Drake Software WEBINARS

Drake 101: e-Filing

1 Credit Hour

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Course Overview

This is a basic course designed to assist Drake Software users with the required setup and steps to successfully e-file tax returns.

Learning Objectives

At the conclusion of this webinar, you will be able to:

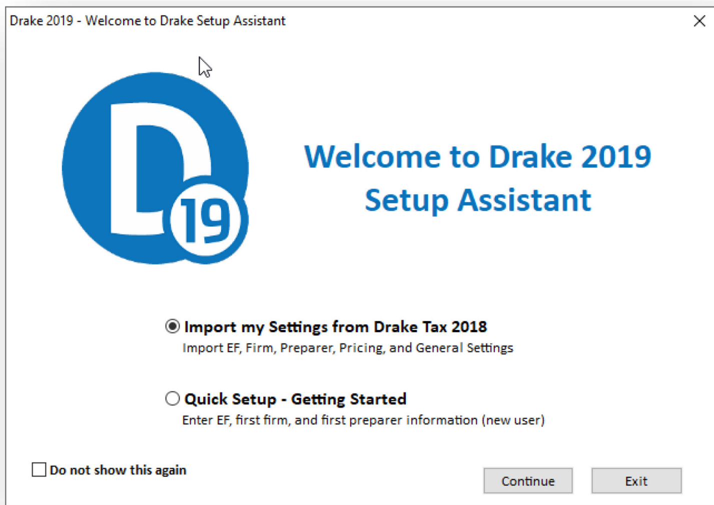
- Apply for an EFIN
- Set up Drake Tax to electronically file tax returns
- e- File returns using four steps in Drake Tax
- Understand the different types of filing acknowledgements
- Access the EF Database
- Diagnose and resolve electronic filing rejections

NOTES

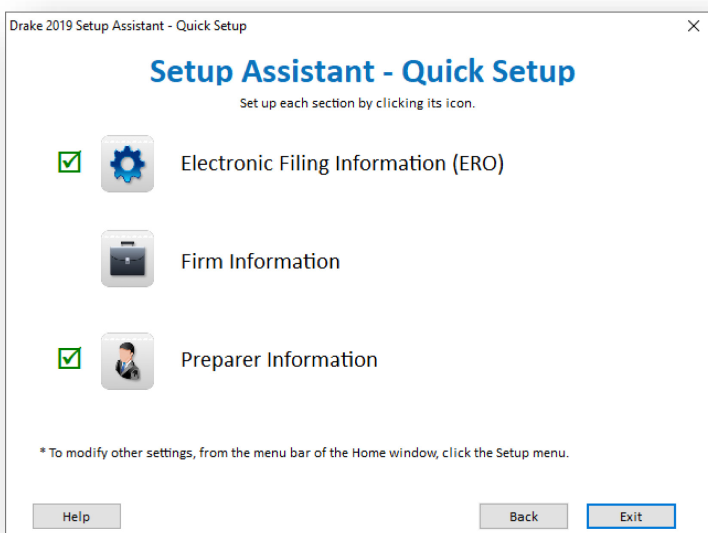
Program Setup

Setup Assistant

The Setup Assistant is opened automatically the first time you log in to Drake Tax. Select to import your settings from the prior year or Quick Setup for new users.

