

DepreciationPro 

A GUIDE FOR CPA FIRMS

The CPA Firm's Guide to Modernizing Fixed Asset Management for Efficiency and Growth

For tax & accounting professionals managing fixed assets for clients 2026 Edition

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Every Firm Has a Process. Few Have a System.

Every CPA firm has a fixed asset process. Almost none would call it a system.

Ask a tax manager at a CPA firm how they handle fixed asset depreciation, state conformity adjustments, and asset roll-forwards, and you'll hear some version of this answer: "It's in our desktop tool, but half of it lives in Excel because the software doesn't do what we need it to do."

That gap between what legacy software tools do and what actually happens on a preparer's desktop is where efficiency stops and costs hide. These show up as:

- The senior associate who spends a Saturday hand-building a state conformity summary that should have taken ten minutes
- The partner who won't take on a new multi-state client because onboarding their asset history is a major headache
- The IT ticket queue clogged with fixed asset software complaints
- The 15 numbers keyed by hand from a depreciation schedule into a tax return, every single time

This is the accumulated debt in tools that were built for a different era of tax practice, one with fewer states to reconcile, less multi-book complexity, and no expectation that software should be easy to use or talk to other software.

The rules have changed. Recent tax legislation and ongoing shifts in bonus depreciation and Section 179 thresholds are accelerating a broader move away from spreadsheet risk toward systems that can serve as a single source of truth for asset data.

This guide walks through unseen costs accounting firms experience with fixed asset planning and management today, includes a short assessment to see where your firm stands, and outlines how to mitigate those costs so you can benchmark your performance and set a course for eliminating unnecessary impediments to efficiency and growth.

Manual State Conformity

If there's one pain point that comes up in nearly every conversation we have with accounting firms, it's this: state depreciation adjustments are still being tracked manually in Excel.

Every state that decouples from federal bonus depreciation or Section 179 creates a separate adjustment that has to be tracked, calculated, and reconciled on top of the federal number.

Firms with clients in more than a handful of states describe the same workaround: build a color-coded summary spreadsheet grouping states by which ones share identical conformity rules (no-limit bonus, limited bonus, Section 179-capped, and so on), just to cut down on the number of separate calculations someone has to build by hand. This means a piece of information that already exists somewhere in the firm's systems is being manually re-derived, state by state, client by client, every filing season.

It becomes untenable at scale. Some widely-used tax platforms cap the number of state treatments a firm can track per asset. For a firm with a client operating in multiple states, the cap isn't just an inconvenience. It's a hard wall that forces a manual workaround.

THE QUESTION WORTH ASKING

How many hours per filing season go into manually reconciling state depreciation differences that federal software already calculated the base number for?

Remoting In

A lot of fixed asset software was built when “installed on a server, accessed remotely” counted as modern. For many firms, that’s still the reality today.

Firms describe this less as a workflow and more as a workaround: waiting for a remote session to load, working around performance lag during peak season, and coordinating server maintenance windows around tax deadlines.

“Stranglehold.”

How one firm described a specific product’s grip on their operations — one they were actively trying to migrate away from, not because of price or missing features, but because staying on-premises had become its own liability.

Any tool that requires a firm to be its own IT department for software that should work in a browser is taxing every person who touches it, every day, in increments that add up over a filing season.

THE QUESTION WORTH ASKING

If your fixed asset software went down during the busiest week of tax season, whose job is it to fix it? Yours or the vendor’s?

Nothing Talks to Your Tax Software

Here's a scenario that plays out at firms every single filing season: depreciation is calculated in one system. Then someone opens the tax return and keys the numbers in by hand. Form 4562, line by line, sometimes upward of 15 individual figures per client, per return.

This is the direct result of fixed asset software and tax preparation software with no ability to share data via API. The depreciation engine and the tax engine each do their job but in isolation.

The cost and the risk of having no integration using modern REST APIs are in the time spent re-keying. Every manual re-entry point is a place where a transposition error, a missed line, or a stale number can slip through. Depreciation errors are exactly the kind of thing that surfaces in an IRS notice or an amended return months later, long after everyone has moved on to the next filing season.

15+

FIGURES RE-KEYED BY HAND INTO
FORM 4562, PER CLIENT, PER RETURN

0

SHARED DATA LAYER BETWEEN
DEPRECIATION ENGINE AND TAX
ENGINE

THE QUESTION WORTH ASKING

How many manual re-entry points exist between your fixed asset system and your tax return, and who's checking each one?

