

Beyond Practice Management:

Why Your Accounting Firm Needs a Dedicated Document Management and Client Portal Solution



Table of Contents

Chapter 1: The Limitations of Practice Management Systems for Document Management	1
Chapter 2: The Power of Dedicated Document Management Systems for Accounting Firms	5
Chapter 3: Creating the Ideal Tech Stack: Integrating DMS with Practice Management	9
Checklist: Choosing the Right DMS for Your Firm	12

FOREWORD

The appeal of an all-in-one solution is clear – a single software platform that handles everything from staff management to document storage. That’s what many practice management (PM) solutions promise: a comprehensive tech stack in a box.

But before you commit to using practice management software for all your needs, let’s explore why your accounting firm would benefit from a more specialized approach – particularly when it comes to document management and client collaboration.

Through real-world examples and expert insights, this guide demonstrates how accounting firms can build a more efficient, secure, and scalable tech stack by complementing their practice management software with specialized document management tools.

Key Takeaways

- Practice management software excels at workflow and task management but falls short in document management capabilities
- Security and compliance requirements demand specialized document management solutions
- Firms using dedicated document management systems (DMS) report significant ROI through improved efficiency and reduced costs (up to \$150K savings every year!)
- Integration between PM solutions and DMS creates optimal workflows while maintaining security

Chapter 1: The Limitations of Practice Management Systems for Document Management

If you're using software like Canopy®, Karbon®, Financial Cents®, or TaxDome®, you're already on the right track to keeping your firm organized and efficient. These practice management (PM) systems are undoubtedly valuable given their crucial role in helping firms run smoothly.

Karbon makes a great analogy in their [PM selection guide](#): Practice management “serves as your firm’s central nervous system, helping to manage and streamline each part of your firm’s operations – including capacity management, internal and client communication, workflow management, billing, analytics, and more.”

But it's not just about centralizing all these activities. The right PM system will give you full visibility across your practice and help you scale with greater efficiency. You'll be able to make more informed decisions about staffing needs, workflows, and areas for improvement.

How does Practice Management software help firms?

Imagine one software platform that:

Team Collaboration & Communication

- Facilitates seamless communication and teamwork among staff members and clients
- Integrates email and other communication channels, eliminating information silos
- Provides workflow templates to ensure consistency across the firm

Resource & Project Management

- Offers tools for capacity planning, time tracking, and workload distribution
- Provides project management features, including task delegation, timelines, and resource planning
- Reduces manual work through automatic task reminders and recurring work schedules

Financial Operations

- Integrates billing, invoicing, and payment collection within the same system
- Streamlines financial workflows and tracking
- Enables efficient monetary management and oversight

Business Intelligence & Analytics

- Offers real-time insights into team performance, project status, and firm profitability
- Provides robust analytics and reporting capabilities for strategic planning
- Enables data-driven decision making

Where practice management systems fall short


While PM solutions have their advantages, they inevitably have their limitations. It is nearly impossible to create an all-in-one solution that does everything at the highest level, especially when the task is something as complex and sensitive as running an entire firm. Here are some of the limitations you might encounter with an all-in-one practice management solution.

Document Management Capabilities

Many pros are [tempted to use practice management systems](#) for document storage and sharing, as most offer some basic functionality in these areas. Doing so creates risks like:

- **Inefficiency:** Poor document organization, disorganized folders, manual processes, and limited search capabilities waste time, decrease productivity, and ultimately frustrate your team and clients.
- **No Scalability:** Storage, capacity, users, file sizes – all things many PM systems cap, meaning you’ll hit roadblocks or need to shell out more money if you ever want to grow your practice. These areas are largely capped because PM systems lack the complex infrastructure and security architecture needed to operate a best-in-class document management system at scale.
- **Security Issues:** Inadequate security measures and compliance features can lead to unauthorized access, data loss, regulatory issues, loss of business, and hefty fines. Choose a SOC 2 Type 2 compliant document provider who maintains rigorous security standards through continuous audits.
- **Generic Solution:** Some practice management solutions don’t have the capacity for extensive customization. You are essentially required to do it “their way,” which may or may not square with your established practices or goals.

Real-World Impact: Combining Solutions



Dawn Brolin, The Designated Motivator and CEO of Powerful Accounting, loves softball – so much so that she’s a volunteer college softball coach during tax season. “I don’t call it ‘tax season’ anymore. I call it softball season,” she jokes. So, how can Dawn step away from her office during busy season to not just attend games, but coach them? “I make sure my tools are integrated and my efficiency is set so I can spend more time doing what I love.”

