

5

Key Components of a **Successful** Scan and Populate Process

Automate and streamline
each phase of the 1040 tax
return preparation process



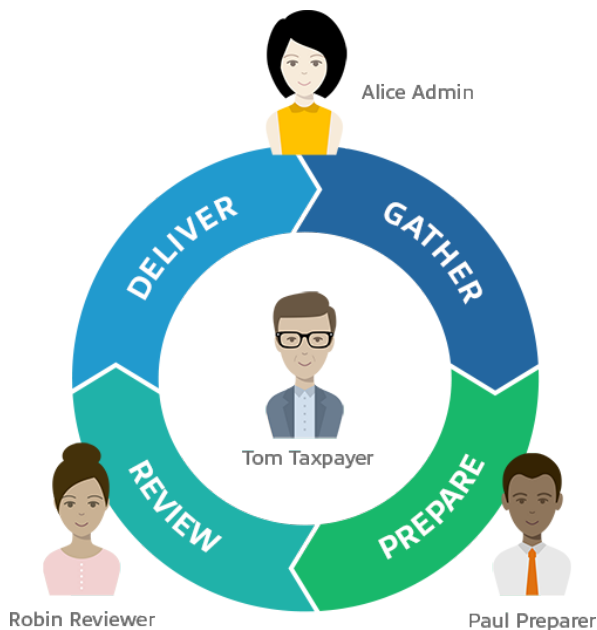
Introduction

For decades, the 1040 tax return preparation process has followed a common workflow:

- Documents and data are requested and gathered from the taxpayer
- Workpapers and the tax return are prepared
- Workpapers and the tax return are reviewed and finalized
- The tax return is delivered to the taxpayer

While the above steps have remained somewhat constant, the efficiency in which they can be accomplished is evolving. SurePrep offers a number of solutions to automate and streamline each phase of the 1040 tax return preparation process, resulting in improved standardization, increased productivity and exceptional client service.

Today, firms can achieve an end-to-end digital tax return workflow by focusing on the 5 key components of a successful scan and populate process.



- An integrated, mobile solution to request and receive client documents, organizer questions, and e-signatures
- Comprehensive source document coverage to maximize automation and reduce data entry into tax software
- Patented technology that dramatically reduces human verification and an optional verification service
- A bespoke tax workpaper system to minimize review time
- Seamless tax return delivery and invoicing to improve client service

Firms that utilize these components benefit at each phase of the tax return process.

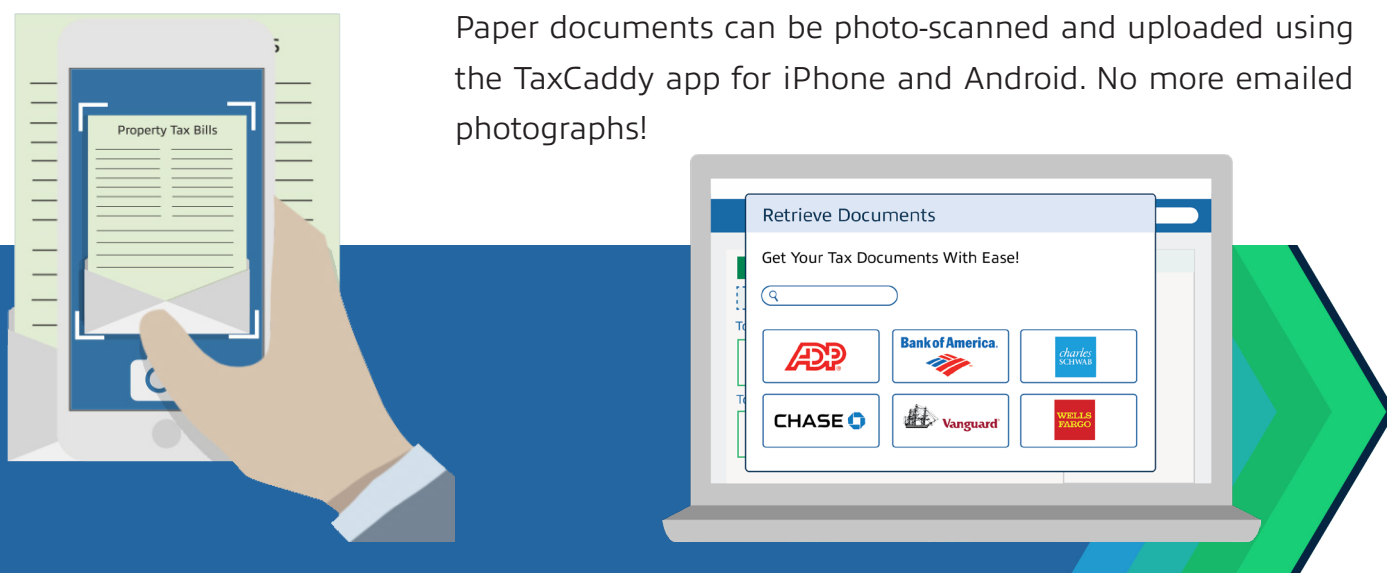
Administrative costs are reduced. Workpaper preparation is automated. Review efficiency is maximized. And client service is improved.