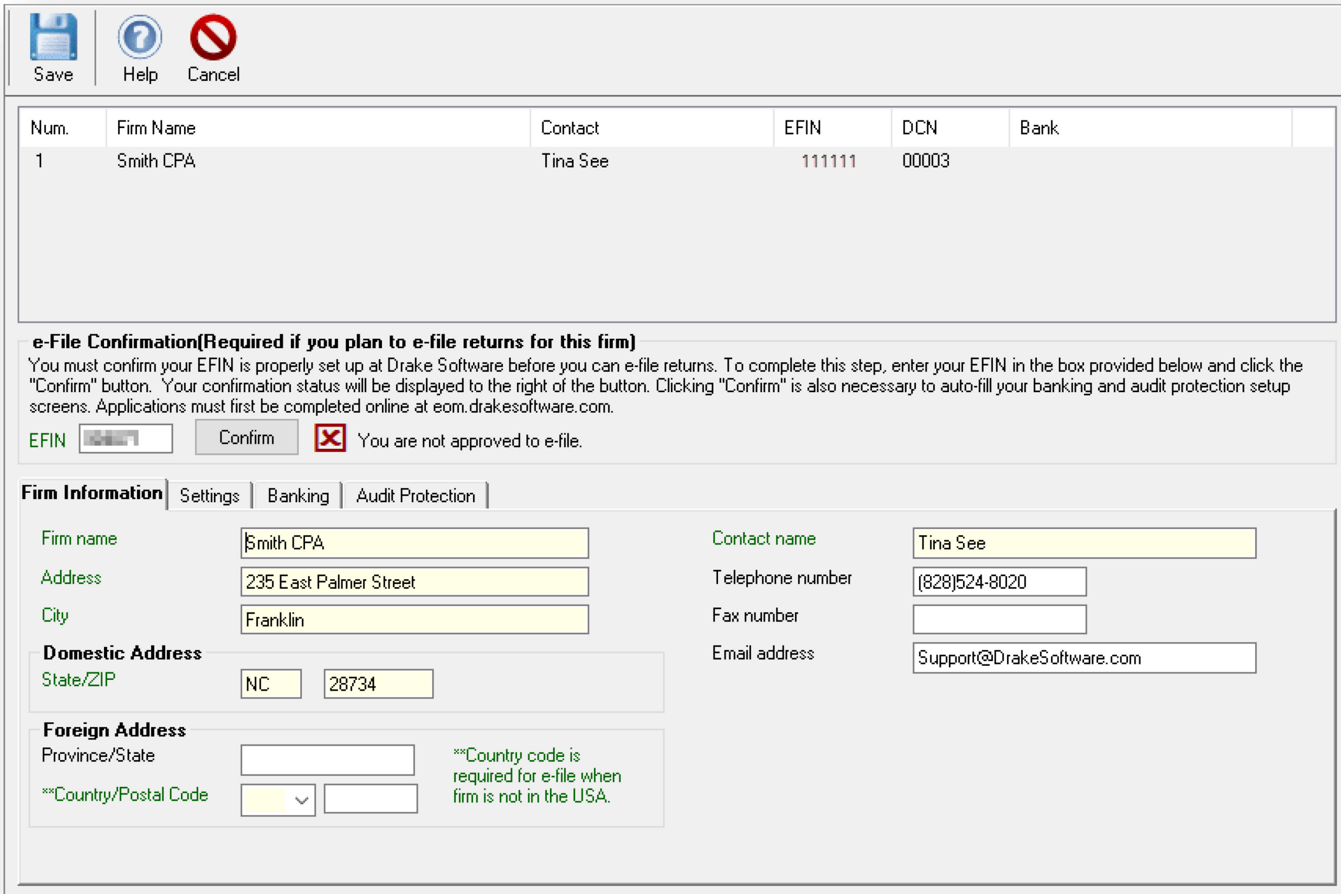


New users The Setup Assistant is designed to help you setup Drake Tax to e-File, setup your first firm, and first preparer. After each initial item setup is complete a green check is displayed.