The two core parts of her tech stack that empower her to accomplish this are Financial Cents and SmartVault. “SmartVault is my permanent

document storage, retention, and retrieval tool,” she explains. “Financial Cents is a [practice management] tool where we set up how we’re going to work in the workflow, what the status is of a tax return is, and more.”

Dawn’s approach demonstrates how having specialized tools for different functions enables her to improve work-life balance while providing her clients with top service. Hear directly from Dawn on how she configured this integration and why she thinks you should too.

[Watch the Webinar](#)

Volume and Complexity

As firms grow, they require software [solutions that can grow with them](#). Here, again, is another area wherein PM solutions fall short. There's just too much functionality jam-packed into one app to be able to scale effectively. This can manifest in a variety of problems down the line, including:

- **Slower system performance.** Long waits to perform functions or retrieve data.
- **Difficulty in managing large document libraries.** Lack of space may threaten your document retention requirements and ability to recover lost data.
- **Challenges in maintaining organization.** Lack of filing hierarchies, advanced search, or file interconnectedness makes it difficult to quickly find the right file.

Security and Compliance Concerns

Every piece of tech will claim to be “secure,” and to varying degrees they will be. But it's important you don't just accept blanket security statements as proof that the software is actually secure. If corners have been cut on security, it could introduce an unacceptable level of risk into your practice. It's also critical to note that you must ensure compliance with regulations. The basic security features of practice management systems are often not enough to keep your data secure and support compliance.

Key risks include:

- Inadequate encryption and access controls
- Limited audit trail capabilities
- Insufficient compliance support for regulatory requirements
- Basic or non-existent disaster recovery features
- Inability to automatically lock files or implement granular access permissions

As we've seen, while practice management systems excel at organizing firm operations, their document management capabilities often fall short of accounting firms' complex needs. This brings us to a critical question: **What makes a dedicated document management system so essential for modern accounting practices?**



Practice Management vs. Dedicated DMS: Feature Comparison

All-in-one systems deliver underdeveloped, clunky features that don't work well.

Value	SmartVault	Practice Management
Ability to scale with unlimited storage and clients	Yes	No, often has limits
Enhanced data security with bank-grade encryption and comprehensive compliance (SOC 2 Type 2, IRS 4557)	Yes	Limited, varies by system
Streamlined client collaboration with user-friendly, branded portal	Yes	Basic portal, often an after-thought
Efficient document collection with customizable, automated requests	Yes	Manual or basic automation
Time-saving advanced search with OCR capabilities	Yes	Basic search, rarely includes OCR
Seamless integration with multiple tax software systems	Yes	Often limited to single system
Cost-effective document management as your practice grows	Yes	Can become expensive with growth
Automated document routing to reduce errors and save time	Yes	Often requires manual routing
Comprehensive version control and audit trails for enhanced security and compliance	Yes	Basic or limited capabilities
Flexibility to create custom templates for various document types	Yes	Usually limited to certain areas
Ability to easily retrieve deleted documents with Recycle Bin feature	Yes	Not typically included
Mobile access for on-the-go productivity	Yes	Limited or not available

Chapter 2: The Power of Dedicated Document Management Systems for Accounting Firms

Modern accounting firms handle thousands of sensitive documents annually – from tax returns and financial statements to audit workpapers and client correspondence. A [dedicated Document Management System \(DMS\)](#) is specifically designed to address how you collect, collaborate on, and share these documents, offering features and security measures that go far beyond basic file storage.

Why a Dedicated DMS and Client Portal are Essential

The limitations and risks associated with relying on basic document storage features in PM software are too significant to ignore. As we saw in Chapter 1, firms need specialized solutions to handle the complexity of document management.

What's a Document Management System?

A DMS is a robust software solution designed to store, manage, track, and secure digital documents. For accounting firms, a robust DMS goes beyond simple file storage, offering advanced features tailored to your firm's needs. These crucial features help you create and manage end-to-end workflows.

Just like we explained about PM solutions, many generic DMS platforms offer basic storage and sharing capabilities, but often lack the specialized features, integrations, and industry-specific workflows that accounting firms require. Let's take a look at these critical features.

Is Generic *Really* That Bad?