1. An integrated mobile solution to request and receive client information (TaxCaddy)

Typically, the 1040 tax return preparation process begins with firms mailing bulky paper organizers to taxpayers for them to fill out and send back. For many taxpayers, the bulky organizer feels like dreaded homework and it often gets dropped on the kitchen counter and neglected until the last minute. Since the taxpayer procrastinates, firms often don't receive the documents until late March, resulting in stressful workload compression for the tax team. [TaxCaddy](#) is an integrated, mobile solution to solve this problem and meet the needs of both taxpayers and tax professionals.

The most useful part of the conventional paper organizer is the document request list. Taxpayers use the list to ensure they're delivering everything their CPA needs to prepare the tax return. TaxCaddy improves this process for you and your clients.

TaxCaddy uses proforma data in your tax software to create a customized document request list for each client. As they receive the documents from their banks, brokerages and payroll service providers, the client can deliver them in several convenient ways.



Documents can be uploaded from a PC, Mac, tablet or web-based file storage service like iCloud, Dropbox or Google Drive. For situations where no document exists, taxpayers can simply reply to a request with an amount.

TaxCaddy can even automatically retrieve documents from over 300 financial institutions. TaxCaddy's Smart Links check once per day for new tax documents and retrieve them as soon as they're available, without the taxpayer having to lift a finger. Imagine having access to your client's documents the day they're issued! As an added bonus, these retrieved files are native PDFs, so when they're processed through 1040SCAN the data can be recognized with 100% accuracy, no human verification required.

And TaxCaddy simplifies tax time for your clients since they no longer have to pore over a large stack of paperwork. Documents like engagement letters and consent letters can be electronically signed and the questionnaire can be completed when it's convenient for the client.



If you want to improve the tax season experience for your clients by offering them mobile and web-based solutions they've come to expect from today's financial service providers, TaxCaddy is the answer.

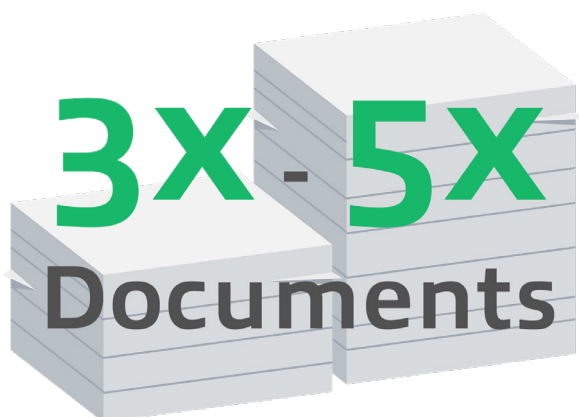
“It took far less time to get documents to our tax preparer and for her to prepare our return. So we were able to file earlier and at a more convenient time for us. **It saved so much time previously spent in gathering and sending documents to our tax preparer and it was EASY.**”

- a TaxCaddy user

2. Comprehensive source document coverage (1040SCAN)

[1040SCAN](#) stands out from the competition by delivering the broadest document coverage in the entire industry. 1040SCAN recognizes 3-5x as many documents as competitors with its award-winning Optical Character Recognition (OCR).

