



GETTING PAID: TRENDS CPAS NEED TO KNOW FOR 2019



CPACHARGE
AN AFFINIPAY SOLUTION

+

CPA IDAHO SOCIETY
Certified Public Accountants

ACCOUNTING PROFESSIONALS AND THE DIGITAL REVOLUTION



Even as you read this, accelerating technological innovation continues to reshape entire industries. The Third Industrial Revolution, or the Digital Revolution, which has brought a proliferation of software tools and reshaped the way we communicate and conduct business, is still impacting industries as more and more services become digitized, virtualized, and mobile.

We've seen traditional bookstores rocked over the past decade with the rise of Amazon and other online media retailers. Streaming entertainment companies like Netflix and Hulu have rendered businesses like Blockbuster irrelevant. The taxi industry has been remade with the rise of Uber, Lyft, and other ride-sharing startups. And the accounting profession has been impacted by self-serve tax preparation software tools and cloud-based accounting platforms. CPAs are having to rethink ingrained processes, business strategies, and pricing models as a result of these new technologies.

How people pay for things is changing, too. Just thirty years ago, it wasn't uncommon to see "cash only" signs in storefront windows. Today, payment methods like ApplePay, Android Pay, and Google Wallet have proliferated. Peer-to-peer payment apps like Venmo are gaining popularity, and cryptocurrencies like Bitcoin are roiling markets and disrupting the financial sector. Still reigning supreme are the major credit card brands, Visa, MasterCard, and American Express.

Some experts believe we're on our way to a cashless, checkless society. With so many digital payment options and the convenience they bring, it's no surprise online payments have become the norm and most people's preferred payment method.

Data shows electronic payments continue to dominate

According to a recent TSYS survey, **75 percent** of people now prefer to pay with a credit or debit card. Research from Fiserv found that **74 percent** of households that have internet access report having paid bills online, **79 percent** of consumers have switched to paperless billing, and **70 percent** say having multiple ways to pay a bill increases their satisfaction with the biller.



Most prefer credit or debit
The vast majority of people, 75 percent, say they prefer to pay with a credit or debit card.



What it comes down to is people want more online payment options, and the businesses that deliver these make customers happy.

Research also shows more people are giving up checks altogether. According to one survey, over half—**55 percent**—of consumers don't use or rarely carry checkbooks. Most people never write a personal check or only do so a few times a year, and among the youngest cohorts, the data is even more stark: **61 percent** of 18- to 24-year-olds never write checks. Another survey found **52 percent** of Millennials—who will turn 21–37 years old in 2018—never use checks. And the number of bills paid by check fell **20 percent** from 2010 to 2016.

card from a biller's app or mobile website, and **79 percent** expect local service providers like you to offer the same payment options as large national companies.

The bottom line? Your professional reputation is at stake. Clients don't expect you to be wrestling with stacks of paper and crunching numbers on a retro calculator. They expect you to use the latest tools, processes, and technology available to you to handle their finances adeptly and efficiently. Furthermore, if you're only offering traditional payment options like cash and check, your clients might wonder whether you're out of date on the latest tax rules, too. These days, running an old-fashioned office doesn't instill confidence.

