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■ **Accounting**

CPAS IN THE CLOUDS

Firms find efficiencies in Internet-based applications

By BERNADETTE STARZEE

This tax season was less of a bear at Cohen Greve & Co., which moved all of its information technology applications onto the cloud in January. Accountants at the Mineola CPA firm were able to access and share all of their files on multiple devices from home, the office and clients' offices.

And when the firm opens a second office in Manhattan later this summer, "the cloud will make it easier to get it up and running," predicts Managing Partner Tim Sherman, who noted the firm partnered with Colt, a large United Kingdom-based cloud provider.

The accounting profession is moving to the cloud, said Craig Rubin, a tax partner at Melville-based Nussbaum Yates Berg Klein & Wolpow, which uses some cloud-based applications, including GoFileRoom, an accounting document management software solution that allows the accountants to share documents with each other and clients, no matter where they are.

"The cloud allows for a more seamless delivery of services to clients," Rubin said.

Accounting firms and other professional service providers are among the primary adopters of cloud technology, according to Clayton Hart, managing partner of Diverse Technology Solutions, a cloud provider in Islip Terrace that counts several dozen accounting firms in the tri-state area among its clients.

"Accountants spend 50 percent of their time in the office and 50 percent on the road," Hart said. "The ability to access data and applications from any device has had a major impact on their workflow." Further, he said, accounting firms are "great candidates" for cloud-based technology, because, generally speaking, the applications they use are highly cloud-compatible, unlike custom applications for certain industries.

"From an organizational perspective, the cloud makes it more efficient to do data analytics and to understand different profit centers in your business," added John Pellitteri, a partner at Grassi & Co. CPAs in Jericho who leads healthcare management consulting and the accounting services practice.

As accounting firms look to expand the advisory services they offer to clients, some, including Grassi, have ventured into providing information technology consulting, including helping clients evaluate and transition to the cloud. In fact, many of the resellers of Diverse Technology Solutions' cloud-hosting solutions are CPA firms, Hart said.

Among Grassi's clients, "the technology, financial services and healthcare industries are embracing the cloud," Pellitteri said.

A recent Microsoft survey found that 30 percent of small businesses use the cloud for at least some applications.

About half of those use a private cloud hosting provider, such as Diverse Technology Solutions, said Michael Kessler, a profitability consultant whose firm, Michael J. Kessler, CPA is based in Seaford. The others use a public cloud hosting provider like Amazon, Google or Microsoft, he said.

"Private cloud hosting involves a distinct and secure cloud-based environment in which only one specified client can operate," Kessler said. With public cloud hosting, he noted, "a service provider makes resources, such as applications and storage, available to the general public over the Internet, and there is inherently less security than the private cloud."

Even in the private cloud space, however, concerns about security hold many potential cloud users back.

"When dealing with the Internet, security is always going to be an issue," Pellitteri

Clayton Hart

said. "You have to do your homework and find reputable partners who have the right designations and requirements for secure sites. Any breaches can be significant in terms of fines and penalties."

There's also resistance to change.

"People are comfortable doing things the way they have always done them," Pellitteri said. "It's difficult psychologically to embrace the idea that we can move our books and records somewhere else and maintain control."

In its first tax season on the cloud, Cohen Greve encountered some glitches.

"It's a process, like any computer program," Sherman said. "You don't just turn on a switch and everything's smooth."

Employee training is a major issue, and, as with any new method of doing business, "there's some pushback," Sherman said.

When busy season got into full swing and many of the professionals at Cohen Greve were using the same program at once, the system ran slowly. The company responded by contracting with the vendor to get more space, which it gave back after tax season, Sherman said.

Other issues arose; for instance, the cloud sometimes didn't recognize some of the local printers, and part of the system had to be rebooted.

"There was some frustration, but nine out of the 10 problems had a simple solution," Sherman said, adding, "The cloud is not without its issues. You have to be patient to make it work."

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