Firm Setup

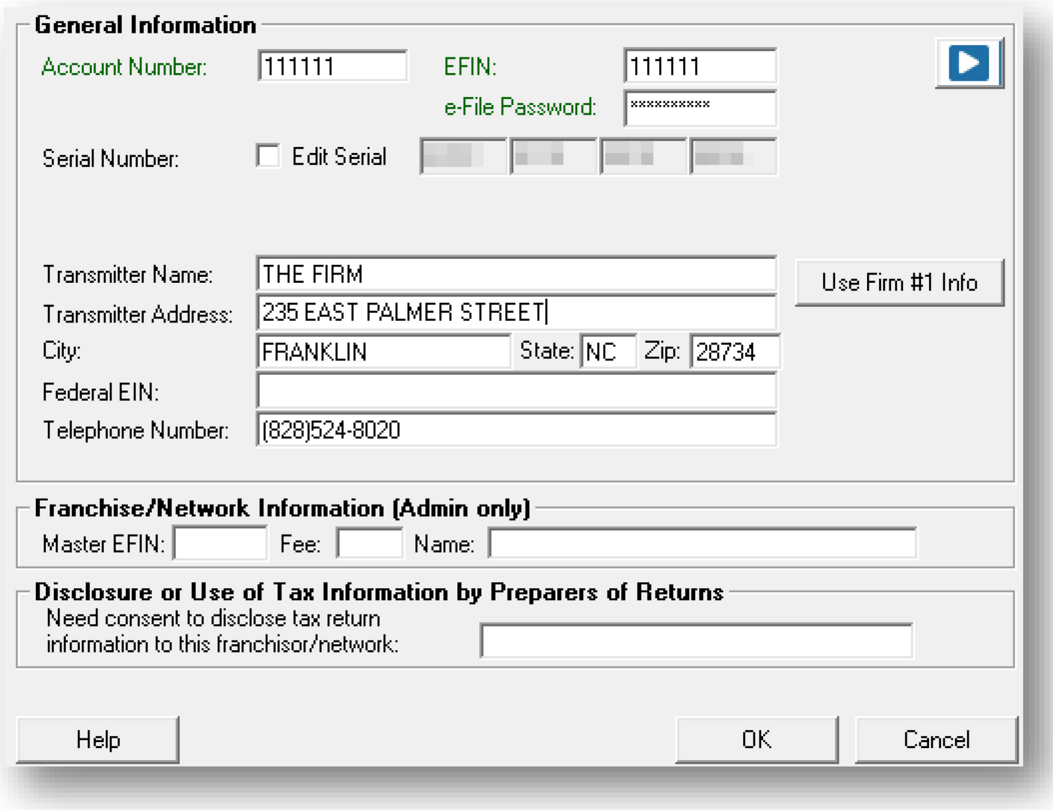
Firm setup must be completed before preparing and e-filing returns. If data is inaccurate or missing, tax returns might be e-filed with incorrect information.