They can severely hinder your practice. Here are four reasons firms need specialized tools.

- 1 Industry Automation Gaps:** Generic DMS force accountants to manually organize tax documents and handle workflows that should be automated. This leads to wasted time and costly errors.
- 2 Integration Problems:** Without proper integration with your tax prep software, you'll spend hours manually transferring data between systems, creating a fragmented and inefficient workflow.
- 3 Security Shortcomings:** Standard DMS lack the robust security features accounting firms need, putting client data at risk and making regulatory compliance a constant challenge.
- 4 Growth & Client Service Barriers:** As your firm grows, generic DMS restrict your potential with limited storage, weak client collaboration tools, and no accounting-specific features.

[Explore a DMS built for you](#)

Essential Features and Considerations for Accounting DMS

When evaluating document management solutions for your firm, you need features that support accounting-specific workflows, security requirements, and growth needs. Let's explore the critical capabilities that set dedicated DMS solutions apart from basic ones.

Intelligent Document Management

At its core, a DMS should make document organization effortless. This means automated folder structures that align with tax and audit workflows, advanced search capabilities with OCR technology, and robust version control with file locking. The system should offer unlimited storage with a scalable architecture to grow with your firm, plus bulk document processing to handle high-volume periods efficiently.

Security and Compliance

Security isn't just a feature – it's a fundamental requirement. Leading DMS solutions provide bank-grade 256-bit AES encryption, SOC 2 Type 2 compliance, and granular access controls at both folder and file levels. Detailed audit trails track every document action, while multi-factor authentication and automated backup systems ensure data protection. Beyond security measures, a dedicated DMS provides comprehensive tools for maintaining compliance with industry regulations:

- Built-in features for FTC Safeguards Rule and IRS 4557 compliance
- Automated retention policy management
- WISP templates and documentation support
- Multi-factor authentication
- Secure client portal features



Real-World Impact: Automation Saves 10 Minutes Per Tax Return

Newton Buckley, CPA serves 425 tax clients annually, making workflow efficiency crucial to their success. Office Manager Betsy Warne discovered that implementing a dedicated DMS transformed their tax preparation process.

“We have all of our tax software printing directly to SmartVault in the exact order clients need to view their returns,” she explains. “No more rearranging PDFs or deleting pages – it's seamless.” The integration with their tax software, Intuit Lacerte, saves an estimated 10 minutes per return on final workflows, while automated folder creation and file routing eliminate time-consuming manual organization tasks.

[Read Their Story](#)

Real-World Impact: The Critical Role of Security and Disaster Recovery

Attorney Eric Green learned the importance of robust document management security through a client's devastating experience. When a fire suppression system flooded his client's storage room, years of critical tax documents were destroyed. "The documents were turned into paper-mâché," Green recalls. This incident led him to implement a comprehensive cloud-based document management solution for his own firm.

The security implications extend beyond physical disasters. "In representing taxpayers, we deal with many documents that, in the hands of an identity thief, would be a gold mine," Green explains. "We receive social security numbers, copies of tax returns, bank statements, utility bills, etc. The movement of this information back and forth simply cannot go through email." His firm now relies on bank-grade security features and an encrypted client portal to protect sensitive data, ensuring business continuity while maintaining strict compliance standards.



[Read Their Story](#)

Client Collaboration Tools

Modern accounting demands modern client interaction. A secure client portal with custom branding creates a professional experience while enabling efficient document exchange. Built-in eSignature capabilities, document request tracking, mobile access, and secure messaging streamline client communication. As Nick Boscia of Boscia & Boscia PC notes, "Our clients love having secure access to their documents and tax returns because it's accessible 24/7 from wherever they're located."

Integration Capabilities

Your DMS should seamlessly connect with your software ecosystem. This means deep integration with tax software like ProSeries, Lacerte, ProConnect, and UltraTax CS, plus connections to practice management software, QuickBooks, scanning solutions, and apps like Liscio. API access enables custom integrations for firms with specific needs.

Implementation and Support

Success with any technology solution depends on proper implementation and ongoing support. Look for vendors offering comprehensive implementation support, data migration, multiple training programs, a robust Help Center and Academy, and training material for your clients. Regular platform updates and responsive technical support ensure your firm can maximize the software's potential. Another benefit of using an accounting-specific DMS? Extended support hours during the busy season.

