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Drake Tax® Manual

Tax Year 2022

DrakeTax®

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Table of Contents

Quick Reference

Following is information on Drake Software's online resources and contact information for Drake Software's banking department and partners, Drake Software Support, and the Internal Revenue Service.

Before you or your staff can take advantage of Drake Software's online sites—including Support and the Download Center—you or your office administrator must set up a User Account.

See "Initial Setup" on page 37 for details.

Online Support

Your firm's Drake Software User Account (*Support.DrakeSoftware.com*) offers a wealth of resources available 24 hours a day. Included are links to all of Drake Software's resources—from tax program information to credit card processing to classroom training (including tutorials, videos, webinars and practice returns) to banking and Drake Software's banking partners. Additional information found on your Drake Tax User Account includes your password and serial numbers to your bank applications and EF database, as well as website services.

Chapter 10, "Resources and Support," includes details on these and many other Support options.

To sign in to your firm's User Account through the tax program, from the **Home** window, click **Support > Support Website**. (You will need your username and password. See "Initial Setup" on page 37.)

Drake Banking Department

Contact information for Drake Software's Banking Department:

Mail	Drake Software ATTN: RAL Department 235 E. Palmer St. Franklin, NC 28734
Phone	(828) 524-8020
Fax	(828) 349-5745
Email	RALS@DrakeSoftware.com

For contact information on Drake Software's banking partners, log in to *Support.DrakeSoftware.com*. From the blue menu bar on the left, go to **Products**, and below **Bank Partners**, choose your bank.

Contacting Drake Support

Accounting (department)	Accounting@DrakeSoftware.com (828) 349-5900
Compliance	Compliance@DrakeSoftware.com (866) 273-9032
Education	Education@DrakeSoftware.com
e-File	EF@DrakeSoftware.com
Fraud Management	(866) 369-9308
GruntWorx	GruntWorxSupport@DrakeSoftware.com (828) 349-5505
Sales	Sales@DrakeSoftware.com
Support (general)	Support@DrakeSoftware.com Phone: (828) 524-8020 Fax: (828) 349-5701 (Drake Software replies to faxes with faxes, not phone calls)
Support (state-specific)	*XXState@DrakeSoftware.com* (replace "XX" with state abbreviation)
Drake Accounting Software	DAS@DrakeSoftware.com (828) 349-5908

For more on the many helpful resources provided by Drake Software, see Chapter 9, "Resources & Support," on page 279.

Drake Software Customer Support Hours

Tax Season (December 1, 2022 – April 18, 2023)	**Off-Season** (April 19, 2023 – November 30, 2023)
Monday – Friday: 8 AM – 10 PM (EST) Saturday: 8 AM – 6 PM (EST)	Monday – Friday: 8 AM – 9 PM (EST) Saturday: 9 AM – 5 PM (EST)

IRS Phone Numbers and Websites

Website	*www.irs.gov*
Individual return assistance	(800) 829-1040
Business return assistance	(800) 829-4933
Exempt organizations, Retirement Plan Administrators, Government Entities	(877) 829-5500
People with hearing impairments	(800) 829-4059 (TDD)
Estate and gift	(866) 699-4083
e-File application and help	(866) 255-0654
Help Desk (U.S./Canada)	(800) 876-1715
Help Desk (International)	(915) 342-5654
Refund hotline	(800) 829-1954
Order forms and publications	(800) 829-3676
Social Security Administration	(800) 772-1213
Taxpayer Advocate Service	(877) 777-4778
Suspected identity-theft victims	(800) 908-4490 *identitytheft.com*
Register for EFINs	irs.gov/tax-professionals > Become an authorized e-file provider (EFIN)
Register for PTINs	(877) 613-7846 irs.gov/tax-professionals > Renew or Register (PTIN System)

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1 What's New for 2022

In this section, we describe many of the new features for tax year 2022. Further details on these features, as well as how to complete tax returns for each package, are found in the respective supplemental manuals, accessed from your User Account at *Support.DrakeSoftware.com* **> Support > Documents**.

About Your *Drake Tax Manual*

Use this manual in conjunction with other Drake Software resources, such as the supplemental manuals, in-program and online help features, video tutorials, training, and phone support.

We suggest making a PDF copy of the manual and saving it to your desktop for easy access. Because Drake Tax updates manuals whenever major changes occur, frequently updating your manuals keeps you up-to-date with any changes to the program or tax law. The best way get the latest edition of the manuals is by signing in to your User Account at *Support.DrakeSoftware.com*, and from the blue menu bar, select **Support > Documents**. (You can also connect to your User Account through the tax program. From the toolbar of the **Home** window, click **Support > Support Website** or **Manual & Online Resources**.)

The electronic version of the manual has the added benefits of active hyperlinks in the Table of Contents, along with active, linked cross-references. There is also the "search" feature (press CTRL + F) that allows you to search for any word, phrase, form, or number in the manual.

IRS Changes

Following are brief descriptions of the IRS changes for tax year 2022 that are most likely to affect your returns, as well as how these changes are addressed within Drake Tax.

All changes are for the 1040 package unless otherwise stated.

Additional Returns Eligible for e-File

Beginning tax year 2022, amended 1040-NR returns may be e-filed even if the original return was paper-filed.

Expanded Direct Deposit Eligibility

Beginning 2023, refunds from e-filed 1040 amended and superseded returns can be distributed to taxpayers via direct deposit. To indicate that a refund is to be sent using direct deposit, choose the appropriate **1040-X** check box on the **Deposit Refund from** line of screen **DD**.

Refunds for paper-filed 1040 amended and superseded returns, as well as other amended and superseded return types, will still be sent via check.

For more information on superseding returns in Drake Tax, turn to "Support for Superseded Returns" on page 20.

Updated Forms & Schedules

Form 1040 and Schedules 1 – 3

Form 1040, U.S. Individual Income Tax Return, has undergone several changes for the 2022 tax year. Among them:

- The "Qualifying widow(er) (QW)" filing status has been renamed to "Qualifying surviving spouse (QSS)." The functionality remains the same.
- 2021 line 1, "Wages, salaries, tips, etc.," has been expanded (now lines 1a – 1i and 1z), including dedicated lines for household employee wages, tip income, and other types of earned income.
- A check box has been added for the "lump-sum election method" (line 6c).

- Due to the expiration of ARPA (P.L. 117-2):
    - Lines 12b and 12c were removed, as the election to claim a charitable contribution for taxpayers who do not itemize deductions has expired.
    - Line 27c was removed, as the election to use prior-year earned income to figure EIC has expired.
    - Line 30, previously used for the Recovery Rebate Credit, is now reserved.
- The childless EIC age range (25 – 65) has been reinstated. Additionally, 2019 earned income can no longer be used in place of current-year earned income for the purpose of calculating EIC.

By contrast, changes to Schedules 1 – 3 are minimal:

- Line 8 on Schedule 1 (Form 1040), Additional Income and Adjustments to Income, has been expanded to include other non-earned income amounts.
- Changes for Schedule 2 (Form 1040), Additional Taxes, include the addition of a check box for line 8 to indicate Form 5329 is not required and the reservation of line 19 due to the expiration of ARPA (P.L. 117-2).
- On Schedule 3 (Form 1040), Additional Credits and Payments, lines 13c and 13g have been reserved due to expired legislation.

Form 1099-K

Data entry regarding Form 1099-K has not changed, but the conditions under which Form 1099-K is distributed has changed and continues to change greatly.

For tax year 2021, Form 1099-K was issued if the taxpayer received more than $20,000 over more than 200 transactions from a single qualifying third-party payor. Per Notice 2023-10, updated Form 1099-K distribution requirements set forth by the American Rescue Plan Act of 2021 (taxpayers who receive $600 or more in aggregate payments during the year from a qualifying third-party payor and the elimination of the de minimis transaction rule) have been delayed to transactions that occur after calendar year 2022. The IRS is currently working on providing reporting guidance to taxpayers who have already received Forms 1099-K as a result of the statutory changes.

If required, report state information from Form 1099-K on screen **99K**.

Form 2441

Due to the expiration of ARPA (P.L. 117-2), the Child and Dependent Care Credit is no longer refundable. Child and Dependent Care Credit changes enacted for tax year 2021 have been reverted to Tax Cuts and Jobs Act (TCJA) provisions, including:

- The maximum amount of childcare expenses the taxpayer can claim is $3,000 for one qualifying person and $6,000 for two or more qualifying persons.
- The phaseout schedule has been added back to the form, using the 2020 phaseout of 35% beginning when AGI exceeds $15,000.

- The maximum amount that can be contributed to a Dependent Care Flexible Spending Account and the maximum amount of tax-free employer-provided dependent care benefits has been reduced to $5,000.
- The taxpayer's main home is no longer required to be in the U.S. for more than half of the tax year.

Form 5695

Due to the passage of the Inflation Reduction Act of 2022:

- The Nonbusiness Energy Property Credit has been renamed to the Energy Efficient Home Improvement Credit. This credit has been extended to property placed in service through December 31, 2022.
- The Residential Energy Efficient Property Credit has been renamed to the Residential Clean Energy Credit. The credit rate for property placed in service from 2022 – 2033 is 30%.

Screen **5695** has been updated to reflect these changes.

Schedule 8812

There are several Child Tax Credit changes for tax year 2022. Among them:

- The age limit for qualifying children was reverted from under 18 to under 17.
- The maximum nonrefundable Child Tax Credit amount was reverted to $2,000 per qualifying child. Phaseout begins when MAGI exceeds $200,000 ($400,000 for Married Filing Jointly returns).
- The maximum refundable Additional Child Tax Credit (ACTC) amount is now $1,500 per qualifying child.
- Bona fide residents of Puerto Rico are now eligible to claim the ACTC if they have at least one qualifying child (reduced from three qualifying children).
- Advanced Child Tax Credit payouts and reconciliation payments are not applicable for tax year 2022.

Expired Forms and Provisions

The following forms, along with their related screens and fields, have been removed from Drake Tax:

- 100% AGI limitation on qualified cash contributions (removed from screen **A**)
- 1120-W, Estimated Tax for Corporations (screen **W** — 1120 package)
    - Estimated taxes and overpayments previously entered on screen **W** are now entered on screen **ES**. If estimated tax or overpayment data is entered on screen **ES**, an in-house worksheet is produced for the preparer's convenience.
- 7202, Credits for Sick Leave and Family Leave for Certain Self-Employed Individuals (screen **7202**)
- 8830, Enhanced Oil Recovery Credit (now reserved on screen **3800**)
- 8845, Indian Employment Credit (screen **8845**)
- 8885, Health Coverage Tax Credit (screen **8885**)
- 8915-B, Qualified 2017 Disaster Retirement Plan Distributions and Repayments (screen **915B**)
- ARPA (P.L. 117-2) (affects Form 2441 and Schedule 8812)
- Screen **PPP** has been retired; the covered period in Rev. Proc. 2021-20 has ended. Screen **PPP2** (PPP Loan Forgiveness: Rev. Proc. 2021-48 Statement) is still available.
- Recovery Rebate Credit (screen **RRC**)

Corporation (1120) Changes

- The increased corporate limit of 25% of taxable income for cash contributions has expired. Qualifying cash contributions are once again limited to 10% of taxable income.
- Disaster contributions are not applicable for tax year 2022.

Mid-Year Mileage Update

Business, medical, and moving mileage rates for tax year 2022 are determined based on the date the miles were put on the vehicle. The charitable mileage rate remains at $0.14/mile for all of tax year 2022.

Business Mileage

Packages:
1040
1120
1120-S
1065
1041

The *business* mileage rate for January 1, 2022 – June 30, 2022, is $0.585/mile. From July 1, 2022 – December 31, 2022, the mileage rate is $0.625/mile.

- (*1040 package only*) Enter business miles on the applicable **9**, **2106**, or **AUTO** screen.
- (*1041 package only*) Enter business miles on the applicable **9** or **AUTO** screen.
- (*1120, 1120-S, and 1065 packages*) Enter business miles on screen **9**.

Medical and Moving Mileage

The *medical and moving* mileage rate for January 1, 2022 – June 30, 2022, is $0.18/mile. From July 1, 2022 – December 31, 2022, the mileage rate is $0.22/mile. Enter these miles on screen **A**.

Updated Section 179 Limits

Packages:
1040
1120
1120-S
1065

The following section 179 limits have been updated for tax year 2022:

- The aggregate cost of any section 179 property that a taxpayer elects to treat as an expense cannot exceed $1,080,000 (§ 179(b)(1)).
    - The $1,080,000 limitation under section 179(b)(1) is reduced (but not below "$0" (zero)) by the amount by which the cost of the section 179 property placed in service during the 2022 taxable year exceeds $2,700,000.
- The cost of any sport utility vehicle that may be taken into account under section 179 cannot exceed $27,000 (§ 179(b)(5)(A)).

Domestic Filing Exception (K-2 and K-3)

Packages:
1120-S
1065

Additional criteria apply to whether the partnership or S corporation is required to file Schedules K-2 and K-3 for tax year 2022. The criteria to qualify for the exception are listed in brief below. Refer to the respective form's Schedules K-2 and K-3 instructions for further details.

The entity must:

- Not have foreign activity or have limited foreign activity
- (*1065 only*) Have all partners be U.S. citizens or resident aliens
- Notify all partners and shareholders (by the date the Schedule K-1 is furnished to the partner or shareholder, at the latest) that they will not receive a Schedule K-3 unless requested

- Not receive a request for a Schedule K-3 from any partner or shareholder on or before one month from the date the return is filed

The option to indicate that the entity has met all criteria of the domestic filing exception has been removed from screen **1**. Instead, select line 16 (or 14 for S corporations), item **a** check box on the **Credits** tab of screen **K** to indicate that **Schedules K-2 and K-3 are not required**. Choosing this option prevents Schedules K-2 and K-3 from being generated, regardless of data entry.

Figure 1-1: Domestic Filing Exception Options for the 1065 Package

16 Schedule K-2 International Transactions

a ☐ Schedules K-2 and K-3 are not required.

b ☐ Schedule K-2 is required. Schedules K-3 are required and will be produced for all partners.

c ☐ Schedule K-2 is required. Produce Schedules K-3 for applicable partners indicated on screen K1.

d ☐ Schedule K-2 is NOT required. Produce Schedules K-3 for applicable partners indicated on screen K1.

A “Qualified for Exception to Filing Schedule K-2” statement is included with the return if either check box **a** or **d** is selected, explaining why a Schedule K-2 is not attached. Additionally, a “K-3 Notification Statement” is produced automatically in the “Supplemental Information” section on each Schedule K-1, explaining that a Schedule K-3 will not be provided unless the partner or shareholder explicitly requests one. Use the new **K3G** screen to add additional information to this statement.

If a partner or shareholder requests a Schedule K-3 *more than one month* from the date the return is filed, the partner’s or shareholder’s Schedule K-3 must be both transmitted to the IRS and furnished to the partner or shareholder, and line 16 (14), option **c**, must be selected on the **Credits** tab of screen **K**; the **IRS and partner [shareholder]** option under the **K-3 File Options** section of screen **K1** should also be marked for the partner or shareholder. If the partner’s or shareholder’s request is *one month or less* from the date the entity’s return is filed, Schedules K-2 and K-3 are not required, but Schedule K-3 must still be furnished to the requesting partner or shareholder for informational purposes. (Select **Partner [Shareholder] only** on screen **K1** and line 16 (14), option **d**, on screen **K**.)

Entities that otherwise qualify for the domestic filing exception but are required to file Schedules K-2 and K-3 due to a partner’s or shareholder’s timely request for Schedule K-3 need to enter Schedule K-2 and K-3 data only as it relates to said partner or shareholder.

Estate Tax (706) Changes

- Effective July 8, 2022, Rev. Proc. 2022-32 supersedes Rev. Proc. 2017-34, allowing certain taxpayers to obtain an extension of time (up to or before the fifth anniversary of the decedent’s death) in order to make a “portability” election regarding the deceased spousal unused exclusion (DSUE) amount. Make this election by selecting **Portability election filed pursuant to Rev. Proc. 2022-32** on screen **DSUE**.
- Effective October 28, 2021, persons requesting the issuance of an estate tax closing letter (ETCL) will incur a $67 user fee.

General Program Updates

Support for Superseded Returns

Packages:

1040
1120
1120-S
1065
1041

Beginning tax year 2022, superseded returns can be e-filed in Drake Tax for 1040, 1120, 1120-S, 1065, and 1041 returns.

A ***superseded*** return is a modified return filed subsequent to the originally filed return and one that is filed within the filing period (including extensions). By contrast, an ***amended*** return is a corrected return filed subsequent to the originally filed return and one that is filed after the expiration of the filing period (including extensions).

There is no place on any of the 1040-series forms or main business forms to indicate that the return is superseded. For convenience and record-keeping purposes, Drake Software recommends marking the **Print "Superseded Return" on front of return** box on the applicable **X** or **Superseded Return** screen .

Superseding Individual Returns

IRS e-file rules allow up to three amended returns to be e-filed each year; this rule applies to superseded returns, as well. A combined total of three superseded ***or*** amended returns can be e-filed for each taxpayer before the remainder must be paper-filed. As an example, if the taxpayer e-files one superseded return, he or she can only e-file up to two amended returns, as both superseded and amended returns count toward the same total.

Forms 1040, 1040-NR, 1040-PR, 1040-SR, and 1040-SS can be superseded. To file a superseded individual return in Drake Tax:

1. Complete screen **X**, and select the option **Superseded return**.

When opening screen **X** for the first time, you are asked if you would like to automatically archive the return. If you decline this option or do not receive the prompt, it is recommended you archive the current version of the return using the Archive Manager before proceeding.

2. Enter the necessary changes on the appropriate data entry screens.
3. (*1040-PR and 1040-SS returns only*) Select **Superseded** from the **If this is not the original return...** drop list on screen **SSPR**.
4. Mark the appropriate **1040-X** check box on screens **PIN** and **EF** (and **PMT**, if applicable).

Superseding Business Returns

Unlike individual returns, there is no limit for how many times a superseded business return can be e-filed.

To file a superseded business return in Drake Tax:

1. *(recommended)* Archive the original return using the Archive Manager.
2. Mark the **Superseding** check box on screen **1**.
3. Click the **SUP** link beside the **Superseding** check box to open the **Superseded Return** screen.
4. Report any amounts previously reported on the original return, such as the amount originally paid with the initial return, as well as estimated payments or overpayments.
5. Enter the necessary changes on the appropriate data entry screens.
6. Mark the appropriate amended or superseded check box on screen **EF** (and **PMT**, if applicable).

Support for Territory Returns

Forms 1040-PR and 1040-SS can now be both produced and e-filed in Drake Tax. The addition of Forms 1040-PR and 1040-SS also brings with it support for the following W-2 territory forms:

- 499R-2/W-2PR, Commonwealth of Puerto Rico Wage and Tax Statement
- W-2AS, American Samoa Wage and Tax Statement
- W-2CM, Commonwealth of the Northern Marina Islands Wage and Tax Statement
- W-2GU, Guam Wage and Tax Statement
- W-2VI, U.S. Virgin Islands Wage and Tax Statement

To enter information from a territory W-2:

1. Complete the taxpayer's territory W-2 information on screen **W2**.
2. On the **Additional Entries** tab of screen **W2**, select the appropriate **W-2 for U.S. territories**.

If the taxpayer received Form W-2PR, enter this information on screen **W2PR** instead of screen **W2**. Forms W-2PR are not supported for 1040, 1040-NR, or 1040-SR returns.

To generate Form 1040-SS, U.S. Self-Employment Tax Return (U.S. Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, or Puerto Rico):

1. Open screen **SSPR**, located on the **Miscellaneous** tab of the **Data Entry Menu**, and confirm that the **Taxpayer is not required to file Form 1040...** and is filing Form 1040-SS instead.
2. Select the appropriate territory that the **Taxpayer is a bona fide resident of**.

To generate Form 1040-PR, *Declaración de Impuestos Federal sobre el Trabajo por Cuenta Propia*:

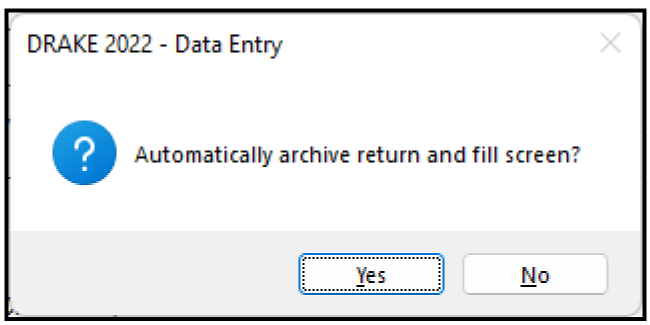
1. Open screen **SSPR**, located on the **Miscellaneous** tab of the **Data Entry Menu**, and confirm that the **Taxpayer is not required to file Form 1040...** and is filing Form 1040-PR instead.
2. Indicate that the taxpayer is a bona fide resident of **Puerto Rico**.
3. Navigate to screen **PRNT**, and select **Produce federal forms in Spanish**.

Automatically Archive Amended Returns

Packages:
1040
1120

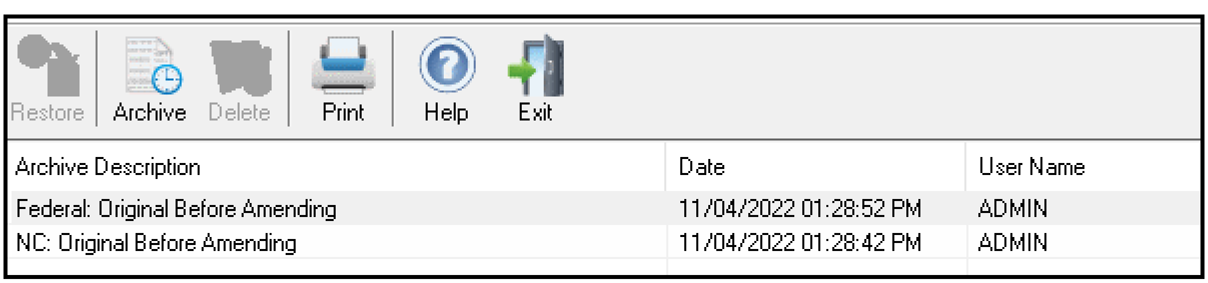
Screen **X** is used to enter amounts from the original return prior to amending. Beginning with Drake Tax 2022, upon opening screen **X** for the first time, you are asked not only if you wish to autofill screen **X** but if you would like to archive the current return as well.

Figure 1-2: Automatically Archive Return and Fill Screen Prompt



When you click **Yes**, a copy of the current return's data file is saved to the Archive Manager. Archived returns can be opened and restored at any time, allowing you to revert a return to a prior version without needing to reenter data.

Figure 1-3: Viewing a List of Archived Returns



The auto-archive feature also applies certain state returns. Open the applicable state's amended return screen to automatically complete the screen and archive the current state return (if applicable).

Additional Support for Form 8936

Packages:

1120
1120-S
1065
990

Form 8936, Qualified Plug-In Electric Drive Motor Vehicle Credit, is now supported for corporation, S corporation, partnership, and tax-exempt returns. Use screen **8936** to complete this credit.

Screen **8936** is not available at this time and is expected to be released early 2023.

Additional Prior-Year Comparisons

Form 4835 and Schedule F Comparison worksheets ("Comparison Form 4835" and "Comparison Sch F" in View/Print mode) can now be generated in Drake Tax for ease of comparing current- and prior-year figures. If the return was updated from Drake Tax 2021 and had a 2021 Form 4835 or Schedule F included, the appropriate worksheet is generated by default. For returns created in Drake Tax 2022, or to modify existing prior-year values, navigate to the applicable screen **4835** or **F**, select the **Prior-Year Compare** tab, and edit data as needed. To suppress these comparison worksheets, delete the **Prior-Year Compare** screens.

Automatic Statement Titles

Packages:

1120-S
1065

Default titles have been added for all Detail Worksheets created on screens **DED** and **INT**. Preparers can edit these titles if desired.

Support for Washington State Returns

While the state of Washington does not have personal or corporate income tax, Drake Tax has added support for Washington state to claim the new Working Families Tax Credit. Qualifying individuals and families can receive up to $1,200.

To apply for this credit, complete all applicable information using the WA screens.

Enhancements to Practice Management

Many of Drake Software's changes throughout this past year have been dedicated to improving your user experience and making Drake Software an easier to use, more efficient, comprehensive product suite you can rely on at all stages of tax preparation.

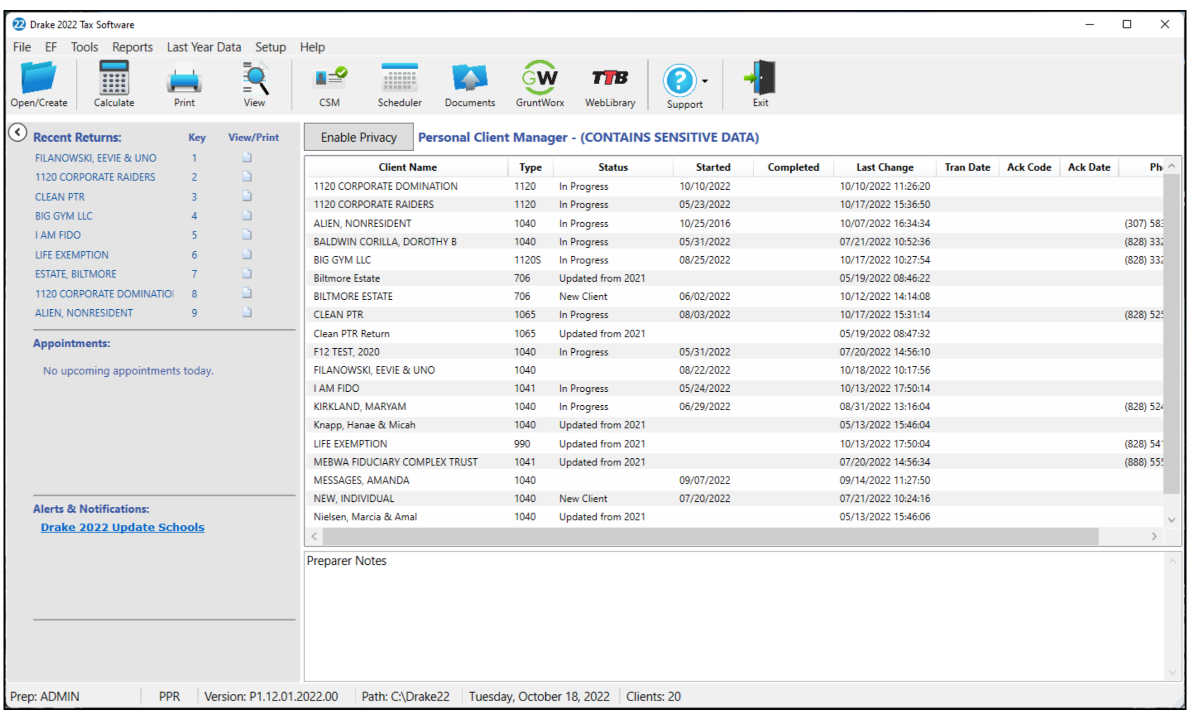
These changes, which are part of Drake Software's modernization project, are happening in stages, beginning with the rewrite of Drake Tax in a modern language. This rewrite will ultimately allow the next generation of Drake Tax to do far more than its predecessor.

While this transition is underway, Drake Software would like to extend its gratitude for your patience and understanding. Many more user-requested updates than those following are currently in development, and Drake Software is excited to unveil them when complete.

Updated User Interface

The most notable difference is upon opening Drake Tax—both the Drake Tax **Log In** window and **Home** window have received a variety of updates, from fonts, to colors, to icons, as well as some additional features.

Figure 1-4: The Drake 2022 Updated **Home** Window



New Setup Options

- **Setup > Windows Scaling —** Adjust the size of the Drake Tax **Log In** and **Home** windows.
- **Setup > Options > Calculation & View/Print** — Two new options have been added regarding **Mask ID numbers on Client and Preparer Sets**
  - **Do not mask last 4 digits of SSN**
  - **Do not mask depositor account number on Form 1040**

PCM Enhancements

- Use the left arrow in the **Recent Returns** section to collapse the list of recent returns and allow for additional Personal Client Manager (PCM) space.
- Send emails to clients quickly by right-clicking the taxpayer's or entity's name in the PCM and selecting **Send Email to Client**.
- Adjust the size of the text in the PCM from **Setup > PCM Font Size**. Note that changes to the **PCM Font Size** do not affect the font size of the Client Status Manager (CSM) or data entry at this time.

Project Launch: Drake User Manager

Over the years, Drake Software has developed many tools and programs, as well as several websites for managing them. For tax year 2022, the process of accessing many products, as well as managing users and applications, has been simplified with the Drake User Manager.

The User Manager is a new, single-sign-on- (SSO) based model that allows Drake users to access certain Drake applications—and manage users and permissions for these applications—from one location using one set of login credentials. Eventually, all Drake users will have only one username and password for accessing all Drake applications, but this change will happen over time, in phases.

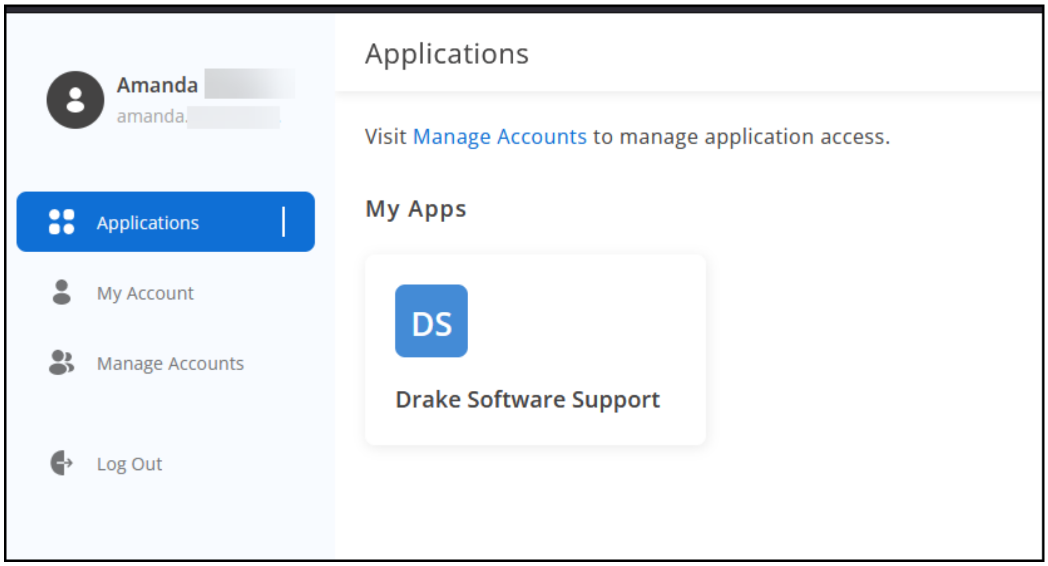
On October 19, 2022, phase 1 of this project was completed with the launch of the new Drake User Manager (*User.DrakeSoftware.com*). During phase 1, Drake User Accounts were both integrated with the User Manager and moved to the SSO model. On November 21, 2022, phase 2 was completed with the addition of DrakePortals, Drake Zero, Web1040, and Web Check Print being integrated with SSO.

Presently in the User Manager, Drake users can:

- Access several Drake applications, including:
  - Their User Account (**Drake Software Support** site)
  - **Drake Portals**
  - **Drake Zero**
  - **Web1040**
  - **Web Check Print**

- Change account details, including names, emails, passwords, security questions, and permissions.
- Activate additional security with an authenticator app.
- View user activity.

Figure 1-5: Accessing Applications from the Drake User Manager



If you have not already, log in to *User.DrakeSoftware.com* using your User Account credentials to get started. Follow the prompts to complete the single-sign-on steps.

More information regarding the User Manager can be found in the *2022 Drake Tax Manual*.

Updated Resources

The below list references only a few of the many help resources that have been updated this year.

- In a continued effort to consolidate Drake applications and web locations, Drake's Online EF Database (OLDB) (*OnlineEFDB.DrakeSoftware.com*) has been merged with the User Account website (*Support.DrakeSoftware.com*). When logged in to your User Account, reports previously created using the OLDB can now be accessed by making the appropriate selection from the **Reports** drop list.

Users must have the correct **Custom Report Access**, established from **Account > User Info**, in order to run former OLDB reports.

- The Drake e-Training Center (DrakeETC) has been retired. Much of the content previously available through DrakeETC is now accessed from the **Training** tab on your User Account.

- Practice return instructions are now available in Spanish. From your User Account, navigate to **Training > Practice Returns**, and click the desired **Scenario**. In the **Instructions** section of the PDF, click the **PDF instructions in español** link to open a Spanish version of the practice return.
- The Drake Tax manuals have been reorganized this year to help you find the information you need faster:
  - For general information about Drake Tax and Drake Software's peripheral programs, refer to the *2022 Drake Tax Manual*.
  - For help preparing 1040, 706, and 709 returns, use the *2022 Drake Tax Manual - Individual, Gift Tax, and Estate Returns*.
  - For help preparing 1120, 1120-S, 1065, 1041, and 990 returns, open the *2022 Drake Tax Manual - Business Returns*.
  - For PPR-specific information, use the *2022 Drake Tax Manual - Pay-Per-Return (PPR)*.

Drake Zero and Web1040

With phase 2 of SSO complete, user permissions and login information previously handled from the Drake Zero and Web1040 Hub are now handled using the Drake User Manager. Additionally, many features available in Drake Tax have been added to Drake Zero and Web1040, allowing Web-based preparers to take advantage of additional features.

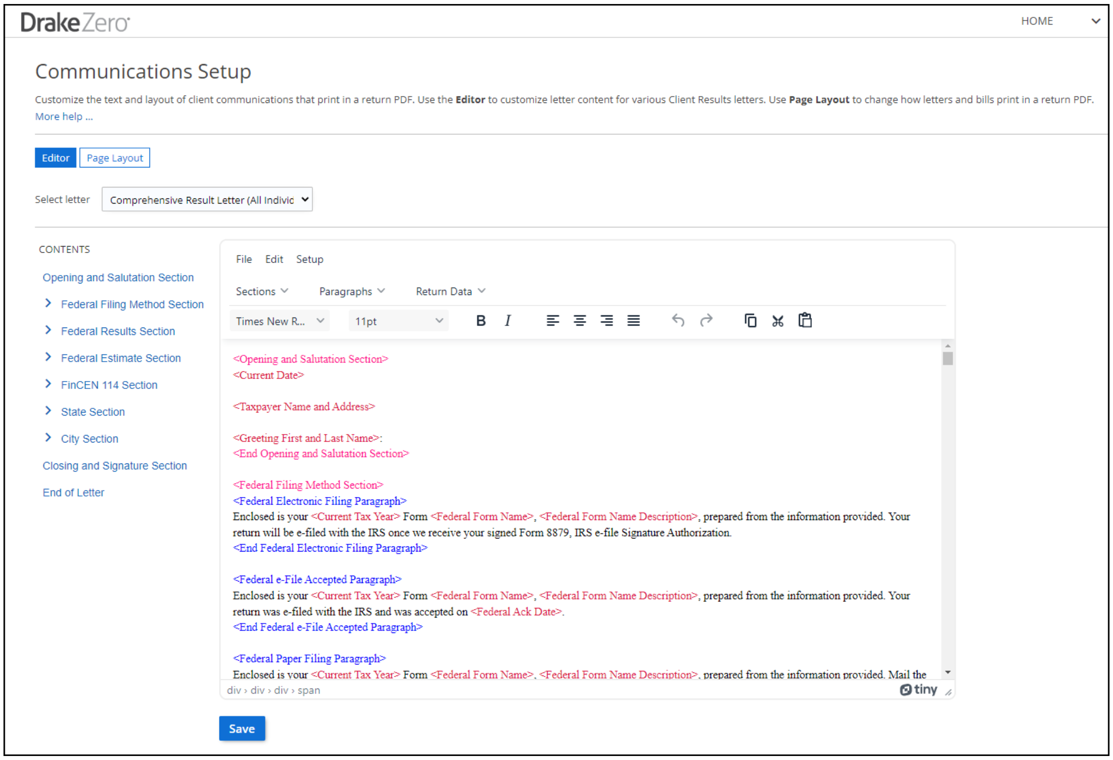
Client Communications Editor

The Client Communications Editor—used in Drake Tax to customize letters, coupons, policies, and bills—has been added to Drake Zero and Web1040 for tax year 2022.

The Web-based Client Communications Editor functions almost identical to the Drake Tax version. To access the Client Communications Editor, log in to Drake Zero or Web1040, and:

1. From the **Tax year** drop list, select **Tax Year 2022**, and click the icon.
2. (*Web1040 only*) Choose the appropriate preparer.
3. From the menu bar, go to **Setup > Communications** to open the **Communications Setup** window.
4. Select a letter from the applicable drop list, and edit as desired. When finished, click **Save**.

Figure 1-6: The Client Communications Editor in Drake Zero



For additional details on using the Client Communications Editor, refer to the ***2022 Drake Tax Manual***.

Enhancements to Setup Options

In prior-year versions of Drake Zero and Web1040, preparers had to use Drake Tax to adjust default setup options. For tax years 2021 and 2022, a new **Setup Options** selection has been added to the **Setup** drop list, allowing preparers to adjust their preferences directly from the website.

Setup options found on Drake Zero and Web1040 are identical to those in Drake Tax, with the exception that certain setup options applicable only to Drake Tax (such as keyboard shortcuts) are not available.

Other options previously available from the **Setup** drop list, such as **Common Forms** and **Customs Documents**, are now found on the **Setup Options** page. Additional options added to **Setup** for tax year 2022 include **Check Print Alerts** and **Communications**.

Update History

Preparers can now view a log of past updates, otherwise known as release or patch notes, for Drake Zero and Web1040 beginning with tax year 2022. To view a list of updates, log in to Drake Zero or Web1040, and:

1. From the **Tax year** drop list, select **Tax Year 2022**, and click the icon.
2. (*Web1040 only*) Choose the appropriate preparer.
3. From the menu bar, go to **Reports > Patch Notes** to open the **Patch Notes Report** window.
4. Select the desired package from the drop list for which you wish to view updates. Recent updates are listed chronologically, with the most recent **Release Date** showing first.
5. Double-click an update to view further details related to the update.

DrakePortals

Two significant features have been released for DrakePortals users for tax season 2022: a mobile app and the ability to add signature fields to any PDF document.

SecureFilePro (DrakePortals) App

A new SecureFilePro (DrakePortals) app is now available for download from the App Store and Google Play Store. This app is for taxpayers (not for their return preparers) and works just like the DrakePortals website.

Taxpayers can now send messages, upload images and documents, complete important tax return information, electronically sign returns and other documents, and electronically pay bills (for firms with E-Pay subscriptions), all from their phone. “Push” notifications pop up on the taxpayer’s phone when preparers download documents or send messages.

With phase 2 of the SSO migration complete, user permissions and login information previously handled within DrakePortals are now handled using the Drake User Manager.

Create and Send Signable Documents

By far the most significant enhancement for DrakePortals’ 2022 development season, portal owners are no longer restricted by what documents can be signed by clients. In prior years, e-signable documents were limited by forms produced in Drake Tax, which then had to be sent from the tax program to the client’s portal.

Now, any PDF document can be uploaded to the preparer’s portal and sent to the client, and any PDF uploaded to DrakePortals can be converted into a signable file. This means that preparers can create their own documents (or take any existing document), save them as PDFs, upload them to the portal, and add up to two signature fields at any location on a document before sending it to the client. The client can then sign and send the file back to the preparer. All signatures are legally binding and are deducted from the preparer's e-sign balance.

To create and send an e-signable document from your portal:

1. Choose the client to whom you wish to send the document, and select the **Signatures** tab.
2. Click **Add**.
3. Locate and open the PDF document to which to add signature fields.
4. Select or add the clients who will sign the document. Up to two signature fields can be added for each document. Fill out each signee's information, and click **Next**.

- Previously entered client information is saved and does not have to be re-entered.
- It is important that accurate information be entered for each signee. The signee will not be able to sign documents if any information is incorrect.

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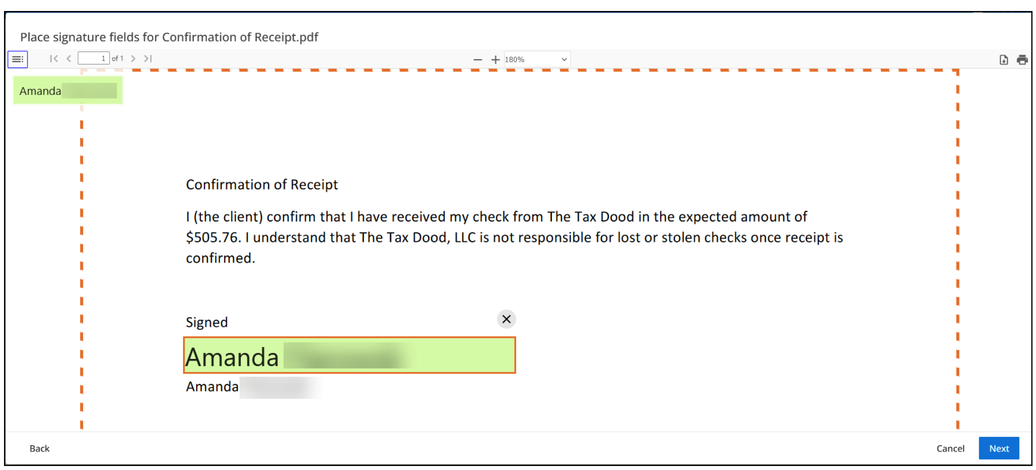
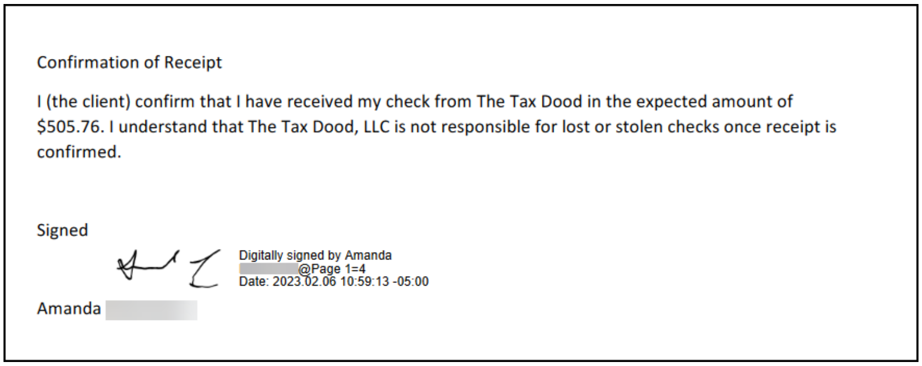
5. A PDF signature window is opened. Choose the applicable signee on the far-left, and drag the signature box to the desired location on the document. Click **Next** when you are finished adding signature fields.

Figure 1-7: Adding Signature Fields to a PDF Document



6. Press **Send** to send the document to the client. Your e-sign balance is adjusted once you click **Send**.
7. An email notification is sent to the client. The client is able to sign the document after verifying his or her identity by correctly answering several questions. The preparer is notified once signing is complete.

Figure 1-8: The Result of a Signed PDF


Confirmation of Receipt

I (the client) confirm that I have received my check from The Tax Dood in the expected amount of $505.76. I understand that The Tax Dood, LLC is not responsible for lost or stolen checks once receipt is confirmed.

Signed

Digitally signed by Amanda
@Page 1=4
Date: 2023.02.06 10:59:13 -05:00

Amanda

GruntWorx

The **GruntWorx** window has been redesigned, and with it, a new **Trade Summary** has been added for Populate LITE.

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2 Installation & Setup

Read this section before installing your 2022 Drake Tax program.

Contents of Your Drake Tax Program

The program is available for download through your firm's user account at *Support.DrakeSoftware.com* and via a CD service (available at an extra cost). All federal packages (1040, 1120, 1120-S, 1065, 1041, 990, 706, and 709), the Drake Documents program, practice returns, banking practice files, and an e-file program used to transmit test returns to Drake Software are included when you install the tax program. The ***2022 Drake Tax Manual*** and Drake Tax supplemental manuals are also available for download from your Drake Software User Account and are included on the CD.

Programs for state returns, e-file, banking, the Tax Planner, city tax rates, and form-based data entry become available in January through regular program updates (see "Update Manager" on page 455) and are included in a subsequent CD shipment in January for CD subscribers. Federal and state programs are updated with each program release thereafter.

Your serial number and Drake account number are required for installing the tax program and are available from your User Account at *Support.DrakeSoftware.com*. If you or a member of your firm does not have a User Account, you must create one via the Drake

User Manager (*User.DrakeSoftware.com*). (See "Drake User Manager" on page 37 for details on setting up a User Account.)

System Requirements

Supported operating systems include:

- Windows 10
- Windows 11
- Windows Server 2012
- Windows Server 2016
- Windows Server 2019
- Windows Server 2022

All operating systems are expected to have the latest updates installed. ARM processors are not supported.

Minimum System Requirements

The following minimum system requirements support Drake Tax on most systems. For superior performance, Drake Tax recommends system upgrades above the stated minimums (see "System Recommendations" on page 35). Actual requirements vary based on your system configuration and the features and other programs you install.

- Windows 10
- 1 GHz processor (Intel Core i3 or equivalent)
- 1 GB of RAM for 32-bit OS and 2 GB of RAM for 64-bit OS
- 2 GB of available hard drive space (actual space requirements vary based on number of clients)
- Monitor capable of 1024 x 768 screen resolution
- Internet access (required for certain features, such as e-file, program updates, online help, and PPR purchases)
- Microsoft® .NET Framework Version 4.7 or higher
- Microsoft® .NET Desktop Runtime Version 6
- WebView2 Runtime (needed for DrakePortals integration with Drake Documents)
- CD drive (only required for CD service)

System Recommendations

- Windows 10 or 11 Professional, 64-bit
- 2.5 GHz or faster multi-core processor (Intel Core i5 or equivalent)
- 4 GB or more of RAM
- Solid-state (SSD) hard drive for enhanced system performance
- Monitor capable of 1920 x 1080 resolution
- High-speed Internet access is recommended for GruntWorx, DrakePortals, and Google or Outlook Calendar integration
- Windows GDI (Graphical Device Interface) or HP-compatible laser printer
- TWAIN-compliant scanner (for Drake Documents and GruntWorx)
- Microsoft Excel

Required TLS Setting

TLS is an industry standard security protocol designed to protect data communicated over the Internet. If your system does not support TLS 1.2, you must upgrade in order to download updates and e-file to Drake Software's systems.

To activate TLS:

1. From your computer's Control Panel, select **Internet Options**.
2. Select the **Advanced** tab.
3. Scroll to the bottom of the dialog box and select **Use TLS 1.2**.

Installation and Download

Read the following section carefully, even if this is not your first season with Drake Tax.

Downloading the Program

Download the program from your Drake Software User Account by following these steps (you need your account number and serial number at hand, which are included in the confirmation email you received when you purchased the program):

1. Sign in to your User Account at *Support.DrakeSoftware.com*
2. From the blue sidebar menu, select **Downloads > Drake Tax**.
3. From the **Tax Year** drop list, select **2022**. Toward the bottom of the page, click the blue **Download** button, and choose a location to save the file in.
4. Open the downloaded file (**Drake22_Federal.exe**), and click **Yes** to begin installation. The **Drake 2022 Software Installation** window is opened. Select the location where you want the program installed. Mark the **Install Test Returns** check box, if desired, in addition to all applicable state installs. (States are available in January 2023.) (See "Test Returns" on page 37.) Click **Next**.
5. Accept the Drake Software 2022 License Agreement. Make sure **Licensed Version** is selected, and enter your **Account number** and **Serial number**. If you want to update your 2021 admin information to 2022, make a selection from the **Update Admin account from** drop list. Click **Next**.
6. Review the information displayed at the top of the window. Click **Install**.
7. When the installation is complete, the **Drake Tax Prerequisites Setup** window is opened. **Install** the needed programs to complete set up, and click **Finished** when done.

Installing from CD

To install Drake Tax from the CD:

1. Insert the 2022 Drake CD into the CD drive. Wait for the **Drake 2022 Software Installation** window to be opened, which displays two installation options: **2022 Drake Tax Software** and **Drake Accounting**. Click the icon to **Install Drake 2022 Tax Software**.
2. Select the location where you want the program installed. Mark the **Install Test Returns** check box, if desired. (See "Test Returns," following). Click **Next**.
3. Accept the Drake Software 2022 License Agreement. Make sure **Licensed Version** is selected, and enter your **Account number** and **Serial number**. If you want to update your 2021 admin information into the 2022 program, make a selection from the **Update Admin account from** drop list. Click **Next**.
4. Review the information displayed at the top of the window. Click **Install**.

5. When the installation is complete, the **Drake Tax Prerequisites Setup** window is opened. **Install** the needed programs to complete set up, and click **Finished** when done.

Test Returns

Test returns are included with new installations automatically; for re-installations, test returns are optional. For more on test returns, see "EF Test Returns and Practice Returns" on page 143.

State Returns

Download state packages from Drake Tax beginning in January. State packages can be installed either during installation or later by going to **Tools > Install State Programs**. Certain prior-year state packages (pre-2008) must be downloaded from your User Account. (See "Incremental Backups" on page 324 for details on installing pre-2008 state packages.)

Initial Setup

Much of the initial and vital setup procedures are handled via your User Manager and User Account.

New for 2022: For tax year 2022, the process of accessing many of Drake Software's products, as well as managing users and applications, has been simplified with the Drake User Manager.

The User Manager is a new, single-sign-on-(SSO) based model that allows Drake users to access certain Drake applications (Drake User Account, DrakePortals, Drake Zero, Web1040, and Web Check Print)—and manage users and permissions for these applications—from one location using one set of login credentials. Eventually, all Drake users will have only one username and password for accessing all Drake applications, but this change will happen over time, in phases.

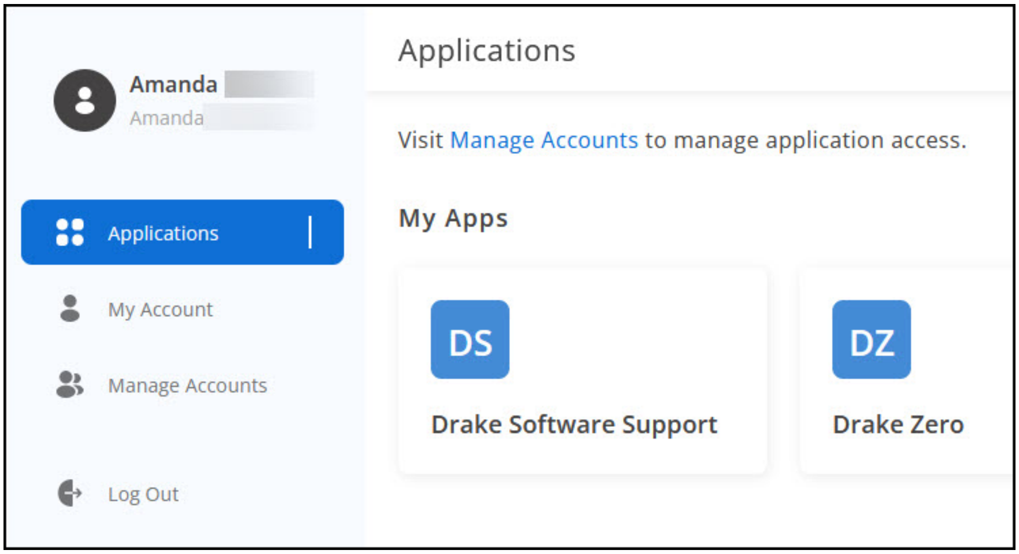
On October 19, 2022, Drake Software launched the Drake User Manager in conjunction with its single-sign-on feature. Email instructions as well as broadcast announcements were sent out during this time, instructing users on how to migrate their Drake Accounts to the Drake User Manager. If you have not already, log in to *User.DrakeSoftware.com* using your User Account credentials to get started. Follow the prompts to complete the single-sign-on steps. For a complete overview of the Drake User Manager migration process thus far, see Knowledge Base article 17849: Drake User Accounts and New User Manager.

Drake User Manager

Use the Drake User Manager to launch migrated Drake Software applications, add user accounts and manage user permissions, change passwords and security questions, activate multi-factor authentication, and view user activity.

Access the Drake User Manager by going to either *User.DrakeSoftware.com* or from your User Account at **Account > User Info**. Upon opening the User Manager, you are taken to the **Applications** page. Use the appropriate icon listed below **My Apps** to launch the desired program. These applications can still be accessed using their respective URLs, but the user must sign in using his or her Drake User Manager credentials.

Figure 2-1: The **Applications** Screen of the User Manager



Any user that should have access to a User Account or other applicable Drake Software product (currently consisting of DrakePortals, Drake Zero, Web1040, and Web Check Print) must be set up and granted the necessary permissions using the Drake User Manager.

Pages previously related to user permissions have been removed from their respective programs; permissions and users are now managed through the Drake User Manager on a per-application basis.

A user must have admin rights for the Drake User Manager in order to adjust user permissions and application access. To modify access to applications and use roles, from the User Manager:

1. Click **Manage Accounts**, and select the appropriate **Username**.
2. Select the program for which permissions to adjust from the **Applications** drop list.
3. Choose roles and permissions as necessary. Click **Submit** when finished.

To add user accounts, from the **Manage Accounts** page, click **Add User**, and enter the needed information. For additional information regarding the onboarding process, view Knowledge Base article "17862: Drake User Manager - Onboarding."

Drake User Account

Use your Drake User Account (accessed from *Support.DrakeSoftware.com* or from your User Manager (*User.DrakeSoftware.com* **> Applications > Drake Software Support**)) to view the details of your Drake account, including the contact information for your office, links to Drake Software program downloads, training resources, tools to help build your practice (such as E-Pay, DrakePortals, Protection Plus audit assistance, and GruntWorx), and contact information for Drake Software's various offices.

The blue menu on the left of the page contains links to all the tools and resources you are familiar with in an intuitive and easy-to-understand layout.

New for 2022: Drake's Online EF Database (OLDB) (*OnlineEFDB.DrakeSoftware.com*) has been merged with the User Account website (*Support.DrakeSoftware.com*). When logged in to your User Account, reports previously created using the OLDB can now be accessed by making the appropriate selection from the **Reports** drop list. Read "EF Reports (Online)" on page 259 for more information on accessing, viewing, and creating reports.

Additionally, as of tax year 2022, the Drake e-Training Center (DrakeETC) has been retired. Much of the content previously available through DrakeETC is now accessed from the **Training** tab on your User Account.

Account

Click **Account** to see a drop list of links to pages containing information for your firm's Drake Software account. Click these links to complete or edit your personal and business information, retrieve passwords, serial numbers, and account information, complete bank applications, and check on your DIY Referrals.

e-File Passwords Required

Drake Software issues e-file passwords to help protect tax professionals from EFIN theft and taxpayer data theft.

This e-file password must be entered in the 2022 Drake Tax program in order to e-file tax returns.

To retrieve your e-file password and enter it in Drake Tax 2022:

1. Sign in to your User Account.
2. From the blue menu bar, select **Account > E-file Password**. Your e-file password is displayed on this screen.
3. Open the 2022 Drake Tax program, and from the menu bar of the **Home** window, select **Setup > Electronic Filing & Account Information (ERO)**.

4. Enter your e-file password in the **e-File Password** field. You also must enter your account number, EFIN, and transmitter information before you can e-file.
5. Click **OK** to save your changes.

Change your e-file password through your User Account (**Account > E-file Password**).

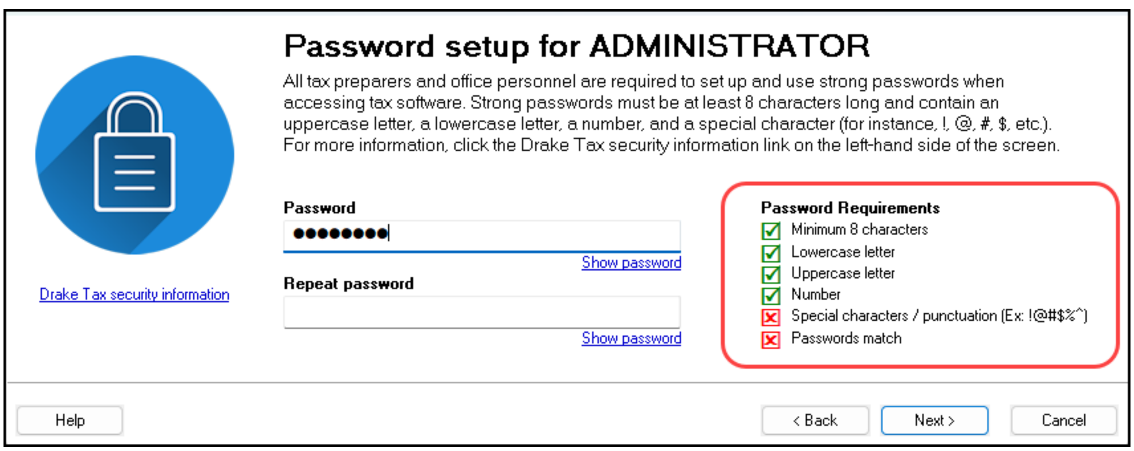
Initial Log In

When you open and log in to Drake Tax for the first time, you are asked to enter your account number and serial number again. Then you must set up a password for the primary administrator (admin). This must be a “strong” password, meeting the requirements in the **Password Requirements** section of the window (see red circle in Figure 2-2). After establishing a password, you are prompted to set up multi-factor authentication (MFA) before being able to log in to the tax program.

To log in to Drake Tax:

1. Double-click the **Drake Tax** icon from your desktop.
2. When the **Password Setup** window is opened, enter a “strong” password in the **Password** field.

Figure 2-2: **Password Setup** Window



3. Confirm the password by entering it again in the **Repeat password** field. Note that the **Password Requirements** change from a red **X** to a green check mark as you complete the steps.
4. Click **Next** to open the **Security question** window.
5. Select a security question and then type in an **Answer**. (Note that the answer is case sensitive.) Click **Next**.

6. The **Multi-Factor Authentication (MFA)** window is opened. From here, the admin may either proceed with MFA by scanning the QR code with his or her phone and following the on-screen directions or opt out of MFA by selecting the corresponding box. (See "Multi-Factor Authentication" on page 43 for more. Click **Finish**.

- Each preparer and other personnel in your office requiring access to Drake Tax must also have a strong password to open the tax program.
- For added security, all passwords expire after 180 days, at which time all Drake Tax users must enter a new password.
- Admin passwords entered in **Setup > Preparer(s)** should be different from the password used for the firm's User Account.

"Timing Out"

After 10 minutes of inactivity (15 for admin), Drake Tax "times out"—the program locks in place, requiring the user to re-enter his or her password. Before the timeout limit is reached, the program offers the user a chance to stay logged in; otherwise, the user is logged out (with a possible loss of data) and must type in his or her password before opening the program again.

Administrative Login

To complete all setup screens and functions, log in to the tax program as "admin." The primary administrator can access all tools, functions, and setup routines in Drake Tax, including firm, preparer, and security setup, network setup, the **Administrative Options** tab at **Setup > Options**, and tracking information on the **ADMN** screen in data entry. (These features can be made available or unavailable to non-administrative users. See "Setting Up Preparer Security" on page 57.)

The following sections contain set up and user maintenance procedures that either must be—or should be—performed by the primary admin only.

Forgotten Passwords

If a user forgets his or her password for Drake Tax and clicks **Password help** only to discover he or she cannot remember the answers to the security questions, there is relief.

ADMIN

Under the security question text box on the **Drake Tax Security** window, click the **Online password recovery** link. You are directed to the Drake Software's "Software Admin Password Recovery" website. Sign in, answer three security questions, and click **Submit** to receive an email message containing a recovery code. Enter that code in the **Password** field of the tax program's login window.

The recovery code expires after one hour.

This online password recovery link is available only to users logged in as "admin."

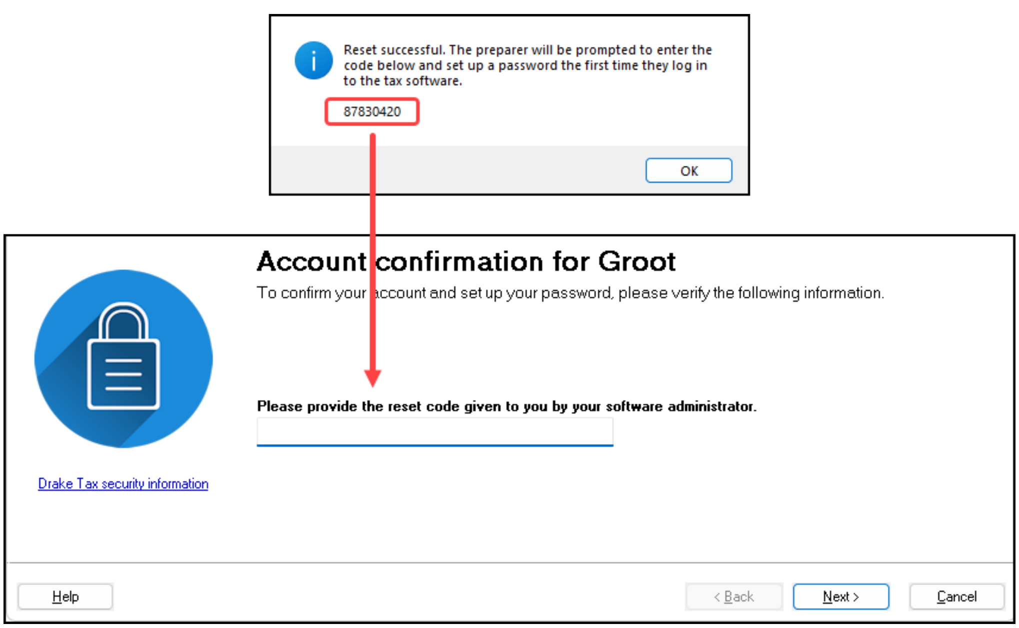
Preparer

A preparer's password can be reset only by the primary administrator. When logged in as ADMIN, from the **Home** menu of Drake Tax, click **Setup > Preparer(s)**, and select the preparer who needs his or her password reset. Click **Reset Password** and the preparer will be prompted to enter a new password upon his or her next login.

Other Office Personnel

If you are resetting a password for an employee who does not have a PTIN (such as a data entry clerk), click **Reset Password**—a reset code is generated below the "Reset successful" message. Be sure to record this code, as it will be needed when the user attempts to log in. (See Figure 2-3, below.)

Figure 2-3: Reset Code for Employees without a PTIN



Multi-Factor Authentication

Multi-factor authentication (MFA) is a security measure that requires users to complete a two-step process before being allowed access to Drake Tax. MFA is active by default for admin and preparer accounts.

When logging in for the first time, if the primary admin does not opt out of MFA, he or she must complete all processes below before being granted access to the tax program.

Using MFA

There are several steps involved in setting up MFA, but once established, the security login process consists of only two easy steps.

— Setting Up MFA —

To get started, first visit your MFA's website and set up an authentication account. You (or your office administrator) might also have to set up accounts for each of your employees.

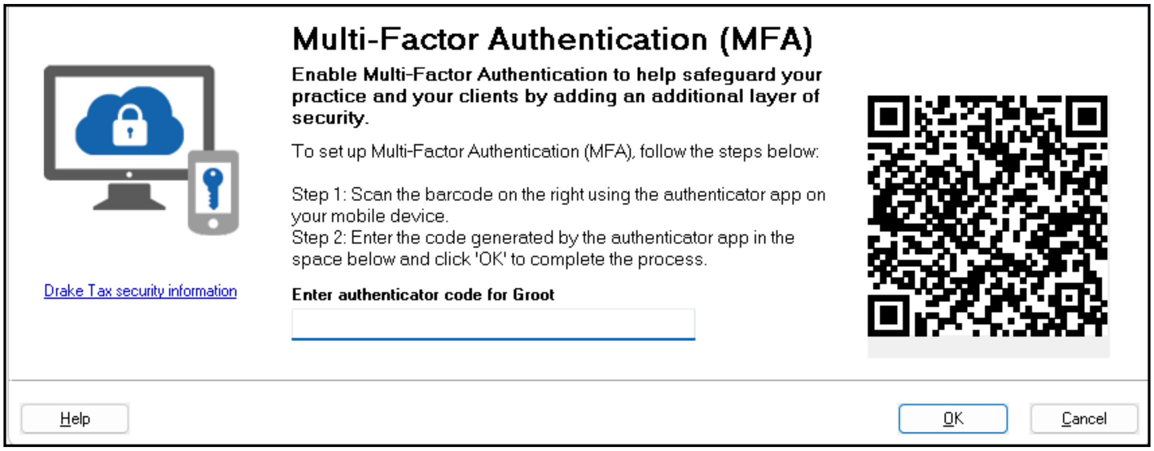
At the end of the setup process, follow the steps to download the needed app onto your phone. For more information, see Knowledge Base article "15895: Multi-Factor Authentication for Drake Tax (Drake18 and Future)."

— Logging in to Drake Tax with MFA —

When attempting to access the program, after entering a username and password on the **Login** window, the preparer next sees the **Multi-Factor Authentication** window. Within that window is a QR code—the black-and-white square on the right side of the window. To continue the authentication process (the following steps may vary by MFA provider) the user must:

1. Activate the app on his or her cell phone.
2. Using the camera feature of the cell phone, place the QR code within the borders of the viewfinder and wait while the phone completes its scan. The authorization code is generated and displayed on the phone's screen.
3. Enter that code in the **Multi-Factor Authentication** window of Drake Tax and click **OK**.

Figure 2-4: Using MFA in Drake



After scanning the QR code once, a “profile” for Drake Tax is created on the authentication app, displaying a six-digit code. This ever-changing code, which is refreshed every 30 seconds, must be used when logging in to the tax program.

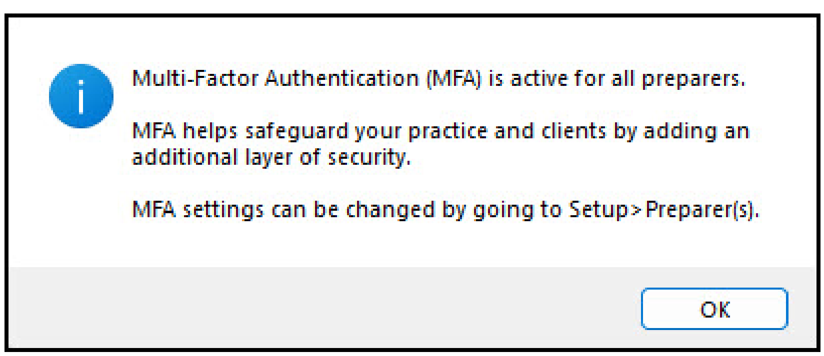
For more information on the regular login procedure for Drake Tax, see “Initial Log In” on page 40. For more on preparer setup, see “Preparer Setup” on page 55.

Disabling MFA

Regardless of whether the primary admin opts out of MFA during initial setup, all other Drake Tax users, whether they be added to Drake Tax 2022 or updated from Drake Tax 2021 (see “Setup Assistant” on page 49), have MFA activated by default. Only the primary admin (that is, the user who logs in to Drake Tax as “ADMIN”—***not*** a user with administrative rights) has the ability to deactivate MFA for Drake Tax users.

By default, MFA is activated when a preparer is added to Drake Tax unless the **Disable Multi-Factor Authentication (MFA)** is marked from the **Preparer Setup** window (accessed from the Drake Tax **Home** window by clicking **Setup > Preparer(s)**). A message appears if you update your preparers from Drake Tax 2021 using the **Setup Assistant**, noting that MFA is active for all preparers.

Figure 2-5: MFA Activated for all Preparers



After initial setup, the primary admin can disable MFA from **Setup > Preparer(s)**; from there, the admin has the option to disable MFA for *all* preparers or on a per-preparer basis. From the **Home** window of Drake Tax, go to **Setup > Preparer(s)**, and do one of the following:

- (*per-preparer disable— recommended*) To disable MFA for individual preparers, select the appropriate preparer from the **Preparer Setup** window, and below **Login Information**, mark the check box **Disable Multi-Factor Authentication (MFA)**. Be sure to save your changes before returning to the main **Preparer Setup** window.
- (*batch disable — not recommended*) To disable MFA for *all* preparers, from the **Preparer Setup** window, click **Security > Disable MFA for ALL preparers**.

Missing Icons

In some cases, an operating system update issued after the tax program's release may not produce the needed desktop icon.

If the NWCLIENT.EXE was run but there is no Drake Tax icon on the desktop, take the following steps or contact Drake Support for assistance at (828) 524-8020.

If you are comfortable navigating in the network file structure, from each workstation, follow the steps below (note that steps may vary based on the version of the computer's Operating System):

1. In the Windows search bar, type `This PC` and press ENTER (or, on the right side, click **Open**).
2. Select the network server.
3. Double-click **Drake22**.
4. Open the folder **FT**.
5. Right-click **DRAKETAX2022.EXE** and select **Send to > Desktop (create shortcut)**.

Running Drake Tax on a Network

Your network's designated server should meet or exceed the system requirements listed on page 34. As computers are added to the network, the RAM and processing speed of the server and workstations should be upgraded to improve performance.

Your office's network must be properly configured for Drake Tax to run correctly. Drake Software cannot provide technical support for the network itself. Consult an IT professional for network setup and support.

Single Stations and Network Options

The location where you install Drake Tax will be the default location for all current and prior-year client files and returns and the default location for such configuration settings as firm and preparer setup, reports, macros, letters, pricing files, preparer notes, and schedules.

Unless you have files stored in different locations, or you have a unique network setup, it should not be necessary to make any changes to your data locations.

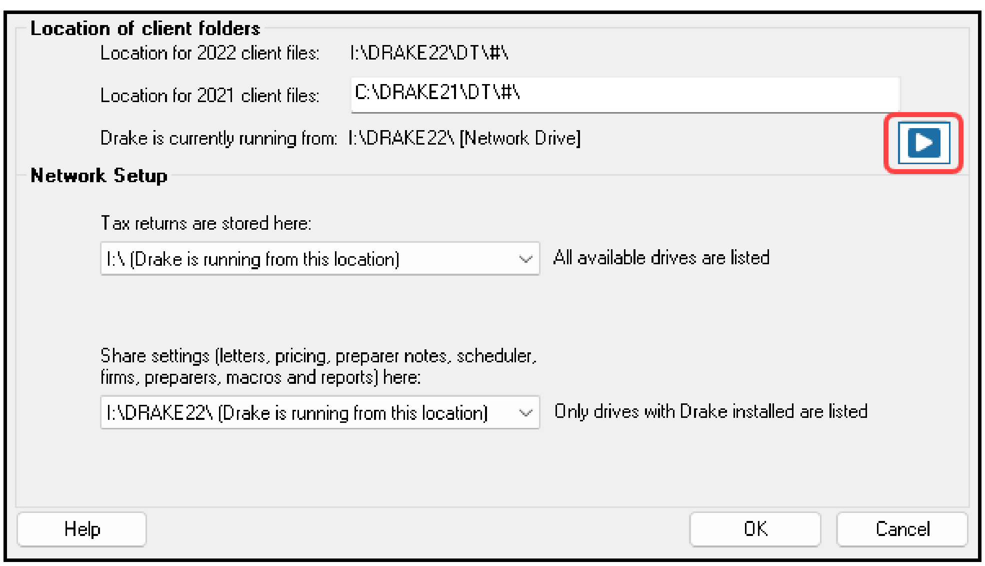
Administrators have the option of changing these data locations to conform to a particular network setup. To do so, from the menu bar of the **Home** window, go to **Setup > Data Locations** to open the **Data Locations** dialog box (Figure 2-6). To see a video tutorial on setting data locations, click the blue button (circled in Figure 2-6).

Install Drake Tax to your network's server or to all workstations of a "peer-to-peer" network. Table 2-1 shows a comparison of the two network options:

Table 2-1: Comparison of Network Options

Server Only (Preferred Setup)	All Workstations ("Peer-to-Peer" Setup)
For firms with a robust network setup	For firms without resources to use a single server
Simplified setup and updates	Updates must be installed on each computer
No need to "stagger" DCN counter	Could be necessary to "stagger" DCN counter

Figure 2-6: **Data Locations** Window

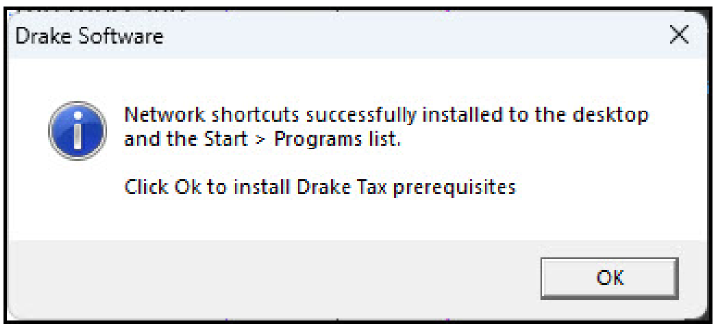


Server Networks

Once your network has been mapped and Drake Tax is installed on a server, complete the following steps at *each* workstation (note that the procedure may vary slightly depending on your operating system):

1. In the Search field of the toolbar at the bottom of the window, type `run`, then click **Run**.
2. Type `F:\Drake22\nwclient\nwclient.exe` (substituting your server drive letter for “F”) in the **Run** text box. Click **OK**.
3. A dialog box appears, asking if you want to open the file. Click **Run**.
4. When the Drake Tax dialog box is opened, asking if you want to add shortcuts to the desktop, click **Yes** to continue. Before the installation can be completed, you will receive the message as seen below in Figure 2-7, prompting you to install Drake Tax prerequisites. Click **OK**.

Figure 2-7: Adding Network Shortcuts



5. The **Drake Tax Prerequisites Setup** window is opened. **Install** the needed programs to complete set up, and click **Finished** when done.

Once this process has been completed at *each* workstation that will be using Drake Tax, you should be able to access the program from *any* of these workstations.

By default, all workstations use the same configurations (for letters, pricing, firms, preparers, etc.) as those set up on the server. To use configurations set up elsewhere (for instance, on each individual workstation):

1. From the menu bar of the **Home** window in Drake Tax, go to **Setup > Data Locations** to open the **Data Locations** dialog box.
2. From the **Share settings (letters, pricing...)** drop list in the **Network Setup** section, choose the drive where you’ve made the workstation-specific configuration settings.
3. Click **OK**.

By default, all prior-year files are stored on the server. To access prior-year files stored elsewhere:

1. From the **Home** window in Drake Tax, go to **Setup > Data Locations** to open the **Data Locations** dialog box.

2. In the **Location of client folders** section, enter the location where you wish to store and access prior-year files in the **Location for 2021 client files** text box.
3. Click **OK**.

Other Network Configurations

Some network setups—such as "peer-to-peer" networks—do not have an actual server. Each station runs Drake Tax independently, but one computer—a designated "server"—is used for transmitting all returns. For such setups, follow the instructions in "Downloading the Program" on page 36 or "Installing from CD" on page 36 to install Drake Tax onto *each* workstation.

Once Drake Tax is installed on all workstations and your network has been mapped, one of your workstations should be designated as the "server," and the other workstations should link to the "server" in the following manner:

1. From the menu bar of the **Home** window in Drake Tax, go to **Setup > Data Locations** to open the **Data Locations** dialog box.
2. In the **Network Setup** section, select the drive of the workstation designated as the "server" from the **Tax returns are stored here** drop list.
3. Click **OK**.

By default, all workstations using Drake Tax on a "peer-to-peer" network use the configuration files set up on the individual workstations. To share the same configuration files as the "server" or some other workstation:

1. From the **Home** window in Drake Tax, go to **Setup > Data Locations**.
2. In the **Network Setup** section of the **Data Locations** dialog box, choose the drive letter where you've stored the configuration settings from the **Share settings...** drop list.
3. Click **OK**.

By default, all prior-year files are stored on the individual workstations. To allow all workstations to share prior-year files:

1. From the **Home** window in Drake Tax, select **Setup > Data Locations**.
2. In the **Location of client folders** section of the **Data Locations** dialog box, enter the drive letter of the "server" workstation in the **Location for 2021 client files** text box.
3. Click **OK**.

All computers on the peer-to-peer network must have access to the "server's" drive—the drive on which the tax returns are stored and from which all returns will be e-filed. Map these computers to the server's drive—not to the Drake22 folder.

All drives properly mapped and with Drake Tax installed appear in the **Tax returns are stored here** and the **Share settings...** drop lists. If the drive of the server does not appear in these lists, consult an IT professional. Drake Software ***cannot*** provide technical support for the network itself.

Do not change Data Locations settings during tax season! If a change is necessary, contact Drake Software Support.

Program Setup

Perform setup procedures ***before*** attempting to prepare or e-file returns. Some setup procedures are required; others are optional.

Table 2-2: Setup Procedures: Required and Optional

Required Setup Procedures	Optional Setup Procedures
Firm(s) (See “Firm Setup” on page 52.)	Options (See “Setup Options” on page 62.)
ERO (See “ERO Setup” on page 54.)	Pricing (See “Pricing Setup” on page 77.)
Preparer(s) (See “Preparer Setup” on page 55.)	Macros (See “Macros Setup” on page 79.)
Data Locations (See “Single Stations and Network Options” on page 46.)	Letters (See “Parts of a Letter” on page 84.)
Pay Per Return (PPR clients only; see PPR manual on CD or from *Support.DrakeSoftware.com*, go to **Support > Documents**.)	Colors (See “Color Setup” on page 97.)
	Printing (See “Printing Setup” on page 99.)

If you used Drake Tax last year, you can bring forward most required program settings from your 2021 program. See “Updating Settings” on page 149 for details.

Setup Assistant

The Setup Assistant makes it easier for first-time users to enter their basic e-file settings (ERO, Firms, Preparers) in Drake Tax and saves returning customers steps when importing the previous year’s general settings (colors, macros, reports, Drake Documents, Scheduler appointments, etc.), into Drake Tax 2022.

Figure 2-8: Setup Assistant

The **Drake Setup Assistant** window (Figure 2-8) is opened automatically the first time you log in to Drake Tax. Select the proper option for your office.

New Users

For first-time Drake Tax users, select **Quick Setup - Getting Started** and click **Continue**. From the **Setup Assistant – Quick Setup** window, choose to set up your electronic filing information, your firm information, or your preparers. A green check mark denotes which setup screens have been completed.

When you set up your first preparer through Setup Assistant – Quick Setup, you must choose (in the **Security Options** section) to **Allow All Options** or **Allow No Options**, giving that preparer access to all return preparation functions or none of them.

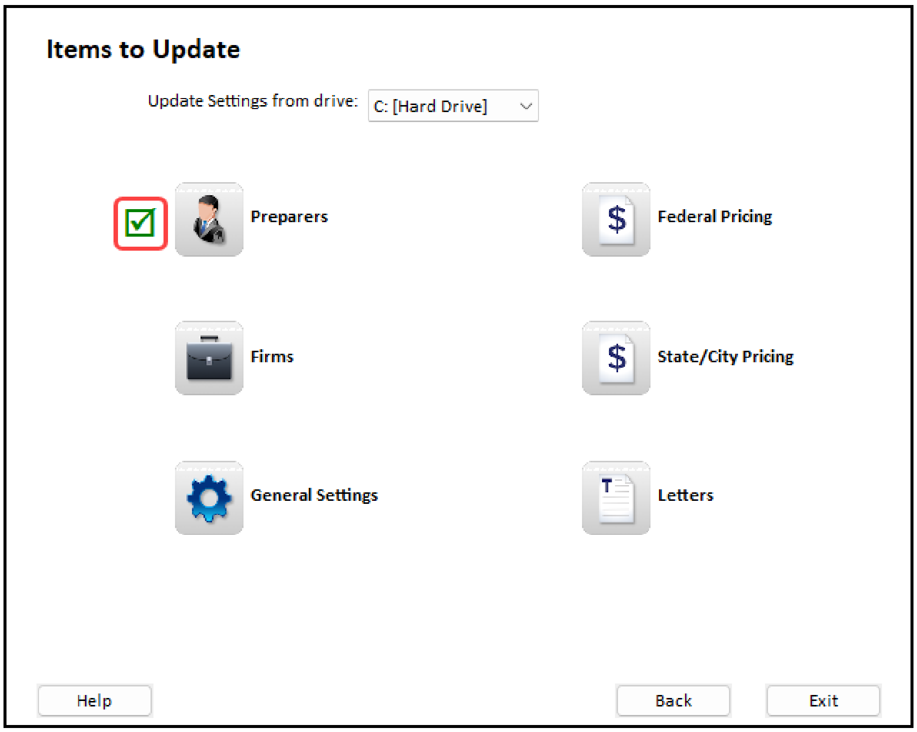
To change the preparer’s status, from the **Home** window menu bar, go to **Setup > Preparer(s)**, double-click the preparer from the list, click **Security** from the toolbar, and make a selection from the menu. For details on setting up security for preparers, see “Preparer Setup” on page 55.

Returning Drake Users

Returning users click **Import my settings from Drake Tax 2021** from the first window of the Setup Assistant to be presented with the option to update a variety of settings: preparers, firm information, pricing, client results letters, and other general settings (Scheduler appointments, colors, macros, reports, Drake Documents, etc.). A green check mark appears beside every completed setup item. (See red circle in Figure 2-9.)

The Setup Assistant is opened every time you log in to Drake Tax until all setup items are complete or you mark the **Do not show this again** check box on the **Drake Setup Assistant** window. Re-open the Assistant at any time by going to the menu bar of the **Home** window and selecting **Help > Setup Assistant**.

Figure 2-9: **Items to Update** Window of the Drake Setup Assistant



You are not required to use the Setup Assistant. All setup options available through the Assistant are also available through the **Setup** menu (from the **Home** window menu bar). See "Program Setup" on page 49 and "Setup Options" on page 62.

Verifying PTIN at Setup

Because some states require a preparer's PTIN to be verified before it can be updated each year, all new preparers must have their PTINs verified before they begin work in Drake Tax.

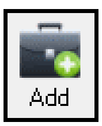
From the **Items to Update** section of the **Setup Assistant - Update Settings** window, click **Preparers** to open the **Update Preparers** dialog box. At the bottom of the dialog box, mark the **I have verified each selected preparer's PTIN** check box for each preparer whose PTIN is being attested to as verified. (Returning preparers who have had their PTINs verified are ignored by the program.) Click **Update Preparers**.

Firm Setup

Firm setup must be completed before returns can be prepared and e-filed. If data is inaccurate or missing, tax returns might be e-filed with incorrect information.

To ensure that all information needed for e-file is entered for a firm, required fields are highlighted in red in the **Firm Information** tab of the **Firm Setup** window.

— Adding a Firm —



To add a firm in Firm Setup:

1. From the menu bar of the Drake Tax **Home** window, go to **Setup > Firm(s)**.
2. From the **Firm Setup** menu bar, click **Add** to activate the bottom half of the window. Information fields required for e-file are indicated by red text.

Banking and audit protection information flows to the screen only after a bank application and audit protection application have been completed through the firm's User Account (*Support.DrakeSoftware.com*) and your EFIN has been confirmed. For information on bank applications, see "Preparing to Offer Bank Products" on page 227.

- **EFIN Confirmation** — Enter your firm's Electronic Filer's Identification Number (EFIN) in the **EFIN** field, and click **Confirm**. If you have verified your EFIN with Drake Software, you receive a green check mark, and the words **You are approved to e-file** appear next to the **Confirm** button. For help with EFIN validation, contact the Drake Software Compliance Department at (866) 273-9032.
- **Firm Information** — The lower-half of the **Firm Setup** window is divided into tabs. Enter contact and identification information, including the firm name, address, phone and fax numbers, contact name, and email address on the **Firm Information** tab. Enter the Employer Identification Number (EIN), any state ID numbers, optional DNC and invoice numbers, and state and local sales tax rates on the **Settings** tab.
    - If the firm is not located in the U.S., enter the applicable province or state, country, and postal code in the **Foreign Address** section of the **Firm Information** tab.

- DCN serial numbers (entered on the **Settings** tab) are not assigned to returns for IRS purposes and do not cause IRS rejects because of duplicate DCNs. DCNs are used by Drake Tax for tracking purposes, so offices that e-file from multiple non-networked computers can still have DCN conflicts. See the following note.

Offices that use multiple computers that are not networked must “stagger” DCNs to avoid duplication. DCNs should be staggered before any 2022 returns are created. For instructions on staggering DCNs, see “Staggering DCNs” on page 250.

- **Non-paid-prep** — If the firm is not a paid preparer, enter on the **Settings** tab a non-paid code. Acceptable codes are **VI** (VITA), **VT** (VITA–T), **TE** (TCE–X), **IP** (IRS–PREPARED), AND **IR** (IRS–REVIEWED).
- **Automatic Invoice Numbering** — An optional invoice number can be printed on the client’s bill. The program automatically increments this number with each new return. To set up this option, on the **Settings** tab, select **Enable Automatic Invoice Numbering**. Type a starting number for your invoices in the **Starting Invoice #** field. Override an invoice number using the **Invoice Number** field on screen **1**.
- Enter state and local sales tax rates for the firm on the **Settings** tab. EROs responsible for more than one firm can enter a different sales tax rate for each firm. (Sales tax rates—state and local—can still be entered globally from **Setup > Options > Billing** tab.)
- **Banking Information** — If you completed a bank application through your User Account (**Account > Bank Application)**, clicking **Confirm** not only confirms that your EFIN has been registered at Drake Software but also imports your banking information directly from the bank application. To modify your bank information, return to the bank application through your User Account. For details on bank applications, see “Managing Bank Products” on page 227.
- If you signed up for Audit Protection (see “Audit Protection” on page 182 for more details), your Protection Plus information is imported into the **Audit Protection** tab when you click **Confirm** at **Setup > Firm(s)**. (Sign up for this audit protection plan through your User Account (**Products > Audit Assistance**). When your client signs up for the service, indicate this on the **AP** screen of the tax program (1040 package only).

- Protection Plus reports are available through your User Account. Select **Reports > Protection Plus Summary** or **Protection Plus Enrollments**.
- To view a report of the revenue you have earned from the additional (add-on) fees for e-file, log in to your User Account, and from the menu bar, click **Reports > Add on Fees**. (These add-on fees are listed when the returns are funded, not as the returns are transmitted.)

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3. Click **Save**. The program assigns a number to each firm entered in **Firm Setup**.

— Additional Options —

To edit, add, or delete firms, or to print a list of firms set up in Drake Tax, click one of the icons from the toolbar (Figure 2-10).

Figure 2-10: Firm Setup Toolbar

ERO Setup

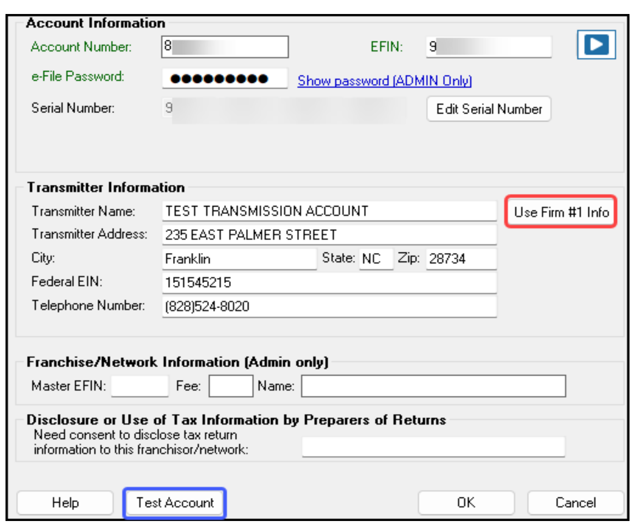
An Electronic Return Originator (ERO) must complete **ERO Setup** in order to e-file returns, download program updates, and access the online e-file database.

To set up your firm as an ERO in Drake Tax:

1. From the menu bar of the **Home** window, select **Setup > Electronic Filing & Account Information (ERO)** to open the **Electronic Filing & Account Information (ERO)** dialog box (Figure 2-11).
2. In the **Account Information** section, enter the **Account Number**, **EFIN**, and **e-File Password** (required), and the name, address, ZIP code, and EIN of the ERO (optional).

Your Drake Software e-file password is available through your User Account (*Support.DrakeSoftware.com* **> Account > E-file Password)**.

Figure 2-11: **Setup > Electronic Filing & Account Information (ERO)**



Click the **Use Firm #1 Info** button (red circle in Figure 2-11 on page 54) to import the information for the first firm listed in **Setup > Firm(s)** directly into the **Transmitter Information** section of the **Electronic Filing Setup** window.

3. In the (rare) event that you must edit your serial number, click the **Edit Serial Number** button and enter the changes; otherwise, leave this section blank.
4. If your firm is a franchise or network, complete the **Franchise/Network Information** fields (see "Franchise/Network Requirements" on page 226); otherwise, leave this section blank.
5. If applicable, type in the **Disclosure or Use of Tax Information** field the name of the franchise or network to which tax information must be disclosed in order to apply for bank products. (The field facilitates compliance with IRS Regulation 7216; see "Preparer Requirements" on page 222.)
6. Click **OK.**

Click the **Test Account** button at the bottom of the **Electronic Filing & Account Information** dialog box to test the functionality of your e-file setup. If your credentials (account number, EFIN, password, and serial number) are correct, the **Get Acknowledgments** window is opened, and your e-file setup is tested.

Preparer Setup

Preparer Setup fields and preparer security must be completed before a preparer can prepare and e-file returns. All preparers, data-entry personnel, front office workers who use the Scheduler—anyone who needs access to Drake Tax—must be entered in Preparer Setup. Each time a name is added to Preparer Setup, a number is assigned to that name.

Adding a Preparer

Information entered determines what preparer information appears on the tax returns. To add a new preparer in Drake Tax:

1. From the **Home** window menu bar, select **Setup > Preparer(s)**.
2. Click **Add** to activate the **Preparer Setup** window.
3. Type relevant information about the preparer into the **General Information** section. Any punctuation (periods, commas, apostrophes, etc.) included with the **Preparer name** appears whenever the preparer's name is printed, including letters and bills generated with the return.

4. Fields required for e-filers (**Preparer name**, **PTIN**, and **Username**) are indicated by red text and must be completed.

When the preparer logs in for the first time, he or she sees the **Password Setup** window (Figure 2-2 on page 40) and must complete the **Password Setup** and **Security Question** windows before being allowed access to Drake Tax.

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5. Mark the **Disable Multi-Factor Authentication (MFA)** check box if you do not want to require MFA for the preparer. See "Multi-Factor Authentication" on page 43 for more information.
6. (*optional*) Mark the **Disable preparer** box to lock the preparer out of the program. Return to **Preparer Setup** and clear the box to allow access.
7. If applicable, click the **Registration** button to enter the preparer's state registration ID (California, Maryland, New York, Oregon, and Virginia only). Click **OK** to save.
8. Indicate **Return Signature Options**.

- **PIN signature** — Enter a five-digit **PIN Signature**.
- **Use PIN for**:
  - **8879 PIN Signature** — Select to activate the 8879 PIN signature. This box must be marked in order for the preparer to e-file returns.
  - **Alternative Electronic Signature** — Select to automatically fill any field requiring an electronic signature with the preparer's name. (Do not select the **Alternative Electronic Signature** check box if you are planning to use the "Rubberstamp" feature of the e-Signature tool. See step 9, following.)

The alternative electronic signature is printed on the "Preparer's signature" line at the bottom of returns that have not been e-filed and on returns where the preparer and ERO are different (for example, if the **Preparer #** or **ERO #** override field on screen **1** is used). To have the alternative electronic signature printed on a paper copy of a return that has been e-filed, you must re-enter this number in the **PIN for preparer's alternative e-signature** field on the **PRNT** screen for that return.

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9. **PDF Rubberstamp** — For information on using the rubberstamp and electronic signature features, see "Electronic Signatures" on page 199. Click the blue arrow to see a short video tutorial on the use of electronic signature pads.
10. If applicable, enter the firm's **Republic Bank** Identification number (RBIN).
11. Enter **Power of Attorney Information** (necessary to generate Form 2848, Power of Attorney and Declaration of Representative).
    - **Preparer designation** — Select the designation under which the preparer is authorized to practice before the IRS.
    - **CAF Number** — Enter the preparer's Centralized Authorization File (CAF) number assigned by the IRS.

- ◦ **Lic./Enrollment** — Enter a bar, license, certification, registration, or enrollment number, if applicable.
- ◦ **Jurisdiction** — Enter the jurisdiction in which the preparer is authorized to practice before the IRS. If the preparer is an IRS Enrolled Agent (EA), enter the EA number here.

12. Enter **W-7 Acceptance Agent** information for the preparer, if applicable. See the section "Acceptance Agent," following.

13. Select a **Preferred Language**. A selection here overrides the global selection made in the **Setup > Options > Data Entry** tab, **Language Options** section. The default setting is English.

Acceptance Agent

An acceptance agent is an individual, business, or organization (such as a college, financial institution, or accounting firm) authorized by the IRS to assist in obtaining ITINs. Acceptance agents review applicants' documentation, complete a certificate of accuracy, and forward the certificate and application to the IRS for processing.

To become an acceptance agent, complete Form 13551, Application to Participate in the IRS Acceptance Agent Program, available from the IRS website.

If a preparer is an acceptance agent, mark the **Acceptance agent** check box at **Setup > Preparer(s)**. Provide an **Agent title**, if appropriate. Enter the **Office code** assigned to the preparer on his or her Form 13551 application approval, along with the **Agreement date** from the approved 13551.

Setting Up Preparer Security

This feature establishes security settings for an individual preparer. To assign the same security level to many preparers, the **Group Security** feature might be a better option. See "Setting Up Group Security" on page 59 for more information.

Only administrative users can set security rights. Settings must be established before a preparer can begin working in the program.

To customize security settings for a preparer:

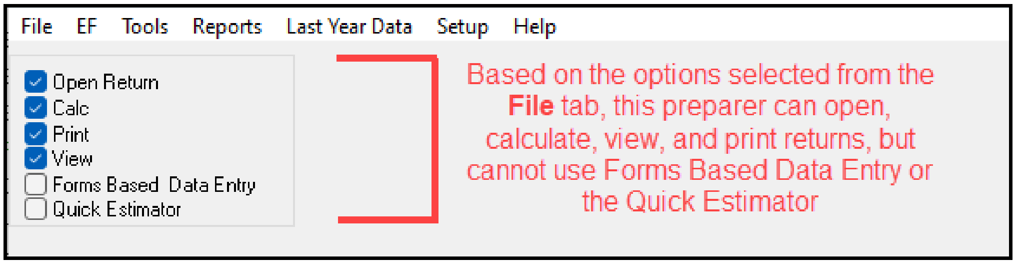
1. From the **Home** window of Drake Tax, select **Setup > Preparer(s)**.

2. From the **Preparer Setup** window, select a preparer and click **Edit Preparer**.

3. From the toolbar, select **Security > Custom Security**.

4. In the **Preparer Security Setup** window, make a selection from the menu bar, and then mark the items to which the preparer should be allowed access (Figure 2-12 on page 58). Items left blank are inaccessible to the preparer.

Figure 2-12: Making Custom Security Settings for a Preparer



5. Click **Save**. When prompted, click **OK**. Click **Save** and **Exit** to close **Preparer Setup**.

Other Security Options

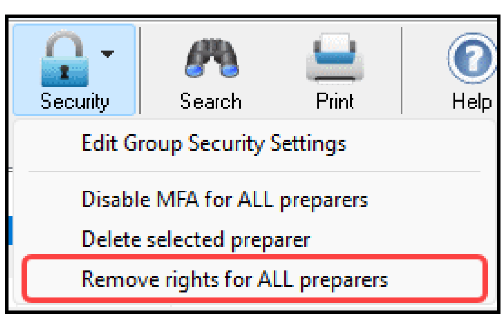
Other options available under the **Security** button are shown in Table 2-3.

Table 2-3: Setting Up Preparer Security

Security Option	Description
Set Security to Allow No Options	Employee cannot access any part of the program.
Set Security to Allow All Options	Employee can access all parts of the program, except for admin-only features.
Set Security Equal to Existing Preparer	Employee is given security settings to match those of another preparer on the list.
Add Preparer to Security Group	Add employee to a pre-established security group. (See "Setting Up Group Security" on page 59.)
Front Office (Scheduling Only)	Employee can access the Scheduler only.
Administrator (Full ADMIN Rights)	Employee can access all parts of the program, including administrator-only features.

To remove security rights from *all* preparers (other than administrative users), from the toolbar of the **Home** window of Drake Tax, click **Setup > Preparer(s)**, click **Security**, select **Remove rights for ALL preparers** (Figure 2-13), and click **Yes**.

Figure 2-13: Removing Security Rights for all Non-Admin Preparers



To remove rights for an *individual employee*, from the **Preparer Setup** window's toolbar, click **Edit Preparer**, then **Security**, and **Set Security to Allow No Options**.

Setting Up Group Security

To make entering employees' security settings quicker and easier, set up Group Security. Create as many security groups as needed (maybe one for preparers, one for front-office personnel, one for anyone authorized to admin rights, etc.), but an employee can belong to only one security group at a time. If you add an employee to a second group, that employee is removed from his or her current group and added to the new one.

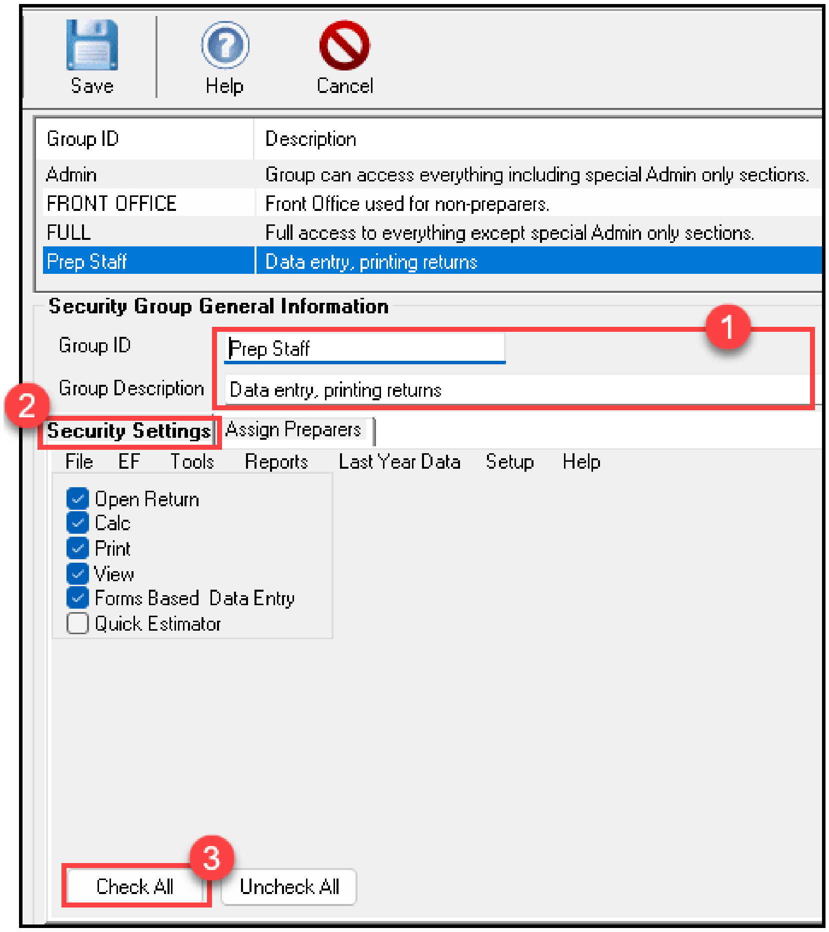
Only an administrative user can apply security settings to a group of preparers.