Access **Firm Setup** from the Setup Assistant or **Setup > Firm(s)**.

ERO Setup

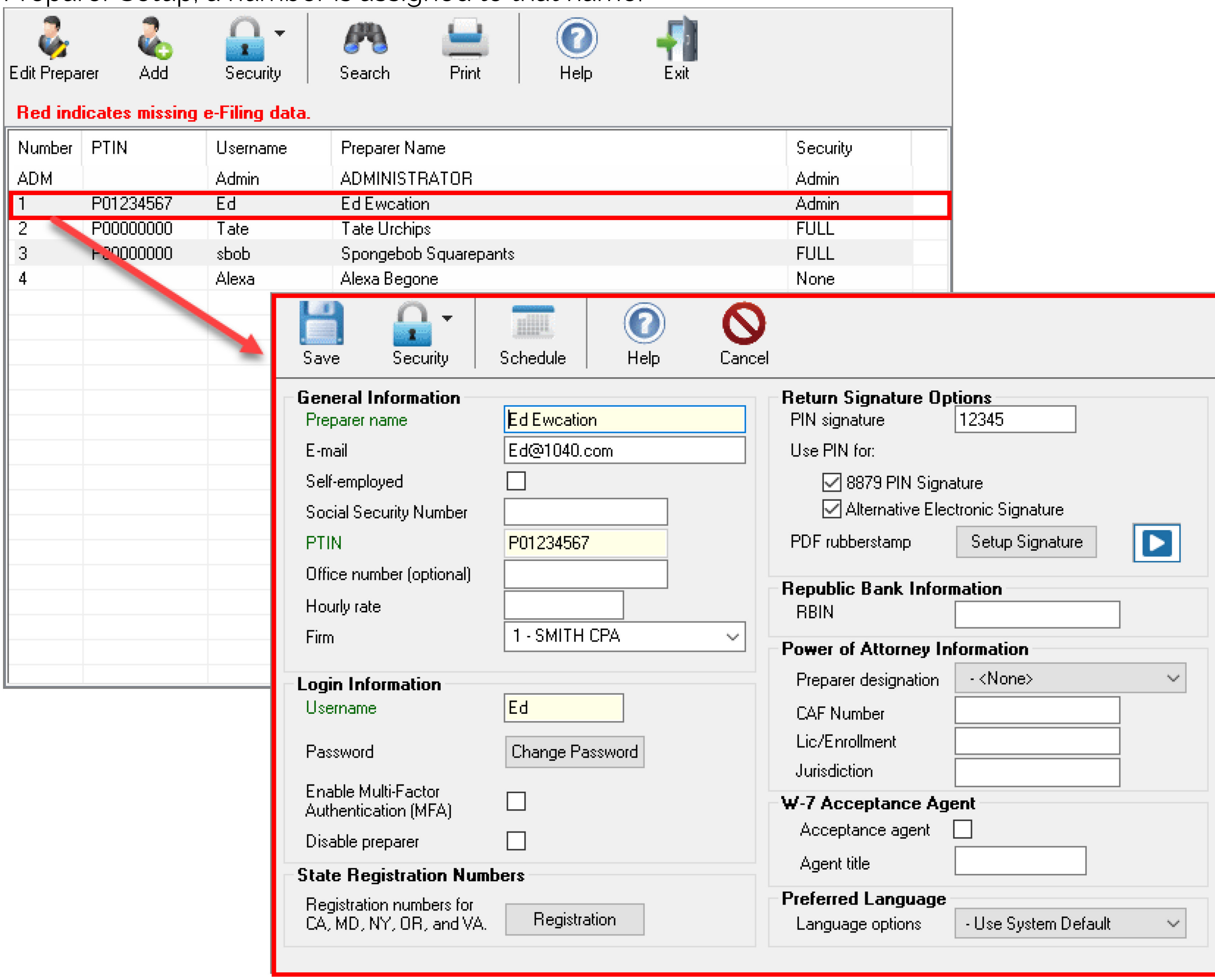
An Electronic Return Originator (ERO) must complete ERO Setup in order to e-file returns, download software updates, and access the online e-filing database.



