WebCPA™
Tools and Resources for the Electronic Accountant

Document Management Software

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By Dave McClure
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It has failed to materialize so often that the "paperless office" achieved the kind of stature usually reserved for the Lost City of El Dorado or the Holy Grail. Yet in the last two years, a quiet revolution has taken place in the field of document management and the accounting industry is beginning to see the emergence of world-class applications.

None of the major solutions is there yet. But there are enough development programs underway and enough new features moving into release versions to determine five major elements that will shape the future of this market:

NON-PROPRIETARY, OPEN SYSTEMS. Already, nearly all of the packages feature PDF and Microsoft Office as their native file formats for storage. But many of the top-shelf applications need to break their ties to a single tax program or single accounting suite. The top products of the future will integrate easily with every application that creates a file or generates a piece of paper.

BETTER INPUT TECHNOLOGIES. Once relegated to merely scanning paper documents and spitting out a .PDF facsimile, emerging technologies in forms recognition create forms that can be more easily indexed, searched, and archived. Meanwhile, OCR technologies are opening new vistas in scanning and indexing hand-written notes and forms.

A SHIFT FROM CLIENT/SERVER TO ASP WEB-BASED SOLUTIONS. An ASP solution can more quickly integrate improvements, offers better security for accounting firms below the enterprise level, and better options both for 24/7 access by professionals and collaboration with clients.

BETTER SUPPORT FOR ACCOUNTING OPERATIONS. Only recently has document management been tied to such integral and specific actions such as audit engagements, tax engagements, workflow management, and work-in-process binders. The trend will be to continue this accounting-centric development, so that document management takes on the elements of a vertical, industry-specific market.

FEWER VENDOR OPTIONS. There are, by last count, nearly 15 vendors of document management solutions for accounting firms. For the next year or two, rapidly expanding features and innovation will create a chasm between the best and least of these products, at the same time growing simplicity will drive prices down. The bottom line is that the lower-tier services will evolve or die, and the market will be ruled by two or three of the best vendors.

For 2007, we examined nine of the packages ranging from small and economical to

enterprise-level solutions. While none does everything, a few come very close to emerging as best-of-breed applications.

Acct1st

Acct1st, a document management, workflow, and archiving solution, stresses flexibility to meet the diverse needs of different accounting firms. It files documents in their native language, uses no proprietary software or services, works with a wide range of accounting and business applications, and can function as either an internal or hosted service.

The hosted service can also function well as an internal intranet Web service or via outsourced hosting at a Level IV secure facility operated by AdHost.Com.

Though similar to many other document management, and archiving solutions, Acct1st is notable for its administrative and accounting-specific modules. An Integrated Save module allows documents to enter the system from any accounting application or business program that uses a Windows-standard "save" or "save as" function.

It communicates with the Master Client Table of most time and billing, practice management, and engagement applications. And it uniquely allows accounting firms to export a client's files to a CD, complete with a file viewer. Administrators have flexibility in classifying documents and in scheduling automated document retention.

Accounting-specific modules include a secure email module to safely share documents with clients and third parties; tax scanning for document input and tax flow for engagement document management; a client portal system; and specific integrations with QuickBooks, all major tax applications, CaseWare, VPM Practice Management, and MAS 90/200.

In a marketplace that is undergoing rapid change, Acct1st may have fewer features than other systems, but it ranks as one of the most economical and flexible solutions available to accounting offices. Aimed at the market for midsize enterprises, its flexibility and scalability bring it high marks from accounting users.

ACCT1ST TECHNOLOGY GROUP

Dallas

(888) 790-7045

www.acct1st.com

Price: LAN-based $250 per user; $1,000 (one-time server license) $50 renewal.

Cabinet NG CNG-Safe 5.8

Cabinet NG's Shared Access Filing Environment, a sequence of shells, tracks, indexes, and securely stores documents in an out-of-the-box solution aimed at the small-to-medium business market.