To apply group security:

1. From the **Home** window, select **Setup > Preparer(s)**.
2. From the toolbar of the **Preparer Setup** window, click **Security > Edit Group Security Settings** to open the **Group Security** dialog box.
   - Three security levels are available by default. If preparer data is brought forward from last year and there are preparers with any of these security levels, they are automatically added to the appropriate group.
   - **Admin** — Users with administrative rights; group cannot be deleted
   - **Full** — Users with full access to everything except administrative features
   - **Front Office** — Front Office rights for non-preparers (Scheduler access only)
3. Choose one of the following options:

   - To add a group, click **Add Group**. Under **Security Group General Information**, enter a **Group ID** name and a **Group Description** (item #1 in Figure 2-14 on page 60).
   - To edit an existing group, double-click the group (or highlight the group and click **Edit Group**).

Figure 2-14: Adding a Security Group



4. Under the **Security Settings** tab (item #2 in Figure 2-14), mark the boxes representing the features to which the group should have access. (Accessible features cannot be edited for the Full or Admin groups.) Click **Check All** (#3) to mark all boxes shown in all menu categories. Click the menu bar (**File**, **EF**, **Tools**, **Reports**, etc.,) and make selections from the tabs.
5. Under the **Assign Preparers** tab:
   - To add a preparer, select the preparer to be assigned to the group from the **Available Preparers** list. (Double-click a name or click the name and click **Select**.)
   - To remove a preparer, select the preparer from the **Preparers in Security Group** list. Double-click a name or click the name and click **Unselect**.
6. Click **Save**.

You do not have to assign preparers when creating a group. You may assign preparers to a group at any time by returning to the **Group Security** dialog box.

To delete a group, select the group's name, click the **Delete Group** icon from the toolbar, and then click **Yes**. Note that a group must be empty (must contain no preparers) in order to be deleted.

Group Security Reports

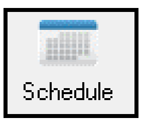
The Group Security feature allows you to view and print two reports related to group security settings:

- **Group Security** report — Includes group security settings for each group. Groups are listed in order of creation, with default groups first.
- **Group Preparers** report — Includes all groups and their assigned preparers.

Reports are shown in the Report Viewer (accessed from the Drake Tax **Home** window menu bar via **Reports > Report Viewer**), from which you can print or export the reports. To access reports, click **Print** in the Group Security toolbar. The program displays the "Group Security" report first. To access the "Group Preparers" report, click **Exit** in the Report Viewer toolbar. Once the "Group Preparers" report is open, click **Exit** again to return to the Group Security dialog box.

Other Features

To create a preparer's daily schedule:



1. From **Setup > Preparer(s)**, double-click a name to select a preparer (or click the name once and then click **Edit Preparer**).
2. Click **Schedule** from the toolbar to open the **Scheduler Setup** dialog box.
3. Select day "in" and "out" times.
4. Click **Apply**, and then click **Save** to save the schedule.

See "Scheduler" on page 164 for more information on using the Drake Scheduler.

Print a list of preparers or run a search on preparers by clicking the respective icons on the **Preparer Setup** toolbar (Figure 2-15).

Figure 2-15: The **Search** and **Print** Icons on the **Preparer Setup** Toolbar

Pay-Per-Return Setup

(*PPR clients only*) For information on setting up PPR, see the *Drake Tax Manual: Pay-Per-Return (PPR)*, available from the User Account (**Support > Documents**), through the tax program (from the toolbar on the **Home** window of Drake Tax, go to **Support > Manual & Online Resources**) or from your Drake CD.

Setup Options

The Drake Tax program is shipped with the most common preferences set as the defaults. Use Setup Options (accessible by clicking **Setup > Options** from the **Home** window menu bar) to view or change the default settings for the various options available. Options are categorized into tabs, as shown in Figure 2-16. Only administrative users have access to the **Administrative Options** tab.

Figure 2-16: Setup Options Tabs

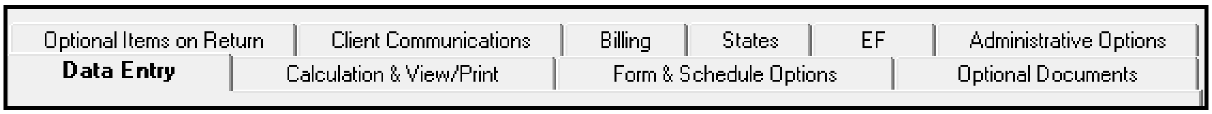


Table 2-4 through Table 2-12 on the following pages describes the options available on each tab in Setup Options.

Data Entry Options

Options under the **Data Entry** tab are described in Table 2-4.

Table 2-4: Setup Options: Data Entry

Option	Description
When possible, make data entry screen text smaller to minimize or eliminate scrolling	Automatically size the text on screens to minimize or eliminate scrolling.
Tab to ZIP code field (skip city/state and use ZIP code database)	Press the TAB key while entering an address in data entry to bypass the **City** and **State** fields and go directly to the **ZIP** field. **City** and **State** fields are completed automatically based on the ZIP code entered.
Show notes/reminders to preparer when opening a return	Show all notes and reminders from the **NOTE** and **PAD** screens every time you open a client file that contains notes or reminders.
Verify SSN when creating new return	Require double entry of SSN or EIN, helping eliminate erroneous entries.
Enable Windows standard keystrokes	Activate the following keystroke shortcuts: CTRL+X = cut CTRL+C = copy CTRL+V = paste SHIFT+CTRL+X = autofill amended screen SHIFT+CTRL+C = calculate return SHIFT+CTRL+V = view return
Autofill preparer and firm number on new returns	Automatically enter the firm number and preparer number where required on data entry screens.

Option	Description
Magnify data entry	Enlarge the active field for easier reading.
Activate W-2 wage and withholding verification fields	To ensure accuracy of data entry, require wage and withholding amounts be entered twice on the **W2** screen and of federal and state distributions and federal withholding amounts at the bottom of screen **1099**.
Do not restrict minimum font size in 800x600	This is a sizing option for computers using an 800x600 resolution. If this option is selected, the program will not attempt a font substitution to retain readability. Text on screens will shrink to fit as needed.
Use grid data entry format on available screens	Type information into a spreadsheet environment for applicable screens, which can result in faster data entry.
Enable Data Entry toolbar	Mark the check box to activate the data entry screen toolbar; clear the check box to disable the data entry screen toolbar. (See "Data Entry Toolbar" on page 132 for details.)
Disable TaxBook Research links	Mark the check box to hide all TaxBook icons on data entry screens. Marking this box does not disable TheTaxBook **WebLibrary** button on the **Home** window toolbar.
Language Options (1040 package only)	Choose between English and Spanish for menus, data entry screens, field help text, and error codes (EF Messages).
Letter case for data entry	Choose between all uppercase letters and mixed case.
Display warning for missing required field	Choose to receive a warning: whenever a required field is empty; once per data entry session; or not at all.

Calculation & View/Print Options

Options under the **Calculation & View/Print** tab are described in Table 2-5.

Table 2-5: Setup Options: Calculation and View/Print

Option	Description
Autocalculate tax return when exiting data entry	The open return is automatically calculated when the return is closed.
Display client fee on Calculation screen	Allow the fees charged for return preparation to appear on the **Calculation Results** window.
Print only one overflow statement per page	Each overflow statement is printed on a separate piece of paper.

Option	Description
Go directly to form when accessing View or data entry mode	Go from a data entry screen to the corresponding form in View mode when you go to View/Print mode. When the **Data Entry** button is clicked in View/Print mode, the program returns to the last used data entry screen.
Audible notification of calculation error messages	When calculating a return, the program produces a "beep" to indicate an EF Message.
Mask SSN, EFIN, PTIN on Client and Preparer Sets	Masks taxpayer's, preparer's, and ERO's identification number on printed sets. Use caution when masking SSNs and providing payment vouchers from Client and Preparer Sets. When choosing this option, be aware that the SSN will not be printed on the payment voucher or on the estimated tax payment voucher in either the "Client" or "Preparer" sets. If a voucher is sent to the IRS or a state tax agency without the taxpayer's SSN, the taxing authority will be unable to process the payment. Ensure the correct version of the voucher is used; these can be found in the "Federal" and "State" sets.
Do not mask last 4 digits of SSN	Masks all digits of the taxpayer's SSN except the last four
Do not mask depositor account number on Form 1040	Prevents the direct deposit account number on Form 1040 from being masked
Turn off auto-balance of the balance sheet	Forces program to balance Schedule L for both the beginning- and end-of-year amounts. The program adjusts the capital account on Schedule L by the difference between the total assets and the total liabilities and capital before the adjustment.
Elect to claim FTC without filing Form 1116 when possible	Allow returns that are eligible for the Foreign Tax Credit election to be filed without Form 1116. FTC instead flows to Schedule 3.
Layout for depreciation schedule	Select **Portrait** to produce the depreciation schedule vertically using 8.5 x 11 paper; select **Landscape** to produce it horizontally.
Pause option for calculation	Choose the circumstances under which the **Calculation Results** window appears, allowing a review of calculation results before proceeding to View/Print mode.
Number of days to store print files	Select to store print files from 1 to 9 days or to have them removed once the return is selected for e-file. If a return is needed after the print file is removed, recalculate the return to re-create the print file.
Print sort options for Interest/Dividends	Choose how items entered on the **INT** and **DIV** screens are sorted when printed on Schedule B: alphabetically ascending/descending, numerically ascending/descending, or not at all.

Form & Schedule Options

Options under the **Form & Schedule Options** tab are described in Table 2-6.

Table 2-6: Setup Options: Form & Schedule Options

Option	Description
Print Schedule A only when required	Produce Schedule A only when taxpayer qualifies to itemize.
Print Schedule B only when required	Produce Schedule B only when taxpayer has enough interest income to require filing Schedule B.
Print Form 4562 only when required	Produce Form 4562, Depreciation and Amortization, only when the tax return requires it.
Print Form 6251 only when required	Produce Form 6251, Alternative Minimum Tax, only when the tax return requires it.
Next-year depreciation schedule	Produce a depreciation schedule for next year in addition to the one for this year.
W-2/1099 forms	Produce and display in View/Print mode all W-2 and 1099-R forms with the return.
Print two W-2/1099-Rs per page	If return has more than one W-2 or 1099-R form, print two per page.
Carryover worksheet	Produce any carryover worksheets associated with the return.
Print page 2 of Schedule K-1...	Produce page 2 of Schedule K-1 for Form 1040 and applicable K-1 codes for Forms 1120-S and 1065.
Print ES vouchers...	Print ES vouchers only when screen **ES** exists.
Always show reason for no EIC	Generate Return Note explaining reason taxpayer not getting EIC.
Always show tax computation worksheet	Generate Tax Computation Worksheet showing how the program calculates the tax on line 16 of the 1040 return.
Print shareholder's/partner's adjusted basis worksheet	Make this selection to automatically print a partner's or shareholder's adjusted basis worksheet.
1040-SR suppress	Choose to have Form 1040 generated and Form 1040-SR suppressed globally when the taxpayer would be eligible to use the 1040-SR.
Form 8879 bank account options	Select option for printing bank account information on Form 8879.
Select to Turn On	Produce lists of these items (W-2, W-2G, 1099-M, 1099-NEC, 1099-R, federal withholding summaries (see notes below), dividends, interest, K-1s) when the selected number in the drop list is exceeded.

- Many of these settings can be adjusted on a per-return basis. See "Making Changes On the Fly" on page 103.

- The program produces a "Federal Income Tax Withheld" worksheet that lists all forms and schedules on which federal withholding has been reported in the return. You can set a lower limit for the number of forms and schedules that trigger generation of the worksheet.

  For instance, if you select "5," then the "Federal Income Tax Withheld" worksheet is not generated for returns with five or fewer forms and schedules that report federal withholding.

- To change the limit, in the **Select to Turn On** section of the **Form & Schedule Options** tab, mark the **Federal Withholding Summary** check box, then choose a number.

Optional Documents

Options under the **Optional Documents** tab are described in Table 2-7. Make global selections here; make changes to coversheets and envelopes for a single return on the **COMM** screen, available from the **Miscellaneous** tab of the **Data Entry Menu**.

Table 2-7: Setup Options: Optional Documents

Option	Description
Folder coversheet	Generate a folder cover sheet on which the taxpayers' names and the name, address, and phone number of the preparer's firm are printed.
Prior year(s) comparison form	Produce a comparison sheet containing data from the current-year and prior-year returns.
Return summary	Produce a return summary with every return prepared.
Bill summary	Produce a summary of the taxpayer's bill with each return.
Labels	Print a sheet of "mail to" addresses on compatible labels.
Envelope Sheet (address drop lists)	Choose the size of the envelope on which to print the addresses of the taxpayer, the IRS Service Center, the state tax department, the city tax office, for Forms K-1, and the preparer's firm address.
Do not print taxpayer envelope sheet with organizer	By default, the program produces the envelope coversheet addressed to the taxpayer when organizers are generated. Select this box to keep this coversheet from being included with organizers; any selection from the **Taxpayer address** drop list is still included when the return is printed.

Option	Description
Do not print firm envelope sheet with organizer	By default, the program produces the envelope coversheet addressed to your firm when organizers are generated. Select this box to keep this coversheet from being included with organizers; any selection from the **Firm address** drop list is still included when the return is printed.
Estimated payment coversheet	Print coversheet with Nelco ENV500 envelope dimensions to the address for estimated payments for 1040 and 1041 returns with quarterly taxes.
Order Nelco compatible presentation products	Click this link to go to the NELCO website to order such Drake Tax-compatible products as envelopes, IRS forms, and checks.

Optional Items on Return

Options under the **Optional Items on Return** tab are described in Table 2-8.

Table 2-8: Setup Options: Optional Items on Return

Option	Description
Date on return	Mark this box to have the current date printed on the return. To change the date printed on the return (or the due date on letters and filing instructions), enter the desired date on the **PRNT** screen (accessible from the **Miscellaneous** tab of the **Data Entry Menu**).
Print dates for taxpayer and spouse signatures (excludes 1040)	Select this option to print the signature dates for taxpayer and spouse signatures on the return (excluding 1040).
Taxpayer phone number	Select this option to print the taxpayer's phone number entered on screen **1**.
Taxpayer email address	Select this option to print the taxpayer's email address entered on screen **1**.
Preparer	Select an ERO or an individual preparer to act as the taxpayer's third-party designee.
Interest and Penalty Calculation	Calculate penalties and interest on returns filed after the due date based on interest rates entered. For more information, see "Setting Up Preferences" on page 208.

Client Communications

Options under the **Client Communications** tab are described in Table 2-9.

Table 2-9: Setup Options: Client Communications

Option	Description
Letter Selection (all packages)	Select the client results letter templates to be used for each package. The selected template will be generated with each return in that package. For more information on each template, see Table 2-14 on page 89.
Report Options:	
• Include privacy letter with returns	Select this option to print the privacy disclosure letter with every return
• Include engagement letter with returns	Select this option to generate Engagement letters for all packages when the return is calculated. At the end of the letter template are spaces for client and preparer signatures. Engagement letters can also be produced prior to completion of the return using **Tools > Letters > Letters**.
• Include customized supplemental letter with returns	Print a customized letter that can be used for various purposes. (See Table 2-14 on page 89.)
• Include K-1 letter with returns	Print the cover letter for individual K-1s (1065, 1120-S, and 1041 packages).
• K-1 Letterhead	Choose to include the entity's information or your firm's information and logo in the letterhead of the K-1 letter, or select to use neither.
Additional Letter Options	
• Federal	A drop list provides options to always print federal filing instructions (a sheet of detailed federal filing information), never print filing instructions, or print filing instructions only for paper-filed returns. The federal filing instructions include the date to file, the form to be filed, mailing address to file the form, and any tax payment due. The federal instructions are listed as "Filing Instructions" in View/Print mode. Federal filing instructions are printed by default; make a global selection here or make a change for a single return from the **COMM** screen, available from the **Miscellaneous** tab of the **Data Entry Menu**.
• State	Produce a sheet of detailed state filing information that includes the date to file, the form to be filed, mailing address to file the form, and any tax payment due. The instructions are listed as "ST Instructions" ("ST" refers to the state abbreviation; for example, "OH Instructions" for Ohio instructions). State filing instructions are printed by default; make a global change here or make a change for a single return from the **COMM** screen, available from the **Miscellaneous** tab of the **Data Entry Menu**.
• Print filing instructions for Forms 8878 and 8879	Produce filing instructions for Form 8879, IRS e-file Signature Authorization or Form 8878, IRS e-file Signature Authorization for Form 4868 or Form 2350.

Option	Description
• Use paper-filing information	Produce paper-file paragraphs in the federal and state letters and filing instructions.
• Referral Coupons (3 per sheet)	Offer client a discount for referring another client (1040 package only). Enter the number of sheets per return and the coupon amount. To customize the wording of your coupons, from the **Home** window menu bar, go to **Setup > Communications Editor**, click **Open**, select **Individual**, then scroll down to **Individual Referral Coupon**. Go to “Client Communications Editor” on page 84 for details on editing the coupon.
• Do not print referral coupons with organizer	The program produces referral coupons when organizers are generated if a number is entered in the **Sheets per return** box. Select the **Do not print referral coupons with organizer** box to keep the coupons from being included with organizers.

To override the default client results letter for an individual client, see “Overriding Letters Setup” on page 112.

Billing

There are three bill selections: a comprehensive itemized bill, a one-page summary bill, and the “Classic” bill Drake Tax has always produced. Customize your clients’ bills using the same Client Communications Editor you use to edit and customize your client results letters. See “Selecting a Bill” on page 96. For information on accepting credit card payments from your customers, see “Accepting Payments” on page 216.

Options under the **Billing** options tab are described in Table 2-10.

Table 2-10: Setup Options: Billing

Option	Description
Select Bill Format:	
• Comprehensive Bill	Generates an itemized client bill (all packages).
• Summary Bill	Generates a summarized client bill (all packages).
• Classic Bill	Use the same format and features as prior years of Drake Tax.
Options for all billing formats:	
• Show preparer fees withheld from bank product	Print the preparer fees withheld from the bank product amount on the bill.

Option	Description
• State sales tax rate • Local sales tax rate	Enter state and local sales tax rates to add to each bill as a decimal or a whole number. Numbers must be greater than "1." For example, "4.5" represents a sales tax rate of 4.5%. This percentage can be adjusted per firm ("Firm Setup" on page 52) or per return. (See "Adjusting Individual Amounts" on page 111.)
• Billing statement format	Choose to not produce a bill or select from among six formatting options, including: • Show only total amount; bill displays only a total, no itemized list of forms being billed for (affects Comprehensive and Classic bills only) • Show form list and total; displays itemized list but no price-per-form, only a total (affects Comprehensive and Classic bills only) • Show forms, form prices, and total; displays itemized list, price-per-form, and total (affects Comprehensive and Classic bills only) • Bill by time; bill based on time spent preparing return, multiplied by preparer's hourly rate as defined in **Setup > Preparers** • Move prep time charge to bottom of bill; a bill by time but with the total at the bottom • Show forms, number of forms, and charges per form; bill based on forms necessary to complete return by price entered in **Setup > Pricing** Drake Tax prepares a bill summary along with whatever option is selected here unless the **Bill summary** check box is cleared at **Setup > Options, Optional Documents** tab.
• Header on bill	• If "Show preparer's name" is selected from the drop list, then the sentence, "Your [tax year] tax return was prepared by [return preparer's name]" will be printed on the bill (affects Comprehensive and Classic bills only) • If "Show only tax year" is selected, the sentence, "[tax year] Tax Year Statement" is printed on the bill (affects Comprehensive and Classic bills only) • If "Professional services statement" is selected, then the sentence, "For professional services rendered in connection with the preparation of your [tax year] tax return," is printed on the bill (affects Comprehensive and Classic bills only)
Options for Classic Bill only:	
• Print taxpayer's phone number on the bill	Print the taxpayer's phone number (entered on screen **1**) on the bill.
• Print taxpayer's email address on the bill	Print the taxpayer's email address (entered on screen **1**) on the bill.
Custom Paragraph Options:	
• Options	Choose to have a custom paragraph printed at the top of the customer's bill or at the bottom.

Option	Description
• Paragraph Content	Write the custom paragraph you want added to the customer's bill in the supplied text box.

States

To select options for state returns, choose the **States** tab, and then select a state abbreviation from the drop list. When the options are displayed, select to activate or disable them as desired and click **OK**. Available options depend on the chosen state. For more on specific states, see the **FAQ** screen for each state program.

e-File

Options under the **EF** tab are described in Table 2-11. Some options can be adjusted for an individual return from the **EF** screen in data entry.

Table 2-11: Setup Options: EF

Option	Description
Auto-generate taxpayer(s) PIN	Have the program assign a randomly generated PIN (1040 only).
Require 'Ready for EF' indicator on EF screen	Require the **Ready for EF** indicator on the **EF** screen to be marked before a return can be selected for e-file.
Lock client data file after EF acceptance	Generate a reminder that the return has been filed and accepted when you next open the file.
Print 9325 when eligible for EF	Print Form 9325, Acknowledgment and General Information for Taxpayers Who File Returns Electronically, for every eligible return.
Suppress federal EF	Prevent e-file of federal return.
Print EF status page	Generate the EF Status page for any return that is eligible for e-file.
Alert preparer when bank product is not included	Alert the preparer via an EF Message that a return does not include a bank product. (To override, see "Overriding Bank-Product Alert" on page 255.)
Activate imperfect return election in data entry	Activate the **Imperfect Return Election** check box on the **EF** screen in data entry.
Allow selection for EF from the 'Calculation Results' screen	Allow preparer to send the currently active return directly from the **Calculations Results** window to the e-file queue.

Option	Description
Allow EF from View/Print	e-File a return directly from View/Print mode by clicking the **eFile Taxpayer** icon on the View/Print mode toolbar. (All EF Messages must be cleared.) The file is transmitted, and a “P” or “B” “ack” (acknowledgment) is returned.
Enable prompting before automatic transmission of ‘Check Print Records’	Allow the program to notify you before it transmits the Check Print records.
Email 9325 Notice to Taxpayer (automatic from Drake Processing Center)	Form 9325, Acknowledgment and General Information for Taxpayers Who File Returns Electronically, is automatically emailed to taxpayer when return is accepted. (Client’s email address must be present on screen **1**.) Override this selection on the **EF** screen.
Require E-Signatures on all electronically signable forms (1040 only)	Require all preparers to take advantage of Drake Tax’s e-Signature capabilities. For details on these capabilities, see “Electronic Signatures” on page 199. Override this selection on the **EF** screen.
Disallow EF selection if **DoubleCheck Review** flag exists	Requires all DoubleCheck flags in View/Print mode be removed before the return can be marked ready for e-file and enter the queue. (See “LinkBacks and DoubleChecks” on page 195.)
Default ERO	Choose a preparer number, **Paid Preparer**, or **None** to indicate the ERO name that should appear on return documents. Override this selection on screen **1** and the **PREP** screen in data entry.
Combine EF steps (Select, Transmit, Post Acks)	Combine all e-file steps. From **EF > Transmit/Receive**, clicking **Send/Receive** transmits selected returns, picks up new acknowledgments, and processes acknowledgments in one step.
Upload Client Status Manager data to Drake for web-based reporting	Send Client Status Manager (CSM) data automatically to the Multi-Office Manager (MOM) during the EF process
State EF	Suppress e-file of all state returns, or select states to suppress while other state returns remain eligible.
EF Selection Report Options	Customize EF selection reports by specifying which columns (such as SSN/EIN, client name, refund/balance due, etc.) should be included in the EF selection report.

ADMIN Options

To access the **Administrative Options** tab, a user must have administrative rights. Options under the **Administrative Options** tab are described in Table 2-12.

Table 2-12: Setup Options: Administrative Options

Option	Description
Use customized data entry selection menu	Make certain forms or screens accessible to any user other than those with administrative rights. See “Locking Screens” on page 74.
Customize user-defined data entry fields	Create option lists for the **Miscellaneous Codes** fields on screen **1** and the **Adjustments**, **Percentage**, and **Payments** fields on the **BILL** screen. See “Customized Drop Lists” on page 75.
Use customized flagged fields on all returns	Select this box, click **Flag**, and select a package type. When the **Data Entry Menu** is opened, click the desired screen and click each field to flag. Click a field a second time to clear it. Right-click and select **Lock Field** to make the field inaccessible to preparers without admin rights, and click the field again or right-click and select **Unlock Field** to remove the lock. (For locking screens instead of fields, see “Locking Screens,” following.) Press Esc to save your changes. **Note**: This option is available for federal packages only.
Apply current-year Admin flag settings when updating from prior year	Flags set globally in 2021 are set globally after updating data from **Last Year Data > Update from 2021 to 2022**.
Authorize/Request the disclosure of certain taxpayer information	Activates certain program functions for select third-party vendors. Contact vendor for more information.
Print all due diligence assistance documents	Produce due diligence documents generated from the **DD1** and **DD2** screens. (To generate these documents on a per-return basis, go to **PRNT** screen and select **Produce DDASSIST documents**.)
Require due diligence assistance screens to be completed	Require that applicable fields on the **DD1** and **DD2** screens be completed before the return can be e-filed.
Enable logged in preparer’s Personal Client Manager	Display the Personal Client Manager on the Drake Tax **Home** window for the logged-in preparer (check box is marked by default).
Bank Products - State laws regarding fees: Charge ALL taxpayers the same fees	Select this box to charge all clients the same supplementary fees (software, franchise/network, and additional fees), regardless of whether a bank product is included. For more information, click the **Program Help** link.
Drake PDF Printer Password Options	Choose to automatically password-protect any generated PDF documents. Passwords can be assigned to PDF documents that are sent through Drake Tax. The default password format is the first four characters of the client’s name plus the last five digits of the client’s ID. The **Default password** drop list includes other format options. These settings can be overridden during printing from the **Print Selection** dialog box.

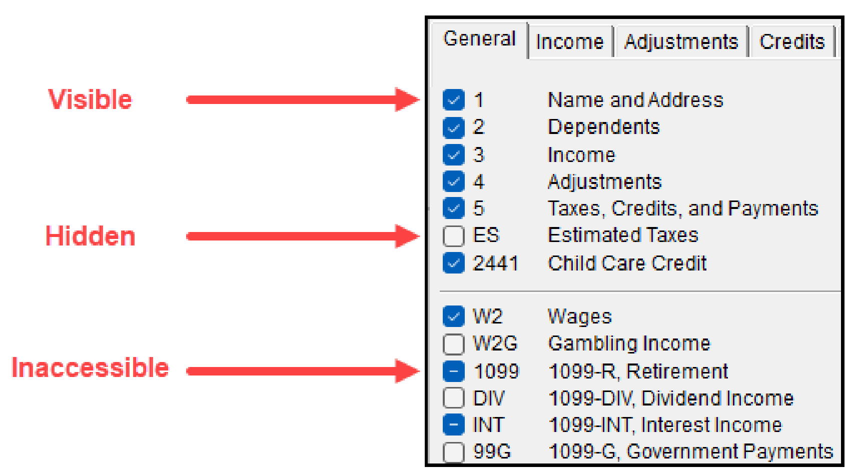
Option	Description
Return Status Notification Programs	Use this option to receive return status notifications through ABCvoice. Select to generate 7216 consent forms for the customer to sign. Select to require contact information (phone number and email address on screen **1**, or on the **ABCV** screen, available from the **Miscellaneous** tab of the **Data Entry Menu**).
Include password protected returns in reports (ADMIN Only)	Mark the check box to have password protected returns be generated on reports, printable from the Report Manager. (This option can be activated only by a user with admin rights.)
Allow preparer access to same-firm returns only	Prevents preparers from accessing returns prepared outside of their respective firm. When this option is active, a preparer can access a return only if the **Firm #** on screen **1** matches the preparer's **Firm** in **Setup > Preparer(s)**. Does not affect primary administrator and users with admin rights.

Locking Screens

An administrative user can "lock" selected screens, making them inaccessible to other users. Selections made here do not apply to users with administrative rights.

1. Go to **Setup > Options**, **Administrative Options** tab.
2. Mark the **Use Customized data entry selection menu** check box, and click the first **Customize** button.
3. When the **Customize Data Entry Selection** window is opened, select a **Package** and **Package Type**, then click **Load Menu**. A version of the regular **Data Entry Menu** is then opened, with each data entry screen listed with an adjoining check box (Figure 2-17 on page 74).

Figure 2-17: Locking and Hiding Screens



Click a screen's check box to lock that screen or to make it visible or hidden. (Default is "visible.") Examples are shown in Figure 2-17 on page 74 and described, following:

- **Visible** — Menu items with a ***check mark*** are both visible and accessible.
- **Hidden** — Menu items with ***a clear check box*** are not visible but can be accessed using the selector field.
- **Inaccessible** — Menu items with a ***hyphen (minus sign (-))*** are not visible or accessible.

4. Click **Save** to save any changes or **Cancel** to close the menu with no changes saved. Click **Exit**.

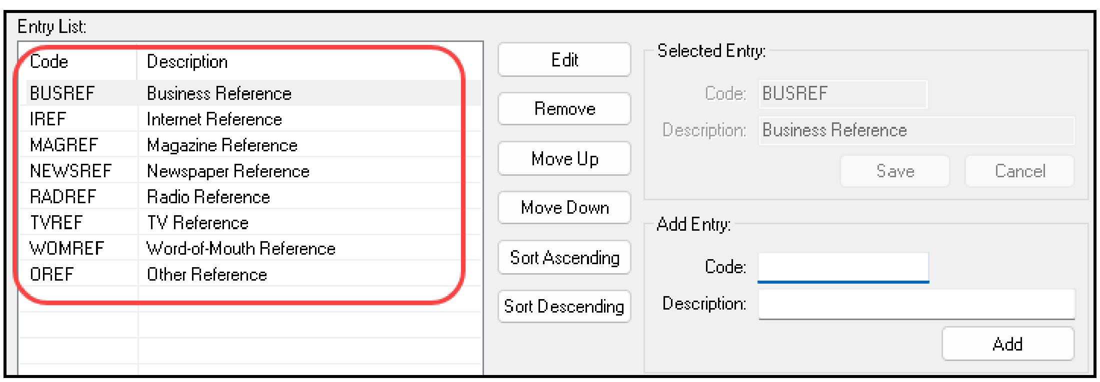
Customized Drop Lists

Create drop lists for the **Miscellaneous Codes** on screen **1** and for the **Adjustment** description field, the **Payment** description field, the **Percentage discount** field, and **Percentage increase** field of the **BILL** screen. Once created, the drop list appears in the selected field.

For instance, to help you decide the most effective form of advertising your business, you could survey your new clients and enter their responses in the **Miscellaneous Codes** section of screen **1**. Afterwards, you could generate a comprehensive report through the Report Manager to view the results of your survey (see Chapter 11, "Reports," for more on creating reports).

In Figure 2-18, a drop list was created for **Miscellaneous Code 1** with the user-defined referral codes BUSREF (business reference), WOMREF (word-of-mouth reference), NEWSREF (newspaper reference), etc.

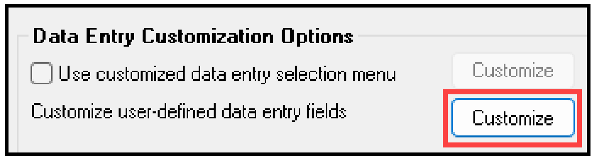
Figure 2-18: Customized Drop List Made for **Miscellaneous Code 1** on Screen **1**



To create a drop list like the one in Figure 2-18:

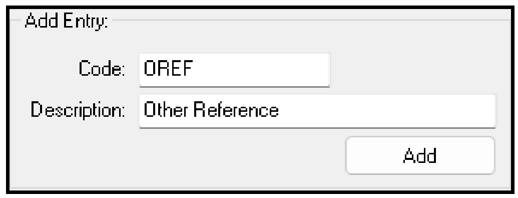
1. From the **Home** window, select **Setup > Options**, **Administrative Options** tab.
2. Click the second **Customize** button (Figure 2-19 on page 76) to open the **Customizable Dropdowns in Data Entry** window.

Figure 2-19: Click the Second **Customize** Button



3. Select an item (for instance, **Name and Address Screen - Miscellaneous Code 1**) and click **Edit** to open the **Customizable Dropdowns - Edit Entries** dialog box.
4. In the **Add Entry** section, type a **Code** (eight or fewer characters) and a **Description** (49 or fewer characters). Click **Add** (Figure 2-20).

Figure 2-20: Adding a Custom Miscellaneous Code



5. Repeat the previous two steps for additional drop list items. When added, items are displayed in the **Entry List** on the left side of the dialog box. (See Figure 2-18 on page 75.)
6. The **Edit Entries** dialog box also offers the following options:
   - **Edit** — Select an item from the **Entry List** to edit and click **Edit**. The **Selected Entry** fields are activated.
   - **Remove** — Select an item and click **Remove**.
   - **Changing the order of a listed item** — Use the **Move Up**, **Move Down**, **Sort Ascending**, and **Sort Descending** buttons to change the order of items in the drop list.

When finished making changes, click **Save Changes**, then click **Exit** to return to the **Administrative Options** tab. The drop lists are now available in data entry.

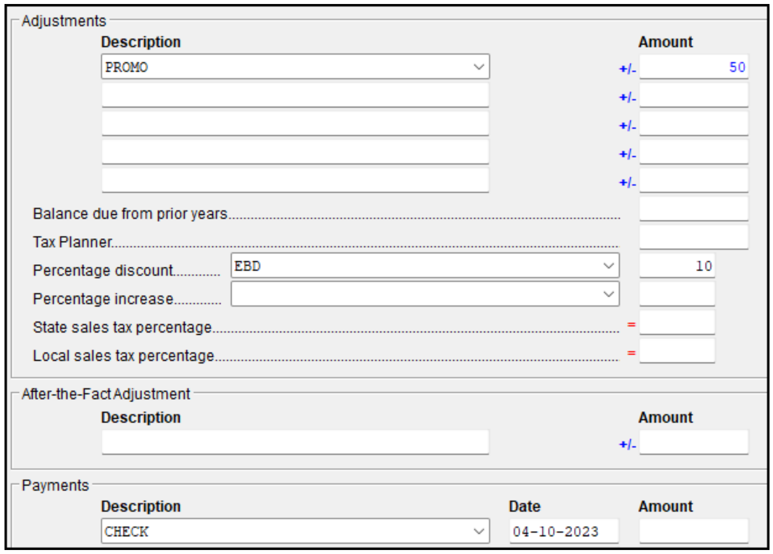
When viewing a customized drop list in data entry, press F1 to see the item descriptions.

Description Drop Lists

Create drop lists for the **Adjustment** description fields, the **Payment** description fields, the **Percentage discount** field, and **Percentage increase** field of the **BILL** screen in the same way. Follow the procedure described in "Customized Drop Lists" on page 75, and in step 3, scroll down to **Bill Screen - Adjustment Description**, **Bill Screen - Payment Description**, **Bill Screen - Percentage**

Discount, or **Bill Screen - Percentage Increase**. Follow the rest of the procedure to add the drop lists to the **BILL** screen. (See Figure 2-21 for an example.)

Figure 2-21: Using Custom Codes on the **BILL** Screen



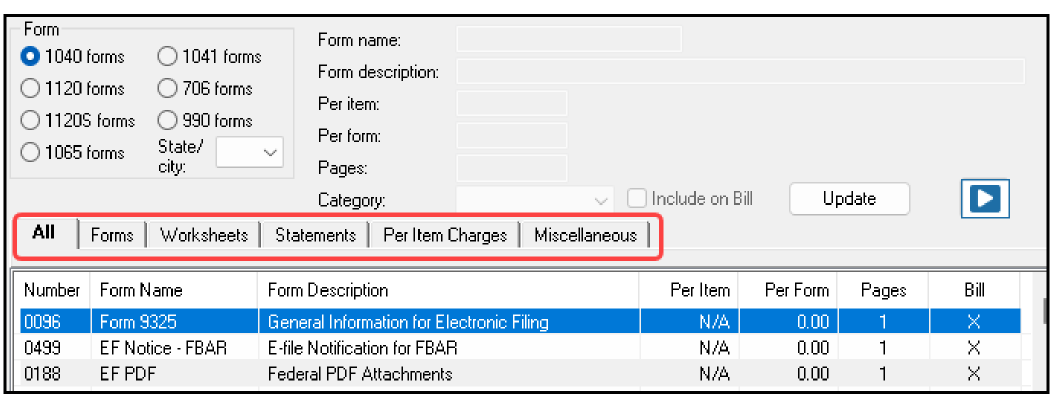
Pricing Setup

Use Pricing Setup to enter the prices you charge for preparing forms, statements, and worksheets, and to allow the program to calculate the charges and generate them on the client's bill. Prices can be defined for each form and, on some forms, for each item. You can also enter minimum and maximum charges for a completed return.

To set up pricing:

1. From the **Home** window, go to **Setup > Pricing** to open the **Pricing Setup** dialog box.
2. Select a package from the **Form** box. All forms for that package are displayed in the grid below. View items by category by clicking the tabs at the top of the grid (Figure 2-22), and use the scroll bar, arrow keys, or the **Find** function to locate forms.

Figure 2-22: Tabs at **Setup > Pricing**



3. Select a form in the grid and press ENTER (or double-click the form). All editable fields become active.

Do *not* edit the form name.

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4. (*optional*) Edit the **Form description**. This description is printed on the client bill if **Include on Bill** is selected.
5. Enter pricing information in the **Per item** and **Per form** fields.
   - When a **Per Item** entry is not applicable for a form, the field is unavailable.
   - If **Per Item** pricing is allowed, the price entered applies to *all* instances of the selected form printed for a return. (To view all items for which per-item pricing is allowed, click the **Per Item Charges** tab.)
6. (*optional*) To move an item from its default tab to a different tab, click the **Category** drop list and make a selection. The item will then appear under the newly selected tab.
7. Click **Update** and then click **Save**.

Repeat these steps for each form, or set pricing for only the most commonly used forms. Price other forms from within the individual returns that require them. (For more information, see "Overriding the Bill Amount" on page 110.)

Click the blue arrow button to view a video tutorial on using the Pricing Setup.

Fee Options

The program includes options to add a custom fee and a financial product assistance fee. Both fees are included in the "Forms" section of the bill.

- **Custom Fee** — The custom fee is charged on all client returns. Use item **0387** in the **Pricing Setup** window to assign a fee name, description, and amount.
- **Financial Product Assistance Fee** — Use this option (item **0212** in Pricing Setup) to add a charge to all returns that include a bank product. This fee is *not* included on the bill if any of the following statements is true:
  - The firm's state is Arkansas, Connecticut, Illinois, Maine, Maryland, or New York. These states have regulations preventing preparers from charging extra fees to taxpayers opting to use a bank product to receive payment of their tax refund. (For more information, from the **Home** window of Drake Tax, go to **Setup > Options > Administrative Options** tab, and click the blue **Program Help** link in the **Bank Products** section of the window.)
  - In **Setup > Options > Administrative Options** tab, the option to charge all taxpayers the same fees (in the **Bank Products** section of the window) is marked.
  - In **Setup > Pricing**, the **Include on Bill** box is not marked for this fee.

Minimum and Maximum Fees

To set minimum and maximum fees to be charged for a return:

1. Scroll down to Forms **0255** and **0256** (the minimum and maximum fee settings).
2. Double-click a row and enter the fee. Repeat for the other form, if desired.
3. Click **Update**, and then click **Save**.

If incorrect charges are generated on bills, check the minimum and maximum fees to see if the settings are affecting the totals.

Macros Setup

Macros are commands and functions that allow you to accomplish tasks by pressing a combination of keys. Also called ***keyboard shortcuts***, some macros are already available in the program; for example, the macro CTRL+V opens View/Print mode. Edit existing macros or create new ones to meet your office's needs.

Use macros for data that is used often by your office. For example, if many of your local clients use Small Town Bank, you can arrange for the program to enter "`Small Town Bank`" every time you press a particular key combination.

Using Macros

To insert macro data, place the cursor in the field and press the applicable keyboard shortcut (macro) combination. To view available macros, press CTRL+SHIFT+M from within a field or right-click and select **Macros** from the list to open the **Data Entry - Macros** window. To insert macro data from the list, select a macro and click **Execute** (or double-click the row). The **Data Entry - Macros** window is closed automatically.

Creating New Macros

To create your own macros in Drake Tax:

1. From the menu bar, go to **Setup > Macros**. The **Setup Macros** dialog box shows the macros (**Hot Key** column) and their associated tasks (**Data** column).

To view a list of macros, on any data entry screen, press CTRL+SHIFT+M.

2. Double-click a line to open the **Edit Macro** window.
3. Construct a simple formula of words and operators that will enter the data you choose. Symbols for non-character shortcuts are listed in Table 2-13 on page 81.
4. Click **Save.**

For instance, to create and use a macro to enter the address “1234 Peachtree Street, Atlanta, GA 30331, Fulton County,” using the keys ALT+L for your macro:

1. From the Drake Tax **Home** window, go to **Setup > Macros**.
2. In the **Setup Macros** window, double click the **Alt-L** line.
3. In the **Setup Macros - Edit Macro** window, type `1234 Peachtree Street>> Atlanta>GA>30331>Fulton>>GA`
4. Click **Save** and then **Exit**.
5. Go to screen **1** in Drake Tax.
6. Click the **Street address** field and press ALT+L.

The macro enters `1234 Peachtree Street` for the **Street address** line, skips the **Apt #** field and enters `Atlanta` in the **City** field, enters `GA` in the **State** field, enters `30331` for the **ZIP** code, enters `Fulton` in the **County** field, then jumps ahead two fields and enters `GA` in the **Resident state** field.

If a single macro is used to enter data in multiple fields, use heads-down mode and right angle brackets (>) to jump to a field.

Example: The macro `EF>#26>X>#~` would open the EF screen (`EF>`), toggle heads-down data entry mode to ON (`#`), go to field 26 (`26>`), select the box to **Suppress federal/state EF** and all bank products (`X`), toggle heads-down mode to OFF (`#`), and save the data and escape the EF screen (`~`).

“Recording” Macros

Click the **Record** button on the **Edit Macro** window and use key strokes to enter certain operators when building macros. For instance, click **Record** and try the following exercises:

- The ENTER key or the TAB key inserts the “field forward” (>) operator.
- SHIFT+ENTER or SHIFT+TAB inserts the “field back” (<) operator.
- ALT+D inserts the “date” ([D]) operator.
- ESC inserts the “escape from screen” (~) operator.
- CTRL+N inserts the “heads-down mode” (#) operator.

The following table lists all the operators used in building macros:

Table 2-13: Macro Symbols

Symbol	Action
<	Move cursor back one field. If the (<) symbol is inserted in front of selected data in a macro, the program moves the cursor back one field from the active field before inserting the data. If inserted after the data, the program inserts the data in the active field then moves the cursor back a field. To move two fields, enter two << symbols. Recording combination: SHIFT+ENTER or SHIFT+TAB
>	Move cursor forward one field. If the (>) symbol is inserted in front of the selected data in a macro, the program jumps ahead one field from the active field before inserting the data. If inserted after the selected data, the program inserts the data first, and then moves the cursor forward a field. To move two fields, enter two >> symbols. Recording combination: ENTER or TAB
~	Escape. If the (~) symbol is inserted after the selected data in a macro, the program inserts the selected data, saves the data, and exits the screen. Recording combination: ESC
[D]	Insert date. If [D] is part of a macro, the program enters the current date into the active field. Recording combination: ALT+D
#	Open heads-down data entry mode. If the (#) symbol is inserted after the selected data in a macro, the program enters the data then activates heads-down data entry. To have heads-down closed from the macro, add a second (#) symbol. (See “Heads-Down Data Entry” on page 143.) Recording combination: CTRL+N
*	Bypass the Existing Forms List when performing the task set by a macro. Enter an asterisk (*) only once in any macro, and place it at the beginning of the macro. (When you open a screen that has multiple records, an Existing Forms List is displayed, and you have the choice of selecting an existing record or creating a new one. To bypass the New Record option and open the first record listed, enter the (*) symbol in front of the macro. For example, *C opens the first Schedule C record. To open the second record, enter a 2 inside brackets ([2]), thus the macro *C[2] opens the second C screen, *C[3] opens the third, etc.)
[New]	Perform the assigned task on a new record. For example, *C[New] opens a new C screen. The asterisk (*) bypasses the Existing Forms list. It must be present for the [New] function to work properly.
[Home]	Return to first field on a screen. If [Home] is inserted into a macro, the cursor moves to the first field on the screen.
[End]	Move to last field on a screen. If [End] is inserted into a macro, the cursor moves to the last field on the screen.
[FF:#]	Cursor jumps ahead a prescribed number of fields. For instance, [FF:5] jumps the cursor ahead five fields. This macro is not compatible with macros that use, or are initiated in, heads-down mode.
[FB:#]	Cursor jumps back a prescribed number of fields. For instance, [FB:5] would jump the cursor back five fields.
[FJ:#]	Cursor jumps to the prescribed field number. For instance, [FJ:25] would jump the cursor to field # 25. (Obtain field numbers by viewing the screen in heads-down mode (press Ctrl+N)). This macro is not compatible with macros that use or are initiated in heads-down mode.
+	Prevent a macro from clearing a flagged field.

Symbol	Action
[PAGEDOWN]	Move to the next screen in a list. For instance, in a return with several **W2** or **4562** screens, press the macro to move from one screen to the next.
[PAGEUP]	Move to the previous screen in a list. For instance, in a return with several **W2** or **4562** screens, press the macro to move from one screen to the next.
[NEXTTAB]	Move from one linked screen to the next linked screen. For instance, for clients who receive a K-1 from a partnership, press the macro and go from the **1065 K1 12-20** tab to the **Add'l entries** tab.
[PREVTAB]	Move from a linked screen to the previous one. For instance, for clients who receive a K-1 from a partnership, press the macro and go from the **Add'l entries** tab to the **1065 K1 12-20** tab.

Letters in Drake Tax

The letters program is designed to generate various types of client results letters, many of them based on data from the client's tax return and the client's filing, payment, or refund preferences. For example, if a return with a federal ***balance due*** has been ***e-filed***, and the client has opted to ***mail a check*** to the IRS, the accompanying client results letter will state the balance due amount, provide the e-file information, and give instructions and the address for mailing the check.

The default position of the program is that the preparer intends to e-file returns and, thus, produces filing instructions and client results letters containing e-file informational paragraphs, even if there are EF Messages still to be resolved in the return. To produce the paper-file paragraphs in the letter, mark the **Use paper-filing information...** check box at the **Setup > Options > Client Communication** tab, or—on a return-by-return basis—mark the applicable **Paper** check box on the **COMM** screen, available from the **Miscellaneous** tab of the **Data Entry Menu.**

There are also Engagement letters, extension letters, letters with amended returns, payment reminders, appointment reminders, preseason and postseason letters, cover letters—all of which can be edited and customized in the letters program—and letter templates that can be used as a blueprint for building your own custom letters.

All editing is done through the Client Communications Editor. To open the editor, from menu bar of the **Home** window in Drake Tax, go to **Setup > Communications Editor**.

The client result letter includes the e-file accepted date.

Editing Modes

There are two "modes" used for viewing and editing letters: "Full Editing" mode and "Outline" mode.

Outline mode was designed to take away the complexity of editing the letter. Instead of scrolling through a long letter, looking for particular text, keywords, or paragraphs to edit, use Outline mode to find the section you are looking for with just a few clicks and to easily move entire sections of a letter with the drag-and-drop feature.

If you prefer editing letters as it has been done in the past, you can toggle between "Full Editing" and "Outline" mode. For more on Outline mode, see "Available Letter Templates" on page 89.

Choosing the Right Letter

There is a variety of letters to choose from in the Client Communications Editor—one to suit just about any need. For instance, if you do federal and state and city returns, you might choose the "Comprehensive Result Letter" that covers virtually every possible federal, state, and city tax return result—e-file, paper-file, balance due, credit or debit card payments, direct debit payments, zero due, refund, direct deposit, savings bond purchase with refunds, bank product refunds, installment agreements, and estimated payments. The "Federal, States, Cities Only Result Letter" letter has much the same information without the state "Other Tax" paragraphs.

Preparers who do only federal and state returns might choose the "Federal, States Only Result Letter." Those who complete and file only federal returns can choose the "Federal Only Result Letter."

Use the "Custom Results Letter Template" to build your own custom letter from scratch.

Because so much of the letters program is automatic, you may never have to edit the letter templates at all. If you do need to make changes, the following pages help you understand how the templates and the Client Communications Editor are structured.

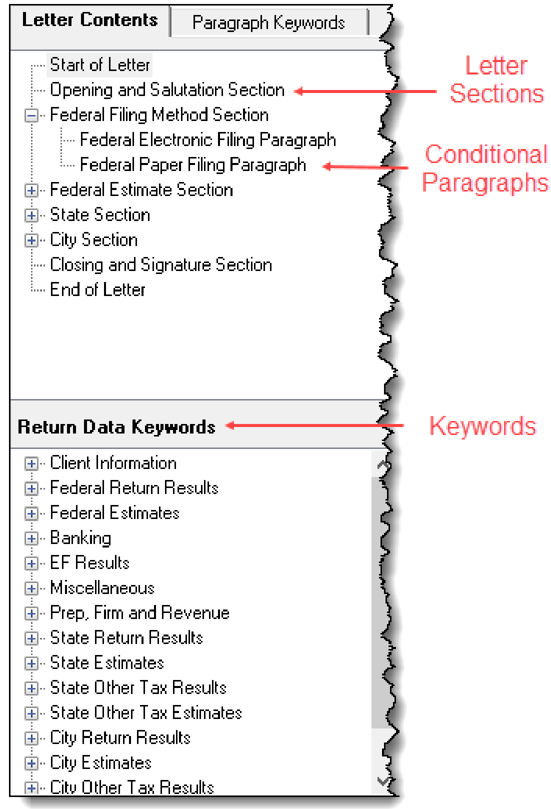
To view a list of Rich Text Format (.RTF) keyboard shortcuts for letters, from the menu bar at the top of the **Home** window, select **Help > Drake Software Help** (or press CTRL+F1). In the **Help** window, select **View help documentation**. When the **Welcome to Drake** window is opened, from the **Contents** tab on the left, scroll down to **Setup**, double-click **Communications Editor**, then select **RTF Guide**.

Client Communications Editor

The Client Communications Editor, accessed from the **Home** window menu bar at **Setup > Communications Editor**, is where you read, edit, re-write, print, and save the letters contained in the program; it is also where you add your company letterhead and logo, borders, and footers to letters.

By default, the Editor is opened in Outline Edit mode. From the toolbar, click **Full Edit** to switch to Full Edit mode. (For more on Outline mode, see [“Available Letter Templates” on page 89](#).) In Full Edit mode, the right pane of the Editor displays the letter template; the left pane displays, in tree view, the applicable sections, paragraphs, and keywords. (See figure right.) Click the PLUS SIGN [+] to expand a category, or click the MINUS SIGN [-] to contract it.

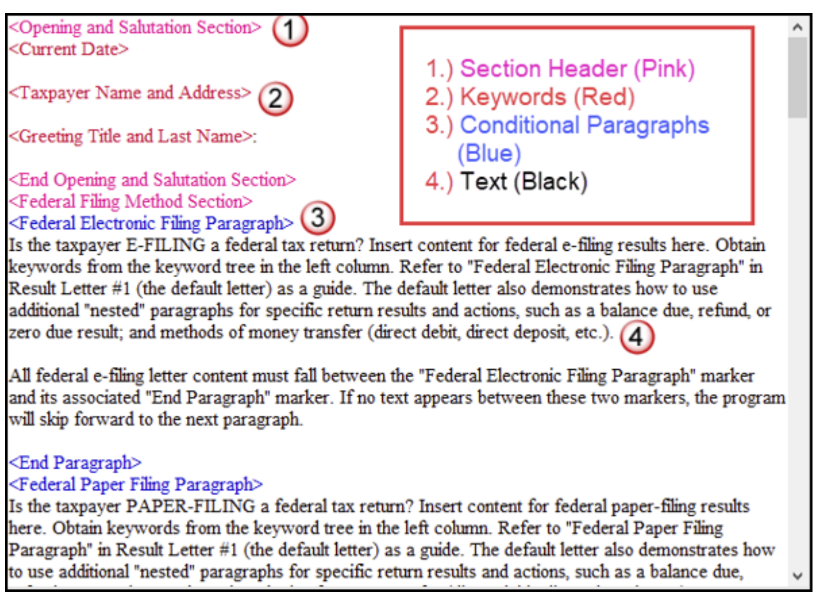
While the results letters are designed with keywords inserted to handle most situations, additional keywords are available if you want to further customize the letter.



Parts of a Letter

A letter in the Client Communications Editor (as seen in Full Edit mode) contains four categories of letter elements: section headers, keywords, conditional paragraphs, and text ([Figure 2-23](#)).

Figure 2-23: A Letter Template in Full Edit Mode



<Opening and Salutation Section> 1
<Current Date>

<Taxpayer Name and Address> 2

<Greeting Title and Last Name>:

<End Opening and Salutation Section>
<Federal Filing Method Section>
<Federal Electronic Filing Paragraph> 3
Is the taxpayer E-FILING a federal tax return? Insert content for federal e-filing results here. Obtain keywords from the keyword tree in the left column. Refer to "Federal Electronic Filing Paragraph" in Result Letter #1 (the default letter) as a guide. The default letter also demonstrates how to use additional "nested" paragraphs for specific return results and actions, such as a balance due, refund, or zero due result; and methods of money transfer (direct debit, direct deposit, etc.). 4

All federal e-filing letter content must fall between the "Federal Electronic Filing Paragraph" marker and its associated "End Paragraph" marker. If no text appears between these two markers, the program will skip forward to the next paragraph.

<End Paragraph>
<Federal Paper Filing Paragraph>
Is the taxpayer PAPER-FILING a federal tax return? Insert content for federal paper-filing results here. Obtain keywords from the keyword tree in the left column. Refer to "Federal Paper Filing Paragraph" in Result Letter #1 (the default letter) as a guide. The default letter also demonstrates how to use additional "nested" paragraphs for specific return results and actions, such as a balance due,

Sections make it easier to find the text and keywords you want to edit. Sections are listed under the **Paragraph Keywords** tab and include such sections as “Opening and Salutation Section,” “Federal Filing Method Section,” “State Income Tax Estimate Section,” etc.

Keywords are replaced with certain text when the letter is generated and certain criteria are met. For example, the keyword “Current Date” is at the top of each letter. When a letter is generated, the “Current Date” keyword is replaced with the current date. (For more on keywords, see Appendix B: Keywords.)

To change the formatting (bold, italics, underline, font size, etc.) of keywords, click anywhere within the angle brackets, then make a selection from the formatting bar. The entire keyword is changed.

You may delete a keyword from a letter, or change the formatting, but do not change the text within a keyword.

Conditional paragraphs, which appear as blue text, consist of a starting tag (such as <Federal Electronic Filing Paragraph>), the conditional text, and an <End Paragraph> tag. Note that both the starting and ending tags end with the word “Paragraph.”

Conditional paragraphs enclosed by ***green*** tags text are printed only if a particular situation (the ***condition***) applies in that letter. For example, the conditional paragraph in Figure 2-24 is generated only if the taxpayer has a ***balance due*** and has selected to pay by ***direct debit***.

Figure 2-24: Conditional Paragraph Offset with Green Tags

<Federal Credit Card Paragraph>
An amount of $<Federal Balance Due> will be charged to your card ending in <Credit Card Last 4> after your e-filed return is accepted. A payment confirmation will be sent to you via email. If your return is rejected, the authorization will be reversed and the payment will not be made. You can then choose to re-authorize the card before the return is transmitted again, or you can choose another payment method.
<End Paragraph>

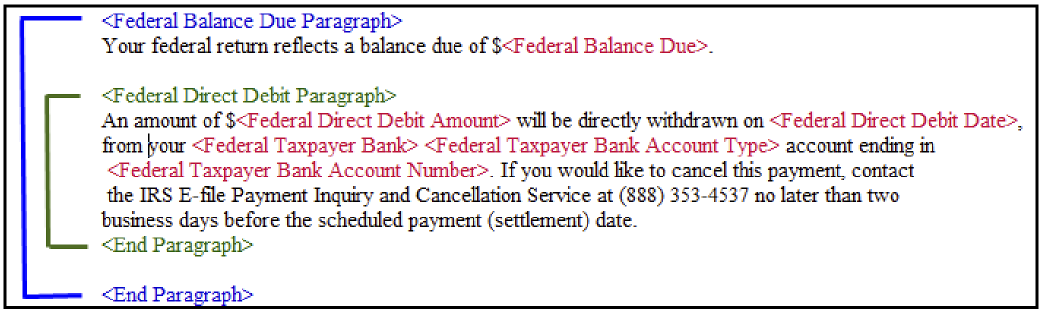
The text of the letter (in black) is displayed exactly as it will be printed in the output of the letter.

To quickly find what you are looking for while in Full Edit mode, click the **Find** button from the toolbar (or press Ctrl+F) to search for paragraphs and keywords within the letter. Click the arrow beside the **Find** icon and select **Replace** (or press Ctrl+R) to replace the searched-for text with new text. Mark the **Match case** check box to replace only those instances of the word that match the “case” (uppercase or lowercase) of the **Find what word** in the **Replace** window.

Paragraph Nesting

Many conditional paragraphs are nested within larger ones. Different nesting levels are indicated by different colors. In Figure 2-25, the **Federal Direct Debit Paragraph** is nested inside the **Federal Balance Due Paragraph**. The blue and green text show where each paragraph begins and ends.

Figure 2-25: Nested Conditional Paragraph



<Federal Balance Due Paragraph>
Your federal return reflects a balance due of $<Federal Balance Due>.

<Federal Direct Debit Paragraph>
An amount of $<Federal Direct Debit Amount> will be directly withdrawn on <Federal Direct Debit Date>, from your <Federal Taxpayer Bank> <Federal Taxpayer Bank Account Type> account ending in <Federal Taxpayer Bank Account Number>. If you would like to cancel this payment, contact the IRS E-file Payment Inquiry and Cancellation Service at (888) 353-4537 no later than two business days before the scheduled payment (settlement) date.
<End Paragraph>

<End Paragraph>

In this example, the **Federal Direct Debit Paragraph** is generated *only* if the **Federal Balance Due Paragraph** is generated, and only if applicable for a return.

Letter Editing Options

To edit a letter:

1. In the Client Communications Editor, click **Open** and select a package and letter to edit.

a. In Outline mode, double-click a Section tag (such as **Federal Filing Method Section**) in the right side pane to reveal conditional paragraphs, then double-click a conditional paragraph to open an **Edit...Paragraph** dialog box. (See Table 2-14 on page 89 for more information on editing letters in Outline mode.)

b. In Full Edit mode, the pane on the right displays the selected template; from the pane, click conditional paragraphs you want to edit. Click **Find** to search for words or paragraphs.

The **Client Communications Editor** opens to the last letter template viewed.

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2. To edit the letter contents, add, edit, or delete text as you would in a writing and editing program like Microsoft Word. From the formatting bar specify font properties, typeface (bold, italic, underlined), and alignment. Click the buttons to undo and re-do, or to copy, cut, or paste.

3. To add a *paragraph* keyword to the letter, select one from **Paragraph Keywords**. (In Full Edit mode, look for the **Paragraph Keywords** tab at the top of the left column.) Click your mouse pointer in the letter pane where you want the new item to go. Double-click a keyword from the tree and the selected keyword is added to the letter with a line for new text. To delete a keyword, select it in the letter template and press DELETE.

4. To add a *data entry* keyword to the letter, select from the **Return Data Keywords** tree on the bottom of the left column (while in Full Edit mode) or from the tree on the left side of the **Edit...Paragraph** dialog box (Outline mode). Click your mouse pointer in the letter pane where you want the new item to go. Double-click a keyword from the tree and the selected keyword is added to the letter. To delete a keyword, select it in the letter template and press DELETE.

Selected items can also be deleted by pressing CTRL+X.

5. To change the formatting of a keyword, or to delete a keyword from a letter:
   a. Highlight the entire keyword, including the angle brackets left and right of the keyword.
   b. Make your formatting change (*Do not change the text within the keyword!*) and click **OK**.
6. Click **Save**.

Naming a Template

Each template has a default name. (See Table 2-14 on page 89). To assign a new name:

1. From the Client Communications Editor, click **Open** and select a letter template.
2. Click **Setup > Rename Letter**.

Press CTRL+N to quickly access the **Rename Letter** dialog box.

3. Enter a new name in the **Rename Letter** dialog box and click **OK**.

The new name is displayed in the **Client Communications Editor** title bar.

Restoring a Template

To restore a template to its original (default) format, open the template and select **Setup > Restore Original Letter**.

Viewing Letters for Sample Return

The preview feature allows you to open View/Print mode and view a sample letter for one of 10 return types:

- An e-filed return with refund
- An e-filed return with balance due
- A paper-filed return with refund
- A paper-filed return with balance due
- An e-filed return with an extension
- An e-filed return with an extension and balance due
- A paper-filed return with a refund and an extension
- A paper-filed return with a balance due and an extension
- A paper-filed amended return with a refund
- A paper-filed amended return with a balance due

To access the preview feature, click **Preview** in the toolbar of the **Client Communications Editor**.

Bringing Forward a Template

To replace a current-year letter with a prior-year letter:

1. From the **Client Communications Editor**, toolbar, click **Setup > Update Prior Year Letter**.
2. Click **OK** to open the **Update Letters** dialog box.
3. Select the drive that contains the prior-year letter.
4. Select a prior-year letter.
5. Click **Continue.**
6. When prompted, click **Yes**.

- If you bring 2021 letters forward into the 2022 program, you overwrite any changes you've made to the 2022 letters.
- Be sure to read through the replacement letter to ensure that the information is current.
- Only one letter at a time can be updated.

Available Letter Templates

Table 2-14 lists all available letters. All letters can be modified using the Client Communications Editor. Letters with an asterisk (*) indicate letters that can be generated individually or in batches separately from the tax return. (See "Letters" on page 331.)

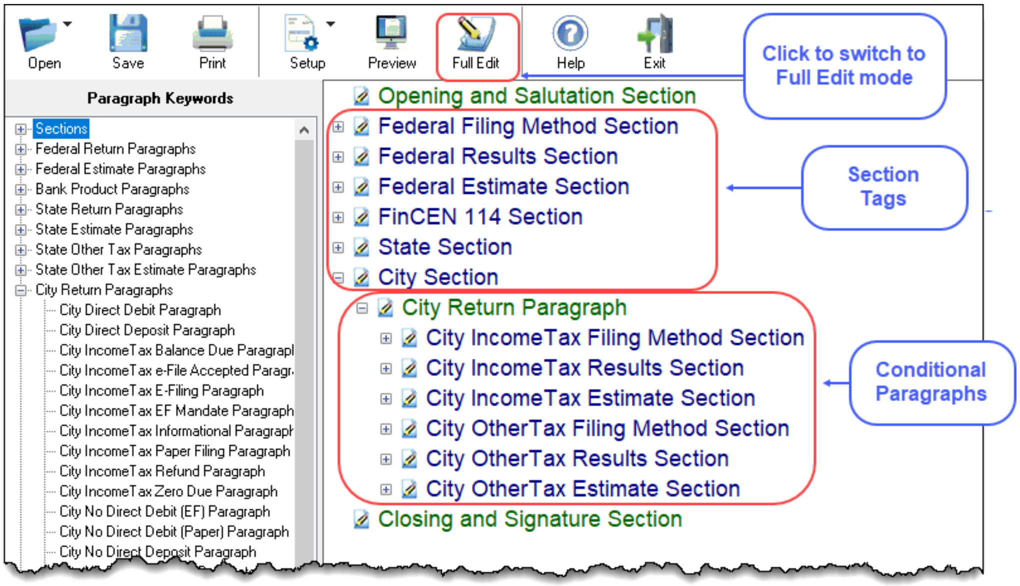
Table 2-14: Available Letter Templates

Letter Template	Description
Comprehensive	Provides return results for the filed returns—federal, state, and city; gives info on federal, state, and city taxes (plus state and city "Other" taxes), bank products, refunds, payment methods, estimates, due dates, mailing instructions, etc., as applicable.
Custom Results (template)	Contains the same keywords and paragraph tags as the Comprehensive results letter but no pre-written letter is provided.
Summary (default letter)	Provides a summary of all pertinent return results: taxpayer information, return type, balance or refund due, payment or refund method, taxing authority mailing addresses or e-file information, estimates (if needed). This letter is shipped as the default letter. To select another default letter, go to **Setup > Options**, click the **Client Communications** tab, and make a selection from the **Letter Selection** drop lists.
Federal Results Only	Contains the same keywords and paragraph tags as the Comprehensive results letter for federal returns (no state or city returns).
Federal, States Only	Contains the same keywords and paragraph tags as the Comprehensive results letter for federal and state returns (no state "Other" taxes or city returns).
Federal, States Cities Only	Contains the same keywords and paragraph tags as the Comprehensive results letter for federal, state, and city returns, including info on federal, state, and city taxes (but no state and city "Other" taxes)
Custom Results	Contains the same keywords and paragraph tags as the Comprehensive results letter but no pre-written letter is provided.
Extension Letter	Explains that an application for extension has been filed. Includes state and federal mailing instructions, if applicable.
Amended Letter	Similar to the Client Results Letter but for an amended return.
Estimate Payment Reminder*	Provides details for making a 2023 estimate payment (Individual package only)
Scheduled Appointment Reminder*	Informs prior-year clients of this year's appointment date and gives instructions for preparing for the appointment (Individual package only)
Referral Coupon	Offers client a discount for referring another client (Individual package only)

Letter Template	Description
Preseason Letter*	Reminder to 2021 clients that tax season is coming up; all applicable packages
Postseason Letter*	Letter thanking 2022 clients for their business; available for all applicable packages
Customized Supplemental Letter	Fully customizable template that can be used to create a customer survey, package or product offering sheet, generic letter, client coupon, etc. (all packages)
Engagement Letter*	Standard Engagement letter for tax services (all packages)
e-File Status Letter*	Provides 2022 clients with an acknowledgment summary of their e-filed returns; available for all applicable packages
Privacy Policy	Generic privacy policy for clients (all packages)
Letterhead	Provides customization of letterhead (all packages)
Footer	Add customer footers to your letters.
Comprehensive Bill	Allows customization of itemized clients' bills (all packages)
Summary Bill	Allows customization of summarized client's bill (all packages)
K-1 Cover Letter	Cover letter for a shareholder, partner, or fiduciary receiving a Schedule K-1 (S corporation, Partnership, and Fiduciary packages only)
K-1 Amended Letter	Cover letter for a shareholder, partner, or fiduciary receiving a Schedule K-1 that has been amended (S corporation, Partnership, and Fiduciary packages only)
Grantor Trust Statement	Cover letter for grantor trust statement (Fiduciary package only)
Results Letter 706-A	Provides return results for the Additional Estate Tax Return (Estate package only)
Engagement Letter 706-A	Engagement letter for the Additional Estate Tax Return services (Estate package only)

Rather than search through a letter template for the text and keywords to edit, quickly find the paragraph you wish to edit using Outline mode. The **Client Communications Editor**, as seen in Outline mode, displays Section tags in the standard option "tree" (Figure 2-26 on page 91), with the various conditional paragraphs grouped under the Section tags.

Figure 2-26: Section Tags and Conditional Paragraphs in Outline Mode



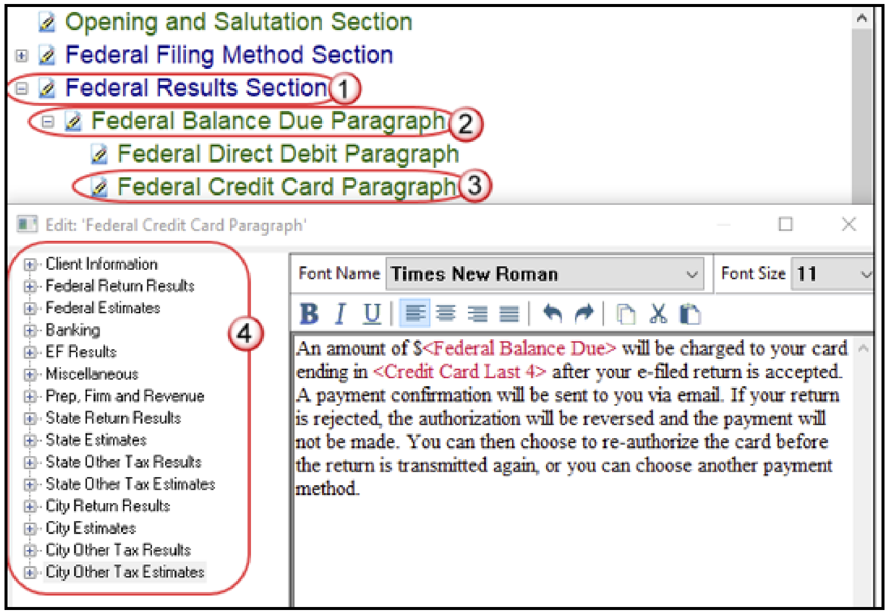
Click the PLUS SIGN [+] in front of a Section tag to reveal the conditional paragraphs that relate to that section. Click, drag, and drop conditional paragraphs to a new location under the Section tag if desired.

The **Full Edit** button is displayed on the toolbar when in Outline mode, and the **Outline** button is displayed when in Full Edit mode. Use these buttons to toggle back and forth between modes.

Locating and Editing in Outline Mode

To find the paragraph that pertains to, for instance, paying a balance due on an e-filed federal return with a credit card, click the PLUS SIGN [+] beside the **Federal Results Section** tag (item #1 in Figure 2-27 on page 92), click the PLUS SIGN [+] beside **Federal Balance Due Paragraph**, (#2), and then double-click **Federal Credit Card Paragraph** (#3), to open the **Edit Paragraph** dialog box.

Figure 2-27: Opening the **Edit Paragraph** dialog box in Outline mode



The paragraph inside the **Edit Paragraph** dialog box displays regular text and the keywords for that paragraph. Make any changes to the text you wish, including changing the font style and size using the formatting bar. Add new keywords (#4) from the selections tree beside the paragraph.

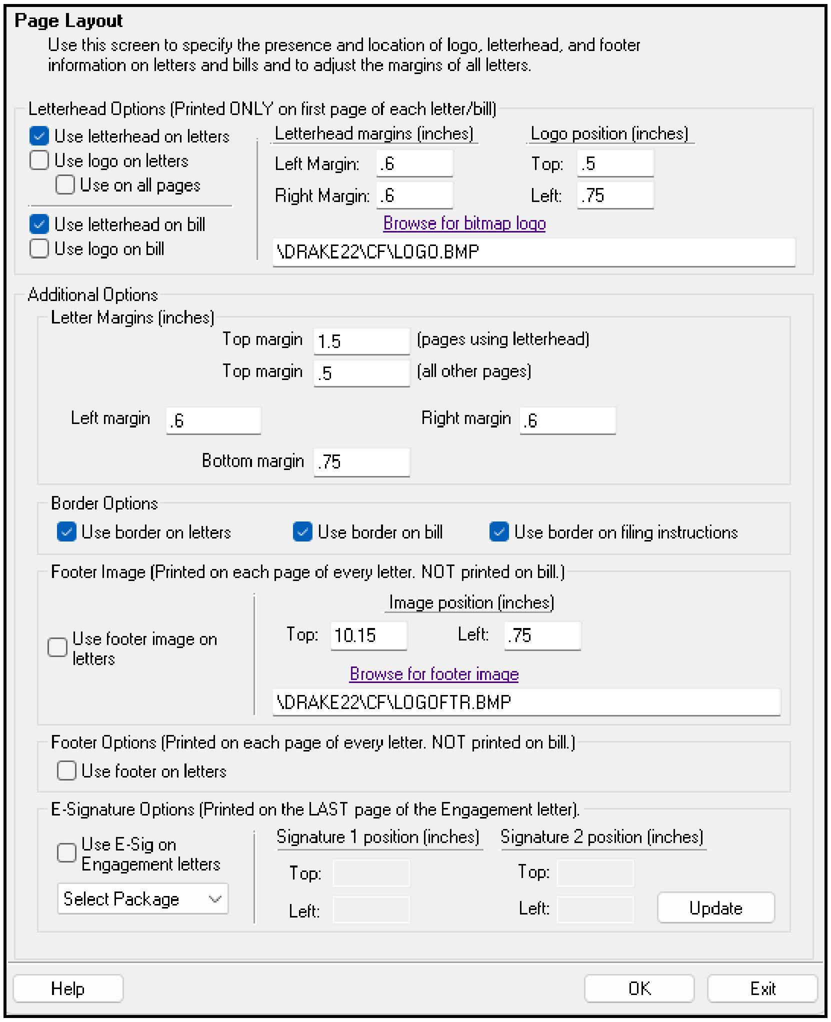
Letters Setup

Use the Client Communications Editor to not only edit letter templates, but also to adjust margins, add borders and footers, add a logo, set up the letterhead for letters and client bills, and to preview letters.

To include and customize a letterhead or footers that will appear in your Drake Tax-generated letters and client bills, and to add a logo, adjust margins, and add a border, follow these steps:

1. From the **Client Communications Editor** toolbar, click **Setup > Page Layout** to open the **Page Layout** dialog box (Figure 2-28 on page 93).

Figure 2-28: The **Page Layout** dialog box



2. Make selections from the check boxes in the upper-left corner of the **Letterhead Options** section to have the firm information and logo printed on the client results letters and clients' bills.

To edit your letterhead, see "Customizing Letterheads and Footers" on page 95.

- Select the **Use logo on letters** check box if you wish to have a saved logo printed on your letters. Select the **Use logo on bill** check box if you wish to have a saved logo printed on your bills.
- Click **Browse for bitmap logo** to locate your saved logo. (Must be in bitmap format.) The full path and file name are required. To use the simple default graphic, enter `C:\Drake22\CF\LOGO.BMP` ("C" indicates the drive letter to which the Drake Tax program is installed. Change if necessary.)
- Use the **Letterhead margins** fields to position your letterhead on the page. Entries in the **Left Margin** and **Right Margin** fields position the letterhead between the margins.

- Use the **Logo position** fields to position your logo on the page. Entries in the **Top** field positions the logo up and down, and an entry in the **Left** field positions the logo left and right. The logo's position is adjusted in inches. An entry of `1`, in the **Top** field, for example, sets the logo an inch below the top of the page, and an entry of `.5` in the **Left** field sets the logo's position at half an inch from the left side of the page. Values can also be entered in increments of one-tenth of an inch. For example, an entry of .1 sets the logo's position at one-tenth of an inch from either the top or the left.

3. In the **Additional Options** section, use the **Letter Margins** fields to adjust margins of the letter as needed. An entry in the first **Top Margin** field affects only the first page of a letter or bill; an entry in the second **Top Margin** field affects all other pages of the letter or bill. The margins are adjusted in inches. An entry of `1` in the **Left margin** text box, for example, sets the left margin at one inch; an entry of `.5` sets the left margin at half an inch. Values can also be entered in increments of one-tenth of an inch. For example, an entry of `.1` sets the margin at one-tenth of an inch.

- The appearance of the margin in the letter template does not change; however, when a letter is generated with a return, you'll be able to see the margin change both in View/Print mode and on the printed letter.

- An entry of `0` (zero) applies the default margins. The program does not accept negative numbers or numbers with two decimal values (such as 1.25).

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4. In the **Border Options** section, select to use a border around the margins of your letters and bills.

5. The **Footer Image** section gives you the opportunity to add a second bitmap image to the footers on your printed letters. (This image does not appear on the bill.) To add the second image:

a. Select the **Use footer image on letters** check box.

b. Click **Browse for footer image** to map the path to the image you want to use.

c. Position the image from the **Top** and **Left** margin fields.

d. To add a footer to your letters and bills, select the **Use footer on letters** check box in the **Footer Options** section.

To edit your footers, see "Customizing Letterheads and Footers" on page 95.

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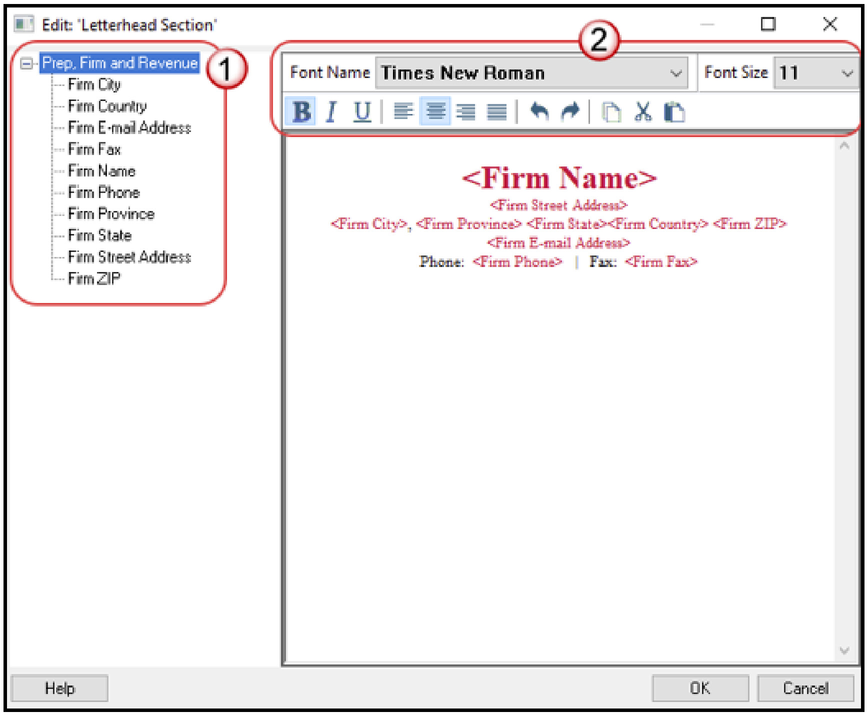
6. Click **OK** to return to the **Client Communications Editor.** Click **Save** to save your changes. Click **Exit**.

Use the **E-Signature Options** section of the **Page Layout** dialog box to set up the program so that the taxpayer's and spouse's signatures, or that of a representative of a business entity, can be used for signing Engagement letters. See "e-Signing Engagement Letters" on page 96.

Customizing Letterheads and Footers

To customize the letterhead or the footers (change the font and font size, use italics or underline, add keywords, etc.), from the toolbar of the **Client Communications Editor**'s toolbar, click **Open**, choose a tax package, and then from the drop list, select **Letterhead (All packages)** (or **Footer (All Packages)**) to open the **Edit Letterhead** (or **Footer**) window.

Figure 2-29: Editing the Letterhead



In the keywords tree on the left side of the window (item #1 in Figure 2-29) are the keywords representing the information that will appear in the letterhead at the top of all generated letters and on the client's bill. (The selections for footers are limited to contact information, address data, and page number.)

To add items to the letterhead:

1. In the keywords tree, expand the **Miscellaneous** or **Prep, Firm and Revenue** category by clicking the PLUS SIGN [+].
2. Click your mouse pointer in a position inside the right pane where you want to new item to appear.
3. From the keywords tree, double-click an item. That item appears in the letterhead or footer where you had placed the mouse pointer.
4. Click **OK**.

To change the firm's information that appears in the letterhead, close the **Client Communications Editor** and return to the **Home** window, then go to **Setup > Firm(s)**.

To adjust font, size, weight (bold) and angle (italics) of the text, underline the text, align the text left, right, or centered, or cut, copy, or paste, use the formatting bar (item #2 in Figure 2-29 on page 95).

e-Signing Engagement Letters

Set up your program to electronically sign Engagement letters with the signature of the taxpayer and spouse on a 1040 return or a representative of a business or entity on an entity return (1120, 1120-S, 1065, 1041, 990, or 706).

To set up your program, take the following steps:

1. From the menu bar of the **Home** window, go to **Setup > Communications Editor** to open the **Client Communications Editor**.
2. From the **Client Communications Editor** toolbar, click **Setup > Page Layout** to open the **Page Layout** dialog box (Figure 2-28 on page 93).
3. In the **E-Signature Options** section at the bottom of the **Page Layout** window, first mark the **Use E-Sig on Engagement letters** check box, and then choose a tax package from the **Select Package** drop list.
4. Use the **Top** and **Left** fields under the **Signature 1 position** to adjust the default position of the taxpayer's signature for 1040 returns or that of a business entity representative. (The default location is at the bottom of the letter's last page.) In the **Signature 2 position** fields, enter the signing positions of the spouse's signature for joint 1040 returns.
5. Click **Update**. Click **OK**. Click **Save**.

For details on signing Engagement letters electronically, see "Client's e-Signature" on page 201.

Choosing a Bill Format

There are three types of bills: a "comprehensive" bill that itemizes all the charges (the price for each form, worksheet, statement, etc., included in the return); a simplified one-page "summary" bill that includes only the return preparation fee, any bank product fees, certain other fees, and any items from the **BILL** screen of Drake Tax (see "Overriding the Bill Amount" on page 110); and the "Classic" bill, the style of bill that Drake Tax has produced for years. The Classic bill has a clean, straight-forward look without many of the customization possibilities offered by the comprehensive or summary bills.

Selecting a Bill

To make a selection of the bill you want the program to produce, take the following steps:

1. From the menu bar on the **Home** window of Drake Tax, go to **Setup > Options** and choose the **Billing** tab.

2. From the **Select Bill format** drop list, select **Comprehensive Bill**, **Summary Bill**, or **Classic Bill**.
3. Select the options you want. (For more information, see Table 2-10 on page 69.)
4. Click **OK**.

Customizing a Bill

If you chose **Comprehensive Bill** or **Summary Bill** and want to customize the look of your bills, take the following steps:

1. From the menu bar on the **Home** window, go to **Setup > Communications Editor** to open the **Client Communications Editor**.
2. From the toolbar in the upper-left, click **Open**, and choose a package from the resulting drop list.
3. From the second drop list, go to **Comprehensive Bill (All Packages)** or **Summary Bill (All Packages)**.
4. Use either Full Edit mode or Outline Edit mode. If you use Outline Edit mode, double-click the **Custom Section** paragraph to open the editing pane.
5. Use the features from the formatting bar as you would in any editing program to change font style or font size, to use **bold**, *italics*, or underlined text, to align text left, center, or right, to justify your text, or to copy, cut, or paste text.
6. Change or add any keywords you choose. Click inside the editing pane to place the cursor where you want the new keyword to appear in the bill, then select the keyword from the keywords list on the left. Click a PLUS SIGN [+] from the keywords list to expand the list.
7. Click **OK**, **Save**, and **Exit**.

To add a letterhead, logo, and borders to your bill (summary, comprehensive, or "Classic"), from the **Client Communication Editor** toolbar, go to **Setup > Page Layout**. (See "Letters Setup" on page 92.) To edit your letterhead information, see "Customizing Letterheads and Footers" on page 95.

Color Setup

Use the Color Setup feature to tailor Drake Tax screens to meet your firm's preferences.

If you used Drake Tax last year, consider customizing colors to make your 2022 program look different from your 2021 program. If you must open the 2021 program during tax season, customized colors help you avoid entering current data into the old program by mistake.

Program Colors

To customize program colors:

1. From the menu bar of the Drake Tax **Home** window, go to **Setup > Colors** to open the **Color Selection** dialog box.
2. Under **Program Colors**, choose one of the following options:
   - **Use Windows System Colors** — Program screens inherit the color scheme used by the operating system (default setting).
   - **Use Custom Created Colors** — The **Program text color** and **Program background color** boxes to the right become available. Click a box to view the Windows color palette and choose a color.

To create your own color, double click the color palette for the item you want to change, and in the **Color** dialog box, select **Define Custom Colors**. Use the crosshairs and arrow slider on the right side of the dialog box to fine tune your color, and click **Add to Custom Colors**. Make sure your color is selected under the **Custom colors** section, and then click **OK**.

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3. Click **OK** to save your changes and exit.

Data Entry Colors

To change the color of a specific area in data entry, from the **Color Selection** dialog box:

1. In the **Data Entry Colors** section, click a color box to open a Windows color palette.
2. Select a color and click **OK**.
3. Once all color selections are made, click **OK** to save your changes.

To restore the original color settings from the **Color Selection** dialog box, click **Restore**, and then click **OK**.

Printing Setup

Use Printer Setup to:

- Establish the printer to be used with Drake Tax
- Establish "sets"
- Set up advanced printing options not related to a specific printer

Your Windows default printer is designated as the Drake Tax default printer when Drake Tax is installed. Printer settings are carried forward automatically each year.

Add watermarks on the fly via the **Print Selection** dialog box (the box that is opened when you click **Print** in View/Print mode in Drake Tax), opt to print a custom watermark that you specify (see Table 2-15), or print "Client Set" or "Preparer Set" as a watermark.

Editing Printer Settings

To edit settings for the printer used for printing tax returns:

1. From the menu bar of the **Home** window, go to **Setup > Printing > Printer Setup**.
2. Enter setup changes as needed. Details on each tab are provided in Table 2-15.
3. Click **Save**. (If making changes to printer settings on the **F8** tab, click **Update**, then **Save**.)

Table 2-15: Printing Setup

Tab	Field	Description
(F5) General Setup:		Displays the current default printer for Tax Forms, Reports, Labels, and Checks, and the default setting for the Letterhead source tray (which allows you to print letters from a printer tray other than the tray used for tax returns).
	Tray	Default is "Main paper source." Change the default setting if you have a multiple-tray printer and will not be printing from the main tray.
	# Copies	Number of copies to print (not available for labels or checks).
	Duplex	Directs printer to print duplex. Only forms that are approved for duplex can be printed as duplex.

Tab	Field	Description
	Show dialog	Causes the **Print** dialog box to be opened before each print job.
(F6) 'Sets' Setup:		Displays the current default printer and the different types of sets that can be printed – EF Signature, Estimates/Extensions, etc.); see "Printing Sets" on page 101.
	Tray	Default is "Main paper source." Change the default setting if you have a multiple-tray printer and will not be printing from the main tray.
	Duplex	Directs printer to duplex-print. Only forms that are approved for duplex can be printed as duplex.
	Duplex all	Directs printer to duplex-print all forms (approved or not). (Not available for sets to be mailed to the IRS or a state.)
	Print set	Indicates which sets should be available for printing after a return is calculated.
	Watermark text	Watermarks to be displayed on the Client and Preparer copies, respectively. Default settings are "Client Copy" and "Preparer Copy." Delete and type in new text if desired.
(F7) Options:		Used to set up advanced printing options not related to a specific printer.
	Classic print mode	For preparers who prefer Basic View (see "Viewing a Return (Enhanced Mode)" on page 190), Drake Tax's "Classic Print" mode is displayed when in Print mode.
	Shading Options	If the GDI shading method does not produce acceptable results, mark this box and the program will attempt to print forms using a solid gray background
	PCL 5e soft font option.	Many printers require soft fonts to be downloaded before tax forms can be printed. Select the desired downloading option.
(F8) Edit Printer Settings:		Used to edit print settings for a selected printer and to test printers for compatibility with Drake Tax.
	Select printer	Select the printer. The fields listed below are activated when a selection is made. (If you select Drake PDF Printer, you are given the option to launch Adobe after printing to the Drake PDF Printer and to convert a color letterhead image to a more manageable black-and-white image.)
	Printer type	Select the printer type from the drop list.
	Use PCL when printing	This check box is available only to users who choose "LaserJet" from the **Printer Type** drop list and should be marked only when there is a printing issue (for instance, if the printer does not print anything).

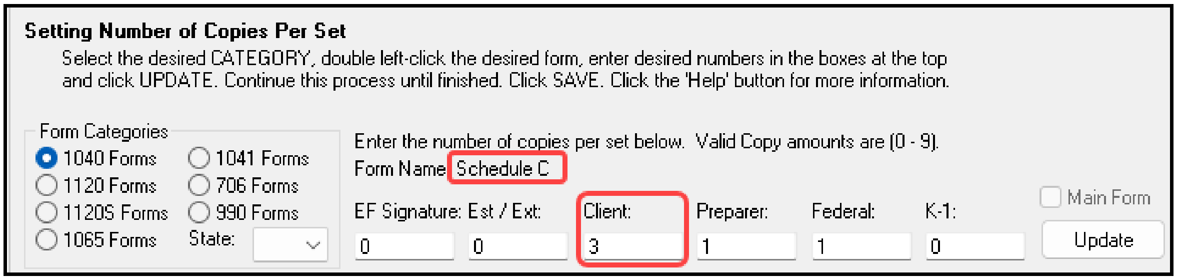
Tab	Field	Description
Additional Settings:		(Varies by printer; use to change Tray drop lists on the **F5 General Setup** tab)
	Check adjustment-vertical	Use this field if text is being printed too high or low on checks. Enter whole numbers to adjust the printed text 1/4-inch at a time. Enter 1 to move the type 1/4 inch; 2 to move 1/2 inch, etc. Positive numbers move the placement down; negative numbers move the placement up.
	Main paper source	Select the tray that is to be the main paper source for the selected printer.
	Alternate paper source	Select the paper source to be used when the main paper source is not available.
	Opt. large paper source	Select the tray to be used as the optional large paper source.
	Manual feed	Select the tray to be used for manual feed
	Adjust margin	Select this option if printed forms are running off the lower edge of the paper.

Printing Sets

The **Printing Sets** feature allows you to print multiple sets of returns for different purposes. To define printing sets:

1. From the Drake Tax **Home** window, go to **Setup > Printing > Printer Setup**.
2. At the bottom of the **Printer Setup** window, click the **Sets** button to open the **Copies Per Set** dialog box.
3. Select a tax package from **Form Categories**. Your selection determines which forms are displayed in the grid below.
4. Double-click a form in the list. The default information for that form fills the text boxes above.
5. In the boxes under each set name, enter the number of copies of the form to be printed with each set. In the example in Figure 2-30 on page 102, three Schedules C will be printed with the **Client** set.

Figure 2-30: Three Copies of Schedule C for All Clients



6. Click **Update**.
7. Click **Save**, and then click **OK**.

Repeat this procedure for other forms as needed.

Changing Print Sets "On the Fly"

Make **Sets** changes "on the fly" (in other words, without going to Printer Setup) to modify settings globally—not just for the active return. In other words, if you change your **Sets** settings "on the fly," you change the settings for *all* returns.

To change or add print settings on the fly, complete the following steps while in Enhanced View/Print mode for a return:

1. Select a form from the directory tree.
2. From the toolbar, select **Setup > Form Properties** to open the **Properties** dialog box.
3. In the **Number of Copies** column on the right side, change the settings as needed and click **Save**.

If using Basic View, access this feature by right-clicking a form and selecting **Properties** from the right-click menu.

Pricing can also be changed "on the fly"; see "Pricing for a Single Return" on page 111.

Setting a Print Order

Use Printer Setup to view or change the order in which forms are printed.

1. From the menu bar of Drake Tax **Home** window, go to **Setup > Printing > Printer Setup**.
2. Click **Set Form Order** (at the bottom of the **Printer Setup** dialog box) to open the **Sort Form Order** window.

3. Select a package series (for instance, “1040” and “Federal”) from the drop lists at the top of the window, and then choose a set (“Normal,” “Client Set,” “EF Signature,” etc.). Forms are listed with their order number in parentheses to the left. **Normal (Default)** is the established IRS order.
4. To change the sequence in which the forms are printed, click and drag form names until the forms are listed in the desired order.
5. Click **Save**.

Setting up Drake Documents

For details on how to set up and use the Drake Documents from Printer Setup, see Chapter 13, “Suite Products.”

e-Signature Setup

For details on how to set up the e-Signature feature from **Printer Setup**, see “Electronic Signatures” on page 199.

Making Changes On the Fly

When you make changes “on the fly,” you override program calculations and defaults (set by either the program or by the preparer in Setup) for the open return. The rest of this chapter focuses on actions performed ***while in data entry*** that “override” these global settings in an individual (1040) return. Comparable options for other packages (such as the business packages) are provided in the manual supplements for those packages, available through your User Account (**Support > Documents**).

Suppressing/Forcing Documents

The **PRNT** screen, available from the **Miscellaneous** tab of the **Data Entry Menu**, allows you to indicate which forms should and should not be generated for a return, regardless of program calculations and established defaults.

Suppressing Items

Table 2-16 on page 104 lists items that can be suppressed (prevented from being generated) using the **PRNT** screen in the 1040 package.

Table 2-16: Items that can be Suppressed from the **PRNT** Screen

Item	Description
State short form	Suppresses state short form, forcing state return to be printed on the state long form.
8801	Suppresses printing of Form 8801, Credit for Prior Year Minimum Tax-Individuals, Estates, and Trusts, if the form is not required. (This form is generated by default on certain returns that have a credit carryforward.)
Proforma/organizer	See "Organizers and Proformas" on page 150.

- In the 1120-S, 1065, and 1041 packages, if the option **Include K-1 letter with returns** is selected at **Setup > Options > Client Communications** tab, go to the **COMM** screen to suppress the printing of the K-1 letter.

- Override options for printing filing instructions and envelope coversheets are on the **COMM** screen, available from the **Miscellaneous** tab of the **Data Entry Menu** in all packages.

Forcing Items to Be Generated

The **PRNT** screen in a 1040 return allows you to "force" the program to generate items even if the program calculations and established defaults would otherwise not generate them.

These items are listed in Table 2-17:

Table 2-17: Items that can be Forced from the **PRNT** Screen

Item	Description
Schedule LEP	Produce Schedule LEP to receive IRS communications in the selected language. **NOTE**: The taxpayer will not immediately begin receiving communications from the IRS in his or her language of choice. Select **English** only if the taxpayer previously opted in to receive communications in an alternate language.
Form 9000	For taxpayers with impaired vision, choose to receive any written communication from the IRS in a variety of formats (only one choice per return): standard print, large print, Braille, audio (MP3 file), plain text file (TXT), Braille Ready File (BRF). Audio, TXT, and BRF files are delivered on a USB flash drive. **NOTE:** Select **Standard Print** only if a previous communication method was filed with Form 9000.

Item	Description
Schedule A	Choose from a drop list whether or not to have Schedule A, Itemized Deductions, printed with the return.
Schedule B	Schedule B, Interest and Dividend Income
Summary	Individual Diagnostic Summary; appears as SUMMARY under **Miscellaneous** tab in View/Print mode.
Compare	Tax return comparison; compares current-year return with returns from the two prior years and appears as COMPARE under **Miscellaneous** tab in View mode.
WK_SSB	Social Security Benefits Worksheet provided by IRS for Forms 1040 and 1040-A; allows taxpayer to see if any benefits are taxable.
Next-Year Depreciation List	Worksheet showing the depreciation to be carried forward to 2023.
Spanish Forms	Produce federal forms in Spanish (not all forms are available).
Tax Computation Worksheet	Print the worksheet that explains how the tax was computed on this return.
QBI Explanation	Produce an explanation of all activities included in the taxpayer's qualified business income deduction
1040 instead of 1040-SR	Produce Form 1040 instead of the 1040-SR – even if the taxpayer is 65 and is qualified for the 1040-SR
Form 1040-SR page 4	Page 4 of Form 1040-SR, the Standard Deduction Chart for the various filing statuses.
Form 1045 page 3	Form 1045, page 3, when taxable income is less than "0" and did not result in a current-year NOL.
Form 4562	Form 4562, Depreciation and Amortization
Form 4952	Form 4952, Investment Interest Expense Deduction
Form 6198	Form 6198, At-Risk Limitations
Form 6251	Form 6251, Alternative Minimum Tax for Individuals
Form 8283	Form 8283, Noncash Charitable Contributions
Form 8582	Form 8582, Passive Activity Loss Limitations
Form 8615	Form 8615, Tax for Certain Children Who Have Unearned Income
Form 8960	Form 8960, Net Investment Income Tax - Individuals, Estates, and Trusts
Form 8962	Form 8962, Premium Tax Credit
Form 8995/8995-A	Worksheets for reporting aggregation of business operations, allocations of losses, and income from agricultural and horticultural cooperatives.
Print EIC due diligence documents	Override the global setting from **Setup > Options > Administrative Options** tab.
DDASSIST	Produce the EIC Due Diligence Checklist as it appeared in 2021.

Item	Description
EIC Not Calculated Explanation	On returns where you believe EIC is due but hasn't been calculated, marking this box generates a Return Note stating why the EIC calculation is not being made.
PIN for preparer's alternative e-signature	If the alternative electronic signature is being used by the return preparer for this tax return, enter the five-digit PIN that was chosen in Preparer Setup. An entry here causes the preparer's name to be printed on the return. This should be used for the client's and preparer's printed copies when the return has been e-filed.
Date to print on returns	Override the default (current) date printed on the return set globally at **Setup > Option > Optional Items on Return**.
Print email address	Choose to print the email address entered on screen **1** on the return.
Print Overrides	See "Overriding Other Setup Options," following.

Overriding Other Setup Options

Most setup options are selected from the **Home** window (see "Setup Options" on page 62). Many of these selections have "overrides" in the program, allowing you to change certain options on a per-return basis without changing the option globally (for all returns).

Many overrides are available on the **PRNT** screen (see "Forcing Items to Be Generated" on page 104) within a return. Overrides for envelope coversheets, letters, and filing instructions can be found on the **COMM** screen (see "Overriding Letters Setup" on page 112 for more details). Both the **COMM** and **PRNT** screens are available from the **Miscellaneous** tab of the **Data Entry Menu**.

Envelope Coversheets

When a return is generated in Drake Tax, envelope coversheets are also generated, if selected, for mailing copies of the return to the taxpayer and tax authorities. Default settings for envelope coversheets are set in the **Envelope Sheet** section of the **Setup > Options > Optional Documents** tab. Use the **Envelope Coversheet Options** section of the **COMM** screen to override coversheet options for a single return.

Due Diligence Documents

EIC due diligence information is entered on screens **DD1** and **DD2**. The **PRNT** screen includes options to produce EIC due-diligence documents with a selected return. (This option is set globally from the **Administrative Options** tab in **Setup > Options**.)

Printed Dates

A default due date for filing a return is printed on returns and all letters and filing instructions generated with a return.

To change the date printed on a return, from the **PRNT** screen, enter the desired date in the **Date to print on returns** override field. This date change cannot be set globally from Setup.

To change the date printed in the client results letter and the state and federal filing instructions, from the **COMM** screen, use the **Due date to be printed on letter and filing instructions** override field located at the bottom of the screen.

Client Email Address

To have the client's email address printed on the return, select "Yes" from the **Print client email address on return** drop list on the **PRNT** screen. This address must be entered on screen **1** of the return. The address is printed on page 2 of the 1040, in the "Sign Here" section.

State Overrides

In some circumstances, a state return that normally would not be generated is needed; in some cases, a state return that *would* be generated is *not* needed. To force state returns to be generated, or to suppress them, use the drop lists in the **State Overrides** section of the **PRNT** screen.

Billing Format

The following global setup options are set from **Setup > Options > Billing** tab, and can be changed on the fly by using drop lists on the **BILL** screen in data entry:

Table 2-18: Options that can be Changed on the Fly from the **BILL** Screen

Option	Choices
Billing option from Bill statement format drop lists	• Total only • Forms and total • Forms, prices, and total • Bill by time • Charge per form
Custom paragraph option	• None • Top of bill • Bottom of bill

For more on the **BILL** screen, see "Overriding the Bill Amount" on page 110.

Write a custom paragraph for the bill in the **Paragraph Content** text box at **Setup > Options > Billing** tab.

Penalty and Interest Calculations

The following global setup options are for penalty and interest calculations on late-filed returns. These are set from **Setup > Options > Optional Items on Return** tab, and can be changed from within a return from the **LATE** screen, available from the **Taxes** tab:

Table 2-19: Penalty and Interest Options that can be Changed on the Fly

Global Setting	Available Overrides
Calculation of penalty and interest on all returns	If the global option is selected at **Setup > Options > Optional Items on Return** tab, it can be suppressed for a single return. If the global option is not selected, it can be forced for a single return.
Interest rates	Penalty and interest amounts can be entered manually for a single return to override program calculations based on updated or manually entered interest rates in **Setup > Options > Optional Items on Return** tab.

Different Firm, Preparer, or ERO

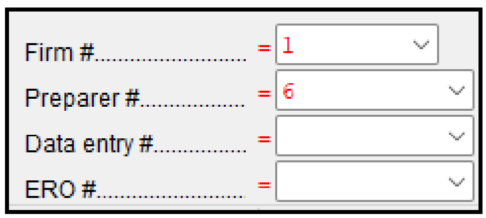
By default, the program prints the information shown in Table 2-20 on the return.