1040SCAN leads the industry in every document category. 1040SCAN recognizes 39 source document types like W-2s, 1098s and 5498s. In comparison, CCH Scan only covers 21 document types while Lacerte covers 11 and UltraTax covers 35.



1040SCAN recognizes 546 brokerage statements compared to 112 from ProSystem fx Scan, 136 from Lacerte Tax Scan & Import and 60 from UltraTax Source Document Processing.

1040SCAN recognizes 42 grantor letters and 22 state K-1's whereas ProSystem fx Scan, Lacerte and UltraTax recognize none. 1040SCAN is also the only scan and populate solution that

extracts 100% of data from federal organizer pages. CCH, Lacerte and UltraTax do not provide this feature at all.

In addition to recognizing many more documents, 1040SCAN is the only solution that exports margin interest, investment fees, foreign income and over 65 other fields.

1040SCAN is available in 4 versions to meet the needs of each firm and return type.

- 1040SCAN ORGANIZE automates the workpaper preparation phase by bookmarking and organizing all source documents into a coherent standardized index.
- 1040SCAN PRO automatically bookmarks, organizes and exports document data at 3-5x the rate of the competition.
- 1040SCANverify combines software and personal service where SurePrep staff verifies the accuracy of OCR data before it gets exported to tax software.
- 1040SCANverify+ adds an additional level of service where we manually bookmark and organize all non-standard documents.

3. OCR that eliminates human verification (1040SCAN)

Though OCR saves tax professionals significant data entry time, OCR is not 100% accurate. Human verification is still required to check for errors and correct them before the data is exported to tax software. That is, until now. SurePrep's new patented auto-verification technology eliminates the need for human verification on native PDFs.

Native PDFs are different than the PDFs you create when you scan a paper document. Native



PDFs are documents downloaded directly from your clients' financial institutions, like a 1099 downloaded from the Schwab website. You're probably already receiving native PDFs from clients via email, your portal or file sharing service. 1040SCAN compares the OCR extracted data to the text layer from the same area of the page and automatically verifies that the two sources match up. No human verification is needed, saving firms from an entire step in the process.

Many taxpayers are already downloading native PDFs from their financial institution and delivering them via email, portal or file sharing service. Now, 1040SCAN's patented technology will verify the accuracy for you. SurePrep is the only vendor to offer this time saving feature.

[Learn more about the Next Generation Scan and Populate.](#)

4. A bespoke tax workpaper system to minimize review time (SPbinder)

While 1040SCAN's industry leading document coverage automates approximately 75% of the documents firms receive from taxpayers, 25% of documents need to be prepared manually. That's where [SPbinder](#) comes in. SPbinder is SurePrep's bespoke workpaper system designed to reduce time spent preparing and reviewing workpapers and the tax return. Where other tax workpaper systems only support PDF file types, SPbinder allows you to manage PDF files, Word documents, Excel spreadsheets and emails.

"It would be 7-10 days in peak time for a return to get through review. **Now we're looking at 3 or 4."**

- Cindy Bupp

With SPbinder, users have the flexibility to drag and drop documents and create hyper-linked cross references between documents, regardless of file type. For example, preparers can link a cell on an Excel sheet to an amount in a PDF file, giving reviewers the ability to see where an



amount is coming from with a single click. Depending on the firm's review method, they also have the option to choose up to four levels of sign-off.

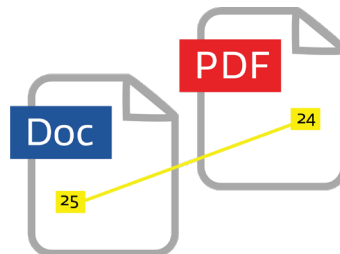
A wide variety of stamps, annotations and tick marks are provided and can be used on any workpaper, regardless of file type. You can even create your own, custom stamps and annotations.