A client-server system, CNG-Safe requires at least Windows 2000 Server to operate. It follows a standard filing-cabinet architecture of drawers, folders, tabs, and documents, consistent with the filing systems used in typical accounting, audit, and tax engagements. The system allows for direct management and archiving of Outlook and Office files, but does not have direct linkages for major accounting and engagement applications (these require some additional programming work via APIs and .CSV text files).

Though not an accounting-centric system, CNG-Safe offers two notable links, one to Act's contact management support, and one to QuickBooks files and documents via a CNG-Books module. The CNG-Books module automatically saves QuickBooks documents as they are created. It also allows selected documents such as invoices above a preset level to be routed to appropriate levels for workflow and compliance management.

Recent enhancements have focused on improvements in content search, conversion and scanning of documents, and dynamic workflow capabilities based on a wider set of variables. The updated workflow capabilities are notable in that they allow for both structured, rules-driven workflows, and the more ad-hoc flow that is typical of small firms during tax season.

Cabinet NG's Safe is aimed at the small-to-midsized business office, where its easy navigation and in-house orientation can maximize both its value and economy. It should be of particular interests to accountants whose clients use QuickBooks because of its capabilities for document creating, routing, and viewing.

CABINET NG CNG-SAFE 5.8

Madison, Ala.

(800) 621-6501

www.cabinetng.com

Price: $995 per user, or $1,395 per concurrent user (minimum three users). Software maintenance, included first year; 20 percent per year afterward.

Doc.It

Doc.It encompasses the three critical areas of document management-workflow management, a work-in-progress binder, and archiving of all documents. Created specifically for accounting firms, Doc.It is platform independent and does not require third-party components like SQL database licenses, Adobe Acrobat licenses, and Optical Character software.

Designed for offices of five to 500 employees, the Doc.It Suite includes Doc.It DM, a firmwide archiving platform; Doc.It Workflow, to allow firms to track and manage any type of project and provides load balancing, for tax engagements to help ensure that the workload is distributed evenly throughout the organization; and Doc.It Work-in-Progress Binder, to provide the ability to share and process the active unpublished documents within the security of the Doc.It DM environment. Batch Print allows documents to be rolled into a single bookmarked PDF with bookmark details for every combined section.

Also included are an Advanced Forms Recognition module to automatically organize a majority of routine documents, like personal tax source slips, through optical character recognition and a database. AFR comes with all IRS tax form definitions but can quickly add new forms into its library. A Doc.It Web Publishing module allows clients to retrieve published documents through a secure link from the firm's Web site. And an Email Converter for Outlook helps to handle the thorny issue of archiving and managing emails, a critically important tool given recent judicial rulings with respect to emails.

A well-designed system, Doc-It offers advanced features without the trappings and expense of proprietary platforms. Aimed specifically at accounting offices, its core strengths are an understanding of how accounting offices work and how their needs for workflow and work-in-progress differ substantially from those of other types of paperless offices.

DOC.IT

Las Vegas

(888) 693-6248

www.doc-it.net

Price: Monthly subscription ranges from $35 to $25.00 per user, paid quarterly.

FileCabinet CS

FileCabinet CS, a document management and archiving system, can be installed either internally on the accounting firm's server or via a secure hosted solution. Offered as part of the CS Professional Suite, it integrates seamlessly with other Thomson products, notably the PPC e-Practice Aids and e-Workpapers.

Because of its modular approach, FileCabinet CS is actually two systems in one. As a stand-alone document management and archiving application, it offers fast and effective document flow from scanning of paper documents and direct storage of information from any Windows application to its use of PDF file formats and excellent security features.

As part of an integrated solution, it is so much more. In addition to FileCabinet CS, workflow capabilities are integrated via Engagement CS and tax workflow via UltraTax CS. Members of the firm and permitted third parties may access the data using Virtual Office CS, while clients access their own data via NetClient CS. It automatically organizes and indexes documents ranging from tax returns and workpapers to fixed assets reports, tax planning reports, financial statements, W-2s, 1099s, payroll reports, and invoices.