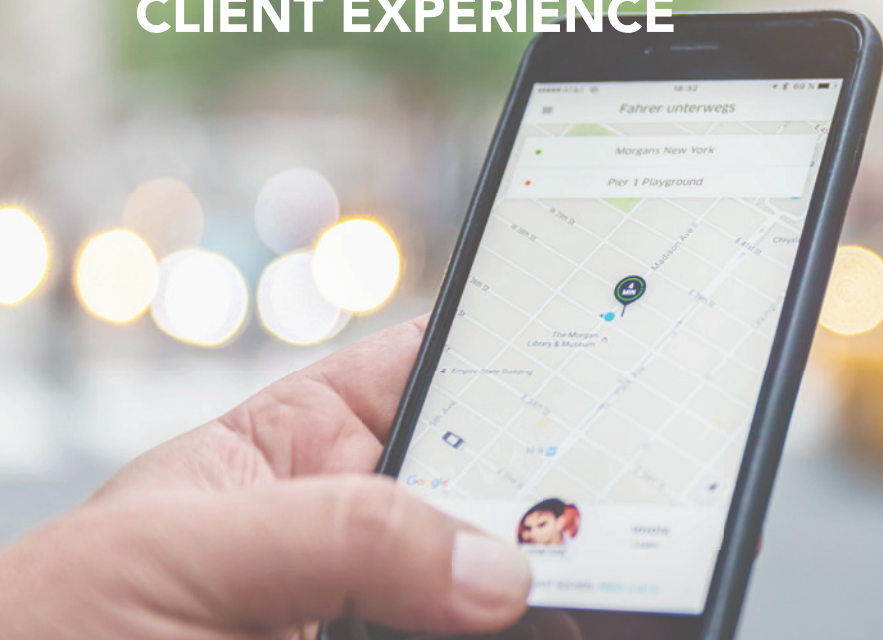


65 percent of people expect to be able to pay from a biller's app or mobile website

Expectations of businesses are shifting, too. Like it or not, all businesses are now being held to the higher customer experience standard that leading companies like Amazon are setting. TSYS found **65 percent** of people expect to be able to pay with a credit or debit

You want to be seen as modern, technologically competent, and easy to work with. Modern online payment tools are one key aspect of that, allowing you to show clients and prospects that you're not afraid of the innovations brought by the Digital Revolution—you've embraced them.

WHAT MAKES A MODERN CLIENT EXPERIENCE



In today's tech-focused world of instant gratification where we all have a computer in our pocket or purse, people have become accustomed to—and spoiled by—frictionless customer experiences. So what exactly does that mean?

The term “frictionless” here refers to fewer steps, simpler interactions, and fewer barriers to completion for customers or clients. Let's return to those three businesses we mentioned earlier: Amazon, Netflix, and Uber. Amazon eliminated the need to go to a store, reduced the research burden on consumers by using data to present them with products they'd like, and pioneered the “one-click ordering” process to nudge customers toward faster, more seamless check-outs.

Netflix eliminated the need to go to the video rental store, provided instant gratification,

24-hour service, and completely streamlined and digitized the movie-ordering and payments process. Uber eliminated the traditional first step of ordering a ride—the phone call—along with the transactional, physical payment step where cash or card changes hands, resulting in optimizations for speed, efficiency, and service.

But those are trendy, innovative technology brands. How does this apply to you? Well, professional services firms can also look at all of their client interactions and identify ways to remove friction at each step. One way to remove friction from your billing and payments processes is with a modern online payment solution. It allows you to simplify



billing and payments interactions and remove barriers to completion, so your bills get paid faster and more reliably. Here are some of the ways online payment tools reduce friction in your client experience.

Eliminate paper bills

If you're still asking clients to wait for a paper invoice in the mail and then send in a paper check, you have a big opportunity to clean up and streamline those processes for the modern age. A digital solution is faster, simpler, and even creates a cleaner, more manageable "paper trail" for clients—because it's all online. Clients can search their email for past bills, rather than pawing through paper files.

Stop requiring payment by check

People have grown so accustomed to being able to pay with plastic or with the click of a button that they expect to be able to, which is why so many no longer carry cash or checks. For prospects who don't use checks, a demand for payment by check can be akin to a door slam that forces them to find another CPA.



Provide instant payment confirmation

Immediate gratification has become a hallmark of the modern online buying experience, and an online payment solution lets you provide this perk to your clients. A

The vast majority of people say having multiple ways to pay their bill increases their satisfaction.

great online payment platform lets you set up automatic payment receipts that are emailed to clients after they pay their bill, in the same way they're used to getting a near-instantaneous order confirmation from other businesses.

Offer a 24-hour virtual service

We're all used to being able to shop online or pay bills on the weekend or in the evening. An online solution also lets you effortlessly expand your hours of service. When clients can go to your website and pay online on their own schedule, they see that as another small but cumulative way in which you're making an effort to meet their needs.

CPAs who want to remain competitive in the fast-changing service industry landscape recognize the value in setting themselves apart by providing a stellar client experience. The vast majority of people say having multiple ways to pay their bill increases their satisfaction, so you have nothing to lose and a lot of client satisfaction to gain by reducing friction in your billing and payments processes.