Table 2-20: Firm, Preparer, and ERO Data that can be Changed on the Fly

Information	Description
Firm	Firm associated with Preparer #1 in **Setup > Preparer(s)**
Preparer	Preparer #1 in **Setup > Preparer(s)**
ERO	ERO selected in **Setup > Options**, **EF** tab (default is "Paid Preparer")

To override any of these defaults for a return, go to screen **1** of the return and select a firm, preparer number or name, or ERO under **Return Options** (Figure 2-31).

Figure 2-31: Override Fields on Screen **1**



Be aware of the following information when determining what information is to appear on the return:

- Because both the firm and ERO information is determined by the return's preparer, a selection in the **Preparer #** drop list causes both the firm and ERO information to be overridden with the corresponding information associated with the selected preparer.
- If you do not make an entry for the **Preparer #** or **Firm #**, or if you select **NONE/Self-Prepared Return (No Paid Preparer)**, nothing is printed on the applicable line of the return. For the ERO, the program uses the information entered on the **EF** tab in **Setup > Options**.
- Data entered on the **PREP** screen overrides the default data and the corresponding **Return Options** selections on screen **1**. ERO information is *not* affected by **PREP** screen entries but *is* affected by a selection from the **ERO #** drop list on screen **1**. For more on the **PREP** screen, see "Overriding Other Preparer Information," following.
- The **Data Entry #** field (shown in Figure 2-31) is for tracking purposes only.
- A firm or preparer must be entered in **Setup > Firm(s)** or **Setup > Preparer(s)** in order to show up as an option in the override drop lists on screen **1**.

Overriding Other Preparer Information

The **PREP** screen in data entry allows you to override the following data for a return:

- Third-party designee
- Federal preparer information (if the preparer is not set up at **Setup > Preparer(s)**)
- State preparer information (if the preparer is not set up at **Setup > Preparer(s)**)

If you make an entry in the **Federal Preparers** section of the **PREP** screen, the program requires that full override information for both the preparer and the firm also be entered in this section.

The **PREP** screen also includes an option to not print the preparer's information on the letter, bill, or summary.

At the bottom of the **PREP** screen is a check box declaring that you are either filing your own return or that you are not charging a fee for preparing the return and do not need to file Form 8867, Paid Preparer's Earned Income Credit Checklist.

- Enter **State Preparer Registration** information for **California**, **Maryland**, **New York**, **Oregon**, and **Virginia** on the **PREP** screen. Enter data for a firm's foreign address in either the federal or state preparer information sections.

- The drop list at bottom of the **PREP** screen—**If Preparer is set up in Setup > Preparer(s)**—is available if you want to use the alternative e-signature on the state forms. Select the **Preparer #** from the drop list at the left and enter that preparer's **PIN** in the field to the right.

Overriding the Bill Amount

Standard rates must be established in Pricing Setup (see "Pricing Setup" on page 77). Change the billing amount for a return either by overriding the total or by adjusting individual amounts.

Overriding the Total

To override the *total amount* on a client's bill, go to screen **1** and enter the desired amount in the **Fee override** field (located in the **Return Options** section).

Adjusting Individual Amounts

Use the **BILL** screen to adjust ***individual amounts*** on a client's bill. The following items are added to or subtracted from the bill using the **BILL** screen:

- **Adjustments** (enter an amount or select from user-defined drop lists) such as for coupons and other discounts and amounts charged for these adjustments
- Balance due from prior years
- Percentage increases and discounts
- State and local sales tax percentages
- **After-the-Fact Adjustments** (applied after all other adjustments have been applied and sales tax (if any) has been calculated)
- **Payments** (See "Importing Payments" on page 218 for details on how to import payment information to the **BILL** screen.)

> To create user-defined drop lists for the write-in **Adjustments**, **Percentage discount**, **Percentage increase**, and **Payments** lines of the **BILL** screen, see "Customized Drop Lists" on page 75.

Indicate the following adjustments from the **BILL** screen:

- Exclude a charge for the Filing Status Optimization Report (See "About the MFJ/MFS Report" on page 141.)
- Include the amount charged for a self-preparer EF return (item 0386 in **Setup > Pricing**)

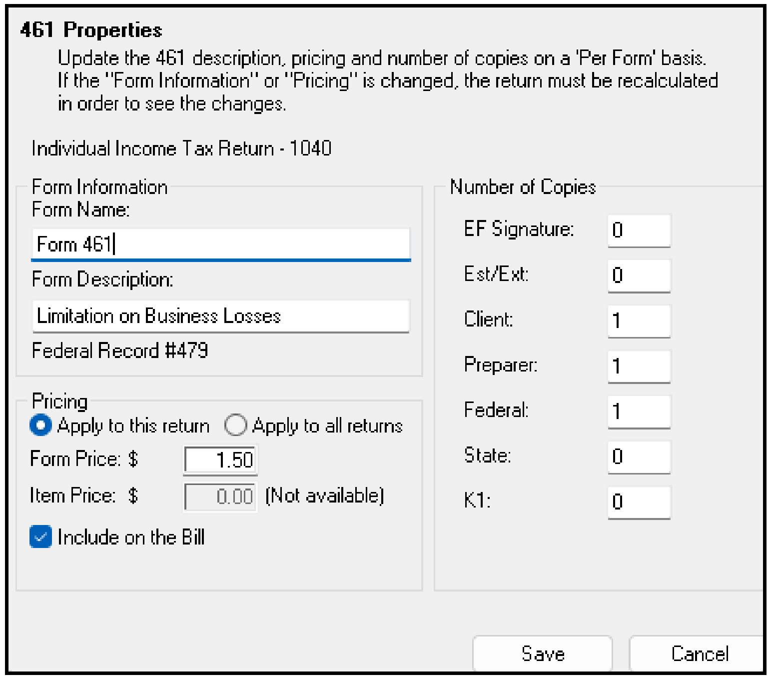
The **BILL** screen also allows you to override the date printed on the bill, to add a short note (separate from the custom paragraph) to the bottom of the bill, and to add an audit protection service for your customers.

Pricing for a Single Return

To override Pricing Setup and establish prices for a single return:

1. Click **View/Print** from the toolbar to access View/Print mode for the return.
2. Select a form from the left column, then, from the toolbar, go to **Setup > Form Properties**. The **Properties** dialog box is displayed (Figure 2-32 on page 112).

Figure 2-32: Pricing “on the Fly” for a Form



Change the price of a form from the viewing pane by right-clicking the form and selecting **Setup > Form Properties**.

3. In the **Form Information** section, edit the description of the form, and in the **Pricing** section, edit the price per form or per item.
4. Choose to **Apply to this return** or **Apply to all returns**. Applying to all returns changes the pricing file globally (in other words, for ***all*** returns).
5. Change **Number of Copies** to be printed in the sets (if desired) and then click **Save**.

You must recalculate the return to view your changes on the bill.

Overriding Letters Setup

Set letters options and defaults from **Setup > Options**, **Optional Documents** tab, the **Setup > Options > Client communications** tab, and at **Setup > Communications Editor**. Use the **COMM** screen, accessible from the **Miscellaneous** tab, to override global options on a per-return basis.

The **COMM** screen allows you to make the following changes to the letters in a return:

- Have a client results letter other than the default letter printed with the return
- Enter a personalized letter greeting
- Add a custom paragraph

In addition, the **COMM** screen allows you to force-print (or suppress, if applicable) the following options, regardless of your setup options:

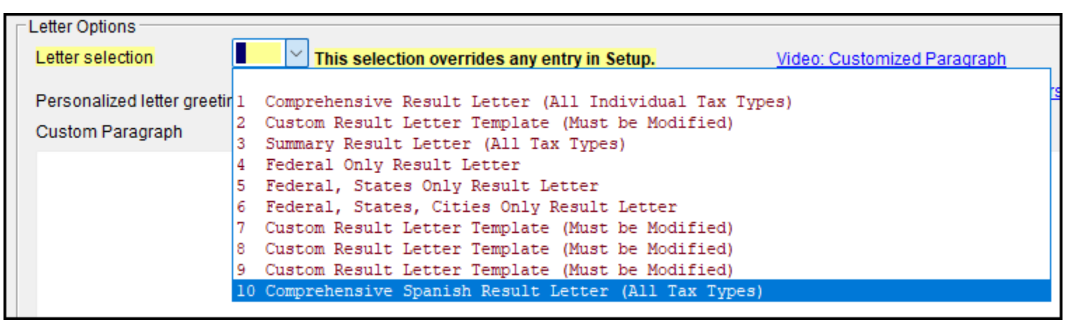
- Privacy Policy letters, Engagement letters, and Customized Supplemental letters
- Federal and state filing instructions
- Several types of envelope coversheets
- Federal or state Client Result letters for a ***paper-filed*** return or extension application, even if the return or application is ***eligible*** for e-file
- Federal or state Client Result letters for an ***e-filed*** return or extension application, even if the return or application is ***not eligible*** for e-file

Default Results Letter

The client results letter is the standard letter printed with a return. It tells the client that the return has been prepared from the information provided, states the amount of the refund or balance due, and provides instructions for mailing the return (if paper-filing). The program uses letter #3, the "Summary Results Letter," as the default.

To change the default letter for a single return, from the **COMM** screen (accessible from the **Miscellaneous** tab of the **Data Entry Menu**) select a new letter from the **Letter Selection** drop list (Figure 2-33).

Figure 2-33: Changing the Default Letter for a Return



To change the default letter for all returns, go to the **Client Communications** tab in **Setup > Options** and select a template from the applicable package in the **Letter Selection** section of the dialog box.

Customized Greeting

The default greeting for all letters is set in Letters Setup. To override the greeting for a return, go to the **COMM** screen and enter a new greeting in the **Personalized letter greeting** text box.

To begin the letter for one return with a greeting of your choice (such as "Dear"), enter the greeting, along with the name, in the **Personalized letter greeting** field. To have all letters for a package type begin with the chosen greeting, open the actual template from **Setup > Communications Editor** and change the **Opening and Salutation Section**. See "Adding a Custom Paragraph," following.

Adding a Custom Paragraph

To add a custom paragraph to a letter, write the paragraph in the **Custom paragraph** text box of the **COMM** screen. By default, the paragraph is printed at the bottom of the letter.

To have a custom paragraph appear elsewhere within the letter:

1. From the menu bar of the Drake Tax **Home** window, select **Setup > Communications Editor**.
2. Click **Open** from the toolbar and select the package and letter to be generated for the client.
3. If in Full Edit mode:
   a. Place the cursor on the line of the letter where you want the custom paragraph to appear.
   b. At the top-left corner, click to open the **Letter Contents** tab.
   c. From the **Return Data Keyword** tree in the lower half of the column, click the PLUS SIGN [+] sign next to **Miscellaneous**.
4. If in Outline mode:
   a. Click a Section tag and choose (double-click) the paragraph where you want the custom paragraph to appear.
   b. Click to place the cursor on the line of the paragraph where you want the custom paragraph to appear.
   c. From the keyword tree in the **Edit... Paragraph** dialog box, click the PLUS SIGN [+] next to **Miscellaneous**.
5. Double-click the **Paragraph from LTR screen** keyword. The keyword appears in the letter template.
6. Click **OK** (in Outline mode) or **Save** (in Full Edit mode).

When the return is generated, the letter displays the custom paragraph as directed.

Engagement Letter

Tax return firms use Engagement letters to contract with clients to prepare their tax returns. At the end of the Engagement letter are lines for the taxpayer and spouse to sign and a “Date” line.

An Engagement letter is generated when a return is calculated if the **Include engagement letter...** check box is selected from the **Additional Letter Options** section of **Setup > Options > Client Communications** tab. Make a per-return change from the **COMM** screen. Engagement letters can also be produced prior to completion of the return by going to the **Home** window menu bar and selecting **Tools > Letters > Letters**.

Privacy Letter

The Privacy Policy letter gives your clients information about the gathering and use of personal information relating to completing their tax returns. The Privacy Policy letter is generated when a return is calculated and the **Include privacy letter...** check box is selected from the **Additional Letter Options** section of the **Setup > Options > Client Communications** tab. Make a per-return change from the **COMM** screen of a return.

Custom Supplemental Letter

Use a customized, supplemental letter to suit your office’s needs. From the **Home** window, go to **Setup > Communications Editor**, select a package from the **Open** button on the toolbar, and scroll down to “(package type) **Customized Supplemental Letter**.” (See “Client Communications Editor” on page 84.) The letter is not generated by default; change the default settings for all returns from **Setup > Options > Client Communications** tab, the **Additional Letter Options** section. Make a per-return change from the **COMM** screen of a return, available from the **Miscellaneous** tab of the **Data Entry Menu**.

In the 1120-S, 1065, and 1041 packages, print K-1 letters for a return with the name of an officer, partner, or fiduciary, the person’s title, and either the name of the filing entity or the name of your firm by entering the signing information in the **K-1 Cover Letter** section of the **COMM** screen. This is necessary only if the global option to print K-1 letters is not selected at **Setup > Options > Client Communications** tab.

Filing Instructions

When a return is generated in Drake Tax, federal and state filing instructions are also generated if that option is selected globally from the **Filing Instructions** section of the **Setup > Options > Client Communications** tab. To override the global setting and force or suppress federal or state filing instructions for individual returns, make a selection from **Filing Instructions Options** section of the **COMM** screen.

Print the filing instructions for Form 8879 and 8878 e-file signature authorization forms by selecting that option at **Setup > Options > Client Communications** tab.

Envelope Coversheets

When a return is generated in Drake Tax, envelope coversheets are also generated, if selected, for mailing copies of the return to the taxpayer and tax authorities. Default settings for envelope coversheets are set in **Setup > Options > Optional Documents** tab. Use the **Envelope Coversheet Options** section of the **COMM** screen to override coversheet options for a single return.

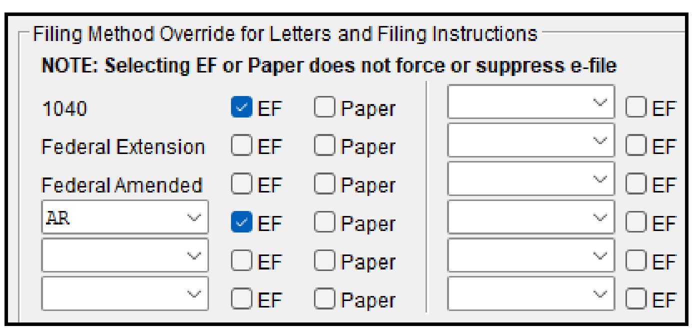
e-File or Paper-File?

Drake Tax automatically generates a client return letter and filing instructions for an ***e-filed*** return unless the return being filed is ineligible for e-file or e-file has been suppressed.

Override this default setting (or the global selections made to suppress federal or state e-file at **Setup > Options > EF** tab) on the **COMM** screen, allowing you to produce EF results in the client letter and the filing instructions with a paper-filed return, or paper-filed results with an e-filed return, without changing the method of filing.

From the **Filing Method Override for Letters and Filing Instructions** section near the bottom of the **COMM** screen, select **EF** or **Paper** for the selected return. To indicate one or more state returns, select state abbreviations from the drop lists provided.

Figure 2-34: Selecting Federal and State e-File Letters on the **COMM** Screen



In the example in Figure 2-34 on page 116, the letter will be worded as if both the federal 1040 and Arkansas returns are going to be e-filed—even if the return is not eligible for e-file or the taxpayer chooses to paper-file the return.

Making a selection from the **Filing Method Override for Letters and Filing Instructions** section of the **COMM** screen does not change the filing method itself; it changes only the information appearing in the filing instructions and client results letter.

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3 Basics

To open the 2022 program, double-click the Drake 2022 icon on your desktop. The **Login** window is opened, displaying user credential fields, your current version of Drake Tax, the drive on which the program is installed, and the current date.

Security Messaging

Security messages are presented during the installation of Drake Tax 2022 and when first-time users log in to Drake Tax.

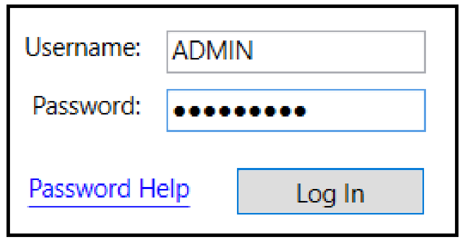
Review the messages before moving forward with the installation or logging in.

For an extra layer of security, set up a multi-factor authentication account. For details, see "Multi-Factor Authentication" on page 43.

Logging In and Out

To log in to Drake Tax:

Figure 3-1: User Credential Fields



1. In the user credential fields (Figure 3-1), enter the preparer's username and password. If you are having trouble remembering your password, click **Password help** to answer the security question established during setup. (See "Initial Log In" on page 40 for help.)
2. Click **Log In** to open the Drake Tax **Home** window.

When logging in for the first time after installation, you are asked to enter your account number and serial number in the appropriate fields of the **Software Activation** dialog box. Your account number and serial number can be retrieved at *Support.DrakeSoftware.com* **> Account > Account Info** (or **> Serial Numbers**).

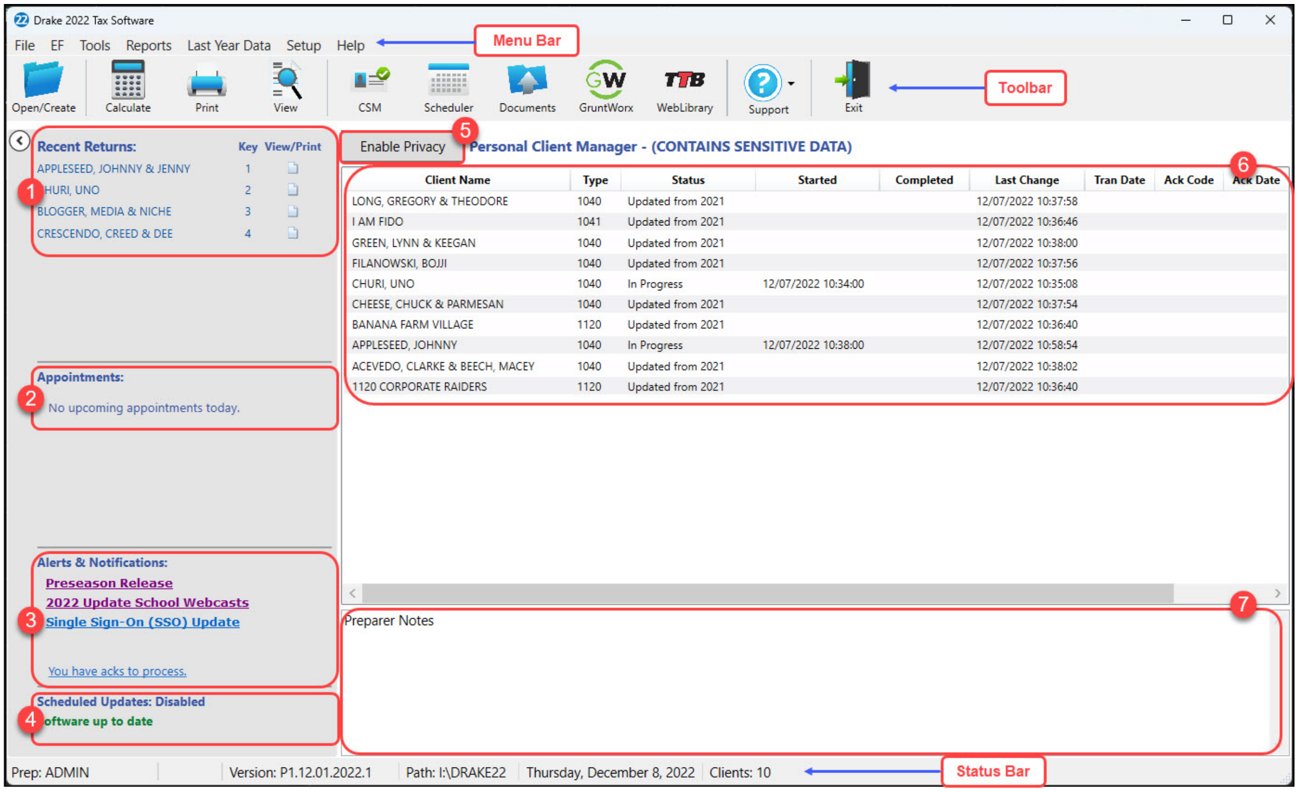
To log out without closing the program, from the menu bar of the **Home** window, click **File > Logout Preparer**. To close the program, click **Exit**, then **Yes** (or click the **X** in the upper-right corner).

The **Home** Window

The Drake Tax **Home** window (Figure 3-2 on page 121) has the following features:

- **Menu bar** and **toolbar** — These tools allow you to complete tasks in the program.
- **Recent Returns** — Lists the last nine returns opened in the program (item #1).
- **Appointments** — Shows the preparer's schedule and provides a link to open the Scheduler (#2).

Figure 3-2: The Drake Tax 2022 **Home** Window



- **Alerts & Notifications** — Alerts you to important dates, displays the status of the Drake Tax system, and links you to the Drake Software broadcast email. Possible alerts might include reminders for filing deadlines or announcements of delayed e-file transmissions, "ack" returns, or bank transactions. Information on pending and completed GruntWorx jobs also appear in this section. Alerts are refreshed every 15 minutes along with a list of acknowledgments to be processed (#3).
- **Updates** — Informs you whether automatic updates are on or off and that the program is up to date (#4).
- **Status bar** — Provides system information.
- **Enable Privacy** — Hides the recent return list, the PCM, and the preparer notes (#5). (Click **Disable Privacy** to view the list again.)
- **Personal Client Manager (PCM)** — This is a personalized version of the Client Status Manager; see "Help Resources from the Toolbar," following, for more information (#6).
- **Preparer Notes** — Use this section to write brief notes, visible only to the preparer who wrote them, that remain in this section until they are deleted (#7). (These notes are different from the **Preparer Notepad**.)

Help Resources from the Toolbar

The **Support** button on the **Home** window toolbar offers access to various help resources:

- Drake Software's Knowledge Base (Drake Tax program, Drake Accounting, IRS publications, explanations of tax law)

- A searchable program help for learning Drake Tax
- Drake Software's Support website (your User Account)
- A webpage repository of all of Drake Software's video tutorials
- Drake Software's Remote Assistance
- Drake Software's Chat Support
- PDF copies of Drake Tax Manuals, including the annual user's manual, all manual supplements (1040, 1120, 1120-S, 1065, 1041, 990, 706, and Pay Per Return), the "What's New" document for the tax year, a Quick Reference Guide of shortcut keys and macros, plus the latest state and federal shipment letters, informational and promotional fliers, Drake Tax data entry practice returns, and frequently read IRS publications
- Drake Tax's customizable Web Search tool (See "Tax Research" on page 300.)

Personal Client Manager

New for 2022: There have been several improvements to the PCM for tax year 2022. For an overview, turn to "PCM Enhancements" on page 25.

The Personal Client Manager (PCM) allows a logged-in preparer to manage client returns more easily with a personalized version of the Client Status Manager (CSM). Client records can be sorted by name, return type, status, date the return was started or completed, date of last change, transmission date, acknowledgment code or date, and phone number. To sort records, click a column header.

The PCM operates similarly to the CSM. For specific instructions on using these tools, see Chapter 8, "Client Status Manager" on page 267.

Activating the PCM

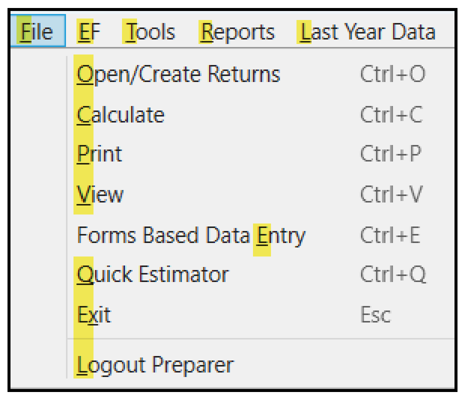
To activate the PCM for logged-in preparers, an administrative user must go to **Setup > Options**, **Administrative Options** tab, and select the **Enable logged in preparer's Personal Client Manager** box (located in the **Main Dialog Options** section).

General Navigation

Navigate through Drake Tax via the following methods:

- **Click** or **Left-click** (mouse) — Select an item.
- **Right-click** (mouse) — While in data entry, right-click anywhere on the screen or in a field to display a menu of common program functions. Other options are available by right-clicking the **Data Entry Menu**.
- **Keyboard shortcuts (keyboard)** — Use *keyboard shortcuts* (see Figure 3-3) to perform tasks from the **Home** window without using the mouse.

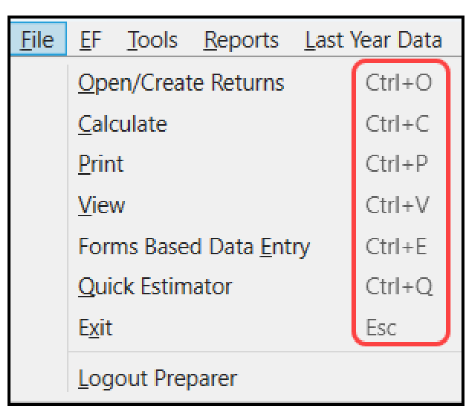
Figure 3-3: Underlined Letters Denote Shortcut Keys



  - Press ALT to display the underlined *keyboard shortcut* (note the underlined letters in the figure above) and then press the desired *keyboard shortcut*.

    For example, from the **Home** window, press **ALT**, **F**, **O** (**F** for **F**ile, **O** for **O**pen) to open the **Open/Create a Return** dialog box.
- **Keyboard combinations (keyboard)** — Use *key combinations* as another way to perform tasks without using the mouse.

Figure 3-4: For Key Combinations, Hold CTRL and Press the Respective Letter

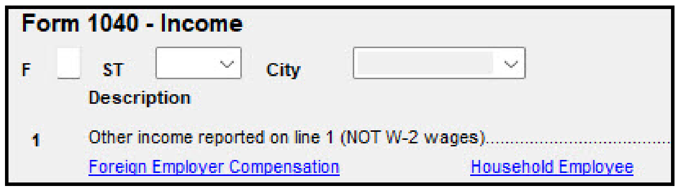


- Key combinations are written as two or more key names connected by a plus (+) sign (Figure 3-4 on page 123).
- Press and hold down one key, and then press a second key. Key combinations are shown to the right of each menu item.

Screen Links

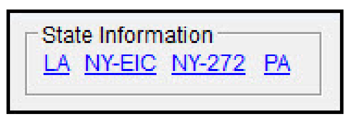
Use screen links to move quickly from one screen to a related screen without having to return to the **Data Entry Menu**. The example in Figure 3-5 shows that the **Foreign Employer Compensation** screen and the **Household Employee** screen can be directly accessed from screen **3** (the **Income** screen).

Figure 3-5: Text in Blue Denotes Links to Other Screens



Federal-to-state screen links (Figure 3-6) serve as shortcuts to related state screens. For example, the state links on screen **2** link to state screens that need additional dependent information.

Figure 3-6: Federal-to-State Screen Links



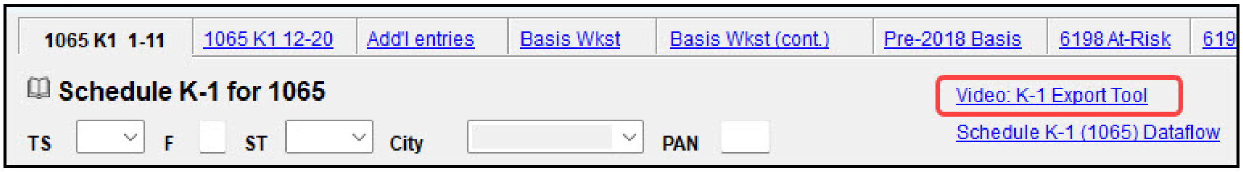
State links are located in the **State Information** section at the upper-right corner of a screen.

Screen Tabs

Screen tabs allow you to organize multiple instances of the same form and their associated worksheets. For instance, in the 1040 package of Drake Tax, the **K1P** screen contains two tabs (Figure 3-7 on page 125) to cover basic Schedule K-1 information, the **Add'l entries** tab (to facilitate more complete K-1 reporting), two tabs for the basis worksheet, two **6198 At-Risk** tabs for the partner's at-risk limit worksheets with a particular K-1 issued to the taxpayer, and tabs for the partner's **Pre-2018 Basis** and **Pre-2018 At-Risk**.

For a new set of **K1** screens, press PAGE DOWN.

Figure 3-7: Some Tabs on the **K1P** Screen for an Individual (1040) Return



On many screens and windows in Drake Tax, look for links to helpful video tutorials (circled in Figure 3-7).

Creating and Opening Returns

When you enter an ID number (SSN or EIN) in the **Open/Create a Return** dialog box, Drake Tax searches both current- and prior-year files. If it finds a client record in the prior-year files only, you are given the opportunity to update the record from the previous year into this year's program (see "Updating Client Files" on page 146 to perform an update) or create a new record.

Creating a Return

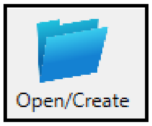
To create a return in Drake Tax:

1. From the **Home** window toolbar, click **Open/Create** (or press ALT, F, then O).
2. In the **Open/Create a Return** dialog box, enter the client's ID number (item #1 in Figure 3-8 on page 126).
3. Click **OK**.
4. Click **Yes** when asked if you want to create a new return.
5. In the **New Return** dialog box, select the return type.
6. Enter the client's name.
7. Click **OK**. Data entry screen **1** for the new return is displayed.

You may be required to verify the ID number for a new return. Verification is required for all Pay Per Return (PPR) clients.

Opening a Return

To open an existing return in Drake Tax:

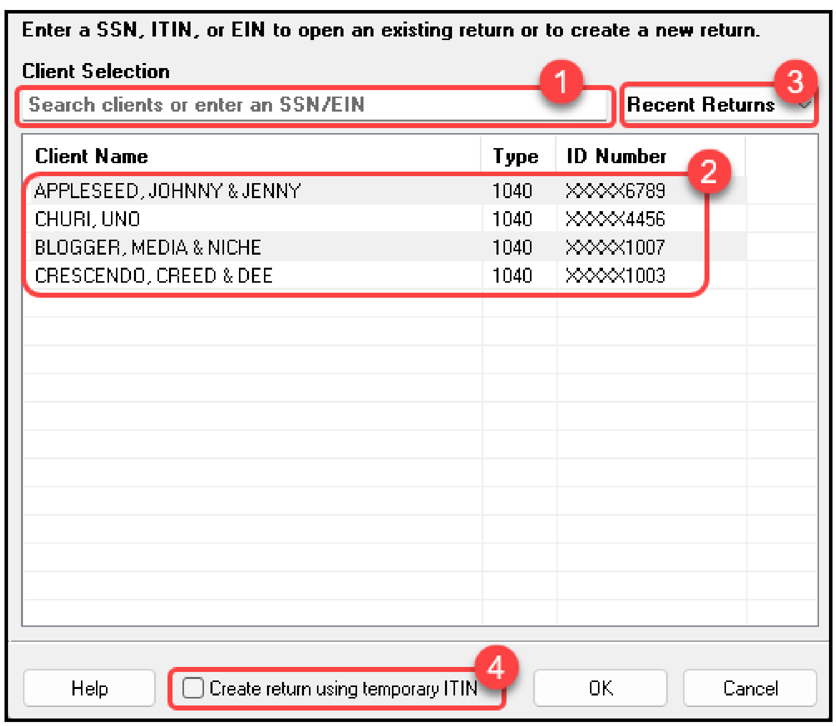


1. From the **Home** window's toolbar, click **Open/Create** or press ALT, F, then O. The **Open/Create a Return** dialog box is displayed.
2. Perform one of the following tasks:
   - Enter return's ID number or begin typing a name (item #1 in Figure 3-8 on page 126).
   - Select one of the returns displayed in the list (item #2).
3. Click **OK**. The **Data Entry Menu** is opened for the selected return.

Searching for a Return

Search for returns by first name, last name, or ID number (SSN, EIN, or ITIN) on the **Open/Create a Return** dialog box. Begin typing a name or ID number in the **Client Selection** field (item #1 in Figure 3-8) and the search program automatically begins extracting all returns that do not fit the criteria (name or ID number). Select the return you are searching for from the list and click **OK** (or simply double-click the return). Arrange the **Client Name** list alphabetically by clicking the **Client Name** column header, by return type by clicking the **Type** column header, or numerically by clicking the **ID Number** column header.

Figure 3-8: Options Available for the **Open/Create a Return** Dialog Box



Other Enhancements

Another way to narrow your search is to click the **Recent Returns** drop list (item #3 in Figure 3-8 on page 126) and make a selection. Choose to see a list of all your returns, those that have recently been opened, or those in a particular package.

The label on the **Recent Returns** drop list changes to whatever selection (**All Clients**, **1040**, etc.) you make from the list.

Not-Yet Updated Returns

Click the **Recent Returns** drop list on the **Open/Create a Return** window to see a list of **Clients not yet updated to 2022**. Those yet-to-be-updated returns are also listed if you select **All Clients** from the **Recent Returns** drop list (see "Other Additions," below). Note that the yet-to-be-updated returns are displayed in light gray and have **2021 only** displayed on the line after the name.

Double-click the return, and when the **Update Options** window is opened, select the items to update and click **Update (package)**.

For more on updating 2021 returns to 2022's package, see "Prior-Year Updates" on page 145.

Other Additions

Right-click in the **Client Name** list and choose to hide returns not yet updated, mask all but the final four digits of the ID numbers, or open the selected return.

Creating a Return Without Valid ITIN

1. Click the box at the bottom of the **Open/Create a Return** dialog box (item #4 in Figure 3-8 on page 126) to create an individual return with a temporary ITIN when a valid ITIN is not yet available.

   Note that the other elements of the **Open/Create a Return** dialog box become inactive—only 1040 returns can be created with an invalid ITIN.
2. Click **OK** and then **Yes**, when prompted, to open the **New Return** dialog box.
3. Type in the taxpayer's first and last name and click **OK**.

Screen: **W7**

Obtain a valid ITIN by filing Form W-7 with the IRS. (In Drake Tax, open screen **W7**, available from the **Foreign** tab of the **Data Entry Menu**.) When the valid ITIN is received, update the return:

1. From the **Home** window menu bar, select **Tools > File Maintenance > Change ID Number on Return**.
2. Type in the old ITIN number in the **Incorrect ID Number** field and then the new ITIN in the **Correct ID Number** field.
3. Click **Continue**, **Yes**, and **Exit** to update the client's ID.

The return with the invalid ITIN may be printed but not e-filed.

Data Entry

Returns are prepared in data entry mode. Access data entry screens from the **Data Entry Menu**. (See Figure 3-9 on page 129.) To save your data, close a data entry screen, and return to the **Data Entry Menu**, either:

- Press the ESC key
- Click the **X** in the upper-right corner
- Click the **Exit** button from the data entry screen's toolbar

To close the screen *without* saving your entries, either press CTRL+ESC or, from the data entry screen's toolbar, click the arrow beside the **Exit** button and select **Exit Without Save**. Press CTRL+U to reset a screen to its last saved point.

Pressing ESC from the **Data Entry Menu** returns you to the **Home** window (Figure 3-2 on page 121).

While in data entry, use the TAB key (⇆), and the UP ARROW (↑) and DOWN ARROW (↓) keys to move from field to field, and the PAGE UP and PAGE DOWN keys to move from screen to screen. When a return contains multiple instances of such screens as **W2**, pressing PAGE UP and PAGE DOWN moves you through the various instances of that screen. If there are no other instances of a screen—when only one screen has been entered—then pressing PAGE UP or PAGE DOWN moves you to the next connected screen. (See "Data Entry Toolbar" on page 132 for more methods of moving among screens.)

Press CTRL+D to delete a screen. If multiple occurrences of a screen exist (for example, if a return has two Forms 1099), an **Existing Forms List** is opened. Select the screens to delete, and then click **Delete**. (See "Existing Forms List" on page 134.)

You can also use the right-click menu to take any of the aforementioned actions.

See "Data Entry Toolbar" on page 132 for other methods of managing screens.

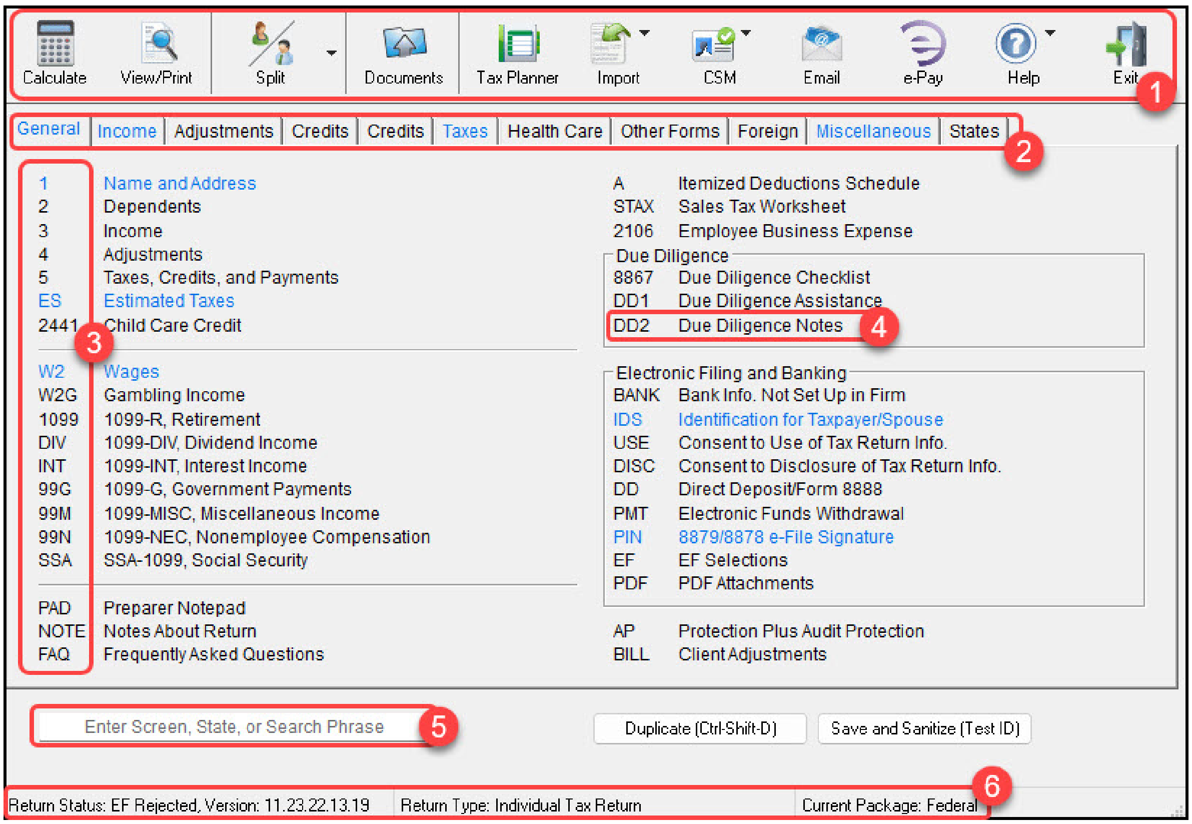
If there is no activity in the program within 30 minutes, the open screen is locked, requiring the preparer to type in his or her password again to reopen the program. Password recovery help is available for preparers who forget their passwords.

Data Entry Menu

The **Data Entry Menu** is displayed when you open a return. It consists of the following components, with the numbers below corresponding to those in Figure 3-9.

1. **Toolbar** — Perform tasks and access program features.
2. **Tabs** — Access data screens by category.
3. **Screen Codes** — A unique, one-to-four character code tied to each screen in Drake Tax. Click a screen code to access a screen or type a code into the selector field to search for it.
4. **Data Entry Screens** —Click a screen name or code to open a screen.
5. **Selector Field** — Search for screen names, screen codes, or data entered into screens.
6. **Status Bar** — Lists general information related to the open return.

Figure 3-9: **Data Entry Menu**



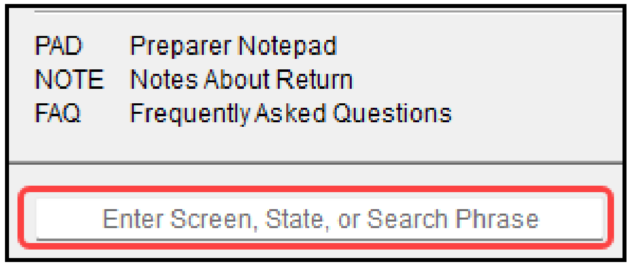
Normally, to open a data entry screen, you click the screen link (code or name) from the **Data Entry Menu**, or enter the screen code in the selector field and press ENTER (↵).

Alternately, use the search function in the selector field (see "Searchable Selector Field" on page 130) to find the screen you need.

Searchable Selector Field

Search for screens by code, name or keyword using the selector field (Figure 3-10), located at the bottom of all **Data Entry Menus**.

Figure 3-10: The **Selector** Field, Located at the Bottom-Left of the **Data Entry Menu**



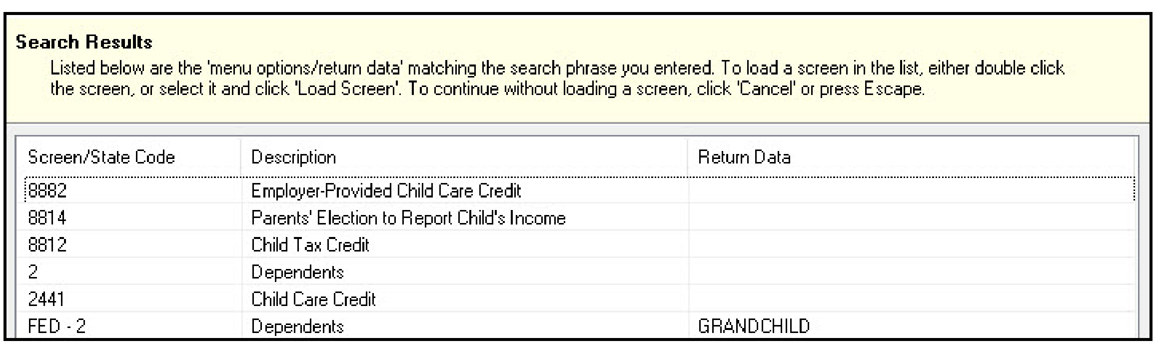
The selector field can find any data—whether that be an amount or a name—entered in a return. See "Searching for Data" on page 131.

If you cannot remember the code or form number or on which tab of the **Data Entry Menu** the screen is located, search for the screen with keywords or phrases.

For instance, type the code `2` in the selector field, press ENTER (↵), and screen **2**, Dependents, is opened (or the grid data entry window is opened, if you have that option selected). You can also type in a guess—say, `DEP` for "dependents"—and press ENTER (↵)to open screen **2**.

If, however, you know there are several other screens that might require entries for dependent children, you can type a keyword such as `Child` in the selector field, press ENTER (↵), and a list of screens with the keyword "child" in the heading or within the screen is shown in the **Search Results** window (Figure 3-11).

Figure 3-11: **Search Results** Window



Double-click a line in the **Search Results** window, or highlight the line and click **Load Screen**, to open the selected screen.

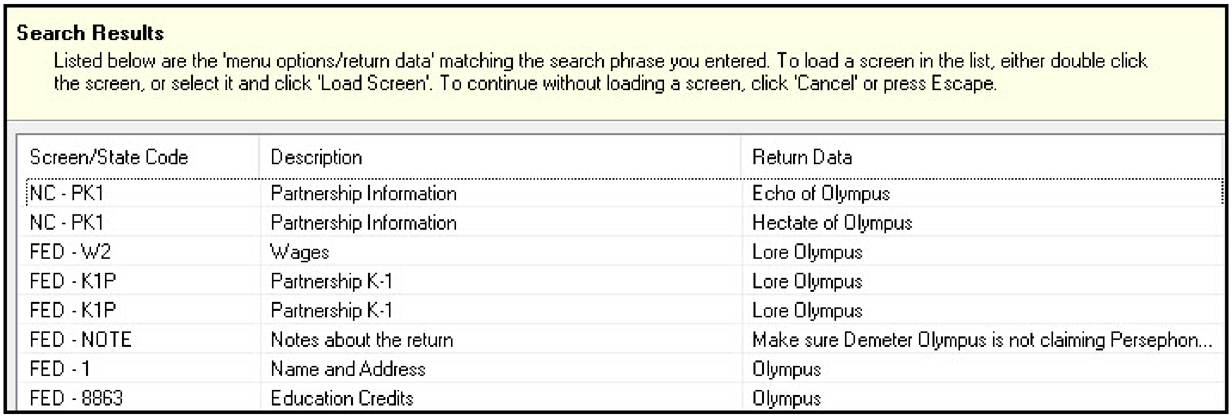
Searching for Data

The search feature in Drake Tax can also find any data entered on any screen.

Enter a name, address, an amount, an ID number—anything from data entry—in the selector field at the bottom of every **Data Entry Menu**, and press ENTER (↵) to locate every instance of that entry in that return.

If, for instance, the taxpayer is a partner in many partnerships, but you want to review only those **K1** screens pertaining to the "Olympus" partnership, type `Olympus` into the selector field and press ENTER (↵). Every instance of that search—state or federal screens—appears in **Search Results** window.

Figure 3-12: The Results of a Search for "Olympus"



Search Results

Listed below are the 'menu options/return data' matching the search phrase you entered. To load a screen in the list, either double click the screen, or select it and click 'Load Screen'. To continue without loading a screen, click 'Cancel' or press Escape.

Screen/State Code	Description	Return Data
NC - PK1	Partnership Information	Echo of Olympus
NC - PK1	Partnership Information	Hectate of Olympus
FED - W2	Wages	Lore Olympus
FED - K1P	Partnership K-1	Lore Olympus
FED - K1P	Partnership K-1	Lore Olympus
FED - NOTE	Notes about the return	Make sure Demeter Olympus is not claiming Persephon...
FED - 1	Name and Address	Olympus
FED - 8863	Education Credits	Olympus

Double-click a line to open that screen, or select a line and click **Load Screen** from the bottom of the **Search Results** window.

Working in a Tax Return

Prepare tax returns in Drake Tax by entering pertinent information on specific data entry screens. Entries are used to calculate the federal, state, and city tax returns.

To open a screen, use one of the following methods:

- **Keyboard** — From any tab, type a code in the selector field. Press ENTER (↵). (See "Searchable Selector Field" on page 130 to search for screens.)
- **Mouse** — Select an item from any **Data Entry Menu** tab and click the screen name.

Navigating Fields

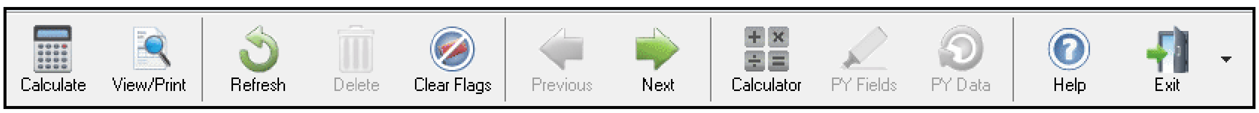
A blinking cursor and yellow shading indicate an active field. Click a field to activate it. Following are keyboard-only methods of moving from field to field:

- Press TAB (⇆) to move the cursor forward one field.
- Press SHIFT+TAB (⇆) to move the cursor back one field.
- Press the DOWN ARROW (↓) or the UP ARROW (↑) to move the cursor down or up one field, respectively. If the field is a drop list, the DOWN ARROW (↓) or UP ARROW (↑) opens the list and moves through the selections. Press ENTER (↵) to make a selection, or press CTRL+DOWN ARROW (↓) or CTRL+UP ARROW (↑) to move beyond the drop list.

Data Entry Toolbar

A toolbar (Figure 3-13) is available on all data entry screens in all packages, federal and state, allowing you to perform several functions without the need to leave the screen, use a macro or keyboard combination, or select from a right-click menu.

Figure 3-13: The Toolbar Available from All **Data Entry** Screens



To view the toolbar, move your mouse pointer to the top of any data entry screen. Click the buttons of the toolbar to perform the various functions. Certain buttons are activated depending on the previous-year's return or current-year entries. To hide the toolbar, click elsewhere on the screen.

To calculate the return or open it for viewing or printing, click the **View/Print** icon on the data entry screen toolbar. Click **Delete** to delete the open screen. If the **Clear Flags** button is active, that means reminder "flags" were generated for the open screen. One click clears all flags on the screen.

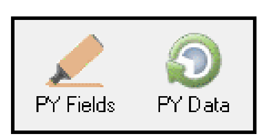
Those reminder flags are there for a reason! Verify the data entered in those fields before deleting the flags.

The **Previous** and **Next** buttons operate just as the PAGE UP, PAGE DOWN, CTRL+PAGE UP, and CTRL+PAGE DOWN keys on your keyboard function. When a return contains multiple instances of such screens as **W2**, clicking **Previous** and **Next** moves you through the various instances of that screen. If there are no other instances of a screen—when only one screen has been entered—then clicking **Previous** and **Next** moves you to the next connected screen; for instance, if you open screen **3 (Income)**, and click the **Next** button, the program opens screen **4 (Adjustments)**. Click **Next** again and move to screen **5 (Taxes, Credits, and Payments)**. Click **Previous** to move back to the previous linked screen.

If there are no connected screens available, the **Previous** and **Next** buttons are inactive.

The **Calculator** button opens a calculator function in the program.

The **PY Fields** and **PY Data** buttons (figure right) activate the LookBack feature, displaying which fields on the open screen had data entered in the prior year's return (if that return was done in the Drake Tax program) and what that data was.



Click **PY Fields** to see which fields contained data in 2021; click **PY Data** to see the data.

For more on this feature, see "LookBacks," later on this page.

Click **Help** to open a screen help for this screen. (An inactive **Help** button means no screen help exists for this screen.)

The **Exit** button gives you the option of closing the screen while saving the entered data, or (by clicking the arrow to the right of the **Exit** button), closing the screen without saving the data.

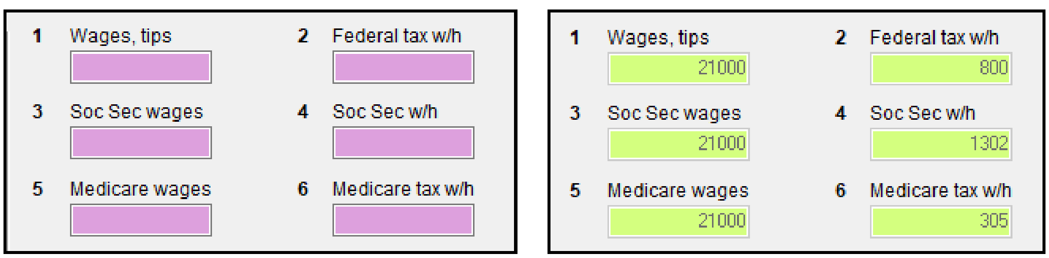
Deactivating the Toolbar

To keep the data entry toolbar from appearing on your screens, from the menu bar of the **Home** window of Drake Tax, go to **Setup > Options**, **Data Entry** tab, and on the lower-left corner of the window, clear the **Enable Data Entry toolbar** check box.

LookBacks

The LookBacks feature allows you to compare data entry from last year's return to that required for the current tax year (provided that last year's return was prepared in Drake Tax 2021).

Figure 3-14: Comparing Prior-Year Fields and Data on Screen **W2**



Click **PY Fields** or press **F11** to see prior-year fields

Click **PY Data** or press **F12** to see prior-year data

With Drake Tax open to a data entry screen, click the **PY Fields** button on the data entry toolbar (or press the F11 key on your keyboard) and any field on the open screen that contained data last year is highlighted in a contrasting color (left image in Figure 3-14). To see what the actual entry was in the previous year, click the **PY Data** button (or press F12) to open a read-only version of the open screen (right image in Figure 3-14). If the screen had no entries in 2021, you are notified that no prior-year data exists.

Use the right-click menu anywhere on an open screen to **Highlight Prior Year Fields** or **Show Prior Year Data**. (Make your selection a second time to close the LookBacks.)

LookBacks are available on all screens in all packages, federal and state.

To change the colors used for the LookBacks fields, see "Color Setup" on page 97.

Grid Data Entry

Grid data entry allows faster data entry for the **Dependents**, **INT**, **DIV**, **8283**, **8949**, and **4562** screens. In grid data entry mode, click a field to activate it, and then type data directly into the field (Figure 3-15).

Figure 3-15: Using Grid Data Entry for screen **2**

	First Name	M.I.	Last Name	Suffix	SSN	Relationship	Months	Date of birth
1	Artemis				4[redacted]	DAUGHTER	12	01-01-2006
2	Apollo				5[redacted]	SON	12	10-25-2008
3	Eros	C	Olympia		2[redacted]	STEPCHILD	12	06-05-____

To access grid data entry from full-screen mode, press F3. Press F3 again (or click **Item Detail**) to return to full-screen mode. To delete a row in grid data entry, select a row number and click **Delete Row(s)** (or press CTRL+D).

Right-click the grid and select **Grid Font Size** to change the font size for easier reading or select **Grid Export** to send the grid to an Excel worksheet, a CSV file, or to a printer.

Existing Forms List

The **Existing Forms List** (Figure 3-16) is displayed if more than one instance of a screen has been saved in a return.

Figure 3-16: Existing Forms List for Screen **W2**

Existing Forms List - W2: Wages

#	TS	Employer Name	Wages, Ti...	Federal T...	Dep Care ...	SS tips
1	T	TWISTED TRI PUBLISHING	15000	987		
2	T	TWISTEE TREATIES	7580	570		
3	T	BILLY BOB'S BURGERS AND SHAKES	18000	1625		
new	Ne...					

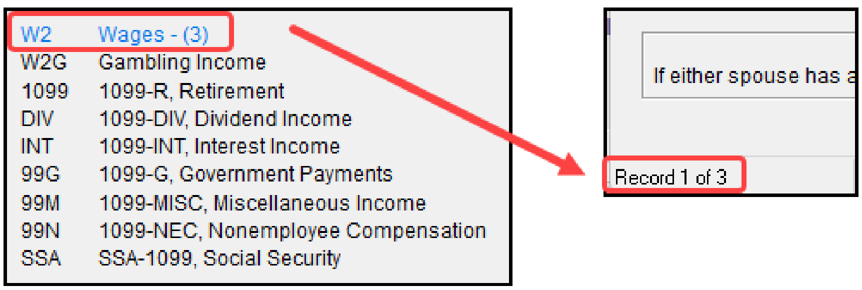
To open a screen from the list, double-click a row (or select it and click **Open**). To open a new, blank screen, select **New Record.**

Grid data entry replaces an **Existing Forms List** on the **Dependents**, **INT**, **DIV**, **8949**, and **4562** screens if grid data is the established default in Setup Options. Disable the default from the **Setup > Options > Data Entry** tab.

Multiple Instances of a Form

Many clients require multiple instances of such forms as Form W-2. In most cases, while in a screen such as the **W2** screen, press PAGE DOWN to open a new screen and enter data for a second form.

Figure 3-17: Keeping Track of Multiple Screens



Each time a new screen is produced, Drake Tax indicates the record number on the status bar of the screen. The number of records is also shown on the **Data Entry Menu.** In Figure 3-17 above, the first of the three **Wages** screens is being accessed.

Detail Worksheet

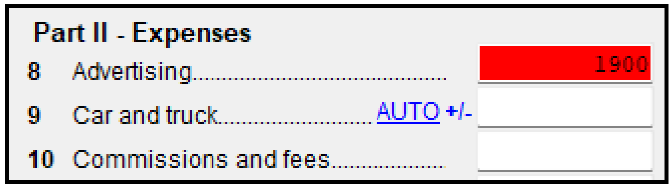
Use detail worksheets to enter up to 30 items for a numeric field. Totals are calculated automatically.

To use a detail worksheet:

1. Select the *numeric* field to which the worksheet will apply and take one of the following steps to open a **Detail Worksheet**:
   - Double-click the field
   - Press CTRL+W
   - Right-click and select **Add Worksheet**
2. Enter or edit the worksheet **Title.**
3. Enter a **Description** and **Amount** for each item. Do not skip lines. As needed, use F1, F2, F3, and F4 as shown at the top of the worksheet to sort items in the list.

4. Press Esc. Drake Tax saves your work and displays the total in data entry. Note in Figure 3-18 that the field is shaded to indicate a worksheet is present. (Default color is red.)

Figure 3-18: Red Fields Denotes Presence of Detail Worksheet



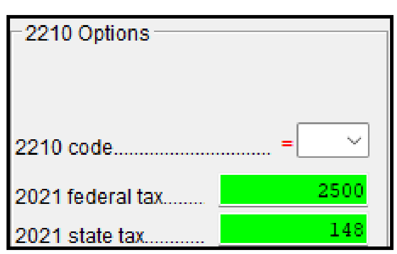
- Detail worksheets are produced as overflow statements but are *not* e-filed with the return.
- For fields that ***require*** worksheets, the worksheet screen is opened automatically when you begin typing in the field.
- To print a description on a statement without a corresponding dollar amount, enter a diagonal (/) in front of the description.
- Press Ctrl+W (or double-click) in a **Depreciation** field and the program opens screen **4562** (**Depreciation**) with the **For** and **Multi-Form Code** boxes completed. (See "Associating One Screen with Another" on page 140.) If other **4562** screens contain data and are coded to a screen **C**, the **Existing Forms List** is opened.

Field Flags

Use field flags to set certain fields apart for review. Flagged fields are shaded (default color is green, see Figure 3-19) and must be manually verified (cleared) prior to e-file.

To flag a field, click the field to activate it, and then press F2 (or right-click the field and select **Flag For Review**). The field is displayed with a shaded background.

Figure 3-19: Flagged Fields Denoted with Green



When a return with flagged fields is calculated, an EF Message is generated. All flagged fields must be cleared before the return can be e-filed.

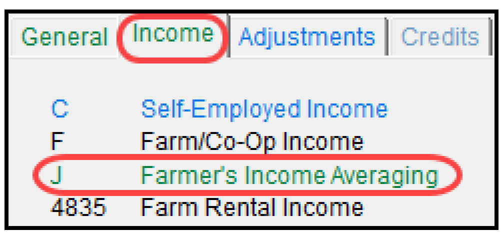
To clear a flagged field, place the cursor in the field and press F4, or from a right-click menu, select **Remove Flag**. To clear all flagged fields on an open screen, press CTRL+SHIFT+SPACE or, from a data entry screen toolbar, click **Clear Flags**. To clear *all* flagged fields in the open return, go to the **Data Entry Menu** and press CTRL+SHIFT+SPACE.

Global Flags

A user with administrative rights can designate certain fields to be flagged in all returns. Global flags can be for *screens* or for *new returns*.

- **Screens** — The presence of an unverified flag produces an EF Message ***only if the screen exists for the return***. For example, if the **Employer ID #** field on screen **C** is flagged, an EF Message for the unverified field is produced only if a Schedule C is present on the return and the **Employer ID #** field has not been verified. If there is no Schedule C, no verification is required.
- **New Returns** — When a field is flagged for all new returns, an unverified flag produces an EF Message ***whether or not the screen has been opened for the return***. In the previous example, an EF Message would be created even if no Schedule C were present in the new return. In turn, this type of global flagging would force the data entry operator to open the screen, even if only to clear the flag.

Figure 3-20: Flagged Screens



To prevent flagged fields from being overlooked, all flags cause the corresponding screen and tab names to appear as the color of the field flag (default color is green). Once the field has been verified, the highlighted tab and screen names go back to their original colors (default color is blue). In Figure 3-20 above, screen **J** under the **Income** tab has a flagged field, thus both appear green.

— Flagging Fields Globally —

To flag one or more fields in all returns:

1. From the menu bar of the **Home** window, select **Setup > Options**, **Administrative Options**.
2. Select **Use customized flagged fields on all returns**.
3. Click **Flag** to open a dialog box with buttons for all Drake Tax packages.
4. Select a package. The **Flag Fields for Review** window for that package is opened. Note that this window resembles the **Data Entry Menu**.

5. Select a screen to open it.
6. Choose one of the following options:
   - **Flag a field for a screen** — Click the fields to flag. The field is flagged with the word "Screen."
   - **Flag a field for all new returns** — Right-click a field and select **Flag For Review When Return is Created**. The field is flagged with the word "Return."

Click a field a second time to remove the flag.

7. Return to **Setup > Options**. (Press Esc to exit each window, press Esc again to exit the **Flag Fields for Review** window, and then click **Exit**.)
8. Click **OK**.

Locking Fields

Lock fields to keep preparers without administrator access from entering data in those fields.

To lock a field:

1. From the menu bar of the **Home** window, select **Setup > Options**, **Administrative Options** tab.
2. Select **Use customized flagged fields on all returns**.
3. Click **Flag** to open a dialog box with buttons for all Drake Tax packages.
4. Select a package type.
5. When the **Data Entry Menu** is opened, click a screen, right-click a field, and select **Lock Field**.
6. Press Esc to save your changes.

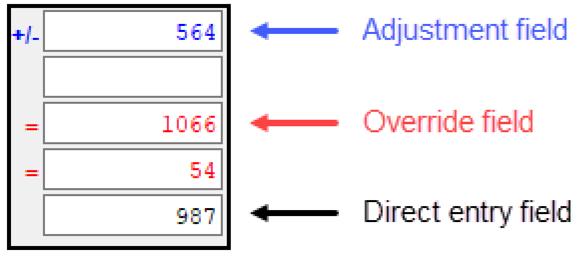
To remove the lock, in step 5 above, click the field, or right-click and select **Unlock Field**. (The **Lock Field** option is available for federal packages only.)

Override and Adjustment Fields

By default, fields that allow overrides are preceded by a red equal sign (**=**) and display red text. Data entered in these fields replaces, or overrides, program calculations.

Fields that allow adjustments are preceded by a blue plus/minus sign (**+/-**) and display blue text by default. Data in these fields adjust program calculations by the amount entered. A positive number increases the calculated amount; a negative number decreases it.

Figure 3-21: Adjustment, Override, and Direct Entry Fields



ZIP Code Database

When a ZIP code is entered on a screen, the city and state fields are, by default, filled using the program's ZIP code database. There is no need to enter the city and state manually.

EIN Database

When new employer data is entered on a screen, the program stores the EIN, business name, and business address in the EIN database. The next time the EIN is entered on a **W2**, **1099**, **8283**, or **2441** screen, the business' name and address automatically appear in the required fields.

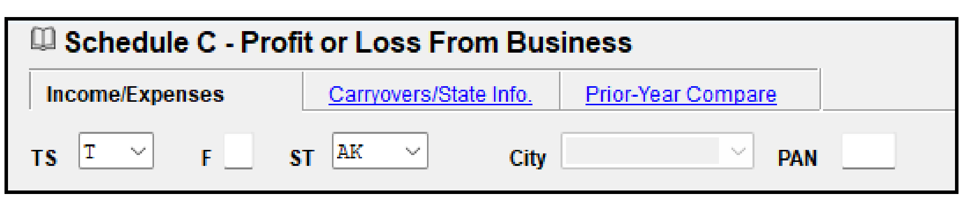
Bank Name Database

The program retains the names of all financial institutions when they are entered for the first time. The next time the first few letters of a saved name are entered, the program "auto-completes" the entry. To add, edit, or delete entries from the bank name database, place the cursor in a bank name field and press CTRL+SHIFT+E and follow the instructions displayed.

Common Screen Fields

Many screens in Drake Tax have fields and drop lists labeled **TS**, **F**, **ST**, and **City**.

Figure 3-22: Common Drop Lists and Screen Codes



Shown in Figure 3-22 on page 139, these fields and drop lists are used to apply the data on the screen to the taxpayer or the spouse (or both), on federal, state, or city returns.

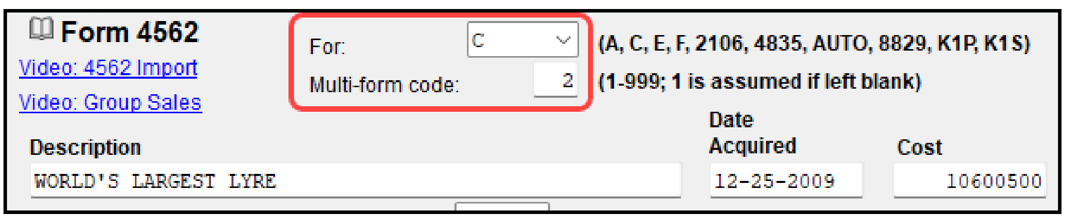
- **TS** (or **TSJ**) — Select **T** if a screen applies to the primary taxpayer, **S** if it applies to the spouse, or **J** if it applies to each spouse equally. (Default is **T**.)
- **F** — All data on a screen automatically flows to the federal return as applicable. Enter 0 (zero) in the **F** field to prevent a screen's data from flowing to the federal return.
- **ST** — Code indicates whether the screen data should be used in calculating a specific state return. If this field is blank, the program uses the resident state by default. The data does not flow to *any* state or city if a zero (0) is selected here.
- **City** — Code indicates the source of the income on city returns.

Press F1 in a field to view all acceptable codes for that field.

Associating One Screen with Another

Drake Tax allows you to associate one screen with another, such as when an asset on one screen should be associated with a specific Schedule C. For example, to associate an asset screen to a **C** screen, complete the **For** field and the **Multi-form Code** field at the top of the asset screen. From the **For** drop list, select the form to be associated with the open screen, as shown in Figure 3-23.

Figure 3-23: Associating One Screen with Another



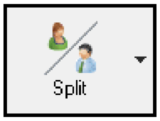
In the above example, the **4562** screen is to be associated with the second Schedule C (screen **C**) created in the return. Use the bottom-left "record" indicator of a screen as reference if you are unsure what instance of a screen to use. (See Figure 3-17 on page 135.)

For Schedule E rental properties, each property (in other words, each screen) has a separate multi-form code. The MFC number used on the asset screen (for instance, on screen **4562**) for a Schedule E should refer to the property (to the screen the property is listed on), not the instance of the Schedule E. (Up to three properties are printed on a Schedule E.)

Splitting a Joint Return

When you split a joint return in Drake Tax, the program calculates three returns: one for Married Filing Jointly (MFJ), and two for Married Filing Separately (MFS).

Before splitting a joint return, ensure that data on all screens clearly applies to either the taxpayer (T) or spouse (S) using the **TSJ** drop lists, and make sure **Ready for EF** is not marked on the **EF** screen. If this box is marked, all three returns will be marked eligible for e-file. (See "e-File Returns from View/ Print Mode" on page 252.)



To split a joint return:

1. Open the return.
2. Choose one of the following options:
   - To compare returns for two individuals who lived together for the entire year, click the **Split** button or press CTRL+S.
   - To compare returns for two individuals who did *not* live together for the entire year, click the down arrow next to the **Split** button and select a category of MFS filing status. Results are displayed in the **Return Selector**.

At this point, if there is a Schedule A on the return and you have not specified on screen **A** whether to force itemized or standard deduction, you are prompted to select **Itemize**, **Standard**, or **Optimize** before proceeding. If you select **Optimize**, the program determines which is the better treatment of the Schedule A deductions.

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3. Mark the check boxes to the left of the returns and click **Print**, **View**, or **Save**, as applicable. (To see an MFJ/MFS report, see "About the MFJ/MFS Report," following.)
4. Click **Exit.**

After clicking the **Split** button to split the joint return into two separate Married Filing Separately returns, the preparer has the option of canceling the split and stopping the action.

About the MFJ/MFS Report

To view the MFJ/MFS report, click **MFJ/MFS Report** on the **Return Selector** window. The Filing Status Optimization Report is displayed in View/Print mode as “Wks MFS Comp” (and "OH_COMP," for Ohio returns). The report compares the taxpayer’s and spouse’s status if filing joint, combined, or separate returns, and to show the net effect of filing separate returns.

For more information on View/Print mode, see "Viewing a Return (Enhanced Mode)" on page 190.

The state report feature is available for Ohio returns only.

The program saves the MFS data shown in the reports only if you save the split returns. If you are not planning to save the MFS versions of the returns but want to show the reports to your client later, print the reports now for your client's records. If the MFS versions are saved, the completed "Wks MFS Comp" and "OH_COMP" reports can be viewed only in the joint return.

Billing for this report is done through **Setup > Pricing** (use item 350). For more on setting up pricing in Drake Tax, see "Pricing Setup" on page 77. To suppress the charge for an individual return, use the **BILL** screen. (See "Overriding the Bill Amount" on page 110.)

Screen Captures

Screen captures can be taken in data entry and sent to the clipboard, a printer, or a file.

To capture a data entry screen:

1. Right-click any open part of the screen (not within a field or text box).
2. Select **Screen Shot**. The program offers three choices for captures:
   - **To File** — Save the screen as a bitmap (.bmp) file to a location you select.
   - **To Printer** — Open the **Print** dialog box and print an image of the screen.
   - **To Clipboard** — Copy an image of the screen to your clipboard in order to paste it into another program, such as Microsoft Outlook.
3. Save, print, or copy the image as directed, according to your selection.

Calculator

A calculator feature is available in every numeric field in data entry. To access it, click inside the field then press F10. Once results are calculated, press F1 to insert those results into the field.

Macros

Macros are shortcuts that allow you to enter frequently used data entry items with minimal keystrokes. This feature is described in detail in "Macros Setup" on page 79.

Heads-Down Data Entry

Heads-down data provides an efficient method of data entry when working from a proforma interview sheet. Information on this method is provided in the "Heads-Down Data Entry" on page 155.

State Returns

When a return is prepared, Drake Tax automatically generates state returns based on data entered for the federal return. Calculation is based on the state entered on screen 1 for **Resident state** and on the state codes indicated on other forms (W-2, Schedule C, 1099, Schedule B, etc.).

Click the **States** tab of the **Data Entry Menu** to view a list of states. Click any state from the list or enter the two-letter state code in the selector field to access the **Data Entry Menu** for that state. It is not necessary to return to the **States** tab to enter a new state code.

Access city screens by entering a city code into the selector field. Another option is to open a state menu, and then click the **Cities** tab (if available). Cities are listed with their two-letter codes.

EF Test Returns and Practice Returns

Practice returns, test returns, and EF test returns are available from your User Account and on the program CD:

- *Test returns* allow you to practice e-filing returns (including those with bank products) in Drake Tax. The returns will be either accepted or rejected. Correct the rejected returns and resend them to receive acknowledgments. The SSNs for the ***test returns*** run from 500-00-1001 through 500-00-1008; these returns are installed with Drake Tax if the option **Install Test Returns** is selected during installation. Directions for using EF test returns can be found at *Support.DrakeSoftware.com* **> Training > Practice Returns**.
- *Practice returns* help new Drake Tax clients become more familiar with how data is entered in Drake Tax. Practice preparing returns by completing data entry based on the practice scenarios provided. Practice returns and directions for using them can be found at *Support.DrakeSoftware.com* **> Training > Practice Returns**. Practice returns are also included on the installation CD. The SSNs for *practice returns* are as follows:
  - (*individual*) 400-00-6001 – 400-00-6010
  - (*corporation*) 00-400-6011
  - (*partnership*) 00-400-6012
  - (*S corporation*) 00-400-6013

For more information on practice returns, webinars, tutorials, and tax courses, visit *Support.DrakeSoftware.com* **> Training**.

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4 Preseason Preparation

This chapter provides instructions for bringing forward information from last year, printing proformas and organizers for clients, mailing preseason materials, and setting up schedules.

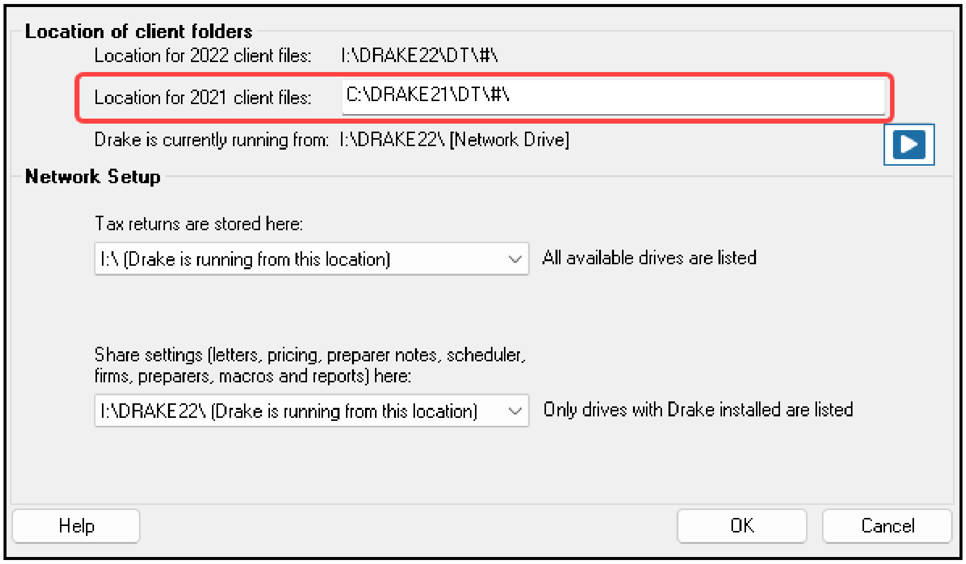
Prior-Year Updates

If your firm used Drake Tax last year, save time by updating prior-year returns, settings, letters, and EIN data. Before updating, you should back up your files and ensure that your program's 2022 data path points to your firm's 2021 data files.

By default, Drake Tax accesses the previous year's client files from the workstation's local drive. If your prior-year files are stored elsewhere, enter the location in the **Data Location** dialog box:

1. Log in to the program as a user with administrative rights.
2. From the **Home** window menu bar, select **Setup > Data Locations**.
3. Look at the **Location for 2021 client files** field (Figure 4-1 on page 146). If the correct path is not displayed, enter the correct path and click **OK.**

Figure 4-1: Checking the Location of Prior-Year Drake Tax Files



For more on Drake Tax data locations setup, see "Single Stations and Network Options" on page 46.

Updating Client Files

By default, the following client information is brought forward from the prior year:

• Names and addresses	• Depreciation	• Ages
• Filing statuses	• Occupations	• Dependent names
• Business name	• Installment sales	• ID numbers

You have the option of selecting other data to bring forward when you update client files, as explained in the following sections.

To ensure that files are updated according to your clients' needs, update returns ***individually*** as you meet with your clients. Drake Tax does ***not*** recommend updating all returns in a package at once.

Update Returns Individually

Following are the two recommended methods of updating individual returns. Drake Tax does *not* recommend doing "batch" updates.

— Method 1 —

1. Open the return in Drake Tax 2022. An **Individual Update Options** dialog box lists all options for updating.
2. *(optional)* Select additional items to update. (Click **Select All** to choose all items.)
3. Click **Update 1040**.

Once updated, the return is opened to the **Data Entry Menu**.

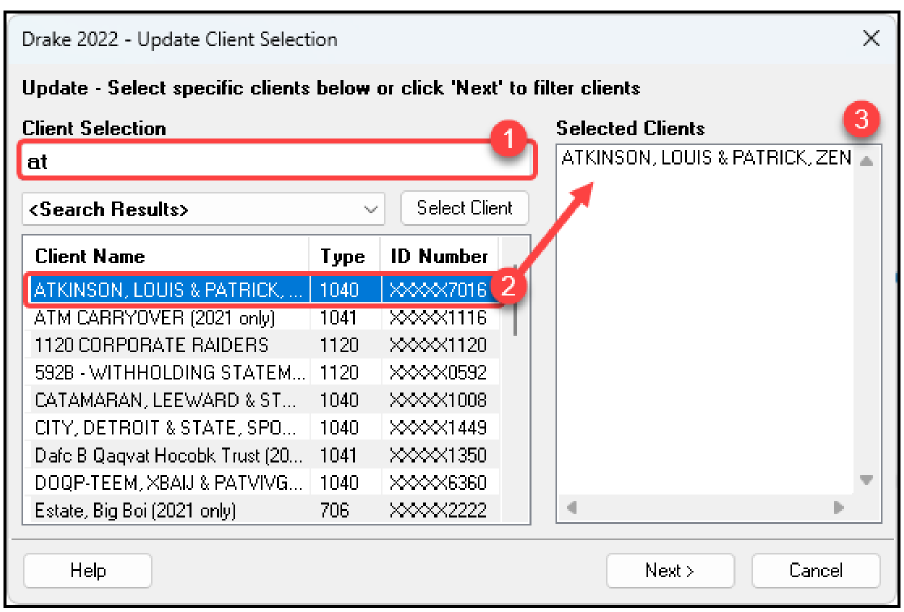
To update returns from the **Open/Create a Return** dialog box, see "Not-Yet Updated Returns" on page 127.

— Method 2 —

1. From the **Home** window, select **Last Year Data > Update Clients 2021 to 2022** to open the **Update Client Selection** dialog box (Figure 4-2 on page 147).

If you are not seeing prior-year client returns, repair the index files from **Tools > Repair Index Files**, and select **Name Index**.

Figure 4-2: **Update Client Selection** Dialog Box



All recently opened returns are listed in the **Client Name** column in the pane in the lower left quadrant of the dialog box.

2. Choose an option for selecting returns to update:
   - Click a client from the **Client Name** list and click the **Select Client** button (or just double-click the client) to move that name to the **Selected Clients** list on the right.
   - Alternately, begin typing an ID number (SSN or EIN) or name in the **Client Selection** box (item #1 in Figure 4-2 on page 147). In the example in Figure 4-2, all clients whose name contains “at” are displayed in the **Client Name** column. Select the desired client (item #2), and then either press ENTER (↵), or double-click the client, to add the return to the **Selected Clients** list (item #3).
   - To help narrow your search, click the drop list to the left of the **Select Client** button and choose a return type (1040, 1120, etc.).
3. Repeat the previous steps until all returns you wish to update are listed under **Selected Clients**. Click **Next** to open the **Update Options** window.
4. Select all options you wish to be updated from 2021 to 2022. (Click the **Select All** button to select all options listed, or **Unselect All** to clear all options.)
5. Click **Update 1040** (or whichever package you are updating). All returns are updated according to selections made in the **Update Options** window.

Update Returns Globally (Not recommended)

Performing a “batch” or “global” update is possible but not recommended. From the **Home** window:

1. Select **Last Year Data > Update Clients 2021 to 2022** to open the **Update Client Selection** dialog box.
2. Click **Next** to open the **Update Filter Selection** window. Select filters and sort options if desired.
3. Click **Next** to open the **Basic Search Conditions** window. Set any search conditions desired.
4. Click **Continue**. The program scans through your client list, based on your selected filters and search conditions.
5. You are asked to update returns for each package. (For instance, click **Update 1040**.) All returns in the tax package will be updated from Drake Tax 2021 to the 2022 program. Continue until all selected returns and packages have been updated.

Once the program has updated the returns, it displays a report listing the updated returns. Click **Exit** to close the Report Viewer.

If the **Do NOT update client to next year** box at the bottom of the **MISC** screen (accessible from the **Miscellaneous** tab of the **Data Entry Menu**) is marked, the client’s return will not be updated, even if he or she is marked in Client Selection.

Building the EIN/Name Index

Each time an employer is entered on a screen for a Form W-2, W-2G, 1099-R, 1099-G, 8283, or 2441, that employer's name, EIN (or SSN), address, and state ID number are automatically added to the EIN database.

To update the EIN/name database from 2021:

1. In the 2022 version of the program, select **Last Year Data > Build EIN/Name from 2021**. This opens the **Build EIN Database and Name Index** dialog box.
2. (*if necessary*) From the **Prior year Drake program location** drop list, select the drive where Drake Tax 2022 is located.
3. From the **EIN/Name Index Options** section, select the indexes to update and click **Continue**.
4. Wait for the program to finish scanning the files. (This update takes about one minute for every 2,000 client files.)
5. Click **Exit.**

Updating Settings

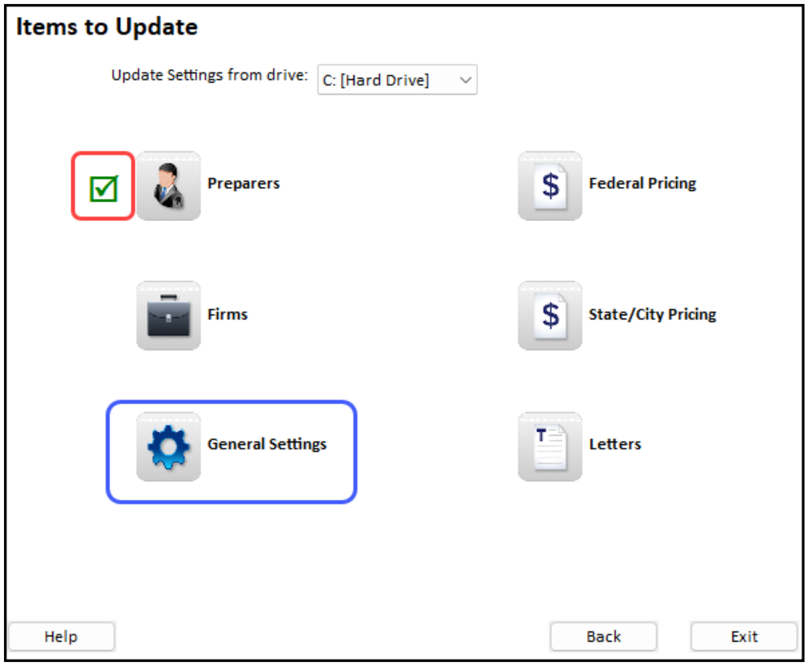
Apply your firm's 2021 settings to the 2022 program to save preseason preparation time. Once the settings are brought forward for the year, they can be individually adjusted.

Selecting an item that has already been updated overwrites any current-year changes.

To update settings from 2021:

1. In the 2022 version of the program, go to **Last Year Data > Update Settings 2021 to 2022**. The **Update Settings** dialog box is displayed (Figure 4-3 on page 150).

Figure 4-3: Updating Prior-Year Program Settings



2. If necessary, select the drive where the 2021 data you want to bring forward to 2022 is being stored.
3. Select a category (**Preparers**, **Firms**, **General Settings**, etc.) to bring forward from 2021 and update with 2022 settings.
4. When the **Update...** window is opened, choose the items to be updated from the list. Click **Update.**
5. (*optional*) If updating federal or state pricing files, include a pricing percentage increase if you wish to increase your pricing structure this season. Make your changes by entering a percentage increase to apply per item, per form, or both, and selecting the option to round to the nearest dollar; otherwise, simply click **Update Pricing**.

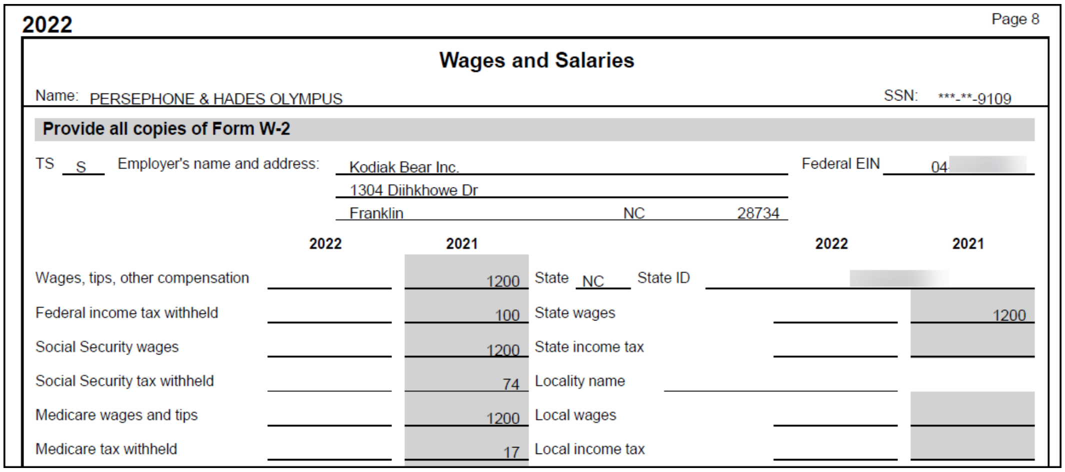
When the update process is complete, a green check mark is displayed on the **Update Settings** window, beside the items updated. (See red circle in Figure 4-3.) Select another category to be updated, or click **Exit**.

To update letters one at a time, from the **Home** window menu bar of Drake Tax, go to **Setup > Communications Editor**, and from the toolbar click **Open** and select a letter, then click **Setup > Update Prior-Year Letter**.

Organizers and Proformas

Available for the 1040 package, ***organizers*** help clients prepare for their appointments. Many organizer sheets feature two-column layouts, with one column containing automatically generated prior-year data, and the other intended for the taxpayer to complete with current-year data (Figure 4-4).

Figure 4-4: W-2 Organizer


2022 Page 8

Wages and Salaries

Name: PERSEPHONE & HADES OLYMPUS SSN: ***-**-9109

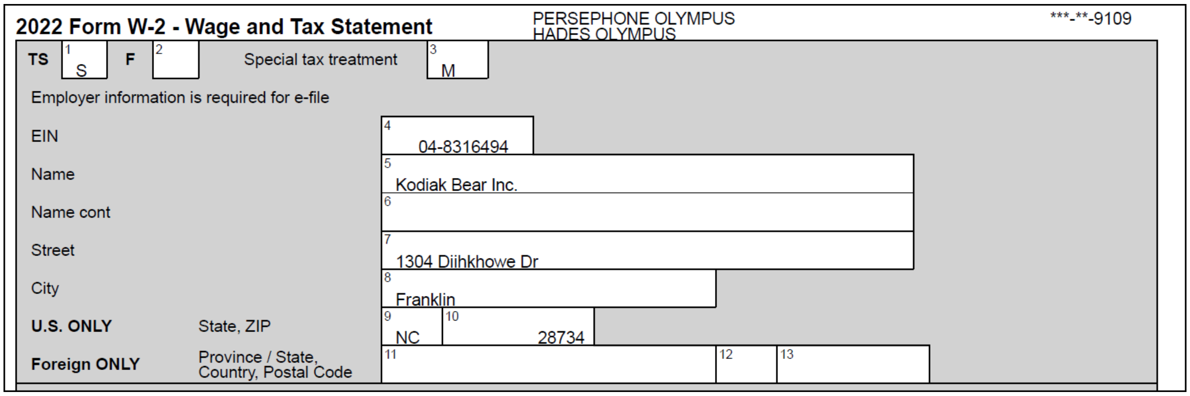
Provide all copies of Form W-2

TS S Employer's name and address: Kodiak Bear Inc. 1304 Diihkhowe Dr Franklin NC 28734 Federal EIN 04

	2022	2021		2022	2021
Wages, tips, other compensation		1200	State NC State ID		
Federal income tax withheld		100	State wages		1200
Social Security wages		1200	State income tax		
Social Security tax withheld		74	Locality name		
Medicare wages and tips		1200	Local wages		
Medicare tax withheld		17	Local income tax		

Proformas, on the other hand, are intended as internal office documents used by your staff during the interview process and to help facilitate data entry. Available for 1040 and business packages, *proformas* have numbered fields corresponding to the fields on Drake Tax data entry screens, allowing data entry operators to jump more quickly to the proper screens and fields for easier data entry.

Figure 4-5: W-2 Proforma


2022 Form W-2 - Wage and Tax Statement PERSEPHONE OLYMPUS HADES OLYMPUS ***-**-9109

TS 1 S F 2 Special tax treatment 3 M

Employer information is required for e-file

EIN	4 04-8316494
Name	5 Kodiak Bear Inc.
Name cont	6
Street	7 1304 Diihkhowe Dr
City	8 Franklin
U.S. ONLY State, ZIP	9 NC 10 28734
Foreign ONLY Province / State, Country, Postal Code	11 12 13

See "Entering Information from Proformas" on page 153 for details.

Organizer Options

You have three choices for organizers: Summary organizers, Comprehensive organizers, and New Client organizers.

The *Summary* organizers have fewer pages and less detail than the larger *Comprehensive* organizers. The Summary organizers might be a better fit for those clients with simple returns; Comprehensive organizers would, conversely, be a better fit for clients with complex returns.

As the name implies, the ***New Client*** organizers are for new clients or when you want to print a blank organizer. You have the option, however, of including a new or prospective client's ID number, name, and address in a blank organizer. (See "New Client Organizer," later on this page.) You have the option to send a new client a ***Personalized*** organizer and choose which forms you want to include on the New Client organizer.

See "Printing Organizers and Proformas" on page 155 for details on generating and printing organizers and proformas.

See "Changing Form Order (Global)" on page 162 for instructions on changing the order of the forms that appear in organizers.

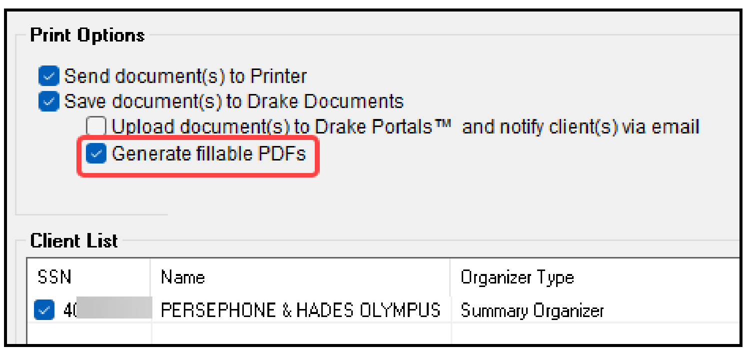
See "Customizable Organizers" on page 157 and "History" on page 160 for details on customizing organizers.

Blank organizers are available from Blank Forms. (From the **Home** window menu bar, go to **Tools > Blank Forms**.)

"Fillable" PDFs

Drake Tax, when generating PDF copies of your organizers, gives you the option of generating "fillable" PDFs (circled in Figure 4-6).

Figure 4-6: Generating Fillable PDF Organizers



With fillable PDFs, your clients can download their organizers, complete them on their computers, and send them back to you (via email or DrakePortals) without the added steps of printing them, completing them by hand, and either mailing them or scanning the completed forms back in to their computers before returning them via email or DrakePortals.

New Client Organizer

You have the option to send a new or prospective client, whose data is not part of Drake Tax, a New Client Organizer.

1. From the menu bar of the **Home** window of Drake Tax, go to **Last Year Data > Organizers** to open the **Organizer** window.
2. Choose between a **Summary** and **Comprehensive** organizer and click **Next** to open the **Organizer Client Selection** search window.
3. Click the **Organizer for new clients** link to open the **New Client Information** dialog box. Choose to either fill in the **Mailing Name and Address Information** fields or leave all fields blank. When finished, click **OK**.
4. Your New Client Organizer appears in the **Selected Clients** pane. (If you left the **Mailing Name and Address Information** section blank, a pair of empty parentheses [()] signifies that a blank organizer has been created.) Proceed as you normally would to process an organizer.

Data entered in the **New Client Information** dialog box is not saved in Drake Tax.

Organizer Checklist

A checklist is automatically printed with an organizer, offering your clients a way to quickly assure themselves they have gathered the information you need to file accurate and complete tax returns.

While the client's tax information is still imported from the previous year's return into the organizer, the checklist reminds the client of any new information (this year's W-2 form, Schedules 1099 and K-1, etc.) he or she still needs to gather for this year's return.

Edit the text or labels of the checklist with the Custom Editor function. See "Customizable Organizers" on page 157 for details.

Changing Form Order

Change the order of forms as they appear in your organizers and proformas from the **Organizer Options** or **Proforma Options** dialog box by clicking either **Custom Editor** (organizers only) or **Form Options**. Make a global change (to all organizers or all proformas) before generating the organizers or proformas, or make changes to individual organizers or proformas as you go.

See "Changing Form Order (Global)" on page 162 for more.

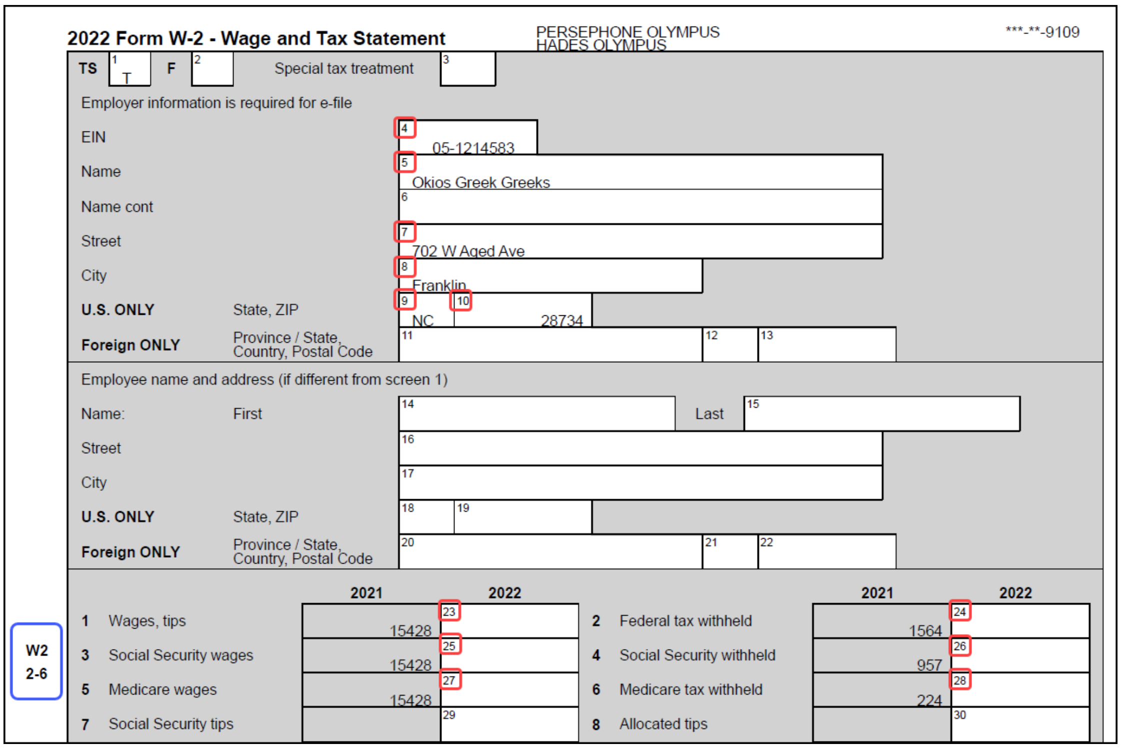
Entering Information from Proformas

Available for individual and business packages, ***proformas*** have numbered fields corresponding to the fields on Drake Tax data entry screens (see red circles in Figure 4-7 on page 154) in "Heads-Down" data entry mode. (See "Heads-Down Data Entry" on page 155.) Proformas are designed to be internal documents used during the interview process and to help data entry operators enter tax information following the interview.

Blank proformas can be viewed and printed from **Tools > Blank Forms**. See "Printing Organizers and Proformas" on page 155 for information on printing for selected clients.

Each sheet in a proforma has special codes printed on the left side of the page. For example, the blue square on the left side of Figure 4-7 shows that the proforma code for the **W2** screen is "2-6." As an alternative to using the screen code ("W2") to open the **W2** screen, the data entry operator or tax return preparer can use the screen's proforma code "2-6."

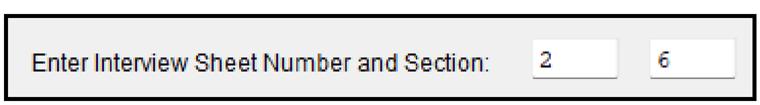
Figure 4-7: Sample of W-2 Page from a Proforma



To access a screen by entering its proforma code:

1. From the **Data Entry Menu**, press CTRL+I to change the selector field.

Figure 4-8: Entering Proforma Codes on the **Data Entry Menu**



2. Enter the proforma code numbers, one in each text box. In the example (Figure 4-8), a "2" and a "6" would access the **W2** screen. (See the blue box in Figure 4-7 on page 154.)
3. Press ENTER (↵). The applicable screen is displayed for data entry.

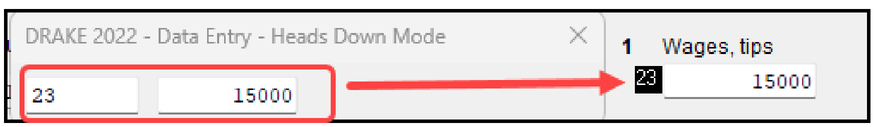
Heads-Down Data Entry

Combine the proforma codes and heads-down mode to move efficiently to the proper areas of a screen for data entry.

To work in heads-down mode:

1. Open a screen in data entry.
2. Press CTRL+N. Numbers appear in black squares beside each field.
3. In the **Heads Down Mode** box at the top of the screen, enter a field number in the first text box and press ENTER (↵).
4. Enter data for the field in the second text box and press ENTER (↵). The data is placed in the proper field (see red square in Figure 4-9), and the system returns you to the first text box.

Figure 4-9: Entering Data in Heads-Down Mode



5. Repeat for all other fields, pressing ENTER (↵) after the data for each field is entered.

To return to the **Data Entry Menu**, press ESC.

Use CTRL+N to toggle between heads-down and data-entry modes.

Printing Organizers and Proformas

To print organizers or proformas for selected clients:

1. From the **Home** window, select **Last Year Data > Organizers** (or **Proformas)** to open the **Organizer Client Selection** search window or **Proforma Client Selection** search window. (If creating **Organizers**, choose between **Summary** and **Comprehensive** and then click **Next**.)
2. Choose an option for selecting returns for organizers or proformas:
   - Click a client from the **Client Name** list and click the **Select Client** button (or just double-click the client) to move that name to the **Selected Clients** list on the right side.
   - Alternately, type an ID number (SSN or EIN) or name (first, last, or just consecutive letters) in the **Client Selection** box, and then press ENTER (↵) (or select it from the

list of names and double-click) to add the return to the **Selected Clients** list on the right side of the **Organizer Client Selection** or **Proforma Client Selection** search window.

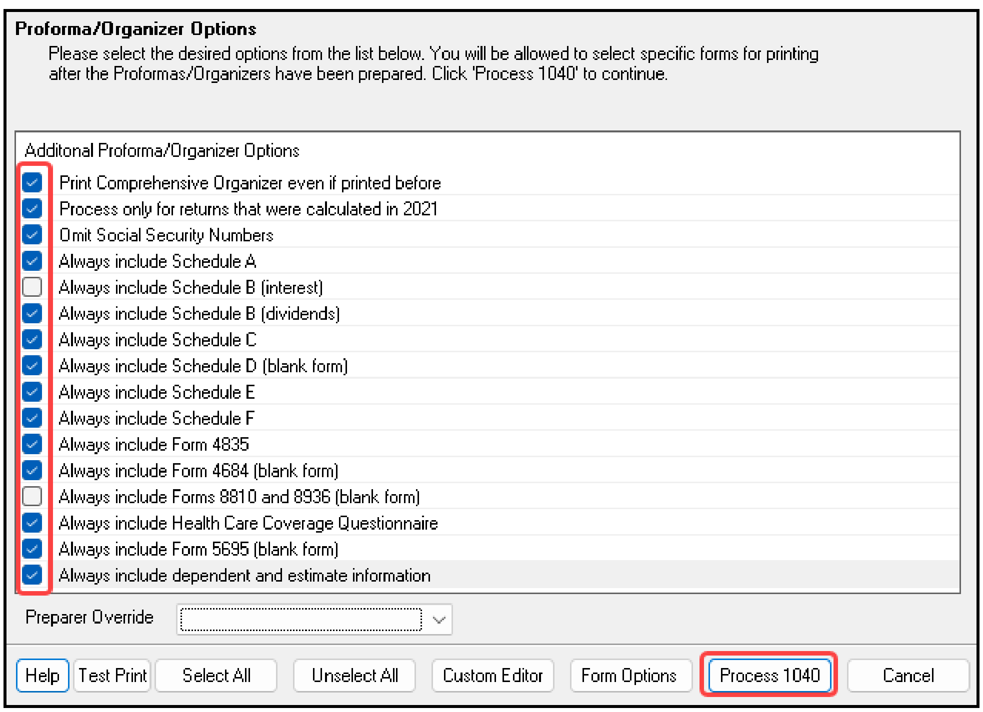
  - To help narrow your search, click the drop list to the left of the **Select Client** button and choose a return type. (Organizers are available only for 1040 returns.)