FileCabinet CS does one thing well, and that is document management for the CS Professional Suite. For smaller firms, those using other accounting platforms and those that prefer to use a more eclectic approach to accounting applications, FileCabinet CS offers a strong platform that integrates well with Windows applications, Outlook, and Office. Whether that is sufficient is a decision for each individual accounting firm. But for what it is designed to do, and in its own environment, FileCabinet CS is clearly the best of breed in document management.

FILECABINET CS

Thomson Creative Solutions

Dexter, Mich.

(800) 968-8900

www.CreativeSolutions.Thomson.com

Price: FileCabinet CS, $1,500. LAN module, $500 (includes four users). $250 (each additional four users). Server-Based Computing Module, $1,000 (includes four users); $500 (each additional four users).

GoFileRoom

GoFileRoom, a Web-based document management service tailored to the needs of accountants, offers native support for Microsoft Office file formats, a Version Control feature to maintain numbered historical versions, and one-click integration with Outlook and Lotus Notes.

The heart of the service, which is hosted simultaneously in two separate IBM data facilities, is a well-structured file storage and retrieval system whose search engine offers both full-text indexing and an optical character recognition program. Physical papers such as client input sheets are scanned and stored in PDF format via a ScanFlow program, but virtually any application file format used by the accounting firm can be accommodated. This means that the system works more easily with a wide variety of tax, engagement, and accounting software for greater flexibility.

GoFileRoom has introduced the first of its workflow applications, called TaxFlow, as an add-on to streamline tax engagements through both workflow management and a work-in-process binder system.

Another add-on, ClientFlow, provides the accounting firm with a client portal that not only mirrors the look and feel of the firm's Web site but gives clients full, secure access to their accounting documents and reports. And the company will shortly debut a RecordsFlow system to enable tracking of documentation needed for Sarbanes-Oxley and other compliance requirements.

GoFileRoom takes a flexible and modular approach to the document management needs of accounting firms. But its strongest appeal may lie not in its structure and security but on the addition of a "Best Practices Guidebook" that covers procedural issues, integration issues, and workflow considerations. The handbook alone is worth the cost of the service.

GOFILEROOM

Thomson

Englewood Cliffs, N.J.

(866) GO FILE 1

www.gofileroom.com

Price: Starts at $1,000 per month.

InFile

InFile is a simple, economical document management solution designed to work with QuickBooks.

Documents created and stored within the QuickBooks folder are read and the data organized into appropriate drawers, dividers and files for customers, accounts, vendors, and others already set up in QuickBooks. Other documents-contracts, ownership records, tax returns, bank statements, insurance records, correspondence, and faxes-may be scanned manually and added to the system in PDF format.

InFile also contains a simple document preview system that allows a view of a magnified portion of the top center of any document on file.

InFile is largely aimed at the small business owner using QuickBooks. However, its simple operation and economy, as well as the lack of any kind of learning curve, make this an attractive option for solo practitioners and small accounting firms that use QuickBooks with their clients and need only a basic document management solution.

INFILE

InFile Software

Bryn Mawr, Pa.

(877) 446-3453

www.infilesoft.com

Price: $129 (single-user edition)

ProSeries Document Management System

The ProSeries Document Management System is elevated above other straightforward paperless office solutions through its integration with the ProSeries and Lacerte tax programs and Lacerate Tax Planner, enabling direct import and export from those programs into client folders in the DMS system.

This integration allows the system to import all existing client records- already organized and ready for use-from the Intuit tax programs. Other documents are scanned into a twain-compliant scanner and stored in PDF format. In addition, files may be saved in the DMS system from Office and Windows applications, and DMS interfaces with any MAPI-compliant email program for direct email storage. This includes such major email client programs as

Outlook, Lotus Notes, Groupmail, and recent versions of AOL and Hotmail, but not Web-based email services such as Yahoo and early AOL mail.