THE EVOLVING COSTS OF DOING BUSINESS

If there's an elephant in the room on the issue of online payments among CPAs, it's this: accepting credit and debit cards means paying processing fees. This is one of the most common objections CPAs have to adopting an online payment solution.

The fundamental reason for this is that there's a cost to move money within our financial systems. But rather than viewing this as a hurdle to accepting credit cards, many accounting professionals have accepted that these fees are now simply one of the costs of doing business in 2019 and beyond.

Throughout the Digital Revolution, CPAs have adjusted to new business expenses like computers, web hosting, tax and accounting software, and more recently, cloud storage and document automation tools. Like these other expenses, online payment processing is another cost CPAs are building into their budgets because of the opportunities for increased efficiency, productivity, and client satisfaction these technologies present. Finding these fees far from cost-prohibitive, professionals we've talked to consistently tell us they're pleasantly surprised at how affordable an online payment solution has proved to be.

As you consider how you'll offset the cost of accepting online payments, take into account the potential for greater efficiency, and other costs you'll alleviate, such as reduced mailing costs when you no longer need to send paper invoices.

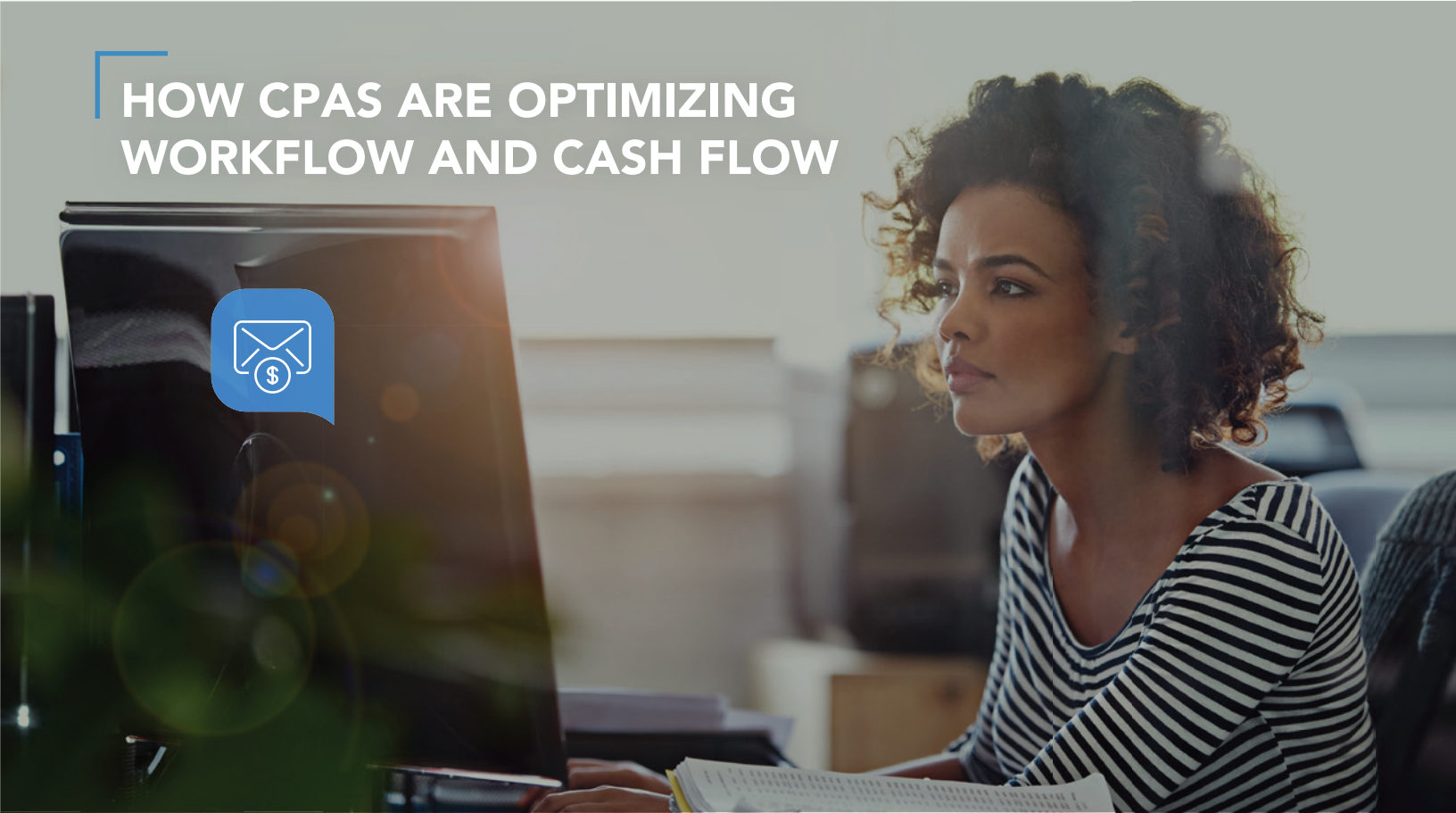
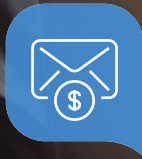
As CPA Nicholas Fedele told [AccountingWEB](#), "First, ask yourself if you can justify the purchase based on improved firm efficiency. Will this software reduce your labor costs, streamline daily operations, or replace outdated tools?" In the case of online payment technology, many CPAs feel the answer is a resounding yes.

