

Decide one AI use at a time

A fillable worksheet for a managing partner, practice operations lead or IT owner deciding whether one AI tool may be used for one task with one kind of client information.

Complete one copy for each tool, task and data class. Bring the vendor terms, your engagement letter template, your written information security plan (WISP) and the person who would use the tool. The result is a decision record: approve, approve with limits, hold or do not approve.

Save a local copy before completing it. This file does not send your answers to Clairvance. It is an original planning aid, not legal advice, a compliance certification or an assessment of a tool's accuracy. Confirm the legal and professional rules that apply to your firm with qualified advisers.

Tool, vendor, account type, and who administers the account

Name the exact plan. A personal or free account has no firm administrator.

Task, service line, and the role that will perform it

Where the AI appears	What to record
Standalone assistant	Which accounts exist, which are firm-administered and who can add users.
Feature inside software you already license	Whether the feature is on by default, who can disable it and which contract governs it. The IRS says virtually all professional tax firms use some form of AI, whether they are aware of it or not [1].
Meeting recorder or transcript tool	Whose calls it joins, where recordings are stored and who can open them.
Agent that takes an action	What it may change or send, what approval it needs and how an action is reversed.

Does the tool only draft for a person to review, or can it act or send on its own?

Who in the firm owns this decision and signs the record?

Classify the information before the tool

List what will actually enter the tool, including attachments, transcripts and pasted text. Decide by data class, not by the label on the task.

Class	Examples	Route in this worksheet
1. No client information	Firm templates, public rules, generic questions.	Continue to page 3 only if the tool is new or its terms changed.
2. Client information outside a tax return	Bookkeeping, advisory or audit-support records, client names and financials.	Check the engagement letter's confidentiality and third-party terms; complete page 3 evidence.
3. Tax return information	Any information, including a name, address or identifying number, furnished for or in connection with preparing a return [2].	Record the Section 7216 path (consent or a listed exception) with counsel before use [3].
4. Credentials and access secrets	Passwords, authentication codes, e-file and bank logins.	Firm default: never enter into an AI tool. Change only by a written exception.

Data classes this use will include and why each is necessary

Anonymization step, if any, and who rechecked the actual input

Names are not the only identifiers. A distinctive mix of industry, place and amounts can identify a client.

Engagement-letter and client-contract terms that restrict third-party tools

Section 7216 path for Class 3 data: consent, listed exception, or not applicable; adviser and date

Section 301.7216-2(d)(1) permits some disclosures to another preparer located in the United States only for services that are not substantive determinations or advice affecting tax liability. Section 301.7216-2(d)(2) covers contractors for programming, maintenance, repair, testing or procurement of preparation software, only to the extent necessary and with a written notice [3]. Whether a given AI vendor fits either description is a question for counsel; this worksheet does not answer it.

Ask for proof, not reassurance

The FTC Safeguards Rule, which the IRS says covers professional tax preparers, requires reasonable steps to select capable service providers, a contract requiring safeguards, and periodic assessment [2][4]. Record the evidence you actually obtained.

Question	Evidence to request	Status
1. Training use	Contract or terms stating whether firm inputs and outputs train any model, and how to switch it off.	open / verified / failed
2. Retention and deletion	Retention period, deletion controls, and whether your disposal schedule can be applied [4].	open / verified / failed
3. Where data is processed	Processing and support locations and subprocessors; Class 3 data needs the answer to the page 2 question.	open / verified / failed
4. Access and sign-in	Firm-administered accounts, multi-factor authentication and role limits [4].	open / verified / failed
5. Encryption	Documentation of encryption in transit and at rest, or compensating controls your qualified individual approved [4].	open / verified / failed
6. Activity records	A log showing who used the tool and when, exportable for review [4].	open / verified / failed
7. Incident and exit terms	Notice duty, support contact, data return and end-of-contract deletion.	open / verified / failed

Document names, versions and dates you reviewed for each question

Questions marked open or failed: owner and date to resolve

A vendor's security page describes its advertised controls. Treat a control as verified only when you have reviewed a contract term, setting, report or demonstration that shows it for your account type.

Decide who checks the output and what you keep

Using a tool does not move responsibility. The IRS Office of Professional Responsibility applies existing Circular 230 duties to generative AI [1].

Duty (Circular 230 section)	What the IRS guidance says	Worksheet question
Due diligence, 10.22	Verify the accuracy of facts, citations and calculations produced by AI.	Who verifies, and against which source?
Fees, 10.27	Billing for time not actually spent may violate the rule depending on the facts; pass efficiencies on openly.	How is recorded time compared with the invoice?
Competence, 10.35	Understand how the AI works, its limits and risks.	What training must the user complete first?
Firm procedures, 10.36	Training, secure data handling, accuracy monitoring and vetting of outside tools, with documentation.	Where is this approval filed?
Written advice, 10.37	Do not rely on AI representations without verification.	What can never go out unreviewed?

Reviewer role, what they check the output against, and what happens if it fails

Training required before use and who confirms it

Client notice: engagement-letter wording or other disclosure, as decided with counsel

Records to keep: approval, vendor evidence, review notes, incidents

Time check (constructed numbers): a memo that took 6.0 hours now takes 2.5 recorded hours including verification. Bill the time actually spent or a fee basis your adviser confirmed; billing 6.0 hours silently leaves 3.5 hours unexplained.

Record the decision

Decision	Planning default rule; an open critical item is a hold, not an approval
Do not approve	Credentials needed; Class 2-3 data in a personal or free account with no firm administrator; no documented Section 7216 path for Class 3 data; training on inputs cannot be switched off; or a critical item failed.
Hold	Any of vendor questions 1-4 is open on a firm-administered account, or the reviewer is not named.
Approve with limits	Critical items verified, but use is restricted: draft only, anonymized input, named users, or Class 1-2 data only.
Approve	All seven vendor items verified, Section 7216 path documented for Class 3 data, reviewer named, training complete, records filed.

Constructed example	Decision	Why
A personal chatbot account summarizes a client memo with names and financials.	Do not approve	Class 2 data in an account with no firm administrator. Resubmit with a firm account and verified terms.
A feature inside licensed tax software drafts a client email; a partner sends it.	Approve with limits	Draft only; vendor assessed under the WISP; terms verified; the partner sends.
A recorder joins client calls about returns; storage location and retention are unknown.	Hold	Vendor questions 2 and 3 are open and the data may be Class 3.

Decision, limits, and conditions that must stay true

Review date and events that reopen this record (new feature, changed terms, incident, new user group)

Approver, date, and where this record is filed

[1] IRS OPR Issue 2026-19 (June 24, 2026). [2] IRS Pub. 4557 (Rev. 6-2024). [3] 26 CFR 301.7216-1(b)(3), -2. [4] 16 CFR 314.4(c), (f). Accessed October 1, 2026; links on the landing page.

[Discuss an AI workflow for your firm with Clairvance](#) | Original Clairvance planning method, October 2026.