

Tax Season Checklist

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No matter where you are in tax season, smart preparation makes the process smoother and more efficient. Here are nine steps to help your firm stay ahead.



1. Look Back to Move Forward

The best athletes review their game footage to learn from their mistakes and improve. Yet, many firms push through tax season without pausing to analyze what worked, what didn't, and where they can improve—leading to the same inefficiencies year after year.

Now is the perfect time to examine your internal processes and identify where time is being spent. Instead of micromanaging every detail, equip your team with the right tools to succeed. When they have solutions that naturally streamline their workflow, your firm becomes more efficient, productive, and profitable.

2. Set Goals

Goals help you better determine your success or failure. Often, in the middle of tax season it's difficult to see the forest through the trees, and you don't know if what you're doing is helpful or not.

Here are four ways to improve your goal-making, helping you be more focused working up to tax season.

- **Set clear deadlines.** Goals that don't have deadlines have no direction because they can be done this weekend or maybe next year. By limiting your goals to a specific timeline, you can create better-focused goals that are obtainable.
- **Set realistic goals.** If last tax season you worked with 40 clients, maybe having the goal of working with 4,000 clients this year is a bit out of your reach. There's a difference between stretching yourself to improve and setting yourself up for failure.

- **Aim to maintain or slightly improve.** Think of goals like weightlifting. You don't walk into the gym every week and set a new personal best 20 pounds heavier than you did last time. Each time you set small goals to either maintain the success you've achieved or to gently push beyond what you've done in the past. Your firm's goals for next tax season should be the same way.

- **Measure your goals.** Abstract or amorphous goals like "be better" or "do more" mean nothing in the long run because they're impossible to track. How do you know that you're doing more? When do you know the goal is done? Your goals should be tied to a trackable statistic. This will help you have a clear idea of the status of your goal and if you've achieved it.

3. Plan Ahead By Adding Boundaries and Structure

It is impossible for one person to work 30 hours in one day. Your team is human, and you cannot do everything. Rather than trying to muscle through and saying yes to everything, accept your limitations and live by them.

For many firms, tax season is the most profitable season of the year. Rather than trying to limit their boundaries and learning to say no, they continually say yes. By setting no boundaries and having no structure to rely on, tax season becomes the most stressful and unpleasant time of the year.

Determine what tax season is going to look like when you're not tempted by just one more client and the revenue they'd provide. What do you expect each day to look like? This should include when your day starts, when you're going to stop for meals (because a protein bar and some coffee are not good enough for breakfast, lunch, and/or dinner), what time you're going to spend with your friends/family, and what time you are ending each day.



It's unhealthy both physically and mentally for you to use tax season as an excuse to burn yourself out. It's okay to be busy and work a few late nights or long weekends, but it is not okay to sacrifice your life and become a tax goblin who never sees their friends and family, lives on a steady flow of caffeine, and doesn't take time to care for themselves.

4. Update Your Software

You should not buy new software every year, but you do need to check for updates on the software you are using. By taking the time to check for and install all software and security updates, you can rest assured that when tax season starts, you won't be interrupted by your computer randomly resetting while working with a client so it can install updates.

You should also install all updates to ensure you are using the most up-to-date processes and forms. Many software programs will update their software to match the current legislations, but you need to download and install that software before working with clients to ensure you don't make any errors in their returns.

5. Review Tax Law Changes

In a perfect world, the tax code would stay constant. You would only have to learn the finer intricacies of multi-state filings once, and you'd never have to worry about it ever again. Unfortunately, that's not the case. The tax code

is always changing with different forms, credits, grants, and brackets always shifting, and your clients expect you to be up to date and aware of each update.

Before tax season starts, create a comprehensive list of tax legislation that will affect your clients. Once you think you have everything memorized, try to stump your team by creating the most outrageous clients possible and see if the other person knows how to help them, because you're not going to get caught up by the reliable client who's had the same job and address for the past fifteen years, you're going to struggle with the client who has decided to change jobs three times, moved, started two businesses from their garage, and bought both commercial and residential property across state lines.

6. Evaluate Your Pricing

When you are overbooked and in high demand during tax season, your first reaction should not be to work harder, but to raise prices. Adjusting your pricing can feel frightening because there are some clients who won't stay with you through the price change. However, dropping a handful of clients to keep the rest at a higher price point is worth it in the long run.

Let's assume you have 100 clients and the average cost of a tax return is \$300. This means in this hypothetical situation, you'd have a gross revenue of \$30,000. If you raise the cost of an average tax return by only \$30, but nine of your clients leave because they don't want to pay the higher rate, you are still earning a gross revenue of \$30,030.

Clients are the lifeblood of your firm; without them, you have nothing. It's understandable that you want to fight to keep them, but

sometimes you have to **let go of a few clients to open the door for other (more profitable) clients** and to help you not feel overwhelmed during tax season.

If you choose to update your pricing, tell your clients immediately.

7. Start Preparing Clients

When you go shopping, there's always that one customer who takes too much time for a simple purchase. They struggle to get their products on the counter, they forget that they left something they want back in the store so they do a quick run back, and when it comes time to pay it's as though they've never opened their purse or wallet before. What takes other people seconds to do, becomes a herculean task for them. The key factor that sets customers apart is how prepared they are. Customers who are organized, have a shopping list, and an organized purse or wallet are in and out of the store by the time the other customer has dumped out their purse on the counter, scattering gum and coins everywhere to try to find their debit card.

Clients who aren't prepared before tax season take more time during tax season. By spending time with them now, you'll be able to help them be better prepared for tax season, costing you less time during the most stressful time of your year.



While helping clients remember to prepare for tax season, you can also send them reminders about what they can do today to improve their tax returns. This can be generic advice like reminders that charitable donations during the holidays can be included as deductions or can be tailored for each client, giving them bespoke advice on what they can do now to help improve their tax return.

If you have a well-established client list, there's a chance that you know which clients always show up during tax season unprepared or with questions that you don't have time to answer. By opening up the line of communication with those clients now, you can help resolve those questions before tax season starts, helping you save time later, while still strengthening your client relationships now.

8. Organize Your Data

How your firm is organized plays a crucial role in your success. If your files are mislabeled, unorganized, or a general mess, it takes unnecessary time to find the information you need.

Document and data labeling, organization, and management should be a constant throughout

your entire firm. It will only cause problems in the long run if every partner uses their own unique style of document management that only they understand. Every member of your team should be able to locate any necessary documents for any client at any time.

To help make this happen, consider using a document management solution. These digital solutions help standardize your practice's data and document management practices, helping you always have the information at your fingertips rather than wasting time scavenging through folders to find what you're looking for.

9. Automate Repetitive Manual Tasks

When it comes to all of the forms and data you deal with during tax season, there are a lot of repetitive manual tasks that you have to deal with. They're boring, but they're essential to tax season. The good news is that those repetitive tasks can be automated.

Automation puts technology to work for you, allowing you to focus on more meaningful tasks while those repetitive tasks are automatically handled. This saves your firm time while also reducing the risk of human errors in data entry.

Do More This Tax Season with IRIS

With decades of experience, we provide the technology to help your firm stay organized and profitable. Our document management solution helps you securely store, access, and manage files with ease. It automates key processes, eliminates duplicate files, and streamlines workflows so you can focus on what matters most.

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