One of the most valuable—though harder to quantify—benefits is time and the freedom to focus on enhancing client service. As CPA David Cantor told CPACHARGE in 2017, "Knowing that I get confirmation of a credit card payment immediately takes away the burden of having to worry about the check being 'in the mail...I promise.'"

In a panel discussion with the Journal of Accountancy, when asked which technology has done the most to transform her job during her career, [CPA Amy Vetter](#) highlighted the benefits of online payments. "Giving the clients control of how they make payments, and making it easy, takes the collection discussion out of the customer relationship. It allows CPA firms [...] to do the work they are good at, and let the payments technology take care of collections."

The truth is, the question of cost may eventually become a moot point. If you don't accept credit card payments, one of your competitors will. Keep this in mind as you work to win new business and attract a younger clientele.

HOW CPAS ARE OPTIMIZING WORKFLOW AND CASH FLOW



We all want to provide exceptional client service, but what's in it for you? How does an online payment tool make your workday easier, save you time, or deliver valuable business insights? Let's look at some process and operational benefits to see how online billing and payments are being used in firms around the country to boost cash flow and save time.

Stop waiting for checks to arrive in the mail

Imagine eliminating what can be weeks worth of lag time as you wait for clients to receive your bill, write a check, send it through traditional paper mail channels, and then wait for the check to post to your account.

With online payments, you get paid faster, you get a near-immediate confirmation email when payment is submitted, and the transaction shows as pending in your payment platform within minutes. One survey of legal industry professionals found that those who accept online credit card payments get paid **39 percent** faster on average.

Bookkeeper Juliane Jay with Crippen CPA said she wasn't sure clients would use a self-service payment link, but she's been surprised by how



One survey of legal industry professionals found that those who accept online credit card payments **get paid 39 percent faster** on average.

popular it is. "I embedded the link in the email I send with invoices, and I'm amazed how much it's used by our clients," Jay said. "As a bonus, they're forced to give me better identification of the payment (invoice or client number) than they're likely to supply on a check."

Automate your cash flow

For work that you take on retainer or any repeat transactions you need to process, the best online payment tools let you set up recurring payments to manage these charges. This is in effect like putting your cash flow on autopilot and just watching revenue flow in, and you can use the time saved on administrative busy work to focus on adding new services.



Let your tech tools work together in tandem

Another big benefit of an online payment platform is that many integrate with the software you already use and love. Being able to process payments from your existing software isn't just easier than having to jump from one program to another, it also brings the potential for streamlining your workflow and delivering richer business insights when your software tools can share data and talk to one another.

If you prefer working in a spreadsheet, most tools will let you export all of your payment transactions right to Excel and crunch data to your heart's content.

Alleviate your security burden



Today, security is a top concern for CPAs and their clients alike. High-profile events like the 2017 Equifax breach and more targeted ransomware attacks against legal and accounting firms have set professionals and their clients on edge. But data security concerns don't seem to be dissuading people from wanting to pay for goods and services electronically. In fact, in a recent survey by TSYS, more than half of respondents said they believe credit or debit is the safest payment type.

