



Tax & Accounting

Xpitax® — Offshore Tax Outsourcing Frequently Asked Questions

FAQs from All Personnel: Staff, Seniors, Supervisors, Managers, etc.

Why is my firm choosing to outsource tax returns and accounting services?

To create efficiencies within the tax department and to have a more streamlined process during peak workloads.

Is my position at-risk because my firm chose to outsource?

No. Outsourcing is a way to reduce stress and late night hours amongst staff during peak times of the year.

How do all personnel levels benefit from my firm using outsourcing?

Outsourcing will allow staff to perform detail reviews and create time savings for managers and partners to perform value added reviews and services. Other benefits include (1) Reduce stress and late nights (2) Opportunity for growth (3) Improve training (4) Reduce review time (5) Better client service.

If my firm is using outsourcing, does that mean I will not be preparing tax returns anymore?

No. You will still be preparing tax returns within your office. Management has designated a certain amount of work for outsourcing to create a more streamlined process during peak times. The majority of returns will still be prepared and reviewed internally.

What type of efficiencies can be created?

Leveraging Xpitax moves a firm to a more “standard” office by streamlining the preparation and review process that addresses the backlog of work during the preparation/review cycle. The turnaround time to complete tax returns will be reduced significantly.

What is the expected turnaround time after submitting a task to outsourcing?

Depending on the complexity of the task, you will generally receive it back from outsource within 1–3 days. The majority of the tax returns come back the next day.

I already have Workstream or another workflow management system, do I now have to buy XCMworkflow to use outsourcing?

No, we will provide you 10 users of XCMworkflow at no charge. While these will not be the full license of XCMworkflow, they will be all you need to implement Xpitax® Tax Outsourcing.

FAQs from Clients**Who is Xpitax?**

Xpitax is a company based in the U.S. that was founded by a CPA who wanted to find a way to enhance tax season for CPA's. Xpitax has a hosting facility in the U.S. and uses trained professionals with significant tax preparation experience.

Is my information safe?

Xpitax has made a significant investment in building a state-of-the-art infrastructure for our outsourcing operations, to ensure the highest level of reliability, performance, and security available. Our India facility was designed expressly for outsourcing tax and accounting compliance work, and therefore has stringent physical and network security measures in place to safeguard sensitive client data. Additionally, Xpitax has designed a fully redundant network infrastructure at a secure Boston area datacenter, with off-site backup and recovery capabilities at a similar facility in North Carolina. For further documentation regarding security measures, please contact your Xpitax Client Service Representative.

Who will be responsible for my tax return?

Our firm and the CPAs you have always worked with are responsible for your tax return.

Are the overseas accountants knowledgeable about U.S. tax laws?

Using a third-party vendor gives us access to qualified and skilled professionals overseas. They are highly trained and meet or exceed the quality of preparation that is done in the “back office” of most CPA firms. Through Xpitax, they attend a rigorous training program developed by a U.S. based CPA firm that covers U.S. tax law and various tax software applications.



How does the process work?

You will continue to provide us with your tax organizer and other applicable information; our firm will scan your documents and upload the file to a secure server hosted in the U.S. The teams overseas use “dumb” terminals to access the tax information file and prepare the tax return in an all paperless environment. When the tax return is complete, our firm will be notified through a secure delivery system. We will then be able to make any final adjustments to your return and deliver it to you as soon as possible.

Why does your firm use a third-party vendor to work on tax returns?

Our firm processes hundreds of returns and we may utilize a third party to assist us in getting your completed tax return back to you as quickly as possible as the turnaround time is quicker using the third-party vendor. Many firms including the BIG four have been moving their process overseas for many years to improve client service and provide employees a higher quality of life during busy season.

FAQs About the Outsource Process**What files do I have to submit (upload) to Xpitax?**

You will need to provide the following to the Xpitax team each year: (1) PDF copy of prior year tax return (2) Current year source documents in one PDF (3) The tax return locator from your tax software. If your firm will be providing Xpitax access to your tax software, you will need to provide our team with the locator ID.

Do I need to organize workpapers before sending to Xpitax?

No. Our team will bookmark your workpapers and reorganize the file to mirror your tax organizer.

What files and information do I receive back from the Xpitax team?

When a tax return is completed by our team you will receive a PDF file of your original source documents with annotations and bookmarks, an Excel® workbook that summarizes tax data and the tax locator file.

How long do I have to retrieve (download) the documents/files after the tax return has been return to our firm from outsourcing?

You have 30 days from the date the tax return and files were submitted back to your firm from Xpitax.

Can the same return be outsourced more than once?

Yes. A return can be outsourced more than once. Our team will update the return and send it back with the annotated PDF file and an updated Excel® workbook.



Can I add additional source documents to the PDF file that has been annotated by your team?

Yes. You can add additional source documents to a previously annotated PDF file. Best practice is to add bookmarks for the additional pages at the end of the previous bookmarks. If a source document is bookmarked under the pre-defined bookmarks from Xpitax, all previous annotations may shift.

How do I review the returns which I get back from Xpitax?

An Xpitax return should save reviewers significant time in reviewing returns (in addition to the savings in preparation time). Review return with bookmarked and annotated tax work paper PDF file which you received from Xpitax. This PDF file has been re-sorted to match the bookmarks and gives the user the ability to mark each page as reviewed, navigate through the document with internal hyperlinks, and verify that all pages are properly bookmarked. See Appendix A for the complete XCMtoolbar Guide.

What should I do if I will be extending my return?

- a. Have Xpitax enter the information received during tax season, there is no cost for resending the return after April 15.
- b. Xpitax staff is available year-round to work on extended returns.

What happens when Xpitax submits a question to the firm?

- a. The firm should designate a point person to coordinate obtaining answers from the client.
- b. OS coordinator will move the task to the responsible person listed for the task (if using the full version of XCMworkflow).

How do I know who from the Xpitax team will be working on the returns that are outsourced?

Your firm will have a dedicated Xpitax team that will be servicing your outsource needs. The team is accessible through your iMail account that your outsource coordinator has access to.

What is iMail?

iMail is a secure email program that your firm can use to communicate with your dedicated Xpitax team manager to address concerns regarding a batch of tax returns.

I am afraid my review time will increase dramatically if the return is not processed in house, even though you get it back to me very quickly.

When we send you back the 1040 return it will include a bookmarked PDF that is linked to the source documents. We will also include a multi-tabbed Excel® workbook that will link to the source documents to help you tie out the return quickly. Most firms report back to us that the additional tools we provide with the prepared and reviewed return make their internal review process quicker than if they prepared it in house.