3. Repeat the previous steps until all returns you wish to generate organizers or proformas for are listed under **Selected Clients**. Click **Next** to open the **Individual Summary Organizers** (or **Proforma**) **Options** window (Figure 4-10).

Produce organizers or proformas for all clients by leaving the **Selected Clients** pane blank. When you click **Next** (Step 3), the program displays a **Filter Selection** window—make sure **All Clients** is selected. When you click **Next** again, you will see a **Basic Search Conditions** window. Make any changes or selections, then click **Continue**. Proceed to Step 4.

For details on using filters and search conditions, see "Filter Manager" and "Search Conditions" on page 350.

Figure 4-10: Selecting Options for Organizers/Proformas from the **Options** Window



4. From the **Proforma** or **Organizer Options** window, select any desired options (red box on left in Figure 4-10). For instance, Schedule A would normally be generated with the organizer *only if* Schedule A had been included in the taxpayer's 2021 return. Mark the **Always include Schedule A** box to have Schedule A generated with the organizer *regardless* of whether or not Schedule A was included in the 2021 return. Select all options you wish to be included in the organizer or proforma. (Click the **Select All** button to select all options listed, or **Unselect All** to clear all options.)

5. (*Organizers only*) To have a certain preparer's name appear in the organizer's letters (introductory letter, privacy policy, and engagement letter), select a name from the **Preparer Override** drop list of the **Individual Organizer Options** dialog box. All preparers entered at **Setup > Preparer(s)** are in the list.
6. Click **Process 1040** (red box on bottom of Figure 4-11 on page 158). (If printing proformas for multiple return types, additional **Process** buttons appear (1040, 1120, 1120S, 1065, etc.) Click each **Process** button to proceed.) Click the **Process** buttons to open the **Print Organizers** (or **Print Proformas**) dialog box.
7. Select options from the **Print Options** section to send the proformas or organizers to the printer, Drake Documents, or DrakePortals, or to generate fillable PDF documents. For information on how to use Drake Documents and DrakePortals, see Chapter 12, "Suite Products."

When sending organizers from multiple taxpayers to Drake Documents or DrakePortals, Drake Tax automatically sends the organizers or proformas to the correct client file or DrakePortals portal.

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8. *(optional)* Change which forms are to be included in the organizer or proforma, and change the order in which they appear. See "Changing Form Order (Global)" and "Changing Form Order (Individual)" on page 163.
9. *(optional)* To view one of the organizers or proformas in View/Print mode, click that organizer or proforma in the **Client List** of the **Print Organizer** (or **Print Proformas**) dialog box and click **View**. From View/Print mode, print, electronically sign, or email the individual organizer or proforma, change the form order, change form and text colors, or send the organizer/proforma to Drake Documents. Click **Exit** to return to the **Print Organizers/Proformas** dialog box.
10. Click **Print**.
11. In the **Print Document** dialog box, choose a printer and any other options desired.
12. Click **Print**.

Preseason letters can also be printed in batches, apart from proformas and organizers. See "Letters" on page 331.

Customizable Organizers

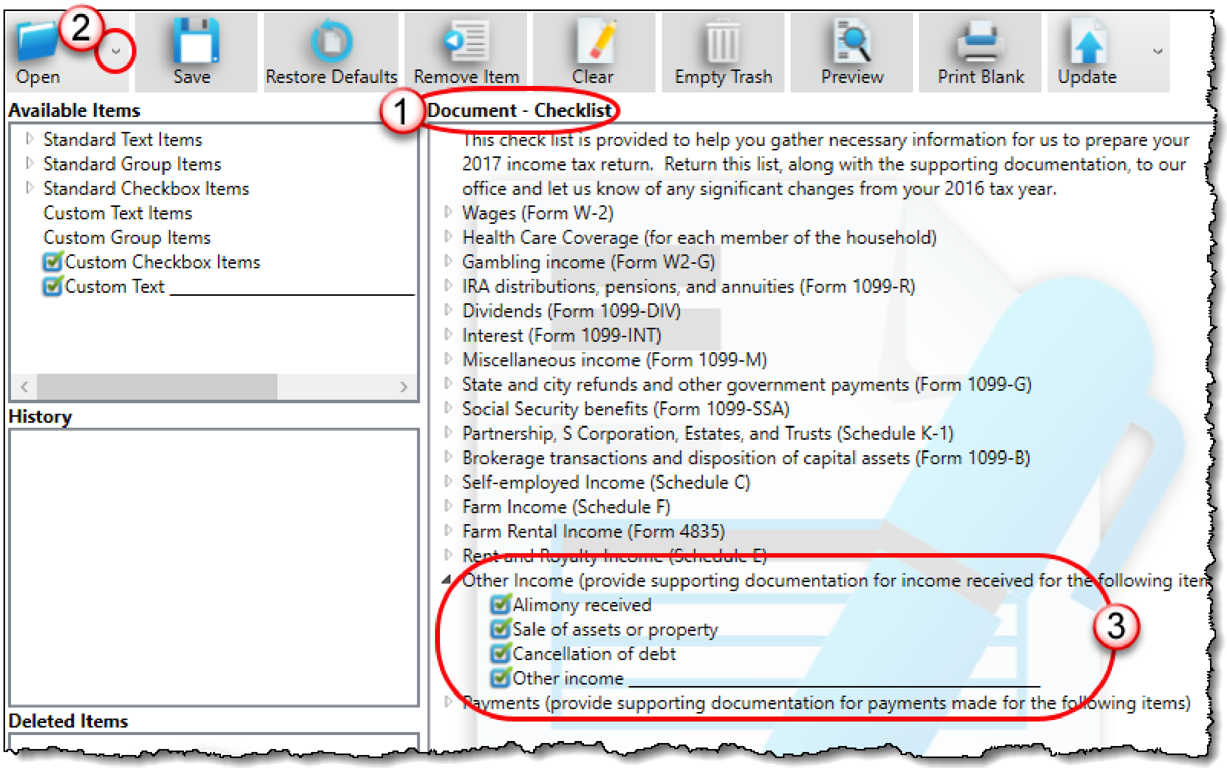
Customize the organizer ***Checklist*** or create a custom ***Questionnaire*** using the Custom Editor. Add, delete, or rearrange the order in which the items appear in your organizers and proformas with the **Form Options** command.

The Checklist is built around preset "Standard" items (Text, Group, and Checkbox). Edit items, add more items, and delete any items you do not need.

To open the Custom Editor:

1. Follow steps 1-3 in “Printing Organizers and Proformas” on page 155. Click **Next**. (See “Filter Manager” on page 350 for more on using filters.)
2. From the toolbar at the bottom of the **Organizer Options** dialog box, click **Custom Editor** to open the **Custom Editor** dialog box (Figure 4-11). The Custom Editor is opened with the Checklist (item #1) selected for editing. Click the arrow beside the **Open** icon (item #2) to create your own Questionnaire.

Figure 4-11: **Custom Editor** Window



Parts of the Editor

The Custom Editor consists of a toolbar at the top and boxes, or “panes,” beneath. In the large middle **Document** pane is a list of the items that appear in the selected document (item #1 in Figure 4-11)—the document in Figure 4-11 is the organizer Checklist. The items are displayed in a forms “tree”; click the arrow to the left of an item to display a list of forms and other items nested underneath (item #3).

On the right side of the **Custom Editor** window are two smaller panes: a **How to Use** pane and a **Selected Item Details** pane; on the left is an **Available Items** pane, a **History** pane, and a **Deleted Items** pane.

When you make a selection from the **Available Items** pane, a brief description is displayed in the **How to Use** pane. When you highlight an item in the **Document** pane, that same item is highlighted in the **Selected Item Details** pane, where you can edit the wording.

Available Items

The following items are available for inclusion in your organizer checklist:

- **Text Items**: The only default **Standard Text Item** is the introductory paragraph at the top of the Checklist. In the organizer, this paragraph is roman text only (not bold), does not include a check box, and is not preceded by a blank line.
- **Group Items**: By default, a **Standard Group Item** is bold with a blank line above the text. Nested beneath the Group heading are all the Checkbox Items listed as part of that group. (For instance, **Partnerships**, **S Corporations**, **Estates**, **and Trusts** has three nested items: “K-1 From Partnerships,” “K-1 From Sub-Corporations,” and “K-1 From Fiduciary.”) Neither the Group heading nor any of the Checkbox items beneath the heading are generated with the Checklist if the taxpayer’s prior-year return did not include any of the Checkbox items.
- **Checkbox Items**: Checkbox items are printed in roman text.

Editing Items

Text Items and **Group Items** are fully editable, meaning that from the **Selected Item Details** pane in the lower right corner of the window, text can be changed, printed in boldface type, and preceded (or not) by a blank line. Most **Standard Checkbox Items** cannot be edited; however, you can always edit **Custom Checkbox Items**. (See “Custom Items” on page 161.) To edit or add text to a selected item, click anywhere within the **Selected Item Details** pane and begin typing. Press DELETE or BACKSPACE to remove text, and press TAB (⇆) to save the changes. Mark or clear the **Bold** and **Add Preceding Blank Line** check box as desired.

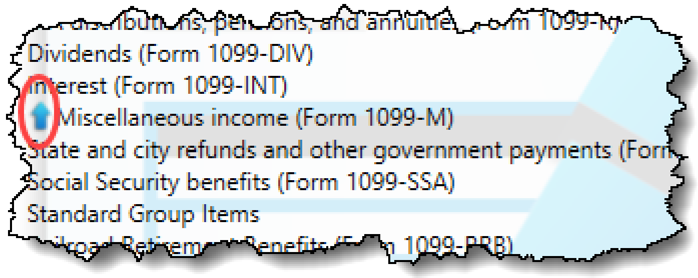
You cannot see how your edits will appear from the **Home** window of the **Custom Editor**. To preview your checklist (or questionnaire), from the toolbar, click **Preview**.

Adding Items

To add an item to the checklist, click and drag it from the **Available Items** pane to the desired location in the **Checklist** pane (or **Questionnaire** pane, if customizing a Questionnaire).

As you drag the new item through the checklist items, a blue positioning arrow (Figure 4-12 on page 160) tells you if you are placing the dragged item above or below another item. An arrow pointing to the right indicates the dragged item will become a **Checkbox** item under a **Group** heading.

Figure 4-12: Placing New Organizer Options



If you drag a new **Standard Group Item** into the **Checklist** pane, you are also adding all the standard items nested beneath the **Standard Group Item**.

Once the item is positioned, you can edit it in the **Selected Item Detail** pane. To remove an item from the **Checklist** pane, drag it to the **Deleted Items** pane (or, alternately, highlight the item, and from the toolbar, click **Remove Item**).

Click **Preview** from the toolbar to see how your changes look on the checklist.

History

Any time you update your document's prior-year settings, empty the trash, or restore your default settings (see "Toolbar" on page 161 for more on these functions), the version of the document in the **Document** pane is saved in the **History** pane. Drag a version of your document from the **History** pane back into the **Document** pane to edit it, or, if you do not need any of the saved versions, you can drag them into the **Deleted Items** pane and click **Empty Trash** to delete them.

Saved versions within the **History** pane act just like items. When you drag a version back into the **Document** pane, the current checklist is not overwritten but, rather, placed into the existing checklist as a "sub-checklist."

To restore an old version, click **Clear** to delete everything within the **Document** pane, and then drag in the version you wish to restore. Select the **Clear Backup** header and click **Remove Item**.

The recently deleted checklist appears in **History** should you need to revert your changes.

Toolbar

Icons on the toolbar include **Open**, **Save**, **Restore Defaults**, **Remove Item**, **Clear**, **Empty Trash**, **Preview**, **Print Blank**, **Import**, **Program Help**, and **Exit**.

Although the program automatically saves your work upon exiting, you can safeguard against sudden crashes by saving your work periodically. Click **Save**.

Restore the checklist to its original state (as shipped) by clicking the **Restore Defaults** icon.

Remove a Group heading while leaving any check boxes nested underneath with the **Remove Item** function. Highlight a Group item, and click **Remove Item**. (The nested check boxes can also be removed individually by highlighting one and clicking **Remove Item**.) The **Clear** tool removes everything within the **Document** pane and allows you to build a checklist from scratch.

Items in the **Deleted Items** pane can be dragged back into the checklist, or they can be deleted by clicking **Empty Trash**. These items cannot be recovered.

To see how your current checklist will look when printed, click **Preview**. The **Preview** window is updated in real time, reflecting all changes made to the checklist. Make edits as needed, and when you are satisfied with the format, click **Print Blank**. To reuse or edit checklists from prior years, import them directly into the Custom Editor.

Adding a Questionnaire

Make your own custom questionnaire to send to your clients with a list of items you want them to produce or specific questions you want answered.

Click the arrow beside the **Open** button and select **Questionnaire**.

The default presentation includes several commonly used items, but any of these items can be deleted and new items added from the **Available Items** pane on the right side. Click, hold, and drag items into and out of the **Document** pane. Available are **Yes/No** check boxes, **Custom Text Items**, **Custom Group Items**, **Custom Checkbox Items** (a single check box followed by text), **Custom Double Checkbox Items** (two check boxes followed by text), and **Custom Text** (see "Custom Items," below).

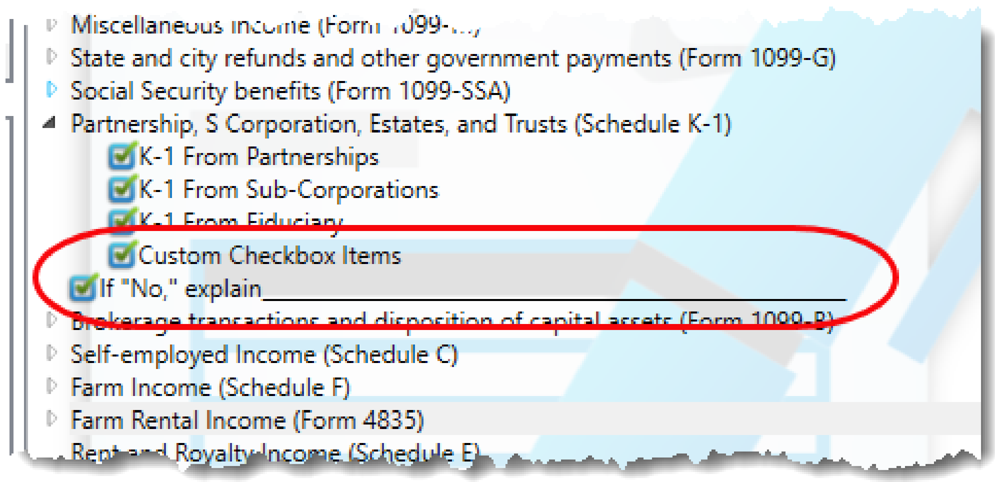
Custom Items

From the **Available Items** pane, click and drag any item into the **Questionnaire** pane; place them anywhere you wish, and edit the titles and text as needed. For instance, use **Custom Text** and **Custom Group** items to build a specialized list of questions you want your customers to answer.

Place **Custom Checkbox Items** (nested) beneath a **Custom Text** or **Custom Group** item. You will know the new check box item is "nested" beneath the heading when the blue positioning arrow points to the right as you drag it.

To add a line of custom text to the checklist, drag **Custom Text __________** from the **Available Items** list to the pane on the left. Then, from the **Selected Item Details** pane, edit the "Custom Text" label as needed, and leave the line for the customer to write on (as in Figure 4-13 on page 162).

Figure 4-13: Add and Edit Questions and Text Lines for Questionnaires



Click **Preview** to see how the new text and blank line will appear in the questionnaire.

Any items in the questionnaire you wish to delete, click and drag them to the **Deleted Items** pane on the lower right.

Rearrange the items in the questionnaire by clicking and dragging.

Changing Form Order (Global)

Make global changes to the form order for all of your organizers or proformas from the **Organizer Options** or **Proforma Options** dialog box. Choose the forms you do *not* want generated in your organizers or proformas.

To reorganize or delete forms:

1. Follow the first two steps for "Printing Organizers and Proformas" on page 155.
2. From the **Organizer Options** or **Proforma Options** dialog box toolbar, click **Form Options** to open the **Form Properties Editor**.
3. From the **Organizer/Proforma** drop list in the upper-left corner of the **Form Properties Editor**, select a type of organizer or proforma:
   - For organizers, select a type – **Comprehensive**, **New**, or **Summary** (available only from the 1040 package). For proformas, select a **Return Type**.
4. Move a form to a new place in the list by clicking the line and then holding and dragging. Release the form in the new position on the list.
5. *(optional)* To have any form omitted from organizers or proformas, clear the check box in the **Include in View/Print** column of the **Forms Properties Editor**. Select **Unselect All** to

remove all items from the organizer or proforma. Choose **Select All** to add all items back to the organizer or proforma.

6. When finished, click **Exit**.

The toolbar of the **Forms Properties Editor** includes a **Search** button for finding a form within the list and a **Restore** button for resetting the organizer or proforma to its original state (when shipped).

Changing Form Order (Individual)

To change the form order for a *single* organizer or proforma:

1. From the menu bar of the **Home** window, click **Last Year Data** and select either **Organizers** or **Proformas**. (If selecting **Organizers**, choose between **Summary** and **Comprehensive** and then click **Next**.)
2. Enter the client's SSN or EIN and click **Add Client**. Click **Next**.
3. When the **Proforma** or **Organizer Options** dialog box is opened, select the desired forms to include from the check boxes on the left side of the dialog box (or click **Select All**).
4. Click **Process 1040** (or the **Process** button for the applicable package for proformas).
5. Select a client from the **Client List**, and from the toolbar of the **Print Organizer/Proforma** dialog box, click **View**.
6. From the **View/Print** window, select **Setup > Allow Drag/Drop Form Ordering**.
7. Click any item and drag it to another location in the list.

To change the form order globally from View/Print mode, click **Setup > Form Order** to open the **Sort Form Order** dialog box. Select a type of organizer (**Summary**, **Comprehensive**, **New**) from the drop list at the top, drag-and-drop a new form order, and click **Save**. This new order will appear in all organizers of the type selected.

Print Options for Organizers

As noted earlier, you can send organizers to a printer, to Drake Documents, or to DrakePortals. By sending them directly to DrakePortals, you get organizers into your clients' hands faster. DrakePortals alerts your client via email that the organizer is ready for download, and then sends you an email when your client accesses your portal. Your client can either mail the organizer back, hand-deliver it, scan it and upload it to the portal, or, if you are sending fillable PDFs, complete the organizers digitally and upload them back to the portal.

For more, see "DrakePortals" on page 392.

To print organizers and proformas from the Scheduler, open a new appointment in the Scheduler, and from the **Appointment Detail** toolbar, click the **Organizer or Proforma** icon (or press Ctrl+O or Ctrl+P). Log in again to Drake Tax (depending on your setup), and then follow the procedure listed under "Printing Organizers and Proformas" on page 155. See "Scheduler" on page 164.

Scheduler

Use the Drake Scheduler to set up appointments for one preparer or a group of preparers, set daily schedules for an entire office, generate batch appointments, organizers, and proformas, and send email reminders to clients. There are tools for customizing, printing, and exporting schedules.

You can also import appointments from Outlook or Google calendars into your Drake Scheduler, or export your Drake schedule to an Outlook or Google calendar.

The Scheduler calendar can be synchronized to your outside calendar (Google or Outlook) so that a change on one changes the other. See "Synchronized Schedules" on page 180.

A separate **Scheduler** icon is added to your desktop when Drake Tax is installed, giving you access to the Scheduler from outside of the tax program.

Following are directions for setting up, accessing, and using the Scheduler.

Scheduler Modes

The Scheduler offers two levels of access: ***Preparer*** mode and ***Front Office*** mode.

Preparer Mode

When using Preparer mode, a preparer has full access to his or her calendars. Preparers can make appointments, manage schedules, and share calendars with other preparers. Preparer mode is the default setting for Scheduler users.

Front Office Mode

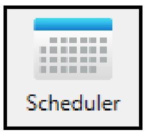
Designed for the receptionist, secretary, or other employee who manages appointments but does not prepare tax returns, Front Office mode allows the user to set up viewing options and manage appointments.

To assign Front Office mode to an employee:

1. Log in to Drake Tax as an administrative user and, from the **Home** window, go to **Setup > Preparer(s)**.
2. Select a preparer and click **Edit Preparer**.
3. Click **Security > Front Office (Scheduling Only)**.
4. Click **Save.**

Preparer logins and Front Office mode assignments must be established in Drake Tax before the Scheduler can be used effectively.

Accessing the Scheduler



There are several ways to access the Scheduler: from a desktop icon, the **Home** window toolbar, or the **Home** window menu bar (**Tools > Scheduler**).

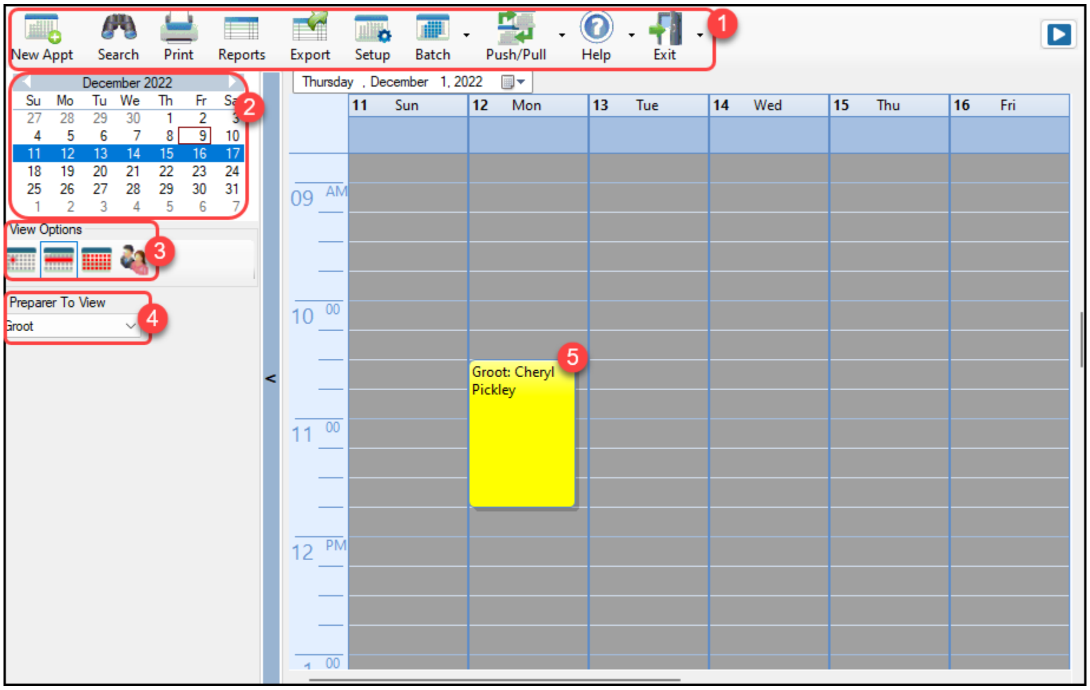
Add new appointments from the **Data Entry Menu** by right-clicking anywhere on the screen and selecting **Add Appointment**. (See “Synchronized Schedules” on page 180 for details on adding appointments.)

The **Scheduler** window has five main sections, numbered correspondingly in Figure 4-14 on page 166:

1. A toolbar
2. A calendar overview
3. A selection of **View Options** (daily, weekly, monthly, and by logged-in preparer)
4. A drop list of preparers’ calendars, available for viewing
5. A schedule grid, showing scheduled appointments within a designated time frame

Figure 4-14 on page 166 shows the **Scheduler** calendar in Preparer mode for the preparer, Atticus:

Figure 4-14: **Scheduler** Calendar Overview



- Make your appointments a different color so they stand out better against the Scheduler grid. Item #5 in Figure 4-14 shows different colors for different types of appointments: new client, returning clients, corporation clients, planning meetings, audits, etc. See "Scheduling Appointments" on page 172 for details.

- Click the blue arrow in the upper-right corner of the **Drake Scheduler** window (to the right of #1 in Figure 4-14 on page 166) to view a video tutorial on using your Scheduler.

Use the Scheduler Setup feature to establish the logged-in preparer's default settings for appointment durations, automatically filled data, and calendar views. Only the logged-in preparer's calendar and view are affected by any changes.

Click the **Setup** icon from the **Scheduler** toolbar (or press CTRL+T) to open the **Drake Scheduler - Setup** dialog box. The settings, divided into three tabs, allow you to choose how you view your Scheduler calendar, to establish some parameters for your appointment settings, to work with existing calendars (Outlook or Google) to share your scheduled appointments, and to set up your email account (if necessary) so you (or the front-office worker) can send out appointment reminders automatically.

If you already have an email program set up on your computer, it is not necessary to enter any email settings in the Scheduler.

Make your selections in Setup and click **OK**. Scheduler Setup options are described in Table 4-1, below.

Table 4-1: Scheduler Setup Options

Tab	Option	Description
Calendar		
	Calendar viewing start time	Select the starting time to be displayed when the calendar is opened.
	Default calendar view	Choose in which mode your calendar is opened: daily, weekly, or monthly or by the selected preparer.
	Default time increments	Set the default time increments that appear on the Scheduler pane: 15-, 30-, or 60-minute increments.
	Colors	Select any color changes you wish to make to the default settings for the calendar's background color, the preparer's work hours, the color of the individual appointments, and the color of group appointments. Click **Reset** to revert to the default color scheme.
	Calendar Maintenance	To avoid importing old meetings into your new calender, delete all old appointments prior to a selected date.
Appointment		
	Default appointment duration	Set the default duration of meetings with customers. (Change the duration when setting up an appointment or by dragging the top or bottom of an appointment on the calendar grid to a desired time slot.)
	Use ZIP autofill for City & State	Activate the ZIP code autofill feature, which automatically displays a client's city and state information once the ZIP code has been entered.
	Mark all appointments Private	All appointments added to the Scheduler are marked as "Private," meaning they are not visible to other preparers. (Appointments can be marked "private" on the fly when setting up an appointment.)

Tab	Option	Description
	Use Reminders	Opt to send the preparer reminders of upcoming meetings and select how long in advance the preparer will receive the reminders. (You can also select this option on the fly when setting up an appointment.) NOTE: When automatic reminders are activated, you must temporarily deactivate them from your computer's system tray before downloading updates.
	Print/Export- Block-out meeting	When you click **Print** or **Export** from the Scheduler toolbar, this option "blocks out" the entire appointment time slot on the printed output or the Excel spreadsheet rather than just showing one line with the starting time and ending time of the appointment
	Display name as	Display the client's name by "First Last" or "Last, First."
	Working with External Calendars	Choose to share your Drake schedule with your Outlook or Google calendar. See "Importing and Exporting Calendars" on page 178.
	Edit preparer's schedule	Click **Edit** to establish a daily schedule for the logged-in preparer. Change the "in" and "out" times (lunch, vacations, holidays, etc.) for the staff. (Overrides settings from **Setup > Preparer(s) > Schedule**. See "Establishing Daily Schedules" on page 169 for details.
	Drag/Drop	Click the check box to turn on the drag-and-drop feature, allowing you to move appointments within the calendar grid.
Email		
	Default Subject line	Enter a message that will appear on the "Subject" line of all emailed appointment reminders sent to clients.
	I use an email program	Make this selection if you have an email program installed on your computer or network.
	Use my Drake Tax email account	If you have an email account set up in Drake's tax program and wish to use that program to send your scheduled appointment reminders, mark this option.
	Send Drake email immediately	Sends email through Drake Software with no intervening messages appearing on your screen

Setting Up Email

Setting up the Scheduler to send appointment reminders via email is easy. You have the choice of using an email program installed on your computer or one you set up in Drake Tax.

To select an email program:

1. From the **Scheduler** toolbar, click **Setup**.
2. From the **Scheduler - Setup** dialog box, click the **Email** tab.
   - Select **I use an email program on my computer** if you wish to use an email program already installed on your computer.
   - Select **Use my Drake email account** if you wish to use an email program you selected for Drake Tax. (For details on setting up an email program in Drake Tax, see "DrakePortals Back Up Offsite/Online" on page 323.)
3. Click **OK**.

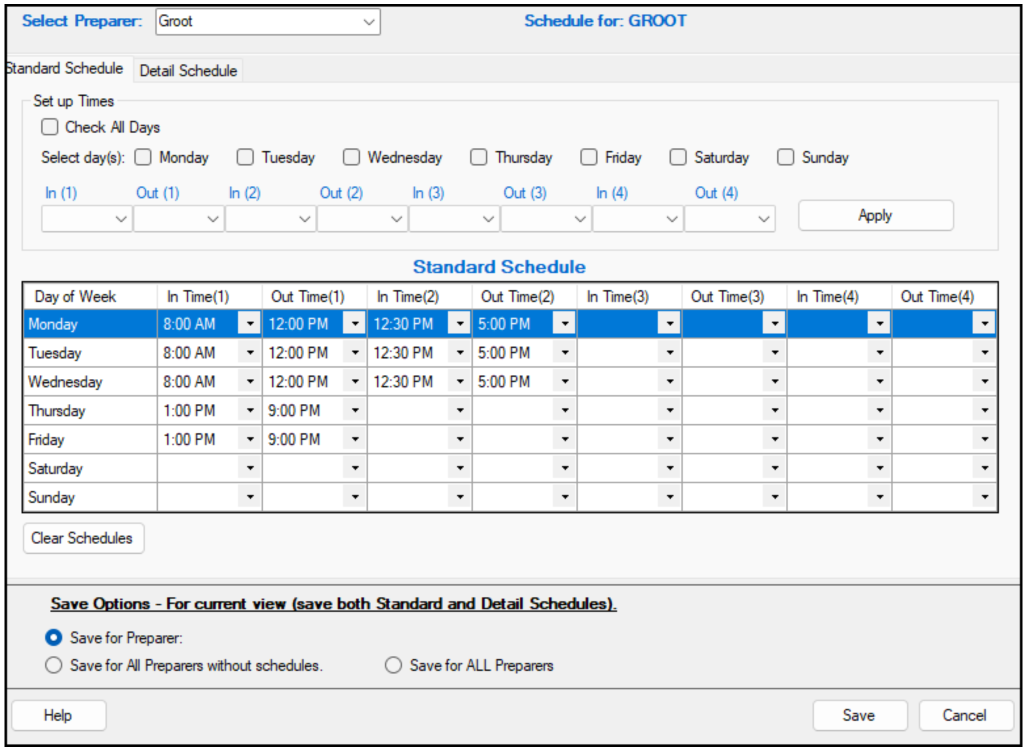
Establishing Daily Schedules

The Scheduler allows you to view, at a glance, the planned daily schedules of selected preparers, including the times they are scheduled to be in and out of the office.

To establish a *daily schedule* for a preparer:

1. From the **Scheduler** toolbar, click **Setup**.
2. From the **Scheduler - Setup** dialog box, select the **Appointment** tab and then click **Edit** to open the **Setup Preparer Schedule** dialog box (Figure 4-15 on page 170).

Figure 4-15: **Setup Preparer Scheduler** Dialog Box (for a Preparer)



3. From the **Select Preparer** drop list, choose a preparer.
4. In the **Set up Times** section, mark the check boxes for the days of the week this schedule will cover (the days the preparer will regularly be in the office) or click **Check All Days**.
5. Select the **In** and **Out** times. For instance, the time the preparer arrives in the morning (**In (1)**), goes to lunch (**Out (1)**), returns to the office (**In (2)**), and leaves for the day (**Out (2)**) for each day selected with the check boxes.
6. When you are satisfied with the weekly scheduler, click **Apply** to apply the chosen times to the preparer's calendar for each day selected. Enter or adjust these times on a daily basis in the **Standard Schedule** grid.
7. Click **Save** when finished.

To set up schedules for others preparers based on one you just completed or edited, from the **Save Options** section at the bottom of the **Setup Preparer Schedule** dialog box, select:

- **Save for All Preparers without schedules** – All preparers without a previous schedule will have the same schedule as the one just completed or edited.
- **Save for All Preparers** – All preparers will have the same schedule as the one just completed or edited, overriding previously saved schedules.

To clear the setup, click **Clear Schedules**.

For *recurring* changes or deviations from the regular schedule—such as days off, holidays, set times working in the field—click the **Detail Schedule** tab and:

1. In the **Set up Times** section, select a starting date and ending date for these deviations: for instance, if the office is closed during June or if the preparer is on vacation from July

1-14, or if the preparer is out of the office visiting clients every Wednesday afternoon from September 1 through January 30.

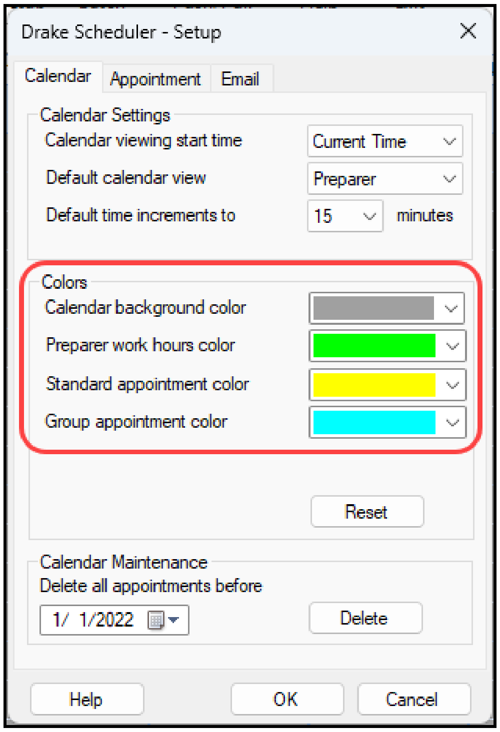
2. Select the days of the week this schedule will cover (or select **Check All Days**).
3. Set the preparer's arrival time the morning (**In (1)**) and departure time (**Out (1)**). If the preparer will not come in at all, leave the **In** and **Out** times blank.
4. When you have finished, click **Apply** and then **Yes**.

To set up changes to *individual days*—for instance, holidays, personal time, etc.—below the **Detail Schedule** grid, click **Add** to start a new row.

1. Click in the **Date** column of the new row to access a calendar. Click the down arrow to see a calendar grid, and click the left and right arrows in the upper corners of the opened calendar to change months. Click a day to select it.
2. Set the **In Time** and **Out Time**. Select "none" for days the preparer will be out of the office.
3. Add as many dates as needed. If necessary, select a line and click **Delete**.
4. When you're satisfied with the deviations to the preparer's regular calendar, click **Save**.

Calendar Colors

Use the **Colors** drop lists on the **Calendar** tab of the **Setup** dialog box to change the color of the background, the preparer's work hours, and the appointment times to more easily read the calendar.



To change the default colors displayed in the Scheduler calendar:

1. From the **Scheduler** toolbar, click **Setup** (or press CTRL+T) to open the **Setup** dialog box.
2. Select one of the **Colors** drop lists to open a **Color** options box (figure right). Select your desired color for each category.
3. *(optional)* Make a custom color and save it by clicking **Add to Custom Colors**.
4. Click **OK**.
5. *(optional)* Click **Reset** to revert to the default color schedule.

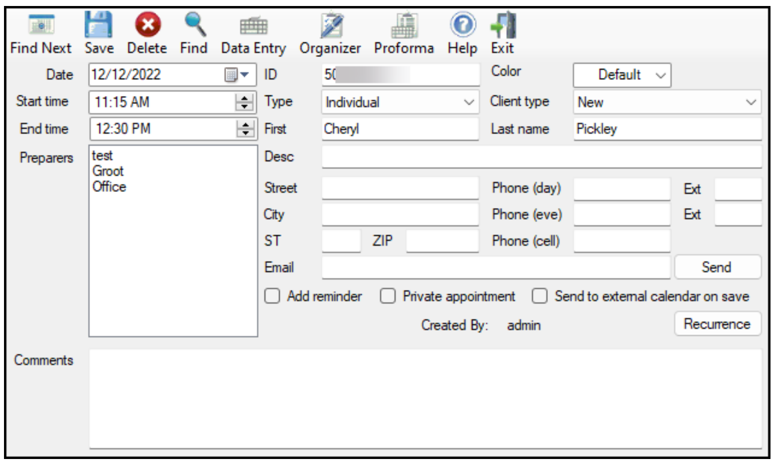
Scheduling Appointments

Appointments can be scheduled for an individual preparer or a group of preparers.

To schedule an appointment:

1. From the **Scheduler** toolbar, click **New Appt,** press CTRL+N, or double-click an appointment time in the schedule grid to schedule an appointment for that time slot. The **Appointment Detail** dialog box is displayed (Figure 4-16).

Figure 4-16: **Appointment Detail** Dialog Box



Preparer schedules and appointments are carried forward each year. From the Drake Tax **Home** window, go to **Last Year Data > Update Settings 2021 to 2022** and select **Preparers**.

2. Select or change the appointment **Date**, **Start time**, and **End time** as needed.
3. Enter the client's SSN or EIN in the **ID** field. If a client record already exists in Drake Tax, you will be asked if you wish to autofill the rest of the information. If not, complete the applicable client-information fields manually: **Type** (individual, fiduciary, corporation, etc.), **Client type** (returning, new), description (**Desc** field), **name, address**, **phone,** and **Email** fields.

Use the **Find** feature to access client data from the Scheduler and autofill the applicable fields. For more on this feature, see "Finding a Client Record" on page 176.

4. *(optional)* Click **Send** to send an appointment reminder to the client via the email address entered.
5. *(optional)* Override selections made in **Setup** by selecting (or clearing) the **Add reminder** or **Private appointment** boxes.

   - If **Add reminder** is marked, the preparer will receive automatic alerts regarding the appointment when he or she logs in to the tax program.
   - If an appointment is marked as a **Private appointment**, the assigned preparer is the only one allowed to access the appointment's data.
   - If an appointment should be a regularly scheduled meeting, click **Recurrence**, and provide information about the frequency (**Daily**, **Weekly**, or **Monthly**), the day of the week, and the end date of the recurring appointment. Click **OK**.
6. *(optional)* Select **Send to external calendar on save** to automatically send this appointment to the preparer's Google or Outlook external calendar when the appointment is saved.
7. Assign the appointment to one or more preparers by selecting a name under **Preparers**. To clear a selection, click the name a second time.
8. Click **Save**. The appointment is now displayed on the schedule grid.

Recurring appointments must be changed in the **Appointment Detail** dialog box.

- An appointment within a preparer's calendar can be changed by dragging and dropping it to another section of the calendar grid, and the duration can be changing by dragging either the top or the bottom of the appointment up or down. (Select the **Drag/Drop** check box from the **Setup**, **Appointment** tab to turn on the drag-and-drop feature.)

- To access the **Appointment Detail** dialog box from the **Data Entry Menu** within a return, right-click anywhere on the menu screen and select **Add Appointment** from the right-click menu. The **Appointment Detail** dialog box is opened to the time displayed on your computer's internal clock. Change the appointment time as necessary, and click **Save** to save the appointment information.

Batch Appointment Generator

The batch appointment generator reviews appointments from the previous tax year and creates new appointments in the current year's Scheduler. Set workday and holiday information to roll forward (or backward) to an available appointment date.

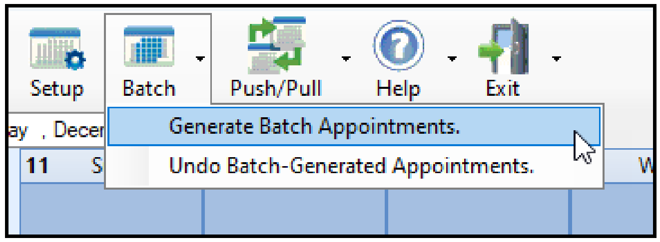
- This feature is available only to users with administrative rights. Appointments marked "private" are excluded from the batch process.

- You cannot use the batch appointment generator if you did not have any appointments set up using the Drake 2021 Scheduler.

To set up appointments using the batch appointment generator:

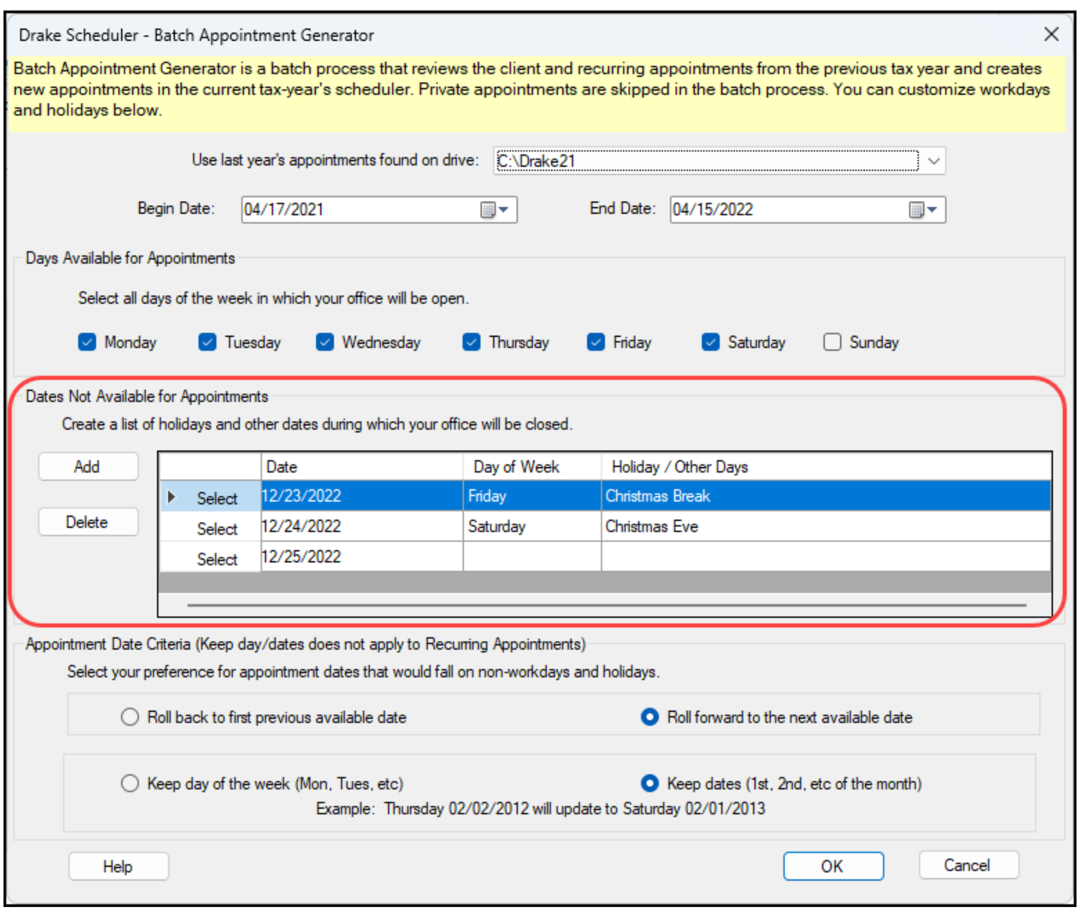
1. From the **Scheduler** toolbar, click the **Batch** icon and select **Generate Batch Appointments**. The **Batch Appointment Generator** dialog box is displayed (Figure 4-17).

Figure 4-17: Setting Up Batch Appointments



2. If necessary, select a location from the **Use last year's appointments found on drive** drop list.
3. Enter (or select from the calendars) a **Begin Date** and an **End Date**.
4. In the **Days Available for Appointments** section, select the days that should be available for appointments for this year.
5. Under **Dates Not Available for Appointments**, click **Add** to add any holidays or other days on which appointments should not be scheduled. To delete a date, click to the left of the date to highlight the line and then click **Delete**. (See Figure 4-18.)

Figure 4-18: Example of Dates Entered Not Available for Appointments



6. Select your preference for **Appointment Date Criteria**. Your preference applies when a rolled-forward appointment falls on a weekend or holiday. You can also select to keep the day of the week the same (for example, if a client wants a Monday appointment each year) or the date the same (for example, if a client wants to meet on the first day of a month).
7. Click **OK** to begin the batch appointment process.

The program creates appointments as defined by your specifications and preferences. Next, it displays the “**Scheduler - Batch Created Appointments”** report, which displays the following information:

- Summary of appointments that could not be generated (explanations provided)
- Number of appointments that had conflicts
- Number of new appointments generated

In addition, the report shows (1) which appointments had conflicts, along with the new times scheduled; and (2) the new times scheduled for all other appointments.

To undo batch-generated appointments, from the **Appointment Scheduler** toolbar, click **Batch**, select **Undo Batch-generated Appointments**, and click **Yes**. The batch-generated appointments are removed from the current year’s schedule.

Find Next Available Appointment

To locate the next available appointment time in the Scheduler:

1. From the **Scheduler** toolbar, click **New Appt**, press Ctrl+N, or double-click an appointment time in the schedule grid.
2. From the **Appointment Detail** dialog box, select a preparer and click **Find Next** (see icon at left) or press Ctrl+F to open the **Find Next Appointment** dialog box.
3. In the **Preparers** list, choose any other preparers you want added to the search.
4. Make selections from the **Begin Date** and **End Date** drop lists.
5. Under **Optional Search Options**, narrow the search by specifying days or times.
6. Click **Find**. All available appointment times from the selected preparers are listed. Double-click a row, or click a row and click **Select** to return to the **Appointment Detail** dialog box.

To see a complete list of all open appointments for the remainder of a day, week, or month, at the top of the **Find Next Appointment** dialog box, click the **Quick List** tab.

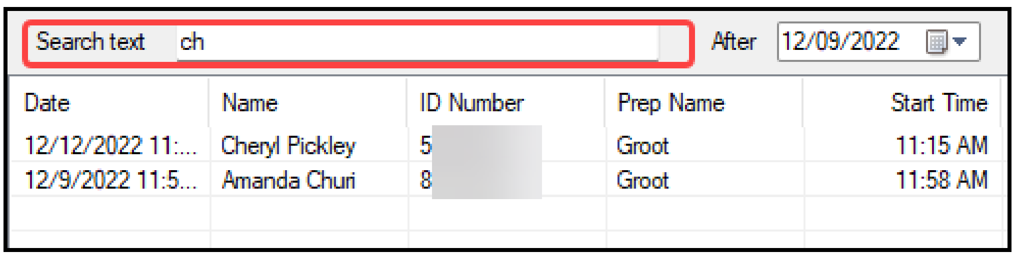
Find Scheduled Appointment

Find scheduled appointments by searching for names or ID information for all clients. To search for a client's appointment in the Scheduler:

1. From the **Scheduler** toolbar, click **Search** (or press CTRL+S) to open the **Scheduler Search**.
2. Select a starting date for the search.
3. Enter one or more keywords (SSN, EIN, or name of the client, name of the preparer, etc.) in the **Search Text** field.

The program searches all **Appointment Detail** information for these keywords. Results are displayed in the **Scheduler Search** window as you type. In Figure 4-19, all scheduled appointments with clients whose name has "ch" are listed.

Figure 4-19: Scheduler Search Results



Double-click an appointment row to open that appointment in the **Appointment Detail** window.

Finding a Client Record

The **Lookup** feature allows you to find a client's record and insert client information into the **Appointment Detail** dialog box.

To locate a client record:

1. From the Scheduler toolbar, click **New Appt** (or press CTRL+N) to open the **Appointment Detail** dialog box.

2. From the **Appointment Detail** toolbar, click **Find** (see icon at left).
3. Select the drive to search from the **Select clients from this location** drop list.
4. Select a client name from the displayed list, or type a name or SSN or EIN into the **Enter search text** field.
5. Select a client and click **OK** (or double-click the client). You are asked if you wish to automatically fill the client information fields (client name, address, phone numbers, client type, appointment type, email address). If so, click **Yes**. The list is closed and applicable fields are filled with client data. (Content is determined by what was entered on screen **1** of Drake Tax.)

If you replace data in an autofilled field, your entry does not overwrite the prior data stored in the client's Drake Tax record.

Changing Appointment Details

To change the details of an appointment that has already been entered into the Scheduler, double-click the appointment in the appointment grid. When the **Appointment Detail** dialog box for the selected appointment is opened, make any necessary changes. Click **Save**.

Deleting an Appointment

To delete an appointment from the Scheduler:

1. Double-click the appointment in the appointment grid.
2. Click **Delete** in the **Appointment Detail** toolbar.
3. Click **Yes** to confirm the deletion.

Colors and Types of Appointments

Select different colors for different types of scheduled appointments—for instance, red for ***new*** individual clients, blue for ***returning*** individual clients, green for new ***corporation*** clients, orange for ***returning*** corporation clients, etc.—to help you more easily recognize appointments on the calendar.

To add colors to your scheduled appointments:

1. From the **Scheduler** toolbar, click **New Appt** to open the **Appointment Detail** window.
2. Set up your appointment by filling in the corresponding fields. Before you save the appointment:
   - Select a color from the **Color** drop list.
   - Choose types from both the **Type** and **Client type** drop list.
   - Click edit and give the color a name (for instance, "Returning 1040").
3. Click **Save**.
4. Save the appointment.

The appointment is saved to your Scheduler calendar in the selected color. You can choose a different color for every type in the **Type** list and in the **Client type** list.

Printing/Exporting Preparer Schedules

Drake Tax allows you to print or export (to an Excel file) preparer schedules for a specified time range for a specific date or week. Schedules are printed or exported for all preparers.

To print or export a schedule for a specified preparer, see "Creating Appointment Reports" on page 180.

Printing

The **Print** feature sends the appointments for the selected date, week, or month for any preparer selected from the **Preparer to View** list to the printer of your choice.

From **View Options**, select **Daily View**, **Weekly View**, or **Monthly View**. From the **Scheduler** toolbar, click **Print**. In the **Specify Desired Time Range** window, select a **Starting Time** and **Ending Time** and click **OK**. Results are displayed based on the view (daily, weekly, or monthly) selected.

Exporting

The **Export** feature of the Scheduler sends the data for the selected view (daily, weekly, or monthly) to an Excel spreadsheet.

Reporting

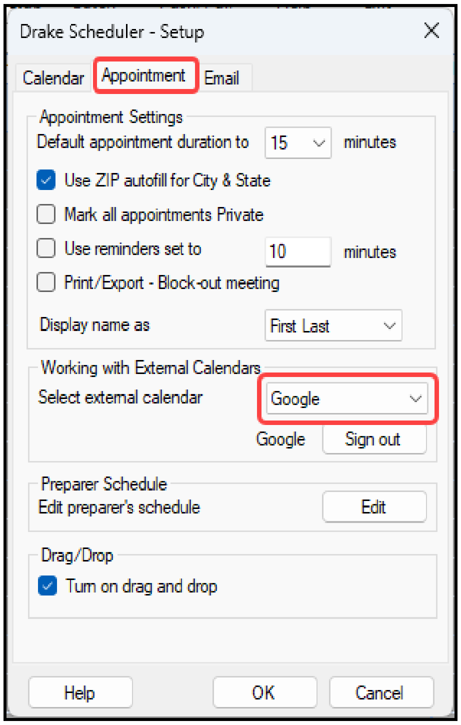
The **Reports** feature of the Scheduler allows you to build reports based on appointment data. For more details, see "Creating Appointment Reports" on page 180.

Importing and Exporting Calendars

Drake Tax can export appointments in Scheduler to your Outlook or Google calendar, or pull appointments made in those calendars into your Scheduler calendar. To import and export calendar appointments, you must first set up your Scheduler.

1. From the **Scheduler** toolbar, click **Setup** (or press CTRL+T).
2. From the **Appointment** tab of the **Schedule - Setup** dialog box (Figure 4-20 on page 179), make a selection (Google or Outlook) from the **Select external calendar** drop list.

Figure 4-20: **Appointment** Tab of the **Drake Scheduler- Setup** Dialog Box



3. Click **OK**.

To export your Drake Tax calendar or import your Outlook or Google calendar, take the following steps:

1. From the **Scheduler** toolbar, click **Push/Pull**.
2. Select to "Pull future appointments from..." or "Send future appointments to..."
   - If you select to pull appointments from your Outlook or Google calendar, when the **Pull Appointments** dialog box is opened, select the appointments you wish to bring into your Scheduler calendar and click **Import**.
   - If you choose to send your Scheduler appointments to your Outlook calendar, ***all*** appointments are exported.

- To delete all previously imported appointments, select **Remove everyone's imported appointments** from the **Push/Pull** drop list.

- Use the Google **Sign out** button when moving appointments between Drake's Scheduler and several Google calendars. You must sign out of one account and sign in with a new Google account before you can use the Push/Pull feature with another preparer.

Synchronized Schedules

The Scheduler calendar is now synchronized to your outside calendar (Google or Outlook only) so that a change on one changes the other. For instance, if your client reschedules a meeting, make the change in your Scheduler calendar and your Google or Outlook calendar—whichever you set up in Scheduler—is changed automatically. If you are out of the office and can get to your Google or Outlook calendar, make the change there and your Drake Scheduler is changed for you.

Creating Appointment Reports

The Scheduler works with the Reports feature in Drake Tax to provide reports based on appointment data. To generate a Scheduler report:

1. Open the Scheduler and click **Reports**. The **Report Manager** is opened.
2. Expand the **Schedule Reports** and **Client Contact** menus to show the four types of reports that can be generated, listed in Table 4-2.

Table 4-2: Scheduler Report Types

Schedule Report	Description
Call List for all Preparers	Lists the appointments scheduled for all preparers; data types include preparer's name, appointment time and date, client name and ID number, duration of appointment, phone numbers, and client type
New Client Appointments	Lists new clients entered for a selected preparer; data types include appointment time, start time, client name, client SSN, and client phone numbers.
Preparer Appointments	Lists the appointments for all preparers; data types include preparer name, appointment date and time, client name and ID number, duration of appointment, client phone numbers, and client type.
Preparer Call List	Lists the appointments for a preparer; data types include preparer name, appointment date, start time, client name and ID number, and client phone numbers.

3. Click a report type to select it.
4. Click **View Report**. You are asked if you want to create the report again using current data.
5. *("Call List for all Preparers" and "New Client Appointment" reports only)* Make any desired changes to the **Basic Search Conditions** dialog box.
6. *("Preparer Appointments" and "Preparer Call List" reports only)* Select the parameters of the report from the **Comparison** drop list.
7. Click **Continue**. The report is displayed in the Report Viewer.

Once you are in the Report Viewer, print or export the report. For more information on reports, see Chapter 11, ["Reports."](#)

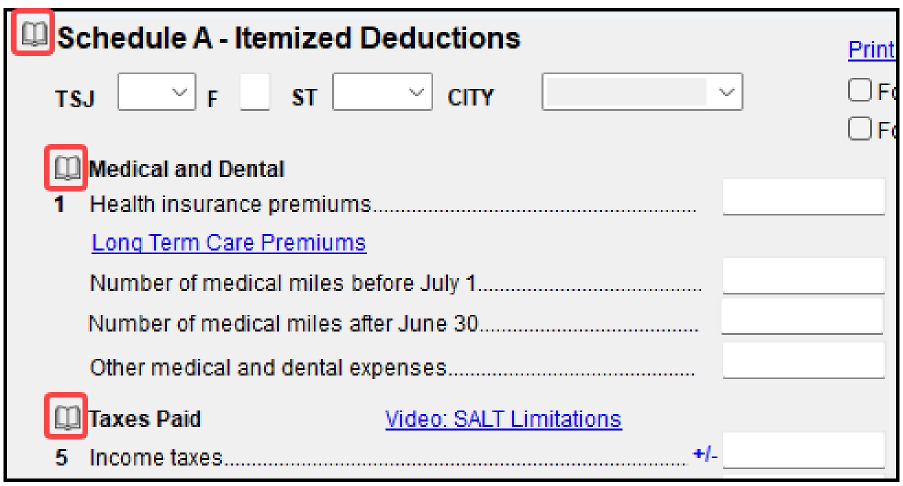
Data does not flow to the **New Client List** from other parts of Drake Tax; data flows only from the Scheduler itself. To designate a client as a new client, select **New** from the **Client Type** drop list in the **Appointment Detail** dialog box.

TheTaxBook's WebLibrary

If you have a subscription to TheTaxBook—a favorite tax and accounting research system among CPAs—you can take advantage of the links in Drake Tax to TheTaxBook's research website and WebLibrary. Affordable and fast online tax research and the most up-to-date tax information will be at your fingertips.

Click one of the TheTaxBook "book" icons (circled in Figure 4-21) on a data-entry screen in Drake Tax to access TheTaxBook's research library, the "TaxLibrary." The link takes you to relevant information for the form or schedule you are working in.

Figure 4-21: TheTaxBook Icons on Screen **A** in the 1040 Package



You also can access TheTaxBook from the research icon, located on the **Home** window toolbar of Drake Tax 2022 (see icon at left). Order TheTaxBook WebLibrary Plus in any of the following ways:

- Directly from Drake Software when you purchase or renew your tax program
- At *www.thetaxbook.com/drake* (Use promo code 799)
- Call (866) 919-5277
- Mail order form to TheTaxBook (address provided on the form; access the form from your Drake Software User Account)

For more information, sign in to your User Account at *Support.DrakeSoftware.com*, and from the blue menu bar on the left, select **Products > TheTaxBook**.

Audit Protection

A comprehensive audit assistance program is available through Protection Plus Audit Assistance. The service works with 1040 returns, including Schedules A, C, and E, handles ITIN W-7 rejections, assists in getting denied EIC claims funded, offers tax debt relief assistance, assists with IRS issues concerning identity theft, and pays up to $2,500 in penalties, interest, and tax liabilities should an error occur. (Nonresident federal returns (1040-NR) are excluded from Protection Plus products.)

Protection Plus includes a pricing option so that tax offices that are franchisees or part of a network can charge an additional fee on top of the fees the ERO charges for tax preparation.

The audit protection program costs you nothing and costs the taxpayer a minimum of $44.95; you are allowed to mark up the price to a maximum of $54. If you are charging the **Protection Plus Markup Amount** and the **Franchise/Network Markup Amount**, the two cannot total more than $54.

If the taxpayer is receiving a bank product, the fee is automatically deducted from his or her refund and Drake Software will return the audit protection markup amount to you on a schedule to be announced. If the taxpayer is not receiving a bank product, you collect the fee when the customer pays for his or her tax return preparation and Protection Plus bills you for the Protection Plus fees that you collected.

For more information or to enroll with Protection Plus, sign in to your User Account at *Support.DrakeSoftware.com*, and, from the blue sidebar menu, click **Products > Audit Assistance**.

Set Up Audit Protection

Once you have completed your Protection Plus application through your User Account, go to the **Home** window of Drake Tax, and from the menu bar, click **Setup > Firm(s)** to open the **Firm Setup** dialog box. Double-click the firm to activate the tabs on the lower half of the dialog box. Click **Confirm**, which not only confirms your EFIN has been registered at Drake Software but also imports your banking and audit protection information directly from the applications. Click the **Audit Protection** tab—note that the lower half of the window is not active. To modify your audit protection information, click the **Update Audit Protection Application** link.

To set up a client to receive (and be charged for) Protection Plus:

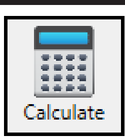
1. Open a 1040 return.
2. From the **General** tab of the **Data Entry Menu**, click **AP** to open the Protection Plus Audit Protection screen.
3. Select the **Yes** check box to enroll this client in the audit protection program. (The default selection is **No**.)

5

Return Results

This chapter covers calculating, viewing, and printing returns. A return must be calculated before it can be viewed, printed, or e-filed. Calculate returns as often as needed.

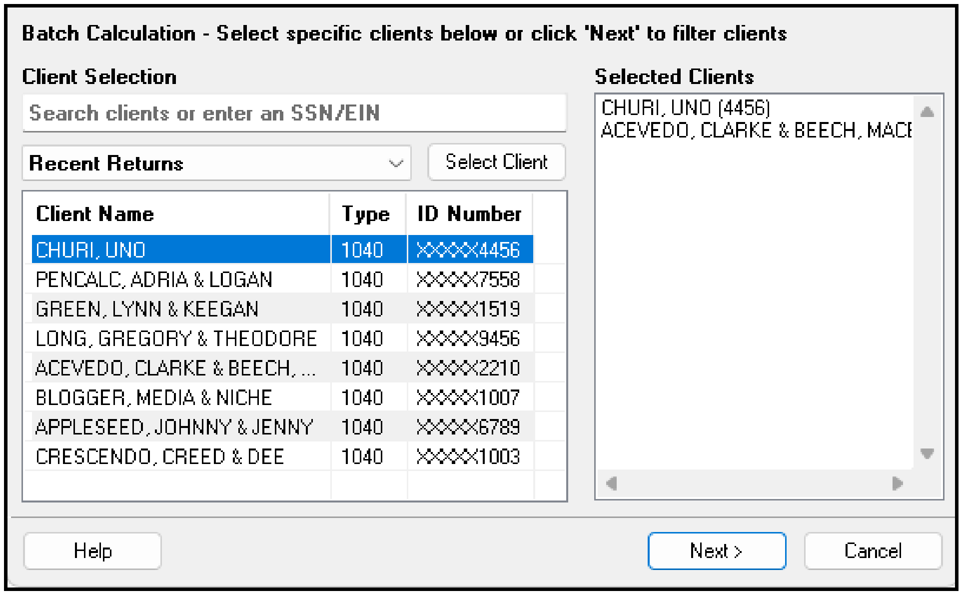
Calculating a Return



To calculate a return from data entry, open the return and click **Calculate** (or press CTRL+C). By default, results are displayed in the **Calculation Results** window. (See Figure 5-2 on page 185.) To calculate one or more returns from the **Home** window (without opening a return to data entry):

1. From the **Home** window's toolbar, click **Calculate** to open the **Batch Calculation Client Selection** dialog box (Figure 5-1 on page 184). Recently opened returns are listed in the **Client Name** pane.

Figure 5-1: **Batch Calculation** Dialog Box



2. To begin selecting returns to calculate:

a. Type an ID number (SSN or EIN) in the **Client Selection** box. The clients are filtered as you type. In the example in Figure 5-1, all clients with the successive digits of "40000" in their ID numbers are displayed in the pane under **Client Name**.

b. Double-click the client to send the return to the **Selected Clients** list on the right side of the **Batch Calculations** window.

Alternately, click a client from the **Client Name** list and click the **Select Client** button to move that name to the **Selected Clients** list.

To help narrow your search, click the **Recent Returns** drop list and choose a return type (1040, 1120, etc.).

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3. Repeat the previous steps until all returns you wish to calculate are listed under **Selected Clients**.

4. Click **Next** (or press ENTER (↵)) and the program calculates the returns.

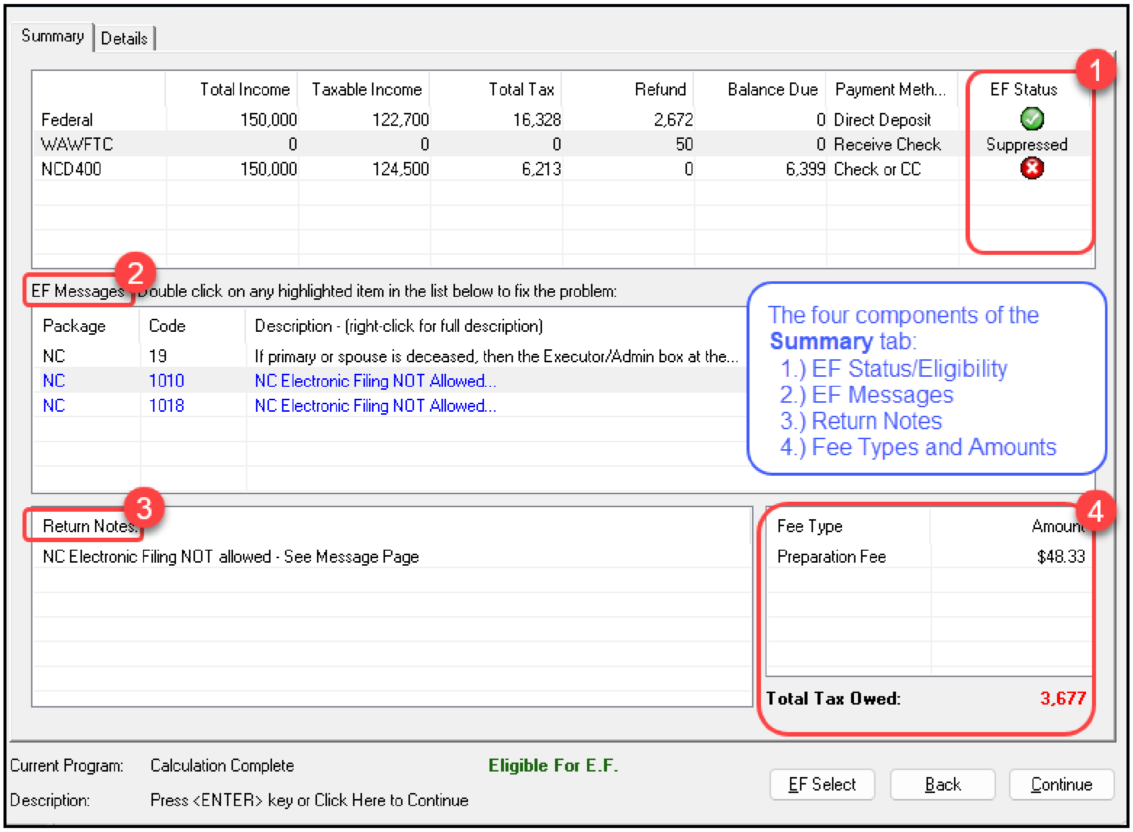
Calculation Results Window

When you calculate a return from data entry, the **Calculation Results** window (Figure 5-2 on page 185) is displayed by default. To change how the **Calculation Results** window appears, use the **Pause option for calculation** drop list on the **Calculation & View/Print** tab of **Setup > Options**. For more information, see Table 2-5 on page 63.

Calculation Summary

The **Summary** tab, shown in Figure 5-2, has four main sections: EF Status, EF Messages, Return Notes, and Fee Types and Amounts. (See “Fee Type/Amount” on page 188 for details.)

Figure 5-2: **Calculation Results** Window



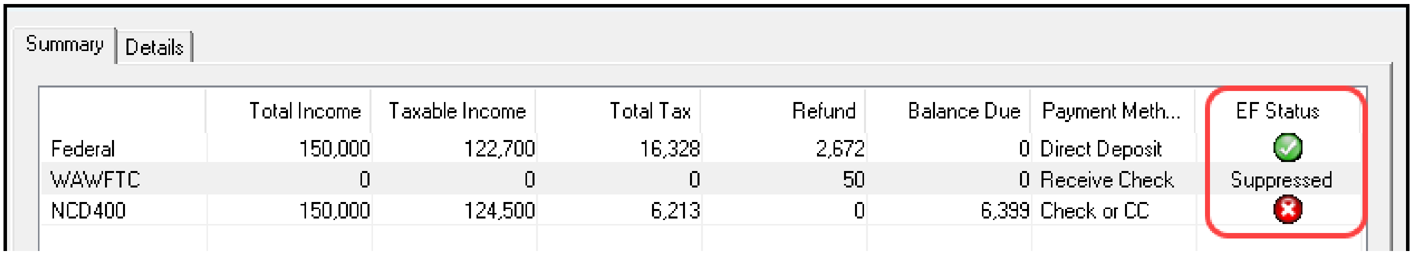
The **Summary** tab displays the taxpayer’s total income, taxable income, total tax, refund amount, balance due, and payment method, plus the e-file eligibility of the return. (See “EF Status Column,” following.)

EF Status Column

The **EF Status** column of the **Calculation Results** window displays the e-file eligibility of any federal and state forms calculated for the selected return. A green check mark (Figure 5-3 on page 186) is displayed when the default product (Form 1040) is eligible for e-file—that is, when there are no EF Messages and no other products have been selected on the **EF** screen. A red **X** indicates that a prepared product is not eligible for e-file, having received an EF Message.

Any of the other federal products that are eligible to be e-filed (for instance, extension requests, amended returns, Forms 4868, 2350, 9465, or 56) and that will be a part of the e-file transmission also receive green check marks when they have been selected for e-file on the **EF** screen and they have no EF Messages.

Figure 5-3: Indicators in the **EF Status** Column



Summary | Details

	Total Income	Taxable Income	Total Tax	Refund	Balance Due	Payment Meth...	EF Status
Federal	150,000	122,700	16,328	2,672	0	Direct Deposit	[green check]
WAWFTC	0	0	0	50	0	Receive Check	Suppressed
NCD400	150,000	124,500	6,213	0	6,399	Check or CC	[red X]

Other indicators give the status of other returns and forms, and vary by package. Table 6-1 describes these EF indicators:

Table 5-1: EF Indicators and Eligibility on the **Calculation Results** Window

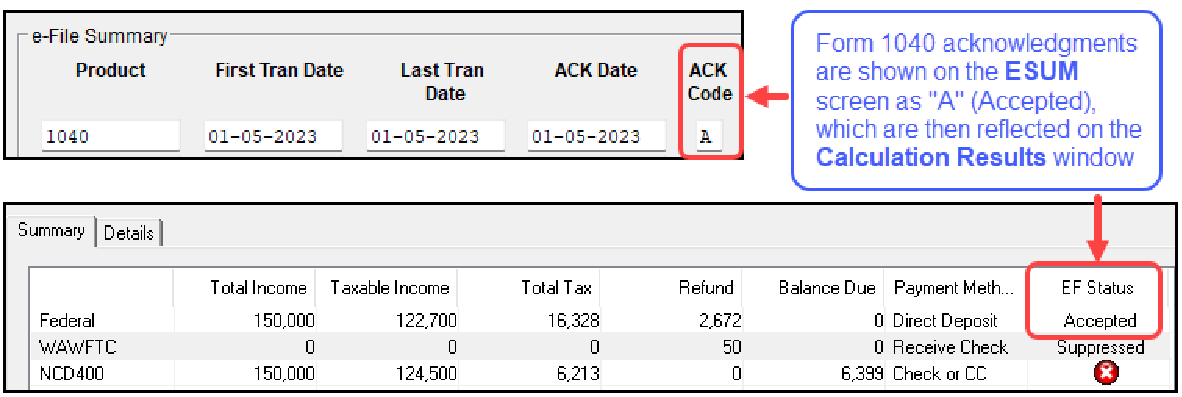
Indicator	EF Eligibility
Green Check Mark	Default product is eligible and has no EF Messages; other eligible products have been selected for e-file and have no EF Messages.
Red X	Product not eligible for e-file due to EF Messages
Accepted	Product has already been transmitted and has received "A" acknowledgment (product appears on **ESUM** screen with "A" Ack).
Suppressed	Product included in the return is ready for e-file (no EF Messages) but a **Do NOT send Federal**, **Do NOT send any states**, or **Suppress federal/state EF** check box has been selected on the **EF** screen or at **Setup > Options, EF** tab.
Paper-File	Suppress federal/state EF... check box has been selected on the **EF** screen or at **Setup > Options, EF** tab.
Not Selected	Product included in the return is ready for e-file (no EF Message) but has not been selected on the **EF** screen.
Not Available	e-File is not available for a specific state product. Can be used in a federal product for forms that are part of the federal product but will not be e-filed with the return. Example: Even though you can complete Form 5227 in the 1041 package, Form 5227 will receive a "Not Available" indicator because the IRS does not allow Form 5227 to be e-filed; it must be paper-filed.

Notes on the 1040 **Calculation Results** window when filing Form 9465, Installment Agreement Request:

- The IRS recommends filing Form 9465 online. Go to screen **9465** (available from the **Other Forms** tab), and click the **IRS OPA Application** link to go to the IRS Online Payment Agreement Application website.
- If Form 9465 is prepared along with Form 1040, and there are no EF messages and nothing has been selected on the **EF** screen, then the 1040 receives a green check mark and both forms are marked on the EF Status page in View/Print mode as ready to be e-filed. (ETD_MSG 314 is also generated, stating that to file Form 9465 alone, it must be marked on screens **EF** and **PIN**.)

- If Form 9465 is prepared along with Form 1040, and there are no EF messages and **9465 only** has been selected on the **EF** screen and **9465** is selected on the **PIN** screen, then the **Form 9465** line of the **Calculation Results** window displays a green check mark in the **EF Status** column and the **Federal** line displays a “Not selected” indicator. Only the 9465 is marked for e-file on the EF Status page and be available for e-file.
- If Form 9465 is prepared along with Form 1040, and there is an EF Message or ETD_MSG, and the **9465 only** check box has been selected on the **EF** screen and the **9465** check box has been selected on the **PIN** screen, then the **9465** line of the **Calculation Results** window displays a green check mark and the **Federal** line displays a red “X.” Only the 9465 is marked on the EF Status page and available for e-file.
- The **ESUM** screen has a line for Form 1040 and a separate line for Form 9465 (top photo in Figure 5-4). If the 9465 is e-filed with the 1040 and the preparer receives an acknowledgment for the 1040 (which includes the 9465 transmission), the **ESUM** screen displays each product as having been accepted, triggering the “Accepted” indicator to be displayed on the **Federal** line of the **Calculation Results** window, indicating that both federal forms —1040 and 9465—were accepted. The preparer will not receive a separate acknowledgment for the 9465 in this case. If the 9465 is sent separately from Form 1040, the **9465** line displays an “Accepted” indicator on the **Calculation Results** window (bottom photo in Figure 5-4) and the preparer receives a separate acknowledgment for the 9465.

Figure 5-4: The “Flow” of Acks from the **ESUM** Screen to the **Calculation Results** Window



EF Messages

The **EF Messages** section of the **Calculation Results** window (see Figure 5-2 on page 185) lists e-file message codes and descriptions by package. EF Messages pinpoint the reason a return is ineligible for e-file. Identified issues must be corrected for a return to be eligible for e-file.

- **Accessing full messages** — Most messages do not fit in the **Description** row. To view a full message, double- or right-click a row, and select **View Full Text Of EF Message**.
- **Accessing message link**s — If an EF Message is blue, double-clicking it opens the data entry screen that contains the error. If applicable, the field that caused the EF message is activated.

EF Messages appear on the MESSAGES page in View/Print mode. For more information on viewing and eliminating EF Messages, see “e-Filing a Return” on page 243.

Return Notes

The **Return Notes** section (see Figure 5-2 on page 185) displays informational notes about the return. These notes provide details about the return, but they do not require that changes be made, and they do not prevent e-file. They appear on the NOTES page in View/Print mode.

— Hiding Federal Notes —

Screen: **HIDE**

To keep a specific Return Note from being generated whenever you view this return, go to the **Miscellaneous** tab of the **Data Entry Menu**, select the **HIDE** screen, enter (in any box) the number of the Return Note you wish to hide, and then recalculate the return.

Mark or clear the **Show all Return Notes** box to toggle viewing of the suppressed Return Notes rather than deleting and reentering the numbers each time you recalculate the return.

— Hiding State Notes —

Screen: **HID2**

Hide state Return Notes that you do not want generated each time you view a particular return. From the **States** tab of the **Data Entry Menu**, click **HID2**.

From the **State/City** drop list on the **Hide City/State Return Notes** screen, select the state or city return that generates the Return Note you wish to suppress. If the Return Note is being generated for a specific LLC return, put the number of that LLC return in the **LLC/MFC** field, or enter an applicable MFC if you have multiple instances of a screen and you want to suppress the one responsible for generating the Return Note. If there are separate returns for the taxpayer and spouse, make a selection from the **T or S** drop list; note that this field is applicable only for select states.

In the **Notes to suppress...** fields, type the numbers of the Notes you wish to stop being generated. (Return Notes are listed by number in the NOTES page of the state and federal returns in View/Print mode.) If there is more than one, list them all by number, with each number separated by a comma. For instance, to suppress Return Notes 10, 123, and 220 for an Ohio School District return, from the **State/City** drop list, select **OHSD100**. In the **Notes to suppress...** field, type `10,123,220`.

Mark or clear the **Show all City/State Notes** box to toggle viewing of the suppressed Notes.

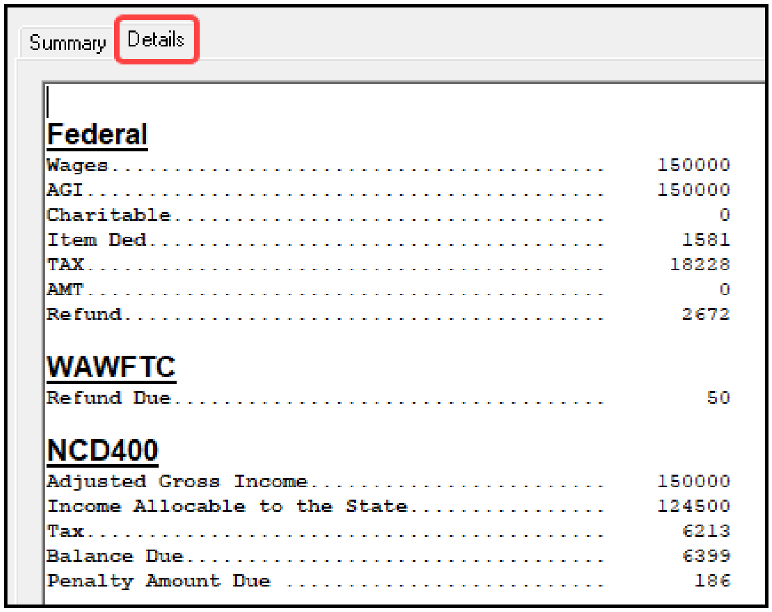
Fee Type/Amount

The **Fee Type** and **Amount** columns (see Figure 5-2 on page 185) list the preparation fees, and when bank products are present, the bank fees and the net amount of any refund check (or the total of all fees charged if the return has a balance due). (To have the fee type and amount displayed here, select **Display client fee on Calculation screen** from **Setup > Options**, **Calculation & View/Print** tab.) Fee breakdowns appear on the bank product information page in View/Print mode when bank products are present.

Calculation Details

The **Details** tab displays return amounts in an easy-to-read format (Figure 5-5).

Figure 5-5: The **Details** Tab of the **Calculation Results** Window



Click **Print** (at the bottom of the **Details** window) to print the details displayed

Federal Withholding Summary

The program produces a "Federal Income Tax Withheld" worksheet (listed as "Fed Withholdings" in View/Print mode) that lists all forms and schedules on which federal withholding has been reported in the return.

You can set a lower limit for the number of forms and schedules that will trigger generation of the "Federal Income Tax Withheld" worksheet. For instance, if you select "5," then the "Federal Income Tax Withheld" worksheet is not generated for returns with five or fewer forms and schedules that report federal withholding.

From the menu bar of the **Home** window in Drake Tax, select **Setup > Options**, **Form & Schedule Options** tab. In the **Select to Turn On** section, mark the **Federal Withholding Summary** check box, then select a number.

Viewing and Printing a Return

There are several ways to view or print a return:

- Click **View** or **Print** from the toolbar of the **Home** window (without opening a return)
- Press CTRL+V (to view) or CTRL+P (to print) from the **Home** window or from within any data entry screen
- Click **View/Print** from the toolbar of any **Data Entry Menu** within a return
- Click **View/Print** from the toolbar from within any data entry screen
- Right-click from any data entry screen and select **View Return** or **Print Return**

If results are first displayed in **Calculation Results**, click **Continue** to proceed.

> If you selected **Enable Windows standard keystrokes** at **Setup > Options**, **Data Entry** tab, then to calculate or view the return from data entry, you must press CTRL+SHIFT+V (to view) or CTRL+SHIFT+P (to print).

If you view or print more than one return at time by clicking the **View** or **Print** icon from the **Home** window toolbar and making more than one selection from the Return Selector, a **Next** icon (figure at left) appears on the toolbar in View/Print mode. Click this **Next** icon to move from the first return to the next (or press ENTER (↵)).

Returns can be viewed in either Enhanced mode or Basic mode. In Enhanced mode, expand the tree view as needed and click the name of a form to view it. In Basic mode, view a form by double-clicking the label in the cascade of forms.

> To view helpful video tutorials on printing, archiving, or emailing returns, click the arrow beside the **Print**, **Documents**, **Email**, or **Help** icons on the Enhanced mode toolbar.

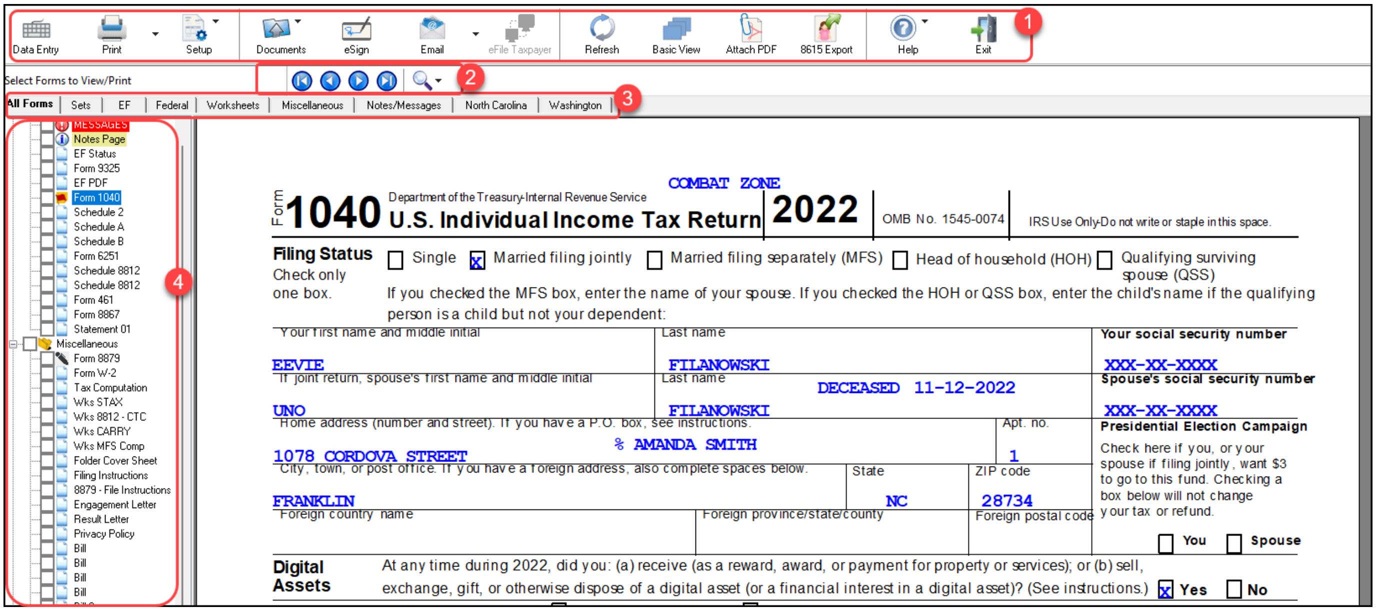
Viewing a Return (Enhanced Mode)

Enhanced mode—the default View/Print mode—consists of five main components, numbered corresponding to the items in Figure 5-6 on page 191:

1. **Toolbar** — Contains icons for performing actions regarding the return. (See Table 5-2 on page 191.)
2. **Viewing Tool** — Allows zooming and clicking through the various forms.
3. **Category Tabs** — Groups documents within a return; select a tab to view all documents within a category.

4. **Tree View** — Shows all documents in a return; can be expanded or collapsed.
5. **Viewing Panel** — Displays the selected document.

Figure 5-6: **View/Print** (Enhanced) Mode



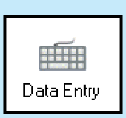
These five components are described in the following sections.

"Basic" mode (the View and Print screens used prior to 2008) is available for those who prefer it; see Table 5-2.

Toolbar

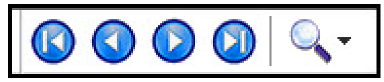
The Enhanced mode toolbar consists of the buttons described in Table 5-2.

Table 5-2: Enhanced Mode Toolbar

Button	Description
	Leave View/Print mode and return to data entry.
	Send selected forms to printer, including the Drake PDF printer (includes option to password-protect PDF file); email selected forms; "quick print" only the form open in the viewer. Links to video tutorials are also available.

Button	Description
	Mask SSNs; set up form properties, color, and order, including drag-and-drop ordering. Access other setup options available in the program. There are also links to Drake Documents, Pricing, Printing, and Sets setup.
	Click the arrow on the side of the icon to open the taxpayer's folder in Drake Documents, to archive the open the return, to open the Archive Manager, or to view video tutorials on archiving and printing returns in Drake Documents. For more, see "Archive Manager" on page 214 and "Drake Documents" on page 362.
	Use with electronic signature pad to digitally sign tax forms in View/Print mode or from Drake Documents. See "Electronic Signatures" on page 199.
	Email the return to a selected recipient. Links to video tutorials are also available.
	e-File a return directly from View/Print mode by clicking the **eFile Taxpayer** icon on the View/Print mode toolbar. (All EF Messages must be cleared.) The file is transmitted, and a "P" or "B" "ack" (acknowledgment) is returned. **NOTE:** The check box **Allow EF from View/Print** must be selected from **Setup > Options, EF** tab for this icon to be visible.
	Update the viewed return to reflect any changes made by another preparer working in the open return.
	Switch to the cascade view (the exclusive view used by Drake Software before 2008).
	Open the K1 Export tool. (This button is visible only for certain business returns.)
	Open the 8615 Export tool. (This button is visible only for returns with dependents.)
	Access Drake Software's program help and view several video tutorials dealing with items such as DoubleCheck, LinkBacks, LookBack, and archiving, emailing, and printing to Drake Documents.
	Exit View/Print mode and return to the **Home** window of Drake Tax.

Viewing Tool



Use the arrows and zoom icon when viewing in Enhanced mode.

Click the arrows to move forward or backward through the forms; click the magnifying glass icon to zoom in or out.

Troubleshooting

If you have issues when ***viewing*** (not ***printing***) your client's bill or any of the client results letters (listed in View/Print mode as "Result Letter," "Engagement Letter," "Customized Letter," "Privacy Policy," and "Amended Letter"), such as text that's too large or running off the page, follow these steps to remedy the problem:

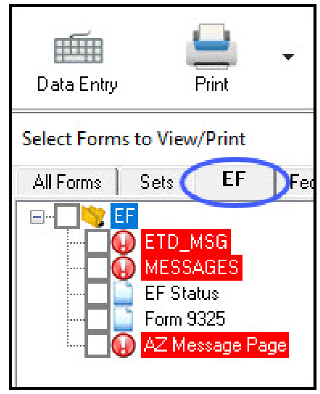
1. Open a return and view it.
2. Select the letter or bill from the document tree on the left side of the screen.
3. In the viewing pane (item #5 in Figure 5-6 on page 191) right-click the screen, and from the right-click menu, select **Fit Width**, **Fit Height**, or **Fit Page**.
4. Alternately:
   - Click the magnifying glass at the top-right corner of the viewing pane.
   - Select **Fit Width**, **Fit Height**, or **Fit Page**.
   - Select a sizing percentage from **Zoom Percentage** until the letter or bill looks the way you want.

If you are using Basic view mode and wish to change the viewing percentage:

1. Double-click a letter or bill in the cascade of forms. (Alternately, right-click the letter or bill and choose **View Form** from the right-click menu.)
2. Right-click the letter or bill and select **Fit Width**, **Fit Height**, or **Zoom Percentage**. If you choose **Zoom Percentage**, select a sizing percentage until the letter or bill looks the way you want.

These procedures are for viewing problems, not printing problems. If you are experiencing problems when printing your letters or bills, see "Printing Setup" on page 99.

Category Tabs



Labeled tabs allow you to view sections of the return according to selected categories.

For example, if you click the **EF** tab (figure right), only the documents directly related to e-file are displayed in the tree view.

Category tabs and descriptions are provided in Table 5-3.

Table 5-3: Category Tabs and Descriptions

Tab	Items Shown in Tree View
All Forms	Every form generated during production of the return
Sets	Forms as distributed into the printer sets selected in **Setup > Printing > Printer Setup > (F6) 'Sets' Setup** tab
EF	All forms for e-file, in addition to any EF Messages
Federal	All forms for filing the federal tax return
Worksheets	All worksheets produced with the return
Miscellaneous	Such items as W-2 forms, letters, overflow statements, depreciation lists, bill summary, direct deposit summary, notes, etc.
Notes/Messages	Return Notes and EF Messages only (To keep a specific Return Note from being generated whenever you view this return, go to the **Miscellaneous** tab of the **Data Entry Menu**, select the **HIDE** screen (or **HID2** screen, for states), enter the number of the Note to hide, and then recalculate the return.)
[State]	All forms for filing the [state] tax return
Gift tax	Form 709 documents, if applicable

Tree View Directory

A tree view directory of all forms, worksheets, and other documents in a return allows you to see all the components of a return. (See item #4 in Figure 5-6 on page 191.) Expand or collapse the tree as necessary for your viewing needs.

Viewing Panel

The viewing panel (item #5 in Figure 5-6 on page 191) provides a preview of a selected document within the return. To preview a document, click the document name in tree view.

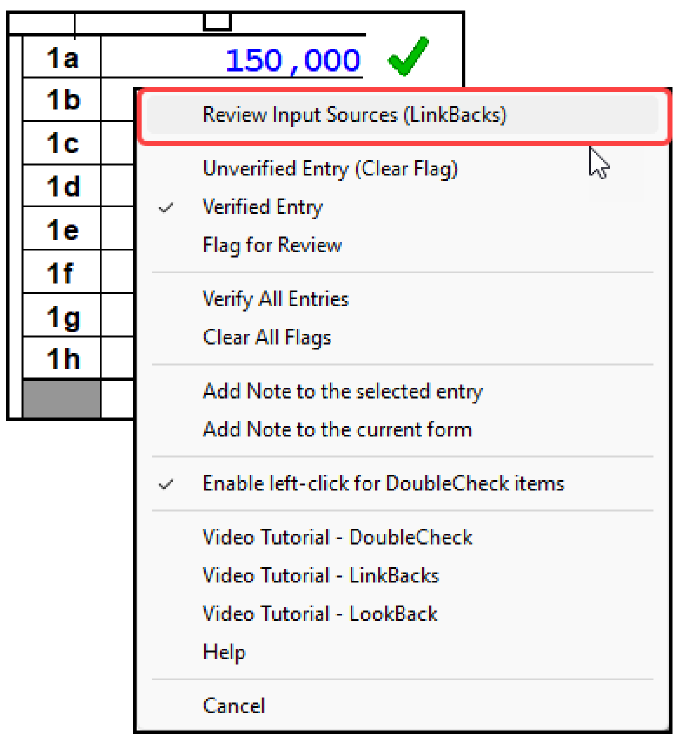
LinkBacks and DoubleChecks

LinkBacks help you to quickly find the source of data within the tax return. The DoubleCheck feature helps you review your data entry and find problems before returns are e-filed. These features offer another way to review and verify your work before you transmit a return.

LinkBacks

LinkBacks help you locate the source of data on a tax return—in other words, the data entry screens and fields on which the information was entered—and the forms, schedules, and worksheets to which the information flows. They can also help you find the proper screens for entering data from unfamiliar forms or sources (Figure 5-7).

Figure 5-7: LinkBacks from View/Print Mode

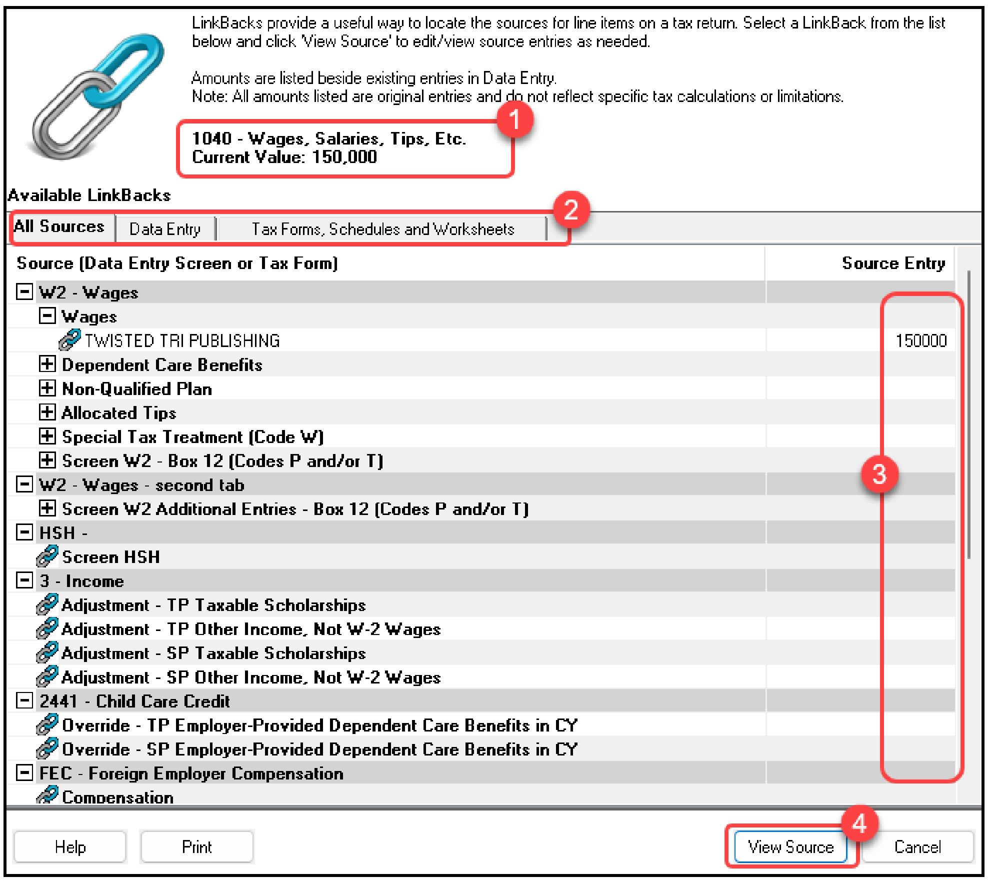


For instance, if you want to know how income data gets to line 1a of Form 1040, view the return (Enhanced mode only), right-click the amount on line 1a, click **Review Input Sources (LinkBacks)**, and view a list of the screens from which the program pulls income sources that flow into the line 1 total—for instance, screen **W2 (Wages)** and screen **3 (Income)**. Double-click a line on that list to open a screen and go directly to the relevant line or screen to make changes. (The **Source Entry** column of the LinkBacks window contains data only if data was entered on the linked screen. See item #3 in Figure 5-8 on page 196.)

— Using LinkBacks —

At the top of the **LinkBacks** window (item #1 in Figure 5-8) is a note reminding you of which form and which line of the form you selected. If an amount was entered or calculated, that amount is also shown.

Figure 5-8: The **LinkBacks** Window



Below that are three tabs (item #2):

- **All Sources** – All items that appear on the other two tabs appear here.
- **Data Entry** – The data entry screens from which the program pulls data are listed here. If an amount was entered on a screen, that amount is listed to the right side of the screen in the **Source Entry** column (#3). Double-click a line (or click it once and click **View Source**; item #4) to return to the data entry screen where the amount was entered. The screen is opened and the line and data entry field are highlighted.
- **Tax Forms, Schedules and Worksheets** – The items listed on this tab are the forms that have been generated by data entry. Double-click one of the items on the **Tax Forms, Schedules and Worksheets** tab and you open the actual form that was generated with the return.

— Available LinkBacks —

Active LinkBacks are available for the following forms, schedules, and tax packages:

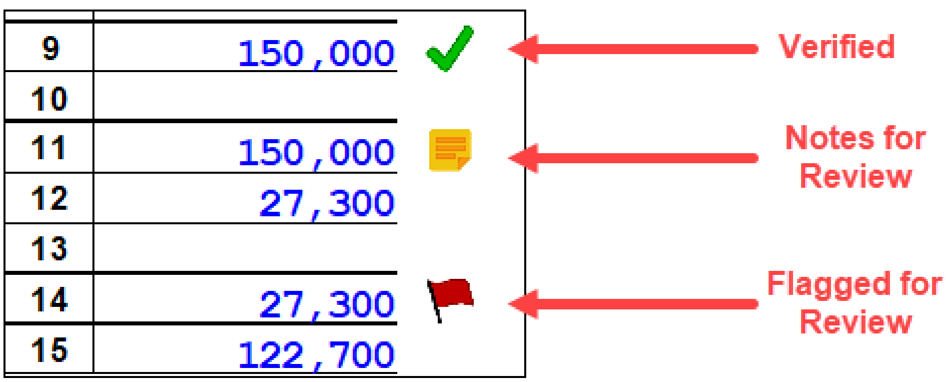
- Most forms and Schedules A through F (federal 1040 package)
- Main forms (federal 1041, 1120, 1120S, 1065 packages)
- Individual resident and nonresident main forms (all state 1040 packages)

DoubleCheck

(*optional*) Mark items on a return as “reviewed” or “in need of review” using the DoubleCheck feature in Enhanced View mode. This feature allows you to either verify or flag for review any item on any form, statement, or document within a return.

In Enhanced View mode, select any item from the document tree on the left side of the window to open it in the document viewing pane. In the viewing pane, roll your mouse pointer over any text box, check box, or amount on the document to see a gray check mark. Click the item once to place a green check mark beside it (Figure 5-9), indicating that this result has been verified. Click the box again to place a red flag, indicating that this entry or amount should be reviewed further. When the flagged item has been reviewed and verified, return to the form in Enhanced View mode and click the item once more to remove the flag—click it again for a green “Verified” check mark.

Figure 5-9: Using DoubleChecks in View/Print Mode



As you work your way through the fields and check boxes, the document in the document tree receives either a green check mark (indicating that items on that form have been verified), a red flag (indicating something on the form has been flagged), or a yellow box (indicating a note has been placed on an item); see “Notes” on page 198.

When an item is marked as “verified” (green check mark) in View/Print mode, and then a change is made in data entry that affects the verified amount, the green check mark is changed to a red flag, requiring re-verification.

e-File Eligibility of Flagged Returns

Flags on a return do not make an otherwise EF-eligible return ineligible for e-file unless you select that option in Setup. From the **Home** window, go to **Setup > Options > EF** tab, and at the bottom of the left-hand column, select **Disallow EF selection if DoubleCheck Review flag exists**. This selection automatically makes an otherwise EF-eligible return ineligible on the **EF Return Selector**. To restore the return's e-file eligibility, remove the flag from the return (in View/Print mode, click the flag once or right-click the page and from the right-click menu, select **Clear all flags**) and recalculate the return.

No EF Message is generated for returns made ineligible by DoubleCheck flags.

The green check marks have no effect on e-file. Check marks do not make an otherwise ineligible return e-fileable. These check marks are for preparer information purposes only.

Right-Click Menu

Another way to use the DoubleCheck feature is through the right-click menu. Right-click any text box, check box, or calculated amount on the document in Enhanced View mode and from the right-click menu, select **Unverified Entry** (remove a check mark or flag), **Verified Entry** (add a check mark), or **Flag for Review** (add a red flag).

Verify all entries on a form from the right-click menu by selecting **Verify All Entries**. This places a green check mark beside every box or field on the form that contains entries. Clear all green check marks and all red flags from the form by selecting **Clear All Flags** from the right-click menu.

Notes

The DoubleCheck feature also includes a **Notes** tool, allowing you to make notes about any of the items on the open document or a general note about the document as a whole.

To make a note about a text box, check box, or calculated amount in the document, right-click it and select **Add Note to selected entry**. This opens a **Note Editor** window. Type your note in the **Notes** pane and click **Save**. A small yellow "note" box then appears beside the item in the document (see Figure 5-9 on page 197), reminding you that a note was made about this item.

Make general notes about the open form by selecting **Add note to the current form** from the right-click menu. When the **Note Editor** is opened, make your notes and click **Save**. The yellow "note" reminder box then appears in the upper-left corner of the document viewing pane, reminding you of the notes.

Edit screen notes or entry notes by selecting **Edit Note...** from the right-click menu, or delete notes by selecting **Remove Note** from the **Note Editor** window. You can also click the yellow "general note" box in the upper-left corner to open, edit, or delete the note.

When notes have been added to the form or to an item of the form, a yellow "note" reminder also appears in the document tree.

To deactivate the DoubleCheck feature, right-click any item, and from the right-click menu, select **Enable left-click for DoubleCheck items**, and when prompted, select **Yes**. To reactivate, repeat these steps.