Access **Electronic Filing Setup** from the Setup Assistant or **Setup > ERO**.

Preparer Setup

Preparer Setup fields and preparer security must be completed before a preparer can begin preparing and e-filing returns. All preparers must be entered in Preparer Setup. Data-entry operators can also be entered. Each time a name is added to Preparer Setup, a number is assigned to that name.



Access **Preparer Setup** from the Setup Assistant or **Setup > Preparer(s)**.

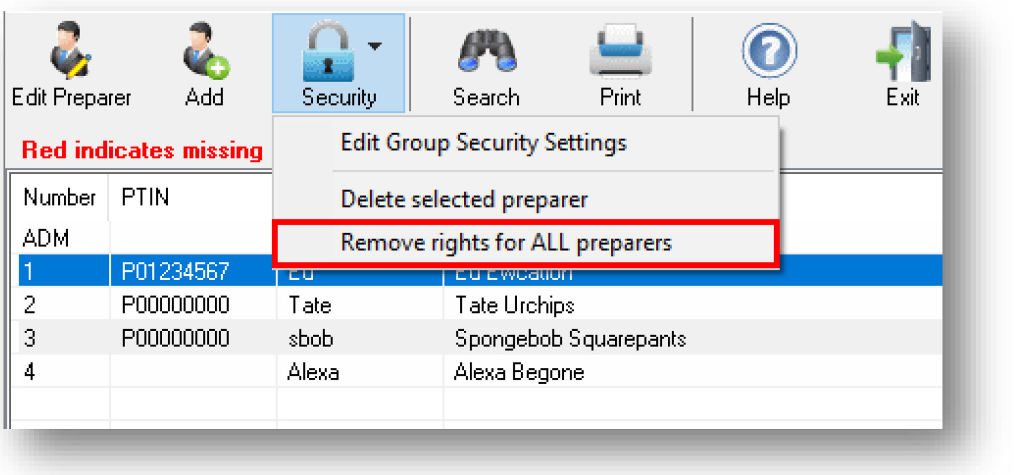
Preparer Security

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

Preparer Security Options

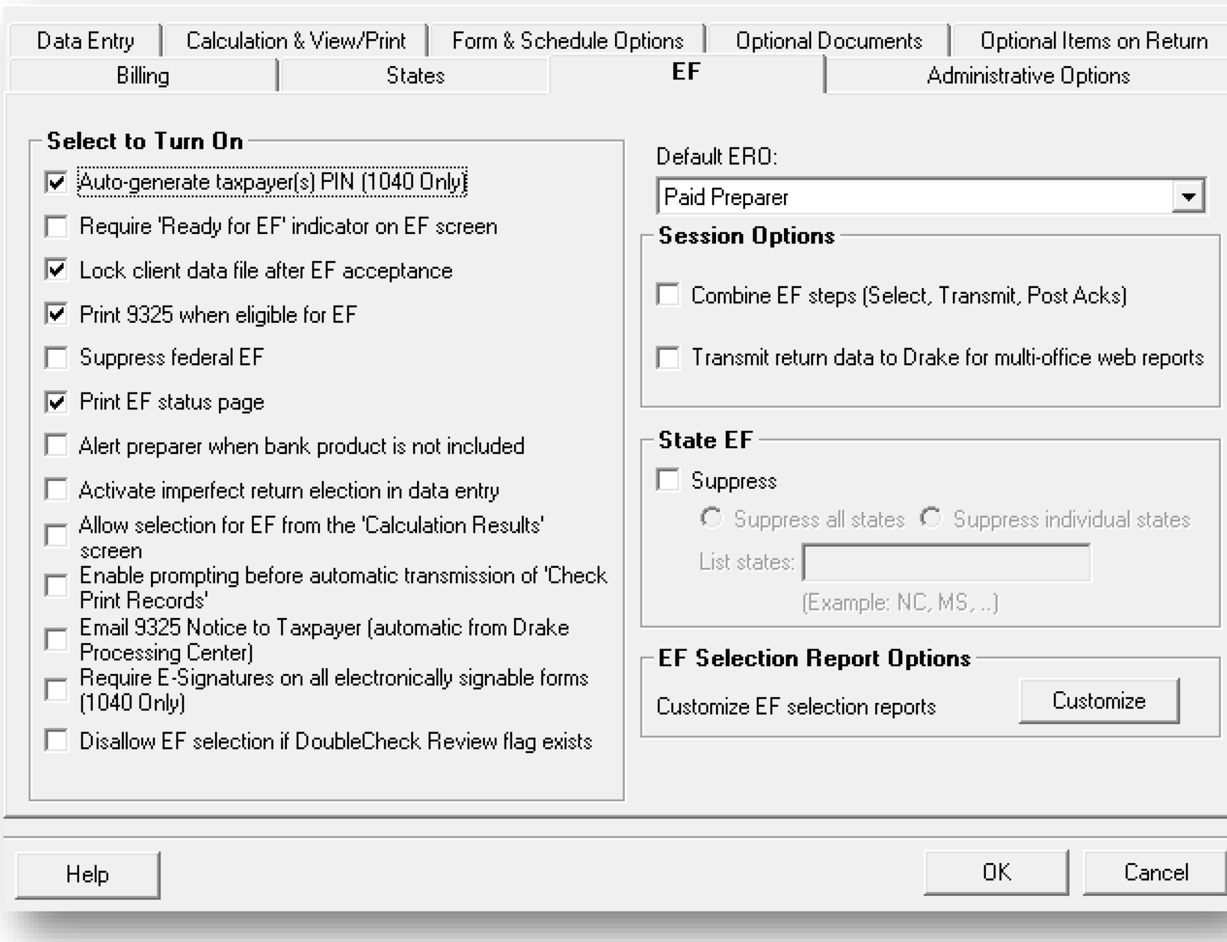
Security Option	Description
Set Security to Allow No Options	Employee cannot access any part of the program.
Set Security to Allow All Options	Employee can access all parts of the program, except for ADMIN-only features.
Set Security Equal to Existing Preparer	Employee is given security settings to match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

To remove security rights from *all* preparers (other than administrative users), go to **Setup > Preparers**, click **Security**, and select **Remove Rights from All Preparers**. To remove rights for an individual employee, set that person's security to **Set Security to Allow No Options**.



EF Program Options

Use Options Setup (accessible by clicking **Setup > Options** from the **Home** window) to view or change e-file defaults.