Understanding ROI and Costs

While evaluating DMS solutions, consider both direct costs and potential returns. Factor in pricing structure, storage limits, eSignature costs, and implementation fees. However, don't focus solely on costs – consider the potential returns, too.

Tandy Consulting [eliminated \\$30,000 to \\$60,000 in labor costs](#) by streamlining processes and reducing headcount.

Constantine Financial Services [cut postage expenses by \\$10,000 annually](#) by moving to electronic document exchange.

Perhaps most impressively, attorney Eric Green's firm [saves \\$150,000 annually through improved document workflows.](#)

Real-World Impact: Transforming Client Collaboration

When Kristie Agar opened O'Connor and Agar CPA, she was determined to create a better client experience than she'd seen with clunky software at previous firms. "We use SmartVault for everything. We're completely paperless," Kristie explains. "I tell clients, 'If you ever need last year's return, you can log into the portal and get it yourself instead of waiting for me to send it.' Our clients appreciate how easy it is to use."

[Read Their Story](#)

This emphasis on accessibility resonates with other firms too. Asher Please of Office Service Solutions found that a dedicated client portal dramatically reduced document management headaches. "Cases of lost documents are massively reduced," Asher states, "And most clients appreciate knowing they can always log in and retrieve their files without hunting through old emails." This 24/7 accessibility has become increasingly important in today's digital-first business environment.

[Read Their Story](#)

Understanding the power of dedicated document management is only part of the equation. The real magic happens when you combine the strengths of both practice management and specialized DMS solutions. Let's explore how to create this optimal technology stack for your firm.

Chapter 3: Creating the Ideal Tech Stack: Integrating DMS with Practice Management

Creating an efficient, secure, and scalable technology ecosystem isn't about finding a single solution that does everything – it's about choosing the right tools for each specific need. By integrating a dedicated DMS with your practice management system, you can leverage the strengths of both platforms while minimizing their individual limitations.

The Concept of a Strategic Tech Stack

While the idea of an all-in-one solution is appealing, the reality is that most firms benefit from a strategic tech stack — a carefully selected set of specialized tools that each excel in their specific function. This approach allows you to leverage the strengths of both practice management systems and dedicated DMS solutions.

How DMS and Practice Management Systems Work Together

Practice management systems excel at task management, workflow tracking, and overall practice operations. A dedicated DMS, on the other hand, provides superior document storage, security, and client collaboration features. When integrated, these systems create a powerful, efficient, and secure workflow for your firm.

Examples of Integrated Workflows:

Client Onboarding

- Use the practice management system to create a new client and assign onboarding tasks to your team
- Automatically create a secure client folder in the DMS
- Send welcome documents, intake forms, and source document request lists via the DMS
- Track task completion in the practice management system

Tax Return Prep

- Manage overall tasks and deadlines in the practice management system
- Request, collect, and store all client documents securely in the DMS
- Use DMS integration with your tax software to auto-route returns to the client's DMS folder, where clients can easily access to review and eSign



Benefits of this Integrated Approach

As Dawn explains, “Aligning the right accounting apps with your specific services is critical for any practice...Just like building a winning softball team requires talented players in each key position, your firm needs a tailored collection of tools to maximize productivity and revenue.” Dawn credits her tech stack (what she refers to as [her Starting Lineup](#)) for enabling herself and her team to have a successful tax season while working just six hours a day – something nearly unheard of during the busy season. Here are some benefits of integrating your DMS with your PM solution:

- **Streamlined Operations:** By using each system for what it does best, you create a more efficient overall workflow
- **Enhanced Security and Compliance:** Leverage the advanced security and compliance features of a dedicated DMS while maintaining operational oversight in your practice management system
- **Improved Client Experience:** Provide clients with a user-friendly portal for document sharing and communication, while managing your internal processes seamlessly
- **Scalability for Growth:** Both systems can scale independently, allowing you to grow your firm without overhauling your entire tech stack

Getting Started With a DMS

Implementing a dedicated document management system doesn't have to be overwhelming.