Electronic Signatures

Drake Tax supports electronic signature pads. This feature allows taxpayers and tax return preparers to digitally sign a variety of documents, including bank applications, authorization forms, and consent forms. This is truly a paperless process, allowing you to produce forms and get them signed and saved to Drake Documents without ever printing a piece of paper.

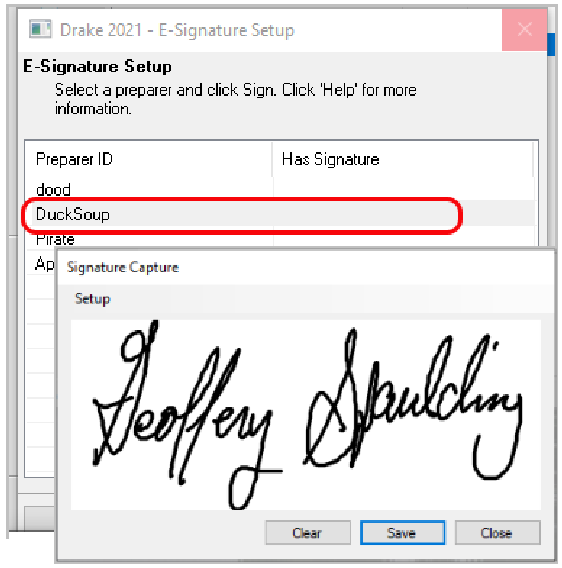
- Set up your program to electronically sign engagement letters for the taxpayer, spouse, or business entity. For details, see "e-Signing Engagement Letters" on page 96.
- Some forms can be electronically signed by the taxpayer using DrakePortals. For details, see "DrakePortals" on page 392.
- Access the **Electronically Sign Return** dialog box from the **eSign** icon on the toolbar in View/Print mode.

Preparer Setup

Begin the process by setting up the program and the preparer's signature. This can be done in two places: at **Setup > Printing > E-Signature Setup** or at **Setup > Preparers**, both accessible from the **Home** window menu bar.

1. From the menu bar of the **Home** window of Drake Tax, go to **Setup > Printing > E-Signature Setup** to open the **E-Signature Setup** dialog box (Figure 5-10 on page 200). Alternately, go to **Setup > Preparer(s)**, click **Edit Preparer**—or click **New** to set up a new preparer–and click the **Setup Signature** button on the right side of the window.

Figure 5-10: Setting Up Preparers’ Signatures



2. From the **E-Signature Setup** window, select a preparer from the list and click **Sign** to open the **Preparer Signature Capture** window (bottom half of Figure 5-10).
3. Have the preparer sign the signature pad. Click **Save**. This should be done for all preparers at the start of the tax season but should not be necessary for the rest of the season.
4. To remove a preparer’s signature, from the **E-Signature Setup** window, right-click the preparer whose signature you wish to delete and click **Remove**. When prompted, click **Yes** and then **OK**.

When you are finished, click **OK** to close **E-Signature Setup**.

Rubber Stamp

The “Rubber stamp” feature allows you to electronically sign all selected signature documents at once. The rubber stamp is for the *preparer’s* signature only.

To set up your rubber stamp:

1. From the **Home** window menu bar of Drake Tax, go to **Setup > Preparer(s)**.
2. Select a preparer from the **Preparer Setup** window and click **Edit Preparer**.
3. In the **Return Signature Options** section, select **8879 PIN Signature**. *Do not mark* the **Alternative Electronic Signature** box.
4. Click **Setup Signature**, have the preparer sign the pad, then click **Save**.

The “Rubber stamp” feature is not available when the **Alternative Electronic Signature** check box is marked at **Setup > Preparer(s)** and there is a **PIN** screen present in the return.

Client's e-Signature

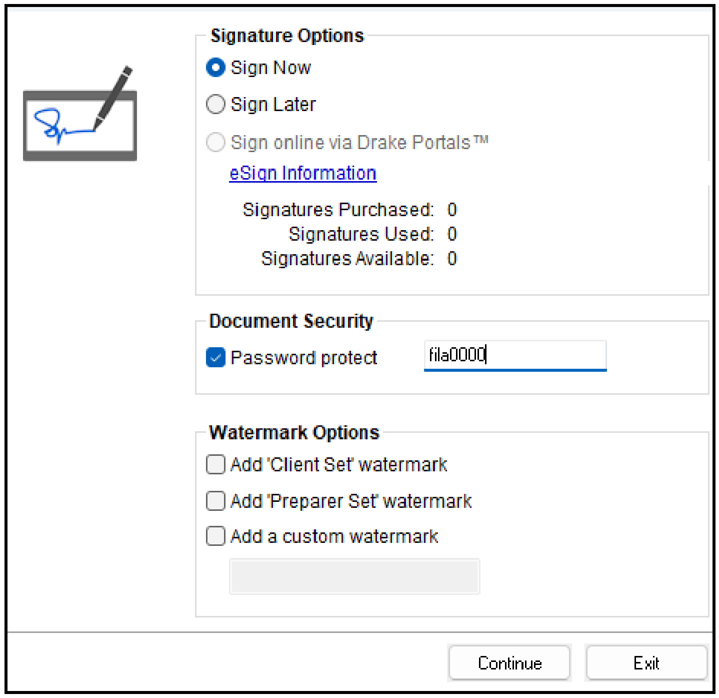
The "pen" indicator (figure left)—available in Enhanced View/Print mode—indicates that a document contains a signable field to help preparers upload all signable documents to DrakePortals.

The process of having the taxpayer and spouse sign the documents begins in View/Print mode, and any documents the preparer must sign can also be rubber-stamped during the process. The documents are saved to the client's Drake Tax folder and (depending on setup) to the client's Drake Documents folder. (See "Setting up Drake Documents" on page 363.) Documents saved but not signed can be recalled from Drake Documents and signed later.

To have the taxpayer and spouse sign forms:

1. Open the taxpayer's tax return and click **View** (or press CTRL+V).
2. From the document tree on the left side of the window in View/Print mode, select the forms to sign (for instance, 8879 e-file authorization, Consent to Use, bank application, engagement letter, etc.).
3. Click **eSign** from the View/Print mode toolbar to open the **Electronically Sign Return** dialog box (Figure 5-11 on page 202). If the forms have been previously signed and saved to Drake Documents, you'll be notified that proceeding overwrites existing signatures. Select **No** to open the documents without overwriting.
4. (*optional*) The default setting is to require a password for opening the documents. The password is composed of the first four letters of the taxpayer's last name and the last five numerals of the taxpayer's SSN/EIN. Clear the **Password Protect** check box if you do not wish to require a password. To change the default password style, from the **Home** window of Drake Tax, go to **Setup > Options > Administrative Options**, and make a selection from the **Default password** drop list. (For more, see "About Passwords" on page 209.)
5. (*optional*) Choose to print a watermark on the printed forms.
6. Click **Sign Now** to open the **Save As** dialog box, then click **Continue** and then **Save**. The documents are saved (depending on your setup) to the client's folder and to the client's Drake Documents folder. (The steps for **Sign Later** are slightly different. See "Sign Later" on page 204.)

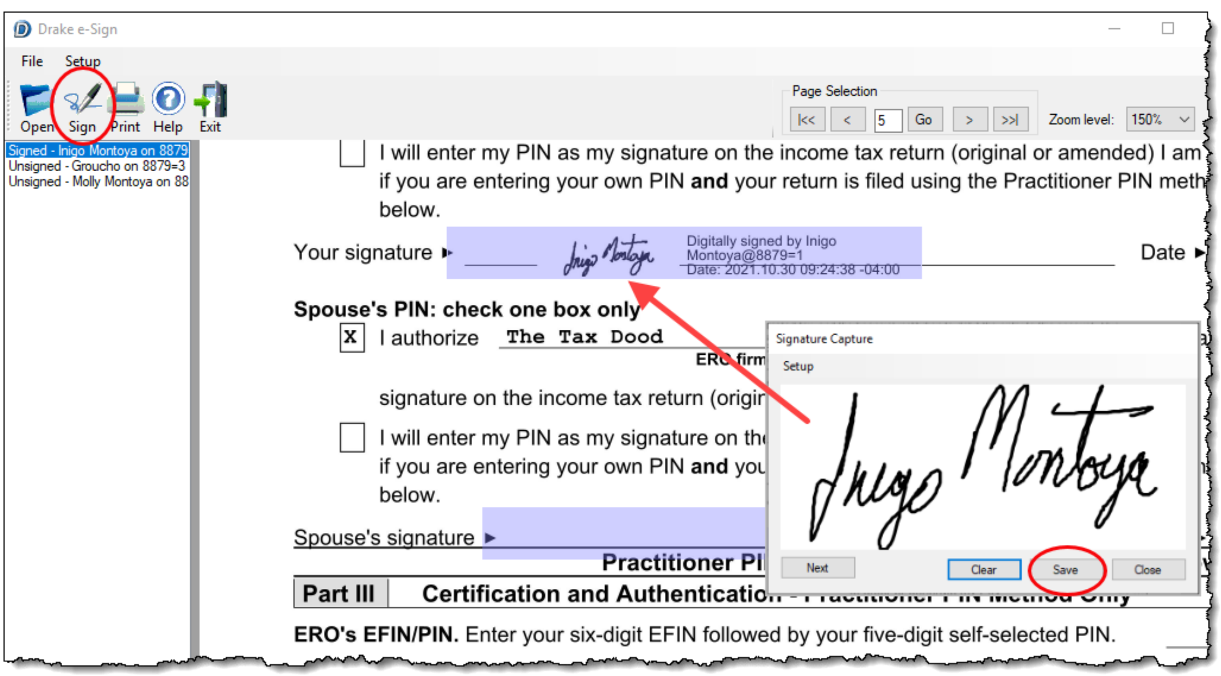
Figure 5-11: **Electronically Sign Returns** Dialog Box



7. The **Drake e-Sign** window is opened, and a message asks if you would like to rubber stamp all the documents that the preparer must sign. Click **Yes** or **No**. A list appears in the left pane of those (taxpayer, spouse, preparer) who can sign the open form, and the form appears in the right pane.

8. Double-click the taxpayer or spouse (or preparer, if you chose not to rubber stamp the return), or select a name and click **Sign** from the toolbar (Figure 5-12).

Figure 5-12: Client Signs Electronically



9. Have the client sign the signature pad. The signature appears on the **Signature Capture** window (Figure 5-12 on page 202).
10. To clear the signature and start over, click **Clear**. To apply the signature to the form, either:
    - Click **Save**. The signature is added to the signature line of the document.
    - Click **Next**. The signature is added to the signature line of the document and the next signature line for that person in the document becomes active. (You are alerted if there are no more signature lines in the document.)
11. Scroll through the documents chosen for signatures using the **Page Selection** arrows to the right of the toolbar, or click another signature document from the list on the left side of the window.
12. Click **Exit** when finished.

Other Options

Also on the **Drake e-Sign** toolbar:

- The option to **Open** other documents in the client's folder that can accept an electronic signature (any PDF document with an active signature line can be signed using the e-signature pad). Click **Open** (or from the menu bar, select **File > Open**), select a form, and click **Open**.
- Click the **Print** icon on the toolbar to print a selected document.
- On the menu bar above the toolbar, click **Setup > Options** if you need to change the selections you made in Preparer Setup. (See "Preparer Setup" on page 199.) Usually, there is no need to make any selections from this box.
- Click the **Help** button to get program help for the e-signature tool.

- To require all preparers to use the e-Signature feature for all signable documents, from the toolbar of the **Home** window, go to **Setup > Options**, **EF** tab and mark the check box **Require E-Signatures on all electronically signable forms (1040 Only)**.

- Override the above global option for an individual return on the **EF** screen in data entry by marking the **e-signature NOT required...** check box.

- When using the option to require e-signatures, and you view or calculate a return, you generate a document titled "eSign," (below "MESSAGES") available from the forms tree in View/Print mode, that lists all the forms that require an e-signature. All of these forms must be electronically signed before the return can be e-filed. No EF Message is generated.

Sign Later

If you chose **Sign Later** in the **Electronically Sign Return** dialog box and you want to retrieve the documents for signing, click **Documents > Drake Documents** from the View/Print mode toolbar, or from the **Data Entry Menu** toolbar, click **Documents**.

Select a document to sign from the **Document Name** pane on the right half of the **Drake Documents** window (unsigned documents are listed as "Unsigned"), then click **Sign** from the toolbar to open the **Drake e-Sign** window.

Click **Yes** or **No** to rubber stamp the forms with the preparer's e-signature (if applicable), then follow steps 7-11 from the steps in "Client's e-Signature" on page 201.

According to the IRS, EROs may use an electronic signature pad to have taxpayers sign Forms 8878 and 8879. Taxpayers must be "physically present" in the ERO's office where the electronic signature pad is located to sign using the signature pad. The ERO must retain the forms with the taxpayers' signatures and provide a copy to the taxpayer upon request.

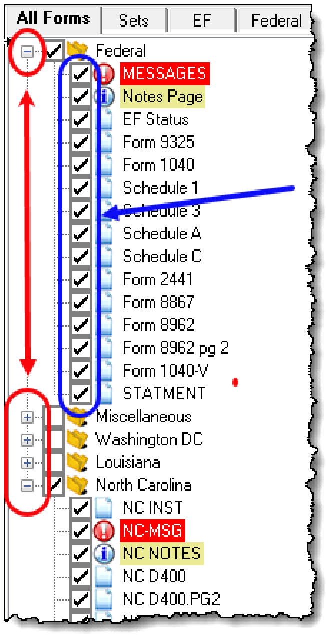
For information on making an electronic signature from a remote location—one in which the taxpayer is electronically signing the form and the ERO is not physically present with the taxpayer—review the "Signing an Electronic Tax Return" section of IRS Pub. 1345.

To have the engagement letter signed electronically by the taxpayer and spouse on a 1040 return, or by the representative of a business entity, see "e-Signing Engagement Letters" on page 96.

Printing a Return

Print selected forms, selected sets of forms, or individual forms in a return. The instructions in this section refer to Enhanced View mode. If you are using Basic View mode, click the **F1-Help** icon on the toolbar for printing instructions. (Click the DOWN ARROW (↓) beside the **F1-Help** icon to view video tutorials on archiving, emailing, and printing returns.)

Printing Forms in a Return



To print tax return forms and other documents:

1. View a return in Enhanced mode. The **All Forms** tab is shown by default (figure right).
2. Collapse or expand the tree view as needed by clicking the PLUS SIGN [+] and MINUS SIGN [-] (red arrow). Select the forms to be printed by marking the check box to the left of each form (blue arrow). To print all forms in a set (for instance, all forms in the "Federal" set), click the **Federal** check box and all federal forms are selected for printing.

Shortcut: CTRL+P

3. Click **Print** to open the **Print Document** dialog box. (If you click the arrow next to the **Print** icon, select **Print Selected Form(s)**.)
4. From the **Print Document** dialog box, choose a printer from the **Printer** drop list.

- The **Drake Documents/Drake Portals** options in the **Print Document** dialog box are used to store the PDF forms in the Drake Documents folder or to upload them to DrakePortals (on the *SecureFilePro.com* domain) for the taxpayer to access. For more on these options, see "DrakePortals" on page 392.

- The **Watermark Options** causes "Client Set" or "Preparer Set" (or a custom watermark) to be printed across the face of all printed forms.

- If you are using a PDF printer besides the Drake PDF Printer, you also have the option of storing the PDF document in Drake Documents.

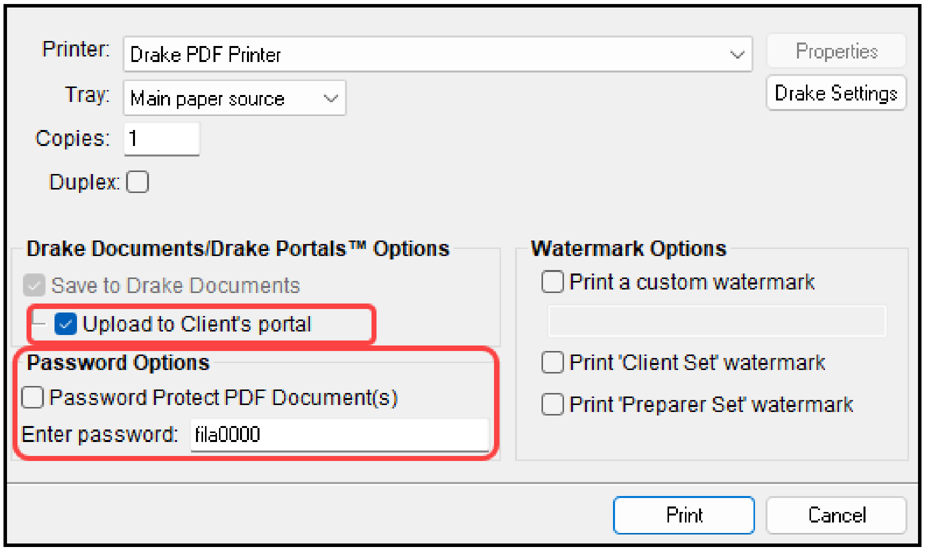
5. Click **Print** again and all selected items are printed.

Printing to Drake PDF

To print tax return forms and other documents as PDF documents:

1. View a return in Enhanced mode. The **All Forms** tab is shown by default.
2. Select the forms to be printed.
3. Click the arrow next to the **Print** icon on the toolbar and select **Print Selected Form(s) to PDF Document** (or press CTRL+D). The **Print Document** dialog box is displayed (Figure 5-13 on page 206) with the Drake PDF Printer selected from the **Printer** drop list.

Figure 5-13: Setting password-protection options from **Print Documents** window



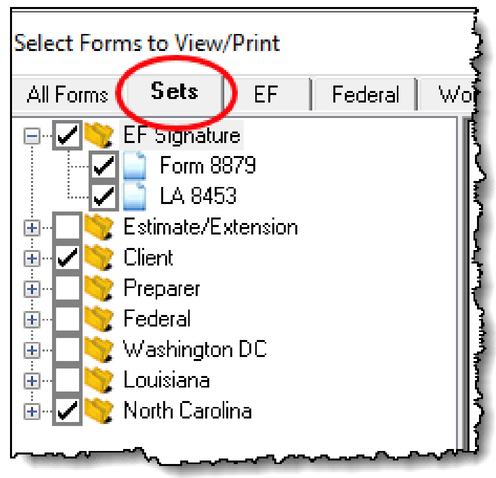
4. (*optional*) The program is set up to password-protect the PDF document. By default, the program uses the first four letters of the taxpayer's last name and the last five numerals of the taxpayer's SSN/EIN as the password. An administrative user can change this default in the **Setup > Options > Administrative Options** tab by making a selection from the **Default password** drop list. (See "About Passwords" on page 209.) To produce the PDF document without having to enter the password, clear the check mark from the **Password Protect PDF Document(s)** check box.
5. (*optional*) To have the program open Adobe once the PDF document is created, click **Drake Settings** and make sure the **Launch Adobe after creating a 'Drake PDF'** check box is selected. Click **Save.**
6. Select any other options, as desired, from the **Print Document** dialog box.
7. Click **Print** to open the **Save As** dialog box.
8. If necessary, assign a file name and select a location for the document. (The default location is the client's current-year folder in Drake Tax).
9. Click **Save**.

If you password-protected the PDF document, the password is required for anyone—the taxpayer, Drake Tax Support, etc.—to open the file.

Printing Printer Sets

Default printer sets are established in Printer Setup. (See "Printing Sets" on page 101.) Override the defaults from Enhanced mode.

To print specific sets of a return from Enhanced mode:



1. Select the **Sets** tab (figure right). All sets in the return are shown in the tree view.
2. Select the sets to be printed.
3. Click **Print** to open the **Print Sets** dialog box. (If you click the arrow next to the **Print** icon, select **Print Selected Form(s)**.)
4. (*optional*) Select any printing options shown in the **Print Sets** dialog box.
5. To change the number of forms to be printed, click **Sets Setup** to open the **Copies Per Set** dialog box. (A change here changes the number globally (for all returns). (For more information, see "Printing Sets" on page 101.) Click **Save**.
6. Click **Print** again. All of the selected items are printed.

Quick-Printing a Single Form

Shortcut:
CTRL+Q

Enhanced mode allows you to print the document currently in view by pressing CTRL+Q or by clicking the arrow beside the **Print** button and selecting **Quick Print**. Select any desired printing options shown in the **Print Document** dialog box, then click **Print**. Printing a single form in this manner is referred to as *quick printing*.

Email from View/Print

Email tax returns to your clients directly from both Basic and Enhanced modes. Before emailing returns this way, set up View/Print email preferences.

Setting Up Preferences

Use **Email Setup** in View/Print mode to indicate the email method you want to use and specify default settings.

Even though you must open a specific return to indicate your settings, those settings apply for *all* emailed returns.

The steps below are optional; you may not need to make any changes if you are happy with the program defaults. To set up your email program for sending returns:

1. View any return in Enhanced or Basic mode.
2. Click the arrow on the **Email** button and select **Email Setup**.
3. In the **Email Setup** dialog box, select your preferred email program from the **Select Email Method** drop list.
4. To include a default **Cc** or **Bcc** address (one to which *all* emailed returns will be sent), type the address in the applicable field under **Email Default Settings**. (See "Important," following.) If entering multiple addresses, use a semicolon (;) as a separator between addresses.

It is recommended that you *not* enter a default **To** address. If an address is entered in the **To** field of this window, ***every return*** emailed through View/Print mode will be sent to that address.

5. Make any changes to the default message.
6. Click **Save**.

Your default settings will be applied for *all* emailed returns.

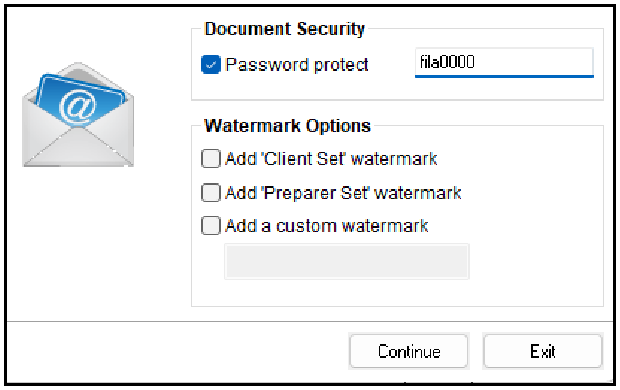
Sending a Return to a Client

To send a return to a client from Enhanced mode:

1. Open the return.
2. Click **View/Print** to access View/Print mode.
3. Select the forms to be included in the email. (In Enhanced mode, select forms from the Forms tree; in Basic mode, click the **Print Mode** icon from the toolbar then right-click a form and choose **Select Form** from the right-click menu.)

4. Click **Email** to use the default email method, or click the arrow next to the **Email** button and make a selection to choose an alternate method. The **Email Return** dialog box is opened (Figure 5-14 on page 209), showing options for using a password and printing watermarks; see “About Passwords” on page 209 for more information on passwords.

Figure 5-14: **Email Return** Dialog Box



5. Click **Continue**. The **Save As** dialog box is opened so you can save the PDF version of the return in the client’s Drake Tax folder. Click **Save**.
6. The email message is opened in the desired program, with the selected return documents attached. The client’s and spouse’s email addresses are automatically displayed in the **To** field if the addresses were entered on screen **1.** (Any address you added in **Email > Setup** will also be in the **To** field; see “Setting Up Preferences” on page 208.)
7. If no further changes to the message are needed, click **Send.**

About Passwords

The use of passwords is optional, but if you choose to use passwords, remember that the client must know his or her return’s password in order to open emailed returns.

The default format for passwords is the first four letters of the client’s last name (or the first four letters of the entity’s name) followed by the last five numbers of the SSN for individual returns (or the last five numbers of the EIN for entity returns). (See Figure 5-14 on page 209 for an example.) An administrative user can change the password format at **Setup > Options** > **Administrative Options** tab by making a selection from the **Default password** drop list.

Drake Software Support cannot recover a lost password. If you opt to replace a password with a new one in the **Email Return** dialog box, be sure to write down the new password and keep it in a secure location in case you forget it.

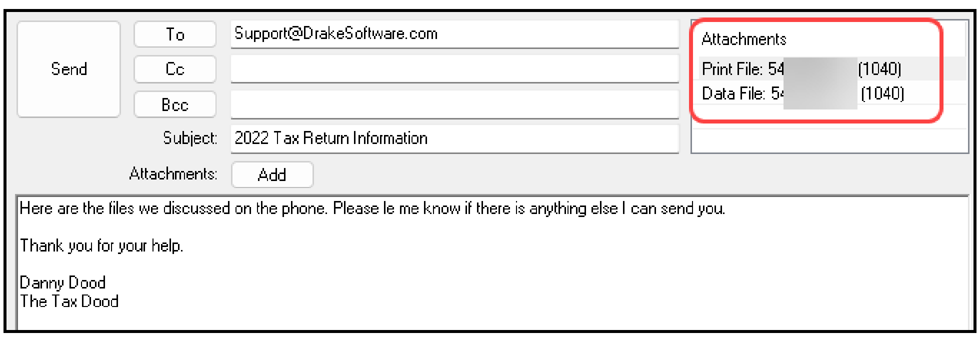
Sending Files to Drake Support

When you send an email to Drake Support from View/Print mode, the program automatically sends both the print file and the data file. (These files allow the Customer Support Representative to view the return in data entry.) When working in Enhanced mode, you have the option of including PDF attachments with the email.

To send files to Drake Software Support from Enhanced mode:

1. Go to View/Print mode of the return.
2. (*optional*) Select any forms to be included as PDF documents in the email.
3. Click the arrow on the **Email** button and select **Email to Drake Support**. If you selected any forms in Step 2:
   a. The **Email Return** dialog box is opened; make your selections (including the use of passwords) and click **Continue**.
   b. The **Save As** window is opened. Click **Save** to save the attachment as a PDF document to the client's file. The **Compose Message** window is opened, showing the attached files in the **Attachments** list (red box in Figure 5-15).

Figure 5-15: Attachments to an Email



A PDF copy of the return's print file and data file are automatically included as attachments. To attach other forms, click **Attach** or **Add** from the **Compose Message** dialog box.

4. Click the **To** button and double-click an email address from the Drake Software Support Address Book. Click **OK**.
5. Click **Send**.

If you password-protect the PDF document, Drake Support must have that password in order to open the file.

Setting Up View/Print Options

Set up form properties, colors, printing order, and other options within Drake Tax using the **Setup** feature.

Setting Form Properties

The **Form Properties** setup function allows you to change the form description, pricing information, and number of copies to print of a form within a return. To access this feature in Enhanced mode, select a document and click **Setup > Form Properties**.

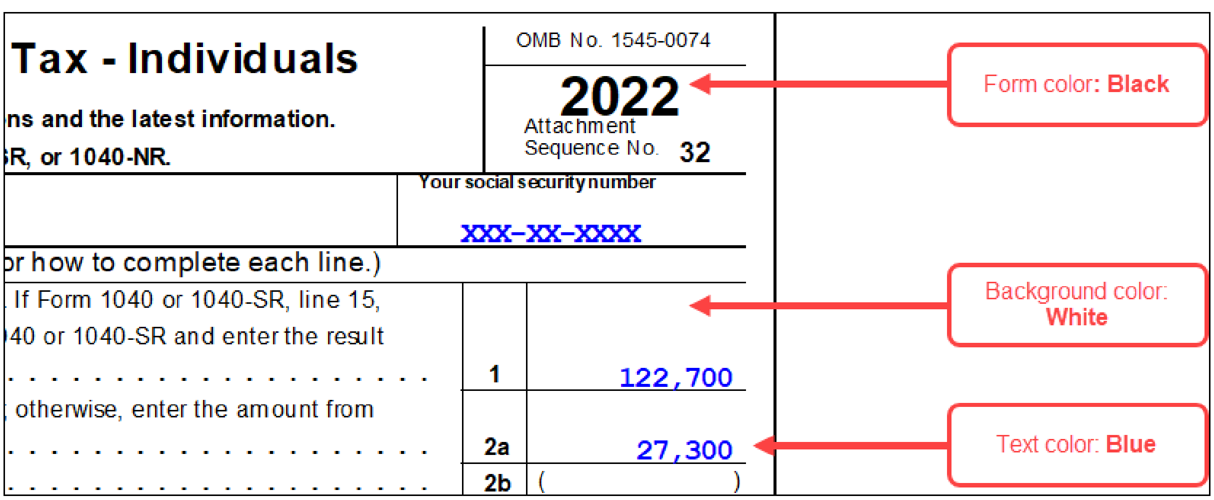
Setting Form Colors

Colors can be customized in both Basic and Enhanced modes.

Enhanced Mode

The **Form Color**, **Background Color**, and **Text (Data) Color** can each be changed in Enhanced mode. Drake Tax's default colors for these three items, as shown in Figure 5-16, are black, white, and blue, respectively.

Figure 5-16: Customizable Colors in Enhanced Mode



To change colors in Enhanced mode, select **Setup > Form Colors**. In the **View Mode Color Selection** dialog box, select a color from **Form Color**, **Background Color**, or **Text (Data) Color**. After selecting a basic or custom color from the color palette, click **OK**. To revert to the Drake Tax default colors, click **Reset**.

Basic Mode

Because Basic mode uses the multicolor cascade of forms, it offers more opportunity for color configuration on the screen. In addition to changing the form, background, and text (data) colors, you can customize the following items in Basic mode:

- The folders in View/Print mode (View mode only)
- The folders in View/Print mode (Print mode only)
- The folders containing EF Messages
- The folders containing Return Notes

To change the colors shown in the cascade of forms in Basic mode:

1. Select **Setup > Color Configuration**. The **View/Print Mode Color Configuration** dialog box displays the default colors for Basic mode.
2. Click a color box and select a new color from the **Color** palette. Click **Define Custom Colors** to create any desired color.
3. Click **OK**. The corresponding color box changes to the color you selected.
4. To restore the default color palette, click **Restore Colors.**

If the form, background, or text (data) colors are changed in one mode, the changes apply in both Enhanced and Basic modes.

Setting Form Order

You can change the default form order using one of two features: Drag/Drop Form Ordering or Sort Form Order.

Drag/Drop Form Ordering

Drag/Drop Form Ordering allows you to easily change form order for a ***single*** return or all returns of the ***same type***. This feature allows you to “drag” a document in the forms tree to another area of the tree and “drop” it into a new location.

While in Enhanced View/Print mode:

1. Select **Setup > Allow Drag/Drop Form Ordering** to activate Drag/Drop Form Ordering.

2. To drag a form, press and hold the left mouse button on the form to be moved, and then move the form up or down the tree. A transparent version of the "form" icon (figure left) indicates that the form is being moved.

3. To drop the form into a new location, hover your pointer over the item you want your form to precede, and release the mouse button.

After modifying the form order, a dialog box appears when you attempt to exit View/Print mode. Select **Yes** to save your changes and apply your alternate order to all returns of the same type.

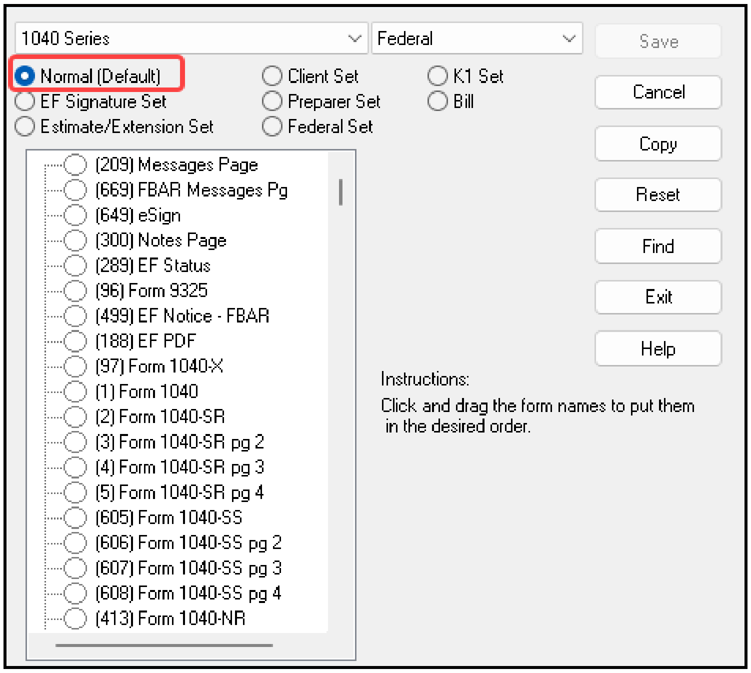
With Drag/Drop Form Ordering, you can modify the order of forms only to the extent that it relates to your current return. For example, you cannot change the default placement of Form 2441 if there is no Form 2441 in the open return. To adjust the order for ***any*** form, see "Sort Form Order," following.

Sort Form Order

Through Sort Form Order, you can change the default form order for any form set, return type, state package, and more. To modify form order globally (for all returns):

1. In Enhanced mode, select **Setup > Form Order** to open the **Sort Form Order** dialog box (Figure 5-17).

Figure 5-17: Selecting a Set of Form to Re-Sort



2. Select the return type you wish to modify from the **Series** drop list, and beside it, choose the applicable package (federal, state, proforma, etc.).

3. Choose the applicable set (default is **Normal**).
4. Click and drag the form names to put them in the desired order. The document at the top of the list, if it has been generated with the return, will be printed first.
5. Click **Save**.

To restore the default settings, click **Reset** in the **Sort Form Order** dialog box. Clicking **Reset** reverts all form order changes made using both Set Form Order and Drag/Drop Form Ordering.

Other Setup Options

The following setup options are also available in both Basic and Enhanced modes:

- Pricing setup (see "Pricing Setup" on page 77)
- Printing setup (see "Printing Setup" on page 99)
- Printing sets ("Printing Sets" on page 101)
- Drake Documents setup (see "Using Drake Documents" on page 362)
- Page layout for letterhead, footers, borders, and electronic signatures of engagement letters (see "Customizing Letterheads and Footers" on page 95)

Archive Manager

Use the Archive Manager to archive returns and to review, restore, or delete archived returns. This means you can save various versions of a return, such as the amended return ***and*** the original return prior to amending. Archiving a return not only creates a PDF version of the return but saves all data entry screens and data entries, allowing a return to be edited, recalculated, e-filed, and printed at any time using prior information. The Archive Manager is accessible from both Basic and Enhanced modes.

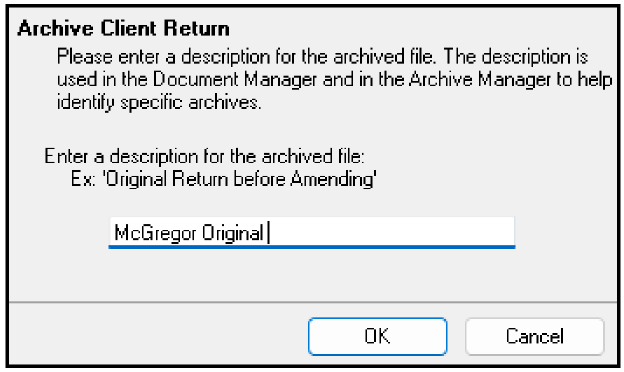
Creating an Archived Return

New for 2022: When completing screen **X** for the first time for 1040 and 1120 returns, you are asked not only if you wish to autofill screen **X** but if you would like to archive the current return as well. When you click **Yes**, a copy of the current return's data file is saved to the Archive Manager. Turn to "Automatically Archive Amended Returns" on page 22 for more information.

To create an archive of an open return:

1. From the toolbar in View/Print mode, select **Documents > Archive Client Return** (or select **Documents > Archive Manager** and click the **Archive** icon in the **Archive Manager** toolbar).

Figure 5-18: Describing Archived Return



2. In the **Archive Client Return** dialog box, enter a description of the archived file (Figure 5-18), and click **OK.**

3. After the program has created the archive, click **OK** again. The program adds the archived return to the **Archive Manager** list.

The archived return is also saved to the client's file in Drake Tax and to the client's Drake Documents folder. Reach Drake Documents from View/Print mode by clicking **Documents > Drake Documents**.

Restoring an Archived Return

When you restore an archived return, you replace the open version of a return with a saved (archived) version. A prompt suggests that you archive the latest version of a return before restoring an older version (recommended).

To restore an archived return:

1. From the toolbar in View/Print mode, select **Documents > Archive Manager**.
2. Click the return to restore.
3. Click **Restore**. A prompt suggests that you create a new archived copy of the current version of the return before restoring the older version.
   - To create a new archived return, click **Yes**. The **Archive Client Return** dialog box is opened so you can name and save the new return.
   - To proceed without creating a new archived return, click **No**. A final warning is displayed; click **OK** to proceed.
4. When the return has been restored, click **OK**.

Deleting Archived Returns

To delete an archived return from the Archive Manager:

1. From View/Print mode of the return, select **Documents > Archive Manager**.
2. Click the return to delete.
3. Click **Delete**. You are prompted to confirm the deletion.
4. Click **Yes** to delete the file from the archive.

Once deleted, the previously archived file cannot be recovered.

Accepting Payments

Drake Tax allows you to accept credit card payments from your clients. You can also import an Excel, CSV, or tab delimited worksheet containing payment information directly into Drake Tax.

Merchant Credit Card Processing

Sign up to accept your customers' credit and debit cards as payment for your services with EPS Financial's credit card processing program. If you are already taking credit cards, find out if EPS Financial's programs can save you money.

Take advantage of this service, regardless of which of Drake Tax banking partner you choose.

To apply, sign in to your User Account at *Support.DrakeSoftware.com*, and from, the blue menu on the left, click **Products > E-Pay Card Processing**, choose a program (E-Pay Simple Fee Program or E-Pay Monthly Fee Program), complete an application, and click **Agree to E-Sign**. (If you've completed a bank application, much of the information is completed for you.) After the application is submitted, you will receive an email confirmation, and an EPS enrollment account executive will contact you.

For more information, email EPS Financial at MerchantSales@MetaBank.com, call (844) 244-1787, or visit *EPSPayments.net*

State Forms 1099-K

Taxpayers who accepted credit or debit cards for payments or received payments through a third-party network that exceeded $20,000 in gross total reportable transactions should have received a Form 1099-K, Payment Card and Third Party Network Transactions.

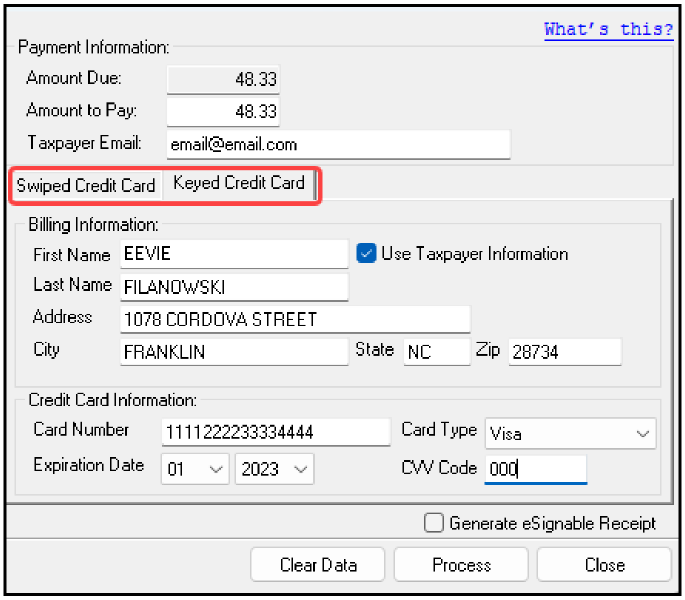
Report Form 1099-K data on the **99K** screen, available from the **States** tab of the **Data Entry Menu**. If any state withholding is shown in box 8, enter it on the **99K** screen. (State withholding is the only amount from screen **99K** that flows to a state return; nothing from screen **99K** flows to a federal return.)

Data Entry

To accept payment from a customer's credit card:

1. Calculate the return.
2. From the **Data Entry Menu** toolbar, click the **e-Pay** icon to open the **e-Pay** dialog box (Figure 5-19). The calculated preparation fees appear in the **Amount Due** and **Amount to Pay** fields. Adjust the amount to pay as needed.

Figure 5-19: Select the **Swiped Credit Card** or **Keyed Credit Card** Tab on the **e-Pay** Dialog Box



3. Select the **Swiped Credit Card** tab (for using a card reading device) or **Keyed Credit Card** tab (for entering the card numbers manually).
   - (*card reader only*) Click the **Swiped Credit Card** tab and either swipe, chip, or tap the card to your connected device as you usually do. Information next to **Swipe Status** and **Card Data** is updated accordingly.
   - (*manually entering card information*) Click the **Keyed Credit Card** tab, and select **Use Taxpayer Information** to autofill the **Billing Information** fields with taxpayer data from screen **1** of the return, or complete the fields manually. Complete the **Credit Card Information** fields.
4. (*optional*) For the customer to receive an electronic receipt and payment notifications, type in the customer's email address. (An email address entered on screen **1** automatically flows to this field.)
5. Click **Process**.

Once accepted, the credit card payment automatically flows to the client's **BILL** screen in Drake Tax, and the payment appears on the client's bill.

Importing Payments

Import client payment information from any number of clients using an Excel, CSV, or tab delimited worksheet, or enter payment information for one return at a time without having to open returns. This feature is particularly helpful to offices where front-office personnel work in accounts receivable but not in return preparation.

Importing Multiple Payments

To take advantage of this feature, you first need to have a worksheet with payment information.

Figure 5-20: Importing Payment Information from Excel Worksheet

	A	B	C	D
1	TIN	Payment - Description	Payment Date	Payment Amount
2	1[illegible]3	Credit Card - AMEX	4/10/2022	$543.00
3	4[illegible]3	Check	4/15/2022	$333.00
4	4[illegible]4	Creit Card - Visa	4/12/2022	$567.00
5	4[illegible]1	Credit Card - AMEX	4/11/2022	$1,025.00
6				
7				

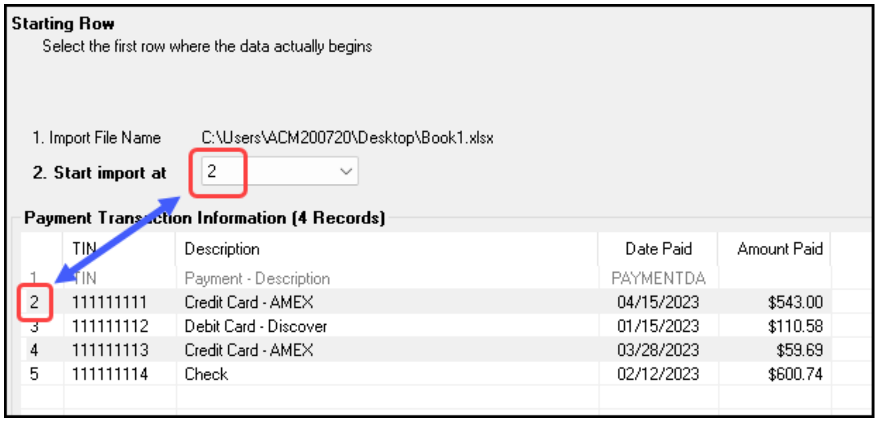
The worksheet must include the *same* column headers in the *same* order as in Figure 5-20 (column headers circled).

Save the worksheet. The recommended location is the FT folder in Drake22.

Next:

1. From the menu bar of the **Home** window of Drake Tax, go to **Tools > File Maintenance > Import Data** to open the **Import Data** dialog box.
2. Select the **Return Preparation Payment Information (Excel, CSV, Tab Delimited)** option. Click **Next**.
3. Read the instructions. Click **Next**.
4. Click **Browse** and find your worksheet. Click **Open**.
5. Make sure the import starts on the proper row. (In the example in Figure 5-21 on page 219, the starting row is "2" so the headings will not be included.)

Figure 5-21: Start the Import from the Correct Line



6. Click **Next**.
7. Click **Import**.

The payment information is imported into the return of every TIN on the worksheet. (There must be a return in the program for each TIN.) The information goes to the **BILL** screen (available from the **Miscellaneous** tab of the **Data Entry Menu**) and appears on the client's bill.

Entering Individual Payments

The program also allows you to enter payment information for one return at a time without opening the return. To do so:

1. From the **Home** window, go to **Tools > File Maintenance > Import Data** to open the **Import Data** dialog box.
2. Select **Return Preparation Payment Information (Manual Entry)**. Click **Next** to open the **Apply Payment** dialog box.
3. In the **Apply Payment** dialog box, type a client's SSN or EIN, select a payment method from the **Description** drop list, change the payment date (if necessary), and enter the payment amount. Click **Save**. Click **Yes**. Click **OK**.

The payment information appears on the client's **BILL** screen under the **Payments** section and on the client's bill.

To have payment methods appear on the **Description** drop list of the **Apply Payment** dialog box, you must first customize some of the **Bill Screen - Payment Description user-defined** data entry fields. See "Customized Drop Lists" on page 75 for details.

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6

Banking

This chapter contains information you need when offering your clients bank products such as Advance payments, cashier's checks, direct deposits, and debit cards. In the following pages find bank contact information, explanations for what bank products are, how to manage them through your User Account, and how to set up your program to offer them.

Drake Tax's Bank Partners

Drake Tax's bank partners are listed in Table 7-1.

Table 6-1: Drake Banking Partners

Bank	Phone	Website
EPS Financial	(888) 782-0850	*EPSTax.net*
Refund Advantage	(800) 967-4934	*refund-advantage.com*
Refundo	(908) 445-5544	*refundo.com*
Republic Bank	(866) 491-1040	*republicrefund.com*
Tax Products Group	(800) 779-7228	*sbtpg.com*

Advance products provide your clients a quick, no-cost advance against their tax refund in the form of a check or debit card, or through direct deposit. Amounts of the advance as well as disbursement options vary by financial institution. See "Advance Products" on page 230.

Preparer Requirements

IRS Regulation 7216 provides guidance to tax return preparers regarding the use and disclosure of their clients' tax information to parties outside of the preparer's firm.

- The Consent to Use of Tax Information must be signed and dated by the taxpayer (and spouse, if the filing status is Married Filing Jointly) before the return is prepared.
- The Consent to Disclosure of Tax Information must be signed and dated by the taxpayer before the return is e-filed and the information submitted to a third party.

Drake Tax offers several options for making these forms available to your clients, including printing forms in batches and having clients provide their signatures electronically.

Use of Tax Information

Screen: **USE**

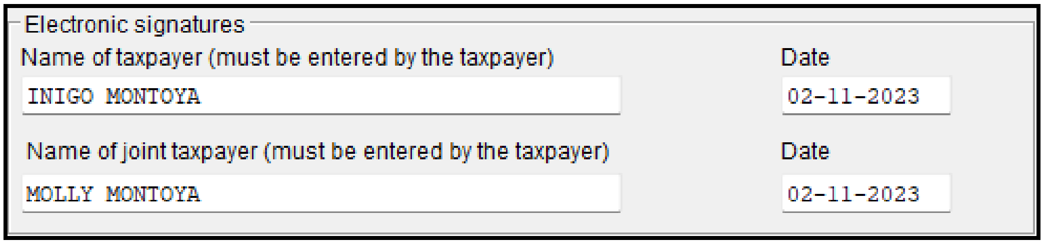
The Consent to Use of Tax Return Information explains the IRS Regulation 7216 requirement to the taxpayer. It must be signed *before* the return is prepared.

- **Paper Forms** — There are two ways to generate paper forms:
  - Open a return, and from the **General** tab of the **Data Entry Menu**, click to open the **USE** screen. Enter a date (use both **Date** fields if filing status is Married Filing Jointly), view the return, then print the document titled "7216 Use."
  - From the menu bar of the Drake Tax **Home** window, go to **Tools > Blank Forms**, and search for "`7216`." Choose the form for your bank or the generic "Use" form (7216_Use).
- **Electronic Signatures** — There are two ways to obtain electronic consent:
  - The **USE** screen
  - The e-Signature feature

To use the **USE** screen in the program:

1. From the **General** tab of the **Data Entry Menu**, click to open the **USE** screen. (Each bank screens also has a link to the **USE** screen.)
2. Have the taxpayer and spouse (if filing status is Married Filing Jointly) type his or her name and the date in the supplied fields (Figure 6-1 on page 223).

Figure 6-1: Taxpayer “Signing” Consent to Use


Electronic signatures

Name of taxpayer (must be entered by the taxpayer) | Date
INIGO MONTOYA | 02-11-2023

Name of joint taxpayer (must be entered by the taxpayer) | Date
MOLLY MONTOYA | 02-11-2023

To use the e-Signature feature to obtain electronic consent:

1. From the **General** tab of the **Data Entry Menu**, open the **USE** screen. (Each bank screen also has a link to the **USE** screen.)
2. Enter a date in the **Date** field (Use both **Date** fields if filing status is Married Filing Jointly) and view the return.
3. Follow the steps for using the e-Signature feature as described in “Client’s e-Signature” on page 201.

Once the required fields on the applicable screen are completed, the Consent to Use of Tax Return Information will be generated with the return with the preparer’s name already entered and is considered “signed” electronically.

Disclosure of Tax Information

Screen: **DISC**

The Consent to Disclosure of Tax Return Information contains banking-option information and explains the IRS Regulation 7216 requirement to the taxpayer. It must be signed ***before*** the return is e-filed.

- **Paper Forms** — Paper copies of the 7216 Consent to Disclosure of Tax Return Information can be accessed by several means:
  - The program generates the disclosure form as part of the return (if a bank screen has been entered). This form can be signed with other signature documents prior to e-file.
  - From the menu bar of the **Home** window in Drake Tax, go to **Tools > Blank Forms**, and search for “`Consent`.” Choose the form for your bank or the generic “Disclosure” form (OF_7216D).
- **Electronic Signatures** — There are two ways to obtain electronic consent:
  - Through the **DISC** screen in the program
  - Through the e-Signature feature

To obtain electronic consent through the program:

1. From the **General** tab of the **Data Entry Menu**, click to open the **DISC** screen.

2. Have the taxpayer (and spouse, if filing status is Married Filing Jointly) type his or her name and the date onto the screen.

To use the e-Signature feature to obtain electronic consent:

1. Complete a bank screen.
2. View the return.
3. Follow the steps for using the e-Signature feature as described in "Client's e-Signature" on page 201.

Once the required fields on the applicable screen are completed, the Consent to Disclosure of Tax Return Information will be generated with the return and is considered "signed" electronically.

- The 7216 disclosure statements for Protection Plus will be completed and printed with the return. For blank 7216 statements, from the **Home** window menu bar of Drake Tax, click **Tools > Blank Forms**.

- If using ABCvoice, go to the **ABCV** screen (available from the **Miscellaneous** tab of the **Data Entry Menu**) to indicate whether the taxpayer has signed the Consent to Disclosure of Tax Return Information.

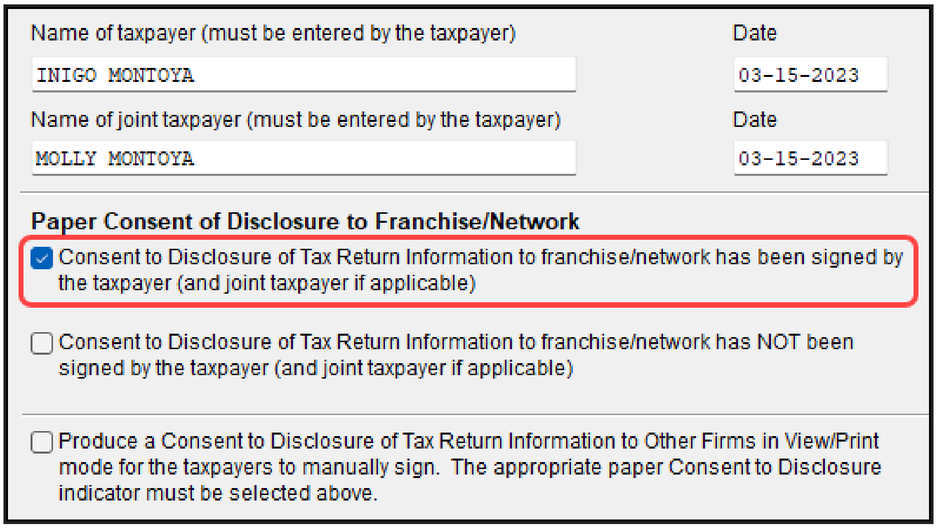
Disclosure for Franchises/Networks

Screen: **CONS**

The Consent to Disclosure of Tax Return Information to franchises or networks is required for *all* returns (not just bank-product returns) prepared by firms that are part of a franchise or network. The form is similar to the disclosure form for banks described previously and must be signed *before* the return is e-filed.

Open the **CONS** screen (accessible from the **Miscellaneous** tab of the **Data Entry Menu**) and select the first check box in the **Paper Consent** section at the bottom of the window (Figure 6-2 on page 225).

Figure 6-2: Indicating Consent to Disclosure has been Signed (for Franchise/Networks)



- **Electronic Signatures** — To obtain electronic consent, the taxpayer (and spouse, if the filing status is Married Filing Jointly) must enter his or her name and the date onto the **CONS** screen. The Consent to Disclosure of Tax Return Information is generated with the return and includes the name of the franchise or network from **Setup > ERO & Account Information.**

- If your firm uses a franchise or network, the **CONS** screen ***must*** be used—even if the client refuses to sign the form. If the client declines to give consent, select the second box in the **Paper Consent** section of the **CONS** screen (Figure 6-2).

- A franchise or network EFIN must be entered in **Setup > Electronic Filing & Account Information** in order to produce the correct letter from the **CONS** screen and ensure that consent can be obtained for every return. See "ERO Setup" on page 54.

Taxpayer Requirements

For a taxpayer to be eligible for one of the banking options offered, the return must be eligible for e-file. The taxpayer must be 18 or older, and if filing as Married Filing Jointly, both taxpayers must be 18 or older.

Application Forms

Both the preparer and client must complete ***all*** parts of the appropriate application form. Form names vary by bank. If a firm's bank application (*not* the taxpayer's application; see Note on page 226) is completed in the **Account** section of the firm's User Account (*Support.DrakeSoftware.com*), and bank information is imported into Drake Tax at **Setup > Firm(s)**, and a bank product is indicated in the return's bank screen, the appropriate application will be included in the forms produced with the return.

Banks typically have specific minimum and maximum refund requirements. For more information, consult the bank.

Do not confuse the applications described herein:

- The bank application discussed above must be completed by the taxpayer ***and*** ERO. This application is generated by the program and is available in View/Print mode with ***every*** return that includes a bank product.

- The annual bank application an ERO must complete (if offering bank products) is available through your User Account (*Support.DrakeSoftware.com* **> Account > Bank Application**). For more on that application, see "Preparing to Offer Bank Products" on page 227.

Franchise/Network Requirements

If your firm collects tax returns for e-file from outside companies or individuals, it might be considered part of a franchise or network. Franchises and networks can be required to provide additional information when applying for banking services.

A preparer or firm can be considered a franchise or network if any of the following conditions are met:

- The preparer accepts returns from other businesses that the preparer does not own
- A preparer issues Form 1099 for contract labor at other locations
- A preparer contracts with another to provide e-file and banking options
- A preparer issues W-2s to a non-employee who performs functions as a preparer

Your firm is ***not*** a franchise or network if it issues W-2s to employees who are under direct control of the firm and collect returns at the other locations.

Protection Plus has a pricing option for its audit protection plan so that tax offices that are franchisees or part of a network can charge an additional fee on top of the fees charged by the ERO for tax preparation. See "Audit Protection" on page 182 for details on setting up Protection Plus in Drake Tax.

Bank Products

Traditional bank products allow taxpayers a way to pay their preparation fees from their refund rather than having to pay their fees up front. They also give taxpayers without bank accounts an alternate way to receive their refunds.

To provide a traditional bank product, the bank sets up a temporary account for direct deposit of the taxpayer's refund. Once the IRS deposits the refund into the temporary account, the bank deducts applicable fees then deposits the preparer's fees into the preparer's account while issuing the remaining funds to the taxpayer via check, direct deposit, or debit card.

Advance products are different: The bank does not withhold preparer fees from the taxpayer's refund. Preparers who offer Advance-only products are responsible for collecting tax preparation fees from their customer up front. Preparers who offer the Advance with a refund transfer (RT) will have their fees withheld from the RT as with traditional bank products.

See "Advance Products" on page 230 for more information.

- Banks provide certain products for state refunds. Check with your bank for a list of eligible states.
- A bank product cannot be added once the IRS has acknowledged an e-filed return.

Preparing to Offer Bank Products

To offer bank products through Drake Tax, you must first submit a bank application through your User Account, get accepted, then import the bank information into Drake Tax.

This bank application must be submitted annually.

Managing Bank Products

Bank applications, audit protection, signing up to accept credit card payments, managing direct deposit fees, the Software Assistance Program, managing offices with several EFINs, and all your firm's user account information —all this is accessible through your User Account at *Support. DrakeSoftware.com*

Access your User Account from the tax program (from the **Home** window toolbar, click **Support** and then select **Support Website**). Once signed in:

1. From the blue sidebar menu to the left, click **Account** and then **Account Info**.

2. Complete and save your firm's account information.
3. From the blue sidebar menu, click **Bank Application**.
4. Select a bank and complete and submit the application.

- All of Drake Tax's bank partners require some form of compliance training before allowing bank products. Contact your bank for details.
- Check with your bank for limitations on add-on fees before completing your bank application. Once an amount is set and an application has been submitted, the amount should never be changed. Banks closely monitor amounts charged for application fees.

Checking Application Status

To check the status of your submitted application, from the blue sidebar menu, click **Bank Application** and then click the **Bank Status** tab.

Making changes to an application and resubmitting it can change its status.

Application statuses are listed below:

- A = Accepted
- B = Accepted, post-acceptance changes rejected
- C = Accepted, post-acceptance changes pending
- D = Declined (Call the selected bank to resolve any issues.)
- E = Accepted, awaiting bank account information
- G = Approved pending state registration
- I = Incomplete
- J = Accepted, Software Purchase Agreement (SPA) accepted
- K = Accepted, Software Purchase Agreement (SPA) declined
- N = Needs compliance training
- P = Pending
- Q = Accepted Conditionally
- R = Rejected (available for correction and resubmission)
- S = Suspended; contact the bank
- W = Withdrawn
- Z = Accepted, Software Purchase Agreement (SPA) pending

Most status updates are available within hours of submitting the application. Once your application has been approved, contact the bank to order check stock and card stock and complete any additional agreements.

— Software Purchase Assistance —

The Software Purchase Assistance (SPA) program allows your chosen bank partner to assist in your annual purchase of Drake Tax. If your firm's application is approved, once e-file begins, a percentage of your preparer fees is withheld until the purchase of your tax program is repaid in full.

The percentage of fees withheld is determined by the respective bank and is detailed in the Software Purchase Assistance Agreement. If your chosen bank offers this service, the SPA application is available within the bank application through your User Account.

Importing Bank Data into Drake Tax

When you are notified of acceptance, take the following steps to import the bank information into Drake Tax:

1. From the menu bar of the **Home** window of Drake Tax, select **Setup > Firm(s)**.
2. Double-click the firm (or select a row and click **Edit Firm**).
3. Enter your EFIN in the **EFIN** text box and click **Confirm**. This not only confirms your EFIN has been registered at Drake Software, but also imports your banking information directly from the bank application. Note that the lower half of the window is no longer active. To modify your bank information, you must return to the bank application at *Support. DrakeSoftware.com* > **Account > Bank Application**. (From the **Banking** tab of the **Firm Setup** dialog box, click the **Update Drake Bank Application** link.)

For more on entering firm information in Drake Tax, see "Firm Setup" on page 52.

Once your bank information has been imported and saved at **Firm(s)**, you can access the bank's data entry screen. In the **Electronic Filing and Banking** section of the **General** tab of the **Data Entry Menu**, click the bank's name.

Completing Bank Screens

The bank screens in Drake Tax are similar in layout and content, and they all require the same basic selections and taxpayer information, as described in the following paragraphs.

After completing a bank screen, view the return and review the bank documents that are generated for the taxpayer so you will have a thorough understanding of all fees and costs.

7216 Signature

Links at the top of a bank screen open the **USE** (Consent to Use) screen and the **DISC** (Consent to Disclosure) screens. (Links to both screens are also available on the **General** tab of the **Data Entry Menu**.) Review "Use of Tax Information" on page 222 and "Disclosure of Tax Information" on page 223 for information on these requirements.

Product Selection

The **Product Selection** section of the bank screen offers the taxpayer options for receiving an Advance payment against his or her refund. The name of the product, the method of receiving the balance of the refund, and the options for the preparer collecting fees up front vary by bank. Review your bank agreement for more information.

Bank Product Costs

Fees are charged for each method of traditional bank product disbursement. Notify your client that the following fees can be subtracted from the refund amount:

- Tax return preparation fees
- Add-on fees
- Bank fees
- Transmitter fees
- Franchise/network fees

Advance Products

All of Drake Tax's bank partners offer "Advance" products. These Advance products get money into the hands of your clients quickly, they cost your clients nothing, and in some cases, they cost you nothing. Some banks, however, do charge the ERO a fee for every Advance product funded.

Advance products have certain limitations set by the financial institutions, varying from $400 to $1,250. Depending on the bank, the Advance can be in the form of a check printed in your office, a debit card, or a direct deposit. Some banks require an RT (Refund Transfer) with the Advance, and some offer an Advance-only option.

With the Advance-only option, you are responsible for collecting the tax return preparation fees from your customer up front. The bank does not withhold fees from the refund and deposit them into the preparer's account with an Advance product as it does with traditional bank products.

Refer to your bank agreement for details on all fees and procedures.

Disbursement Methods

Bank products, including the Advance product, are disbursed to the taxpayer through a refund check printed in your office, by direct deposit into the taxpayer's bank account, and through prepaid debit cards. All Drake Tax's banking partners offer variations of these products.

Direct Deposit

Most bank products include a ***direct deposit*** option. If a taxpayer has a checking or savings account, funds can be deposited directly into the taxpayer's account, bypassing a trip back to the tax office to pick up a paper check. Note that the **RTN**, **Account Number**, and **Type of Account** must be entered twice for verification

Cashier's Check

The most frequently used method of bank-product delivery is a ***cashier's check*** printed in the preparer's office. For more information, see "Printing Checks for Bank Products" on page 233.

Debit Card

Drake Tax's bank partners provide the option of delivering bank products via debit card. The steps to select a debit card for your clients are similar on most bank screens in Drake Tax. For specific details regarding bank products, refer to your bank agreement. Contact information for Drake Tax's bank partners is available from your User Account (*Support.DrakeSoftware.com* > **Products > Bank Partners**).

An email or cell phone number must be entered on screen **1** of Drake Tax for a client to be notified when funds are loaded on a debit card. If no email address or cell phone number can be found, the taxpayer is not notified automatically when funds are loaded.

ID Information

Drake Tax's bank partners require a taxpayer ID in order for him or her to qualify for a bank product. From the bank screen, click the **IDS** link and supply the required identification information. The **IDS** screen is also available from the **General** tab of the **Data Entry Menu**.

Fee Withholding Override

All bank screens offer an override field the preparer can use to override the calculated fee for preparing bank products. An amount entered in one of these fields appears on the client's bill as "Preparer fees to be withheld from bank product."

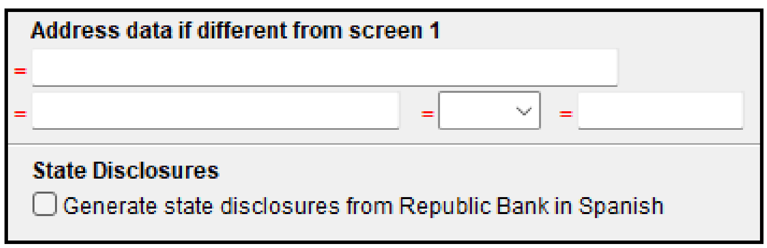
Check and Card Stock

Obtain all check and debit card stock from your bank. All stock must be verified and secured upon receipt. Read and retain all information included with the checks or cards.

Address Override

The address fields on the bank screens (Figure 6-3) are override fields; if an address is entered on screen **1**, you do not have to enter it again on the bank screen.

Figure 6-3: Override Screen **1** Address Information on Bank Screens



If the taxpayer's address differs from the one entered on screen **1**, or if the screen **1** address is a P.O. box, enter a physical address on the bank screen to help avoid delays in processing the application.

Bank Product Transmission

Several transmissions occur when you e-file a tax return with bank information using Drake Tax. The transmission order is as follows:

1. Drake Software transmits the tax return to the IRS and the appropriate bank.
2. The IRS sends an acknowledgment ("ack") to Drake Software. If the return has been accepted, Drake Software transmits the bank information to the bank.
3. The bank sends an acknowledgment back to Drake Software.

The bank also sends a "Fees to ACH" (Automated Clearing House) acknowledgment, when applicable, to inform preparers that their fees have been distributed to their direct deposit account.

Your system picks up any new bank acks whenever you initiate a connection with Drake Tax (transmit or receive from **EF > Transmit/Receive**).

Processing the Check

The following process is necessary for firms that print checks in-house. (If your firm does not print the checks, post the bank-acceptance acks to the EF database so your database always reflects the most current client status.)

Testing Check Print

Before printing checks, test your printing procedure to ensure that checks are printed correctly. One test check for each bank is loaded into Drake Tax; when you test-print a check, the program uses the test check matching the bank that is set up for "Firm 1" in **Setup > Firm(s)**.

To print the test check:

1. Ensure that paper for printing has been loaded into the printer. (Drake Tax recommends using a blank sheet of paper.)
2. From the **Home** window, select **EF > Check Print**. If no checks are ready, a message prompts you to reprint any previous checks. Click **Yes**.
3. At the bottom of the **Reprint Checks** dialog box, click **Test**.
4. Click **Print** in the **Print** dialog box.

Test check printing works only for banks that print checks through Drake Tax, not those that print checks through the bank's website.

Printing Checks for Bank Products

Before you print checks:

- Be aware that you ***cannot print checks*** until you have ***received*** the appropriate IRS and bank acknowledgments.
- Make sure the computer for EF transmissions has the correct date.

- Make sure the check number on the computer matches the check number on the next available physical check.

Do not transmit returns from more than one computer unless the program is on a dedicated server (not a peer-to-peer server). Transmitting and receiving from more than one computer can affect your ability to print checks correctly.

To print a check for a bank product:

1. From the **Home** window, select **EF > Check Print** to open the **Select Checks** window.
2. Select the checks to be printed or use **Select All** or **Unselect All**.
3. Click **Continue** to open the **Setup Check Range** dialog box. Select your bank from the **Bank name** drop list, then enter the starting and ending check numbers. Mark the box if your printer prints the checks in reverse order. Click **OK** to open the **Check Print Options** dialog box.
4. The **Check Print Options** dialog box displays the client's name, ID number, check amount, and check number.

Choose from the available options, listed in Table 6-2:

Table 6-2: Check Printing Options

Option	Description
Print this check on #___	Prints the check on the displayed check number.
Delete this Client's check	Deletes the check from the system. The check will not be displayed for printing again.
Skip this Client's check for now	Excludes the check from the current print job.
Print ALL selected checks starting on #___	Prints all previously selected checks starting at the displayed check number.

Only the first time you print checks are you asked to set up a check range. Click **Setup Checks** from the **Check Print Options** dialog box to change the check number, if necessary.

5. Click **Continue**. In the **Print Selection** dialog box, make sure the correct printer is selected. Click **Print**.

Immediately after the checks are printed, your system should initiate the process to transmit the check register to Drake Tax.

The check register ***must be transmitted to*** Drake Tax before the taxpayer can cash or deposit the check. Drake Tax recommends running **EF > Transmit/Receive** after printing large batches of checks.

Reprinting Checks

To reprint a check:

1. From the **Home** window, select **EF > Check Print**.
   - If no new checks are ready for printing, you are prompted to reprint checks.
   - If new checks are ready, the **Select Checks** dialog box is displayed. Click **Reprint Checks**.
2. Type an SSN and press ENTER (↵). The **Reprint Checks** dialog box displays any previous taxpayer and check information.
3. Click **Print**. You are asked if you have the prior check in your possession. Click **Yes** and the program automatically voids the prior check number.
4. In the **Check Print Options** dialog box, select your options and click **Continue**.
5. Select your printer in the **Print Selections** dialog box and click **Print**.

You must write "VOID" on the face of a check that is no longer valid. Follow your bank's guidelines for disposition of voided checks.

Check Register

To access a detailed register of checks printed by your office:

1. From the **Home** window, select **EF > Check Register**.
2. In the **Check Register** dialog box, select the **Starting Date**, **Ending Date**, and **EFIN/Firm Name**. Click **Continue**.
3. The Report Viewer displays the check number, date, amount, EFIN, sequence number, client ID, and client name for all checks within the parameters.
4. (*optional*) Print or export the register as needed.
5. Click **Exit** to close the Report Viewer.

Resetting Check Numbers

Occasionally, you might have to reset the check range. Follow the process outlined in "Printing Checks for Bank Products" on page 233. When you get to the **Check Print Options** dialog box, click **Setup Checks** to access the feature for resetting check range.

Lost or Stolen Checks

If you do not physically possess a check that must be reissued (for example, if a check is lost, missing, or stolen), follow your bank's procedures for a lost or stolen check. ***Do not reprint the check***.

Troubleshooting Check Printing

Listed below are some common issues that preparers encounter when printing checks. Read the following information ***before*** contacting Drake Software Support.

Checks Are Not Being Printed

There are many reasons that a check might not be printed. Before contacting Drake Software Support, review the following questions to ensure that the necessary conditions for printing checks have been met:

- Is the correct printer selected? (Go to **Setup > Printing > Printer Setup**, and look in the **Checks** drop list of the **(F5) General Setup** tab. Select another printer from the drop list if necessary.)
- Are you using the same computer from which the return was transmitted?
- Have you received the bank acceptance acknowledgment for this taxpayer?
- Has the correct SSN been entered (if reprinting)?

Cannot Line Up Text

If the text is not lining up correctly on the check, you may have to modify the adjustment settings for the printer. To adjust these settings:

1. From the **Home** window, go to **Setup > Printing > Printer Setup**.
2. Select the **(F8) Edit Printer Settings** tab.
3. Select the printer being used to print the checks. Once a printer is selected, all other fields are activated.

4. Enter a number in the **Check Adjustment - vertical** field. Each whole number represents a fourth of a line. Enter a positive number ("1") to move the check ***down*** a fourth of a line (text will show up higher on the check). Enter a negative number ("-1") to move the check ***up*** a fourth of a line (text will show up lower on the check). Remember to click **Update** and then **Save** before closing the **Printer Setup** window.

If the text is showing up too far to the left or right, you might have to adjust the printer itself. Consult the user manual for your printer.

Program Does Not Allow Reprinting

If trying to reprint a check that was printed before the current date, you will get a **Reprint Not Allowed** message. If this happens, click **OK**, and then press F5. You will be asked if you have the prior check in hand. ***A prior check must be physically in your possession in order for you to reprint a check.*** If you have the check, select **Yes**.

If the check has already cleared, there will be a date in the **Clear Date** field. You cannot reprint this check. Contact your bank for additional assistance.

Misfeeds and Paper Jams

If a check is damaged and rendered unusable during printing, write "VOID" on the face of the check and reprint using a new check. (See "Reprinting Checks" on page 235.) If you accidentally print a check on something other than the check stock (such as a blank sheet of paper), print the check again, then guarantee that the original check cannot be cashed.

If the check is still usable, you can reload and reprint it. In the **Check Print Options** dialog box, the check number displayed should match the number on the next check to be printed. If it doesn't, see "Resetting Check Numbers" on page 236.

Tracking Prior-Year Information

The **ADMN** screen, accessible from the **Miscellaneous** tab, displays prior-year bank product information, including check number, amount, and date picked up. Data must be entered manually the first year these fields are used.

Postseason Procedures

Required postseason procedures vary from bank to bank. Refer to your bank's operating procedures to determine the proper method of storing or returning taxpayer bank applications and the proper handling of excess check stock.

If your office is closing for any extended period between April and October, notify Drake Software and your bank so the bank can print any late checks, if the service is available.

7 e-File

This chapter provides an overview of the e-file process and outlines procedures for:

- Setting up an e-file account
- Testing your e-file system
- e-Filing federal and state tax returns
- Reading acknowledgment codes
- Using the EF database and online EF reports

Prepare For Filing Season

Drake Tax incorporates IRS regulations where feasible to ensure that returns are e-filed correctly; however, as a tax return preparer, you should be well-versed in the IRS rules and processes. Before tax season begins, all preparers should:

- **Read relevant IRS publications** — IRS Pubs 1345 and 1346 have information on the processes, laws, regulations, and specifications for e-filing tax returns.
- **Register for a PTIN — Regulations require that all tax return preparers must register for a PTIN.** To apply for a PTIN, go to *irs.gov/tax-professionals*, and on the right side of the window, click **Renew or Register** in the **PTIN System** box.

The IRS does not charge a fee to tax return preparers who apply for or renew a PTIN.

- **Obtain Circular 230** — All tax return preparers must comply with the standards of conduct set by Treasury Department Circular 230.
- **Know the applicable banking requirements** — In addition to consulting your bank's handbooks and brochures, see Chapter 6, "Banking."

Preparing to e-File

In order to e-file tax returns, your firm or office must be an Electronic Return Originator (ERO), have an Electronic Filing Identification Number (EFIN), and be an authorized IRS e-Services provider. ERO and EFIN information must be entered in at **Setup > Electronic Filing and Account Information (ERO)** in Drake Tax before a return can be transmitted.

All tax professionals who e-file tax returns ***must*** register their EFIN through their e-file program/ transmitter. This requirement is part of an industry-wide initiative to protect tax professionals from EFIN and taxpayer data theft, both of which have become serious concerns.

To comply with the EFIN Registration requirement, you must send a copy of your IRS e-Services Application Summary to Drake Software for ***every*** EFIN you will use to e-file through Drake Tax. This applies to *each firm and EFIN* you enter into **Setup > Firm(s)** in Drake Tax. You will *not* be able to transmit returns to the IRS for any EFIN that has not been registered.

See "Confirming your EFIN" on page 241 for details.

Applying for ERO Status

The IRS accepts ERO applications throughout the year. All new EROs must apply to the IRS to become an e-Services provider in order to receive an EFIN.

If you are a new ERO and are not a CPA, EA, attorney, banking official, or officer of a publicly held company, you must also submit a fingerprint card. To request federal e-file program fingerprint cards, contact Drake Software's Education Department at Education@DrakeSoftware.com, call Drake Software at (828) 524-8020, or contact the IRS e-Help Desk at (866) 255-0654.

An established ERO must make changes to its e-file application only if the information in its original application has changed. Changes are made online.

If you plan to e-file business returns this year after filing only 1040 returns in the past, you must update your e-file application online or your e-filed returns will be rejected by the IRS.

To register as an e-Services provider online through the IRS website, go to *www.irs.gov/e-services* and follow the designated instructions.

Submitting Your e-File Application Summary

For steps on how to retrieve a copy of your e-File Application Summary, see Knowledge Base Article 17449: e-File Application Summary.

Upload your e-File Application Summary to Drake Software through your User Account (*Support.DrakeSoftware.com* **> Account > Manage EFINs)**. For detailed instructions, see Knowledge Base Article 11426: EFIN Registration or Change — What Drake Requires for e-Filing.

Be aware that it takes time to complete the application. You may save your work and complete it at another time. Your EFIN application will take at least 45 days to be processed by the IRS.

Once your application is processed, the IRS assigns you an EFIN. If your firm has applied for an EFIN but does not have one yet, Drake Software assigns you a temporary EFIN. Your temporary EFIN cannot be used to e-file returns, but it does allow you to transmit Drake Tax test returns.

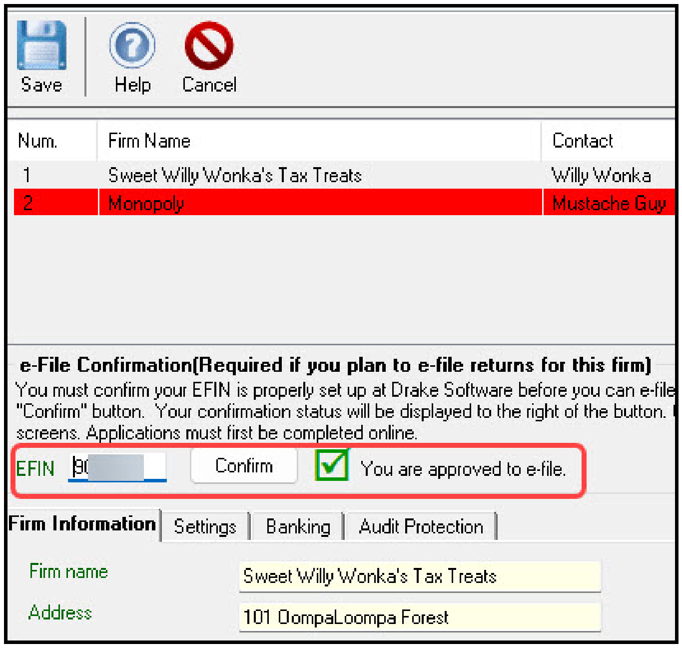
When you receive your EFIN or make changes to your ERO status, upload a copy of your e-File Application Summary to your User Account (**Account > Manage EFINs**) to register it to your Drake Software customer account.

Confirming your EFIN

You must confirm that your EFIN has be validated by Drake Software.

Open Drake Tax, and from the **Home** window menu bar, select **Setup > Firm(s)**, and open a firm (double-click or select **Edit Firm** from the toolbar).

Figure 7-1: Go to **Setup > Firm(s)** to Confirm your EFIN



In the **E-File Confirmation** section of the **Firm Setup** window (Figure 7-1), type your EFIN in the **EFIN** field and click **Confirm**. If you have properly verified your EFIN with Drake Software, you will receive a green check mark, and the words **You are approved to e-file** appear on the line.

If you need further instructions, or are not planning on e-filing, contact Drake Support at (828) 524-8020.

Testing Transmission

Once you have an EFIN, Drake Tax recommends that you run an initial transmission test to become familiar with the e-file process and ensure that your system is working properly. Open a test return and calculate it before testing transmission.

- Your account number must be entered in Drake Tax at **Setup > Electronic Filing and Account Information (ERO)** in order to transmit returns. See "ERO Setup" on page 54.
- See "EF Test Returns and Practice Returns" on page 143 for more on using test returns.

Shortcut: CTRL+S

To test system transmission:

1. From the **Home** window menu bar of Drake Tax, select **EF > Select Returns for EF**.
2. From the **EF Return Selector**, select the test returns to transmit.

Select only the returns in the 500-00 series provided in the program. All other returns are processed as actual ("live") tax returns and can result in criminal charges for filing fraudulent returns.

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3. Click **Continue**. The Report Viewer displays the selected returns.
4. Click **Exit** to close the Report Viewer.
5. From the **Home** window, select **EF > Transmit/Receive**.
6. When the **Transmit/Receive** dialog box is opened, click **Send/Receive**. A green progress bar appears, assuring you that the transmission is proceeding normally during the transmittal of large files.
7. When the process is complete, the Report Viewer displays a list of returns planned for transmission. Click **Exit** to close the Report Viewer.
8. From the **Home** window, select **EF > Process Acks** to view acknowledgments.

Shortcut: CTRL+T

An IRS acknowledgment of "T" indicates a successful test transmission.

Transmission unsuccessful? Go to **Setup > Electronic Filing & Account Information (ERO)** and add or correct your ERO information as needed and re-transmit. If transmission is still unsuccessful, make sure your Internet connection is working properly.

Save time by combining the previous steps into one. From the **Home** window menu bar in Drake Tax, go to **Setup > Options > EF** tab. In the **Session Options** section, select **Combine EF Steps (Select, Transmit, Post Acks)**. View the reports by going to **Reports > Report Viewer** from the **Home** window.

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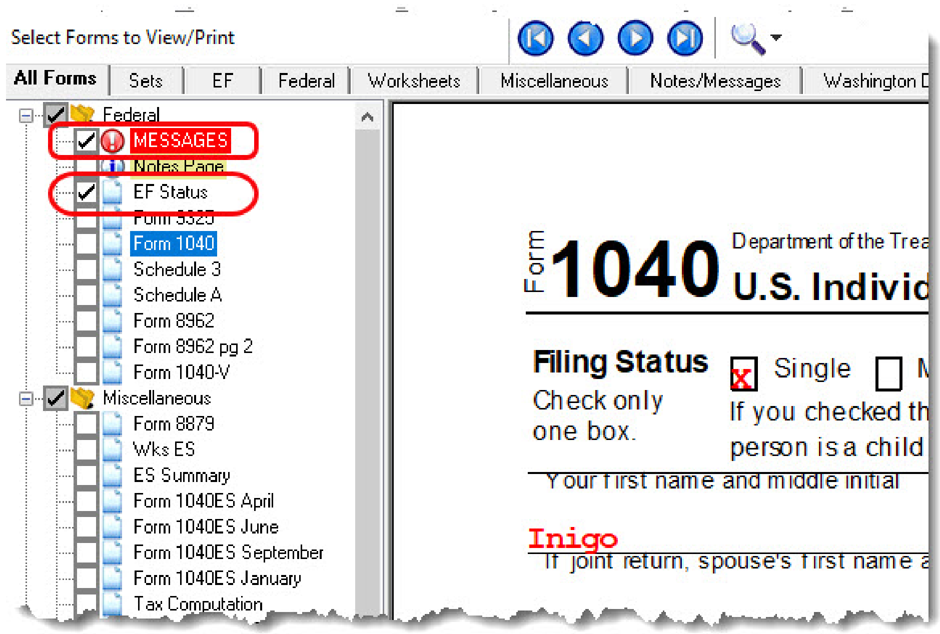
e-Filing a Return

The e-file process can be said to consist of up to four main steps, starting with return calculation and ending with the processing of bank products. (Turn to "e-File Returns from View/Print Mode" on page 252 for details on a one-step e-file process when EF Messages have been cleared and the return is ready for filing.)

Step 1: Calculate the Return

Calculate the return to determine if it is ready to be e-filed. (See “Calculating a Return” on page 183 for instructions on calculating returns in Drake Tax.)

Figure 7-2: Forms Tree in View/Print Mode



The program generates an “EF Status” document and, if necessary, EF Messages (shown in Figure 7-2) in a directory “tree” and described in the following list:

- **MESSAGES** — EF Messages are generated only if issues within the return cause it to be ineligible for e-file. Messages include error codes, descriptions of the issues, and identification of fields that must be verified.
- **EF STATUS** — The “EF Status” page shows which federal and state returns will be transmitted and which returns have been suppressed and will not be transmitted. It also states whether any federal EF Messages were generated.

Be sure to take advantage of the LinkBacks and DoubleCheck features when viewing your returns. See “LinkBacks and DoubleChecks” on page 195 for details.

Eliminating EF Messages

All EF Messages must be eliminated ("cleared") before a return can be e-filed. To clear an EF Message:

1. Open the return and click **View/Print** to calculate it and go to View/Print mode.
2. Select either the **All Forms** or **EF** tab at the top of the forms tree, then click **MESSAGES** to view.
   - EF Messages are displayed in red and are listed by code number.
   - Any unverified fields are identified at the end of the EF Message.

It is easiest to view all EF Messages from View/Print mode, but individual issues can be viewed, and in some cases accessed, from the **Calculation Results** window. See "Calculation Results Window" on page 184 for details.

3. Return to data entry and correct the issues that are preventing e-file.
4. Re-calculate the return.

Repeat the above steps until all federal and state EF Messages are cleared.

Step 2: Prepare the Transmission File

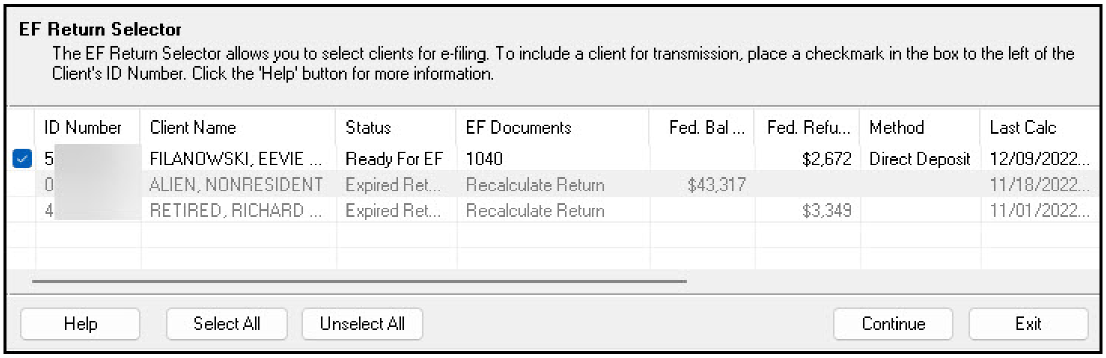
To bypass this step, select the return directly from the **Calculation Results** window. (See Figure 7-4 on page 246.)

To prepare the transmission file:

Shortcut: CTRL+S

1. From the Drake Tax **Home** window menu bar, select **EF > Select Returns for EF**. The **EF Return Selector** displays a list of recently calculated returns. Those eligible for e-file are indicated by a check box (Figure 7-3 on page 246). Returns that are otherwise eligible for e-file but must be recalculated cannot be selected and are grayed out.

Figure 7-3: e-File Eligibility Indicated on Return Selector



2. Select the returns to transmit. Use the **Select All** or **Unselect All** buttons as needed.

Click column headers to sort returns by column.

3. (*optional*) Double-click a return to open an **EF Transmission Detail** box for the return. This box displays the client's name, ID number, EF status, and federal and state forms to be filed, allowing you to finalize the specific returns (1040, 4868, 1120, etc.) to be transmitted. Click **Save** to retain any changes you make.

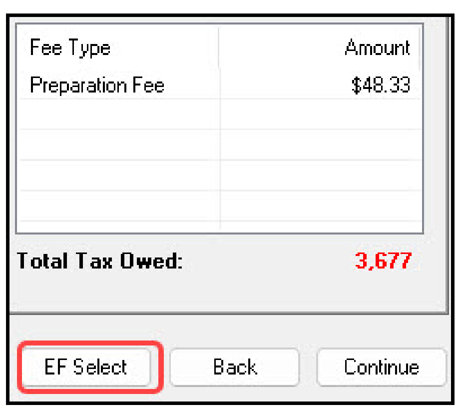
4. Click **Continue**. The Report Viewer shows the **EF Selection Report**, which lists all returns awaiting transmission. See "Report Viewer" on page 355 for details on Report Viewer features..

The selected returns are now in the "send" queue and are ready for transmission.

EF Select Button

The **EF Select** button is available in all packages and is located at the bottom of the **Calculation Results** window. By default, the button is activated if the calculated return is eligible for e-file (Figure 7-4).

Figure 7-4: **EF Select** Button on the **Calculation Results** Window



Clicking **EF Select** sends all "ready-to-e-file" federal and state returns directly to the e-file "send" queue—that is, returns with a green check mark in the **EF Status** column of the **Calculation Results** window.

The following options must be activated from **Setup > Options** to use the EF Select feature:

- A **Pause option for calculation** selection (**Setup > Options > Calculation & View/ Print**)
- **Allow EF Selection from the Calculation results window** or **Allow EF from View/ Print (ADMIN Only)** (**Setup > Options > EF**)

Returns Removed from Queue

If a return is selected for e-file and has entered the "queue" of the EF Return Selector (From the **Home** window menu bar, go to **EF > Select Returns for EF**, mark a return, and click **Continue**. That return is now "in the queue.") and then you return to data entry for that return and make a change, that return is automatically removed from the queue. When this happens:

- You receive an EF Message alerting you that the return is no longer in the EF queue.
- The return is recalculated automatically upon exiting data entry (even if **Autocalculate tax return when exiting data entry** is *not* selected at **Setup > Options > Calculation & View/ Print** tab), moving the return back into the **EF Return Selector**—assuming your changes did not trigger an EF Message.
- You must reopen the **EF Return Selector** (go to **EF > Select Returns for EF**), mark the check box again, and click **Continue** to put the return back into the queue.

Troubleshooting

If a return is not in the **EF Return Selector**, consider these troubleshooting actions:

- Recalculate the return.
- Make sure that both federal and state EF Messages have been cleared.
- From the **Home** window menu bar, go to **Setup > Options** and select the **EF** tab to see if **Require 'Ready for EF' Indicator on EF screen** is selected. If it is, go to the **EF** screen in the return. In the **Ready for EF** box at the top, select **X – Ready for EF**.
- Check to see if the return contains forms that are not e-fileable.

Step 3: Transmit Return

Never transmit from more than one computer unless the program is installed on a dedicated server.

To transmit a return:

Shortcut: CTRL+T

1. Ensure that the Internet connection is working properly and that the returns are selected for e-file. (See "Step 2: Prepare the Transmission File" on page 245.)
2. From the **Home** window menu bar, select **EF > Transmit/Receive** to open the **Transmit/Receive** dialog box, which displays the types of returns to be e-filed.
3. (*optional*) To review and, if necessary, eliminate files from the "send" queue, select a file from the **File for EF** pane and click **Review**. The **Transmit File Editor** lists individual returns. To remove a return from the queue, select it and click **Remove.**
4. Click **Send/Receive**. The Report Viewer displays the **EF Transmission Record**.
5. Click **Exit.**

The **EF Transmission Record** is a list of returns that are ***planned*** for transmission. Because transmittal can be interrupted or a return rejected, this list is ***not*** a suitable record of all returns that have actually ***been transmitted***.

The program immediately logs in to Drake Software's servers and performs the following tasks:

- Checks for new acknowledgments
- Transmits files to Drake Software's servers
- Retrieves pending acknowledgments of the transmitted files (if available)
- Logs out of Drake Software's servers

Transmission notes appear in the **Communications** box of the **Transmit/Receive** window as transmission progresses. When transmission is complete, all returns transmitted through Drake Software are forwarded to the correct IRS processing center.

Receiving "Acks Only"

To check for acknowledgments without transmitting any files to Drake Software, go to **EF > Transmit/Receive** and click **Acks Only**. The program checks for federal and state acknowledgments, bank-product acknowledgments, and check authorizations. See "Step 4: Process Acknowledgments" on page 249 for more on acknowledgments.

Step 4: Process Acknowledgments

When Drake Software receives a transmission, it immediately returns a one-letter acknowledgment, or "ack." When the IRS Submission Processing Center receives the return, it sends an ack to Drake Software, which you "pick up" by logging in to Drake Software servers through the tax program (**EF > Transmit/Receive**).

Ack Processing

To process acks, from the **Home** window menu bar, select **EF > Process Acks**. The **Process Acknowledgments** box displays progress. This data is copied to the EF database for later access. (See "EF Database (Drake Tax)" on page 256.) If no new acknowledgments are found, Drake Tax asks if you want to review old ones. After you read the acknowledgment file, an **Acknowledgment Report** shows the acknowledgment code and batch ID.

Ack Codes

Drake Tax codes are shown in Table 7-1. Re-send any return that receives a "B" ack.

Table 7-1: Drake Tax Acknowledgment Codes

Code	Description
P	Tax return transmitted to Drake Software. Return is being processed.
T	TEST return transmitted to Drake Software.
B	Bad transmission

- An EF Message is produced when e-filed returns are pending—when a "P" ack has been received from Drake Software and is on **ESUM** screen in Drake Tax. This EF Message is produced to keep preparers from re-transmitting returns that have not yet been accepted ("A" ack) or rejected ("R" ack). This "P" ack and the accompanying EF Message are available in all packages.

- Resubmitting a "Pending" return is not necessary. It does not replace the return that was previously sent to Drake Software, and it does not expedite the receipt of an IRS acknowledgment file.

- A "B" ack received for a return sent in a batch with other returns means that only ***that*** return received the "B" ack; the other returns in the transmission will still be processed if they each generated a "P" ack.

IRS acknowledgment codes are shown in Table 7-2. IRS acknowledgments are usually processed within 24 hours.

Table 7-2: IRS Acknowledgment Codes

Code	Description
A	Tax return has been accepted by the IRS.
R	Tax return has been rejected by the IRS.
E	Imperfect return; see "Imperfect Returns" on page 252.

Bank acknowledgments, listed in Table 7-3, are usually processed within hours of IRS acknowledgments, depending on volume.

Table 7-3: Bank Acknowledgment Codes

Code	Description
Bank Product Accepted	Bank product application has been approved.
Bank Product Declined	Bank product application has been declined.
Check Print	Checks are available for printing.
Prep Fees Deposited	Preparer fees have been deposited.

State acknowledgment codes are not listed here, as codes and processing times vary.

Troubleshooting Acks

Described below are some troubleshooting steps for commonly received acks.

- **B** — A "B" ack can occur for several reasons. The reason is included with the acknowledgment. If you receive a "B" ack, correct the described problem, recalculate the return, and re-transmit.
- **R** — An "R" ack indicates that the return has been rejected by the IRS. A reject code showing the reason for the rejection is provided. Look up reject codes in the EF database (see "Reject Code Lookup" on page 258), address the issue, and re-transmit.

Staggering DCNs

Each computer assigns a Declaration Control Number (DCN) to every calculated return. Although the IRS no longer uses DCNs, Drake Tax still tracks returns by these numbers, and duplicating DCNs can lead to problems for "peer-to-peer" setups and offices where multiple non-networked computers are running Drake Tax.

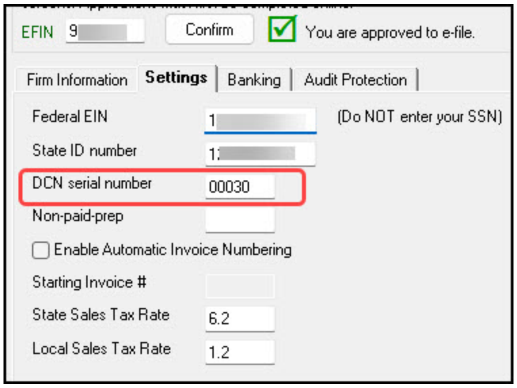
Returns in Drake Tax are assigned a DCN in sequential order, starting with 01001 (for instance, 01001, 01002, 01003, etc.). If an office is not networked and uses multiple workstations for data entry, each workstation must adjust ("stagger") its DCN counter.

Stagger the starting DCNs ***before*** creating 2022 returns.

To stagger the DCNs, complete the following steps on ***each*** workstation:

1. From the menu bar of the **Home** window in Drake Tax, go to **Setup > Firm(s)**.
2. Double-click the firm, or select it and click **Edit Firm**. The bottom half of **Firm Setup** becomes active.
3. Click the **Settings** tab.

Figure 7-5: DCN at **Setup > Firm(s)**



4. Change the **DCN serial number** (Figure 7-5). Drake Tax suggests choosing starting DCNs that are at least 2,000 numbers apart.
5. Click **Save** to save changes, or click **Cancel** to exit without saving changes.

Depending on the amount chosen to stagger the numbers, each workstation now produces DCNs based on a different starting number. For example, if you chose to stagger by 2,000 with the first computer starting at 01000, the second computer would start at 03000, the third at 05000, and so on. In this case, each computer can process 2,000 returns before duplicating a DCN.

Be careful if changing DCNs after tax season begins and returns have already been transmitted. If DCN staggering is done improperly, your ability to receive acks and your EF database could be adversely affected.

Imperfect Returns

Two common error codes (listed below) for IRS rejection of 1040 returns relate to “name” and “SSN” mismatches on either Form 1040 or Schedule EIC:

- **SEIC-F1040-501-02** — A dependent’s SSN or name on Schedule EIC does not match the SSN or name on the IRS master file.
- **R0000-504-02** — A dependent’s SSN or name on Form 1040 does not match the SSN or name on the IRS master file.

The IRS accepts such returns with these error codes (as “imperfect” returns), but you must set up the program for e-filing them.

To set up your program:

1. From menu bar of the **Home** window, go to **Setup > Options > EF** tab.
2. Select **Activate imperfect return election in data entry**.

To e-file an imperfect return:

1. Open the return and go to the **EF** screen in data entry.
2. Under **Additional Options**, select **Imperfect return election**.
3. Calculate the return.

When you view the return, Drake Tax generates a Return Note indicating the return is imperfect. When you e-file the return, the IRS will accept it (provided there are no other, unrelated issues), but with an “E” ack. Processing of an imperfect return can take up to six weeks.

- Because IRS acceptance is not guaranteed for an imperfect return, no bank products can be e-filed with the return.
- Any refund amount could be adjusted as the return goes through exception processing if an exemption claimed is deemed invalid.

e-File Returns from View/Print Mode

Select the **Allow EF from View/Print** option at **Setup > Options > EF** tab to transmit returns directly from the View/Print window. If all EF Messages have been cleared and the return is otherwise eligible for e-file, view the return (press the **View/Print** icon from the **Data Entry Menu** tool bar or press CTRL+V) and click the **eFile Taxpayer** icon (figure at left) from the View/Print mode window. The file is transmitted and any “P” (“pending”) or “B” (“bad transmission”) acks are returned.

EF Override Options in Data Entry

By default, the program designates all eligible federal and state forms for e-file. Use the **EF** screen to override program defaults on a per-return basis.

Marking "Ready for EF"

At the top of the **EF** screen is a **Ready for EF** drop list. If the **Require 'Ready for EF' indicator on EF screen** option is selected in **Setup > Options > EF** tab, you must select **Ready for EF** on the **EF** screen before the return is put into the e-file queue. Because you must manually indicate that each return is ready to be e-filed, selecting this option can help prevent accidental e-file.

Suppressing e-File

To suppress a return that is otherwise eligible for e-file:

1. Open the return and go to the **EF** screen, accessible from the **General** tab.
2. Select one of the following check boxes, as appropriate:
   - **Do NOT send Federal** (suppresses e-file of federal return; see bottom check box in Figure 7-6 on page 254).
   - **Do NOT send any states** (suppresses e-file of all state returns)
   - **Suppress federal/state EF and all bank products** (suppresses e-file of both the federal and state returns, plus any bank products)

The selected returns are not e-filed until the check boxes are cleared.

e-Filing Special Returns and Forms

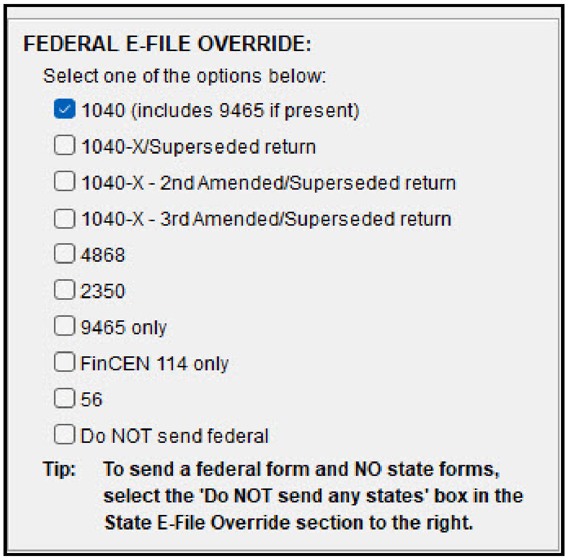
Screen EF includes options to e-file the following forms *only* (without sending any other forms):

- Form 1040, U.S. Individual Income Tax Return (includes Form 9465 if present)
- Superseded Forms 1040 and amended Forms 1040-X (note that each return can be superseded or amended a combined total of three times)
- Extensions (Forms 4868 and 2350)
- Form 9465, Installment Agreement Request
- Form FinCEN 114, Record of Authorization to Electronically File FBARs
- Form 56, Notice Concerning Fiduciary Relationship

To e-file one of these types of forms:

1. Open the return and go to the **EF** screen, accessible from the **General** tab.
2. Under **Federal E-File Override** (Figure 7-6), select the forms to e-file.

Figure 7-6: Override Default e-File Setting on **EF** Screen



Be aware that if the **9465** *screen* is completed, Form 9465 will be transmitted ***with*** the 1040, but if the **9465 only** *box* is marked on the **EF** screen, ***only*** Form 9465 will be transmitted; the 1040 will ***not*** be transmitted. Similarly, by selecting the check boxes for **4868**, **2350**, **FinCEN 114**,or **56**, you are indicating that the program should transmit ***only*** the form you have selected; no other forms will be transmitted.

