retained earnings, the account in this situation would show a beginning balance in the new year. To correct the account type and account balance, do the following (we recommend you make a backup of your client prior to performing this process):

1. In the Setup / Chart of Accounts window, delete the beginning balance for that account by choosing Edit / Zero Balances and specifying Single Account (making sure to select the account that was coded incorrectly) and Single Period (Beg Bal). Also mark the Amounts / Balance checkbox, and then click OK.
2. In the Chart of Accounts window, change the account type to its proper setting (R or E).
3. Choose Edit / Force Balance Recalculation, click the Make the Adjustments to an Existing Account checkbox, and select the appropriate closing account to move the incorrect beginning balance to.

**TIP.** *Using Tax Adjustment entries vs. adjusting entries for Write-Up CS / non-Trial Balance CS clients.*

Tax Adjustment entries are used to create year-end adjustments needed during the preparation of tax forms. It's important to know the effect a Tax Adjustment entry has on your Chart of Accounts: The transaction automatically reverses itself when you advance the GL period to the next period. You will not see a reversing journal entry in the Transactions window as you would for a typical reversing entry. Instead, the amount of the Tax Adjustment entry is simply removed from the account balance in the next period as if the entry never existed.

If a journal entry is inadvertently selected as a Tax Adjustment rather than Adjusting type during data entry in a prior GL period, the effect on the Chart of Accounts balances may be different than intended or desired. The effect may be that balances in your Chart of Accounts differ from what you expected when you move to the next GL period or to a new year.

Typically, if a Tax Adjustment entry was recorded in error, you would notice either that the balances are incorrect after advancing the period or that some transactions did not post.

You can check for the existence of Tax Adjustment entries by printing a General Ledger Report for the current or prior year and marking the Include transaction type column checkbox. Any entries in the report coded with a transaction type T are Tax Adjustments. If any Tax Adjustment entry has been recorded in error, simply move the GL period to the prior period, delete the entry, re-enter it as a regular journal entry, post, and then advance the period again.

**Q: Can I move to the new year and then go back to the prior year when I'm ready to enter my year-end adjustments?**

**A:** CS Professional Suite Accounting allows you to move back and forth between years (assuming you've elected to save at least two years of history and transactions) so that you can go back to a prior year and edit transactions or enter new transactions. When you return to the current year, the prior year Chart of Accounts will be closed again and all balances in the prior year and current year will be updated appropriately. To move back and forth between years choose File / Select Period to Process.

**Q: How can I print financial statements for a prior period or prior year?**

**A:** Keep in mind that it is not necessary to move your GL period to the prior year to print financial statements for a prior period. The following procedure will enable you to accomplish this task in just a few steps:

1. From the CS Professional Suite Accounting main window, choose File / Print Reports.
2. In the Print dialog, click the Documents tab and then double-click Financial Reports.
3. Click the Options button.
4. In the Financial Statements Print Options dialog, select all of the statements that you want to print and then specify the statement date. (The program will display account balances only through the period specified.)

After you have finished printing or previewing the prior-period statements, remember to re-select the current-period end date as your statement date, otherwise you will not be able to print current-period financial statements.

## ENGAGEMENT CS

**Q: How can I see all of an engagement's workpapers that have been assigned to a particular staff member?**

**A:** Open the engagement and choose File / Diagnostic Reports / Workpapers. Select the option "Workpapers assigned to" and then select the required staff member from the corresponding drop-down list. Click the Refresh button to update the Diagnostic Report, which you can then print to paper and/or to the engagement itself.

**Q: Do I need to insert the new versions of my PPC e-Practice Aids manually or will Engagement CS do this for me?**

**A:** Engagement CS checks for new versions of the PPC e-Practice Aids in your engagement while you go through the roll forward process. If a document was originally added from e-Tools, the document can be replaced with the new version as your new engagement is being created.

## PAYROLL CS

**Q: Is the IRS still requiring the red scannable forms this year for the 1096 and 1099 Copy A?**

**A:** Yes. If you are printing your 1099 forms, you will need to order the red scannable preprinted copies of Form 1096 and Form 1099 Copy A.

To order forms or to obtain information about order quantities, forms, or prices, please contact Forms CS:

**Address:** P.O. Box 681, Tarrytown, NY 10591

**Phone:** (800) 909-1850

**Fax:** (800) 261-1499

**Email:** info@FormsCS.com

www.FormsCS.com

**Notes**

- In addition to handling preprinted paper copies for federal Copy A and the accompanying 1096, Payroll CS or Write-Up CS can produce submittable magnetic media for electronic filing. This alternative to paper copies can help reduce your costs for preprinted



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form stock and alleviate concerns about aligning forms on your printer. For more information, please visit <http://www.irs.gov/taxpros/providers/article/0,,id=98045,00.html>.

- For all copies except federal 1099 Copy A and the accompanying 1096, you can let CS Professional Suite Accounting print the information and draw the form (known as a “facsimile”) on your laser printer. All copies of W-2s and W-3s can be printed as facsimile.

**Q: Can CS Professional Suite Accounting automatically update payroll tax tables for me when I move to the new year?**

**A:** Yes. Moving to the new year does not automatically update the tax tables for you unless you have specifically marked the option to do so. Choose Setup / System Configuration / Payroll Tax Information and then choose Update. You can then choose to mark the option to update the tables automatically. Remember that no one else can be using the program while the tables are being updated. Also note that SUTA rates need to be updated manually (from within the File / Client Properties dialog).