SPbinder's calculator tape has proved to be highly popular among firms as well, giving them the power to record calculations and provide a source link for each number, making it easy for reviewers to keep track of information. In addition, the binder provides the capability to cross reference any two numbers and compare them either between two tabs or in separate monitors, helping reviewers check important items with haste.

Four Levels of Sign-Offs



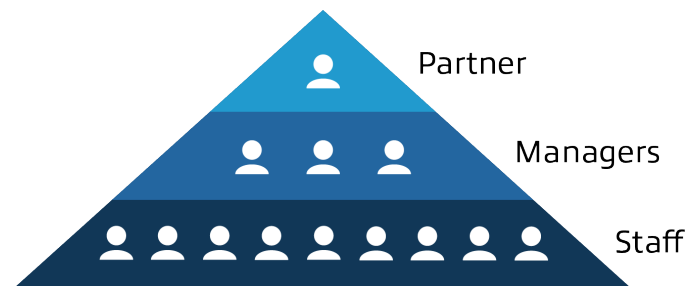
Hyper-linked Cross References



Tickmarks & Annotations

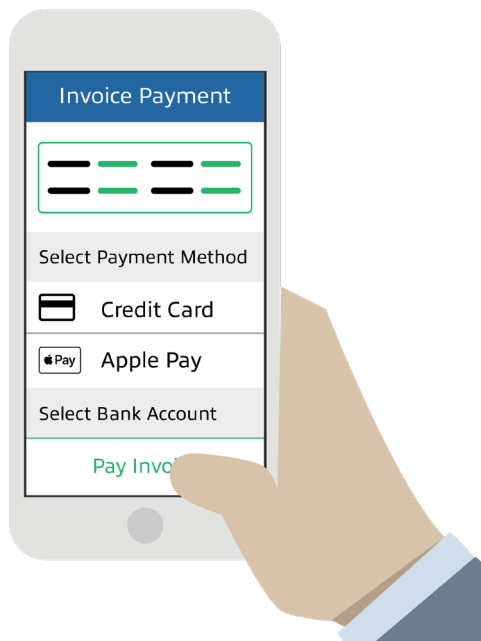


SPbinder is designed to maximize staff leverage. Its functionality gives preparers the ability to create comprehensively tickmarked and thoroughly cross-referenced workpapers, setting reviewers up for a much quicker job. Since the review phase is the most expensive part of the 1040 process, minimizing review time results in a more cost-efficient workflow for the firm.



5. Seamless tax return delivery and invoicing (TaxCaddy)

Once the review is completed, the process comes full circle and firms can simply upload the PDFs of the tax return to TaxCaddy along with the 8879 and invoice. Once the client reviews and approves the return, they can e-sign the 8879 using the TaxCaddy app for iPhone and Android and they can even pay your invoice.



TaxCaddy takes automation even further for firms and clients by integrating with [SafeSend Returns](#). With zero manual input involved, SafeSend Returns splits up the return and payment vouchers and sends it off to the client electronically.



Final Words

Firms that utilize the following 5 key components of a successful scan-and-populate process benefit at each phase of the tax return process. Administrative costs are reduced. Workpaper preparation is automated. Review efficiency is maximized. And client service is improved.

1. An integrated mobile solution to request and receive client information ([TaxCaddy](#))
2. Comprehensive source document coverage ([1040SCAN](#))
3. OCR that eliminates human verification ([1040SCAN](#))
4. A bespoke tax workpaper system to minimize review time ([SPbinder](#))
5. Seamless tax return delivery and invoicing ([TaxCaddy](#))

SurePrep delivers seamless integration with your existing tax software to automate and streamline the entire 1040 process for both the taxpayer and tax professional. Together, it all comes together to make SurePrep the most successful scan-and-populate solution on the market.



About SurePrep

SurePrep was founded in 2002 and is the leader in 1040 productivity for CPA firms. We deliver seamless integration with your existing tax software to automate and streamline the entire 1040 process for both the taxpayer and CPA. Our solutions are used by nearly 20,000 tax professionals ranging from Big 4 firms to sole practitioners to reduce administrative costs, automate workpaper preparation, maximize review efficiency and improve client service.

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