1. Assess Your Current Needs

- Audit your existing document workflows
- Identify security and compliance gaps
- List your must-have features (see our checklist on the following page)
- Calculate potential time and cost savings
- Review integration requirements with existing software

2. Plan Your Implementation

- Choose your busy season timing carefully
- Start with a pilot group or department
- Create a folder structure template
- Document security and permission policies
- Develop standard operating procedures

3. Prepare Your Team and Clients

- Schedule staff training sessions
- Create client communication templates
- Develop client onboarding materials
- Plan a phased rollout approach
- Set clear expectations and timelines

4. Best Practices for Success

- Start with a small group of tech-savvy clients as early adopters
- Create standardized folder structures before migration
- Use automated features from day one
- Document your processes as you go
- Schedule regular check-ins with your team

5. Quick Wins to Target

- Begin with return delivery via the portal
- Implement eSignature for engagements
- Set up automated folder creation
- Start using secure file requests for document collection
- Enable integration with your tax software

As you've seen from firms throughout this guide, the investment in a proper document management system pays dividends in efficiency, security, and growth potential. The key is to approach the implementation strategically and leverage the available training and support resources to ensure success.

Checklist: Choosing the Right DMS for Your Firm

As you review the following checklist, keep these tips in mind to make the most of your DMS evaluation process:

- **Prioritize Your Needs:** Not all features carry equal weight. Identify which criteria are must-haves for your firm versus nice-to-haves.
- **Involve Your Team:** Gather input from staff members who will be using the DMS daily. Their insights can be invaluable.
- **Think Long-Term:** Consider not just your current needs, but where your firm will be in 3-5 years. Choose a solution that can grow with you.
- **Request Demos:** Use the checklist starting on the following page as a guide when viewing product demonstrations to ensure all your key questions are answered.
- **Compare Objectively:** Create a scoring system based on this checklist to objectively compare different DMS options.

By approaching your evaluation systematically, you'll be better equipped to choose a DMS that truly meets your firm's needs both now and in the future.

Real-World Impact: “We Doubled Our Client Base”

Nick’s firm was struggling with inefficient processes. “Operating our tax practice was really difficult,” he recalls. “Collecting and sharing documents with clients was incredibly inefficient and time-consuming.” Clients were either dropping off physical documents that needed scanning or sending unsecured emails, putting data at risk.

As the firm grew, these inefficiencies became more pronounced. “We started hitting capacity issues,” Nick says. “We were getting new clients and increasing revenue – which was great! – but then I was working a million hours and spearheading every process from client onboarding and on.” In 2019, Nick implemented SmartVault.

Nick’s firm achieved the seemingly impossible: doubling their client base and increasing profitability while improving work-life balance. “My fiancé and I just went to Bali for two weeks and our firm ran completely fine without me there,” Nick proudly states. By leveraging technology solutions like SmartVault, Boscia & Boscia has created a model for what a modern, self-sustaining accounting firm can look like.

[Read Their Story](#)

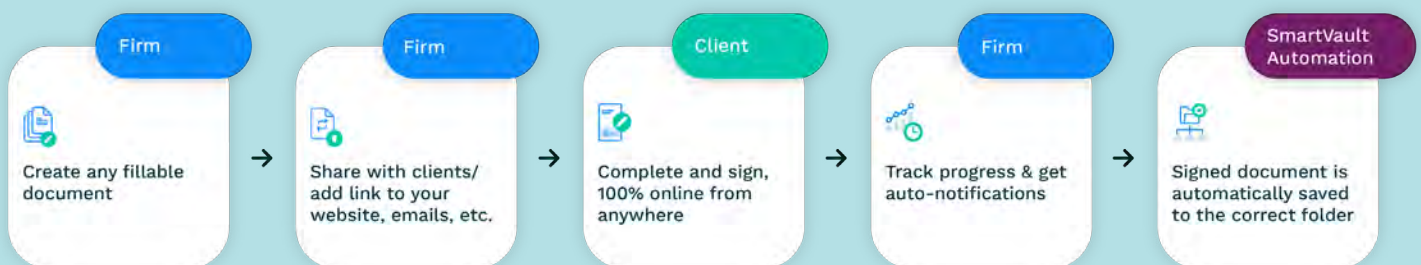
Collaboration and Efficiency

A DMS and client portal platform can simplify your everyday workflow and eliminate the need for physical files. This helps staff save time on admin tasks and makes it easy for employees and clients to collaborate. You'll want a platform that enables you to:

