Strafford

presents

Corporate Income Tax Software: Comparing the Leading Platforms

Real World Evaluations for Your Next Investment in a Compliance System

A Live 100-Minute Audio Conference with Interactive Q&A

Today's panel features:

Christopher Chudyk, Partner, **Traphagen and Traphagen CPAs**, Oradell, N.J.

Lara Della Valle, Director of Compliance, **The Gagnon Group**, Boston

James C. Bourke, Partner, **WithumSmith and Brown**, Red Bank, N.J.

Wednesday, August 5, 2009

The conference begins at:

1 pm Eastern

12 pm Central

11 am Mountain

10 am Pacific

The audio portion of this conference will be accessible by telephone only. Please refer to the dial in instructions emailed to registrants to access the audio portion of the conference.

CLICK ON EACH FILE IN THE LEFT HAND COLUMN TO SEE INDIVIDUAL PRESENTATIONS.

If no column is present: click **Bookmarks** or **Pages** on the left side of the window.

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Corporate Income Tax Software: Comparing the Leading Platforms Teleconference

August 5, 2009

Lacerte

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QuickBooks Bridge

- Can export balances from QB to Lacerte
  - In QB, found under the Accountant tab; labeled "Export Balances to Lacerte"
  - Follow prompts for which tax year in Lacerte you are working on, client selection, trial balance basis, etc.

- Most of the chart accounts will be automatically mapped correctly; the ones which are not, will be highlighted and you will need to map through the trial balance utility screen

- Do not map Retained Earnings/Equity and Depreciation/Amortization (if using the Lacerte depreciation schedule to calculate book & tax depreciation and amortization)

Depreciation Schedules

- Book vs. tax depreciation
- Sort by state
- Automatically inputs to balance sheet, section 179, and depreciation
- Automatic calculation of M-1 adjustment reflected on balance sheet
- Calculation of gain/loss for book and tax purposes with automatic M-1 adjustment
- Amortization is also calculated on Lacerte in the same manner as above

Other Forms

- Prefilled data automatically updates into other forms

- Other forms include:
  - Dissolution / Liquidation (Form 966)
  - S Corporation Election (Form 2553)
  - Power of Attorney (Form 2848)
  - Change in Accounting Method (Form 3115)
  - Employer ID # Application (Form SS-4)
  - Asset Acquisition (Form 8594)

Customer Service And Updates

- Excellent customer service
  - Technical questions
  - Software installation
  - Forms
  - Email file with complex issues (blanks out name and ID #s)

- Updates are downloaded through the internet (notified through emails) or through CD

- Installed on network or hard drive (based on licenses)

Multi-State Capabilities

- Allocate the following by state
  - Sales
  - Inventory
  - Payroll
  - Rent
  - Fixed assets

- Properly reflects allocation based on various state rules

Lacerte DMS

- Automatically saves a copy of the tax return to the correct file and year in DMS
- Capable of saving a partial return from Lacerte into DMS in order to email selected forms
- Used as a paperless filing cabinet

Other

- Diagnostic warnings – system reflects diagnostics based on tax return being worked on (i.e. balance sheet out of balance; estimates present however not entered; e-filing information missing; state allocation not 100%)

- Organizers

- E-Filing – Capable of filing federal and state tax returns

Christopher M. Chudyk, CPA, CITP

- Partner with Traphagen Financial Group
  - Joined the firm in 2000; received CPA license in 2004
  - Installation and setup of accounting software
  - Training and consultation
- QuickBooks Pro Advisor
- AICPA Member
- Certified Information Technology Professional (CITP)
- Director of the Bergen Chapter of NJSCPAs
- Chairman of the Technology Committee for the Bergen Chapter of NJSCPAs
- Graduated from Ramapo College
- Married to Dawn; 2 ½ year old son and one on the way!!!

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A Comparative Look At Corptax, GoSystem And Vertex Corporate Income Tax Packages

Lara Della Valle, Director of Compliance, The Gagnon Group, LLC

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I. Ease Of Use

A. GoSystem - Very user friendly, requires minimal training for basic knowledge of program

B. Vertex – User friendly, requires some training for basic knowledge of program

C. Corptax –

1) U.S. Compliance version is remarkably improved from old FS/CS version in regards to being user friendly. However, still requires training to get basic understanding of program

II. Ease Of Updating Program For Periodic Updates

A. GoSystem – Updates done automatically

B. Vertex –

1) If on non-hosted version, customer has to install updates via CD

2) The updates are automatically done with Vertex hosted version

C. Corptax – With U.S. Compliance version, Corptax provides all updates. Admin user selects which updates to apply

III. Help Available/Customer Service

A. Corptax –

1) Service requests can be made online in user's personal account. Allows for tracking of service requests and communication with representative handling the service request

2) Helpline available

3) Assigned account representative

4) Go-to-Assist Sessions to troubleshoot issues

5) Knowledge base website to research questions

6) Message board for users to exchange best practices, advice, tips, etc.

