

**Case Study:
Moving to a More Paperless World for the 2007 Tax Season at Witt
Consulting**

Witt Consulting started the process of moving to a more paperless environment, which saved time during the tax season by scanning and indexing client tax documents before preparation and then providing a fully indexed tax return for the client.

By: William Witt, CPA, Esq.

Over the last few years, the buzz words of "Going Green" has affected many industries along with an industry that has a propensity of using a ton of paper. This case study describes how our firm changed its workflow process during this last tax season and how we used a rather simple solution to index tax documents before preparation, and then provide our clients with an easy to review tax return. The end result was that it saved us time during tax season, it kept us more organized, and best of all our clients appreciated our efforts.

I've been a practicing CPA for nearly 20 years and since 1998, I have served as a partner with Witt Consulting. We have an administrative assistant and a full time book keeper. We're located in Corvallis, OR and serve businesses and families both locally and in Southern California. We offer bookkeeping, payroll services, tax preparation and tax planning. For some of our clients, we provide full bookkeeping services and essentially become their accounting department. We prepare approximately 100 returns every year. While the number of returns is rather small many of returns are the size of small telephone books.

Our Old Way of Preparing Taxes

Many of our clients would mail us their tax documents, while others would e-mail us their scanned documents. My assistant would take the documents, scan them or for e-mail documents add them to an existing file for backup. Often times we would then copy the documents as well for the actual tax preparation process. We would then begin entering the info. Once completed, I would print a copy of the return for my partner's review, and call my client to discuss their return. Then I would print and send the final return to my clients for their records. Yes, we went through boxes and boxes of paper.

Many of our clients are corporate executives or business owners who are constantly on the road and to mail a tax return to their house became a pointless endeavor. For these clients, they wanted an easy to follow tax return e-mailed to them, encrypted of course. So we would the print the tax return to PDF and go through the painstaking effort of manually adding PDF bookmarks for all pertinent forms for the clients to reference.

So in prior years, we went through reams of paper every tax season in addition to the expenses of toner cartridges and express shipping fees. And yes, we spent time adding PDF bookmarks to tax returns, which let's face it was a boring job.....there had to be a better way.

Our First Step to More Paperless Firm

In 2007, I found it odd that our tax software provider required us to purchase their proprietary hard to use, expensive document management system, just so that we could have tax returns with PDF bookmarks.....the result Trapezy was born.

I understand that some of you are reading this case study and may say "we'll sure you would write a case study, because you own the company." Not so fast, remember I'm a partner with Witt Consulting and my business partner and I both agreed long ago that the accounting firm would use software only if it was affordable and truly helped the operations. If Witt Consulting did not benefit from Trapezy then why bother with building the software. Witt Consulting became the quintessential case study, because if Trapezy failed with Witt Consulting, then Trapezy would be done.

So in 2008, we took a small step of moving towards a more paperless firm. First, we no longer copied our clients' tax documents unless absolutely necessary. Instead we worked primarily off the PDF versions scanned into our clients' network file folders. Because the number of our clients is rather small, we chose to use our existing window based folder system as opposed to investing in a robust document management system.

After all of the client's tax documents were scanned, we used Trapezy to include lead sheets that assisted us in creating PDF bookmarks. Our assistant, Heather, was very helpful because she was allowed to be incredibly forthright as to whether the process was easier, even if the answer could have very well killed Trapezy. Fortunately her response as "Yes, and why didn't we have this software last year?" Now, going forward with our latest Trapezy version the process of creating barcodes, Trapezy lead sheet stickers or lead sheet pages, the process of indexing tax documents will be even easier.

As for those clients who travel or just like to get e-mail whenever possible, we were able to easily create a tax return (PDF file) and with one click from Trapezy, automatically add PDF bookmarks to the tax return. We could then send the indexed tax return in draft form to our clients via encrypted email for their review before e-filing their returns. In fact, this tax year, we saw more and more clients asking to receive bookmarked PDFs of their final returns and tax documents as opposed to paper folders. We had hoped that some clients would appreciate our efforts by providing them with easy to follow index PDF files, but we were sincerely surprised in how many clients mentioned that they appreciated how easy it was to review their return and that we made it much easier for them to retain their tax source documents for future reference.

With Trapezy bookmarks we were able to quickly find information. In addition, we found reviewing tax returns were faster and easier. It's easy because everyone in the office has two monitors sitting on their desks. The organized, indexed file of tax documents comes up on one monitor and the return is on the other. Since the tax documents are in a PDF file, we can easily add tick marks and notes to create workpapers. We have expanded our client base over the last year while actually reducing the amount of client file space taken up in our cabinets, reducing our printing and paper costs, and slashing our postage and shipping budget. I was amazed how quickly we were able to adapt to a slightly new work environment.

Organizing and Indexing Tax Documents and Tax Returns

Organizing and indexing scanned tax documents along with tax returns is an important part of this paperless workflow. We found that Trapezy had essentially no learning curve. Adding lead sheets and clicking a Trapezy button to add PDF bookmarks was simple. Adding this small tool to our office structure, made data entry faster and easier. We still need to organize the documents before we scan (this will be changed eventually so it is done automatically, I know the owner), but we don't need to send the documents to someone else to process. We don't need to pay by the return or by the size of the tax documents. We can scan documents or print a tax return to PDF and with a few lead sheets if necessary, Trapezy software recognizes the scanned tax documents, bookmarks them, and consolidates them all in a single PDF file: all in about a second per page. Yes, it's that's easy.

So?: Going Paperless Saves Our Firm Time and Money and Clients Appreciate Our Efforts

For the 2007 tax year, we saved time and money when we started the process of moving to a more paperless environment. Our tax documents are now certainly more organized, and accessible PDF files in a shared folder on the network makes it easier for everyone in the office. None of us were standing in front of a copier making copies of client documents. We weren't spending precious time running around looking for paper documents or files because they were right where they should be. I found that inputting data went faster. The review process became quicker because everything was right there on my desktop monitors and organized the same way for every client.

The big ah hah is that I found that using Trapezy was incredibly flexible. In some cases, I prepared the return the ole way. Remember this year was a step to a "more" paperless environment and so I along with others reverted in some cases back to old ways. In any event, I after I finished preparing the return, I scanned the tax documents. I added a few lead sheets, pressed the Trapezy button and the tax documents were nicely organized and index.

So Witt Consulting gave the "thumbs up" to Trapezy because the software truly saved us time and money and kept us much more organized during tax season. Hopefully, Trapezy may help your firm to move to a more paperless environment.

About the Author



William Witt is a CPA and tax attorney with 20 years' experience in empowering others to make informed decisions. As managing partner of Witt Consulting, Inc, he has been steadfast in making sure that each client understands their tax situation and is able to make an informed decision when tax situations arise. In attempt to assist professionals in moving to a more paperless environment, Bill founded Trapezy, Inc. Trapezy is committed to providing a document automation solution that is affordable, flexible and very easy to use. To learn more, visit Trapezy.com.