Too many CPAs around the country are still jotting down clients' credit card numbers over the phone. Even if you still leave sticky notes with sensitive credit card information on them scattered around your desk or office, you probably realize what a security risk this is.

An online payment solution lets you email a direct payment link to clients so they can enter their card information into a secure portal themselves, which means you never take possession of that sensitive data. This lets you effectively shift much of the related security burden off of your firm. The responsibility for safeguarding that data largely rests with your payment processor, which should be an established company with top-notch security. When comparing vendors, be sure to choose one with PCI Level 1 security, which is the best you can get.

CPA Scott Saltzman said he loves being able to let clients enter their payment information themselves. “This ensures clients authorize the charge and the amount,” said Saltzman. “I never have to personally input or authorize charges, so I can avoid any potential concerns of conflicts or misuse of client confidential information.”

You can also get guidance from experts on how to handle PCI compliance. Every business that accepts credit cards has to be PCI compliant, which involves meeting security requirements that may be beyond your expertise. A quality online payments company will not only be PCI compliant itself, but also offer comprehensive support and guidance to help your firm get and stay PCI compliant.

Mine your payment data for insights

A digital solution also makes it much easier to view and access your payment data to better manage revenue trends in your business. A payment-focused software tool can offer tagging functionality to help you get a better sense of where income is coming from and

shift some of your activities to create a well-rounded portfolio of work.

“ I NEVER HAVE TO PERSONALLY INPUT OR AUTHORIZE CHARGES, SO I CAN AVOID ANY POTENTIAL CONCERNS OF CONFLICTS OR MISUSE OF CLIENT CONFIDENTIAL INFORMATION. **SCOTT SALTZMAN, CPA**

Along with seeing which types of work you’re doing are driving the most revenue for your firm, you can also dig into who your top-paying clients are, and look for ways to offer them additional services or reach out to them requesting a referral.

As you work to manage the seasonality of tax work and the challenge of managing expenses and revenue throughout the year, digging into your payment data can help spark new ideas for managing this challenge, whether it’s planning additional consultations during the slow season or executing new marketing at strategic times throughout the year to build up a pipeline of steady business.



CONCLUSION

If the experts are right, and we are steadily marching toward becoming a cashless society, it's only a matter of time before online billing and payments processes come to dominate every industry—even accounting. This means adopting online payments is no longer a question of if, but when, as more of your clients will choose competitors who do offer these options.

The good news is you have much more to gain from this technology shift than you stand to lose. Greater operational efficiency and significant time savings more than offset the cost of an online payment solution.

Finally, for professional service firms like yours, providing exceptional service is one of the best ways to delight clients, increase repeat business, and win more referrals. In today's world of instant gratification and lightning-fast technology, letting clients pay with just a click is an easy win.

Sources:

TSYS 2016 U.S. Consumer Payment Study
Fiserv Sixth Annual Billing Household Survey
Fiserv Eighth Annual Billing Household Survey
Fiserv 2012 Billing Household Survey
2014 GOBankingRates Poll
WePay Small Business Payment Survey 2013
ACI Worldwide: How Americans Pay Their Bills
Fiserv Fourth Annual Mobile Bill Pay Benchmark Study
AccountingWEB: How Firms Can Justify the Cost of New Technology
Journal of Accountancy: Technology and CPAs Survey
2017 Clio Legal Trends Report



About CPACHARGE

CPACHARGE is an online payment solution developed specifically for CPA firms, giving you a professional way to accept credit, debit, and eCheck payments in your office or online, with no equipment or swipe required. Give clients the modern options they want, while you get 100 percent of your payments deposited into your bank account, for easy, accurate reconciliation.

With PCI Level 1 certification, we handle PCI compliance for your firm, at no extra charge, and all payment data stays safe and private. Our knowledgeable in-house team of Certified Payments Professionals is always just a call or email away.

Trust the experts for a solution that's used by 60,000 professionals and offered as a Member Discount Partner by AICPA—CPACHARGE.

CPACHARGE is proud to be a vetted and approved Member Benefit of the



Special offer for ISCPA members

[LEARN MORE](#)

cpacharge.com/idcpa | 866-531-7566