- Leaving the **1040** box blank does ***not*** prevent the 1040 from being transmitted if it is otherwise ready to be e-filed. It ***will not*** be transmitted, however, if you have marked one of the other check boxes in the **Federal E-File Override** section of the **EF** screen.

- If you are filing an extension, the applicable box (**4868** or **2350**) ***must*** be selected on the **EF** screen in order for the program to transmit it.

- If you are filing an amended or superseded 1040 return, mark the correct check box. (Form 1040-X and superseded returns can be e-filed a combined total of three times per tax year.) You also must mark the correct check box on screen **PIN**, and—if a payment is being made—on screen **PMT**.

To expedite submission and acceptance of Form 9465, Installment Agreement Request, go to the **9465** screen, accessible from the **Other Forms** tab, and click the **IRS OPA Application** link to go to the IRS Online Payment Agreement Application website. In most cases, eligible taxpayers receive immediate notification of approval status. Restrictions apply. See the website for details.

Suppressing State Returns

By default, all eligible returns are transmitted unless you indicate otherwise on the **EF** screen. To e-file some state or city returns but suppress others, select the states or cities ***you want to e-file*** from the **Select the states/cities to e-file** drop lists. The selected states are e-filed, but no other state returns are transmitted, even if those other returns are eligible.

If nothing is selected from the **Select the states/cities to e-file** drop lists, or no check mark is placed in the **Do NOT send any states** check box, the program sends all eligible state returns.

e-Signature Not Required

If you have marked the **Require E-Signatures on all electronically signable forms** option at **Setup > Options > EF** tab, and a return is not required to have electronic signatures, mark the **e-Signature NOT required on this return** check box on the **EF** screen, located under **Additional Options**.

Emailing Form 9325

Form 9325, Acknowledgment and General Information for Taxpayers Who File Returns Electronically, can be automatically emailed to the taxpayer. (To set up this option, from menu bar of the **Home** window, go to **Setup > Options > EF** tab and mark the **Email 9325 Notice to Taxpayer**... check box). Whichever option you choose can be overridden on the **EF** screen with the **Email 9325 notice to taxpayer** drop list, located under **Additional Options**.

Overriding Bank-Product Alert

Under the **EF** tab of **Setup > Options** is an option to alert the preparer via an EF Message if no bank screen (for a bank product) has been included for a return. There are two ways to eliminate this EF Message: complete a bank screen for the return, or, if the taxpayer is not eligible for a bank product, go to the **EF** screen and mark the **Return not eligible for a bank product** check box, located under **Additional Options**.

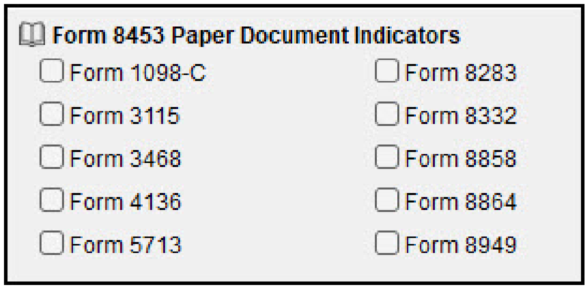
Paper-Filing Form 8453 and Documents

A return can be e-filed even if it contains certain forms that must be paper-filed. The IRS requires that Form 8453, U.S. Individual Income Tax Transmittal for an IRS e-file Return, be e-filed in lieu of these required paper documents, and that these required documents be mailed. Form 8453 must indicate which forms are being mailed separately.

To produce Form 8453 for the paper documents to be mailed:

1. Open the return and go to the **EF** screen, accessible from the **General** tab.
2. Select the appropriate forms in the **Form 8453 Paper Document Indicators** box (Figure 7-7).

Figure 7-7: Paper document indicators



When the return is generated, Form 8453 is also generated, showing which forms are to be mailed.

To mark the Power of Attorney as a paper document on Form 8453, go to the **MISC** screen, accessible from the **Miscellaneous** tab, and complete the **Power of Attorney** fields, located under **Special Signatures**. Mark the **Return signed by Power of Attorney** check box and enter the name of the person functioning under the power of attorney.

For more information on Form 8453, open **Screen Help** for the **EF** screen (press CTRL+ALT+?).

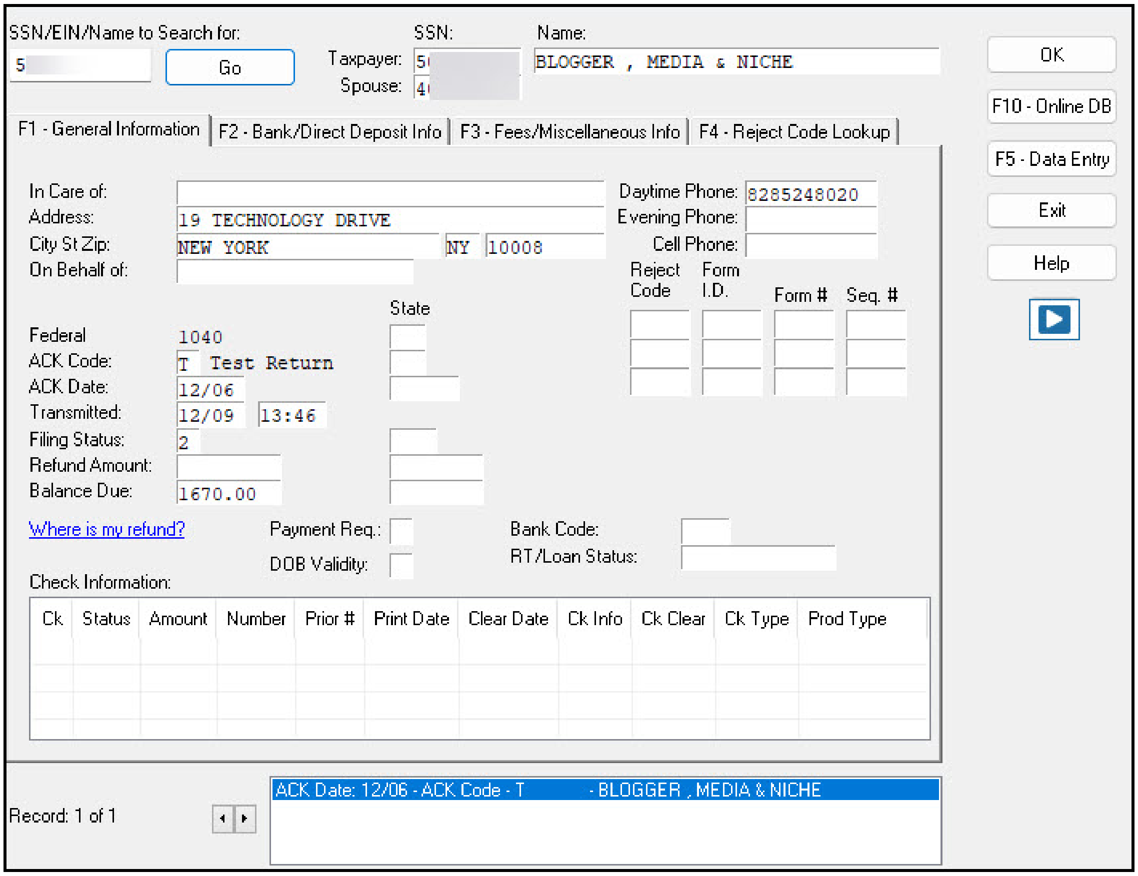
EF Database (Drake Tax)

The EF database is a searchable database that displays information about all returns your office has e-filed for the current tax year.

To search the EF database:

1. From the **Home** window menu bar, click **EF > Search EF Database**.
2. Enter an SSN, EIN, or name in the **SSN/EIN/Name to Search for** field of the **Search EF Database** window (Figure 7-8 on page 257). To browse all records, leave this field blank.

Figure 7-8: Browsing the EF Database



3. Click **Go**. To scroll through the records for that taxpayer, use the arrows at the bottom of the screen or press PAGE UP or PAGE DOWN on your keyboard.

To close the EF database, click **Exit**.

EF Database Content

The EF database stores data about the return and the associated bank products, fees, and reject codes. Different types of data are stored under tabs. (See Figure 7-8.)

General Information

The **F1 - General Information** tab displays basic taxpayer information along with:

- **IRS acknowledgments** — Federal code and date, transmission date, filing status, and refund amount or balance due are displayed in the left column. This data is from the federal "accepted" record; otherwise, the most recent transmission record for the client file is displayed.

- **State acknowledgments** — The **State** column displays the state code and date, filing status, and refund amount or balance due. This data is from the federal "accepted" record; otherwise, the most recent transmission record for the client file is displayed.
- **Reject Codes** — On the right side of the window are fields for the reject code, form ID, form number, and sequence number. Double-click a reject code to jump to the **F4 Reject Code Lookup** tab. (See "Reject Code Lookup," later on this page.)

Bank/Direct Deposit Info

The **F2 - Bank/Direct Deposit** tab contains detailed data about bank products.

- Bank product information is located on the left side of the window.
- Direct-deposit information is located on the right side of the window. This information includes amounts paid to the bank, amounts paid to the preparer, and the dates of the payments.
- Account information can be found at the bottom of the window. Account type and number are displayed for each type of direct deposit.

Fees/Miscellaneous Info

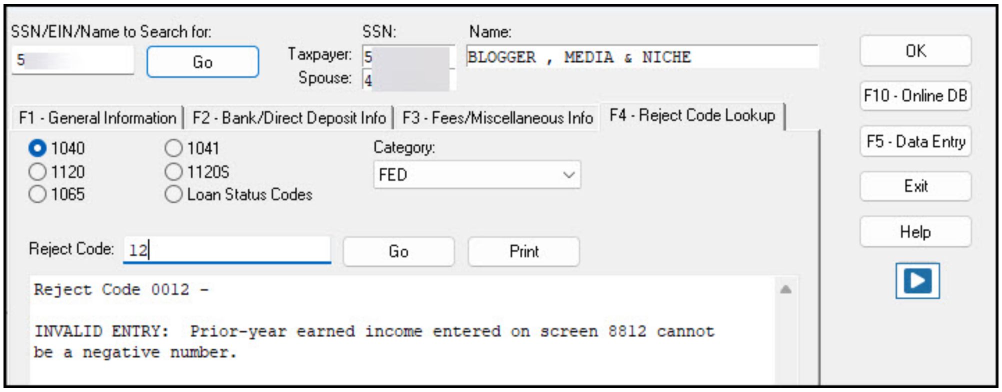
The **F3 - Fees/Miscellaneous Info** tab contains general return information about the taxpayer, the firm, and fees distribution.

Reject Code Lookup

The **F4 - Reject Code Lookup** tab is a search tool for accessing and understanding IRS reject codes. To look up an IRS reject code for a federal return:

1. Select a federal return type (1040, 1120, 1120S, 1065, or 1041; see Figure 7-9 on page 259).
2. Enter the reject code in the **Reject Code** field.
3. Click **Go**. The IRS explanation of the code is displayed in the lower box.
4. (*optional*) Click **Print** to print the code explanation.

Figure 7-9: Reject Code Lookup Tool



To search for a state reject code for an individual return, select **1040**, and then select the state from the **Category** drop list before entering the reject code. To view bank product status, select **Bank Codes** (wording varies by bank). Explanations are displayed in the lower box. To view **Bank Decline Reasons**, select that option, and then choose a bank from the drop list. Explanations are displayed in the lower box. (Not all bank have codes listed.)

Leaving the EF Database

Take one of the following actions to close the EF database or access another application from within it.

- To close the EF database and return to the **Drake Tax Home** window**,** click **Exit**.
- To open the **Online EF Database** (an Internet connection is required), click **F10 - Online DB** (or press F10). The EF database in Drake Tax remains open.
- To close the EF database and access data entry for a selected return, click **F5 - Data Entry** (or press F5).

Peer-to-peer networks only: For non-transmitting workstations to view the EF database, those workstations must share settings with the transmitting "server" computer. Go to **Setup > Data Locations**, and from the **Share settings (letters, pricing...)** drop list at the bottom of the window, select the drive that is being used by the "server" computer. See "Other Network Configurations" on page 48.

EF Reports (Online)

New for 2022: Drake's Online EF Database (OLDB) (*OnlineEFDB.DrakeSoftware.com*) has been merged with the User Account website (*Support.DrakeSoftware.com*). When logged in to your User Account, reports previously created using the OLDB can now be accessed by making the appropriate selection from the **Reports** drop list.

Users must have the correct **Custom Report Access**, established from **Account > User Info**, in order to run former OLDB reports.

Use your User Account to run real-time reports for returns, bank products, checks, and fees, search for e-file information for a single SSN or EIN, access the Multi-Office Manager (MOM), view CSM data for one or multiple offices, and check the status of each IRS Service Center. Filter reports by sets of criteria, and save custom filters for future use.

To access your online EF reports, go to *Support.DrakeSoftware.com*, and make your desired selection from the **Reports** drop list. Additional details for each report type are available by expanding the Instructions list.

To view the status of a single return, choose **E-file Status Lookup** (or **E-file Detail Lookup**, for a more in-depth review). For an overview of all e-filed returns, click **Returns**. Available reports are listed in Table 7-4.

Table 7-4: Reports Options Available from your User Account

Category	Description
Returns	Filtered by: type, status, date, with and without bank products, and EFIN
Bank Products	Filtered by: type, status, date, and EFIN
Checks	Filtered by: disbursement type, print status, date, and EFIN
Fees	Filtered by: fee status, check status, and date
MOM (Multi-Office Manager)	(*multiple office reports*) See "Multi-Office Manager (MOM)" on page 263.
Contact List Report	Creates a report containing contact information for your clients; filtered by: date and return type
94x Report	(*Drake Accounting users*) Filtered by: date, return type, and status
ABCvoice File Download	(*preparers using ABCvoice*) Download an Excel spreadsheet for ABCvoice. For more information, call Versicom at (800) 222-8170. Note: If using ABCvoice, go to the **ABCV** screen in Drake Tax (accessible from the **Miscellaneous** tab of the **Data Entry Menu**) and indicate whether the taxpayer has signed the Consent to Use and Disclosure of Tax Return Information.
Suppressed Returns	Filtered by: tax year
EF Summary	Filtered by: date
Preparer Summary	Filtered by: date
ZIP Code Summary	Filtered by: date
Returns Summary	Filtered by: date

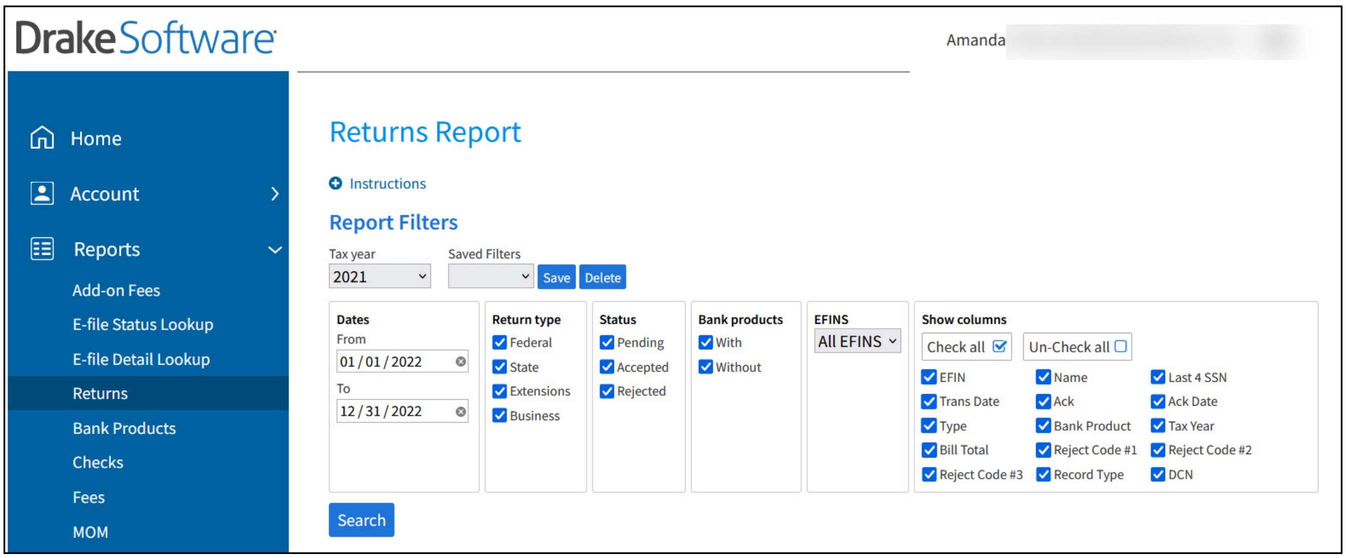
Category	Description
Returns by Ack Summary	Filtered by: date
Reject Overview	Filtered by: date
Protection Plus Enrollments	View or export a .CSV file of all Protection Plus enrollments.
Protection Plus Summary	View a summary of your Protection Plus account.

Viewing a Report

To view a report:

1. From *Support.DrakeSoftware.com*, click **Reports** then a category. Figure 7-10 shows an example of running a general report for **Returns**.

Figure 7-10: Running a Report for Returns



2. Select report criteria—or filters (criteria vary by report type). The report pulls information from only those returns with records that fall within the date range based on the criteria selected.
3. Click **Search**.

Click **Spreadsheet** or **Print,** respectively, to export a report in worksheet format (suitable for Microsoft Excel) or to print the report.

Saving Report Filters

To save a filter set for future use:

1. Select a report category.
2. Choose the report criteria.
3. Click **Save**. Enter a name for the report filter, and click **Save** again.
4. Click **OK**.

In the future, when you want to view reports that meet your saved criteria, select the report name from the **Saved Filters** drop list.

Editing or Deleting Filters

To edit a filter:

1. Select the filter from the **Saved Filters** drop list.
2. Make desired changes.
3. Click **Save**. Click **Save** again (without changing the name) to overwrite the current filter.
4. Click **OK**.

To delete a filter, select the filter from the **Saved Filters** drop list, and click **Delete**. Click **YES** to delete the report filter. Click **OK** when finished.

Setting Security Levels

Security settings allow you to password-protect reports. To define security settings:

1. Log in to your Drake User Manager (*User.DrakeSoftware.com*).
2. Go to **Manage Accounts**, and select the **Username** of the person for which you want to grant (or remove) report access.
3. Click the **Application Access** tab, and select **Drake Software Support** from the **Applications** drop list.
4. Choose the applicable reports the user can access. A check mark indicates that the selected user can run the chosen report; an empty check box denies the user access to the report.
5. Click **Submit** when finished.

Multi-Office Manager (MOM)

The Multi-Office Manager (MOM) is the online version of the Client Status Manager (CSM). (See Chapter 8, "Client Status Manager.") Designed for the multi-office environment, MOM allows you to track the workflow of multiple offices, providing a snapshot of your entire business. Through MOM, reports and statistics on return statuses and types, banks, payments, fees, and billing information are available.

Transferring Data to MOM

For CSM data to be transferred to MOM, Drake Tax must be configured to send CSM data to Drake Software during the e-file process. Each Level-1 and Level-2 EFIN office in a multi-office environment must complete the following steps:

1. From the **Home** window of Drake Tax, go to **Setup > Options > EF** tab.
2. Under **Session Options**, select **Upload Client Status Manager data to Drake for web-based reporting.**
3. Click **OK**.

Any changes made in the CSM are transmitted to MOM during e-file transmissions.

Running a MOM Report

To run a MOM report:

1. From your User Account, click **Reports > MOM**.
2. Select your report criteria, and click **Search**.

If a report contains more than a specified number of rows (default is 20), it is paginated. The number of rows displayed per page can be changed via the **Show [#] rows per page** drop list.

- To *print the report*, click **Print**. Only the data on the report is printed.
- To *sort data*, click a column header.
- To *view e-file details* for a particular return, click the **Client Name** or the client's **SS Last 4**.
- To *export the report* into a worksheet, click **Spreadsheet**.

All data for the given report criteria is saved—not just the data shown on the current page. Once the report is exported and saved as a worksheet, access it from either Excel or Access.

Copying EF Data

Firms with multiple computers but no network might have to copy data from computer to computer using a disc, USB flash drive, or other memory storage device.

For firms that use a network, copying EF data from one computer to another is not recommended.

Copying to Another Location

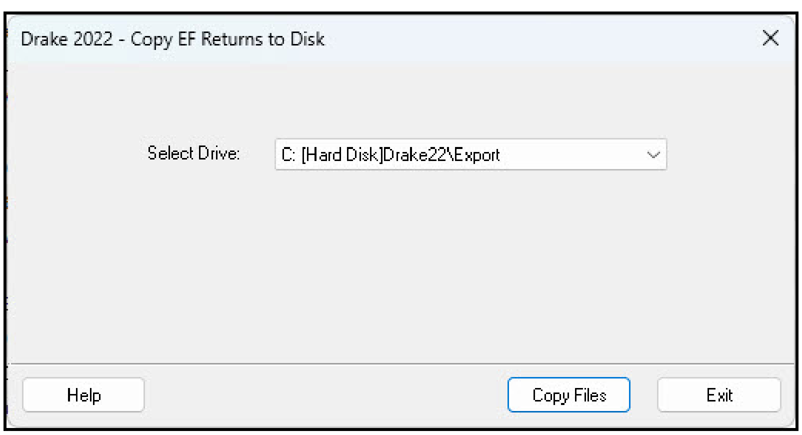
To copy EF data from a computer to a memory storage device:

1. From the menu bar of the **Home** window in Drake Tax, select **EF > Copy EF Returns to Disk** to open the **EF Return Selector**. Choose the returns to copy. Click **Select All** or **Unselect All** as needed.

Click column headers to sort in ascending or descending order.

2. Click **Continue**.
3. Select the output drive from the **Select Drive drop list** (Figure 7-11).
4. Click **Copy Files**.

Figure 7-11: Copying Files to Another Location



Copying From a Storage Device

To copy EF information from a data storage device to a computer:

1. From the **Home** window menu bar of Drake Tax, select **EF > Copy EF Returns from Disk**.
2. In the **Copy EF Returns from Disk** dialog box, select the drive to copy files from.
3. Click **Copy Files**.
4. Click **Exit** to close.

About State e-File

Most states accept e-filed returns and some require it or have regulations that determine at what point a tax professional can or must begin to e-file. (Mandates do not apply to taxpayers who e-file their own returns.) Some states with mandates have their own application process for EROs and tax return preparers who offer bank products. These processes and the rules and regulations pertaining to e-file vary from state to state.

The state **FAQ** screens in data entry include links to state e-file information. Information on individual state requirements is available at *Support.DrakeSoftware.com* and "Appendix C" on page C-1 of this manual.

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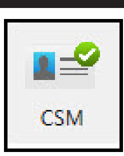
8 Client Status Manager

Use the Client Status Manager (CSM) for tracking workflow within an office. The CSM can show you the status of all returns in their various stages of completion: when a return was begun, when it was completed, who worked on it, the current filing status and payment status, and client contact information. The CSM can be used for searching for, viewing, organizing, and printing data.

The logged-in preparer can see his or her CSM data upon login using the Personal Client Manager (PCM). Much of this chapter applies to the PCM and the CSM; see "Notes" throughout these pages for more.

Accessing the CSM



Use any of the following methods to open the CSM:

- From the toolbar of the Drake Tax **Home** window, click **CSM**.

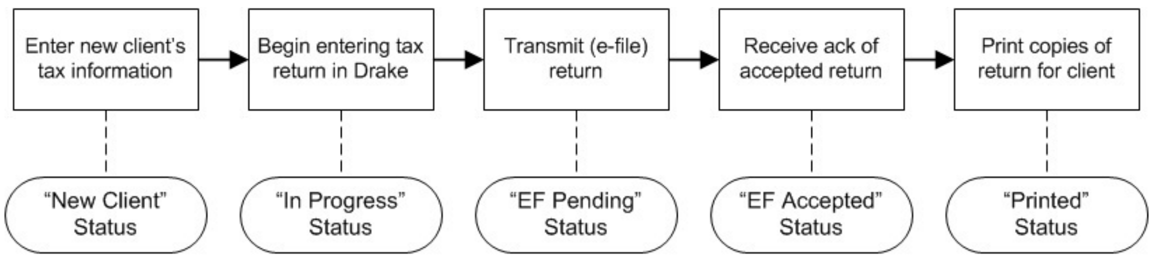
- From the menu bar of the Drake Tax **Home** window, select **Reports > Client Status Manager**.
- From your keyboard, press CTRL+L.

You cannot access the CSM from data entry, but you can change the client's status. To do so, click the **CSM** icon in the **Data Entry Menu** toolbar and select a new status.

About Client Statuses

The CSM categorizes clients by status. A ***client status*** is the stage of a return in the return-preparation cycle. The CSM's predefined client statuses are set automatically as the return progresses through the cycle (Figure 8-1), or manually as needed. You can also define new statuses.

Figure 8-1: Some Statuses are Set Automatically



Predefined Statuses

The following sections contain lists of predefined statuses in the CSM. Note that some statuses are set automatically while others must be set manually.

Set Automatically

- New Client
- In Progress
- Updated from 2021
- EF Pending
- EF Accepted
- EF Extension Accepted
- Printed
- EF Rejected
- File Deleted

Set Manually

- Complete
- Under Review
- On Hold
- Delivered
- Signed
- Waiting on Documents

Set statuses manually as appropriate. Note that the program never automatically assigns a return a status of **Complete**.

When a status changes in the CSM, it also changes in the PCM.

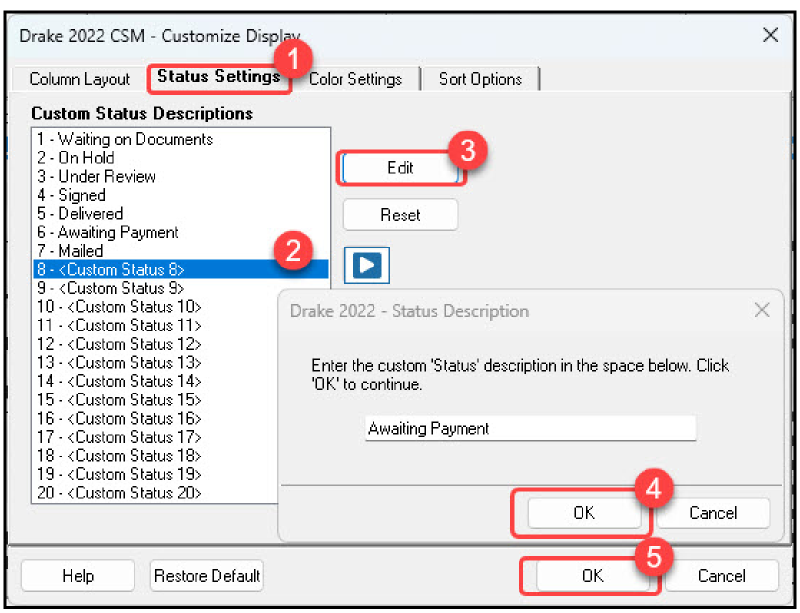
Custom Statuses

Define as many as 15 custom statuses. Custom statuses must be set and changed manually. Drake Tax recommends creating custom statuses before tax season begins.

To define a custom status in the CSM:

1. From the **Client Status Manager** toolbar, click **Customize**. The **Customize Display** dialog box is opened (Figure 8-2).

Figure 8-2: Creating a Personal Status in the CSM



2. Click the **Status Settings** tab (item #1 in Figure 8-2 on page 269), and then select a status description to rename (#2). Five of the custom statuses have suggested descriptions that can be changed.
3. Click **Edit** (#3).
4. Enter a status description in the **Status Description** text box. Click **OK** (#4) to close the **Status Description** text box and again (#5) to close the **Customize Display** dialog box.

To restore all original statuses, click **Restore Default.**

When a custom status is changed or created in the CSM, it is also changed or created in the PCM.

Setting Statuses

Set return statuses at any time during the return-preparation cycle. A status can be set from within the CSM or from data entry. For consistent and valid CSM status reports, set statuses for each stage of a return.

To ensure that the CSM **Status** column is always correct, from the menu bar on the **Home** window, go to **Setup > Options**. Under the **Calculation & View/Print** tab, select **Autocalculate tax return when exiting data entry**. When the return is calculated upon exit, the **Status** column is automatically updated.

Setting a Status from the CSM

To set the status of a return from within the CSM:

1. Click the **CSM** icon on the **Home** window toolbar.
2. Right-click a return record in the **Client Status Manager** list.
3. Select **Set Client Status**. A status drop list is displayed.
4. Select a return status from the list.

The status is updated in the **Status** column.

Setting a Status from Data Entry

To set the status of a return from within a return, click the **CSM** button from the **Data Entry Menu** toolbar to display a status list, and then select a return status from the list. The status is automatically updated in the CSM (and the PCM).

Adding a Client to the CSM

If your client has a data file in Drake Tax, that client also has a record in the CSM. New client records can be added to the CSM from the **Home** window in three ways:

- From the menu bar, click **Last Year Data > Update 2021 to 2022** and update the return. The client's record goes into the 2022 version of the CSM.
- From the menu bar, go to **File > Open/Create**.
- From the toolbar of the **Home** window, click **Open/Create**.

Opening a Return from the CSM

Returns can be opened or created from the CSM.

Shortcut: CTRL+O

To *open* a return from within the CSM, highlight a client record from the list and click **Open** (or double-click the record to open in Client Quick View, and then click **Open**. See "Quick View" on page 275.) The return is opened to the **General** tab in data entry. When you exit the return, you are brought back to the CSM.

Shortcut: CTRL+N

To *create* a return from within the CSM:

1. Click the arrow next to the **Open** button and select **New Client**.
2. Enter the SSN or EIN for the return in the **Open Client File** dialog box.
3. Press **Open**, and then click **Yes**.

When prompted, begin entering data for the new return.

Customizing the Display

Because custom views are saved and displayed according to the logged-in preparer, each preparer can set his or her own display.

Changing the custom view in the CSM does not change the custom view in the PCM. To change the PCM's custom view, right-click within the PCM window and select **Customize**

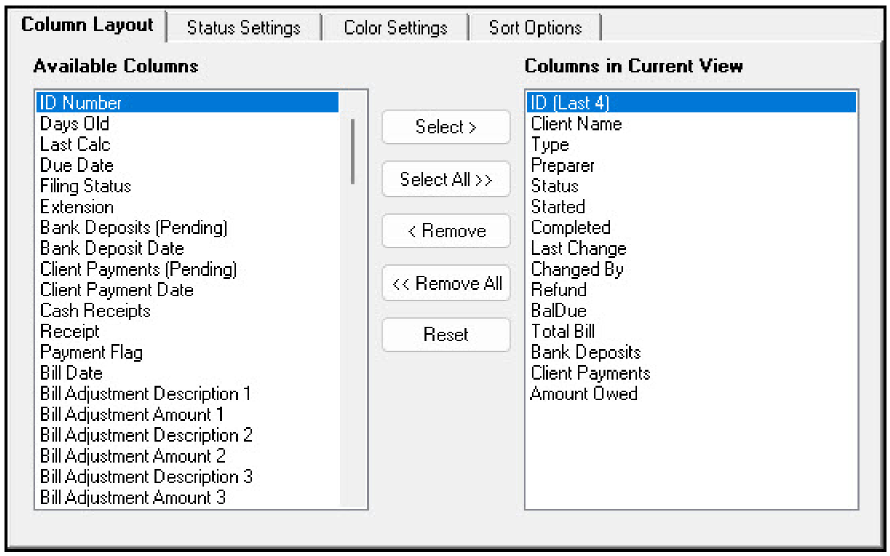
Display from the right-click menu. Use the same **Customize Display** dialog box used with the CSM, as described in the following steps.

To customize the CSM display:

Shortcut: **CTRL+D**

1. From the **Client Status Manager** toolbar, click **Customize**. In the **Column Layout** tab of the **Customize Display** dialog box (Figure 8-3). **Available Columns** are listed in the left pane, and **Columns in Current View** are listed in the right.

Figure 8-3: Selecting Columns for the Client Status Manager



2. To *add* a column to your view, select an item in the left pane and click **Select** (or double-click the item) to move it to the right pane. To add all items, click **Select All**.
3. To *remove* a column from your view, select an item in the *right* pane and click **Remove** (or double-click the item) to move it to the left pane. To remove all items, click **Remove All**. To *change* the column order, click, hold, and drag items up or down the list in the right pane.
4. To *reset* columns to the original view, click **Reset**.
5. Click **OK** to save your changes.
6. (*optional*) To restore the CSM to its default settings, click **Restore Default**.

Custom Colors

Customize the look of your CSM by changing the color of the items as they appear in the CSM grid. A quick glance can then tell you which clients are new and which returns are "In Progress," "EF Pending," "On Hold," "Delivered," etc. You can also color-code any of the custom statuses. (See "Custom Statuses" on page 269.)

1. From the Drake Tax **Home** window toolbar, click **CSM**. The **Client Status Manager** window is opened.

2. Click **Customize**. From the **CSM - Custom Display** window (Figure 8-3 on page 272), click the **Color Settings** tab.
3. Select an item from the **Status Selection** list, then click the **Status Color** color bar (or click **Edit**) to open a color selector.
4. From the color selector, choose a color for that item and click **OK**. (Alternately, click **Define Custom Colors** to develop a special color for that item.)
5. Choose another item from the **Status Selection** list and follow the same steps to choose a color for that item.
6. When finished, click **OK**.

The color of items in the CSM grid is automatically changed when the status of the return changes (say, from “In Progress” to “EF Pending”).

Other Ways to Customize the Display

There are other ways to customize the column display:

- Click **Customize** from the **Client Status Manager** toolbar and click the **Sort Options** tab. Select multiple columns by which to sort records from the **Column** and **Sort Order** drop lists.
- From the main window of the **Client Status Manager**:
  - **Headers** — Click the column headers to sort records in ascending or descending order.
  - **Adjust widths** — Drag the edge of a column to the desired width.
  - **Size to fit** — Double-click a column header’s right border.
  - **Change column order** — Click and drag a column header left or right, and release to reposition the column. (This new order is saved upon exit and is automatically updated in the **Column in Current View** list of the **Customize Display** dialog box. (See Figure 8-3 on page 272.)
  - From the **Column Layout** tab, choose **ID (Last 4)** to display your client’s ID by only the last four digits.

Search, Update, Filter, and View

The following tools will help you find and use data stored within the CSM.

Searching the CSM

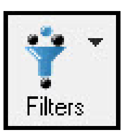
To find a return in the CSM, click **Search**, or press CTRL+F to open the **Find Client Record** text box. As you type the client name or ID, the CSM searches for and highlights the matching record. Click **Close** to exit.

Updating the CSM

To incorporate the latest return updates when the CSM is open, either click the **Refresh** button or press F5 on your keyboard.

CSM data is updated automatically through different components of the program. Processes affecting CSM data include data entry changes, return printing, e-file, and check-printing functions.

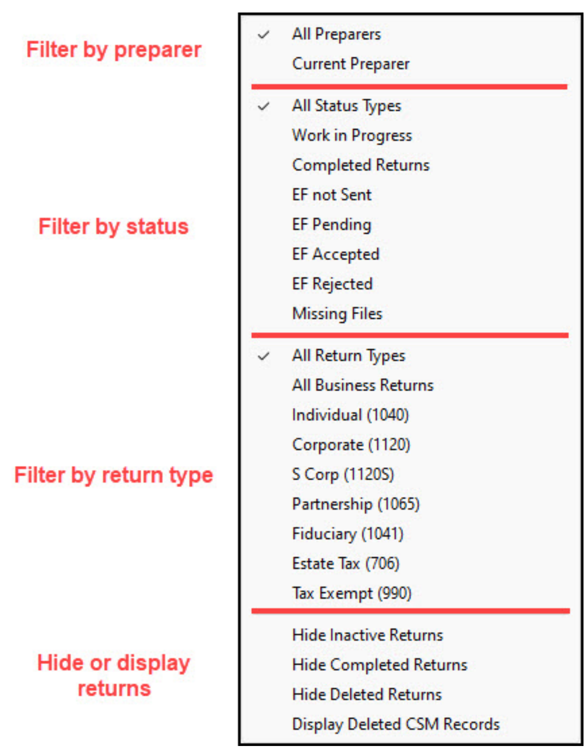
Filtering Data in the CSM



Filters allow you to control which records are shown in the CSM. To select filters:

1. From the toolbar of the **Home** window of Drake Tax, click **CSM**.
2. Click **Filters**. The filter list is divided into four sections (figure right)
3. Select filters. You can select one filter from each of the first three lists and any or all of the filters in the bottom list. A selected filter is indicated by a check mark.

The CSM displays the files that fall within the selected filters.



- In the **Status** column of the CSM, a red **File Not Found or File Deleted** message indicates a deleted return. Records of deleted return files stay in the CSM for tracking purposes.

- Filters are also available in the PCM; select **Filter Client List** from the PCM's right-click menu.

Quick View

The **Client Quick View** window summarizes the CSM data for a selected record.

To open this window for a client in the CSM, select a client row and click **Quick View** or double-click the line. Displayed is information about the client and the status of the return, billing, banking, and EF information, state information, and any customized **Misc Code** drop lists. (For details on these miscellaneous codes, see "Customized Drop Lists" on page 75.)

To access Quick View from the PCM, double-click a record or right-click the record and choose **Quick View** from the PCM's right-click menu.

CSM Reports

Seven predefined status and financial reports (Table 8-1) are available in the CSM.

Table 8-1: CSM Reports

Report Title	Description
CSM Data	Report is based solely on the data in the CSM current view.
Cash Receipts	Report lists cash amounts from bank deposits (resulting from bank products) and client payments from the **BILL** screen in data entry.
Cash Receipts- Bank Deposits	Report lists cash amounts received from bank deposits only. The data in this report is pulled from the EF database.
Cash Receipts- Client Payments	Report lists amounts entered on the **BILL** screen in data entry.

Report Title	Description
Completed Returns	Report lists SSNs/EINs and client names of returns with a **Complete** status. The program pulls the date completed from the **ADMN** screen (available from the **Miscellaneous** tab of the **Data Entry Menu** of a return), which is automatically set when you select a status of **Complete**. (An administrative user can manually set the completion date by completing the **Date complete** field on the **ADMN** screen.)
Problem Returns- 'Old' Returns	Report lists returns that have taken longer than a specified number of days to complete.
Problem Returns- 'Missing' Files	For this report, the CSM scans client files for **File Deleted** and **File Not Found** statuses.

Many reports rely on data entry for accuracy. To take full advantage of the CSM's reporting features, you must use the data entry screens mentioned in Table 8-1 above.

To generate a report from the CSM, select **Reports**, select a type of report from the **Select Report** drop list, enter the requested data, and click **Report**. The report data is displayed in the Report Viewer. For information on using the Report Viewer, see "Report Viewer" on page 355.

To access the **CSM Reports** dialog box from the **Home** window of Drake Tax, select **Reports > Report Manager**. Click the Plus Sign [+] next to **Other Report Options**, double-click **Client Status Manager Reports,** then click **Report.**

Exporting CSM Data

To export CSM data to a Microsoft Excel worksheet, click **Export** in the CSM toolbar. The worksheet is opened and filled automatically.

Admin-Only Features

Users with administrative rights can delete records from the CSM display, restore CSM data, and remove duplicate entries.

Deleting Records from CSM Display

When a record is deleted from the CSM display, it is no longer visible in the CSM, but it still exists in the tax program. To delete a record from the CSM display, right-click the record and select **Delete CSM Record (This Client)**. To view a deleted record, click **Filters > Display Deleted CSM Records**.

To delete a client file from Drake Tax, see "Deleting Files from the Program" on page 327. A client file cannot be deleted from within the PCM.

Restoring Data

When restoring data, the CSM scans a client file, calculates the return, searches the EF database, and updates the data. To restore data to the CSM, right-click a record and select **Restore CSM Data (This Client)**. Click **OK**.

Removing Duplicates

To remove a duplicate entry in the CSM, right-click a record and select **Remove Duplicate Entries (Entire Database)**.

Duplicate CSM (and PCM) entries must be removed from ***within the CSM***; they cannot be removed from the PCM.

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9 Resources & Support

Drake Software offers a wide range of support resources. In addition to our unparalleled phone support, Drake Software has a variety of help resources to give you 24-hour access to the latest information.

Information on other resources available to help you prepare tax returns – like Drake Software's collaboration with TheTaxBook library – is also included in this chapter.

Help resources are available to assist you in making the most of our return preparation program. Support is provided only as an aid to tax return completion. Preparers are responsible for knowing tax return preparation and for the accuracy of returns filed with the IRS and state tax authorities.

Drake Software Support does not provide tax law advice.

Drake Tax Manual

Your ***2022 Drake Tax Manual*** has a comprehensive Table of Contents, an Index, and an unlimited search ability to help you quickly find the information you want (***electronic copies only***). Click any subject from the Table of Contents and the manual is opened to the correct page. Press CTRL+F from anywhere within the manual to open a **Find** search box. Type any word, phrase, or sentence—whatever you are looking for—press ENTER (↵), and the search feature takes you to the first instance of the subject of your search. Click **Next** to go to the next occurrence of your search subject or click **Previous** to find the last occurrence of your search subject.

Keep a copy of the ***2022 Drake Tax Manual*** on your computer's desktop. Because Drake Tax updates the online manual whenever major changes occur, you should replace your copy frequently.

Save the electronic version to your desktop or print your own paper copy. Access the manual from:

- **User Account** — *Support.DrakeSoftware.com* **> Support > Documents > Manuals** tab
- **Drake Tax Home window** toolbar — Select **Support > Support Website**. Sign in and click **Support > Documents > Manuals** tab.
- **Drake Tax Home window** toolbar — Select **Support > Manual & Online Resources**.
- **Program CD** — For customers with the CD service, the latest version of the manual is shipped with each CD.

Other manuals (Drake Accounting and tax-return-preparation supplements) are also available, along with What's New for 2022 and the Drake Software Desk Reference Guide.

Online Support

Drake Software's Support website offers a wealth of resources available 24 hours a day. In addition to current tax information, it provides the online support options discussed here. A reliable Internet connection is necessary to take full advantage of Drake Software's online resources.

The Drake Software Support website has been designed to make all our Support resources easy to find. Much of your company's important information and links to many of the most-used tools and resources are available on the opening (or **Home**) page — the **Welcome to the Customer Resource Center**. Other resources can be found in the blue menu box to the left.

Following are quick overviews of some of the resources available from your User Account (*Support.DrakeSoftware.com*).

Applying to provide bank products, enrolling in audit protection, merchant credit card processing, the Software Purchase Assistance program, EFIN management, sub-office information, adding users to your account — all of this is done through your User Account (*Support.DrakeSoftware.com*).

To sign in to your User Account, either:

- Go to *Support.DrakeSoftware.com* on your Web browser
- From the **Home** window toolbar of Drake Tax, click **Support > Support Website**

Sign in with your Drake Software username and password. In the blue menu box on the left, select **Account > Account Info**.

Before you can take advantage of Drake Software's online sites, you or your office administrator must set up a User Account.

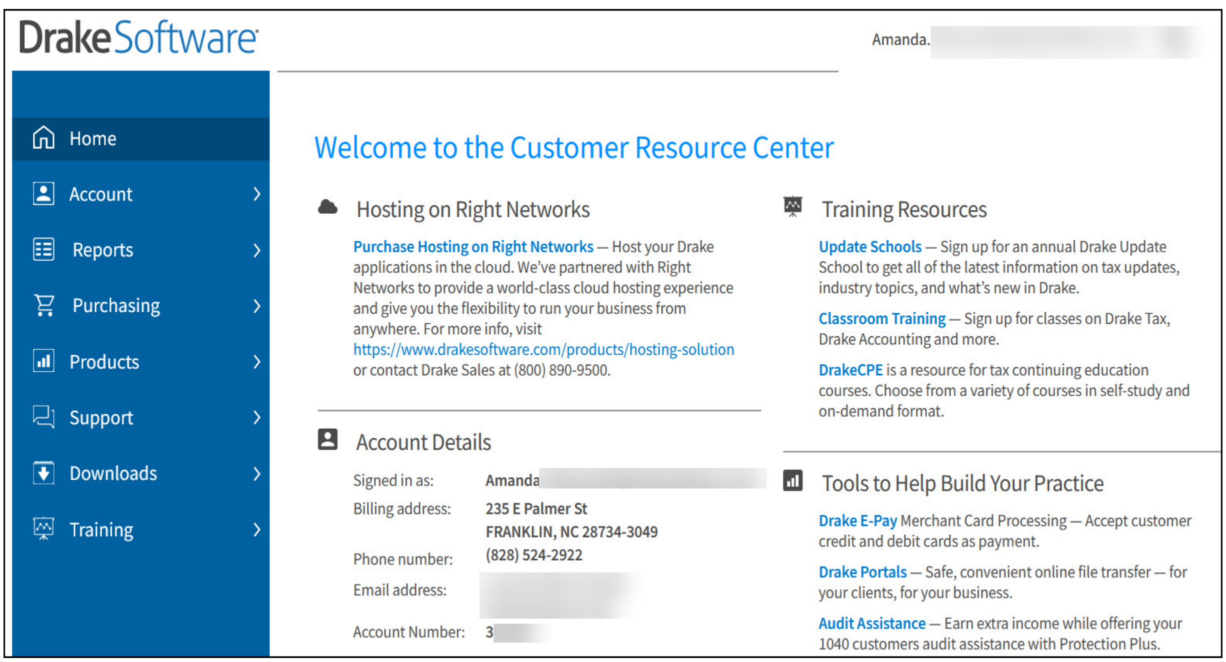
See "Initial Setup" on page 37 and "Managing Bank Products" on page 227 for more information.

Customer Resource Center

On the opening page of the Drake Software Support website is the **Customer Resource Center**. There you will find the details of your account, including the contact information for your office, links to Drake Software program downloads, links to training resources, links to such tools as E-Pay, DrakePortals, Protection Plus audit assistance, and GruntWorx to help build your practice, and contact information for Drake Software's various offices.

The blue menu box on the left of the page contains links to the resources you are familiar with, laid out in an intuitive and easy-to-understand list.

Figure 9-1: The Customer Resource Center Page of your User Account



Following is a brief overview of the main menu items in the blue menu box and some cross-references to where in this manual you can get more information on how to use these products with Drake Tax.

Your Firm's Account Information

Click the arrow to the left of **Account** to see links to pages where you can edit your personal and business information, retrieve passwords, serial numbers, and account information, complete bank applications, view your EF Database (see "EF Reports (Online)" on page 259), and check on your DIY Referrals (following).

For more on setting up the account, see "Initial Setup" on page 37.

For details on applying to provide bank products, see "Managing Bank Products" on page 227 for more information.

— Adding and Managing Users and EFINs —

To give employees access to online support resources, account information, reports, and other Drake Software ancillary programs, you must first set them up with a User Account using the Drake User Manager. Turn back to "Drake User Manager" on page 37 for information on creating User Accounts and setting permissions.

To allow employees who have their own EFINs access to your firm's User Account, add them to your office as "sub-EFINs." From your User Account, click **Account > Manage EFINs**. In order to register the employee's EFIN as a sub-office to your EFIN, you must submit your IRS e-file Application Summary to Drake Software's Accounting office. For information on obtaining this summary, click the **How to get a copy of your IRS e-file Application Summary** link, located under **Add an EFIN**. Once you have obtained your application summary, follow the on-screen steps to submit the document to Drake Software for validation.

Once you have sub-offices added to your EFIN, a link to **Sub-Offices** becomes available from the Support website. (From the blue menu bar, click **Accounting > Sub-Offices**.)

DIY Referrals

The *1040.com* referral program is available to any Drake Tax customer. When you provide your customers a referral link to *1040.com*, and the customer files his or her taxes with *1040.com*, you can earn a referral fee. (Customer returns are e-filed under Drake Software's EFIN, and Drake Software assumes the applicable preparer liability.)

The *1040.com* referral program uses a simple flat fee structure:

- The preparation price is $25 for all returns.
- The price includes state return preparation for as many states as are needed. There is no separate charge per state return.
- Extensions are free.

Under **Affiliate Reports**, click a tax-year link to review the accumulated referral fees you have earned.

Website Services

Also available from **Account > DIY Referrals** is a link to **SiteDart Studios**, a subsidiary of Drake Software that provides cloud services, website design, and website hosting specifically designed for return preparation professionals to help them maintain a professional presence on the Internet.

Having an Internet domain is a business necessity these days and is one of the best ways to build a brand. Once you have a domain, having an email address at your domain helps maintain brand consistency with your clients and prospective clients. With new designs and a new integrated newsletter system, SiteDart provides tools for website building and maintenance, a three-to-five-page website (depending on the package you purchase), email service, "spam" control, five-to-10 GB of Web space (depending on package), an appointment calendar, and the new "Newsletter System," which automatically sends out newsletters with weekly tax tips.

To begin the process of setting up your own domain and website, click **SiteDart Studio** or **Learn More**.

Purchasing

Go to **Purchasing** to renew your Drake Tax program annually, and to purchase other Drake Software products, such as Drake Accounting, Drake E-Sign, DrakePortals, GruntWorx, and W-2 Imports. Custom office supplies are also available.

These and other items are also available under the **Products** heading (following).

Products

Among the products and services available under the **Products** drop list are the following items.

DrakePortals

DrakePortals provides secure client file exchange portals for your practice, so you and your clients can exchange confidential tax documents securely and conveniently. Send and receive client documents on your own secure site anytime from anywhere. All transmissions are secure and files are encrypted at rest on the server. Clients can view and access only their own documents.

Explanations and prices are available at **Products > Drake Portals**, as are links to sign up for a free trial or to purchase any of the regular DrakePortals packages.

For more details on using this feature, see "DrakePortals" on page 392.

GruntWorx

GruntWorx is secure tax preparation automation technology that replaces manual document organization and data entry. This not only helps you convert to a truly paperless office, but it also saves up to 40% of the time spent entering data.

For details, turn to "GruntWorx" on page 390.

TheTaxBook

Links throughout Drake Tax 2022 take subscribers to TheTaxBook's research website and WebLibrary, putting tax research and the most up-to-date tax information at your fingertips. (A subscription to TheTaxBook is required.)

For more, click the link at **Products**. Information on TheTaxBook is also available at "TheTaxBook's WebLibrary" on page 181 of this manual.

W-2 Imports

Download W-2 forms from more than one million employers directly into Drake Tax. For information on signing up for this product, click the **W-2 Imports** links from the **Products** section of the Support page. For more information on using W-2 imports in Drake Tax, refer to the ***Drake Tax Manual: Individual, Gift Tax, and Estate Returns***.

Bank Partners

Click a link for details on each of our bank partners. More information on our bank partners and on how to use bank products in Drake Tax is available in Chapter 6, "Banking."

Support

Among the items linked under the **Support** heading are the Drake Tax **Knowledge Bases** and links to the various Drake Software users' manuals (**Documents**).

Knowledge Base

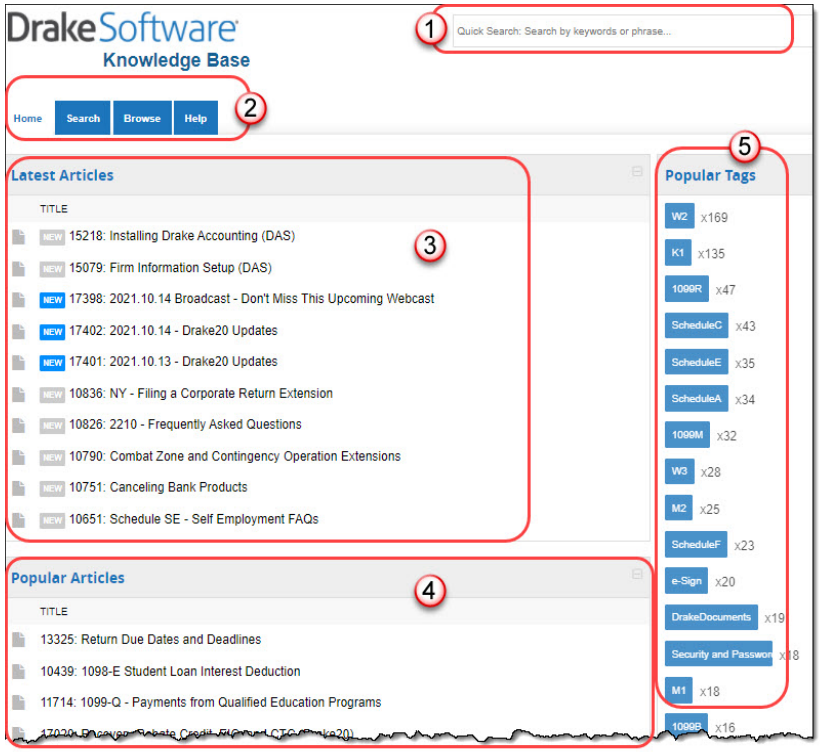
The Drake Software Knowledge Base (KB) is a searchable database of articles submitted by clients, programmers, the IRS, and state revenue departments covering most of the topics that generate support questions. There are more than 3,200 articles covering many aspects of Drake Tax and the tools and supplemental programs that go with it, changes in state and federal tax laws, tax-return troubleshooting, tax-law research, bank products, e-file, DrakePortals, GruntWorx, Drake Accounting, and other topics related to your tax preparation practice.

Go directly to the KB from the tax program via the **Home** window toolbar of Drake Tax by clicking **Support > Knowledge Base**.

The KB is opened to the KB's **Home** window. From there, view the latest articles submitted to the KB, search or browse through the various KB topics, or do a quick search of the entire database. You can also choose to restrict your search to the Drake Tax Knowledge Base, the CWU Knowledge Base, Hosting, or the Drake Accounting Knowledge Base. There are also compilations of the update notes released for Drake Tax and Drake Accounting.

Figure 9-2 on page 286 shows the **Home** window of the Drake Software Knowledge Base.

Figure 9-2: Knowledge Base Quick Search (Item #1); KB Tabs (#2); Latest Articles (#3); Popular Articles (#4); and Most-Often-Searched-for Articles (#5)



Depending on the Web browser you use, the location of items on the Knowledge Base webpage could vary.

— Searching the KB —

There are several methods of searching for a topic or article, beginning at the **Home** window of the KB:

- **Quick Search** field
- **Search** tab
- **Browse** tab
- Latest Articles
- Popular Tags
- Popular Articles

The results of searches appear in the **Search Results** in the lower half of the window, allowing you to quickly find the articles you are most interested in.

The green bars next to the results of a search show ***relevancy*** – the frequency and placement of keywords in that article.

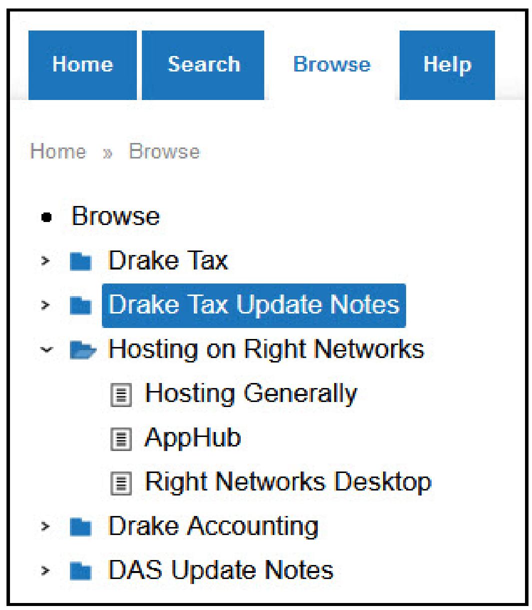
KB Advanced Search Options

Direct your search by selecting options from **Advanced Search**. From the drop lists, choose to search:

- **Using: All Keywords** (searches for articles containing all search terms entered); **Any Keyword** (searches for articles containing any one of the search terms); **Exact Match** (searches for articles containing the exact phrase entered); by Comments.
- **By: relevancy** (frequency and placement of keywords in article); **last modified** (when the article was last changed); **ratings** (how helpful others found the article); **views** (how many times this article has been viewed); **comments**.
- **In**: Ascending (**ASC**) order or descending (**DESC**) order.

— Browsing the KB —

The **Browse** window gives you access to all available KB articles produced by the Drake Software Support team. The articles are stored in folders displayed in a "tree" to the left side of the **Browse** window (figure right).



Click a folder to open the tree of categories, then click a category to list all relevant articles in the document pane on the right side of the window. Click an article to open it.

- **Drake Tax**: All articles related to the Drake Tax program, the tools and programs that go with it, tax-return troubleshooting, tax-law research, bank products, e-file, Drake Documents, DrakePortals, GruntWorx, and other topics related to your tax preparation practice. All broadcast email messages sent out that relate to Drake Tax are also included.
- **Drake Tax Update Notes**: Notes related to all updates for Drake Tax available for download throughout the current and past tax season.
- **Hosting on Right Networks**: Drake Software's cloud-hosting product that supports Drake Tax and Drake Accounting in the cloud.

- **Drake Accounting**: All articles related to Drake Accounting, including articles on training, installation, setup, firm, client, employees, payroll, payables and receivables, generating and printing reports, just to name a few. All broadcast email messages sent our that relate to Drake Accounting are also included.
- **DAS Update Notes**: Notes related to all Drake Accounting updates available for download for the 2019, 2020, and 2021 versions of the program.

On the right side of the **Browse** window is a list of the latest articles produced by the Drake Software Support team.

To return to the **Browse** window from the tree or from an article, either:

- Click the **Browse** tab again
- Click the "back" arrow at the top of your browser
- Right-click the window and then select **Back**
- Press ALT+LEFT ARROW on your keyboard

— Printing Articles —

Open a KB article and find the **Print Article** link on the right side of the window that opens the **Print** dialog box.

— Related Articles —

If there are other articles in the KB related to the one you queried, **Related Links** appear at the end of the article. Click a link to view those articles.

— Attachments —

Some articles have links that take you to other documents that you can download and view. The attached documents provide additional detail beyond that provided in the text of the article.

Documents

Click **Support > Documents** to access most of Drake Software's published material, including:

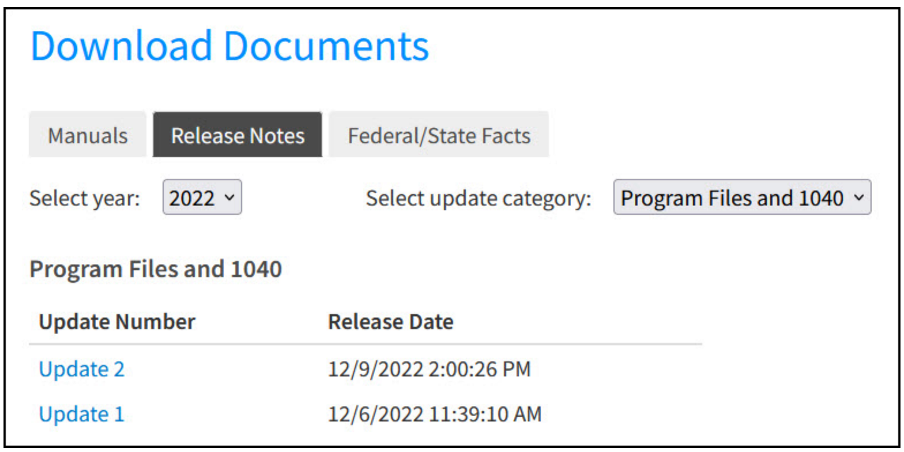
- Drake Tax manuals
  - *Drake Tax Manual*
  - *Drake Tax Manual - Pay-Per-Return (PPR)*
  - *Drake Tax Manual - Individual, Gift Tax, and Estate Returns*

  - *Drake Tax Manual - Business Returns*
- *What's New for 2022*
- Manuals for Drake Accounting and Client Write-Up
- *Drake Accounting Portals Guide*
- The "Drake Desk Reference Guide," with important facts for professional tax return preparers
- The "Quick Reference Guide," with data entry tips and information
- Drake Tax shipment letters (federal and state)

Release Notes

Click the **Release Notes** tab of the **Download Documents** page (Figure 9-3) to view every release note (update) that Drake Software put out for an entire tax year. Select a year and an update category to view the list of releases and release dates. Click a link to view the release note.

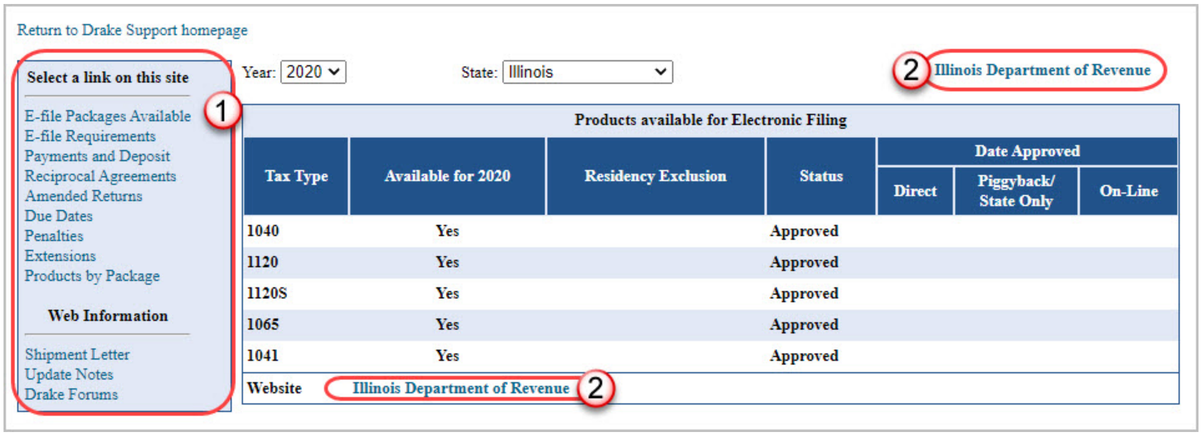
Figure 9-3: **Release Notes** Tab



Federal/State Facts

Click the **Federal/State Facts** tab of the **Download Documents** page to access lists of federal and state tax forms that are eligible for e-file, and current- and prior-year state information on e-file, state tax forms, state payments and deposits, state due dates, penalties, and extensions (item #1 in Figure 9-4 on page 290). You can also access state shipment letters and update notes. As EF packages are approved, that information is added to the state pages. The pages also include e-file requirements, reciprocal agreements among states, links to the Drake Forum (see "Drake Forums" on page 290) and state taxing authority websites.

Figure 9-4: Selections (Item #1) on the Illinois Page; Links to the Illinois State Website (#2)



Drake Forums

Click **Support > Drake Forums** to join the online Drake Forums and interact with other Drake Tax clients.

First-time users must register before participating, read the text on the **Forums** page regarding registration requirements, and then click **Register**. Follow the instructions provided on your screen.

Once registered, log in to the **Forums** page and click **FAQ** for further instructions. Click **User CP** to set up a user profile.

> The Drake Forums are strictly voluntary and should not be used as a substitute for obtaining help from Drake Software Support.

Drake Software Status

Your User Account (**Support > Drake Software Status**) allows you to see the real-time operational status of Drake Software's e-file servers and the status of IRS, state, and bank ACK processing, and the status of all of Drake Tax's customer support and online services, including Support call center and website, e-file, email, acknowledgments, bank processes, online EF reports, GruntWorx, DrakePortals, Drake Zero, Drake Hosted (Right Networks), Online Filing, and credit card processing.

Downloads

From the blue menu bar on the left side of the window, click **Downloads**, and choose to download Drake Tax, Drake Accounting, Client Write-Up, or Drake Software's conversion programs. Select the appropriate tax, version, or conversion year, and click **Download**.

Training

Removed for 2022: The Drake e-Training Center (DrakeETC) has been retired. Much of the content previously available through DrakeETC is now accessed from the **Training** tab on your User Account.

Peruse the **Training** tab of your User Account to see all of the training resources that Drake Software has to offer.

- **Passport to Success** — Get ready for tax season and your journey as a tax return preparer with Drake's Passport to Success. From the Drake Tax installation process to obtaining a PTIN, Drake is there to help every step of the way.
- **Classroom Training** — Brush up on your tax preparation skills or learn about the latest tax law changes via virtual learning sessions, or sign up to attend in person. CPE is offered for certain sessions.
- **On-Demand Webinars** — View free recorded webinars on the basics of Drake Tax, Drake Documents, and DrakePortals.
- **Practice Returns** — Practice creating returns in Drake Tax using realistic client scenarios, or practice resolving errors and transmitting test returns. See "EF Test Returns and Practice Returns" on page 143 for more information.
- **Videos** — Explore a variety of video tutorials on Drake Tax and Drake Software's peripheral programs, available in both English and Spanish.
- **Update Schools** — Sign up to attend a virtual update school, and earn 8 CPE credits as you learn about the latest tax industry information software enhancements.
- (*New for 2022*) **Drake User Conferences** — The Drake User Conference is a new, one-and-a-half day, in-person event. It offers the same content previously presented at traditional, in-person Update Schools, and more—more CPE hours (12 – 16), keynote speakers, and additional networking opportunities, including meet-and-greets with industry vendors and an evening reception, complete with food, music, and fellowship.

  During the event, industry leaders and Drake experts provide valuable insight and strategies to help prepare for tax season, including the latest updates to tax law, the industry, and the Drake Software suite. User Conference attendees also have the option of signing up for two free breakout Webcasts of their choice to obtain an additional 4 CPE credits, totaling 16.

  Visit the Drake Software UserCon website for additional details, including event dates and locations, speakers, and pricing.

User Conference participants should not enroll in an Update School due to content overlap.

- **DrakeCPE** — See "DrakeCPE" on page 292.

IRS' AFSP Program

The IRS' Annual Filing Season Program (AFSP) is a voluntary program designed to encourage tax return preparers to participate in continuing professional education (CPE) courses. Unenrolled return preparers can elect to voluntarily take continuing education each year in preparation for filing season and receive an AFSP Record of Completion.

Preparers who complete the AFSP will also be included in a public directory on the *IRS.gov* website, where taxpayers can search for qualified tax return preparers. The directory includes the name, city, state, ZIP code, and credentials of all attorneys, certified public accountants (CPAs), enrolled agents, enrolled retirement plan agents (ERPAs), and enrolled actuaries with valid PTINs. It also includes information on individuals who have received an AFSP Record of Completion.

DrakeCPE

DrakeCPE is an e-learning site where you access recorded webinars, tax courses, Drake Software's AFTR course, and earn CPE credits while learning more about such topics as the Inflation Reduction Act, EITC due diligence and avoiding an EITC audit, ethical standards, safeguarding client information, tax treatment of retirement plans and IRAs, section 199A pass-through deductions, and completing S corporation returns.

The courses and webinars on this site are device friendly and can be viewed from many devices (phone, tablet, or desktop).

— Drake Software's AFTR Course —

Take Drake Software's Annual Federal Tax Refresher Course and Comprehension Test in preparation for the AFSP. The Annual Federal Tax Refresher (AFTR) course is a six-hour course accompanied by a 100-question comprehension test. Participants must obtain a passing score of 70% and complete a test in three hours or less.

To enroll in Drake Software's AFTR course, log in to *DrakeCPE.com*, or from your User Account, select **Training > DrakeCPE**. Click **Start AFTR or AFSP Bundle**.

Prior-Year State Programs

Drake Tax's prior-year tax programs for state programs 2002 through 2007 are available for download from *Support.DrakeSoftware.com*; all other tax years are available through the tax program itself.

To download prior-year state programs for tax years 2002 through 2007, open your User Account, and from the blue sidebar menu, click **Downloads > Drake Tax**. From the **Tax year** drop list select a year. For tax years 2002 through 2007, all available state programs are listed under **Related Products and Programs**. Click a state and then follow the on-screen instructions for downloading. For tax years beginning with 2008, download the federal program (click **Download**), and when the tax package has been installed, open the program to the **Home** window, and select **Tools > Install State Programs** from the menu bar.

Once state programs are installed, update them using **Tools > Install Updates** (for 2007 and 2008) or **Tools > Update Manager** (for 2009 and on).

Program Support Within Drake Tax

Several support resources are available from within the Drake Tax program itself: Frequently Asked Questions, searchable help, and data entry help.

Help Resources

Drake Tax offers many ways for you to get the help you need. When you click the **Support** button from the **Home** window, you are given the following options:

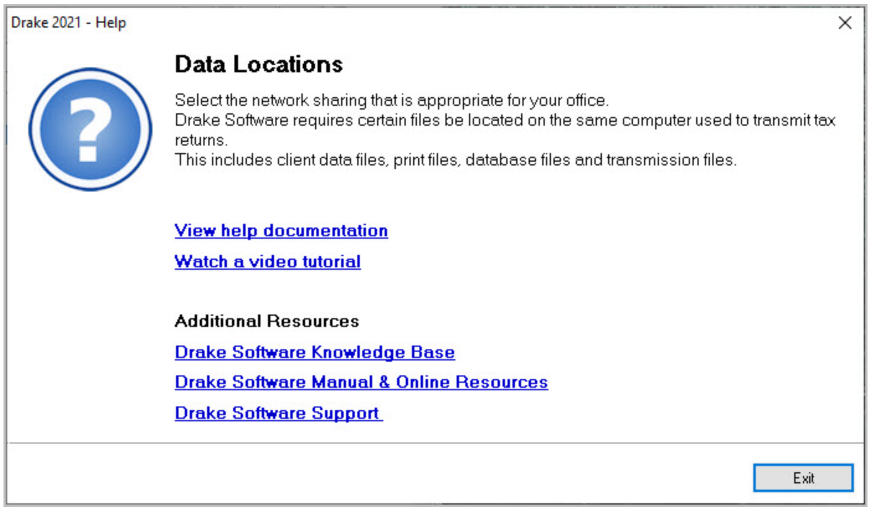
- **What's New for 2022** — An annually published document describing the additions and changes to IRS tax laws and Drake Software programs for the 2022 tax year
- **Knowledge Base** — An online reference source containing answers to common tax and program questions (See "Knowledge Base" on page 285 for more information.)
- **Program Help** — A searchable, indexed encyclopedia containing answers to common software questions (see "Program Help," following, for more information)
- **Support Website** — Your User Account, containing links to all of our online help resources (see "Online Support" on page 280)
- **Video Tutorials** — A compendium of how-to videos created by Drake's Education team, explaining and demonstrating how to use Drake Tax and related programs
- **Remote Assistance** — Used by Drake Software personnel in certain support situations
- **Chat Support** —An easy method for having an online discussion with a member of Drake Software's Support staff
- **Manual & Online Resources** — A link to Drake Tax manuals, practice returns, and Drake Software shipment letters, all in PDF format
- **Custom Web Search** — A link to a customizable Web search tool used for searching for keywords on multiple sites at once

Program Help

All Drake Tax windows (except the data entry screens) have a clickable **Help** button (figure at left) for accessing the Drake Tax Program Help System.

If your computer or network is connected to the Internet when you click the **Help** icon, you will access online Program Help, with features to assist in finding the information you need as quickly as possible.

Figure 9-5: “Links” Page of Program Help



When you access the online Program Help system, you first see a “links page” (Figure 9-5), containing links not only to the help you are looking for, but with the **Additional Resources** links, also to such helpful resources as video tutorials, the Drake Software KB, the *2022 Drake Tax Manual*, and the Drake Software Support website.

Click **View help documentation** and the Program Help is opened for the window you are in. For example, if you are in Data Locations setup (**Setup > Data Locations**), as is the case in Figure 9-5, and click **Help** and then **View help documentation**, you are shown directions for setting up your data locations. (On some links pages, there are also links to Drake Software-produced video tutorials.)

Click the **Drake Software Knowledge Base** link and the Drake Software KB is opened with a search for your topic already run and all relevant articles on view for you to choose from.

Internet access is required to use the online Program Help; computers without an Internet connection still have access to the reliable off-line Program Help you are familiar with from past versions of Drake Tax. While the following information refers to the online version, the older off-line version operates the same

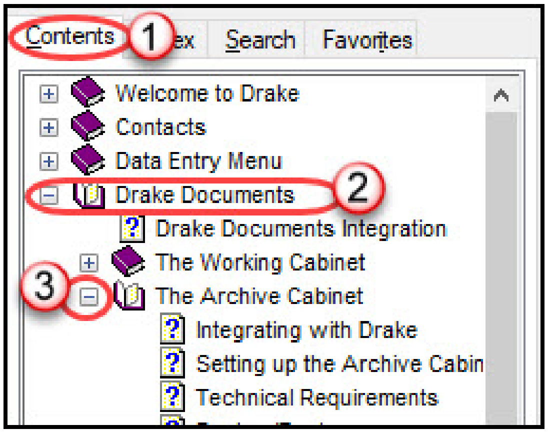
— Program Help Window —

Drake Software’s Program Help system is arranged in a series of “books” in a **Contents** list on the left of the window. Click the small arrows to open a “book” and reveal topics inside each “book.”

— Contents —

The Program Help window is opened to the **Contents** option (item #1 in Figure 9-6 on page 295). In this example, the user clicked the “Drake Documents” book (#2) in order to find information on the Archive Cabinet. The user clicked the “minus” icon (#3) beside **Archive Cabinet** to reveal the list of articles in the Archive Cabinet book.

Figure 9-6: Topics in Program Help



Links to these same articles also appear in the large information pane in the center of the window.

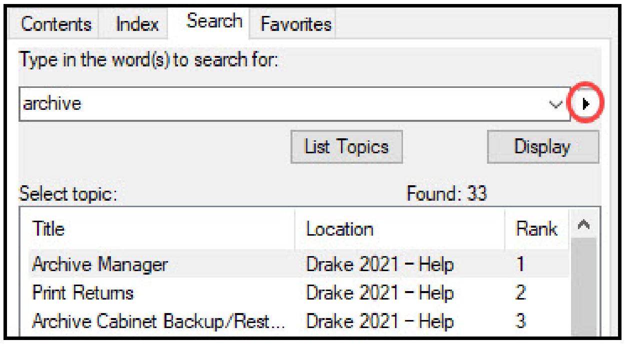
— Index —

Click **Index** to see an alphabetized list of all subjects in the Program Help. Click a link in the list to open the help text for a specific subject. The article is viewed in the large information pane in the center of the window.

— Search —

The **Search** tab allows you to search the Program Help topics by keyword or phrase. Enter a search term of at least three characters and press ENTER (↵) (Figure 9-7). Use the right-facing arrow (red circle in Figure 9-7) beside the search bar to add or exclude terms from your search.

Figure 9-7: Searching Program Help



Articles in which the searched-for term appears are listed. Simply click an article to view it in the information pane in the center of the window. In Figure 9-7, the user entered the term “archive,” and the most popular article returned was for the “Archive Manager.”

— Favorites —

The offline Program Help for computers and networks not linked to the Internet is the same Program Help Drake Tax users have been using for years, and even though the windows and lists look different, the offline Program Help works the same as what is described above. In addition, the offline Program Help includes a **Favorite** tab that allows you to save articles you've found. Open an article from the **Search** list, then click the **Favorites** tab. At the bottom of the column, click **Add**.

Data Entry Help

Drake Tax offers its screen-level and field-level helps to explain the uses for certain screens, what data is expected in which fields, and how to find more information through links and IRS references. There are also links to instructional videos throughout the program.

Research

Set up a Web-based search for answers to your tax questions by going to the **Home** window and clicking **Support > Custom Web Search**. (See "Tax Research" on page 300).

Access the Drake Software Knowledge Base from data entry by clicking anywhere on the screen (outside of a data-entry field) and pressing CTRL + ? or by right-clicking the screen (outside of a data-entry field) and selecting **Help > Drake Software Knowledge Base**. (See "Knowledge Base" on page 285.)

If you have a subscription to TheTaxBook, take advantage of the links in Drake Tax to TheTaxBook's research website and WebLibrary. For details, turn to "TheTaxBook's WebLibrary" on page 181 of this manual, or sign in to *Support.DrakeSoftware.com*, and from the blue menu box on the left, select **Products > TheTaxBook**.

Frequently Asked Questions (FAQs)

An **FAQ** screen is included with each tax package in Drake Tax, accessible from the **General** tab of the **Data Entry Menu** or by typing `FAQ` into the selector field and pressing ENTER (↵). **FAQ** content varies by state and federal tax package.

Field Help

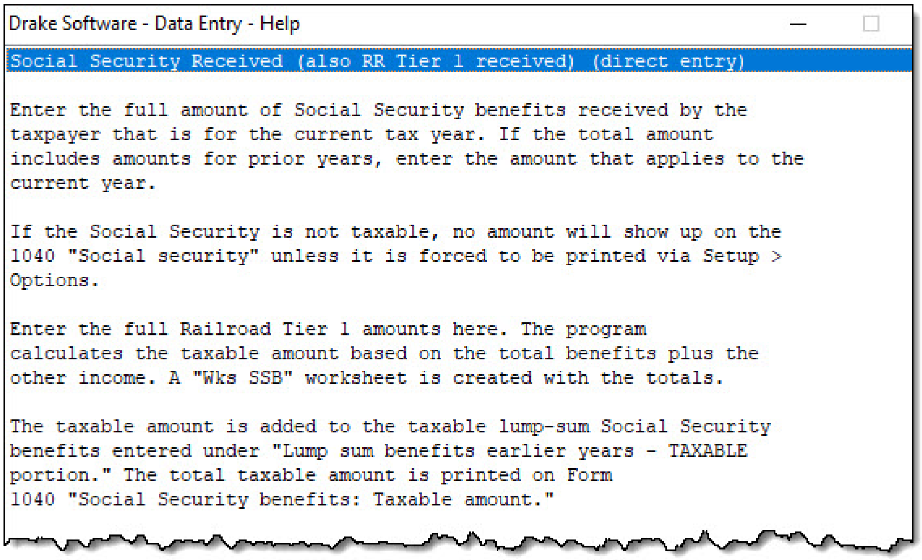
Field help provides information about a selected field of any data entry screen in Drake Tax (all packages). There are three ways to access field help:

- Click inside a field and press F1

- Click inside a field and press SHIFT+?
- Right-click inside a field and select **Help > Help for this Field** from the right-click menu

The help for the selected field is displayed as shown in the following example.

Figure 9-8: Field Helps are Available on All Data-Entry Screens



Each help window indicates whether the field is a direct entry, adjustment, or override field. To close a help window, click the **X** in the upper-right corner or press Esc.

Screen Help

Screen help provides information about an open screen in data entry. There are several ways to access screen help. From the data entry screen:

- Select **Help** from the toolbar of a data entry screen
- Right-click a data entry screen, then select **Screen Help** from the right-click menu
- Press CTRL+ALT+? from your keyboard

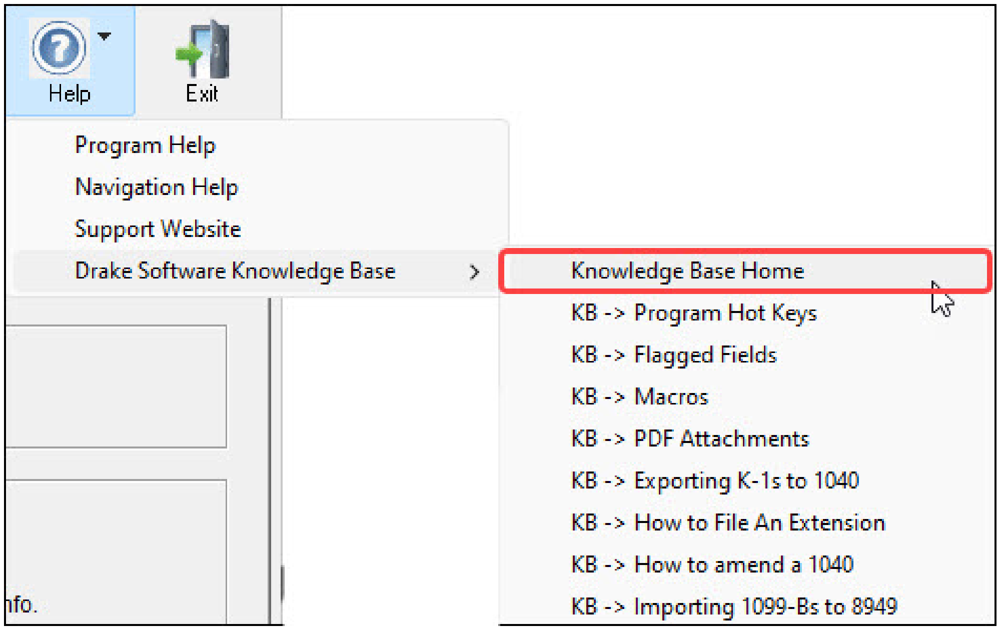
In most cases, a window similar to the field help window displays the screen help. Some screen helps include links to form instructions and other related documents.

Not all data entry screens in Drake Tax include screen helps.

Enhanced Help Resources

Other help options are available when you click the **Help** button on the **Data Entry Menu** toolbar or right-click any data entry field within a Drake Tax screen (Figure 9-9).

Figure 9-9: Help Resources from Data Entry



Click the **Help** button from the **Data Entry Menu** toolbar for a list of help options. In the example in Figure 9-9, the user has selected the **Drake Software Knowledge Base**, finding links to the **Knowledge Base Home** window and eight often-viewed KB articles on program functionality.

Other items on the **Help** menu are:

- **Program Help** — Opens the Drake Help Program. (See "Program Help" on page 293 for more.)
- **Navigation Help** — Offers a short explanation of how to navigate in Drake Tax and includes a link to a list of keyboard shortcuts that help make data entry easier and faster.
- **Support Website** — Opens your User Account. (You need your username and password to sign in.)

Right-click in any data entry field on any data-entry screen and, in addition to the five options just mentioned, you can also choose either:

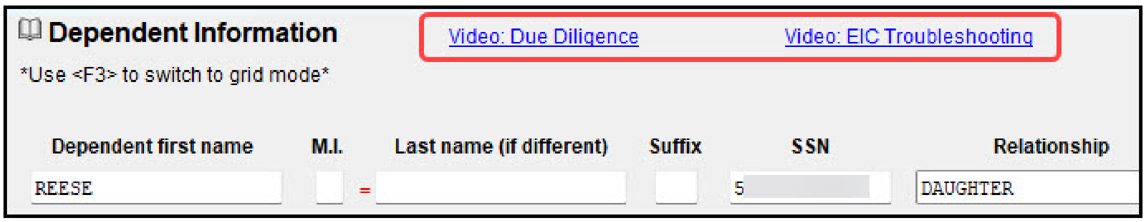
- **Help for this Field** — Opens the field help for the clicked-in field.
- **Screen Help** — Opens the screen help for this screen.

Video Tutorials

Many instructional video tutorials are accessible throughout the program to give you quick sources for learning about the Drake Tax program and the various peripheral programs. Video tutorials are added or updated throughout the year to reflect tax industry changes and filing deadlines. To view the tutorial on how a particular window or tool functions, look for one of the blue **Start** arrows (figure left).

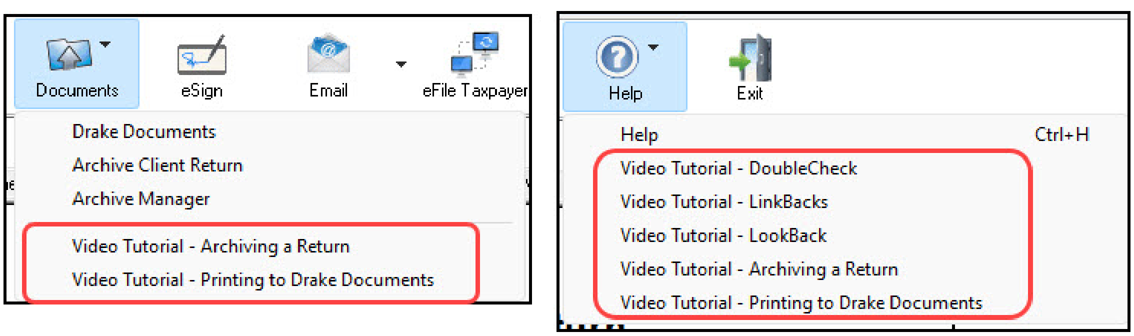
In data entry, click one of the blue links (red circle in Figure 9-10) to view video tutorials. Most of these data-entry tutorial links are located at the top of data-entry screens, but some are located in the section of the screen specific to that video. All are listed as a "Video."

Figure 9-10: Video Tutorials (Blue Links) are Available from many Data-Entry Screens



Other video links can be found in certain help menus, such as many right-click menus, and from the arrow beside the **Print**, **Archive**, **Email**, or **Help** icons on the View/Print (Enhanced) mode toolbar (Figure 9-11).

Figure 9-11: Video Links Available on Some Menus, such as the View/Print Mode Toolbar



To find all the videos in one convenient place, from the toolbar of the **Home** window of Drake Tax, click the **Support** icon and select **Video Tutorials**. When the Videos site is reached, click the **Getting Started** drop list.

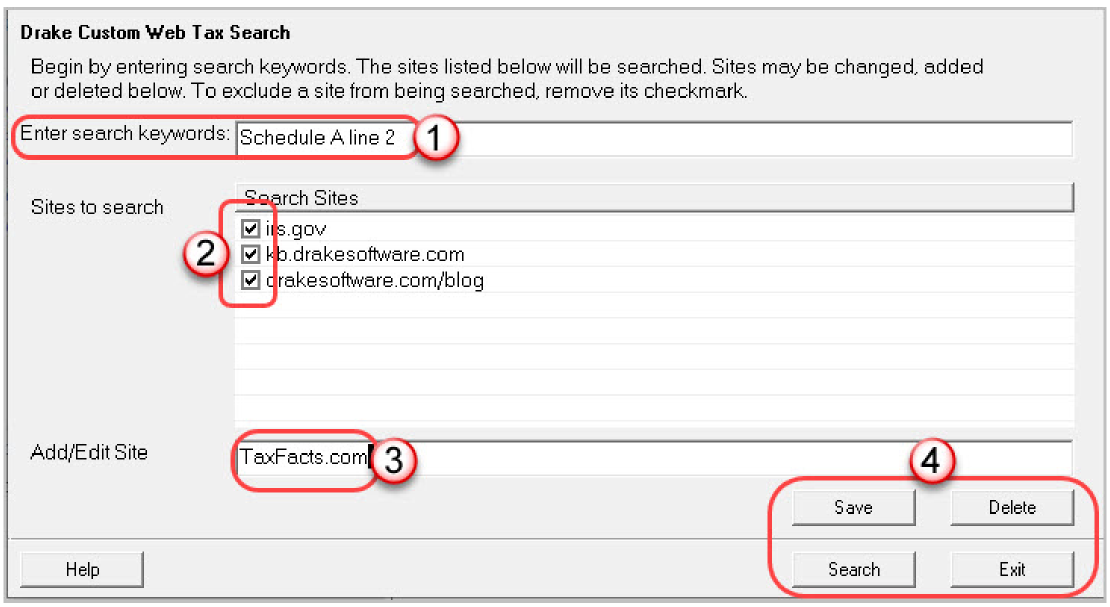
Tax Research

Drake Tax's research tool provides a way of searching the Internet for answers to any tax question. This site search scans three default websites—*IRS.gov*, *DrakeSoftware.com*, and the Drake Software Knowledge Base—for answers and allows you to add any additional sites you wish to search.

To begin a search for tax information, first click the **Support** button on the Drake Tax **Home** window toolbar and select **Custom Web Search**.

1. In the **Custom Web Search** window, enter a keyword (item #1 in Figure 9-12).
2. Click a check box to select sites from the **Sites to Search** fields (#2).
3. *(optional)* Add any sites you want to search (#3) and click **Save** (#4).
4. To delete a site, double-click it and click **Delete** (#4).
5. Click **Search** (#4).

Figure 9-12: Custom Web Search Tool



Any websites listed and selected with a check mark in the **Search Sites** fields are searched and the results are displayed in a browser window. Clear the check mark from any site you do not want searched.

TheTaxBook

Subscribe to TheTaxBook's WebLibrary (additional purchase required). Turn to "TheTaxBook's WebLibrary" on page 181 for more information.

Interactive Support

Drake Software provides interactive support via email, phone, and fax.

Email Through Drake Tax

Use the email provider of your choice to send emails through Drake Tax. You can also use Drake Tax's email program to send questions or files to Drake Software Support.

To access Drake Tax email, open the tax program, and from the menu bar of the **Home** window, select **Help > Email**. To access Drake Tax email from inside a return, click the **Email** icon from the **Data Entry Menu** toolbar. There is also an **Email** button on the View/Print mode toolbar and on the Drake Documents toolbar to facilitate sending PDF copies of the return to your clients.

Find Drake Software Support email addresses by clicking the **To** button on the **Email - Compose Message** toolbar. Email addresses for Drake Software Support are also listed in "Contacting Drake Support" on page 10.

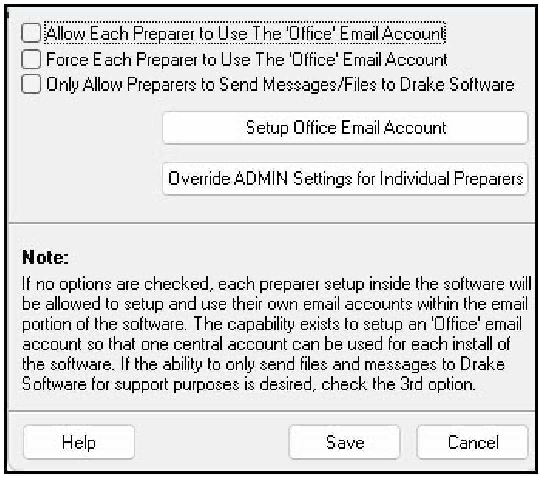
Email Setup

To add and set up your email accounts, begin by setting up your Administration Options in Drake Tax. From the menu bar of the **Home** window, go to **Help > Email** to open the **Email** window. From the menu bar of the **Email window**, select **Setup > ADMIN Options** to open the **Email - ADMIN Options** dialog box (Figure 9-13 on page 302).

Every preparer in your office can have his or her own email account but must complete a separate setup.

At the top of the **ADMIN Options** dialog box, three options are available:

Figure 9-13: Selecting Email Options



- Allow each Preparer to Use the ‘Office’ Email Account
- Force each Preparer to Use the ‘Office’ Email Account
- Only Allow Preparers to Send Messages/Files to Drake Software

If none of these options is selected, preparers in your office can set up and use any email program they choose through the Drake Tax program. If, however, you choose to set up an “Office” account, select one of the first two options, then click **Setup Office Email Account** to set up the email program everyone will use.

The third option—**Only Allow Preparers to Send Messages/Files to Drake Software**—would allow office personnel to contact Drake Software Support but not to email clients.

— Individual Accounts —

To set up individual email accounts, from the menu bar, select **Help > Email**. From the menu bar of the **Email** window, select **Setup > Accounts** to open the **Accounts Settings** window. To add a new account, click **Add Account** at the bottom of the window to open the **Email - Add Account - Account Type** list of email providers:

1. Select an email provider from the list and click **OK** (or double-click the provider’s name) to open the **Email - Add Account** dialog box.
2. In the **Account Information** section, type a name for the account in the **Name/ Description** field.
3. In the **User Information** section, type the name you want your email recipients to see when they receive your email and then type an email address (for instance, MaxsTaxes@*EMAIL.PROVIDER*.com).
4. If you made a selection from the **Add Account Type** list, the **Server Information** section should be complete; otherwise, type the name of the **Incoming** and **Outgoing Mail Server**. Click **More Settings** and change the program **POP Account** default settings as needed. (See “Note” on page 303.)

5. In the **Login Information** section, enter the username and password you selected when you set up the account with the email provider.

This password is not in the Drake Software system and Drake Support ***cannot*** retrieve it. Keep a reminder of this password in a secure location.

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6. Click **Save**.
7. Click **Test Settings** to make sure your setup is correct and an Internet connection is made. If the test is successful, click **OK** and then **Save**.
8. In the **Email - Account Settings** dialog box, select an account to be the active account and click **Set Active Account**. This account name will appear at the top of the **Email** window.
9. Click **OK**.

If the **Server Information** section of the **Add Account** dialog box was not automatically completed for the provider you selected, you must enter your email account information yourself, including the server settings, Post Office Protocol (POP) and Internet Message Access Protocol (IMAP) connection data. Contact your email provider for this information.

Two-Step Authentication

If you heeded the IRS's recommendation to secure your email account with a two-step authenticator, you have to take a few more steps to make your Drake Tax email account available for use.

Drake Software's Knowledge Base has several articles designed to help you set up a two-step authentication for your email account. Article 16560 covers linking Microsoft-based email programs such as Hotmail, Windows Live, and *Outlook.com*, article 15719 discusses linking Google's gmail, and 16465 explains *Yahoo.com*

To reach the Drake KB, from the **Home** window of Drake Tax, select **Support > Knowledge Base**. Sign in to your User Account at *Support.DrakeSoftware.com* and, from the blue sidebar menu, select **Support > Knowledge Bases**. Use the KB's **Search** or **Browse** tools to find these articles.

Checking Email

Shortcut: **CTRL+M**

Once you have selected **Help > Email** from the **Home** window, click **Check Mail** to check your Drake Tax email. (Alternately, select **File > Check Mail** from the menu bar.)

Emailing Client Files to Drake Support

You might sometimes find it is necessary to send a client's files to Drake Software's customer support department for help with a data-entry problem. Behind the scenes, we use a secure file-transfer program in order to meet IRS security compliance for these transmitted files.

> You can send client files to Drake Software even if you do not have email accounts configured in Drake Tax 2022.

Attaching Files

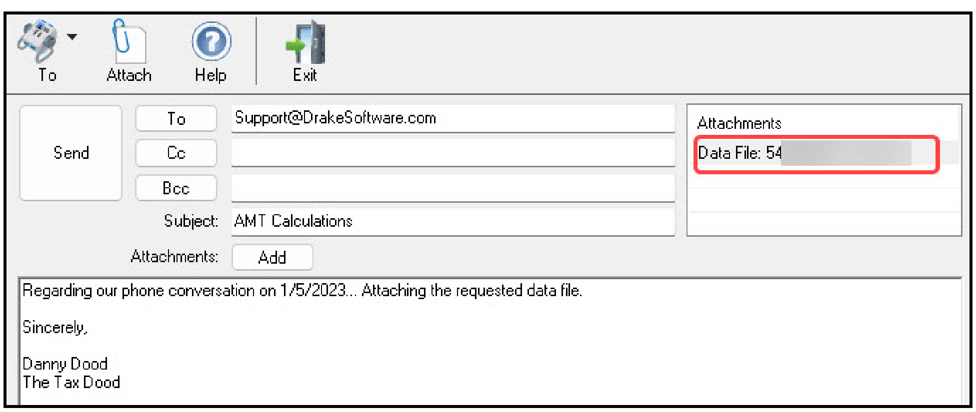
When contacting Drake Software Support with an issue, you might be asked to send, via email, a client's data file (a return), a file stored in your Drake Documents file, Drake Tax program file, or another kind of file. (Entire folders cannot be attached.)

— From Data Entry —

To send a client data file directly from data entry:

1. In Drake Tax, open the return you want to transmit.
2. From the **Data Entry Menu** toolbar, click **Email**. The **Compose Message** window shows the client's data file attached to the message (Figure 9-14).

Figure 9-14: **Email - Compose Message** Window



3. Complete the **To** and **Subject** fields (required), and compose your message.
4. Click **Send**. The email with the client data file attachment is sent to the recipient.

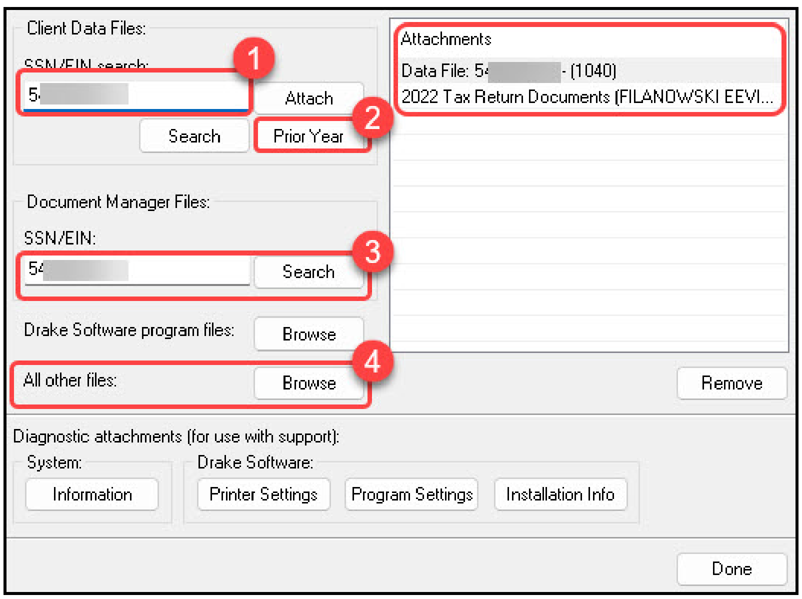
Add additional attachments to the email using the **Add** button (or the **Attach** icon) in the **Compose Message** window. For more information, see "From the Home Window," following.

— From the Home Window —

To email a client data file from the **Home** window:

1. From the menu bar, select **Help > Email**. The **Email** window is displayed.
2. Click **New** to open a blank **Compose Message** window.
3. Click **Add** or **Attach** to open the **Email – Attachments** dialog box (Figure 9-15).

Figure 9-15: Attaching Files to Email in Drake Tax



4. In the **SSN/EIN search** text box of the **Client Data Files** section, enter the SSN or EIN of the file (item #1 in Figure 9-15) and click **Attach** (or press ENTER (↵)) to attach a current-year data file (top item in the **Attachments** pane).
5. *(optional)* Attach prior-year files (#2), Drake Documents files (#3), or other types of files (#4). See "Prior-Year Returns" on page 306 and "Other Types of Files" on page 306.
6. Click **Done**. You are returned to the **Compose Message** window with the file attached. (See Figure 9-14 on page 304.)
7. Complete the **To** and **Subject** fields and compose your message.

8. Click **Send**. The message and attachment are sent to the recipient.

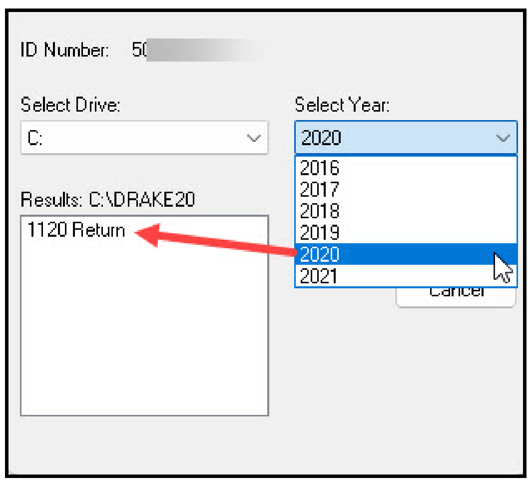
Enter a partial SSN or EIN in the **SSN/EIN search** text box and click **Search** (or press ENTER (↵)) to view a list of returns beginning with those numbers. Double-click a return on the list to attach it to the email.

— Prior-Year Returns —

To attach returns from prior years through Drake Tax 2022, follow these steps:

1. Click **New** to open a blank **Compose Message** window.
2. Click either **Add** or **Attach** to open the **Email – Attachments** dialog box.
3. In the **SSN/EIN search** text box of the **Client Data Files** section (item #1 in Figure 9-15 on page 305), enter the SSN or EIN of the file to send.

Figure 9-16: Attaching Prior-Year Returns to an Email Message



4. *(optional)* Click **Prior Year** (item #2 in Figure 9-15 on page 305) to open the **Prior Year** dialog box (Figure 9-16).
5. From the **Select Drive** drop list, select the drive where your prior-year Drake Tax files are kept.
6. Choose a tax year from the **Select Year** drop list.
7. Click a return and click **Attach**. The prior-year return appears in the **Attachments** pane to the right side of the **Email - Attachments** dialog box. (See Figure 9-15 on page 305.)

— Other Types of Files —

Other file types can be attached to an email message from the **Attachments** dialog box in the Drake Tax email program. (See items #3 and #4 in Figure 9-15 on page 305.)

