mango PRACTICE MANAGEMENT

How to Make Sure You Are Staying Compliant During Tax Season

Tax season is one of the busiest times of the year for accountants, but don't let your hectic days and long nights keep you from performing one of your most essential duties as an accountant: staying compliant with IRS regulations.

Staying compliant is a year-round task, but it can be especially difficult during tax season. Compliance involves a thorough understanding of what's required of your practice, as well as clear workflows and processes that ensure you're crossing all your t's and dotting all your i's.

If you're not equipped with the right tools and strategies, you could make mistakes that cost you time, money, and client trust. But the good news is that when you have the right pieces in place, you can maximize your efforts, improve client satisfaction, and **take the headache out of tax season**.

Six things to do to stay compliant during tax season

Maintaining compliance and getting through tax season can both feel like daunting tasks for any accounting firm. But the following steps can make each process a bit less... taxing.

1. Stay up-to-date on IRS regulations

Tax codes and IRS requirements are an ever-shifting landscape. Staying up-to-date means tracking updates diligently—and then thoroughly documenting them so your firm can incorporate them into your workflows.

Stay current by:

- Visiting the IRS website for the **latest guidance**
- Reviewing state tax laws
- Updating your tax software to ensure it incorporates changes to tax code
- Logging all of your CPE hours

It's essential that any pertinent information is shared among your team, too. Hold regular check-ins that cover new guidelines, offering accountants plenty of opportunities to ask questions. You can also use this time to address any tasks and workflows that might need to be updated as a result of any regulatory changes.

2. Reevaluate and update your processes

Accounting firms rely on processes and procedures to do their work effectively and efficiently. With that in mind, the first thing you should do before tax season gets busy is evaluate your processes and make any necessary updates.

Consider your filing workflows in particular. After all, one of the biggest challenges for compliance during tax season is ensuring that all filings are completed correctly. Do you have appropriate controls set up to prevent missteps? Do your processes reflect the most current IRS requirements? (See above!)

3. Templatize your workflows

Accountants are stretched especially thin during tax season, and there's a lot of pressure from the IRS to stay compliant. Simple mistakes and errors become more common when everything moves at breakneck speed.

One simple step to preventing these mistakes? Templatizing workflows. Not only does templatizing help to minimize errors, but it can also save you a ton of time by reducing the tedious, repetitive work that needs to be done for a given task.

When you use Mango practice management software, you'll get access to premade project templates at your fingertips straight from our Master Library. If you need something specific for your accounting firm, you can build your templates with custom workflows.

4. Use secure software

Data security is a mission-critical priority for any business, but it's especially critical for accounting firms.

By nature of their work, accountants collect highly sensitive information from their clients, such as ID numbers, social security numbers, birthdays, banking account numbers, credit cards, and more.

Saying that you need to secure this information would be an understatement. Not only is it a cybersecurity best practice to secure client data, but it's also part of staying compliant with IRS guidelines—specifically, **IRS Guideline 4557.**

IRS Guideline 4557 requires accounting firms to implement an information security plan to safeguard sensitive information. This includes:

- Designating at least one employee to oversee information security efforts
- Identifying risks to customer information within a practice
- Implementing and monitoring a program to safeguard data
- Updating the program as needed
- Ensuring service providers maintain appropriate safeguards

Following these guidelines can help prevent data breaches and loss, protect your practice's reputation, and keep your practice out of compliance hot water.

And while the entire process of maintaining compliance with IRS Guideline 4557 requires significant internal coordination, there is one part of it that you can make simpler: working with service providers that maintain appropriate safeguards.

To ensure your clients have the highest degree of security possible, look for software solutions like Mango Practice Management that provide bank-level security when data is both in transit and at rest. Any document you send should be protected by the SHA-256 encryption algorithm.

And while encryption is an important feature, it's not the only necessary safeguard. Mango also comes complete with other security features that will help you to ensure the safety of your client's data (and your reputation), including:

- SSL-encrypted payments in our client portal
- Legally-binding **eSignatures**
- Client portal for additional protection
- Secure file-sharing from your email
- Unlimited storage space and file size

5. Using knowledge-based authentication

Knowledge-based authentication (KBA) protocol is a way of verifying someone's identity by requiring them to provide information that only they would know. Generally, this information is used in security questions that need specific answers to prove a user's identity, such as your mother's maiden name, your first pet, or the street you grew up on. Using KBA can help your firm prevent any unauthorized access to sensitive financial information, protecting both you and your client.

KBA protocols are essential for your law firm, but they aren't just a suggestion—they're required to complete IRS e-file Signature.

When someone e-files their return, they're required to complete Form 8879 and provide personal information to verify their identity and ensure that the return is signed and authorized correctly. With Mango Practice Management's electronic signature software, you won't have to worry about staying compliant with online filing.

6. Optimizing your document management

As an accountant, it's your job to make sure that all filing documentation presented to the IRS is truthful and accurate. You'll need to have records of payroll taxes, including details on federal income and Social Security tax that's withheld from employee paychecks. You'll also need quarterly records of taxable earnings from the accounts that you handle.

Trying to locate all the files you need during tax season—and double-checking to make sure you've got everything you need—can be stressful. Worse than that, the process can devour valuable time (and scrambling to meet your deadline certainly doesn't help reduce errors).

There's an easy fix for this problem, though: creating a **client portal** for secure document sharing. By creating a portal for your clients to share their documents, you're ensuring that you'll have everything you need when it comes to time to file.

As a bonus, client portals are also useful for enhancing the client experience. Because client portals allow increased autonomy and collaboration for clients, they feel more informed about the tax services they are receiving.

Be confident with compliance this tax season with Mango Practice Management

Mango's practice management software offers a wide range of solutions that will keep you and your accounting firm compliant this tax season. From document management solutions and time-tracking software to bank-level encryption and eSignatures, Mango has everything you'll need to get the job done—and get it done right.

Boost your security and set your accounting practice up for success this tax season with help from the expert accountants at Mango.
Schedule a demo with us today.