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## TRIAL BALANCE CS

**Q: How do I enter prior-year balances for a new Trial Balance CS client?**

**A:** You can choose any of the following three methods: (a) Move to the prior year and enter the balances as a single journal entry; or (b) edit the Chart of Accounts and enter the balances in the prior year; or (c) import the prior-year balances using the Utilities / Import / Spreadsheet command.

**Q: I'm posting automatic journal entries for a GL-plus-Trial Balance CS client. Is there a way to change the balance type that the automatic entries use?**

**A:** Yes. There is a Basis field in the Setup / Automatic Journal Entries dialog that enables you to select any of the balance types created with Trial Balance CS.

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## FIXED ASSETS CS

**Q: I have multiple units of a depreciation item that were entered as a single asset, and now I need to dispose of some of these units. How can I do that?**

**A:** In the Asset List window, select the asset and choose Edit / Divide. In the Divide Asset dialog, click an option to divide the asset by a

percentage, by units, or by multiple units and enter any necessary additional information. When you click the Divide button, Fixed Assets CS creates a new asset (or assets) for the divided portions. You can now dispose of any portion of the assets that resulted from the division.

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## FINANCIAL ANALYSIS CS

**Q: How can I ensure that certain data will not be overwritten when I retrieve updated financial data for a new year?**

**A:** You can lock down individual cells or entire columns and rows of existing data. Select the cells or highlight the entire column or row you want to preserve in the Financial Data tab in the Setup / Clients screen, and then choose Edit / Lock Data (or click the Lock Data button on the toolbar). A locked cell, column, or row is highlighted in light yellow. Now, when you retrieve updated financial data from Write-Up CS or Trial Balance CS or manually update financial data, the locked data will not be overwritten. To unlock the data, select the cell or highlight the column or row and choose Edit / Unlock Data (or click the Unlock Data button).

**Q: Does Financial Analysis CS have a central location in which I can track client information?**

**A:** Yes. If you installed the 2006.2 version of Financial Analysis CS, you can use the Client Dashboard to track client files and links, client information, peers, and FileCabinet CS documents. Access to any reports or charts is also available to view key balances and/or ratios. To access the Client Dashboard, choose View / Client Dashboard and select the client whose information you want to view. For more information, see the “Client Dashboard overview” help topic.

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## FILECABINET CS

**Q: I'm considering purchasing a new scanner before tax season. What works with FileCabinet CS?**

**A:** You will need a TWAIN-compliant scanner to scan hardcopy source documents into FileCabinet CS, Engagement CS, or Fixed Assets CS. TWAIN is the standard for scanner control software, so most scanners available today meet this requirement. Which of the other scanner features you may need or want must be determined by your own business practices and uses.

To help you choose a scanner, Creative Solutions provides a document that you can access from our website. Visit our website at [CreativeSolutions.Thomson.com](http://CreativeSolutions.Thomson.com), click the Products and Solutions link, and click the White Papers link in the Resources section.

The “Selecting a Scanner for Use with the CS Professional Suite” white paper provides information on scanner basics and discusses key factors to consider when assessing various scanners. You can also discuss scanner options with your peers by using our free online bulletin board, ARNE2, which you can access from the MyAccount section of our website.

## CLIENT BOOKKEEPING SOLUTION

### *Tips and Information for Year-end Processing*

- Printing future-year pay checks—If you need to print a future-year pay check (dated 2007) before you are ready to close the 2006 year, you must enter the date on the check in the CBS PayCheck data entry window or in the Tasks / Assign Dates to Paychecks dialog, rather than assigning the date during check printing.
- Year-end tax table update—This update will be available the last week of December 2006. For information on updating tax tables in CBS PayCheck, please see the Updating tax tables in CBS PayCheck Help topic.
- Printing the 1099 Transaction Activity report—The client can print this report from the CBS CheckWriter tab within the File / Queue Reports dialog to verify the 1099 totals for each vendor.
- More information on year-end processing in CBS—Added information on year-end processing can be found by clicking the Year-end Processing Tips link in the Help / Frequently Asked Questions dialog.

## PRACTICE CS

**Q: I use both Practice CS and UltraTax CS. Are there methods for streamlining my billing and project-management processes?**

**A:** Yes. You can use the UltraTax CS client status system to have UltraTax CS automatically update the following information in Practice CS.

- Invoice information: You can set up events in the UltraTax CS client status system so that when you log a status event, UltraTax CS forwards the invoice information to Practice CS. The invoice then appears in the Integrated Invoices tab in the Billing Screen in Practice CS. For details, see the “Working with integrated invoices” help topic in Practice CS.
- Project-status information (Project Management module): You can set up the two applications so that when you log a status event for an UltraTax CS client, the corresponding project or task for the Practice CS client is automatically marked as complete. To do so, the completion event that you enter for the project or task in Practice CS must match the status event logged in UltraTax CS.

### CS Professional Suite

|                              |                        |              |                   |                    |
|------------------------------|------------------------|--------------|-------------------|--------------------|
| Client Bookkeeping Solution® | Financial Analysis CS™ | Payroll CS™  | ToolBox CS™       | Virtual Office CS™ |
| Engagement CS™               | Fixed Assets CS™       | Planner CS™  | Trial Balance CS™ | Web Builder CS™    |
| FileCabinet CS™              | NetClient CS™          | Practice CS™ | UltraTax CS™      | Write-Up CS™       |

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