- To attach Drake Documents files, enter an SSN or EIN in the **Document Manager Files** fields of the **Email – Attachments** dialog box. Click **Search** to open the **Email - Add Attachment - Document Manager** window. Select a file and click **Open**. File is shown in the **Attachments** pane of the **Email – Attachments** dialog box.
- To attach a Drake Tax program file, click **Browse** to open the **Attach File** window showing a list of **Drake Tax program folders**. Double-click a folder (or select the folder and click **Open**). Choose a file and double-click it (or select it and click **Open**). The file is shown in the **Attachments** pane of the **Email – Attachments** dialog box.
- To attach a file other than the types described above, click **Browse** for **All other files**. Locate the file in the **Attach File** window, and then double-click it (or select the file and click **Open**). The file is shown in the **Attachments** pane of the **Email – Attachments** dialog box.
- Click **Done**.

Removing an Attached File

To remove an attached file, select it in the **Attachments** list and select **Remove** from the right-click menu.

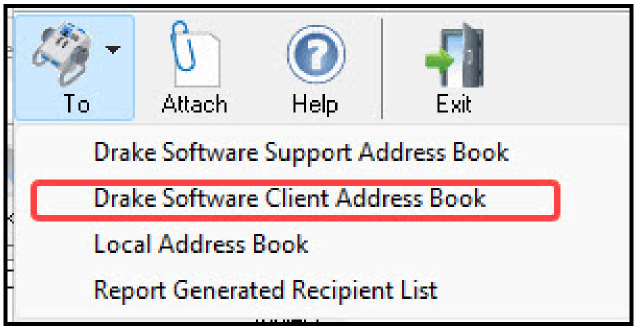
Diagnostic Attachments

Use these only at the direction of Drake Software Support.

Address Books

You have several options for storing email addresses in an address book.

Figure 9-17: Address Books in Drake Tax Email Program



To access these options, click **New** to open the **Compose Message** window and click the **To** icon on the toolbar (Figure 9-17 on page 307). Address books are shown in the drop list.

To have access to all three address books – and the Report Generated Recipient List – shown in Figure 9-17, you must have an email account set up in Drake Tax. See "Email Through Drake Tax" on page 301 for details on setting up an email account.

— Support Address Book —

The **Drake Software Support Address Book** displays general, federal, and state support addresses at Drake Software. To insert an address into the **To** field of your message, double-click an email address and click **OK**.

Questions sent to Drake Support via email are generally answered with email responses.

— Client Address Book —

If a client's email address is entered on screen **1** of the return (1040 package only), it can be accessed from the Drake Software Client Address Book. To fill this address book for the first time, you must first repair the index files. (From the **Home** window menu bar, select **Tools > Repair Index Files**. For more, see "Repair Index Files" on page 319.) Next, return to the email program, click **New**, click **To**, and then select **Drake Software Client Address Book**. Double-click a line to add the client's email address to the **To** field for recipients of the email message. When finished adding addresses, click **OK**.

— Local Address Book —

The Local Address Book can be filled with email addresses of your choice. (This option not available when accessing the email program from data entry.) To add an address, you must close an open return, and from the **Home** window menu bar, select **Help > Email**, then:

1. From the **Email** window toolbar, click the **Address Book** icon to open the **Edit Address Book** dialog box.
2. Click **Add** to open the **Email Address Book - Add New** dialog box.
3. Enter first name, last name, and email address. Click **Save**.
4. Click **Done**.

Importing Addresses

Import addresses from a spreadsheet into your **Local Address Book**. Your spreadsheet must have the proper headings before you can run the import.

To create a file to be imported into the email program:

1. Using a worksheet program (such as Microsoft Excel), create three columns: **Last Name**, **First Name**, and **Email Address** (Figure 9-18).

Figure 9-18: Importing Addresses from an Excel Worksheet

	A	B	C
1	Last Name	First Name	Email Address
2	Jaeger	Eren	FoundingTitan@AOT.com
3	Ackerman	Mikasa	MikasaBestGurl@Jeager.com
4	Arlet	Armin	SurveyCorpCommander@AOT.com
5			

2. Enter last names, first names, and email addresses of all clients to be imported.
3. Click **File > Save As**.
4. Choose a location to save the file. The default location is the “FT” folder in Drake22.
5. Assign a file name.
6. From the **Save as type** drop list, select **CSV (Comma delimited)**.
7. Click **Save**.

To import the file into your Local Address Book:

1. From the **Email** window, click the **Address Book** button to open the **Edit Address Book** dialog box.
2. Click **Import**.
3. From the **Import Address Book File** window, browse to the address book file and double-click it (or select it and click **Open**).
4. Click **OK**.

To delete an address from the Local Address Book, select it and click **Delete**.

Report-Generated Recipient List

Report Generated Recipient List allows you to create a customized report using client, EF, and Scheduler data to generate a list of email addresses. The keywords selected during the query are then used to create an email message. Keywords inserted into the body of the message are replaced with the client's information.

Use Scheduler data to send appointment reminders to groups of clients. To do so, select a **Scheduler** report in Step 4 of the following procedure.

To create a report-generated recipient list:

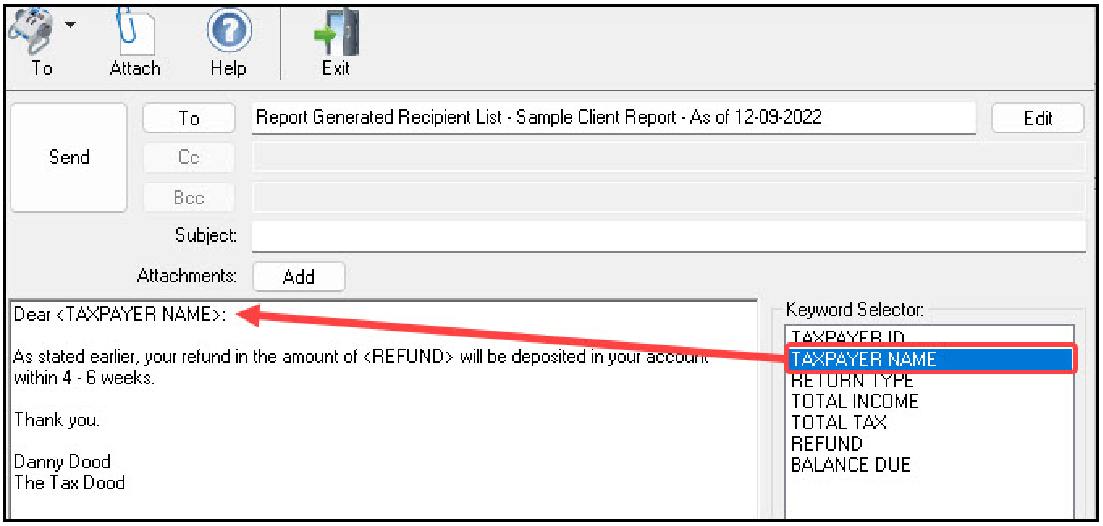
1. From the Drake Tax **Home** window, click **Help > Email**.
2. Click **New** to open a blank **Compose Message** window.
3. Do either of the following to open the **Report Manager** window:
   - Click **To** in the **Compose Message** window and click the **Create Report Generated Recipient List** link in top-right corner of the **Address Books** window.
   - Click the arrow next to the **To** icon on the toolbar and select **Report Generated List**. The **Report Manager** window is displayed.
4. Select (or create) a report that includes only those clients who fit the criteria for the email list. (For example, to include only those clients who have filed an extension application, you would create an "Extensions" report.)
5. Click **View Report**. A message states the number of matching email addresses found. Click **OK** to close the message window.

Your recipient list has been generated. When you click **Send**, the email message will go to all email addresses in the list. To view the addresses, click the **Edit** button; to remove a name from the address list, select it and click **Remove**.

Email Keywords

Any keywords that were available to the report are in the Keyword Selector pane of the **Compose Message** window (Figure 9-19 on page 311). Double-click a keyword to add it to the body of the email. In the example in Figure 9-19 on page 311, the preparer began the letter by typing `Dear`, and after a space, double-clicking **TAXPAYER NAME** from the Keyword Selector list.

Figure 9-19: Selecting Keywords for Email Message



Click your pointer anywhere within the body of the email before double-clicking the keyword to have the keyword entered in that location. Once keywords are added, edit the email message, add a subject line, and add any attachments before clicking **Send**. The message is sent to all selected recipients.

- If you wish to add keywords to your letter that do not appear in your **Keyword Selector** list, return to step 4 on page 310, click **Edit Report**, and select (double-click) any desired keywords from the **Available columns** list.

- Recipients are unable to see other addresses in the recipient list and are unaware that others are receiving the same email.

- To delete the recipient list, click **Cancel Query** at the bottom of the **Compose Message** dialog box.

- If you close the completed message before sending it, you are prompted to save it in the **Drafts** folder. If you click **Yes**, the email message is saved, along with the generated report list and keywords.

Phone Support

Work one-on-one with a Drake Software customer service representative (CSR) to resolve program issues. CSRs are trained year-round on Drake Software topics such as connections, conversions, and other customer-service needs. To reach general Support, call (828) 524-8020 or fax (828) 349-5718. For additional phone numbers and contact information, see the "Quick Reference" chapter on page 9.

Fax

Get answers to your tax program questions using the fax cover letter provided on the following page. Drake Software Support replies to faxes with faxes, not phone calls.

Fax Cover Letter for Support

Name: ____________________________________

Company name: ____________________________
Phone number: _______________________ Fax number: ________________
To (department or individual): ____

Computer Operating System (select one):

❑ Windows Server 2012 ❑ Windows Server 2016 ❑ Windows Server 2019 ❑ Windows Server 2022

❑ Windows 10 ❑ Windows 11 ❑ Other (please list)

Are you working on a network? ❑ Yes ❑ No

If this fax is concerning a prior-year
Drake Tax program, what year? Program year: __________

Give us a brief description of the situation:

This page intentionally left blank.

10 Tools

This chapter covers the various tools available on the **Tools** menu of the Drake Tax program and online at *Support.DrakeSoftware.com*

Update Manager

Downloading regular updates is critical to ensure that your tax program is performing efficiently. The Update Manager obtains and installs files automatically. Updates include modifications to both the federal and state packages to reflect the most recent changes in the tax law.

- By default, the program automatically downloads and installs updates when you open Drake Tax. Rather than sitting through the update process every morning when you open the program, set the Update Manager to automatically pick up your updates at a time of your choosing—such as when you are out of the office. See "Scheduled Updates" on page 316.

- Program updates include updates to the Drake Documents' "Working Cabinet," but not to the "Archive Cabinet." (For details on backing up and restoring the Archive Cabinet, see "Back Up and Restore - Archive Cabinet" on page 374.)

Scheduled Updates

The Update Manager can be set to obtain and install files automatically at a set time. To schedule your updates:

1. From the **Home** window menu bar, select **Tools > Update Manager**. The **Drake Update Manager** dialog box is displayed.
2. Click the **Schedule software updates to occur at** check box. From the alert window that is opened, click **OK**.
3. Choose a time from the option box:
   - Click one of the numbers (hours, minutes, seconds, and **AM** or **PM**) and type in (or use the arrows) the time to accept new updates when they are transmitted by Drake Software.
4. Click **Exit**.

To stop automatic updates, clear the **Schedule software updates to occur at** check box.

The computer designated to receive updates must be left on, and an authorized user must remain logged in to the computer in order to receive scheduled updates.

View Release Notes

When updates are installed, the program creates an installation log of the updates. This log is displayed in the pane in the lower half of the **Drake Tax Software Updates** dialog box in tabbed format by description, number of the update, and release date. The tabs divide updates into categories, one for each package (1040, 1120, 1120-S, 1065, etc.), one for individual state updates, one for program updates, one for updates shared across two or more federal packages, one for updates shared across two or more state packages, and one for updates to Drake tools.

To view a release note, double-click the desired row in the update pane. Notes are displayed in the Report Viewer, where you can print or export the notes as desired. (For more information on the Report Viewer, see "Report Viewer" on page 355.)

Requiring Updates When Offline

If your computer has been offline for 10 consecutive days, you have to reconnect to the Internet and receive all program updates before you can use Drake Tax again.

The program displays a warning after you have been offline for five days and again after nine days.

Install State Programs

Use **Install State Programs** to install or repair state program files. This can be done by accessing the Internet, the latest CD, or any drive location that has the needed program files. For networked offices sharing information, all users must close Drake Tax before installing state programs.

To install state programs:

1. From the **Home** window, select **Tools > Install State Programs**. The **Install State Programs** dialog box is displayed.
2. Choose to install state programs from a drive or from the **Drake Download Center** (Figure 10-1). If a selected location has state files available, the files are displayed in the **States Available for Download** panel on left. (If the **States Available** panel stays empty, select another location.)

Figure 10-1: Installing State Programs in Drake Tax

3. Choose the states to be installed and click **Select** (or double-click a state or choose **Select All**). States selected appear in the **States Selected for Installation** pane on the right.
4. Click **Install**. The progress bar identifies the states being retrieved and installed. (Only installed states are updated.)
5. To remove states from the **Installation** pane, highlight the state and click **Unselect** (or double-click the state or choose **Unselect All**).
6. To remove any state program from Drake Tax, click **Uninstall State(s)**. From the **Remove States** dialog box, select the states you want removed from the **Currently Installed** pane, click **Select** (or double-click a state or choose **Select All**), and click **Uninstall**.

Check for updates (**Tools > Update Manager**) after installing state programs to ensure that you have the most up-to-date information.

Repairing State Program Files

If the state program files on your computer or server are more recent than the state program files most recently installed, the current files will not be replaced. If you must overwrite the current state files, contact Drake Software Support or click the **Help** button on the **Install State Programs** dialog box for more information.

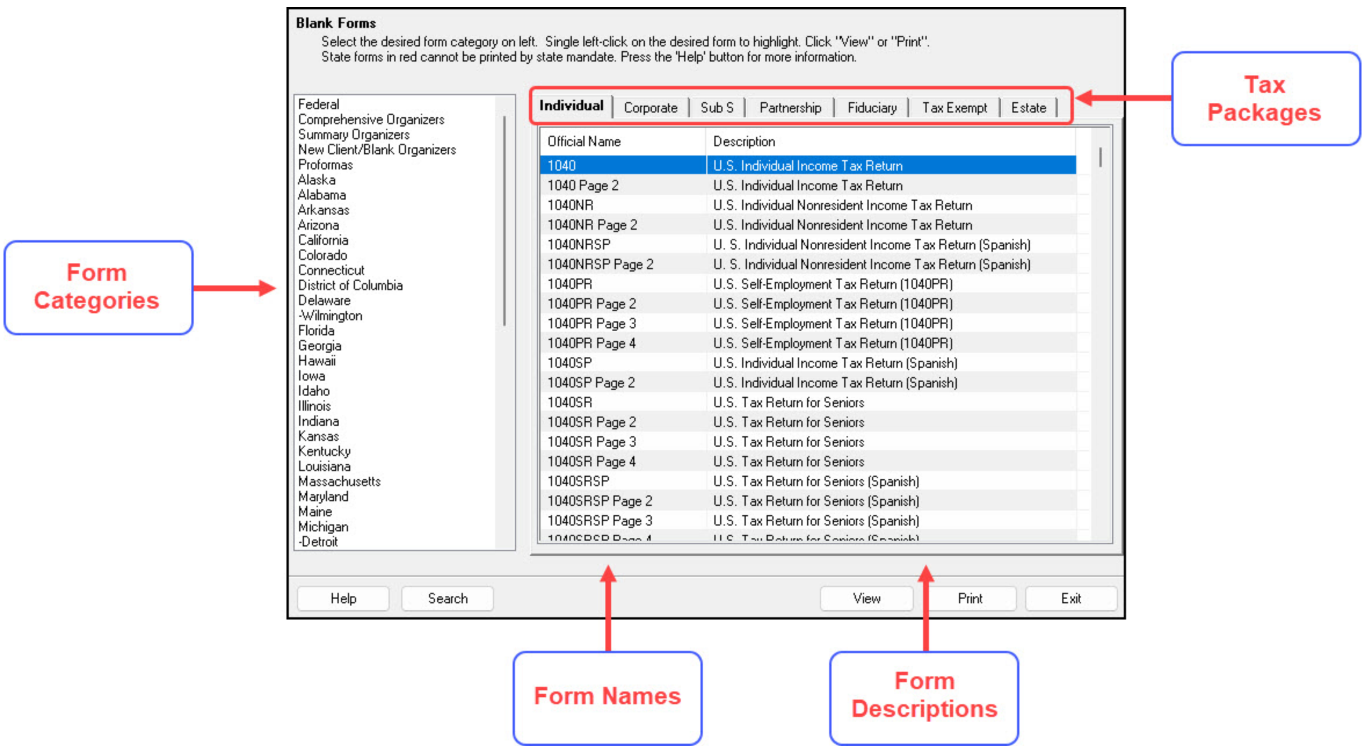
Blank Forms

All forms and worksheets supported by the program are available as blank forms in **Tools > Blank Forms**. If a state prohibits printing blank state forms, contact the state revenue office to obtain them.

To view or print a blank form in Drake Tax:

1. From the **Home** window, go to **Tools > Blank Forms**. The **Blank Forms** window (Figure 10-2) displays form categories, names, and descriptions for each package.

Figure 10-2: Blank Tax Forms Available at **Tools > Blank Forms**



Click a column header to sort forms in ascending or descending order.

2. Pick a form category (default is **Federal**) and tax package (default is **Individual**.)
3. Scroll through the forms list to locate a form.
4. Select a form and click **View** or **Print.**

IRS Rev. Proc. 96-48 requires the Paperwork Reduction Act Notice to be distributed with federal forms. When providing a blank copy of a federal form, you must include a copy of the notice. Access it from **Tools > Blank Forms > Federal**. Under **Individual**, scroll to **PAPERWRK,** or click **Search**, type `Paper`, and click **Search** again.

Repair Index Files

An index file is a comprehensive list of data on the client files in Drake Tax. Keep index files current by repairing them regularly as part of your general file maintenance routine. Table 11-1 lists specific instances that could require repair of index files.

Table 10-1: Situations that Might Require Repairing of Index Files

Situation	What To Repair
Files were restored using **Tools > File Maintenance > Restore**.	Name Index
A client record was deleted through **Tools > File Maintenance > Delete Client Files**.	Name Index
The **EF > Search EF Database** function does not seem to work properly.	EF Index
Records were added to the EIN database.	EIN Index
The Client Status Manager (CSM) index was updated.	CSM Index

Shortcut: **CTRL+R**

To repair index files:

1. From the **Home** window, go to **Tools > Repair Index Files**.
2. Select the index files to repair. To repair all types of index files, click **Repair all indexes**.
3. Click **Continue**.
4. If you selected **Repair all indexes** or **Name index** in Step 2, a **Name Index Additional Options** window is opened. Clear the check boxes if you do not wish to include prior-year names or the test and sample returns in the name index repair.
5. Click **OK**.
6. When the file repair is completed, click **Exit** to return to the **Home** window.

File Maintenance

The File Maintenance menu provides access to the following functions:

- Backing up and restoring files (including copying data and configuration files to other computers or for use as backups)
- Importing, exporting, changing, deleting, unlocking, and password-protecting files

Backing Up and Restoring Files

Use the **Backup** and **Restore** tools to set up automatic data backups or custom one-time backups, or to restore backed-up data. Files backed up to other locations can be used to restore lost data. If multiple machines are used for tax return preparation in one office, files can be moved to other computers and uploaded to a single machine to create a master file.

- You can back up *any* kind of file using the **Backup** and **Restore** tools.
- If you wish to back up your files to an off-site location via the Internet, see "DrakePortals Back Up Offsite/Online" on page 323.

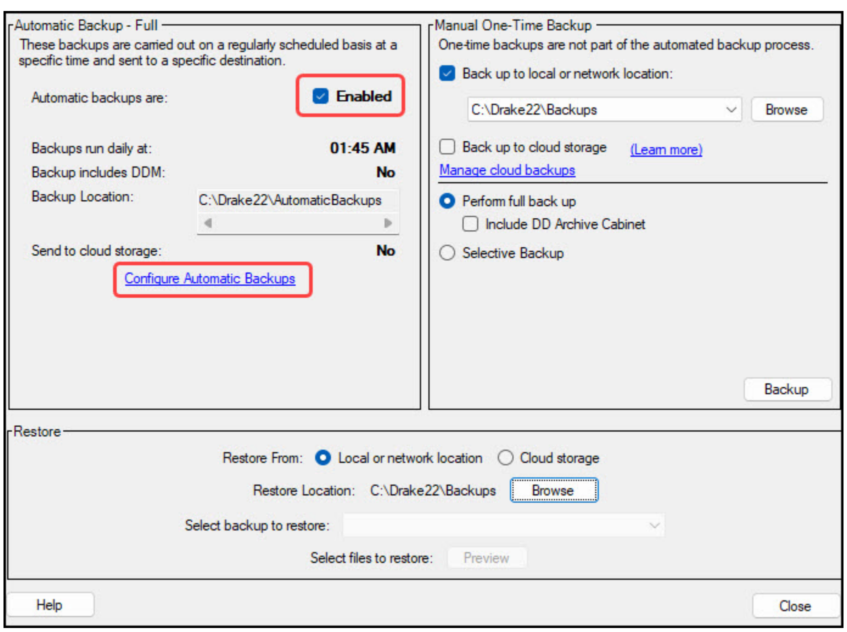
Backing Up Data

From the menu bar of the **Home** window in Drake Tax, click **Tools > File Maintenance > Backup** to open the **Backup and Restore** dialog box. You'll notice that both the backup tool and the restore tool are on the same window.

Automatic Backups

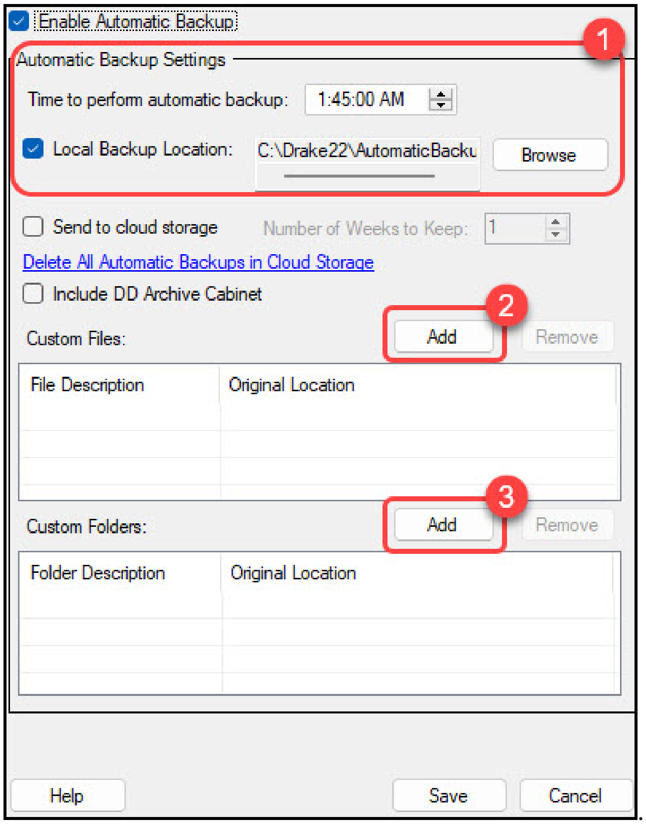
If you wish to set a time for an automatic daily backup, from the **Automatic Backup – Full** section (Figure 10-3):

Figure 10-3: The **Backup and Restore** Dialog Box



1. Click the **Enabled** check box to turn on the automatic backup feature. This assures that your files are backed up daily at a set time (such as late at night, when you are not at work). Any previous settings are displayed.
2. Click the **Configure Automatic Backups** link to open the **Set Up Automatic Backups** dialog box (Figure 10-4).
   - Select a time and location for the backup (item #1 in Figure 10-4).
   - If you want to back up your files off-site via the Internet, select **Send to cloud storage**. (See "DrakePortals Back Up Offsite/Online" on page 323 for details.) Select the number of weeks you want DrakePortals to keep this backup. (See "Incremental Backups" on page 324.)
   - If you want to include your Drake Documents files, select **Include DD Archive Cabinet**. (Working Cabinet files are automatically backed up whenever Drake Tax is backed up.)
   - If there are non-Drake Tax files you want to add to the backup, click the top **Add** button (to the right of **Custom Files**, item #2 in Figure 10-4) to include selected files in the backups, or click the second **Add** button (to the right of **Custom Folders**, item #3 in Figure 10-4) to include entire folders in the backup.
3. Click **Save**.

Figure 10-4: Setting Up Automatic Backups



- Back up your files to a local or network location and to DrakePortals at the same time by marking both the **Send to cloud storage** and **Include DD Archive Cabinet** check boxes.

- Delete any previous DrakePortals backups by clicking the **Delete All Automatic Backups in Cloud Storage** link.

Disabling Automatic Backup

To stop automatic backups, clear the **Enabled** check box on the **Backup and Restore** dialog box, or click the **Configure Automatic Backups** link to open the **Set Up Automatic Backups** dialog box, clear the **Enable Automatic Backup** check box, and click **Save**.

Manual Backups

If you prefer a manual backup, you can choose to back up all your Drake Tax files—including the files in the Archive cabinet of Drake Documents—or select which files—Drake Tax files or any other kind of file—to back up. Back up to a local device, to a separate network location, or off-site through DrakePortals.

To set up your custom backups, from the **Manual One-Time Backup** section of the **Backup and Restore** dialog box (on the right side of Figure 10-3 on page 320), take the following steps:

1. Mark the **Back up to local or network location** check box and, if necessary, click **Browse** to select a location (such as a server or a flash drive) to back your files up to. To back up your files off-site, click **Back up to cloud storage**. (See "DrakePortals Back Up Offsite/ Online" on page 323 for details.)
2. To back up *all* of your Drake Tax files, select **Perform full back up**. To select individual files to back up, see "Custom Backups," following.
3. *(optional)* Select to include your Drake Documents Archive cabinet by clicking **Include DD Archive Cabinet**. (The Working cabinet is backed up automatically with Drake Tax.)
4. Click **Backup**.

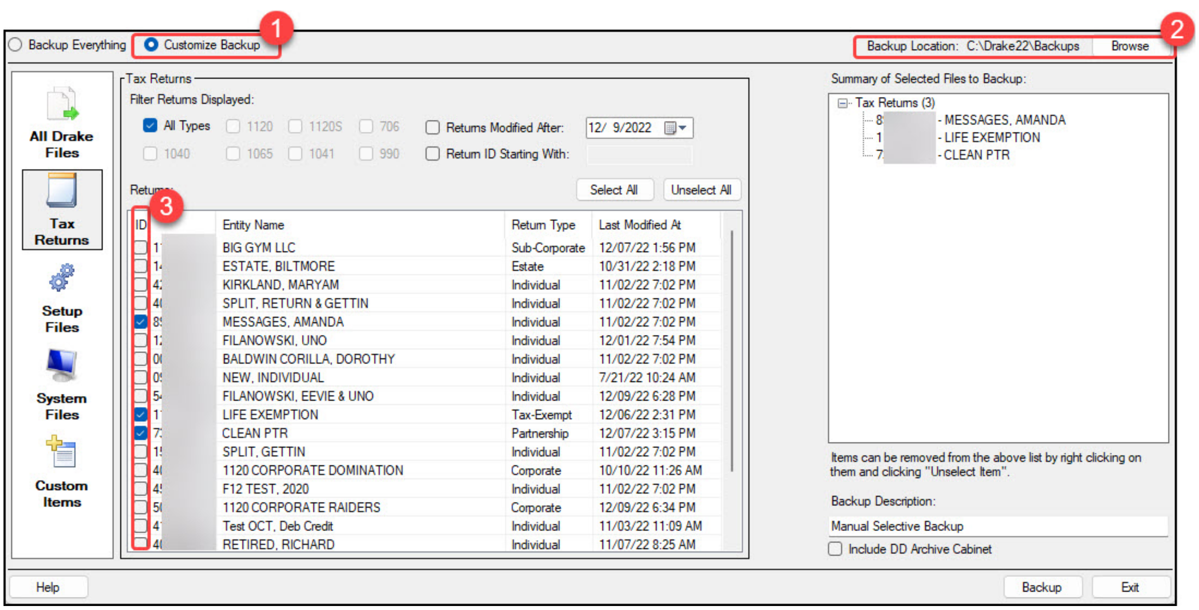
Custom Backups

If you prefer to choose which files to include in the backup—including any non-Drake Tax files—mark the **Back up to local or network location** check box and mark **Selective Backup**. When you click **Backup**, the program opens the **Create Selective Backup** dialog box (Figure 10-5 on page 323).

To build a custom backup:

1. At the top-left corner of the **Create Selective Backup** dialog box, select **Customize Backup** (item #1 in Figure 10-5 on page 323).
2. At the top-right corner of the dialog box, choose a backup location (#2). Click **Browse** if necessary.
3. Click the buttons down the left side of the dialog box to list the different kinds of files on your computer or network. (By default **All Drake Files** are listed.) The button you click determines which filter check boxes appear at the top of the list. Note the check marks in the **File** column (#3), indicating the files being backed up. Those same files are listed on the right-side of the dialog box in the **Summary** pane.
4. *(optional)* The **Custom Items** button at the bottom left allows you to add non-Drake Tax files to your backup. In the **Custom Files and Folders** window, click **Add** on the **Custom Files to Include** line to include individual files, or click **Add** on the **Customer Folders to Include** line to add entire folders to the backup.
5. At the bottom right of the dialog box, enter a name for the backup in the **Backup Description** field.
6. To include Drake Documents files, mark the **Include DD Archive Cabinet** check box.
7. Click **Backup**.

Figure 10-5: **Create Selective Backup** dialog box



DrakePortals Back Up Offsite/Online

When you mark the **Back up to cloud storage** box and click **Backup**, the program begins performing the desired backup to DrakePortals.

Customers who are not signed in to DrakePortals must enter their Drake Account credentials before the backup can be completed. Files cannot be saved to DrakePortals if the user does not have a DrakePortals account or sufficient permissions (established from the Drake User Manager) or if the backup files exceed the amount of storage alloted to the user.

To learn more about DrakePortals, turn to "DrakePortals" on page 392, or sign in to your User Account (*Support.DrakeSoftware.com*), and from the blue menu bar, click **Products**; below **Supporting Products**, click **Drake Portals**.

Incremental Backups

When you back up your files daily to DrakePortals, the program does not back up all your selected files every day—just the files that were changed that day. After six days of "incremental" backups, on the seventh day, the process starts again with a "full" backup, followed by six days of incremental backups. If no changes are made to your files, no automatic backup are performed that day.

Incremental backups save you time and money.

Restoring Your Data

To restore your data from another location, drive, or DrakePortals:

1. From the menu bar of the **Home** window of Drake Tax, go to **Tools > File Maintenance > Restore** to open the **Backup and Restore** dialog box.
2. At the bottom of the **Backup and Restore** dialog box, select the location to restore your files from—a **Local or network location** or **Cloud storage**. If you wish to restore your files from a local or network location, click **Browse**, find the backup you want to restore, and select it. The file appears in the **Select backup to restore** drop list.
3. Click **Preview** to open the **Restore Items From Backup** window, where you can either **Restore Everything** or **Custom Restore**.
4. For a custom restore, click the buttons on the left side of the window to find the files on your computer or network. The button you click determines which filter check boxes appear at the top of the list. Select the items to be restored in the middle pane by placing a check mark in the box to the left side of the pane. (Note that selected files appear in the **Summary** pane to the right.) For non-Drake Tax files, click the **Custom Items** button on the left.
5. When you're satisfied with your selections, click **Restore**.

Changing a Client's ID Number

Changing a client's SSN or EIN in the program requires more than simply making the change in data entry. To change a client's SSN or EIN in the program:

1. From the **Home** window, go to **Tools > File Maintenance > Change ID Number on Return**.
2. In the **Incorrect ID Number** text box, enter the ID number that is currently in the system.
3. In the **Correct ID Number** text box, enter the new ID number.
4. Click **Continue**.

5. Click **Exit** (or click **Continue** again to change another SSN or EIN).
6. As directed in the program, repair the index files. (See "Repair Index Files" on page 319.)

(*PPR clients only*) If you change an SSN or EIN—even on a practice return—you will be charged for another return.

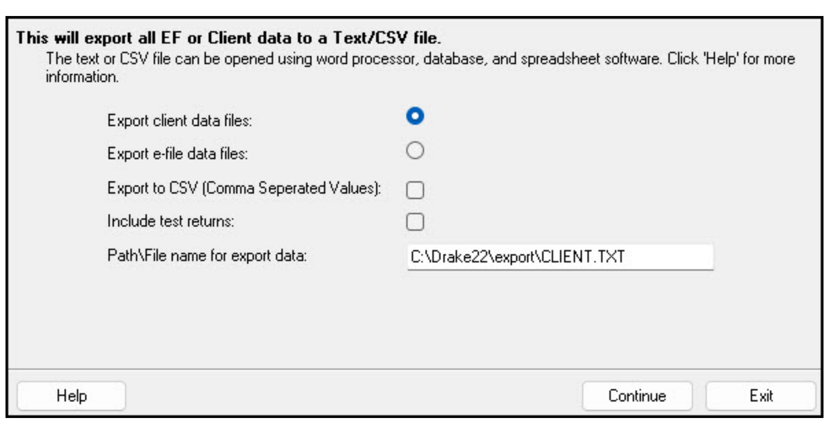
Exporting Data from Drake Tax

The exporting tool allows you to transfer client data and EF database files to either a text file or a CSV (spreadsheet format) file, which can be exported to other programs, such as Microsoft Word, Excel, or Access.

To export data files:

1. From the **Home** window menu bar, go to **Tools > File Maintenance > Export Client/EF Data**. The **Export Client/EF Data** dialog box provides several choices (Figure 10-6).
2. Select either **Export client data files** or **Export e-file data files**.
   - If you choose **Export client data files**, the path to the location of the exported client data files is displayed. Change the default path as needed.
   - If you choose **Export e-file data files**, the path to the location of the *exported* e-file data files is displayed*.* Change the default path as needed.
3. *(optional)* Click **Export to CSV (Comma Separated Values)** if you want to export the data to a spreadsheet; otherwise, the data is exported as a .txt file.
4. *(optional)* Click **Include test returns** if you want to include Drake Tax test returns in the export.
5. Click **Continue**.
6. Click **Exit** when the export is complete.

Figure 10-6: Exporting Data to Other Programs



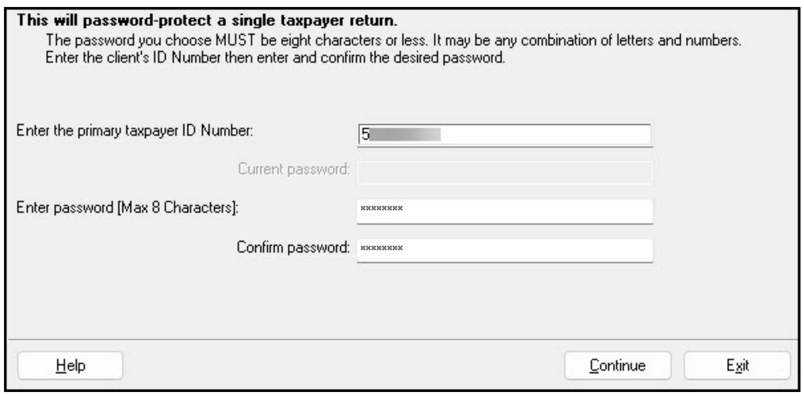
Password-Protecting Client Files

The **Password Protect** tool protects files from unauthorized access. A protected file cannot be opened in data entry until it is unlocked with a password.

To password-protect a file:

1. From the **Home** window menu bar, go to **Tools > File Maintenance > Password Protect Files**.
2. In the **Password Protect Client Data Files** dialog box (Figure 10-7), enter the SSN or EIN of the client file you wish to password-protect.
3. Enter an eight-character password in the **Enter Password** field. Passwords are case-sensitive and can consist of any combination of letters, numbers, and symbols.

Figure 10-7: Optional Password Protection of Returns



4. Enter the password in the **Confirm password** field to confirm it.
5. Click **Continue**.
6. Click **Yes** to confirm that you want to password-protect the file.
7. Click **Exit**.

If a password has already been entered for an SSN or EIN, the **Current password** field is activated. Once you've entered the correct password, you can change or remove it using the bottom two text boxes on the screen.

Be sure to record your password in a secure location. Drake Software cannot retrieve forgotten passwords.

Unlocking Client Files

(This option is not functional in all setups.) If files are automatically locked upon e-file acceptance, they can be viewed but not changed after e-file. (The option to lock files automatically is available in Setup Options; see "Selecting a Bill" on page 96.)

To unlock a client file that has been locked:

1. From the **Home** window menu bar, go to **Tools > File Maintenance > Unlock Client Files**.
2. Choose from the list of recently opened returns, or enter the name or ID number in the **Client Selection** search field. (The list is filtered as you type.)
3. Click **Continue**. The file can now be modified in data entry.

Deleting Files from the Program

A ***client file*** is created when a return is prepared. A ***print file*** is a temporary file that is created when a return is calculated. Print files are used during the e-file process and are automatically removed from the system after the designated number of days. (See Table 2-5 on page 63 to view or change the number of days to store print files.)

Deleting Print Files

To manually delete print files:

1. From the **Home** window, select **Tools > File Maintenance > Delete Print Files** and wait for the program to scan the files. Print files are listed in the **Return Selector**.
2. Select the files to delete. (Click to select individual files, press the SPACE BAR to advance to and select the next file, or to delete all files, click **Select all**.)
3. Click **Delete**.
4. Click **Yes** to continue.
5. Click **OK** to return to the **Home** window.

Since print files appear on the EF transmission selection list, consider deleting print files for returns that are not ready for e-file.

Deleting Client Files

To manually delete a client file from the database:

1. From the **Home** window, select **Tools > File Maintenance > Delete Client Files** to open the **Delete Client Data File** dialog box.
2. Choose from the list of recently opened returns, or enter the name or ID number in the **Client Selection** search field. (The list is filtered as you type.)
3. Click **Continue**.
4. Click **Yes** to continue.
5. Click **OK**.
6. Continue to delete clients, repeating Steps 2 through 5 as needed. When finished, click **Exit** to return to the **Home** window.

If you are not accessing files on a network, the deleted files go to the recycle bin.

Changing Return Types

A return can be changed to another file type without your having to create a new file. When a return type is changed, the following information is transferred:

- Name, address (including county), and telephone number
- Fiscal year
- All depreciation data, including screens **6**, **7**, **8**, **9**, and **10**

When a corporation return is converted to an S corporation return, the balance sheet and Schedule A information are also transferred.

Not all data is transferred when changing return types. Before using **Change File Type**, back up the original file. (See "Backing Up Data" on page 320.)

To change a return type:

1. From the **Home** window, select **Tools > File Maintenance > Change File Type**.
2. Enter the SSN or EIN of the file to convert (or double-click to select one from the list), and click **Continue**.
3. Select the new file type (**Individual**, **Corporate**, **Sub-S Corp**, **Fiduciary**, **Partnership**, **Tax Exempt**, **Estate**, or **Heir**) (Figure 10-8 on page 329).

4. Click **Continue**. When the conversion is complete, click **OK**.

Estate and Qualified Heir Returns

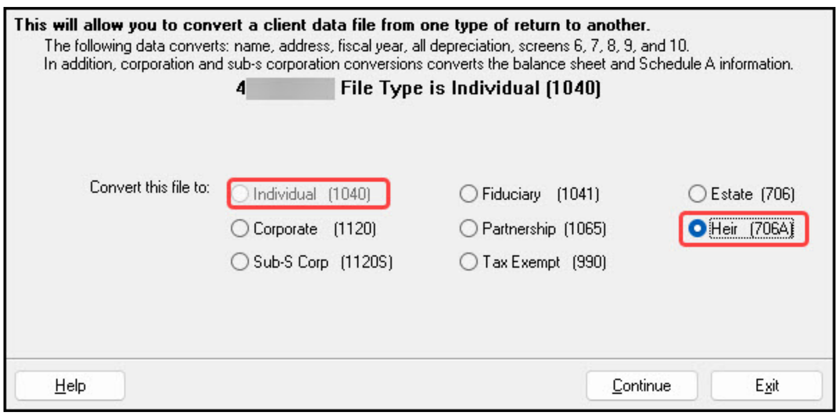
You can use a single SSN for two return types when a taxpayer requires a Form 1040 and one of the two return types listed below:

- Form 706, U.S. Estate (and Generation-Skipping Transfer) Tax Return
- Form 706-A, U.S. Additional Estate Tax Return

An SSN must already be associated with a return in the program before it can be assigned a second return type. To assign a single SSN to multiple returns:

1. From the **Home** window, select **Tools > File Maintenance > Change File Type** to open the **Convert Client Data File Type** dialog box.
2. In the **Enter SSN/EIN to convert** field, enter the SSN to be assigned a new return type and click **Continue**.
3. The available return types are displayed. In Figure 10-8, the selected return is a 1040, so that option is disabled. Note that the 706 and 706-A options are in the right-hand column.

Figure 10-8: Available Return Types are Displayed; in this Example, **Individual** is not Available



4. Click an option to select it, and then click **Continue**.
5. When asked if you want to keep the original return in addition to the new return, click **Yes**.
6. Click **OK**.

The SSN is now applied to both the original return and the new return. In the future, when you enter the SSN to open a return, you will be asked which return you wish to open. When you use other features of the program where SSNs are entered, you will be asked to indicate which return the program should use.

Importing Data from QuickBooks

There are two main steps for importing client data from QuickBooks into Drake Tax: (1) preparing the QuickBooks file, and (2) performing the import. Always back up Drake Tax files (see "Backing Up Data" on page 320) and QuickBooks files before importing client files.

Preparing a QuickBooks File

Before you can import QuickBooks files into Drake Tax, you must first place the QuickBooks files into an import file inside QuickBooks.

To create the import file from inside QuickBooks:

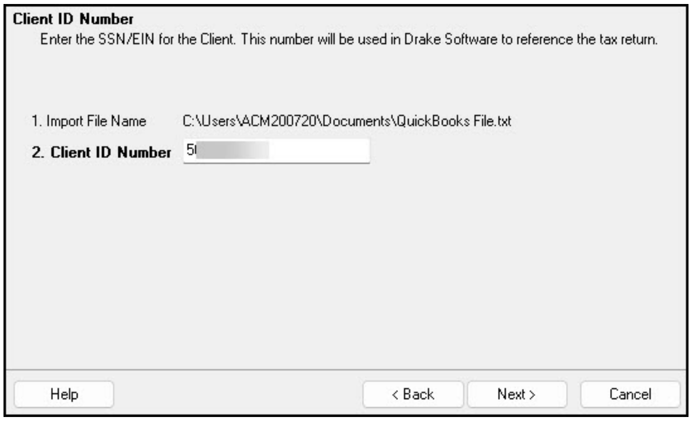
1. Select **Report > Accountant & Taxes > Income Tax Summary.**
2. Click **Print** to open the **Print** dialog box.
3. Select the option button to the left of **FILE**.
4. Select **ASCII text file**.
5. Press **Print**.
6. Enter a file name of eight characters or fewer with no spaces.

Importing QuickBooks Data

To import data from a QuickBooks import file into Drake Tax:

1. From the **Home** window menu bar of Drake Tax, select **Tools > File Maintenance > Import Data** to open the **Import Data** dialog box.
2. Choose **QuickBooks Financial and Accounting Software**. Click **Next**.
3. Read the instructions on creating an export file on the **QuickBooks Import** window. Click **Next**.
4. In step **1**, enter the name of the import file created from QuickBooks or click the button to the right of the text box and browse to the QuickBooks file. The file extension is .txt. Drake Tax searches the local hard drive for the import file.
5. In step **2**, enter a **Client ID Number** (SSN or EIN) (Figure 10-9 on page 331). Click **Next**.

Figure 10-9: Quickbooks Import



6. The program searches for a Drake Tax file with the same EIN/SSN.

- If no Drake Tax file is found, you are prompted to choose a **Business Type**. Make a selection from the drop list, and click **Next.**
- If a Drake Tax file is found, you're asked to confirm the business type. Click **Yes** to proceed.

7. Click **Finish** to import the QuickBooks file into the Drake Tax file.

After importing the QuickBooks files, enter **Inventory** amounts and details for **Other Deductions** and items requiring details on the return.

If the QuickBooks file type does not match the one in Drake Tax, you are prompted to convert the QuickBooks file while importing (for example, if there is an S corporation file to import into the Drake Tax 1120 package).

Payment Import

The Payment Import tool allows you to import client payment information from an Excel, CSV, or tab delimited worksheet directly into the **BILL** screen of tax returns without having to open the returns. This feature is particularly helpful to offices where front-office personnel work in accounts receivable but not in return preparation.

For details, see "Accepting Payments" on page 216.

Letters

The Letters tool allows you to print batches of certain client letters at a time. These letters, listed in Table 10-2 on page 332, are those that do not typically accompany a tax return.

Table 10-2: Letters Available from **Tools > Letters > Letters**

Type of Letter	Suggested Purpose of Letter
Postseason letter	Thank clients for their business; remind them that you are available for additional tax-preparation assistance.
Preseason letter	Make contact with last year's clients; encourage clients to use organizers.
Estimate payment reminder	Remind current-year clients that estimate payments are due; provide instructions for sending payments.
Appointment letter/email notifications	Send appointment reminder letters to selected clients via letter or email.
EF status letter	Provide acknowledgment status of e-filed return.
Engagement letter	Enter into contract with clients to prepare their tax return

Use the Letters tool to print batches of pre-addressed mailing labels, envelopes, and postcards.

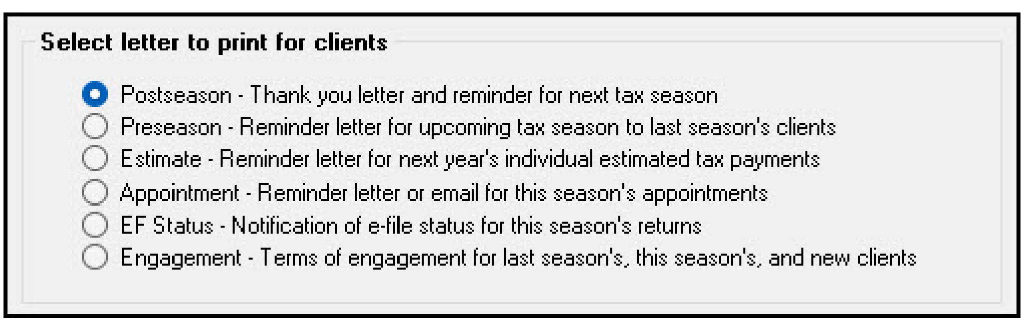
The information provided here applies to letters that can be printed in batches. For more information on the other types of letters available in Drake Tax, see "Firm Setup" on page 52.

Printing Letters

To print one or more letters:

1. From the **Home** window menu bar, go to **Tools > Client Communications > Letters**.
2. From the **Client Letters** dialog box (Figure 10-10), select a letter type.

Figure 10-10: Selecting Letter for Batch Printing



3. Click **Next** to open the **Client Selection** dialog box. Recently opened returns are listed in the **Client Name** pane.

4. Choose an option for selecting returns to receive letters:
   - Begin typing an ID number (SSN or EIN) in the **Client Selection** box—the **Client Name** list is filtered as you type. Enter the complete ID number, and then press ENTER (↵) to add the return to the **Selected Clients** list.
   - Alternately, click a client from the **Client Name** list and click the **Select Client** button (or just double-click the client) to move that name to the **Selected Clients** list.
   - To help narrow your search, click the **Recent Returns** drop list and choose a return type (1040, 1120, etc.).
5. Repeat the previous steps until all clients you wish to mail letters to are listed under **Selected Clients**.
6. Click **Next** to open the **Print Letter(s)** dialog box. Select a printer (and, if necessary, **Properties** and **Drake Settings**).
7. Click **Print**.

Mailing Labels

To print mailing labels to a label printer:

1. Ensure that label sheets are loaded correctly into the printer.
2. From the **Home** window menu bar, go to **Tools > Client Communications > Mailing Labels** to open the **Mailing Labels** dialog box.
3. Select a label type from the **Select label** list. Click **Next**.
4. Choose the clients for whom you wish to print labels. (See step 4 in the previous procedure for directions on using the search windows.) Click **Next**.
5. From the **Print Labels** dialog box, select a printer and customize other options.

- Change font size, format the client's name, and select a starting position for printing from the **Print Labels** dialog box.
- To adjust printing positions, click the **Printer Adjustments** link. To review or edit your labels, click **Review/Edit Labels**.

6. Click **Print**. Click **Exit**.

Printing a Client Label From Data Entry

Drake Tax provides a convenient way to print a mailing or folder label from data entry. To print a single label from data entry:

1. Ensure that the label printer is installed properly per the manufacturer's instructions and that the label sheet is properly loaded.
2. In data entry, go to screen **1** (**Name and Address**) of the return.
3. Right-click on the screen (not a field) and select **Client Labels > Name Format** from the right-click menu and select the name format (**LastName**, **FirstName** or **FirstName LastName**).
4. Right-click on the screen (not a field) again and select **Client Labels**.
5. Choose from the following label types:
    - Mailing Label
    - Folder Label (**SSN/EIN, Name**; **Name** only; **SSN/EIN, Name, Tax Year**; or **Name, Tax Year**)
6. On the **Preview Label** window, click **Continue**.
7. Select the label printer from the **Select printer** drop list.

This option is designed for use with a dedicated label maker such as the DYMO LabelWriter 550 Label Printer. Data can be printed on any label size, but DYMO Label Writer labels, size 30252, are recommended because they work well for folder and mailing labels. Size 30252 labels are included in the DYMO printer starter kit.

8. Click **Print**.

Print individual address and folder labels for a client and mailing labels to the IRS and state taxing authorities, and design custom labels from the **Data Entry Menu**. Right-click the menu and select **Client Labels** to open the **Client Labels** dialog box.

Envelopes

To print addresses on envelopes:

1. Ensure that the envelopes are loaded properly into the printer.
2. From the **Home** window menu bar, go to **Tools > Letters > Envelopes**.
3. Take one of the following actions:

- To filter a list of clients who should receive letters, click **Next**, and select filtering and sorting options from the drop lists. If a more complex filter is needed, click **Edit Filters**. (See "Filter Manager" on page 350.) Click **Next** to open the **Basic Search Conditions** dialog box, and mark the desired settings before clicking **Continue**.
- To choose specific clients whom will receive letters, use the **Client Selection** search, then click **Next**. (For directions on searching, see step 4 on page 333.)

4. From the **Print Envelopes** dialog box, update the envelope formatting and address positioning (including **Printer Adjustments**) as needed.
5. Click the buttons at the bottom of the dialog box to review the mail-to or return addresses. (The option to edit the addresses then becomes available.)
6. Click **Print.**

- Change printers, change the font size of either the return address or mail-to address, choose to print or omit the return address, review and edit the return address or mail-to address, and reset printing parameters from the **Print Envelopes** dialog box.
- To make slight adjustments in where the addresses are printed on the envelope, click the **Printer Adjustments** link. To review or edit your labels, click **Review 'Mail To' Addresses** or **Review Return Addresses**.

Always test-print an envelope before printing an entire batch.

Postcards

To print addresses on postcards:

1. Ensure that the postcards are loaded properly into the printer.
2. From the **Home** window menu bar, go to **Tools > Letters > Postcards**.
3. Take one of the following steps:
   - To filter a list of clients whom should receive letters, click **Next**, and select filtering and sorting options from the drop lists. If a more complex filter is needed, click **Edit Filters**. (See "Filter Manager" on page 350.) Click **Next** to open the **Basic Search Conditions** dialog box, and mark the desired settings before clicking **Continue**.
   - To choose specific clients whom will receive letters, use the **Client Selection** search, then click **Next**. (For directions on searching, see step 4 on page 333.)
4. From the **Print Postcards** dialog box, update the postcard formatting and address positioning (including **Printer Adjustments**) as needed.

5. Click the buttons at the bottom of the dialog box to review the mail-to or return addresses. (The option to edit the addresses then becomes available.)
6. Click **Print**.

Amortization

The **Amortization** tool prepares loan repayment schedules for various loan scenarios. To prepare a loan repayment schedule:

1. From the **Home** window menu bar, select **Tools > Amortization** to open the **Amortization Schedule** dialog box.
2. Enter a **Schedule Title** to be displayed at the top of the amortization schedule.
3. Complete all other applicable fields. Fields are described in Table 10-3.
4. Click **Calculate**. The program creates the amortization schedule.
5. To print the schedule, click **Print**.
6. To save it for later viewing, click **Save.**

Table 10-3: Amortization Schedule Fields and Descriptions

Amortization Schedule Field	Description
Loan Amount	The original amount of the loan.
Amortization Periods	The number of payments to be made over the life of the loan. (Example: If the loan is for two years and monthly payments are required, you would enter 24 (2 years = 24 months).
Payments Per Year	The number of payments to be made each calendar year.
Annual Interest	The annual interest percentage for the loan. This amount is calculated automatically. If the interest is unknown but the payment amount is known, leave this field blank.
Payment Amount	The amount of the payment. In most cases, this amount is calculated automatically based on the other information entered. If this field is left blank and the interest amount is entered in the **Annual Interest** field, the program displays the calculated payment here.
Payment Type	The payment type. Select one of two types of payments: **Fixed Payment** or **Fixed Principal**. (The default is **Fixed Payment**.)
Date of First Payment	Due date of the first payment. This entry is used to determine the dates for subsequent payments.

To show only the payments from certain dates, enter those dates in the **Filter Schedule Payments** fields and click **Apply**. (These fields are active only after you calculate.)

To clear the screen, click **Reset**.

To get information on balloon payments, click the **How do I do a balloon payment?** link.

EIN Database

The program stores all EINs and related data in the EIN database to autofill certain fields when able. Use the **Edit EIN Database** tool to add, edit, or delete an employer's information.

Adding/Editing Employer Information

To add or edit an employer's EIN database information:

1. From the **Home** window, go to **Tools > Edit EIN Database** to open the **EIN/Employer Database** dialog box.
2. To make a new entry in the EIN database, click **New** to open the **Edit EIN/Employer Listing** window and complete the fields. Click **Save**.
3. To modify an existing entry, select an EIN to edit or delete from the **Business Listing** section, or begin typing the name of an employer, and select it when it appears highlighted in the list below.
4. Click **Edit** to modify the fields in the **Edit EIN/Employer Listing** dialog box (clicking **Save** when complete), or click **Delete** to delete the employer.
5. Click **Exit.**

Printing a List of EINs

To print a list of EINs from the EIN database:

1. From the **Home** window menu bar, go to **Tools > Edit EIN Database** to open the **EIN/ Employer Database dialog box.**
2. Click **Print**. The **Print EIN/Employer Listing** dialog box displays sorting options.
3. Select to sort the list by **EIN**, **Company Name**, **City**, **State**, or **Zip Code**.
4. Click **OK**. A preview of the list is displayed in the Report Viewer.
5. Click **Print** to open the **Print 'Drake Report'** dialog box.
6. Click **Print**.

Export EIN data to another program if desired. From the Report Viewer, click the arrow on the **Export** icon and select a format. If you click the **Export** icon (not the arrow), the program automatically exports the data into Excel.

Scheduler

The **Scheduler** tool is used for scheduling and maintaining client appointments. For information on using this tool, see "Scheduler" on page 164.

Drake Documents

Drake Documents is used to store and organize electronic documents such as PDF copies of tax returns, signed Forms 8879, scanned Schedules 1099-B, and scanned copies of driver's licenses, Social Security cards, and other forms of ID. For information on using this tool, see "Drake Documents" on page 362.

Install Fonts

Special software-based fonts, or ***soft fonts***, are required for printing tax forms. Because many laser printers do not come with these fonts installed, you might have to download them to the printer's memory each time the printer is turned on. Drake Tax includes downloadable software fonts that work with HP-compatible laser printers, allowing preparers to produce federal and state tax forms. By default, fonts are downloaded with each print job. If the printer is turned off, however, the fonts must be downloaded manually whenever the printer is turned back on.

To manually download fonts:

1. From the **Home** window menu bar, go to **Tools > Install Fonts**. The **Install Fonts** window is opened.
2. Click **Download PCL Fonts** to open the **Download PCLe Soft Fonts** dialog box.
3. Choose a printer from the **Printer** drop list.
4. Click **Download**. As downloading proceeds, the font download status is shown.
5. Click **Exit** when the download is complete.

When choosing a printer from the **Printer** drop list, be sure to select the printer that needs the fonts.

To set up options for downloading fonts, go to **Setup > Printing > Printer Setup**. Under the **(F7) Options** tab, select an option from the **PCL 5e soft font download options** drop list.

Install Windows Fonts

If your bills or letters are not being printed properly, you may be missing or have a corrupted OCRA10 True Type Font (TTF). To install or update these fonts:

1. From the **Home** window menu bar, go to **Tools > Install Fonts**.
2. Click **Install Windows Fonts**. You may be prompted to authorize the installation. When the update is complete, the message window is closed and you are returned to the **Install Fonts** window.
3. Click **Exit**.

Tax Rates for OH and PA Cities

Use the **City Tax Rate Editor** to edit and add tax rates, credits, and addresses to be used when creating city returns for the states of Ohio and Pennsylvania. Always verify tax rates as they are subject to change.

To view and edit city tax details for these states:

1. From the **Home** window, go to **Tools > City Tax Rates** and select a state. The **City Tax Rate Editor** for the selected state is displayed.
2. Select a city or municipality from the drop list. The city's details automatically fill the text boxes, which you can edit as needed.
3. Click **Update** to save any changes.
4. Click **OK**.

About PA Cities

The PA editor is designed for local city forms not including Philadelphia tax forms.

The default address from the database is the "Zero Due" address listed on Pennsylvania's Municipal Tax Information website. "Balance Due" and "Refund" addresses can be obtained from this site or from the paper form if provided by the municipality.

To find a tax rate, or other county or municipality tax information, click the **Find Tax Rate and Address** link.

If penny rounding is required for a specific municipality in a Pennsylvania return:

1. In data entry, enter the desired amount, rounding to the penny (example: 810.33).
2. Press CTRL+F.

The CTRL+F action forces the program to allow penny rounding for that field only and for that return only; otherwise, the program automatically rounds all numbers entered.

Forms-Based Data Entry

Forms-based data entry is an alternate method of navigating to the appropriate data entry screen. Click links from a facsimile of the main form to open the necessary data entry screen.

To enter a forms-based return in Drake Tax:

1. From the **Home** window, go to **File > Forms Based Data Entry**.
2. Enter or select the desired return.
3. Click a link to open the screen for a particular line. Repeat for other lines.
4. Once you've filled in all return data, click **Exit** to close the form.

- Forms-based data entry is not available for 990 or 706 returns.
- The **Data Entry Menu** toolbar is also available in forms-based data entry.

Quick Estimator

Use the Quick Estimator to quickly calculate results for new individual (1040) clients.

- Do not e-file or mail the return generated in the **Quick Estimator** to the IRS or an amended return will be required.
- *(PPR clients only)* A return created in the **Quick Estimator** counts as one PPR return.

Shortcut: **CTRL+Q**

To use the Quick Estimator:

1. From the **Home** window, select **File > Quick Estimator**.
2. Enter or select an SSN.

If an existing return is selected, the Quick Estimator does not override previous entries, and the Quick Estimator version is not viewable.

3. Enter all applicable information for the return. Press F1 in an individual field for help on that field.
4. Press ESC to save the data, exit the screen, and view the return. Depending on your setup options, you might be able to press CTRL+C to calculate or CTRL+V to calculate and view.

Note the following points when using the Quick Estimator:

- Because the total of interest, dividends, and other income are entered in one field (**Interest/Dividends/Other income**), the income could be overestimated or underestimated.
- The Quick Estimator produces only one return if calculating a **Married Filing Separately** return. A separate return must be generated for the other spouse.
- Because the names of dependents are not entered in the Quick Estimator, the individual names are not shown on the return. The appropriate credit amounts are indicated if all applicable fields are completed in the Quick Estimator.

Remember, the Quick Estimator should be used only for estimating taxes for new clients. A full return should be prepared later. Not all data from the **Quick Estimator** flows to the full tax program.

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11 Reports

The Reports function allows you to create printable reports based on data entered into the program via data entry, the CSM, or the Scheduler.

Report Manager

Use the Report Manager to create a variety of predefined and customized printable reports. To access the Report Manager from the Drake Tax **Home** window menu bar, select **Reports > Report Manager**.

Report Categories

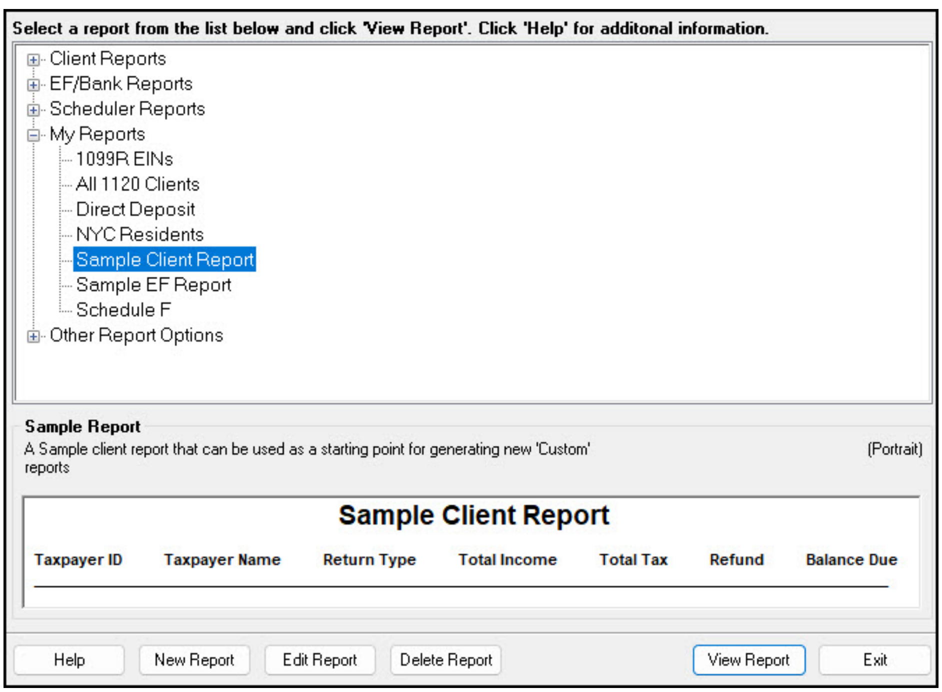
Five report categories are provided in the Report Manager:

Table 11-1: Report Categories

Report Category	Description
Client Reports	Criteria for these reports consist of client contact data, preparer and revenue data, return details, status and tracking data, and summary data.
EF/Bank Reports	Criteria for these reports consist of data related to e-filing and banking (including bank-product status, tracking, check, and summary data), as well as EF status, tracking, and summary data, and preparer revenue and fee reports.
Scheduler Reports	Reports are based on data entered in the Scheduler and include reports on new clients, preparer call lists, and appointments.
My Reports	Reports that you create, either by editing one of the predefined reports or by starting with a blank report, are automatically stored in **My Reports**
Other Report Options	This category gives you access to the reporting capabilities of the CSM and the Fixed Asset Manager and allows you to compile depreciation lists and hash totals.

As shown in Figure 11-1, the Report Manager uses a standard tree format. Click the PLUS SIGN [+] to expand a category; click the MINUS SIGN [-] to collapse a category and hide the reports.

Figure 11-1: Tree View of Report Manager



Only those reports in **My Reports** can be deleted. To delete a report, select it and click **Delete Report** (or choose **Delete Report** from the right-click menu).

Sample Report Window

Before generating a report, you can preview the report title and column headers to see how the report fits on the printed page. The report title and column headings are displayed in the **Sample Report** window at the bottom of the Report Manager. Also included is a brief description (if available) of the selected report. The display reflects changes as report details are updated

The **Sample Report** box also indicates a report layout of **Portrait**, **Landscape**, or **Potentially too wide**. A layout of **Potentially too wide** means that some data could be cut off in the printed report due to the number of columns. A report that is **Potentially too wide** can still be exported as a .CVS file or to Excel, where it is possible to shrink columns, change font size, or decrease margins for reports that are too wide to be printed directly from the Drake Tax Report Manager.

Regardless of width, the report can still be viewed in the Report Viewer using scroll bars.

Setting Up a Report

When planning reports for your office, consider beginning with one of Drake Tax's predefined reports that may already include most of the information you want. Create a new report or edit an existing report if none of the predefined reports meets your needs. The steps for these procedures are similar, but it may be easier to learn how to create reports by first changing a predefined report.

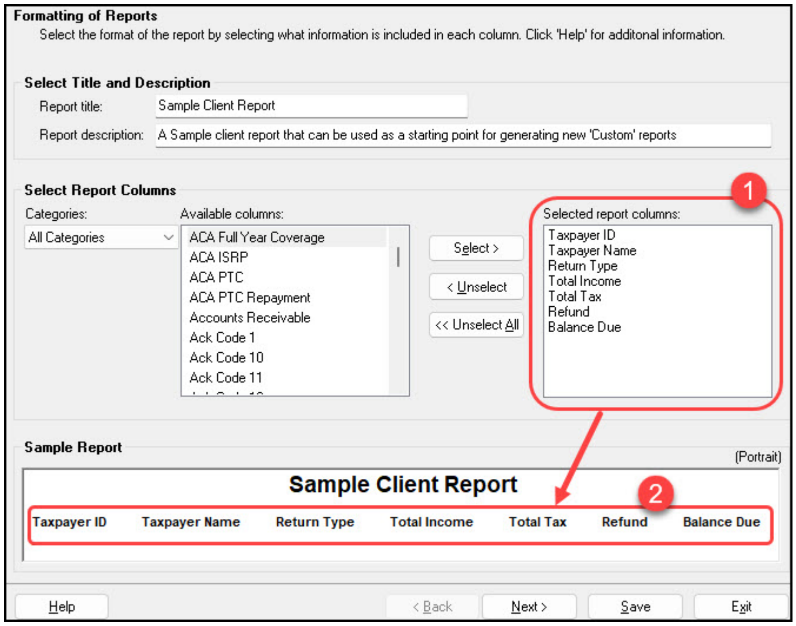
Several tasks, some of them optional, are involved in creating a report. These tasks are described in the following sections.

Assigning a Title and Description

To assign a new title and description to a report in the Report Manager:

1. Select a report to use as a template.
2. Click **Edit Report**. The **Report Editor - Step 1** window is opened (Figure 11-2 on page 346).

Figure 11-2: **Report Editor - Step 1** for Formatting Reports



- The **Report title** is displayed on the actual report; the **Report description** is for informational purposes and is displayed in the Report Manager's **Sample Report** box.
- Revise the **Report title** and **Report description** as needed. Note that changes to the title appear in the **Sample Report** box as you type. To add columns to the report, see "Assigning Columns," following.

3. Click **Save** and the program stores the report with the new title under **My Reports,** or click **Next** and proceed to "Assigning Columns," following.

Assigning Columns

The various columns that make up your report are represented by keywords. Select the columns and the order in which they are shown by choosing and ordering the keywords in the **Selected report columns** section of the **Report Editor - Step 1** window. Note that the columns currently appearing in the selected report are listed in the **Selected report columns** box on the right. (See red circles in Figure 11-2.)

To establish the columns shown in a report:

1. From the **Report Editor - Step 1** window, select a category from the **Categories** drop list. The available columns for that category are represented by the keywords in the **Available columns** list. Select **All Categories** to see every column header keyword available.

Place the mouse pointer over an **Available columns** keyword to display a tooltip description of the item.

2. From the **Available columns** list, double-click a keyword, or click it once and then click **Select**. The column heading (keyword) moves to the **Selected report columns** box. To remove a column heading from the **Selected report columns** field, click it then click **Unselect**. Click **Unselect All** to remove all column headings. (Note that any changes made to the **Selected report columns** box are reflected in the **Sample Report** box.)

3. Click **Save** and the program stores the report with the new title under **My Reports,** or click **Next** and proceed to "Assigning Filters," following.

New reports overwrite existing reports of identical names in the **Report Manager**. To have multiple versions of one report, you *must* give them different names.

Assigning Filters

Filtering screens out unwanted data and limits the information included in a report. With many filters available, as well as the ability to create filters and add conditions to each filter, you have an almost unlimited variety of output options for reports.

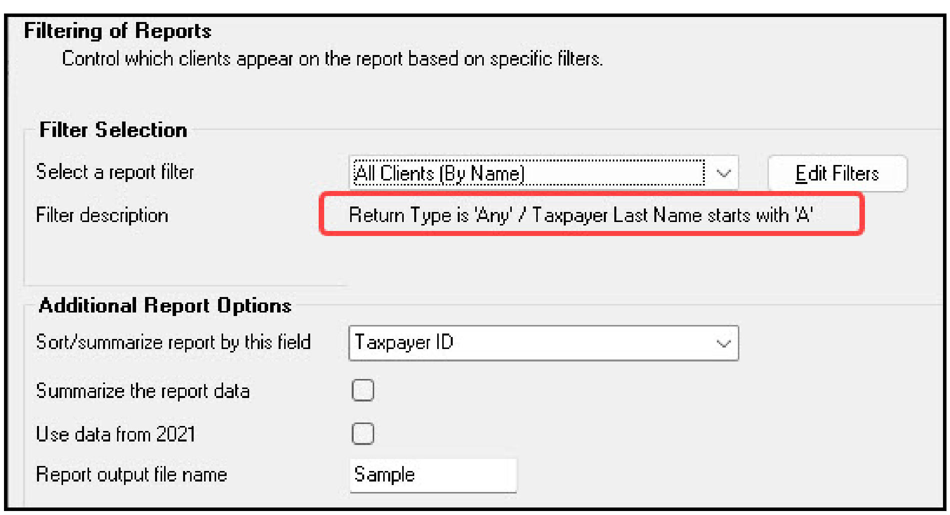
Choose a filter from one of Drake Tax's many predefined filter choices. You can edit an existing filter to meet other selected criteria.

— Existing Filters —

To assign a filter to a report:

1. From the **Report Editor - Step 1** window (see Figure 11-2 on page 346), click **Next**. The **Report Editor - Step 2** window is opened (Figure 11-3).

Figure 11-3: **Report Editor - Step 2** Window (Top Half)



2. Select a predefined or custom filter from the **Select a report filter** drop list. Note the **Filter description** is displayed when a report filter is selected (red circle in Figure 11-3 on page 347).

3. Click **Save**.

— Customized Filters —

Use a predefined filter as a template for creating a customized filter. Be aware that *changing a predefined filter affects every report in the program that uses that filter*. We recommend making a custom filter (or copying a filter and giving it a unique name) and then editing it to your specifications.

> Before a change is made to a filter, the program indicates which reports will be affected and offers the option of editing the existing filter or editing a copy of it. If you edit a copy, the original filter and associated reports remain unchanged.

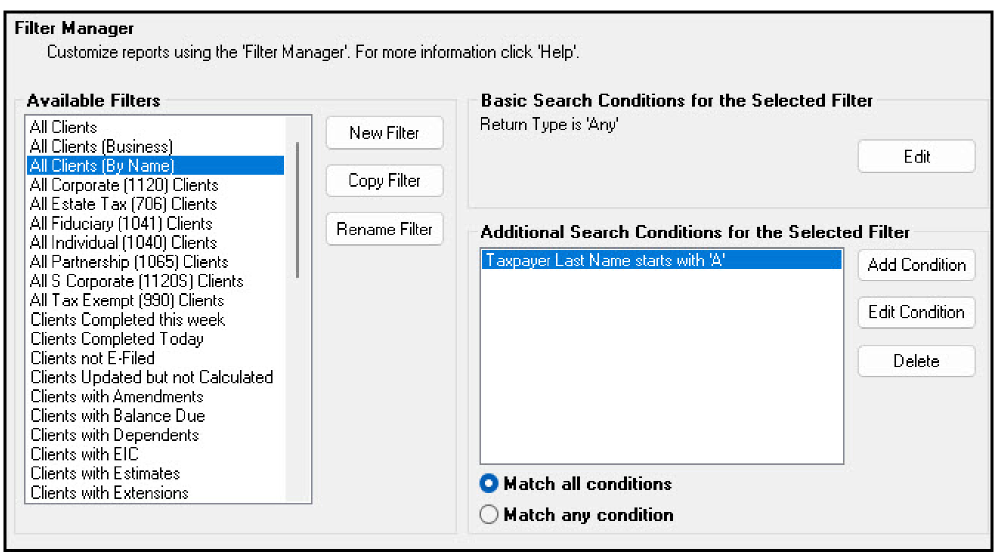
To customize a filter to assign to a report:

1. After making changes in the **Step 1** window (Figure 11-2 on page 346), click **Next** to open the **Report Editor - Step 2 window** (Figure 11-3 on page 347).

2. Select a desired template the **Select a report filter** drop list.

3. Click **Edit Filters** to open the **Filter Manager** window (Figure 11-4). Your filter is highlighted.

Figure 11-4: **Filter Manager** Window



4. Click **Copy Filter**. Name the filter and click **OK**. The new filter is highlighted.

5. Modify the **Basic Search Conditions** and **Additional Search Conditions**, as appropriate; there is a limit of 10 additional conditions per filter. (See "Search Conditions" on page 350.)

6. Click **Save**. The program returns to the **Report Editor - Step 2** window.
7. Click **Save** again to save the report. To close the Report Manager, click **Exit**.

For more on editing and using filters, see "Filter Manager" on page 350.

Selecting Additional Report Options

Additional options for sorting data, calculating numeric data, using prior-year data, and assigning an output file name are available from the **Report Editor - Step 2** window (Figure 11-3 on page 347).

— Sort/Summary Order —

In the **Additional Report Options** section, choose a keyword by which to sort reports. For example, to build a report on "Clients," with results sorted by the last name, select **Taxpayer Last Name** from the drop list. This list includes all the keywords in the report, plus various others. (These other keywords vary, depending on the report selected.)

— Data Calculations —

Select the **Summarize the report data** box to have the program calculate and total each column. Not all reports benefit from summarizing. Edit your report and add keywords such as **Count**, **Average**, and **Percentage** to enhance the summary.

— Prior-Year Data —

(client reports only) The program queries current-year data by default. To have a report run on prior-year data, select the **Use data from 2021** box.

— Output File Name —

An output file name consisting of the first eight letters of the **Report title** (Step 2 in "Assigning a Title and Description" on page 345) is entered automatically in the **Report output file name** field. Changing this name is optional. A new name must be fewer than nine characters. You use this name to locate the report in the Report Viewer (see "Report Viewer" on page 355).

Creating a New Report

To create a new report *from scratch* in the Report Manager:

1. Click the **New Report** button (at the bottom of the **Report Manager** window).
2. Select one of the following report types:
   - **E-filing and banking —** For a report based on the EF database
   - **Tax return data** — For a report based on data entry information
   - **Scheduler** — For a report based on schedules set up in the Scheduler
3. Click **OK** to open the **Report Editor - Step 1** window.
4. Using the instructions in "Setting Up a Report" on page 345 as a guideline, enter the report formatting and filtering information, and then click **Save**.

Deleting a Report

Only a report in **My Reports** can be deleted. To delete a report, from the **Report Manager** dialog box, select (single-click) the report to delete, click **Delete Report**, and then click **Yes** to confirm the deletion. If you have run the report, you are asked if you want to delete the report from the Report Viewer. Click **Yes** or **No** as applicable.

Filter Manager

The Filter Manager is used for not just reports but also for letters, mailing labels, envelopes (see "Letters" on page 331), proformas and organizers (see "Organizers and Proformas" on page 150), and the Fixed Asset Manager (see "Fixed Asset Manager" on page 356). Access the Filter Manager from a **Filter Selection** box, which is opened when you might have to narrow a selection of records. To access the Filter Manager from a **Filter Selection** box (Step 2; see Figure 11-3 on page 347), click **Edit Filters**. (See "Customized Filters" on page 348.)

Search Conditions

Use the Filter Manager to set up search conditions. There are two levels of search conditions: **Basic Search Conditions** and **Additional Search Conditions**.

Basic Search Conditions

Basic search conditions, described in Table 11-2 on page 351, refer to the most common filtering criteria: **Return Type(s)**, **Return Result**, **Activity**, and **Preparer and Firm**.

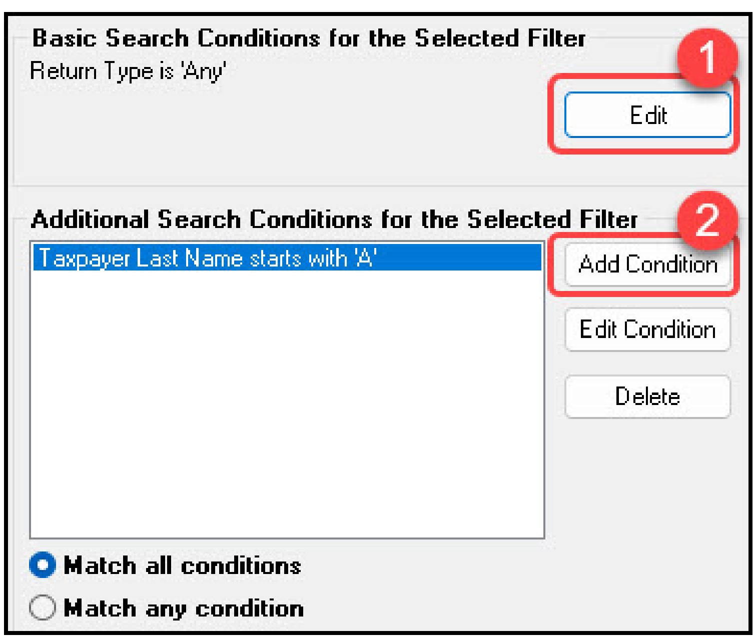
Table 11-2: Basic Search Conditions: Categories

Category	Description
Return Type(s)	Return types to include in the report. To include all return types, select **All Return Types**. Select **Allow MFS 1040 Returns** to include returns with a status of Married Filing Separate.
Return Result	Result types of the returns to include in the report. Example: If **Balance Due** is selected, only those returns with a balance due will be included. Select **Any Result** to include all results.
Activity	Status of returns to include in the report. To include both active and inactive returns, select **Any Status Type**.
Preparer and Firm	Preparer and firm of returns to include in the report. To include only those returns handled by a specific preparer or firm in the report, select a preparer or firm name as applicable.

To edit basic search conditions:

1. Click **Edit** in the **Basic Search Conditions for the Selected Filter** box (item #1 in Figure 11-5).
2. When the **Basic Search Conditions** dialog box is opened, select items within the main categories.
3. *(optional)* To include applicable test/sample returns (for example, Drake Tax returns that begin with 400-00) in the report, select **Allow Test/Sample Returns**.
4. *(optional)* To allow a user to modify conditions when running a report, select **Ask about the 'Basic Search Conditions' each time the filter is used**.
5. Click **OK** to save the changes.

Figure 11-5: Basic Search



If you're changing a filter that is used in other reports, the **Filter Changes** window is opened, describing these reports and informing you that changes to the filter will affect these reports. Click **Edit** to continue to edit the filter, or click **Copy** (*recommended*) to make a copy of the filter and change the copy so as not to affect other reports.

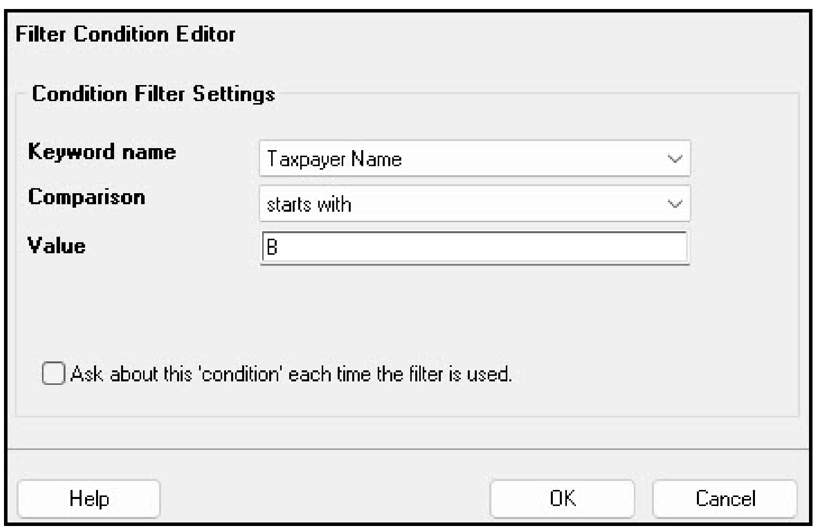
Additional Search Conditions

Add as many as 10 additional search conditions. Use the **Additional Search Conditions** feature to further specify the types of data to include in the report.

To add a new search condition in the Filter Manager:

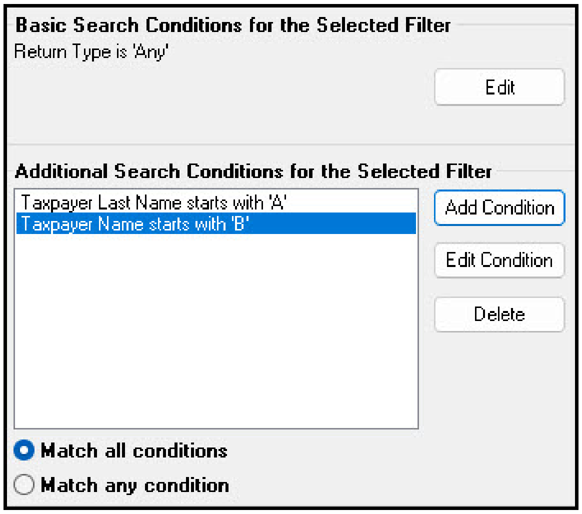
1. Click **Add Condition** (item #2 in Figure 11-5 on page 351).
   - If you're changing a filter that is used in other reports, the **Filter Changes** window is opened. (See "Important" note, above.)

Figure 11-6: Editing Filter Conditions



2. In the **Filter Condition Editor** dialog box (Figure 11-6), select a **Keyword name**.
3. Select a **Comparison** option and a **Value** (if required).
   - If a value is required, the **Value** field appears. A value can be alphabetic or numeric. As in the example in Figure 11-6, if **Taxpayer Name** is selected with a comparison of **starts with**, the value must be alphabetic. If **AGI** is selected with a comparison of **is equal to**, the value must be numeric. (Do not use commas when entering numbers.)
4. *(optional)* To allow a user to modify the condition when running a report, select **Ask about this 'condition' each time the filter is used**.
5. Click **OK**. The new condition is displayed in the Filter Manager (Figure 11-7 on page 353).

Figure 11-7: New Search Conditions



6. Repeat the previous steps to add more conditions as needed.
7. Select **Match all conditions** (for narrower results) or **Match any condition** (for broader results), as applicable.
8. Click **Save**.

To *edit* a search condition, select the condition and click **Edit Condition**. Make changes and click **OK**. To *delete* a search condition, select the condition and click **Delete**. When prompted, click **Yes**.

Available Filters List

The **Available Filters** list in the Filter Manager can be modified as needed. Create new filters, edit existing ones, or rename filters.

Creating a Filter

To create a new filter in the Filter Manager:

1. Click **New Filter**.
2. Enter a unique filter name.
3. Click **OK**. The new filter is added to the **Available Filters** and can be edited.
4. Modify the search conditions as needed. (See “Search Conditions” on page 350.)
5. Click **Save** at the bottom of the **Filter Manager** window.

Modifying a Filter

To create a filter in the Filter Manager using an existing filter as a template:

1. Select a filter in the **Available Filters** pane to use as a template.
2. Click **Copy Filter**.
3. Enter a unique name for the new filter.
4. Click **OK**. The new filter is added to the **Available Filters** and can be edited.
5. Modify the search conditions as needed. (See "Search Conditions" on page 350.)
6. Click **Save** at the bottom of the **Filter Manager** window.

Renaming a Filter

To rename a filter in the Filter Manager:

1. Select a filter in the **Available Filters** pane to use as a template.
2. Click **Rename Filter**.
3. Enter a new name for the filter.
4. Click **OK**. The renamed filter shows in the **Available Filters** and can be edited.
5. Click **Save** at the bottom of the **Filter Manager** window.

Reset the list of **Available Filters** to its original settings at any time by clicking **Restore Default**. Restoring the default list, however, deletes any changes you have made.

Viewing Reports from Report Manager

To view a report from the Report Manager:

1. Locate and select a report in the report tree (see Figure 11-1 on page 344).
2. Click **View Report**. If a **Basic Search Conditions** box appears, make any desired changes and click **Continue**. If a previously saved version of the report is detected, you are prompted to:
   - Click **Yes** to re-create the report using the most current data
   - Click **No** to open the previously saved report
3. Wait for the program to search the records for data matching the report criteria.

The report is displayed in the Report Viewer.

Report Viewer

All previously generated reports in Drake Tax are accessible through the Report Viewer. To access the Report Viewer, from the menu bar of the **Home** window, select **Reports > Report Viewer**.

The reports are arranged in tabs, from **Standard Reports** (the reports built and generated from the Report Manager, Scheduler, **Setup > Firm(s)**, and **Setup > Preparer(s)**) to reports generated during the e-file process (**Bank Ack Reports**, **EF Selection Reports,** and **Transmission Reports**). The **Release Notes** tab compiles all the notes from the various updates released by Drake Software and downloaded to your system.

To view a report, double-click the report or select the report and click **View**. From here, print the report, export it, or change the font. Scroll through multiple-page reports using the arrow keys at the top of the viewer. To perform a task, click the applicable icon from the **Report Viewer** toolbar.

It is best to save reports where they are easily found. Drake Tax suggests: **Drake22\Reports**. To select this or any location, view the return, then, from the toolbar, click the arrow beside the **Export** button, select **Save CSV file**, and browse to the folder where you want to save the report.

Depreciation List

The **Depreciation List** is a report that displays depreciation information for selected clients. There are two methods for creating depreciation lists in Drake Tax: manually entering client SSN/EINs to be listed, or filtering the client database for clients that meet specified criteria.

To create a depreciation list for one or more clients, from the **Home** window menu bar, select **Reports > Depreciation List**. The **Depreciation List Client Selection** dialog box is displayed. All recently opened returns are listed in the **Client Name** pane.

1. Choose an option for selecting returns to calculate:
    - Begin typing an ID number (SSN or EIN) in the **Client Selection** box. Continue typing the complete ID number, and then press ENTER (↵) (or double-click) to add the return to the **Selected Clients** list on the right side of the **Depreciation List Client Selection** window.
    - Alternately, click a client from the **Client Name** list and click the **Select Client** button (or just double-click the client) to move that name to the **Selected Clients** list.
    - To help narrow your search, click the **Recent Returns** drop list and choose a return type (1040, 1120, etc.).
2. Repeat the previous steps until all clients for whom you wish to generate depreciation lists are listed under **Selected Clients**.

3. When a **Depreciation Listing** window is opened (Figure 11-8), choose to **Print** the depreciation list or to **Export to File**:

Figure 11-8: Options for a Depreciation List

- **Print** — Send the list to the printer. In the **Print** dialog box, click **Print**.
- **Export to File** — Depreciation lists exported to file are stored in Drake22\Reports as CSV files. The program displays the name of the file. Click **OK**.

Fixed Asset Manager

The Fixed Asset Manager allows you to choose from more than 40 column headers to customize your asset reports.

Use the **Fixed Asset Manager** (from the menu bar of the **Home** window, go to **Reports > Fixed Asset Manager)** to run reports based on client assets. Nine report types, shown in Table 11-3, are available.

Table 11-3: Fixed Asset Manager Report Types

Report Type	Report Description	Items on Report
Depreciation Schedules	Depreciation list sorted by asset number (assigned asset number and department number separated by a decimal; example of asset number: 122.01)	Asset Number, Description, Date in Service, Method and Recovery Period, Basis, Prior Depreciation (Prior and Current), Salvage Value, Current Year Section 179 Expense
Listings	Depreciation list sorted by asset number (assigned asset number and department number separated by a decimal; example of asset number: 122.01)	Asset Number, Description, Date in Service, Method & Recovery Period, Business Percentage, Cost, Federal Basis, Current Year Sec 179, Prior Year Depreciation, State Depreciation, Amt Depreciation, Book Depreciation, Tax Schedule, Code, Date Disposed
Section 179 Assets	Asset list of items expensed during the current year	Asset Number, Department Number, Description, Date Placed in Service, Cost, Section 179 Expense, Prior Year Carryover, Current Year Sec 179 Deduction
Dispositions	Asset list of items disposed of within the current year	Asset Number, Descriptions, Date Acquired, Date Sold, Gross Sales Price, Depreciation Amount, Cost or Other Basis, Loss or Gain

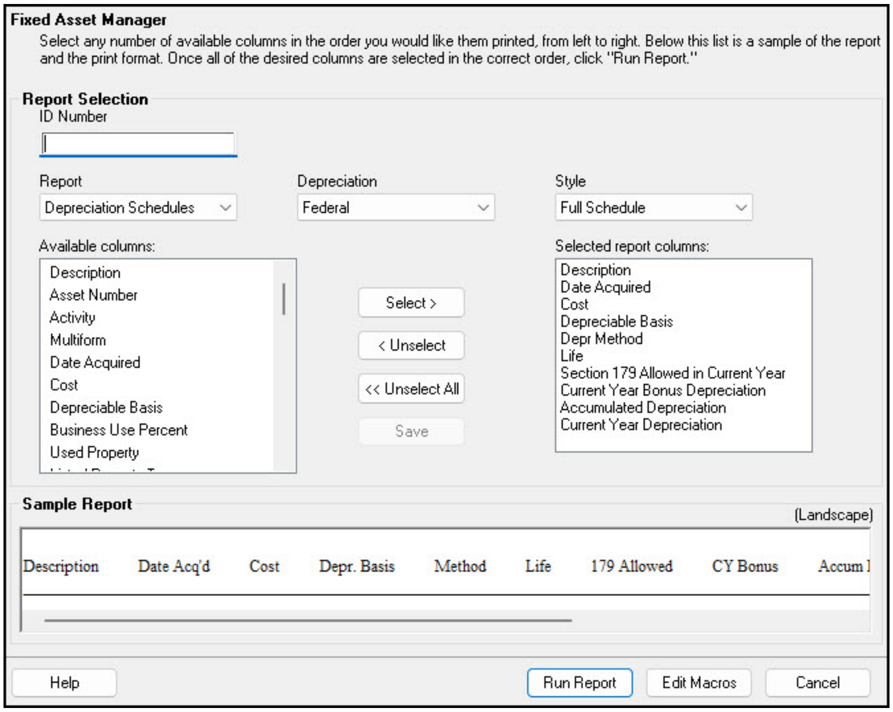
Report Type	Report Description	Items on Report
Department Summary	Asset summary report sorted by department or schedule	Department Number, Description, Cost, Federal Basis, Current Section 179 Expense, Federal Depreciation, State Depreciation, Alternate Depreciation, Book Depreciation
Year Summary	Summary report of assets on a yearly basis, grouped by department. Each department has a summary line for each year up to 10 years prior. Also totals depreciation for 11 years and prior. Sorted by department then year.	Year Acquired, Cost, Prior Federal Depreciation, Current Federal Depreciation, Total Federal Depreciation, State Prior Depreciation, State Current Depreciation, Total State Depreciation
Asset Category Summary	Summary report of asset categories (as set on **4562** screens).	Asset Category, Cost, Federal Basis, Current Section 179, Federal Depreciation, State Depreciation, Alternate Depreciation, Book Depreciation
Preference Report	List of assets placed in service after 1986	Asset Number, Description, Date in Service, Method & Recovery Period, Basis, Current Depreciation, Alternate Depreciation, Preference Amount
Auto Code Print	Report based on the macro setup for each client selected. Reports can comprise any of the described reports and any valid options associated with them. (See "Using Fixed Asset Manager Macros" on page 359.)	

Fixed Asset Manager Reports

To run a report using the Fixed Asset Manager:

1. From the menu bar of the **Home** window, select **Reports > Fixed Asset Manager**. The **Fixed Asset Manager** dialog box has drop lists for choosing report types, depreciation options, and sorting options (Figure 11-9 on page 358).

Figure 11-9: **Fixed Asset Manager** Dialog Box



2. Enter a number in the **ID Number** field.

3. Select a report type. (See Table 11-3 on page 356 for available report types.)

4. Select a **Depreciation** tracking format. Options are:

- **Federal** — Tracks federal depreciation methods
- **State** — Tracks state depreciation methods
- **Alt Min Tax** — Tracks alternative depreciation methods
- **Book** — Tracks depreciation using book method

5. Select a sorting **Style**. Choose to print a **Full Schedule**, to sort **By Department**, to sort by **Form/Schedule,** or to sort by **Asset Category**. (Not all of these sorting options are available for every tracking format.)

6. Choose the columns you want in your report from the **Available columns** drop list. Select a column heading and then click **Select** (or double-click the column heading) to move it to the **Selected report columns** list on the right side of the **Fixed Asset Manager** dialog box. To remove column headers from the **Selected report columns** list, select them and click **Unselect**, or to remove them all, click **Unselect All**.

7. To keep your formatting for future reports, click **Save**.

8. Click **Run Report**. The **Fixed Asset Manager** Report Viewer is opened.

9. Select an option for displaying the depreciation list.

- **Print** — Send the list to the printer. When the **Print** dialog box is opened, choose a printer and click **Print**.
- **Export to File** — Save the report as a .CSV file. Click **OK**. To open the saved file, go to your **Drake22\Reports** folder.

Using Fixed Asset Manager Macros

Use the Fixed Asset Manager macros to run a set of standard reports at one time.

To set up a macro in the Fixed Asset Manager:

1. From menu bar of the **Home** window, select **Reports > Fixed Asset Manager**.
2. Click **Edit Macros** to open the **Macros for the Fixed Asset Manager** dialog box. This box has three columns of drop lists: one for type of **Report**, one for **Depreciation** method, and one for **Style**.
3. Make selections from the drop lists for each report to be printed under the macro.
4. Click **Save** to save your changes and return to the **Fixed Asset Manager** dialog box.

To run the macro, select **Auto Code Print** from the **Report** drop list and click **Run Report**.

Client Status Manager (CSM) Reports

For information on running CSM reports, see Chapter 8, "Client Status Manager."

Hash Totals

The Hash Totals report displays the number of forms and schedules generated on a selected return. By consulting these totals, the data entry operator can be reasonably sure that the correct values have been entered into the fields.

To generate a report of hash totals:

1. From the menu bar of the **Home** window, select **Reports > Hash Totals**.
2. Enter the SSN or EIN of a return.
3. Click **Continue**. The report is displayed in the Report Viewer.
4. Click **Exit** to return to the **Home** window.

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12 Suite Products

This chapter focuses on two Suite Products—Drake Documents and Tax Planner—and additional subscription products: GruntWorx and DrakePortals, which can be integrated with the tax program to make your office run more efficiently.

Installing Suite Products

Drake Documents is installed when the tax program is installed and updated either when the tax program is updated, or manually, depending on setup. The Tax Planner is installed and updated with the tax program. The DrakePortals feature is set up through Drake Documents and helps you gather tax-related data electronically, have forms and returns signed electronically, and get paid electronically.

GruntWorx and DrakePortals can, for an additional cost, be integrated with Drake Tax to make document mobility and usage a lot easier.

Drake Documents

Signable documents can be signed electronically from Drake Documents using a signature pad. For details, see "Electronic Signatures" on page 199.

Drake Documents users have two storage options or "sources" to choose from: the "Archive Cabinet" and the "Working Cabinet." Choose a Drake Documents cabinet that better works with how you want to handle your document storage.

- **Archive Cabinet**: The Archive Cabinet files are stored outside of the tax program and are backed up and restored separately from the tax program. All documents from all years for all clients are stored in the Archive Cabinet in alphabetically arranged "cabinets," "drawers," and "folders." If you choose the Archive Cabinet, see "Setting up the Archive Cabinet" on page 373.
- **Working Cabinet**: Choose the Working Cabinet if you prefer more integration with the tax program. Working Cabinet files are stored inside the tax program and are backed up or restored whenever the tax program is backed or restored. Access Working Cabinet documents from within Drake Tax for whichever year you are interested in: 2021 documents are in the 2021 program, 2022 documents are in the 2022 program, etc. If you choose the Working Cabinet as your source, see "Working Cabinet Window" on page 370.

- If you choose the Working Cabinet as your source, you can easily send your saved documents into the Archive Cabinet. See "Sending Files to Archive Cabinet" on page 371 for details.
- Switch back and forth between the Archive and Working Cabinets as needed. See "Configuring the Cabinet" on page 367.

Using Drake Documents

Use Drake Documents to store and organize electronic documents such as PDF copies of tax returns, signed Forms 8879, scanned Schedules 1099-B, and scanned copies of driver's licenses, Social Security cards, and other forms of ID. Anything you can put on paper can be stored in Drake Documents. Think of the Drake Documents' file structure as a virtual filing cabinet where files are saved in folders and folders are stored in drawers of the cabinet.

You can also use Drake Documents to:

- Copy Drake Documents files directly to a CD.
- Protect your clients' documents with passwords.

- Assemble documents sent to GruntWorx (see “GruntWorx” on page 390 for more information on this product)
- Access Drake Portals (see “DrakePortals” on page 392 for more information of this product)
- Electronically “sign” certain documents (including Forms 1040 and 8879)

Drake Documents makes storing and moving documents easy:

- Create a new return in Drake Tax and a corresponding folder is automatically opened in Drake Documents.
- Archive a return from View/Print mode of the tax program and a copy of the archived return is automatically saved in Drake Documents. (See “Archive Manager” on page 214 for details.)
- Open Drake Documents directly to the client’s folder by clicking the **Documents** button from the toolbar of the **Data Entry Menu** in any package.

Files saved in Drake Documents can easily be attached to email messages or e-filed with a return as a PDF attachment.

Setting up Drake Documents

Unless otherwise noted, the setup options described here apply to both the Working Cabinet and Archive Cabinet. Any unique setup options are described in the sections “Working Cabinet Window” on page 370 and “Setting up the Archive Cabinet” on page 373.

Selecting a Drake Documents Cabinet

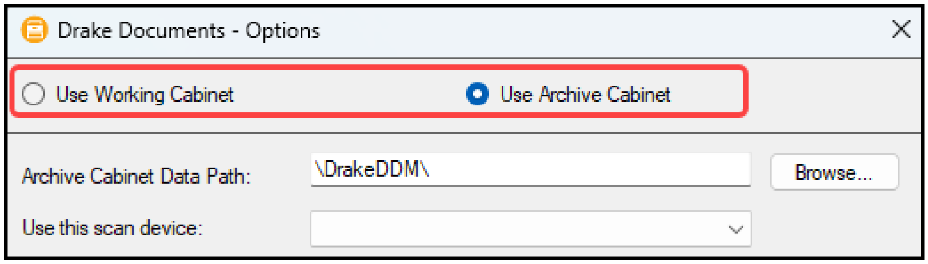
When you’ve decided which cabinet in Drake Documents you want to use—Working Cabinet or Archive Cabinet—make your selection in the Setup Options:

1. From the **Home** window of Drake Tax, go to **Setup > Printing > Drake Documents** to open the **Drake Document Integration Options** dialog box.
2. In the **General Options** section, select **Use Working Cabinet** or **Use Archive Cabinet**.
3. *(optional)* Select **Allow Drake to set up Drake Documents client folders**.
4. If this box is not marked, you must specify the location each time a scanned document is saved or a return is printed through the PDF “printer” to the Working Cabinet. (Archive Cabinet files are automatically stored in the location you set. See the “Archive Cabinet Data Path” option in Table 12-1 on page 368.)
5. Click **Save**.

— Change Your Mind? —

The decision you make on which Drake Documents cabinet to use is not permanent. Switch cabinets at any time. From the Drake Documents menu bar, select **Setup > Options**, then, from the **Drake Documents Options** window, choose the other option (Figure 12-1).

