

THE PRACTITIONER & THE COMPUTER

Accounting Firm Uses Integrated Computer Processing

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Steeped in tradition, accounting firms are not usually known for occupying a place on the cutting edge of office automation. Many firms, in fact, have been content to replace their manual spreadsheets with electronic ones and let it go at that. However, ZeBrack & Morgen, a CPA firm based in Los Angeles, has taken automation much further by computerizing the entire accounting process. They now completely process corporate tax returns on a microcomputer, from start to finish.

The key to the firm's strategy is a local area network (LAN) connecting 16 PCs. Terminal emulation software runs on the firm's PCs and is used to download data from client micros, minis and mainframes. This information is captured to a disk file where Lotus's Symphony electronically edits the data and processes the financial information into a standard format. Other software packages, such as WordPerfect and Dataflex, then produce tax and accounting reports on two high-speed printers connected to the network.

ZeBrack & Morgen's network of PCs has provided more control over software programming and faster response time than if the firm was using a single PC or mainframe computer, according to Ron Kaplan, a management consultant for the firm. It allows more than one clerk at a time to update a client's accounts, so that reports can be processed quickly during busy tax and year-end seasons.

PC software is easier to use than most mainframe accounting software. Programs and data files are stored on the network file server, which keeps information consistent across the office and allows better error-checking and data backup than would be possible with stand-alone PCs.

Productivity in CPA firms is often measured by the gross brought in each year by individual professionals. "Twenty years ago, firms considered themselves lucky if they took in \$30,000 (in gross revenues) per professional," says Mr. ZeBrack. "Ten years ago, we saw gross revenues increase to \$50,000. Today we do over \$130,000. Most of the 'Big Eight' firms never get more than an average of \$100,000 in revenues per professional." Mr. ZeBrack attributes the more than doubling of productivity

to the level of computerization in his office.

CPA firms now commonly use computers for some aspect of their business. Many use outside mainframe service bureaus, such as Computax or Fastax to prepare and print both federal and state tax returns. Others have automated their form preparations with various desktop publishing systems, or use a variety of audit software. Spreadsheet programs are probably the most widely used software in accounting firms today.

Most of ZeBrack's business is with large real estate partnership syndicators. Clients typically have from 10 to more than 100 separate partnerships, each of which requires its own series of accounting statements, tax returns, and other financial documents. Managing this flow of paper involves more than putting "@SUM" commands on a few spreadsheets. The disparity among client systems requires ZeBrack & Morgen to create custom-built Symphony macros to manipulate the data into trial balances on the LAN workstations. These numbers are then looked over by the accountants while further macros format the formal financial statements.

Printing Problem

The statements are directly printed from Symphony for most clients. There were problems with this method, however. "While the word-processing features in Symphony do a good job, they cannot handle such advanced functions as proportionally spaced columns of numbers," says Mr. Kaplan. He resolved this printing problem with programming. He used Superkey, from Borland International of Scotts Valley, Calif., to translate the Symphony file to a Lotus 1-2-3 worksheet-formatted disk file automatically. The disk file is then run through Mathplan and brought into WordPerfect (both from WordPerfect Corp. of Orem, Utah).

No More Busy-Work

"Using the Mathplan utility with WordPerfect produces a higher quality document than can be done with Symphony," said Mr. Kaplan. "All the user has to do is hit one button and the files are converted through Superkey. The combination of Superkey running the spreadsheet-to-word-processor conversion and Lotus macros doing the calculations frees the accountants from doing

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fairly mundane tasks. "We want people to be making accounting decisions, not just writing numbers by rote," says Mr. Kaplan.

Once the financial statements are printed, the next step is for the firm to produce K-1's for each partner involved in each partnership. Information is transferred from Symphony to Dataflex, a database program which prints the statements. Dataflex is a product of Miami-based Data Access Corp.

The last step is producing tax returns. Different software is used, depending on the type of return needed. Symphony is used for the IRS form 1065 partnership returns. Individual 1040 returns of a complex nature are done in APLUS, from Arthur Andersen & Co. of Sarasota, Fla. Corporate 1120 tax returns are done with Corptax, from Financial Decision Systems Inc. of Agoura Hills, Calif.

The 1065 forms are printed using Nelco software which consolidates laser printer form instructions with the data to be printed. This software is from Nelco Tax Forms of Green Bay, Wisconsin. The APLUS software used for the 1040 returns has its own printing routines.

Corptax is designed to be simple, yet has a sophisticated user interface. The software displays a facsimile of the IRS form 1120 on the PC's monitor, complete with the data entered into each line. The software reads information from the Symphony file and enters the data for most of the corporate information. Corptax has its own printing facilities.

"The Symphony trial balance supplies about 80 percent of the tax return. The remainder of the numbers are input directly on the screen by our accountants," says Mr. Kaplan. The changes are immediately reflected in subsequent lines on the form, and other supporting schedules. "Corptax makes doing corporate tax forms on a micro easy," says Mr. Kaplan.

While the firm uses many individual pieces of software, the system has been running for over a year without any major problems. Perhaps the biggest potential problem is documentation. Few of the Lotus macros are carefully documented.

Having automated their business, ZeBrack and Kaplan do not intend to rest. "We want to remain a leader in the automation arena and continue to improve our profitability," said Mr. ZeBrack. "We don't believe in using state-of-the-art technologies. State of the art

is tomorrow. We refuse to wait for better technology when we need the results today."

David Strom

A Poor Connection

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The message on my desk read "Marty K. called. The woman that usually takes the backups is out sick and the other person that knows how had to leave early."

Marty is the owner of a small business for which I had written a customized program to keep track of his inventory on an IBM PC XT. I was pleased with myself for being successful in impressing upon Marty the importance of having backups of all his data (as well as people that know how to take backups). At any rate, all I had to do was to call back and have Marianne, the office secretary, type 'COPY *.DBF A:'. I figured that I should be off the phone in one minute.

I called back and told Marianne to put the disk with "ODD" on the label in the A drive. (I use "ODD" disks for the odd days of the month and "EVEN" disks for the even days of the month. I am the kind of person that likes to wear a belt and suspenders. I am a firm believer in Murphy's Law.)

"Ok," I said, "What does it show on the screen?"

The phone in their office is located just out of reach of their computer so Marianne had to put down the phone and run to the computer each time I asked her what was on the screen or to type something.

She started to read to me everything that was on the screen beginning from the top line.

"No," I said. "What is the last thing printed on the screen?"

"The letter C with an arrow," she answered.

"Good. Now type 'COPY space asterisk period D B F space A colon'," I said.

"I can't get the asterisk to print. It keeps coming out the number eight."

"You have to hold the shift key down while typing the 8 key," I said. I had forgotten about the * on the PrtSc key.

"There is no shift key."

"You have to use the up arrow key," I said.

"There are twelve arrow keys on this keyboard," she said, "and four of them are up."

I looked down at the keyboard in front of me. Four cursors, backspace, enter, tab and two shift keys make only nine. I should have known that she included the less than, greater than and caret above the number 6.

"OK," I said, beginning to lose patience, "hold the up arrow key next to the question mark down with your right hand and then hit the 8 key with your left hand."

"I see the asterisk," she shouted, a little out of breath.

"Hurray," I said. "Now type the 'period D B F space A colon' and we're all done."

She had a similar problem with the colon (I could never figure out why the colon required the shift instead of the semi-colon) but finally it was typed perfectly.

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