The DMS system does come with rudimental search capabilities for client and document names, but does not permit a keyword search of the text within documents (beyond the capabilities inherent in Windows itself). DMS can be used on a network, though only the first person to access a given file will have editing rights-others will open the document in read-only mode. And there is a security system, built on the ability to password protect files and folders as well as basic rights assignment and management.

Simple and economical, ProSeries DMS is a strong step forward from simple save-and-scan document management solutions due to its integration with tax and desktop applications and its security and search features. It is best suited for users of the ProSeries and Lacerte tax software, but is easily extended beyond these two applications to cover all of the needs of a small to medium-sized accounting firm.

PROSERIES DOCUMENT MANAGEMENT SYSTEM

Intuit

Mountain View, Calif.

(650) 944-6000

www.proseries.com

Price: $450.

Lacerte DMS

As is nearly always the case with document management solutions built around specific tax or accounting applications, for users of the Lacerte Tax or Tax Planner products, there is no better solution than Lacerte DMS. That is even more the case this year with the addition of a new Source Doc Auto-Entry, an application that works with DMS.

Lacerte DMS is a PC-based system whose interface mirrors that of the other Lacerte applications. Beyond direct integration with Lacerte (and with the Intuit ProSeries tax program), the system offers a "print to DMS" option and integration with MAPI-compliant email programs. For all other documents, there is manual scanning for paper documents and a PDF viewer that also provides support for annotations.

Lacerte DMS also offers some basic capabilities in security, search, and backup of files. But with the 2006 version, Intuit has upped the ante by strengthening its product with an impressive forms system, Source Doc Auto-Entry. This module reads documents that include 1099s, W-2s, IRS forms for a single client, and payroll company formats. Completed forms are simply scanned into the system and then added to the appropriate DMS client folder. It does not, however, have optical character recognition for hand-written forms.

Lacerte DMS is a simple and economical document management system that will primarily

appeal to users of Lacerte tax products. But the addition of forms recognition capabilities is an indication that Intuit plans to build on this platform, and could portend a more robust and full-featured offering in the not-too-distant future.

LACERTE DMS

Intuit

Mountain View, Calif.

(650) 944-6000

www.lacertesoftware.com

Pricing: $450. Source Doc Auto-Entry module, $450; $650 (network version).

ProSystem fx Document 3.1

ProSystem fx Document is a robust, full-featured document management system geared toward the needs of medium- to enterprise-level firms, and especially those using the company's lines of accounting and tax products.

Designed as an internal client/server application on the .NET/SQL Server platform, the system comes with vendor-supported installation and configuration, as well as a week-long training session to ease any learning-curve issues. Document is designed to interact seamlessly with the full range of ProSystem fx products, Outlook and Office, and QuickBooks.

The power of the system is in its ability to leverage other parts of the Pfx Office to build a full platform-Pfx Scan for scanning of paper documents; Pfx Engagement and Pfx Practice Management for workflow management, including support for the work-in-process binder; and the Client Portal module for more efficient collaboration and presentation of information to clients.

The client/server architecture enables server-class security beyond that available on desktop DMS applications. Sophisticated, customizable searches across the full range of documents enhance client support and reduce research time. And extended storage enables better interaction with QuickBooks and other third-party applications. And Pfx Document offers strong content management features that include retention period setup and maintenance, versioning control and a detailed audit history.

Already a first-rate application for users of the ProSystem fx family of products, promised enhancements in integration with other applications, Web accessibility, expansion of the forms and OCR recognition features, and other enhancements will quickly build the CCH ProSystem fx Document application into a world-class document management system for enterprise accounting firms and departments.

PROSYSTEM FX DOCUMENT 3.1

CCH

Torrance, Calif.

(800) 739-9998

www.CCHGroup.com

Price: $1,935 (client administrator); $500 (per client user).

Dave McClure is president of Kent Associates of Luray, Va.

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