Figure 12-1: Selecting a Cabinet



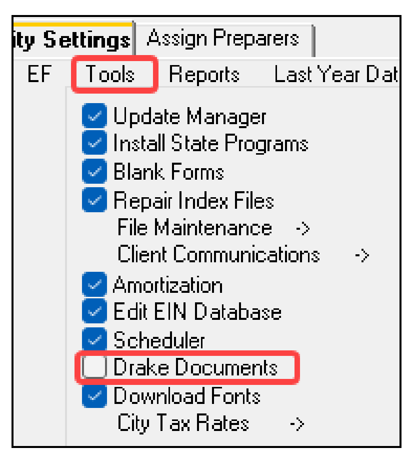
Restricting Access

To restrict access to Drake Documents by individual preparers:

1. From the **Home** window of Drake Tax, go to **Setup > Preparer(s)** to open the **Preparer Setup** window.
2. Double-click a preparer's name, click the **Security** button, and select **Custom Security** from the menu to open the **Preparer Security Setup** window.
3. From the menu bar, select **Tools**.
4. Clear the **Drake Documents** check box.
5. Click **Save**, **OK**, **Save**, and then **Exit**.

To restrict access to Drake Documents for groups of preparers:

1. From the **Home** window of Drake Tax, go to **Setup > Preparer(s)** to open the **Preparer Setup** window.
2. Click the **Security** button and select **Edit Group Security Settings**.
3. From the list at the top of the window, double-click to choose a security group to edit.
4. Click the **Security** button and select **Edit Group Security Settings**.
5. From the list at the top of the window, double-click to choose a security group to edit.
6. From the menu bar under the **Security Settings** tab, select **Tools** (figure right).
7. Clear the **Drake Documents** check box.
8. Click **Save**.



- Individual restrictions are not available for security groups **ADMIN** and **FULL**. The **FRONT OFFICE** security group and any security groups you've added can be restricted. For details on setting up security groups, see "Setting Up Group Security" on page 59
- For information on password-protecting individual files in the Archive Cabinet, see "Document Security" on page 383.
- Users accessing the Archive Cabinet from a desktop icon are required to enter their preparer's login name and optional password. See "Accessing the Archive Cabinet" on page 373 for more information.

Email Setup

If you use your default email program for sending email messages from Drake Documents, you do not need to do anything to set up an email account in Drake Documents.

If, however, you want to use the email program you set up previously within Drake Tax, there are some steps you must take from the Drake Documents menu bar:

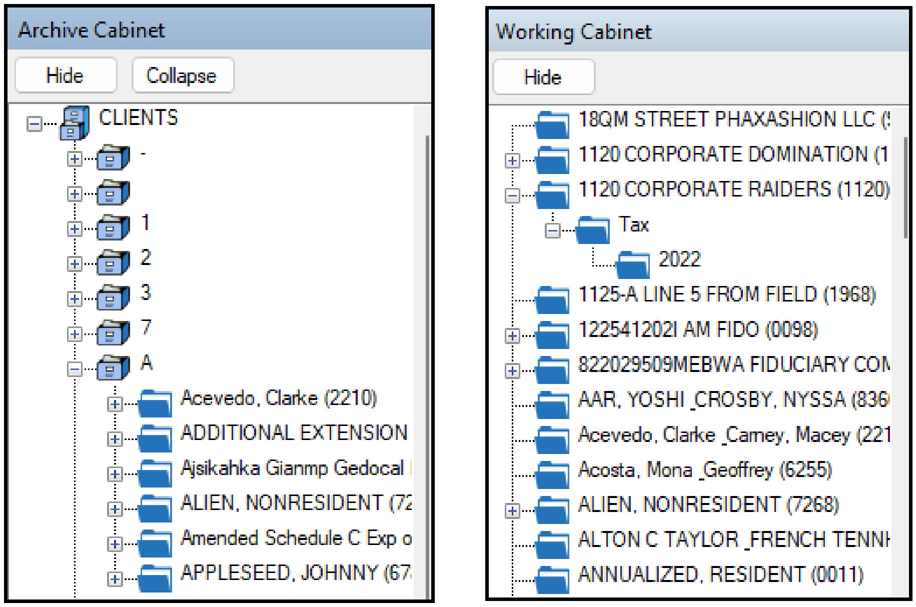
1. Go to **Setup > Options**.
2. In the **Drake Document - Options** box, mark **Use my Drake email account**.
3. Click **Save**.

For details on setting up the Drake Tax email program, see "Email Through Drake Tax" on page 301.

File Structure

Both the Working Cabinet and the Archive Cabinet display stored files alphabetically in a folder "tree" (Figure 12-2 on page 366).

Figure 12-2: Archive Cabinet Files (Left) and Working Cabinet Files (Right) Store a "Tree" of Client Folders



Use the default Drake Documents file structure or customize it as needed. To implement the Drake Documents file structure, see Step 3 under "Selecting a Drake Documents Cabinet" on page 363. To customize your file structure:

1. From the **Home** window of Drake Tax, go to **Setup > Printing > Drake Documents** to open the **Drake Document Integration Options** dialog box.
2. In the middle section of the dialog box is the option to add folders to the default Drake Documents file structure. To do so:
   a. Click **Add**.
   b. Enter a custom folder name and click **OK**. A new folder is inserted one level below the selected folder.
   c. Mark the **Apply this layout...** check box if you want to insert the new folder into existing *and* new client files; otherwise, the new folder will be inserted only into new client files.
   d. To change the name of a folder, select the folder and click **Edit**. To delete a folder, select the folder and click **Remove**.
3. Click **Save**, and then click **OK.**

- To avoid later restructuring, determine the type of file structure you want to use before you begin storing items in Drake Documents.

- Customize your file structure for the Archive Cabinet. From the menu bar, select **Setup > Custom Folders**, then follow the steps above.

- To set up any additional security settings, from the **Home** window of Drake Tax, go to **Setup > Preparer(s)**. See "Setting up the Archive Cabinet" on page 373 and "Preparer Setup" on page 55 for directions on setting up preparer and group security.

— Adding Individual Subfolders —

Individual subfolders can be added to the Drake Tax-integrated file structure of either the Working Cabinet or the Archive Cabinet.

To create additional subfolders for individual client folders, open Drake Documents:

1. Highlight the folder in the “tree” that will contain the new subfolder.
2. Take one of the following steps:
   - Right-click a folder
   - From the toolbar, click **New Folder**
   - On your keyboard, press F4
   - From the menu bar, select **Setup > New Folder**
3. Enter a folder name in the **New Folder** dialog box.
4. Click **OK**. The new subfolder appears in the left pane.

Repeat these steps as needed to create more subfolders.

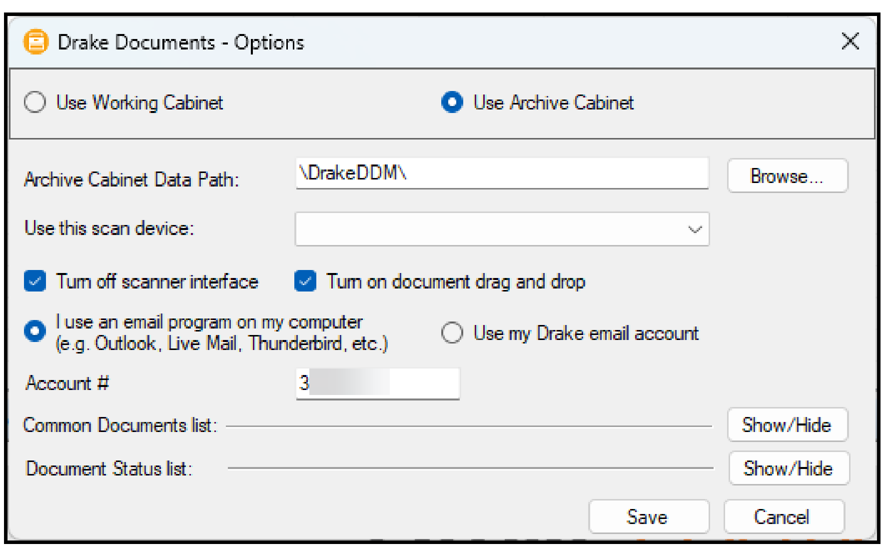
Delete or rename subfolders by selecting them, right-clicking, and then selecting **Delete New Folder** or **Rename New Folder** from the menu.

Configuring the Cabinet

To set configurations for the Drake Documents cabinet:

1. Open Drake Documents (from either the **Home** window toolbar or from the **Data Entry Menu** toolbar inside a return).

Figure 12-3: Configuring the Cabinet in Drake Documents



2. From the Drake Documents menu bar, choose **Setup > Options** to open the **Drake Document - Options** dialog box (Figure 12-3 on page 367). Options are listed in Table 12-1.

Table 12-1: Drake Documents Cabinet Setup Options

Option	Description
Changing Cabinets	Change the selection you made at Setup > Printing > Drake Document. (See "Selecting a Drake Documents Cabinet" on page 363.)
Archive Cabinet Data Path	(*Archive Cabinet only*) Indicate the data path to the location you want to store Drake Documents files. Click Browse to map to the location.
Use this scan device	By default, Drake Documents chooses a scanner. To choose a different scanner, click the arrow on the **Use this scan device** drop list and select a scanner from the list of scanners installed on your computer.
Turn off scanner interface	The program automatically uses the default scanner's settings. To change those settings, click this box. Make changes to the color, dpi, size or shape options in the scanner's control box.
Turn on document drag and drop	Activate "drag-and-drop" navigation, which allows cabinets, drawers, folders, and files to be "dragged" from one place in Drake Documents and "dropped" in another. Click and hold an item and drag the selected item to the new location.
Email options	Choose to use your computer's default email program, or use the Drake Tax email program you set up. See "Email Setup" on page 365 and "Email Through Drake Tax" on page 301.
Account #	This number must be entered if you plan to email documents through Drake Documents or if you used the DrakePortals portal for sending documents to your clients.
Common Documents list	Click **Show/Hide** to edit names assigned to commonly scanned document types. For more information, see "Setting Up Common Documents" (following this table).
Document Status list	Click **Show/Hide** to see the status of documents in Drake Documents. You can add statuses here, then apply them to the document. For details, see "Setting Document Status" on page 381.

— Setting Up Common Documents —

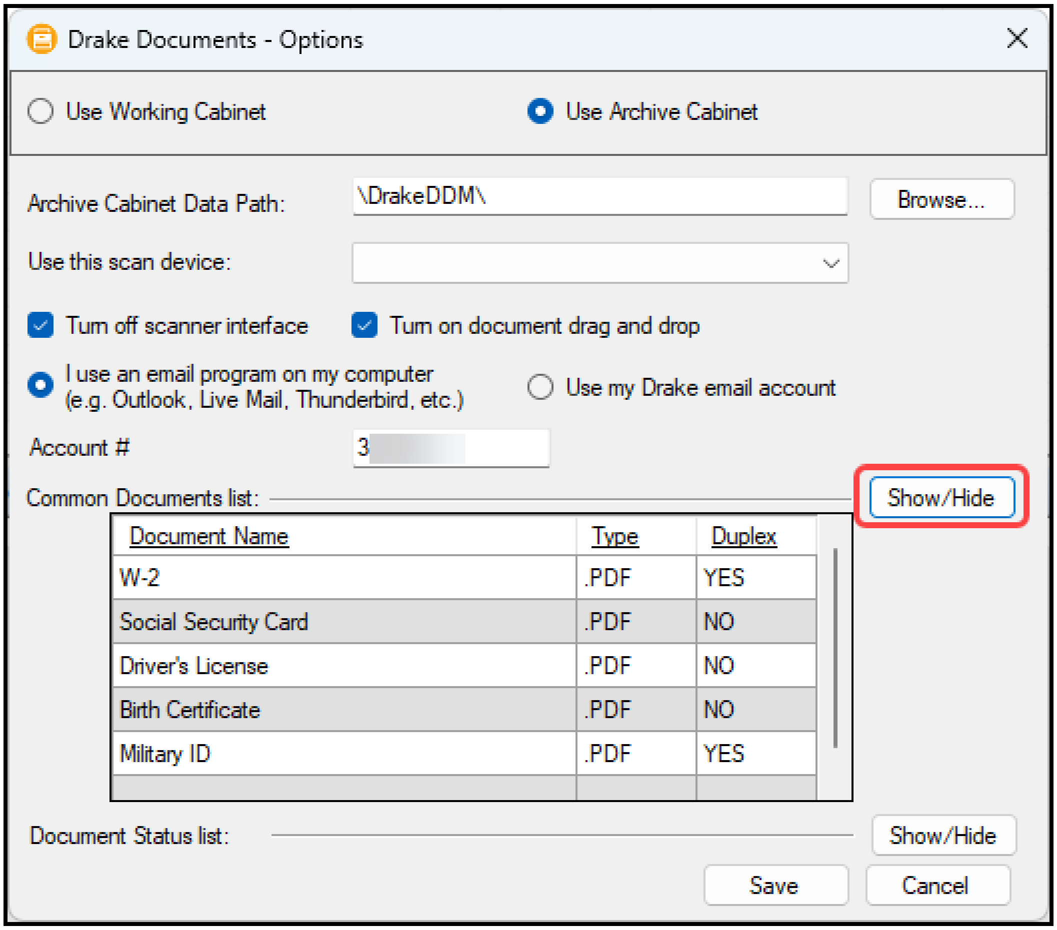
The "Common Documents" feature is available to help your office save time while maintaining its naming convention. Customizable default descriptions allow you to eliminate the step of typing a description by selecting pre-established descriptions.

To set up default descriptions in your Drake Documents cabinet:

1. From the Drake Documents menu bar, click **Setup > Options**. The **Drake Documents - Options** dialog box is opened (Figure 12-4 on page 369).

2. Click the Common Documents **Show/Hide** button to open the list of documents.
3. In the **Document Name** column, type the name of a document your office commonly scans into Drake Documents.
4. Click in the **Type** column and select a default document format from the drop list.
5. *(optional)* Click in the **Duplex** column and choose to turn on the scanner's "Duplex" feature (if available).

Figure 12-4: Options for Commonly Scanned Documents



6. Add or edit names as desired.
7. To save changes, click **Save**.

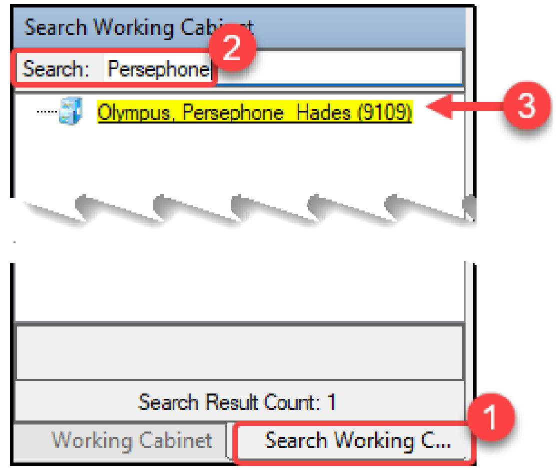
In the example in Figure 12-4, the user has added "*Military ID"* to the list and will save scanned military IDs as .JPG documents.

Whenever you scan a document into Drake Documents, you have the option of selecting one of the descriptions entered as a common document. (See "Scanning a File" on page 380.)

— Searching the Cabinet —

To find a particular folder in your Drake Documents cabinet:

1. Click **Search Working Cabinet Tree** (or **Search Archive Tree**) at the bottom of the folder tree (item #1).
2. Enter the name (or part of a name) of the client, folder, or document you're searching for in the **Search** field at the top of the folder tree (#2).
3. Press ENTER (↵).



Any files containing the words or names you entered appear in the folder tree (#3). Click **Working Cabinet Tree** (or **Archive Cabinet Tree**) at the bottom of the tree (#1) to return to the original folder tree.

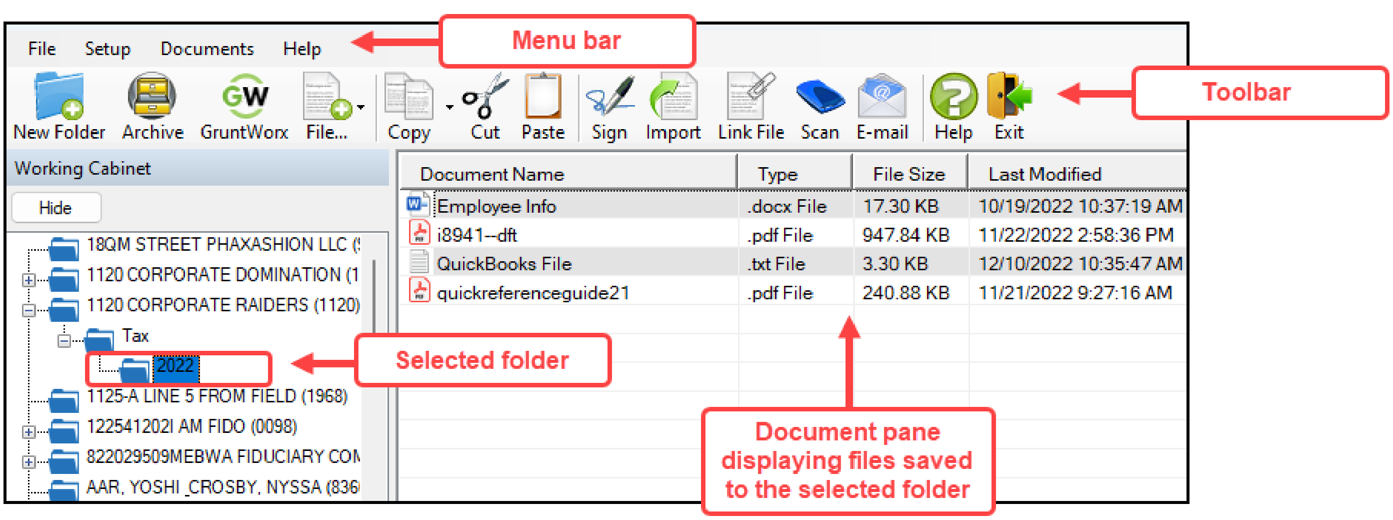
To locate documents stored within Drake Documents, enter the name—or portions of a name—of a stored document and the Search engine locates all documents in all folders that contain the words or phrases you are searching for.

Working Cabinet Window

Everything in the following section pertains to the use of the Working Cabinet.

The Working Cabinet window consists of the folder "tree" on the left side, a list of files contained within a selected folder on the right, and a menu bar and toolbar at the top (Figure 12-5).

Figure 12-5: Part of the Drake Documents Interface



Folders are listed alphabetically, on the left side of the window, based on the individual clients' last names or the business clients' first names. Subfolders are stored within each client's folder. Click the PLUS SIGN to expand a portion of the tree; click the MINUS SIGN [-] to collapse it; or, with a folder selected, press the PLUS SIGN [+] or the MINUS SIGN [-] on the numbers pad of your keyboard.

Other keyboard options include pressing:

- F1 for Program Help for the selected cabinet (Working or Archive)
- F4 to rename a selected folder
- F6 to rename a selected document
- F7 to copy a selected document
- F8 to open the email function
- F10 to open the client's folder in the **DT** folder of Drake Tax

— Navigating the Working Cabinet —

Click to open a folder (or subfolder) and in the **Document** pane, Drake Documents displays the documents in the folder, listing them by document names, types, dates modified, descriptions, and statuses. Click column headers to sort by columns.

Like other Drake Tax windows, the Drake Documents window has a menu bar and a toolbar. If a keyboard shortcut (such as pressing F1 to open the Help program) exists for a menu item, it is listed to the right of the menu item. You can also access many toolbar selections from the menu bar. Each toolbar button activates a different function.

Sending Files to Archive Cabinet

To send the documents saved during the 2022 tax season from the Working Cabinet to the Archive Cabinet, take the following steps:

1. From the Working cabinet toolbar, select **Archive** to open the **Drake Documents Archive Utility** window.
2. Select the boxes to the left of the client folders you wish to archive (or click **Select All**).
3. Click **OK**.
4. When the process is complete, click **Close**.

If you open the Drake Documents Working Cabinet from within a return, only that client's file will be offered for transfer to the Archive Cabinet.

— Other Tasks —

Other tasks that can be performed in Drake Documents are listed in Table 12-2. The buttons are available on both the Working Cabinet and Archive Cabinet toolbars. (Certain buttons are hidden on the Archive Cabinet toolbar, depending on which level you're on.)

Certain buttons and their functions are explained in the section "Working with Drake Documents Files" on page 379.

Table 12-2: Other Working Cabinet Tasks

Task	Description
GruntWorx	See "GruntWorx" on page 390.
File...	Click the **File** button and select New Text File, New Word Document, or New Excel Spreadsheet to open one of those Microsoft programs. Select a file in the document pane and click **Open**, **Rename**, or **Delete** in order to open, rename, or delete the file. (See "Documents in .txt, .doc(x), .xls Format" on page 383 for more information.)
Copy	Select a file in the Drake Documents document list, and click **Copy**. Choose to copy to the clipboard, copy to a location, or copy to a CD. If copying to the clipboard, use the Drake Documents' **Paste** button to paste the document into another folder. If copying to a location, choose a location for storing the copied file, and then click **Save**. If copying to a CD, follow the instructions provided on your screen.
Cut Paste	Use the **Cut** and **Paste** buttons to move documents from one folder to another. To copy a folder to another document, use the **Copy** button.
Sign	Use with an electronic signature pad. For details, see "Electronic Signatures" on page 199.
Import	For information on importing, see "Importing a File" on page 379.
Link File	For information on linking files, see "Linking a File" on page 381.
Scan	For information on scanning to Drake Documents, see "Scanning a File" on page 380.

Task	Description
	Select a file in the Drake Documents document list (or select multiple files using the SHIFT or CTRL keys), and click **E-mail**. Your email program (either your default Windows email program or the Drake email program you set up earlier) is opened with the document added as an attachment.
	Access Help.
	Exit Drake Documents.

Accessing the Archive Cabinet

To access the Archive Cabinet from your desktop icon, use your Drake Tax login. See "Initial Log In" on page 40 for details on entering a username and password.

Setting up the Archive Cabinet

The Archive Cabinet is the source to use for storing forms and documents accumulated over years for all your clients. The files are saved in "folders," "drawers," and "cabinets" to help make search and retrieval easy and fast. And because the files are stored outside of Drake Tax, the Archive Cabinet can also be used as a stand-alone document manager.

Many of the setup procedures described earlier in this chapter apply to both the Archive Cabinet and the Working Cabinet. The information in this section pertains to the Archive Cabinet only.

Storing Archive Cabinet Files

To store data in a location other than the default location, take the following steps:

1. From the **Archive Cabinet** menu bar, go to **Setup > Options** to open the **Drake Documents - Options** dialog box.
2. Enter the data path in the **Archive Cabinet Data Path** field or click **Browse** to map to a new location. (See "Configuring the Cabinet" on page 367.)

The other options on the **Drake Documents - Options** dialog are described in Table 12-1 on page 368.

Technical Requirements

The Archive Cabinet takes up very little disk space, but more space may be required for storing office files. The storage drive for an average-sized office needs approximately 1GB of space for each year. Most new computers have at least a 20GB hard drive, so if you own a new computer, storage should not be an issue.

Back Up and Restore - Archive Cabinet

The backup/restore feature copies files to a local, networked, CD/DVD, or USB drive. You can back up and restore the entire Archive Cabinet structure or a specific cabinet, drawer, or folder.

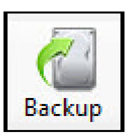
To back up ***individual*** documents:

1. Select a document from the document pane of the Archive Cabinet.
2. Click the arrow beside the **Copy** button.
3. Choose to copy to the clipboard, copy to a location, or copy to a CD. If copying to the clipboard, copy the document and then use the **Paste** button to paste the document into another Drake Documents folder. If copying to a location, choose a location for storing the copied file, and then click **Save**. If copying to a CD, follow the instructions provided on your screen.

— Backing Up Contents —

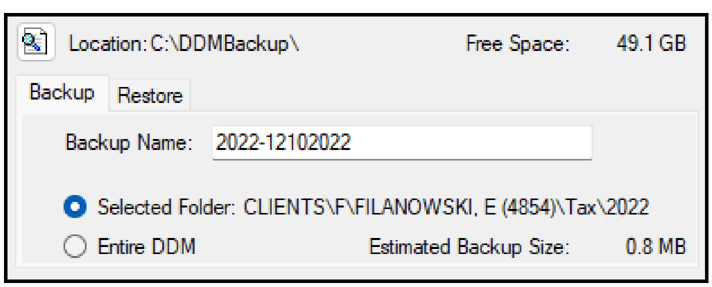
To back up cabinets, drawers, folders, or the entire contents of the Archive Cabinet:

1. Open the Archive Cabinet.
2. Select a specific cabinet, drawer, or folder to back up.



3. Click the **Backup** icon on the Archive Cabinet toolbar. The **Backup** dialog box is displayed. (Figure 12-6). Note that the **Selected Folder** option is marked as the default cabinet, drawer, or folder to back up.

Figure 12-6: Backing Up a Cabinet



4. *(optional)* If you do not want to use the default location (The “DDMBackup” folder, located on the drive where Drake Tax is installed) to store your backup, click the **Location** button in the upper-left corner and specify a new location.

5. *(optional)* If you do not want to use the default **Backup Name**, enter a new name. The default name uses the cabinet, drawer, or folder name and the current date. If more than one backup of the same selection is done on the same day, the system incorporates a "sequential identifier" (it numbers them,-01,-02, etc.) by default.
6. Click **Start** to begin the backup process.

To back up the entire Archive Cabinet, select **Entire DDM** in the **Backup** dialog box before clicking **Start**.

Because a backup may take several minutes, minimize the dialog box and continue working. You are notified when the process is complete, at which point you should click **Close** to return to the Archive Cabinet.

Use the **Copy** function or the **Backup** tool to back up and restore files from one computer to another or to store data off-site as part of a disaster recovery plan.

— Estimated Backup Size and Free Space —

As shown in Figure 12-6 on page 374, the **Backup** dialog box provides **Estimated Backup Size** and **Free Space** information for the selected location. If there is not enough free space, you are instructed to select another location. The **Free Space** information is not available if backing up to a CD/DVD drive, so you have to determine the amount of free space by manually checking the available space on the disk.

— Restoring Contents —

To restore backed-up contents to the Archive Cabinet:

1. Click **Backup** on the **Archive Cabinet** toolbar. The **Backup** dialog box is displayed (Figure 12-6 on page 374).
2. Select the **Restore** tab.
3. (*if necessary*) Click **Location** to browse to the location of the files to restore.
4. From the **Select a Backup to Restore** drop list, click a file to restore.
5. Click **Start** to begin the restore process.

If you see a "**No Backups were found at...**" message, you may have selected an incorrect location to fill the **Select a Backup to Restore** drop list. Check your information and try again.

You will be notified when the process is complete, at which point you should click **Close** to return to the Archive Cabinet.

Archive Cabinet Window

Like the Working Cabinet, the Archive Cabinet window displays the file structure "tree" on the left side, a list of files contained within the selected folder on the right, and a menu bar and toolbar at the top (Figure 12-5 on page 370).

"Folders" are organized in "drawers" of "cabinets" in standard tree format. Click the PLUS SIGN [+] to expand a portion of the tree; click the MINUS SIGN [-] to collapse it; or with a folder selected, press the PLUS SIGN [+] or the MINUS SIGN [-] on the numbers pad of your keyboard.

Archive Cabinet Toolbar

The features on the Archive Cabinet toolbar function the same as in the Working Cabinet. For details, see Table 12-2 on page 372 and "Working with Drake Documents Files" on page 379.

— Navigating the Archive Cabinet —

Click to open a cabinet, a drawer, then a folder to view a list of its files. In the document pane the Archive Cabinet displays document names, types, dates modified, descriptions, and status. Click column headers to sort by columns.

Like other windows in Drake Tax, the Archive Cabinet has a menu bar and a toolbar. If a keyboard shortcut (such as pressing F1 to open the Help program) exists for a menu item, it is listed to the right of the menu item. You can also access many of the toolbar selections from the menu bar. Each toolbar button activates a different function. Different buttons are available at different levels of the Archive Cabinet.

For example, from the Cabinet level, you can add only cabinets and drawers, perform a back up and restore, and electronically sign documents, so only these buttons are available; but from the Drawer level, you can add new clients or folders, perform a back up and restore, and electronically sign documents; likewise, from the Folder level, you can add clients, folders, and subfolders, perform a back up and restore, create files, import files, e-sign, scan, copy, rename, delete, drag, send emails, and link to other files.

— Archive Cabinet File Structure —

Use the Archive Cabinet's default file structure or customize the file structure as needed with new cabinets, drawers, folders, and subfolders. If building your own file structure, map it out by hand before creating it in the Archive Cabinet. More cabinets, drawers, and folders can be added to a Drake Tax-integrated file structure.

Be aware that while long file names can be used, this naming convention might not function properly on older systems that limit file names to eight or fewer characters.

— Customizing File Structure —

Add folders and subfolders to the Archive Cabinet's document file structure that are automatically added to all files (see "File Structure" on page 365) or add individual cabinets, drawers, and folders as you go.

Adding Cabinets

Cabinets are the top level of the Archive Cabinet's filing structure. The Drake Tax filing system creates a **Clients** cabinet, but you can separate clients by return types and have an **Individual** cabinet and a **Business** cabinet instead (or any other method you devise). Regardless of the structure you choose, cabinets are required for storing drawers and folders.

To create a cabinet in the Archive Cabinet, follow these steps. You must be on the Cabinet level to add a cabinet. If you are not on the Cabinet level, click the cabinet icon.

1. Click **New Cabinet**.
2. Enter a name in the **New Cabinet** dialog box.
3. Click **OK**. The new cabinet appears in the left pane.

Repeat these steps as needed to create more cabinets.

File cabinets cannot be stored inside other file cabinets. Each cabinet is for Level-1 storage. Drawers are for Level-2 storage, and folders are for Level-3 storage.

Adding Clients

To add new clients to the existing file structure without going through Drake Tax, follow these steps:

1. Open the Archive Cabinet by clicking the **Documents** icon from the **Home** window of Drake Tax or from the **Data Entry Menu** within a return.
2. Click **Add Client** from the **Archive Cabinet** toolbar to open the **Add Client** dialog box.

3. Enter the name of the new client in the **First name** and **Last name** fields for individual clients or the name of a business or estate in the **Business/Estate name** field.
4. Enter the last four digits of the client's SSN (or EIN) in the **Last 4 digits of ID** number field.
5. Click **Add**.

Adding a client to the Archive Cabinet does not add the client to Drake Tax or to the Working Cabinet.

Adding Drawers

Add drawers to cabinets for file storage. The Drake Document filing system lists these drawers by the first character of the name on the return. To add a drawer to a cabinet:

1. Open the Archive Cabinet by clicking **Documents** from the **Home** window of Drake Tax or from the **Data Entry Menu** within a return.
2. Highlight the cabinet you want to add a drawer to.
3. Click **New Drawer**.
4. Enter a drawer name in the **New Drawer** dialog box.
5. Click **OK**. The new drawer appears in the left pane.

Repeat these steps as needed to create more drawers.

You must be on the Cabinet level to add a drawer.

Adding Folders

Documents are stored in folders, listed in alphabetical order by the clients' last names (individual returns) or first names (business returns). When you create a return in the tax program, Drake Tax automatically creates the client folder with subfolders labeled **Tax** and subfolders for the tax year.

To create additional folders:

1. Highlight the drawer or folder that will contain the new folder.
2. Click **New Folder**.

3. Enter a folder name in the **New Folder** dialog box.
4. Click **OK**. The new folder appears in the left pane.

Repeat these steps as needed to create more folders.

You must be on the Drawer level or Folder level to add a folder.

Working with Drake Documents Files

Once the Drake Documents (Working Cabinet or Archive Cabinet) folders and any subfolders are established, you can begin adding files. Drake Documents supports many file types and allows you to import or scan files into Drake Documents or link to a file outside of Drake Documents. Once added to a folder, files are listed in the right pane of the Drake Documents window (Figure 12-5 on page 370).

Files can be added to the Working Cabinet from the toolbar or through the menu bar **(Documents**).

Printing Returns

When you print a completed tax form or tax return in Drake Tax, you have the option of also saving an electronic copy of the form or return in Drake Documents, and sending it to the DrakePortals portal. For details, see "Printing to Drake PDF" on page 205.

Importing a File

Import a PDF copy or scanned image from another program located elsewhere in your computer or network into a client's Drake Documents folder. To import a file into Drake Documents:

1. Select the folder where the document will be stored.
2. From the toolbar, click **Import** to open the **Import File** dialog box.
3. Browse to and select the desired document.
4. Click **Open**. Drake Documents copies the document into the selected folder.

Scanning a File

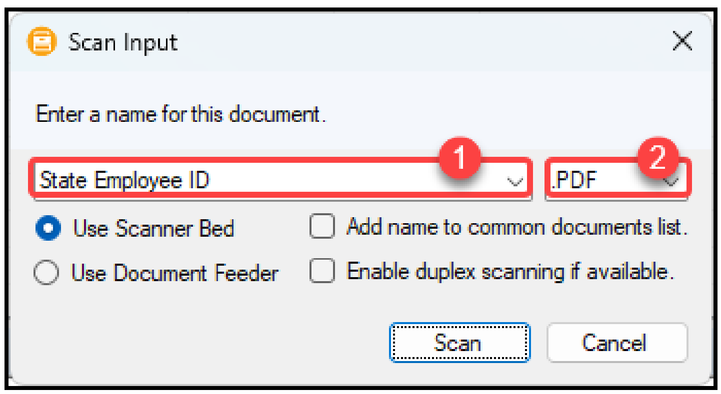
Scan documents into Drake Documents using a flat-bed or document-feed scanner. A flat-bed scanner scans one page at a time, creating a separate PDF document for each page. A document-feed scanners are quicker and more versatile, scanning multiple items and making one document of many pages.

When you scan a document using Drake Documents, the program automatically locates and uses your system's default scanner. A **Scanner Cannot be Located** message implies that the scanner is not TWAIN compliant or has been improperly installed.

To scan a document into Drake Documents:

1. From the Drake Documents toolbar, click **Scan**.
2. From the **Scan Input** dialog box, type in a name for the scanned document or choose one of the common document names previously entered (item #1 in Figure 12-7; see "Setting Up Common Documents" on page 368) and select a file (#2).

Figure 12-7: Scanning Documents into Drake Documents



3. Select **Use Scanner Bed** or **Use Document Feeder**.
4. *(optional)* Click **Add name to common documents list** as desired.
5. *(optional)* Select **Enable duplex scanning if available** (if appropriate and if that option exists).
6. Click **Scan.**

To ease search and retrieval of Drake Documents files, use a consistent naming convention. The **Common Documents** feature can help you to do this. See "Setting Up Common Documents" on page 368.

Many TWAIN-compliant scanners work with Drake Documents. Always review scanner specifications before purchasing a scanner.

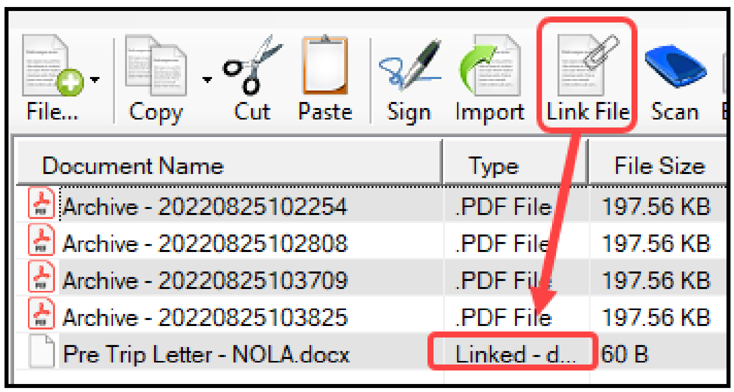
Linking a File

Create a link between a Drake Documents file and a document outside Drake Documents. Drake Documents maintains the link to the external document so that if the document is updated, the link remains and you do not have to replace the document in Drake Documents.

To create a link to a file in Drake Documents:

1. Select a folder in which to store the link.
2. Click **Link File** from the Drake Documents toolbar.
3. Browse to and select the document to be linked and click **Open**. The link is indicated in the **Type** column of Drake Documents. (See Figure 12-8.) Double-click the line in the document pane to open and review the linked file.

Figure 12-8: Linked Files in Drake Documents



Using the Audit Log

Each time an action occurs to a file, Drake Documents makes note of it in an audit log. An ***action*** includes importing, linking, exporting, copying, moving, opening, and renaming. The audit log records the action, the date and time the action was taken, and the user who performed the action. It also shows the document name and path to that document and has a field for entering a document description.

To access the Drake Documents Audit Log, select a file from the Drake Documents document pane and choose **Properties** from the right-click menu (or click F9).

If desired, enter a description of the document in the Audit Log's **Description** field.

Setting Document Status

Choose a status for any document in your filing system. The status is listed in the **Status** column in the Drake Documents document pane.

Adding Statuses

To add new statuses:

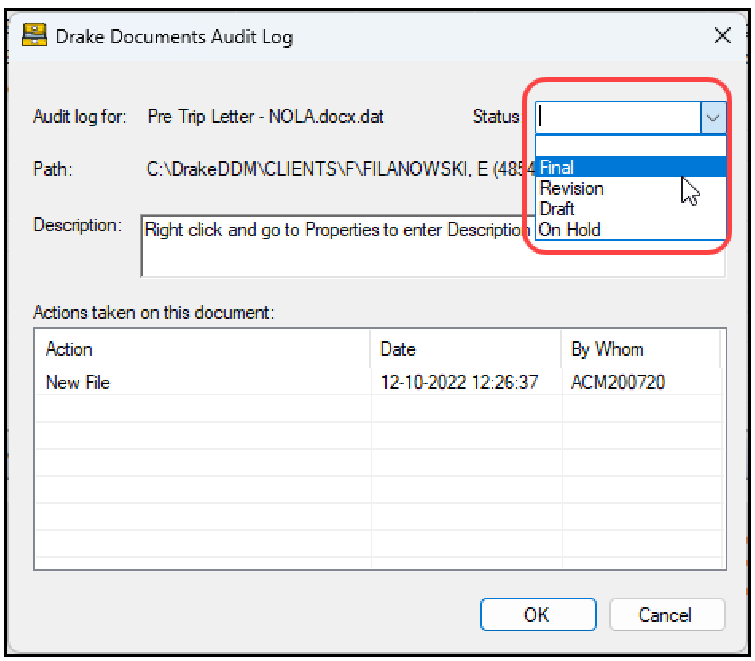
1. From the Drake Documents menu bar, click **Setup > Options**. The **Drake Documents - Options** dialog box is opened.
2. In the **Document Status list** section, click **Show/Hide**. The list of document statuses is shown in the lower half of the window.
3. Click one from the list to edit, or scroll down to a blank line and add your own status.
4. To save changes, click **Save**.

Changing Statuses

To change the status of a document:

1. Select a document from the document list and choose **Properties** from the right-click menu (or click a document and press F9). The **Audit Log** is displayed (Figure 12-9).

Figure 12-9: Setting Document Status in Audit Log



2. From the **Status** drop list, choose the appropriate status.
3. Click **OK**.

Documents in .txt, .doc(x), .xls Format

Your computer must have Microsoft Notepad, Word, and Excel installed in order to use Drake Documents to create new text (.txt), Word (.doc(x)), and Excel (.xls) files. To create a new text, Word, or Excel file:

1. From the Drake Documents toolbar, click **File**.
2. In the menu that is displayed, select **New Text File**, **New Word Document**, or **New Excel Spreadsheet**.
3. Enter a name for the new document or spreadsheet.
4. Click **OK**.

The document is saved to the document tree of the open folder. The applicable program opens the new document when you click a selection. Open, rename, or delete folders from the **File** button.

Document Security

When a Drake Documents file is password-protected, a password must be entered before the document can be accessed. The use of a password is optional.

If you choose to password protect documents, be sure to write the password down and save it to a secure location. Drake Software Support cannot retrieve a Drake Documents password.

Assigning a Password

To assign a password, select a document and then go to **Documents > Password Protection** from the Drake Documents menu bar (or right-click a file and select **Password Protection)**. In the **Password Protection** window, enter the password twice and click **Save**.

To open a password-protected document:

1. Double-click the file (or right-click the file and then click **Open**).
2. Enter the password and click **OK**.

Removing a Password

To delete a password, right-click the file, select **Password Protection**, and in the **Password Protection** window, enter the password in the **Enter OLD Password** field and click **Save**. (Leave both **NEW Password** fields blank.)

Changing a Password

To change a password, right-click the file, select **Password Protection**, and in the **Password Protection** window, enter the old password in the **Enter OLD Password** field. Enter a new password twice. Click **Save**.

Sharing Documents

To share documents in a client's folder, from the Drake Documents menu bar, take one of the following actions:

- Copy to a location:
  a. Select a document in the document pane to share.
  b. From the menu bar, go to **Documents > Share Document > Copy to Location**.
  c. From the drop list at the top of the **Select Location to Copy Files To** window, browse to the location where you wish to save the file.
  d. Click **Save**.

You can also select a document, then click the arrow next to the **Copy** button on the toolbar, and choose **Copy to Location**.

- Attach to an email:
  a. Select a document in the document pane to email.
  b. From the menu bar, go to **Documents > Share Document > Attach to Email**.
  c. In the **Untitled - Message** window, enter the addressee, subject, and any text to email body.
  d. Click **Send**.

You can also select a document and then click **Email** from the toolbar.

- Upload to a portal:
  a. Select a document in the document pane to upload to DrakePortals.
  b. From the menu bar, go to **Documents > Share Document > Upload to Portal**.
  c. In the **Portal Login** window, enter the **Portal username** and **Portal password**.
  d. Click **OK**. (For details on using DrakePortals, see "DrakePortals" on page 392.)

You can also select a document and then click **Portal** from the toolbar.

Tax Planner

The Drake Tax Planner helps you assist your clients in planning for the future. By comparing the client's current tax situation to different scenarios that could occur—such as marriage, divorce, the birth of a child, buying or selling a house, change in income—clients can see how these changes can affect their finances and tax liability. Because the different scenarios are set up using the same Drake Tax **Data Entry Menu** and data entry screens you're already familiar with, building your different scenarios is quick and easy.

The Tax Planner is installed when you install Drake Tax.

Opening the Tax Planner

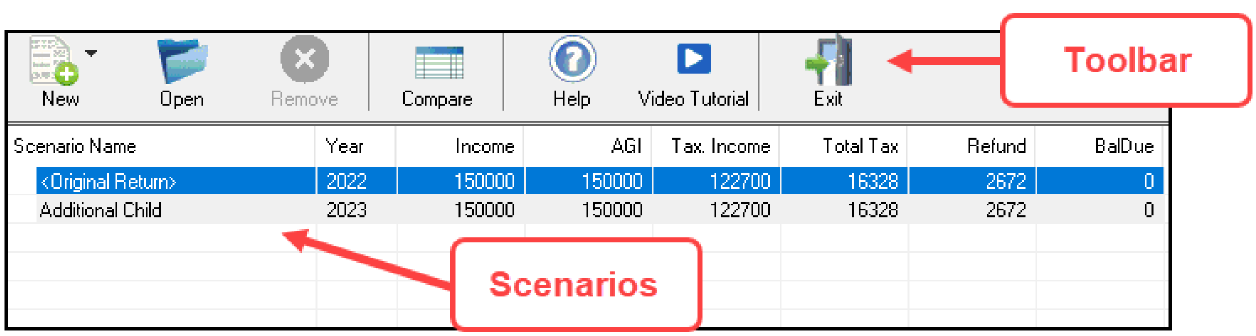
To open the Tax Planner from data entry:

1. Open a client's return.
2. Click the **Tax Planner** icon from the **Data Entry Menu** toolbar.

Tax Planner Window

The **Tax Planner** window displays a toolbar, the original return, and any planners (or "scenarios") you create (Figure 12-10).

Figure 12-10: Tax Planner Toolbar and Scenarios Pane



The items on the toolbar are explained in Table 12-3 on page 386.

Table 12-3: Toolbar of the Tax Planner

Tool Button	Function
New	Click **New** to begin new scenarios for different tax years, or to plan a new scenario based on a previous scenario.
Open	Click **Open** to open data entry screens to set up various scenarios, or to open the client's original return.
Remove	Select a scenario from the scenario pane and click **Remove** to delete the scenario.
Compare	Click **Compare**, select up to three scenarios, and click **Compare** again to compare the chosen scenarios to the client's current tax situation based on the original return.
Help	Click **Help** to get explanations and direction for using the planner.
Video Tutorial	Click to see a short video tutorial on the basics of using the Tax Planner.
Exit	Click **Exit** to close the planner and return to Drake data entry.

Working in the Tax Planner

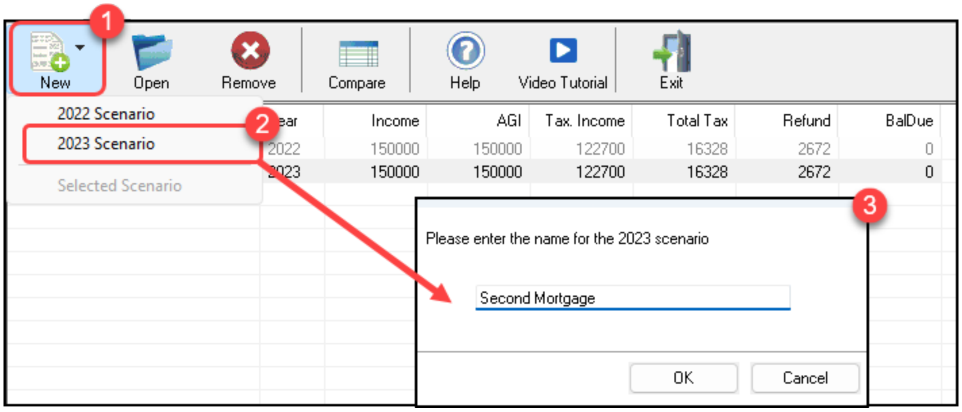
The first step in working with the Tax Planner is to create various scenarios. After you've created the scenarios, you make changes to the scenarios (such as in a potential change in marital status, number of dependents, amount of income, etc.), then compare them to taxpayer's original return to see what effect the projected changes would make to the taxpayer's current financial and tax situation.

Creating Scenarios

To begin creating scenarios to compare to the original return, follow these steps:

1. From the **Tax Planner** window (Figure 12-11 on page 387), click **New** from the toolbar and choose a tax year.

Figure 12-11: Creating new scenarios in Tax Planner



2. In the **Tax Planner Creation** window, enter a name for the scenario and click **OK**. Create as many scenarios as you wish.

Varying Scenarios

You can make different versions of a scenario. For instance, you might make a scenario in which the taxpayer has a child. You could make another version of that same scenario in which the taxpayer has two children, or has a child and buys a house, or has a change in income.

To make various versions of already-created scenarios:

1. Select a scenario from the scenario pane.
2. Click **New**, and from the drop list, click **Selected Scenario**.
3. Enter a name for the new scenarios and click **OK**. This makes a copy of the original scenario that you can adjust. See "Setting up Scenarios," following.

Setting up Scenarios

After you've created as many scenarios as you want, it's time to set up the scenarios by changing, adding, or removing data from screens likely to have an impact on the customer's tax situation. For example, for the birth of a child, you would most likely complete or add to screen **2** (Dependents) in Drake Tax, maybe screen **2441** (Child Care Credit), and possibly screen **A** (Itemized Deductions).

To set up a scenario, follow these steps:

1. From the **Tax Planner** window, select a scenario then click **Open**.

A reminder that you are in a Tax Planner scenario and not the original return appears in the lower-right corner of the **Data Entry Menu**.

2. From the **Data Entry Menu**, choose the screens you want to add or change.
3. When you're finished setting up the scenario, calculate the scenario (click **Calculate** from the toolbar).
4. After calculation, close the **Calculation Results** window.
5. Click the **Tax Planner** button to return to the **Tax Planner** window.

If you are in a scenario and want to go to the original return, click **Tax Planner**, select **Original Return** from the **Tax Planner** window, and click **Open**.

Comparing Scenarios

When you have finished creating and setting up different scenarios and you want to compare them to the taxpayer's original return, follow these steps:

1. Click **Compare** from the **Tax Planner** toolbar.
2. In the **Scenario Comparison Selector**, choose up to three scenarios to be compared to the original return.
3. Click **Compare** to open the Tax Scenario Planning Comparison worksheet in View mode (Figure 12-12). Print the worksheet, email it, or send it to Drake Documents from View/ Print mode toolbar.

In the **Tax Scenario Planning Comparison** worksheet (Figure 12-12), note that the DoubleCheck feature is available. For more information, see "DoubleCheck" on page 197.

Figure 12-12: Comparing Scenarios

Tax Scenario Planning Comparison

Name(s) as shown on return
FILANOWSKI, EEVIE

	Original Return	Additional Child	
Filing Status	2	2	
Number of Exemptions	3	3	
Income:			
Wages, salaries, tips, etc	150,000	120,000	
Taxable interest and dividends		7,855	
Business Income (loss)			
Gains (losses)			
Pension and IRA distributions			
Rental & Pass-through Income (loss)			
Farm Income (loss)			
Taxable Social Security Income			
Other Income			
Total Income	150,000	127,855	

For 2023 scenarios, the calculations are adjusted based on the 2023 inflation indexed numbers.

Drake Accounting

The Drake Accounting is Drake Software's accounting system—an extensive accounting package with modules for payroll, bookkeeping, vendor payments, accounts payable, accounts receivable, and "on-the-fly" forms. It is available in two versions: Drake Accounting Forms Edition and Drake Accounting Professional Edition.

Among the many features of Drake Accounting:

- **Live posting of transactions** – Automatically post payroll, payables, and receivables transactions to the journal and chart of accounts. You can choose how you want to display payroll transactions in the journal.
- **Heads-down data entry** – Reduce keystrokes with keyboard shortcuts as you input bulk journal entries.
- **Apply state and local minimum wages** – Automatically use the highest applicable wage rate. An on-screen symbol alerts you to an adjusted amount. This option is activated by default to help prevent having to correct checks and payroll amounts.
- **Global pre-printed check designs** – Import check designs from Drake Accounting 2022 when updating prior-year clients, and make them available to specific clients only or to all clients. You can also choose to bring over designs from specific clients or to not update any designs from 2022.
- **Payroll and employee reports** – Generate Tipped Employee Payroll Journals, State Wage Reports, Worker's Compensation Reports, Tax Liability Reports, and New Hire List Reports, all of which can be sorted by location.
- **Multi-factor authentication** – Help keep data private and secure. In addition to their username and password, users must either enter a randomly generated authenticator code or insert a compatible physical security key.
- **Employee portals** – Have employees sign in to their own account to retrieve their Form W-2 in addition to their check stubs.
- **EFTPS tax deposit payments** – Export tax deposit information from Drake Accounting into the Electronic Federal Tax Payment System to make bulk tax deposit payments via the EFTPS. You can also import that information back into Drake Accounting to keep track of clients who have made payments.

For more details or to download a free trial of Drake Accounting, sign in to your User Account at *Support.DrakeSoftware.com*, and from the blue menu bar, select **Downloads > Drake Accounting**. To purchase Drake Accounting, go to *Accounting.DrakeSoftware.com*

GruntWorx

GruntWorx is a tool that handles much of the document organization and data entry that you and your staff must otherwise do manually. GruntWorx not only helps make your office truly paperless, but it can help you cut up to 40% of the time spent in data entry.

GruntWorx uses optical character recognition (OCR) technology to turn scanned documents into an organized PDF document that is divided into sections for wages, interest income, investment income, deductions, mortgage interest, etc. The finished PDF document is bookmarked and labeled, and can be annotated. Data can also be imported directly into Drake Tax.

There are no upfront costs, fees, or commitments for using GruntWorx. Use this service as little or as much as you want. The more you use it, however, the more you save: each purchase earns bonus dollars.

GruntWorx Products

GruntWorx offers three products: ***Organize***, ***Populate***, and ***Trades***.

- **Organize** — With ***Organize***, a stack of scanned-in client source documents can be automatically organized for you. No organizing the documents pre-scan, no leafing through the pages to make sure they're all facing the same direction, and no pulling out documents that are irrelevant to the tax return. Scan the documents, send them to GruntWorx, and receive a PDF document with your documents classified, organized, and bookmarked. For clients with multiple federal tax forms (such as W-2s, W-2-Gs, 1099s, K-1s), this feature can save time shuffling papers and organizing these documents yourself. You can also scan receipts, logs, and handwritten notes in the GruntWorx PDF file.
  - *Organize LITE* allows you to take advantage of the Organize product with two key differences: turn-around time and price. Organize LITE provides all the features and benefits of original Organize product ***except*** the human data validation. With acceptable scan quality, you receive an organized, searchable PDF document in minutes, and it is stored directly in your client's Drake Documents folder. Organize LITE is available for individual returns only.
- **Populate** — With ***Populate***, the data contained in thousands of tax forms—including Form 1095-A, Health Insurance Marketplace Statement—can be extracted from the forms and imported directly into Drake Tax, saving you data entry time and expense. Populate extracts data from scanned source documents and from your proformas so you can import the data into Drake Tax with a few key strokes.
  - *Populate LITE* offers all the great features of the original Populate but at a lower cost and without the 24- to 48-hour turn-around time. With Populate LITE, customers validate the extracted data themselves, which is then sent back to GruntWorx where all scanned files are compiled and sent back to you in an organized, bookmarked PDF file, along with an XML file for importing the client's data directly into Drake Tax.

    If at any time (before uploading validated files to GruntWorx) you are not satisfied with Populate LITE, you can cancel the job and will not be charged; alternately, you can also upgrade to Populate while in a job as long as you have not yet submitted files to the GruntWorx team.

- **Trades** — With *Trades*, you can quickly and easily manipulate trade data, perform calculations within the spreadsheet, and import the data into Drake Tax. Stock sales from consolidated 1099s and stand-alone 1099-Bs can be extracted, put into an Excel file, and imported into Drake Tax through a process similar to Drake Tax's Form 8949 Import function. (From the **Data Entry Menu** toolbar in Drake Tax, click **Import > Form 8949 Import/GruntWorx Trades**.)

- The number one cause of problems encountered by customers comes from poor scanning techniques or from scanning unreadable documents. See "Proper Scanning," later on this page.
- Unreadable or handwritten data on a supported form will not be imported.
- GruntWorx Populate is available for the current tax year only. Do not submit Populate jobs for any prior years.
- GruntWorx will process prior-year Organize with trades jobs; however, the Excel Trades worksheet should be checked against the trades template required for the tax year submitted.

There are several GruntWorx articles available in the Drake Software Knowledge Base. Sign in to your user account at *Support.DrakeSoftware.com*, and from the blue menu bar, select **Support > Knowledge Bases**, then click the **Browse** tab. Click **Drake Tax** and scroll down to **GruntWorx**.

For information on GruntWorx pricing, or to purchase GruntWorx, sign in to your User Account on *Support.DrakeSoftware.com*, and from the blue menu bar, select **Products > GruntWorx**. (To sign in from Drake Tax, from the **Home** window toolbar, click **Support > Support Website > Products > GruntWorx**.)

GruntWorx Process

Add all the necessary documents ***before*** submitting a job to GruntWorx. You cannot amend or submit an addition to an already submitted file; instead, you would have to resubmit the entire file as a new job and pay the appropriate amount.

Proper Scanning

It's hard to over-emphasize the importance of proper scanning practices. Proper scanning has the greatest impact on accuracy, turn-around time, and customer satisfaction.

- Make sure your scanner is TWAIN compliant.
- Use the correct scanner settings.
- Scan to black and white (monochrome), not color or gray scale.
- Scan all documents to PDF format.
- Scan the document at its original size.
- Scan multiple-page documents together. Documents such as consolidated 1099s and K-1s, should be submitted in logical order.
- Scan each document to its own page.
- For best results, scan the original source document received by the client. Avoid using copies of client documentation, particularly faxed copies.
- Do not upload files with Read/Write/Password protection
- Avoid submitting documents with faint or faded text. Not all original tax documents are suitable for processing by GruntWorx Organize and GruntWorx Populate.
- Do not use special characters when naming your PDF files. PDF file names containing ampersands (&) and apostrophes (') can create problems when being processed by GruntWorx.

Document-feeder scanners are recommended for use with GruntWorx.

For more information on GruntWorx, click the blue video link at the top of the **Submit Jobs** tab to see a video tutorial.

Contact GruntWorx via email at GruntWorxSupport@DrakeSoftware.com or call (828) 349-5505.

DrakePortals

For many firms, DrakePortals (hosted on the ***SecureFilePro.com*** domain) serves as the bridge between preparer and client, making both document and client management secure and efficient. With your own secure, file-sharing, firm-specific site built with an encrypted cloud storage system, DrakePortals makes it easy to send, receive, and manage client documents whether in the office or on the go, while clients can e-sign documents, upload forms, and provide tax-necessary data right from home. Updating returns, communicating with clients, and receiving payments for services can all be done wherever work takes you.

New for 2022: The new SecureFilePro app and PDF Sign feature make it even easier for clients to securely communicate with you and send sensitive information. See "DrakePortals" on page 29 for more information.

Signature features of DrakePortals include:

- **Importing Client Data Directly into Drake Tax** — Preparers can send questionnaires from DrakePortals to clients. Once a client has completed and returned a questionnaire, the preparer can import it back into Drake Tax and have the client's answers flow directly into the appropriate forms and screens, eliminating the need for data entry.

- **Enhanced Reporting** — In addition to file transactions, you can view reports for questionnaires, signature documents, profiles, and e-payments, making it easier to guide a client through the tax-filing process from start to finish. New status filters also allow you to easily sort through the current stage of each report type.
- **Notifications** — Immediately know when a client uploads or signs a document, sends a message, or makes a payment. Clicking the notification automatically redirects you to the appropriate location.

Using DrakePortals with Drake Documents

Accessing DrakePortals through Drake Documents makes it even easier to work with client files, whether they be in the Working Cabinet or Archive Cabinet. Perform many functions from the Drake Documents window or go to the Portals website to:

- Drag-and-drop files from Drake Documents into clients' files and vice versa.
- Import any type of file into a client folder in Drake Documents; additionally, clients can upload any type of file to DrakePortals.
- Scan or upload documents into Drake Documents and have them automatically synchronized to the client's portal; files uploaded to DrakePortals appear in Drake Documents upon refresh.
- Send clients (or have clients send ***you***) messages, questionnaires, signatures, payments, and even photos of forms.

Organizers can be saved to your DrakePortals portal as "fillable" PDF files, meaning your clients can download their organizers, complete them on their computer, and upload them back to the portal directly.

See "Organizers and Proformas" on page 150 for more information.

DrakePortals' Online, Offsite Backup

Drake Software customers who want to store their Drake Tax files at an off-site, Internet-based location can back up their files to DrakePortals. Customers who already have an SFP domain can simply enter their DrakePortals account number and mark the required boxes for an automatic or manual backup; customers who do not have a DrakePortals account must set one up first and pay a monthly or annual fee. Prices range from $9.95 monthly ($99 annually) to $19.95 ($199.95) to $29.95 ($299.95), depending on the desired amount of storage.

Features of DrakePortals include:

- Client questionnaires—answers of which can be directly imported into Drake Tax

- Messenger, e-Payment, and e-Signature tools
- Reports that show, at a glance, all file, questionnaire, signature, profile, and e-pay activity
- Automatic notifications to clients and preparers when files are downloaded, uploaded, or signed, questionnaires completed, messages sent, profile information updated, or payments sent
- Email customization, allowing preparers to:
    - Change certain text within automatic emails
    - Add/remove a logo
    - Customize instructional paragraph for new and existing clients
    - Add additional paragraphs, and add footer information to emails
- Public and private files; public files are viewable by all DrakePortals users, including clients, whereas only administrators and preparers can view private files.
- Files with customizable expiration dates, ensuring you never run out of storage

Signup and Costs

To purchase DrakePortals, sign in to your User Account at *Support.DrakeSoftware.com*, and from the blue sidebar menu, select **Products > Drake Portals**. Follow the on-screen directions to set up an administrative account and to add employees and clients who will have access to the site.

Appendix A

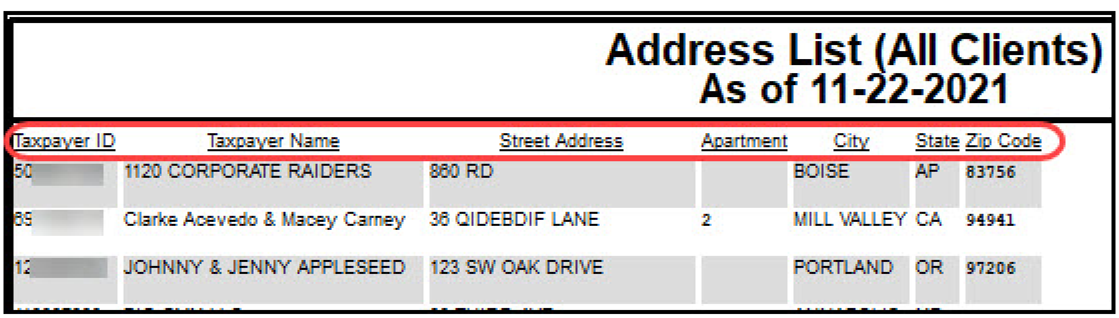
Keywords

Keywords are used in the Reports and Letters programs in Drake Tax.

Report Keywords

Report keywords appear as columns in reports (circled in [Figure A-1](#) below). Reports are generated from the Report Manager.

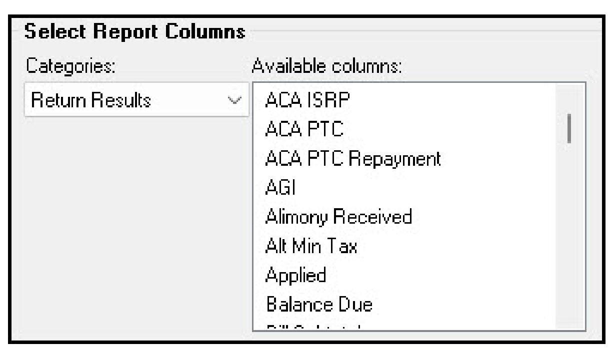
Figure A-1: Report Keywords


Address List (All Clients)
As of 11-22-2021

Taxpayer ID	Taxpayer Name	Street Address	Apartment	City	State	Zip Code
50	1120 CORPORATE RAIDERS	860 RD		BOISE	AP	83756
69	Clarke Acevedo & Macey Carney	36 QIDEBDIF LANE	2	MILL VALLEY	CA	94941
12	JOHNNY & JENNY APPLESEED	123 SW OAK DRIVE		PORTLAND	OR	97206

To view report keywords, select **Reports > Report Manager** from the **Home** window and choose to either open a new report or edit an existing report.

When editing or creating a new report, the **Select Report Columns** section of the **Report Editor - Step 1** dialog box lists the available and selected keywords for each column category. The figure right shows the keywords for the **Return Results** category. To view a keyword description, click a keyword, and hover the mouse over it.

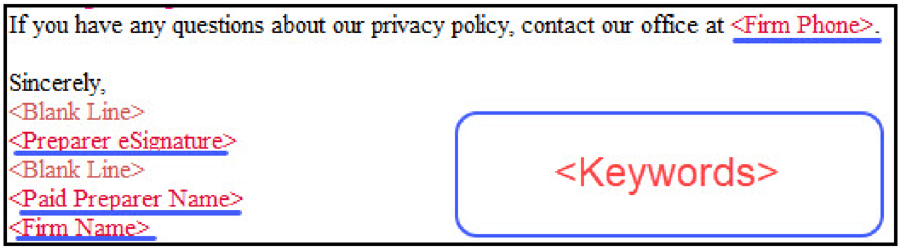


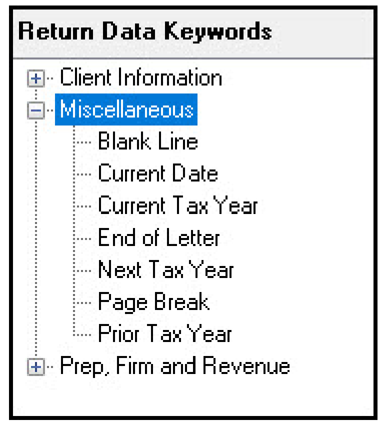
For instructions on creating and editing reports, see Chapter 11, [“Reports.”](#)

Letter Keywords

Letter keywords appear as bracketed phrases within the letter templates of the Client Communications Editor (Figure A-2).

Figure A-2: Keywords in Full Edit Mode





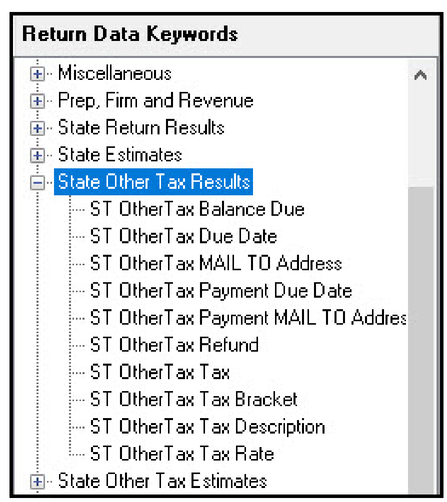
To view available letter keywords, from the **Home** window select **Setup > Communications Editor**, select any template to view, and then from the toolbar, click the **Full Edit** icon.

The tree view of the Client Communications Editor lists the keyword categories. Click the PLUS SIGN [+] to view specific keywords within a category.

In the example to the right, the **Miscellaneous** category of keywords for the **Privacy Policy** has been expanded.

Instructions for adding and editing report columns are provided in "Letters in Drake Tax" on page 82.

"Other Tax" Keywords in Letters



The client result letters in the Client Communications Editor include keywords for other tax types for state and city returns, as shown in the figure right.

These "Other Tax" types generally refer to tax types other than income tax (franchise tax, composite tax, etc.) that are required by certain states and cities.

The following table lists the "Other Tax" types indicated by specific letter keywords for state and city returns in the Drake Tax packages.

Table A-1: Letter Keywords: Other Tax Types for State Packages

State or City	Other Tax Type Description
Alabama	• Composite • Privilege Tax and Annual Report
Arkansas	• Composite • LLC Franchise • Corp Franchise
California	• CA568 Single Member LLC
Colorado	• Severance Tax
Connecticut	• Gift Tax
Delaware	• Composite
District of Columbia	• Franchise
Florida	• FL 1120ES • FL 405
Georgia	• Composite
Indiana	• Business Tangible Personal Property
Iowa	• Composite • Rent Reimbursement
Kansas	• Homestead • Privilege
Kentucky	• 500 — Tangible Personal Property Tax • 725 — Single Member LLC/LLET • LEXNPL — Lexington – Fayette Urban County Government Net Profit License Tax • NPL — Net Profit License Fee • OL3 — Louisville – Occupational License Tax • PTE — Pass-Through Income and LLET • WCS — Warren County Schools Net Profit Tax
Louisiana	• Composite
Maryland	• Composite as Other Tax • Nonresident Composite • PTE
Massachusetts	• Annual Report • Nonresident Composite • Unitary

Appendix A

State or City	Other Tax Type Description
Michigan	• Homestead Property Tax Credit/Home Heating Credit
Minnesota	• Property Tax Credit
Missouri	• Kansas City • St. Louis
New Hampshire	• Business Tax • Interest and Dividends
New Jersey	• Composite • Inheritance tax • NJ 1065 • NJ-CBT-106
New Mexico	• FID-D • PTW-D
New York	• CT3M • CT-245 • IT-204-LL • IT-214 • IT-2105 — Individual • IT-2106 — Fiduciary • NYC-210 (NYC School Tax Credit)
— New York City	• NYC-UBTI — Individual and Fiduciary • NYC-UBT — Partnership • NYC 1127 NYC Employment
Ohio	• Composite • Municipal Net Profits Tax • School District
Oklahoma	• Franchise Tax
Oregon	• CAT — Corporate Activity Tax • LTD — Lane County Mass Transit District Self-Employment Tax • OC — Oregon Composite Return • STI — Statewide Transit Individual Tax • TM — Tri-County Metropolitan Transportation District Self-Employment Tax

State or City	Other Tax Type Description
— Portland	• Arts Tax • CES — Clean Energy Surcharge • Combined Tax Return — Portland City/Multnomah County • MC — Multnomah County Preschool for All • MET — Metro Supportive Housing Services
Pennsylvania	• 20S65 • NR Composite • Property Tax Rebate • RCT-101 (SMLLCs)
— Philadelphia	• Business Profits Tax • Employee Earnings Tax • Net Profits Tax • School Income Tax
Rhode Island	• Composite
South Carolina	• Withholding Tax — Nonresident Income
Tennessee	• Franchise and Excise Tax
Texas	• Franchise
Virginia	• VA762, Tangible Personal Property • VA765, Unified Nonresident Income Tax

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Appendix B

Keyboard Shortcuts

This appendix lists the various keyboard shortcuts available for use in Drake's tax program, Client Status Manager, EF Database, email program, calculator, and Print mode.

Table B-1: Home Window Keyboard Shortcuts

Desired Action	Keyboard Keys
Open Returns	CTRL+O
Calculate returns	CTRL+C
Print returns	CTRL+P
View returns	CTRL+V
Open recent client files	Enter 1 through 9
Open Quick Estimator	CTRL+Q
Open Client Status Manager	CTRL+L
Open EF Return Selector	CTRL+S
Transmit/Receive	CTRL+T
Open Drake Software Help	CTRL+F1
Exit the program	ESC

Table B-2: Navigating Through Data Entry Screens

Desired Action	Keyboard Keys
Move cursor forward one field	TAB, ENTER, or DOWN ARROW ↓
Move cursor back one field	SHIFT+TAB, CTRL+UP ARROW ↑ SHIFT+ENTER
Move cursor within a field	LEFT ARROW ← RIGHT ARROW →
Delete character behind the cursor	BACKSPACE
Delete character in front of the cursor	DELETE
Move to last field on the screen	CTRL+END
Move to first field on the screen	CTRL+HOME
Access additional data entry screens (**W2**, **1099**, etc.)	PAGE DOWN
Return to previous screen or exit	ESC
Go to the first position in a data entry field	HOME
Go to the last position in a data entry field	END
Navigate up and down a data entry screen	CTRL+UP ARROW ↑ CTRL+DOWN ARROW ↓
Move to the next data entry tab	CTRL+TAB
Return to the prior data entry tab	CTRL+SHIFT+TAB
Access View mode	CTRL+V
Access Print mode	CTRL+P
Access data entry from View or Print mode	CTRL+E
Access an action menu	Right-click in field Right-click in gray area

Table B-3: Data Entry Function Keyboard Shortcuts

Desired Action	Keyboard Keys
For field help during data entry or to verify a Social Security Number	SHIFT+? F1
Insert today's date in any date field	ALT+D
Calculate a return	CTRL+C
View a return	CTRL+V
Print a return	CTRL+P
Return to data entry from view or print mode	CTRL+E
Split MFJ return to MFS return	CTRL+S

Desired Action	Keyboard Keys
Open a Detailed Worksheet; Access Form 4562 from the Depreciation field	Double-click CTRL+W Right-click > **Add Worksheet**
View preparer notes	CTRL+R
Enter the Preparer note pad (PAD screen)	CTRL+SHIFT+N
Increase Declaration Control Number (DCN)	CTRL+M
Toggle heads-down and standard data entry	CTRL+N
Delete a data entry screen	CTRL+D
Carry data to an amended screen	CTRL+X
Reset the screen	CTRL+U
Exit screen without saving changes	SHIFT+ESC
Open Help	Within data entry: CTRL+? From **Home** window: CTRL+F1
Flag a field for review	F1
Clear a flagged field	F4
Clear all flagged fields	CTRL+SHIFT+SPACEBAR
Open Drake Documents	F6
Open Drake Tax Planner	F7
Open the Set Client Status menu	F8
Go to EF database	F9
Activate the calculator	F10
Email a client data file	F11
Exit data entry	ESC
View / Open Forms-based data entry	CTRL+G (1040 returns only)
Opens Macros	CTRL+SHIFT+M

Table B-4: Client Status Manager Keyboard Shortcuts

Desired Action	Keyboard Keys
Open CSM from the Home window	CTRL+L
Open selected client in CSM	CTRL+O
Search for a client record	CTRL+F
Customize the display	CTRL+D
Refresh the display	F5
Filter the client list	CTRL+L

Desired Action	Keyboard Keys
View information for the currently selected return	CTRL+Q
Generate reports	CTRL+R
Export to Excel	CTRL+E
Help	F1
Exit CSM	ESC

Table B-5: Frequently Used Codes

Field	Code	Application
TS or TSJ	T	Assigns data to primary taxpayer. The program default is T if field is left blank.
	S	Assigns data to spouse.
	J	Assigns data to both taxpayer and spouse.
F	0 (zero)	Excludes data from federal return.
ST	State code	For state returns, enter appropriate two-letter state code. If field is left blank, program uses resident state.
ST	0 (zero)	Excludes data from state return
	PY	For multi-state returns, use **PY** as resident state code on screen **1**. Do not use **PY** on any other screen.
C	City code	For city returns, enter appropriate code to indicate source of income.
Multiple	1-999	For Form 4562 (depreciation), indicate appropriate schedule for depreciated item in the For field. Indicate where information should be carried when there are multiple schedules.

Table B-6: Search EF Database

Key	Function	Instructions
F1	General information	View basic EF information about taxpayer: taxpayer information, federal and state acknowledgment codes, acknowledgment dates, transaction date, filing status, refund amount, or balance due.
F2	Bank information	Access detailed loan information, direct deposit information, Declaration Control Number, etc
F3	Fees/miscellaneous information	Access miscellaneous information, including Earned Income Credit and AGI, **MISC** field data, firm and preparer numbers, and tentative fee distribution details.

Key	Function	Instructions
F4	Reject code lookup	Access the reject code lookup feature, which allows you to search for federal and state reject code descriptions, loan status codes, and bank decline reasons.
F5	Return to data entry	Opens return data entry for the client.
F10	Online Database	View your online database from data entry or from your EF Database.

Table B-7: Email Keyboard Shortcuts

Desired Action	Keyboard Keys
Email a client data file from data entry	F11
Check mail/send and Receive	CTRL+M
Open a message	CTRL+O
Edit address book	CTRL+E
Create a new mail message	CTRL+N
Print a message	CTRL+P
Reply to a message	CTRL+R
Forward a message	CTRL+F
Delete a message	CTRL+D
Send a message in the New Message window	ALT+S
Open address book list in New Message window	ALT+T
Attach a file to a message	ALT+A
Check mailbox status	CTRL+S

Table B-8: Calculator Functions

Desired Action	Operator	Instructions
Access the calculator in a numeric field	F10	With the cursor in the desired field during return data entry, press F10.
Clear a number	NUM LOCK	Press NUM LOCK key or click the C button on the calculator.
Insert calculation total in data entry field	F1 F1-Insert Result	With desired total in calculator's summary field, press F1 key or click **F1-Insert Result** on calculator window. Calculator is closed and calculation total is transferred to data entry field.

Desired Action	Operator	Instructions
To exit the calculator	Esc	To deactivate calculator without inserting data in a field, press Esc or click **ESC-Quit** on the calculator window.
Addition	+	Enter number to be added and press Plus [+] key or click the plus sign [**+**] on the calculator window.
Subtraction	-	Enter first number of equation and press Shift+8 or click ***** on the calculator window. Enter second number. Press Enter or click the equal sign [**=**] on the calculator window.
Multiplication	*	Enter first number of equation and press Shift+8 or click * on the calculator window. Enter second number. Press Enter or click the equal sign [**=**] on the calculator window.
Division	/	Enter the number to divide and press Slash (/) or click **/** on the calculator window. Enter the number to divide by. Press Enter or click the equal sign [**=**] on the calculator window.

Table B-9: Print Mode Keyboard Shortcuts

Desired Action	Keyboard Keys
Toggle in/out of Classic mode	Ctrl+S
Return to data entry	Ctrl+E
Print selected form	Ctrl+P
Quick-print selected form	Ctrl+Q
Help	F1

Appendix C

State e-File Mandates

State e-file mandates for tax year 2022, as collected from state tax authority publications, are provided on the following pages.

Alabama

- Paper returns with 2-D barcodes are no longer considered as electronically filed
- An "opt out" election form (Form EOO) must be attached to any paper return submitted by a preparer subject to the electronic filing requirements of Rule 810-27-.09
- A 2-D barcode is still required on any such paper return.
- If an income tax return preparer prepares 11 or more acceptable, original individual income tax returns using tax preparation software in a calendar year, then for that calendar year and for each subsequent calendar year thereafter, all acceptable individual income tax returns prepared by that income tax preparer must be filed using electronic technology, as defined in the "Electronic Tax Return Filing Act," as codified in Chapter 30 of Title 40, Code of Alabama 1975.
- For 1120, 1120-S, 1065 returns, if an income tax return preparer prepares 25 or more acceptable, original corporation and partnership income tax returns using tax preparation software in a calendar year, then for that calendar year and for each subsequent calendar year thereafter, all acceptable corporation and partnership income tax returns prepared by that income tax preparer must be filed using electronic technology, as defined in the "Electronic Tax Return Filing Act," as codified in Chapter 30 of Title 40, Code of Alabama 1975.
- This shall cease to apply to an income tax preparer if, during that calendar year and all subsequent years, the income tax preparer prepared no more than 15 original corporation and partnership income tax returns.

Arkansas

A tax practitioner who files a taxpayer's federal income tax return electronically shall also file the taxpayer's Arkansas income tax return electronically.

The secretary may waive the electronic filing requirement if the secretary determines that filing a taxpayer's Arkansas income tax return electronically would cause an undue hardship on the tax practitioner.

California

Business returns prepared using a tax preparation program shall be electronically filed. This includes original and amended corporation, S corporation, partnership and Limited Liability Company returns. Business entities may annually request a waiver from this mandate and the Franchise Tax Board may grant a waiver for the following reasons:

- Technology constraints – the tax preparation program is unable to e-file the return due to the complex nature of the return or inadequacy of the program.
- Compliance would result in undue financial burden.
- Other circumstances that constitute reasonable cause and not willful neglect.

For taxable years beginning on or after January 1, 2017, business returns that do not comply with the mandate (not including businesses that receive a waiver from the Franchise Tax Board) will be subject to a first time penalty of one hundred dollars ($100) and subsequent penalties of five hundred dollars ($500). Group returns will be subject to the penalty at the combined reporting group level and not at the member level.

Colorado

Pursuant to CO HB 19-1256, effective January 1, 2020, the CO Department of Revenue has the power to mandate that taxpayers file and pay taxes electronically. Failure to file returns electronically or make payments could result in a penalty of $50 or five percent of the proper amount of tax on the return, whichever is greater, to be assessed against the taxpayer.

Any tax return preparer preparing a tax return shall be required to file returns electronically and pay any tax or fee by electronic funds transfer if the taxpayer is required to do so.

The executive director may grant a request for wavier, and may grant a renewal request for one subsequent year, if any of the following apply:

- The taxpayer does not have a computer
- The taxpayer does not have Internet access
- The taxpayer shows good cause for why the filing of returns electronically or making the payment of any tax or fee by electronic funds transfer would cause undue hardship

Connecticut

Connecticut agency regulations Section 12-690-1 require tax return preparers who prepared 50 or more CT income tax returns during any calendar year to e-file all CT income tax returns. Preparers may obtain a one-year waiver from the e-file requirement by establishing that he or she cannot e-file a return without experiencing an "undue hardship." Regs. Section 12-690-1.

The following returns, and their associated payments, must be transmitted electronically for tax years on and after 2015:

- CT-1120, Corporation Business Tax Return
- CT-1065/CT-1120S, Connecticut Composite Income Tax Return
- CT-1041, Connecticut Income Tax Return for Trusts and Estates
- Extensions connected with each package

Florida

A corporation in Florida must file and pay its income tax electronically if it paid $20,000 or more in tax during the State of Florida's prior fiscal year (July 1–June 30). File Florida corporate income tax with the Florida Corporate Income/Franchise Tax Return (Form F-1120), and file through the IRS' 1120 Federal/State Electronic Filing Program using approved software.

Taxpayers required to file their federal corporate income tax returns electronically are required to file their Florida corporate income tax returns electronically.

Iowa

For tax years ending on or after December 31, 2022, Iowa corporation income taxpayers are required to e-file their annual returns if the taxpayer meets any of the following conditions:

- The taxpayer has at least $250,000 in gross receipts.
- The taxpayer is claiming $25,000 or more in tax credits on his or her Iowa return.
- The taxpayer is filing a consolidated Iowa return.

Illinois

A tax return preparer must e-file Illinois individual income tax returns if both of the following are true:

- The preparer files more than 10 Illinois individual income tax returns in a calendar year.
- The preparer is required to e-file federal individual income tax returns.

Exception: A tax return preparer is ***not*** required to e-file a return if the taxpayer directs him or her not to do so. To document this choice, the taxpayer must complete and sign Form IL-8948, and the tax return preparer must keep it on file for three years. Do not mail Form IL-8948 to the Illinois Department of Revenue unless requested.

Indiana

- If a professional preparer files more than 10 individual income tax returns in a calendar year, for the subsequent year the professional preparer must file returns for individuals in an electronic format, as specified by the IN Department of Revenue.
- A penalty of $50 may be imposed on the professional preparer for each return that is not e-filed (see Exception below). The maximum penalty is $25,000 per preparer per calendar year.
- Exception: An individual taxpayer may elect to opt-out of having his or her return e-filed. Form IN-OPT must be completed, signed, and retained on file by the paid preparer. A return filed under these circumstances will not be subject to a penalty for not being e-filed.
- Pass-through entity returns (S corporations, partnerships, fiduciaries) with more than 24 Indiana Schedules K-1 must be filed electronically.

Kansas

- Preparers who file 50 or more returns a year are required to file at least 90 percent of their returns electronically. The requirement applies to any paid preparer who prepares 50 or more individual income tax returns during any calendar year. The combined total of the returns prepared by all employees at all of the tax preparer's locations will be used to determine whether or not the tax preparer is subject to the e-filing mandate.
- Once a tax preparer meets the 50 or more individual income tax return threshold for any calendar year, the e-file requirement also applies to all future years in which the preparer prepares KS individual income tax returns.
- The KDOR Secretary may waive the e-file requirement if it is determined that complying with the requirement would cause undue hardship.

Kentucky

Tax return preparers who file 10 or more individual income tax returns are required to e-file their client's returns. There are some exceptions to the mandate. Form 8948-K (Preparer Explanation for Not Filing Electronically) is used to explain why a particular return is being filed by paper. The form should be attached to and mailed with the paper return.

ERO retains Form 8879-K. (Form 8879-K is not required for federal or state e-filed returns with federal PIN.) Acceptance in the Kentucky e-file program is automatic with acceptance in the federal e-file program.

Louisiana

Any tax return preparer who prepares more than 100 LA individual income tax returns during any calendar year must file them electronically. For individual income tax returns due on or after January 1, 2012, 90 percent of the authorized returns must be e-filed.

Every corporation that files a LA Corporation Franchise Tax Return must e-file the return with the Department of Revenue using the electronic format prescribed by the department as follows:

- For tax periods beginning on or after January 1, 2019, every corporation with total assets which have an absolute value equal to or greater than $500,000 (total assets with a value equal to or greater than $500,000 or with a value equal to or less than $500,000) shall e-file the return.
- For tax periods beginning on or after January 1, 2020, every corporation with total assets which have an absolute value equal to or greater than $250,000 (total assets with a value equal to or greater than $250,000 or with a value equal to or less than $250,000) shall e-file the return.

Every partnership that files a LA Partnership Tax Return, except for those partnerships filing composite partnership returns, must e-file the return with the DoR using the electronic format prescribed by the department as follows:

- For tax periods beginning on or after January 1, 2018, every partnership with total assets which have an absolute value equal to or greater than $500,000 (total assets with a value equal to or greater than $500,000 or with a value equal to or less than $500,000) shall e-file the return.

Every fiduciary that files a LA Fiduciary Income Tax Return must e-file the return with the DoR using the format prescribed by the department as follows:

- For tax periods beginning on or after January 1, 2019, every fiduciary that files a LA fiduciary income tax return with more than 10 Schedules K-1 attached for taxable years beginning on or after January 1, 2019 must e-file the return.
- For tax periods beginning on or after January 1, 2020, every fiduciary that files a LA fiduciary income tax return with one or more Schedules K-1 attached for taxable years beginning on or after January 1, 2020 must e-file the return.

- Fiduciaries required to e-file may not send paper versions of any forms to be included as part of their return.

Maine

Tax return preparers must file by electronic data submission all original ME tax returns for individual income tax, or for entities required to file Form 1120ME with total assets of $5 million or more, that are eligible for electronic filing, except:

- When for the previous calendar year, the tax return preparer prepared 10 or fewer original Maine tax returns for individual income tax that are eligible for e-file
- When the taxpayer refuses to allow the return to be e-filed and the tax return preparer notes the refusal in the taxpayer's records
- When the taxpayer has been granted a waiver from mandatory participation under section .08 of Rule 104.

Failure to comply may result in a penalty, as provided in 36 M.R.S. § 187-B (5-B).

Maryland

A preparer who has prepared more than 100 qualified returns in the prior taxable year is required to file the returns electronically. The Act authorizes the Comptroller to impose on a preparer a $50 penalty for each return that is not filed electronically in compliance with this Act, unless the preparer is able to show that the failure to comply is due to reasonable cause and not due to willful neglect. The total penalties assessed may not exceed $500 for all returns filed by the preparer in a taxable year. Waivers are available. Tax-General Article §10-824.

Massachusetts

The following returns (both original and amended) must be e-filed, and all payments must be made electronically:

- Corporation
  - Corporations exempt from taxation under section 501 of the Internal Revenue Code reporting unrelated business taxable income of $100,000 or more on Form M-990T must e-file all original and amended returns. Extension payments of $5,000 or more must be made electronically. All future returns (both original and amended) from this corporation must be e-filed, and all payments must be made electronically.

- S Corporation
- Partnership (including composite returns filed on behalf of individual nonresident members)

— Individual Returns —

Personal income tax preparers must e-file all Massachusetts personal income tax returns (Forms 1 and 1-NR/PY) unless the preparer reasonably expects to file 10 or fewer original Massachusetts Forms 1 and 1-NR/PY during the calendar year or the taxpayer directs that filing be done on paper.

Individual extension payments of $5,000 or more must be made electronically.

— Fiduciary Returns —

Fiduciary preparers must e-file all Massachusetts fiduciary tax returns (Forms 2 and 2G) unless the preparer reasonably expects to file 10 or fewer original Massachusetts Forms 2 and 2G during the calendar year.

All fiduciary payments of $2,500 or more must be made electronically.

— Other Returns —

Trusts and unincorporated associations exempt from taxation under section 501 of the Internal Revenue Code reporting unrelated business taxable income of $100,000 or more must e-file all original and amended returns, and all payments must be made electronically.

Pass-through entities with (1) members other than resident individuals or with members receiving distributive share for which withholding or estimated taxes have been paid or that are (2) electing to pay the excise under G.L. c. 63D must e-file all original and amended returns and make extension payments electronically.

Michigan

To optimize operational efficiency and improve customer service, the Michigan Department of Treasury has mandated e-file of individual income tax returns.

The IRS mandates preparers filing 11 or more income tax returns to e-file those returns, with minor exceptions. Michigan would expect any preparer e-filing federal returns to also e-file Michigan returns. This mandate also applies to City of Detroit returns.

The MI Department of Treasury will be enforcing the e-file mandate for CIT. The enforcement includes not processing computer-generated paper returns that are eligible to be e-filed. A notice will be mailed to the taxpayer, indicating that the taxpayer's return was not filed in the proper form, and content, and must be e-filed. Payment received with a paper return will be processed and credited to the taxpayer's account even when the return is not processed.

Mississippi

All corporation or pass-through entity returns with assets greater than $250,000 are required to electronically file the return. Failure to comply with the electronic filing requirement could result in a penalty of $25.00 for the first instance of noncompliance and $500.00 for each additional instance of noncompliance. If you are unable to comply with this mandate, please contact the e-File Coordinator at (601) 923-7582.

Minnesota

Preparers who filed more than 10 MN returns last year are required to e-file all MN returns, unless the taxpayer indicates otherwise. This requirement also applies to preparers in other states. The requirement does not include returns prepared for homestead credit refunds, renter's property tax refunds, amended income tax returns, or returns filed with other states.

If the taxpayer does not want the preparer to e-file the return, mark the appropriate box at the bottom of the return (available on MN screen M1 in the tax program).

The state imposes a $5 per tax return penalty on the tax return preparer (who falls under the mandate) for any return not e-filed. This is true even if the taxpayer indicates he or she does not want the return e-filed.

For more information see the MN Department of Revenue website.

Montana

Montana law (MCA 15-30-3315) requires partnerships with more than 100 partners to file electronically.

Montana law (MCA 15-1-802) requires payments of $500,000 or more to be made electronically.

Nebraska

Any person or business paid to prepare and file more than 25 NE individual income tax returns in the prior year must e-file all individual income tax returns they are paid to prepare in the current year. Penalties could apply to tax professionals who do not e-file returns as required. Additional tax programs may also be integrated into the e-file mandate at the Tax Commissioner's discretion. If you have any questions, contact the NE Department of Revenue. A copy of the statute is also available at Neb. Rev. Stat. § 77-1784.

New Jersey

Practitioners who prepared 11 or more NJ resident income tax returns must file their clients' returns via one of the state's three e-filing services. An e-File Opt-Out Request Form (Form NJ-1040-O) is available for taxpayers who choose not to have their returns e-filed by a tax practitioner.

For tax years beginning on or after January 1, 2016, all tax preparers must file corporation business tax returns and make payments electronically. This mandate includes all returns, estimated payments, extensions, and vouchers.

New Mexico

- Mandatory e-file of PIT returns by preparers filing more than 25 returns; taxpayers can opt out in writing; penalty for noncompliance $5 per return.
- Oil and Gas taxpayers who have more than 150 lines of data are required to e-file.
- A pass-through entity with 51 or more NM payees is required to e-file and e-pay. Pass-through entities with 50 or fewer payees can paper-file.
- If a pass-through entity has 51 or more NM beneficiaries who receive NM taxable net income, the estate or trust is required to e-file Schedule FID-D.

New York

Tax return preparers and their firms must e-file all authorized tax documents if they both:

- Prepared at least one authorized tax document for more than 10 different taxpayers during calendar year 2021
- Will use tax preparation software to prepare one or more tax documents in 2020

If the document cannot be e-filed, the preparer does not have to count it to determine if he or she meets the "more than 10 different taxpayers" threshold.

Currently, NYS accepts e-filed returns for tax years 2019, 2020, and 2021. Tax year 2019 falls under the mandate in processing year 2022. The mandate applies to tax return preparers and their firms located within and outside New York state. Clients of tax return preparers cannot opt out of e-file. Tax return preparers who do not comply with the e-file mandate may be subject to a $50 per document penalty.

Once a tax return preparer or his or her firm is subject to the mandate, the mandate continues to apply to them in all following years, even if that tax return preparer or the firm no longer meets the threshold. A tax return preparer may have been initially subject to the e-file mandate because he or she prepared more than five New York State tax documents in 2019.

New York state law prohibits software companies from charging an additional e-file fee. Tax return preparers who do not comply may be subject to a $500 penalty for the first-time charge, and a $1,000 penalty per subsequent charge.

New York City

Tax return preparers and their firms must e-file ***all*** authorized tax documents ***if*** they both:

- Prepared more than 100 authorized tax documents in, or prior to, calendar year 2021
- Used tax preparation software to prepare one or more corporation tax document in calendar year 2021 or earlier

Currently, NYC accepts e-filed returns for tax years 2019, 2020, and 2021. Tax years 2019 and 2020 fall under the mandate in processing year 2022. Tax return preparers who meet the mandated criteria cannot opt out of the e-file mandate. Clients of tax return preparers wishing to opt out of e-filing their taxes must apply for a hardship waiver available. For more information, see: *www1.nyc.gov/site/finance/taxes/tax-professionals-business-tax-e-file.page*

Ohio

Preparers who file more than 11 original tax returns during any calendar year must use electronic technology to file their clients' OH personal income tax returns. This mandate does not apply to a preparer who prepared 10 or fewer return in the previous calendar year. A ***tax return preparer*** is defined as any person who operated a business that prepares, or directly or indirectly employs another person to prepare for a taxpayer, an original tax return in exchange for compensation or remuneration from the taxpayer or the taxpayer's related member. Although this mandate applies to all original tax returns, the department is enforcing the mandate only on the personal income tax, sales tax, commercial activities tax (CAT) and employer withholding tax (above certain limits) returns.

Oklahoma

Any specified tax return preparer shall file all individual income tax returns prepared by such preparers by electronic means. The term "specified tax return preparer" shall have the same meaning as provided in section 6011 of the Internal Revenue Code of 1986, as amended. The preparation of a substantial part of a return or claim of refund is treated as if it were the preparation of the entire return or claim of refund. This applies to all returns filed after December 31, 2010.

Oregon

Individual Returns: Paid preparers who meet the requirements of the federal e-file mandate —who anticipate preparing 11 or more federal individual or trust tax returns during the year—must e-file Oregon personal income tax returns. Form 8948, Preparer Explanation for Not Filing Electronically, is used to explain why a particular return is being paper-filed.

Business Returns: If a corporation is required to e-file its federal return, then the corporation is also required to e-file the Oregon return. If e-file was required for the original return, then any amended returns for that year must also be e-filed. If, however, that year is not open for e-file, the return should be paper-filed.

Pennsylvania

Individual Returns: Any third-party preparer who submitted at least 11 PA-40 Pennsylvania Personal Income Tax Returns or amended PA-40 Pennsylvania Personal Income Tax Returns for any taxable year shall be required to e-file for each subsequent year in the manner prescribed by Departmental instructions. PA-41, PA-40 NRC, and PA-40 KOZ returns are not subject to this mandate.

Corporation Returns: Act 72 of 2013 requires electronic filing by third-party preparers who annually submit 11 or more state tax reports or returns. Act 72 of 2013 authorizes the DoR to mandate that payments of $1,000 or more for corporation taxes, employer withholding, and sales tax must be made electronically effective January 1, 2014.

Any third-party preparer who submitted at least 11 RCT-101 Corporate Net Income Tax Reports for any taxable year shall be required to e-file all PA corporate tax reports each subsequent year in the manner prescribed by Departmental instructions. Corporations completing their own RCT-101 are not subject to this mandate.

S Corporation and Partnership Returns: Any third-party preparer who submitted at least 11 PA-20/PA-65 S Corporation/Partnership Information Returns for any taxable year shall be required to e-file all PA-20S and PA-65 returns each subsequent year in the manner prescribed by Departmental instructions. Mandatory e-filing is also required each subsequent year for any third-party preparer who submitted at least 11 Directory of Corporate Partners Returns (Form PA-65 Corp) for any taxable year; additionally, all associated schedules (including Federal Form 1065 and Schedule K-1) and attachments must be e-filed as well.

For guidance, review the Pennsylvania Notices on the Department of Revenue website.

Rhode Island

Any paid preparer who filed more than 100 RI tax returns during the previous calendar year must e-file all eligible tax returns. A person employed by a paid preparer with multiple offices is required to e-file if the total of all tax returns filed from all offices is more than 100, regardless of whether a single office of the same preparer files fewer than 100 returns. If a paid preparer fails to abide by the e-file mandate, or otherwise causes clients' RI tax returns to be filed falsely or improperly, the Tax Administrator may, after a hearing to show cause, preclude such preparer from preparing and filing RI tax returns with the Tax Division.Reg. (ELF09-01).

South Carolina

Any preparer who prepares 100 or more returns for a tax period for the same year is required to submit those returns electronically where electronic means are available.

Where electronic means are not available to file the return, but 2D barcode is available, the preparer must use 2D barcode. This number includes any SC tax return that is prepared, regardless of tax type.

If compliance with this section is a substantial financial hardship, a tax return preparer may apply in writing to the department to be exempted from these requirements. The address is:

Electronic Filing Mandate Exemption Application
PO Box 125
Columbia, SC 29214

The department may grant an exemption for no more than one year at a time. A person who fails to comply with the provisions of this section may be penalized in an amount to be assessed by the department equal to $50 for each return.

Tennessee

Franchise and Excise Tax: All filings of and payments related to franchise and excise tax returns (Form FAE170) must be made electronically.

Texas

No Tax Due Reports must be filed electronically, beginning January 1, 2016.

Utah

Tax preparers that file more than 101 income tax returns in a calendar year are required to file all such returns using scan technology or by electronic means.

The filing requirement will not apply if:

- A schedule must be attached to the return that cannot be filed using scan technology or electronic means
- The taxpayer requests in writing that the income tax preparer not file the return using scan technology or electronic means
- The Utah Tax Commission waives the requirement that a return be filed by scan technology or electronic means

A tax preparer may obtain such a waiver from the commission by demonstrating that the use of scan technology or electronic means would result in an undue hardship. The filing requirement also does not apply to amended returns or returns for any taxable year that begins before the first day of the current taxable year.

If a preparer or multiple preparers affiliated with the same establishment prepared 101 or more returns in the prior calendar year, they must submit all UT individual tax returns electronically.

Vermont

Effective January 1, 2020, all preparers of individual income taxes who prepare more than 25 returns per year are required to e-file all individual income tax returns.

Effective January 1, 2016, all preparers of corporation, business, and fiduciary income tax returns who prepare more than 25 returns per year are required to e-file the above returns.

The director of the Division of Taxpayer Services will consider a written request for an exemption based on extraordinary circumstances.

Virginia

Individual Income Tax
Paid tax return preparers who prepare or employ people to prepare 50 or more individual income tax returns a year are required to e-file. If they prepare 50 or more returns in a taxable year, then for each year after, they must file all individual income tax returns electronically.

Effective for payments made on or after July 1, 2022, individuals must submit all income tax payments electronically if any payment exceeds $1,500 or the sum of all payments is expected to exceed $6,000. This includes estimated, extension, and return payments. VA has issued letters to taxpayers who may fall into this criteria, making them aware of the requirement. Do not mail vouchers with payments exceeding the thresholds listed above.

Fiduciary Income Tax
Beginning with returns due on or after January 1, 2020, tax return preparers are required to e-file fiduciary income tax returns, but there is no requirement to make payments electronically.

Waivers
Taxpayers may request a temporary waiver by submitting an Electronic Filing Waiver Request, citing their specific hardship. All waivers are temporary and must be renewed annually.

Washington

Form 14 0001, Working Families Tax Credit Application, must be e-filed.

West Virginia

Income tax preparers who filed more than 25 personal income tax returns, and will be using a tax preparation program to complete one or more of these returns, must e-file them for the current tax year. Tax return preparers may opt out of the e-file provision by filing a hardship waiver request application and clearly demonstrating the nature of the hardship. In the absence of an approved hardship waiver, a tax return preparer required to e-file is liable for a penalty of $25 for each return not filed electronically; however, if a taxpayer receiving services from a tax return preparer who is required to file all WV income tax returns electronically elects (opt-out) of having his or her return electronically filed, complete and sign Form OPT-1.

A penalty of $25 will apply for each return not filed electronically.

Taxpayers making more than $10,000 in payments for a single business tax type, must e-file all returns. Taxpayers making more than $10,000 in payments for a single business tax type, or a $100,000 payment for personal tax during the previous fiscal year, must file returns and make payments electronically, unless specifically excluded.

Wisconsin

If you prepared 50 or more 2021 Wisconsin individual income tax returns in 2022, you are required to e-file all 2022 Wisconsin individual income tax returns. Wisconsin Administrative Code section Tax 2.08 gives the department authorization to require electronic filing of individual income tax returns.

The administrative rule requiring the electronic filing of individual income tax returns applies to any person or entity engaged in the business of individual income tax return preparation, regardless of its legal form. Thus, it applies to sole proprietors, partnerships, limited liability companies, and corporations that prepare 50 or more Wisconsin individual income tax returns.

e-File is required for individual Forms 1CNS, 1CNP, and PW-1 for tax year 2022 (due in 2023).

e-File is required for business Forms 3, 4, 5S, and 6. Waivers are granted on a limited basis.

Payments greater than $1,000 must be made electronically.

Index

Symbols

A

D

E

F

G

H

O

P

Q

R

S

T

U

V

W