- Work safely in the cloud with unlimited storage that lets you scale
- Integrate seamlessly with your tax prep software (Intuit, Thomson Reuters, etc.)
- Capture, organize, and securely store documents or files digitally
- Full text search that lets you quickly find the file you need
- Create any fillable form you need, from templates or from scratch
- Create custom folder templates for automated, intuitive organization
- Group related clients together for improved organization and fast document access
- Send documents for eSignatures, approvals, and payment, and route them back to the correct folder in the DMS automatically
- Distribute documents in bulk to one or all of your clients in a single step
- Simplify how you request, collect, and manage client documents
- Set alerts so you know when a client has uploaded or viewed documents
- Give you and applicable users 24/7 access to file, anytime from anywhere
- Provide an integrated custom-branded client portal that gives clients a secure, easy, and professional way to collaborate with you and access documents from wherever they're located
- Add a log-in link to your website so clients can easily access the portal
- Integrate with a scanner to make going paperless easy
- Integrate with leading business apps, like Microsoft® and DocuSign®
- Save documents directly from Microsoft Word®, Excel®, and Outlook®
- Create custom email templates and mail merge to automate document distribution

Modern, Digital Forms Powered by Your DMS

Digital forms are easier to manage and help you meet your clients' expectations for modern service.





Cybersecurity Checklist: Stay Protected Against Data Breaches

How many must-have security protocols do you have implemented today?

[Download the Checklist](#)

Security and Compliance

You must have a system that can protect your data and create peace of mind for everyone. Ensure that the DMS offers the features below:

- Vendor has Soc 2 Type 2 Compliance
- Bank-grade security and automatic data back-up
- AES-256 encryption and SSL
- Two-factor authentication for you and your clients
- Granular access controls and ability to assign employees to specific clients
- Document version tracking so you never lose history
- Automatic file locking to prevent simultaneous edits
- Activity tracking and robust reporting for compliance
- Ability to send encrypted links directly to files and password-protected files via e-mail
- Support compliance with IRS 4557, FTC Safeguards, FINRA, SEC, GLBA, and others

Vendor Services and Trust

Choosing the right DMS is about more than just features—it's about partnering with a vendor committed to your success. Look for a vendor that has:

- Dedicated U.S.-based support, ensuring knowledgeable, timely assistance
- System configurations and data migration services tailored to your needs
- Extensive training resources, like courses, webinars, and detailed "How To" guides
- One-on-one live training sessions to get your team up and running quickly
- Ongoing optimization and usage reviews with actionable suggestions for improvement
- Continuous innovation by incorporating user feedback and industry trends
- Industry expertise, ensuring they understand the unique challenges of your work

Power Efficiency, Scale Your Firm, and Simplify Compliance

SmartVault: For modern accounting firms seeking more than document management.

Streamline your entire document workflow with one powerful solution - secure document storage, branded client portals, eSignatures, form fills, engagement letters, quoting, and more.

Elevate Client & Staff Experience

Branded portals enable secure file sharing, eSignatures, and real-time collaboration - redefining efficient, high-quality client engagement.

Access Anytime, Anywhere

Never miss a beat with 24/7 self-serve access to your files from any device, enabling your team and clients to keep projects moving forward.

Simplify Security and Compliance

Bank-grade encryption, two-factor authentication, and detailed audit trails eliminate security and compliance concerns, safeguarding client data.

“SmartVault has improved our processes so much that I can confidently say it’s increased our efficiency by 75%.”

Benjamin Copeland, Copeland Financial Services

Built for You

Tailored to your unique workflows, demands, and pain points to help you maximize productivity and growth.



15+
years



3M+
users



500M+
docs stored



Scale Effortlessly

Whether you're a solo practitioner or leading a large firm, SmartVault grows as you do with unlimited storage and guest users.

Integrate for Seamless Productivity

Boost productivity by connecting SmartVault with your existing accounting software for error-free, streamlined document management workflows.

Get Up & Running Fast

Comprehensive U.S.-based onboarding, training, and support ensures you, your staff, and your clients have the knowledge and confidence to use the platform to its fullest potential.

"I implemented SmartVault to ensure our documents are securely backed up and accessible from anywhere. But the real surprise has been the substantial productivity gains. I can quantify the impact: SmartVault has saved our firm \$150,000 per year."

Eric L. Green, Esq.
Tax Rep Network, Green & Sklarz LLC

Proof in the Numbers: The 2024 Tax Season

100%

uptime

68M+

document
downloads

38M+

document
uploads

50K+

new vaults
created

217K+

documents sent
for eSignature

Schedule a Demo:
SmartVault.com