Migration Fear Keeps Firms Stuck on Tools They've Outgrown

This might be the most expensive cost of all, because it's invisible until you go looking for it: firms stay on fixed asset software they don't like because the pain of switching seems worse than the pain of staying.

It's a rational calculation on the surface. Migrating years of asset history, useful-life data, prior depreciation taken, and disposal records is genuinely hard when the only available path is manual re-entry, asset by asset, client by client. Firms have described spending the equivalent of six figures in intern labor migrating fixed asset data off a legacy platform. Others have tried to consolidate onto a single tool, given up partway through, and gone back to the tool they were trying to leave. Not because it was better, but because starting over was too expensive to finish.

That's not sustainable for firms looking to serve more clients more efficiently. The good news is this is a solvable problem with better import tooling. Firms that have used modern import tools to migrate prior-year tax returns and asset registers have seen the process go from multiple days of manual entry down to under an hour, using automated extraction rather than row-by-row re-typing. The technology to remove migration pain has arrived.

THE QUESTION WORTH ASKING

If migration friction disappeared tomorrow, would you still choose to stay on your current fixed asset software?

Is Your Firm Carrying Hidden Fixed Asset Costs?

Answer yes or no to these seven questions objectively for your firm.

- ☐ Do you maintain a separate spreadsheet or spreadsheets to track state depreciation conformity differences outside your primary software?
- ☐ Does your fixed asset software require a remote desktop session, VPN, or on-site server access to use?
- ☐ Do preparers manually re-key depreciation figures into Form 4562, Form 4797, or state returns rather than importing them directly?
- ☐ Has your firm ever avoided taking on a new client, or delayed onboarding one, because migrating their asset history was too time consuming?
- ☐ Does your current software impose a cap on the number of state or book treatments you can track per asset?
- ☐ Has anyone at your firm described your fixed asset software's IT support burden as disproportionate to its cost or value?
- ☐ Do you have clients whose asset complexity has outgrown what your current tool handles?

If you answer yes to five or more, your firm's fixed asset process is costing more in time, risk, growth stagnation, and staff productivity than the software itself.

What Good Looks Like

None of the costs described in this ebook are inevitable. They're the product of tooling that hasn't kept pace with how accounting firms operate today. A modern fixed asset depreciation system should be evaluated against a new standard:

- ✓ **No artificial caps on state or book treatments**
Multi-book depreciation (Tax, GAAP, AMT, State) should scale to however many states and books your clients actually need, not stop at three or five and force a manual workaround for anyone above that.
- ✓ **Cloud-native, not remote-access-to-desktop-software**
Accessible from a browser, with the uptime and security controls (SOC 2, SSO) that a real cloud product should carry.
- ✓ **Built in APIs to facilitate communication with the rest of your workflow**
Depreciation data should flow into the return and be export-ready for the major tax platforms without manually re-keying numbers.
- ✓ **Fast, low-risk migration**
Modern import tooling, including the ability to extract asset data directly from prior-year tax return PDFs, should make switching a matter of hours, not weeks of labor.
- ✓ **Transparency over false confidence**
Any system making tax-driven assumptions (e.g., conventions, elections, overrides) should flag those assumptions for review rather than computing a number you have to trust blindly.

If your current process meets these standards, you're in good shape. If it doesn't, consider evaluating a new fixed asset depreciation tool.

What Fixing This Looks Like

One firm's experience migrating a client's prior-year asset history: what had historically taken three days of manual row-by-row data entry was reduced to roughly thirty minutes, using automated extraction directly from the prior-year tax return rather than manual re-keying.

3 days

MANUAL ROW-BY-ROW DATA ENTRY,
HISTORICALLY

~30 min

WITH AUTOMATED EXTRACTION FROM
THE PRIOR-YEAR RETURN

That's the difference between migration being a project that requires planning, staffing, and dread and migration being something a firm can do on a Tuesday afternoon without disrupting anything else.

YOUR FIRM'S PATH FORWARD

If any of the costs in this guide sounded familiar, you're not alone. They are common refrains we hear from CPA firms of every size managing fixed assets for their clients. The path forward is holding whatever tool you use today up against the "what good looks like" standards above and being honest about what you see and experience.



Built for CPA firms

DepreciationPro is a cloud-based fixed asset management platform built for CPA firms managing fixed asset depreciation, cost segregation, and multi-state tax compliance for their clients.

depreciationpro.com

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