B. Vertex (hosted version) –

1) Service requests can be made online

2) Helpline available

3) Go-to-Assist Sessions

4) No assigned account representative

5) Customer Café to research questions

6) Message board for users to exchange information

C. GoSystem –

1) Helpline available

2) Can track open cases in user account online but cannot edit information. For tracking purposes only

3) Online user guides available but no knowledge-base to search

4) No assigned account representative

IV. Training

1) Corptax – User's conference, on-site training, webinar (complimentary), classroom training and e-learning classes

2) GoSystem - On-site training, webinars, "on-demand" tutorials, group seminars, and on-line guides

3) Vertex – Regional trainings, on-site training and web class series

V. E-filing

A. Vertex –

1) Software provides descriptions of e-file errors and links to area in the return to troubleshoot the error

2) Status update tracking on website

B. GoSystem –

1) Software provides descriptions of e-file errors and links to area in the return

2) Status update tracking within software

C. Corptax –

1) E-filing errors are difficult to identify underlying issue

2) Process is far more complicated than other 2 software packages

VI. Combined/Consolidated Returns

A. Corptax – Best job on complicated consolidated and combined returns

B. GoSystem – Complicated returns can be quirky and require workarounds

C. Vertex - Average/fair job on complicated returns

VII. Allocation & Apportionment Reports

A. Vertex – Many reports, state specific A&A calculation reports

B. GoSystem – Many reports for analysis purposes, state specific A&A calculation reports

C. Corptax – Only a few reports, not state specific

VIII. Miscellaneous

A. Bridging

B. Net Operating Loss and other carryforward schedules

IX. Target Customer Types For Each Product

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A Comparative Look At CCH ProSystem fx

I) Selected Pros Of The CCH ProSystem FX Program

A. Generally, CCH is easier for new users to pick as opposed to something like CorpTax

B. CCH uses worksheets to create the tax return that are very intuitive and easy to follow

C. CCH has a good import feature, especially for importing K-1s that are not calculated in the system

D. CCH special allocations feature is easy to use, but not as sophisticated as some other software

E. CCH processing speed is pretty quick

F. Using the forms view in CCH, by simply hitting F1, you can see where numbers are coming from, which is helpful for use in an audit

G. Using the input or interview screen in CCH, by hitting F1, CCH will give you a description of that cell and how CCH uses it

H. CCH automatically creates your e-file. However it must be sent by CCH on the client's behalf. See additional comment below

I. CCH can create footnotes and additional statements very easily and allows for manipulation, while other software packages may be directly linked to accounts and do not allow for manipulation

J. Input from other panelists on pros of CCH ProSystemFX

II) Selected Cons Of The CCH ProSystem FX Program

A. For state returns purposes, only one person can be using the federal return at one time. If you have multiple state returns for an entity you need to either wait or make a copy of the return

B. Detail calculations for specific line items are not always available, you need to rely on assumption that the system is calculating correctly

C. Customer service hit or miss. Some people are knowledgeable while others are not at all. May take a bit of time to get an issue resolved. The person you are talking to doesn't always understand the question because they may not have a tax background

D. There are multiple ways you can process a tax return. This is of course the user's preferences, but it can be hard to track if someone else were to pick the return up and try finishing the processing

E. State input has many uses for multiple states. Over the course of processing states' returns, CCH has missed several key items some states use for a particular purpose. This area will always be a work in progress and many times the user will need to over-ride the state return

F. CCH does not provide good links to diagnostic errors especially when it comes to partnership K-1s, defaults to 1st partner

G. For e-filing, if you want to transmit tax returns yourself to the taxing authorities you need to go through a process of manipulating the files to be transmitted after they have been exported out of the system

H. CCH product has a handful of add-ons that are available for purchase but require separate installations, not one complete tax reporting package

I. Input from other panelists on cons of CCH ProSystemFX

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The State of Tax Preparation Tools Today

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Agenda

- Trends in tax preparation
- Delivery of workproduct
- Workflow automation
- Smart scanning

Trends in CPA Firm Tax Preparation

- Full circle
- In house v. ASP model
- Cloud computing
- Security
- Redundancy
- Bandwidth

Delivery of Workproduct

- Paper
- CD
- Email
- Portal

Workflow Automation

- Spreadsheets
- Milestones/flags
- Digital environment
- Workflow tools

Smart Scanning

- Scan and populate
- Documents covered
- Schedule C, E, F
- Detailed schedules

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- Partner in Charge of Internal IT
- Past President NJ Society CPA's
- Chair AICPA CITP Credential Cite
- Frequent Author on IT issues for the CPA Profession
- Monthly technology column in AICPA's *CPA Insider*
- Named by *Accounting Today* as Top 100 Most Influential People in the Profession - 2008