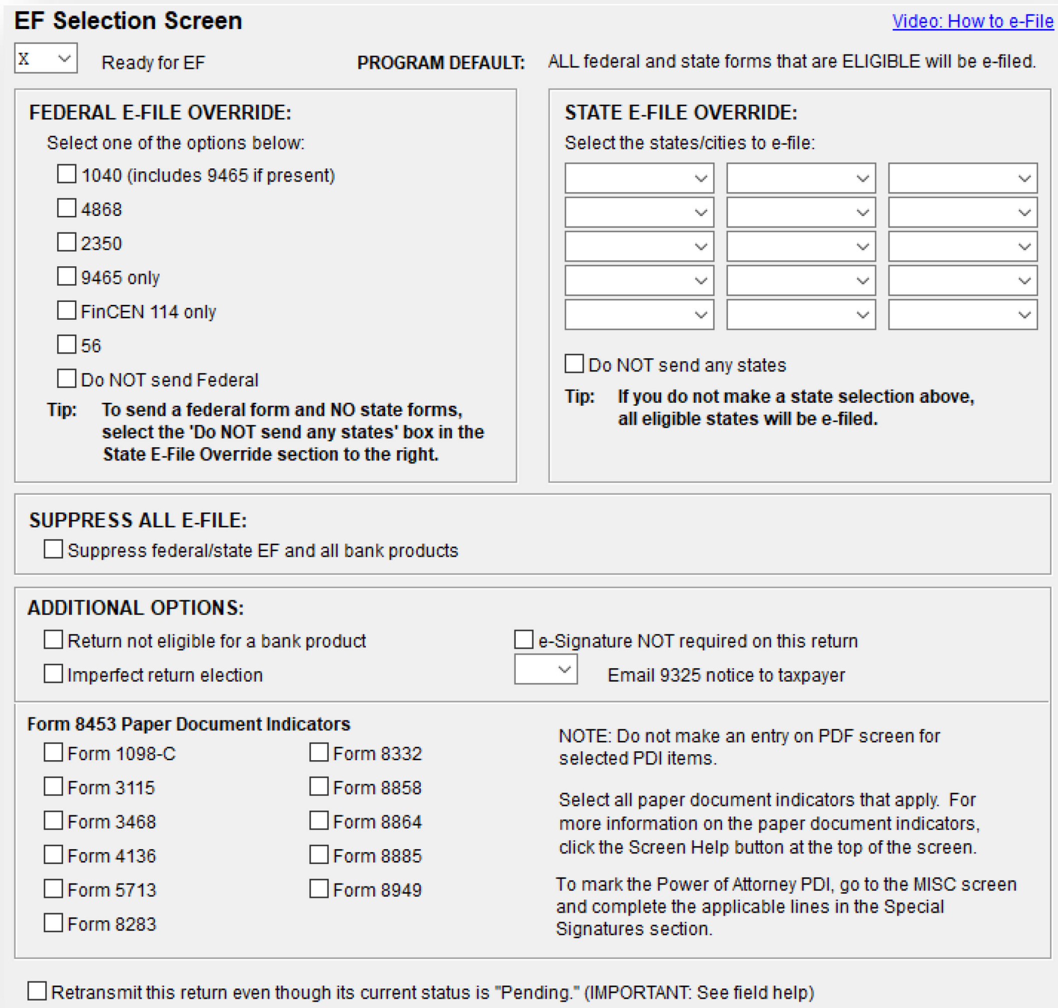


e-File Options

<u>EF Selections Screen</u>

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.

By default, all eligible returns are transmitted—unless you indicate otherwise on the **EF** screen. To suppress one state or city return while e-filing 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 will be e-filed, but no other state returns will be transmitted, even if those other returns are eligible.



EF Selection Screen

Video: How to e-File

X Ready for EF PROGRAM DEFAULT: ALL federal and state forms that are ELIGIBLE will be e-filed.

FEDERAL E-FILE OVERRIDE:

Select one of the options below:

- 1040 (includes 9465 if present)
- 4868
- 2350
- 9465 only
- FinCEN 114 only
- 56
- Do NOT send Federal

Tip: To send a federal form and NO state forms, select the 'Do NOT send any states' box in the State E-File Override section to the right.

STATE E-FILE OVERRIDE:

Select the states/cities to e-file:

- Do NOT send any states

Tip: If you do not make a state selection above, all eligible states will be e-filed.

SUPPRESS ALL E-FILE:

- Suppress federal/state EF and all bank products

ADDITIONAL OPTIONS:

- Return not eligible for a bank product
- Imperfect return election
- e-Signature NOT required on this return
- Email 9325 notice to taxpayer

Form 8453 Paper Document Indicators

- Form 1098-C
- Form 3115
- Form 3468
- Form 4136
- Form 5713
- Form 8283
- Form 8332
- Form 8858
- Form 8864
- Form 8885
- Form 8949

NOTE: Do not make an entry on PDF screen for selected PDI items.

Select all paper document indicators that apply. For more information on the paper document indicators, click the Screen Help button at the top of the screen.

To mark the Power of Attorney PDI, go to the MISC screen and complete the applicable lines in the Special Signatures section.

- Retransmit this return even though its current status is "Pending." (IMPORTANT: See field help)

Ready for EF

At the top of the **EF** screen is a **Ready for EF** drop list. If the option is selected in Setup, you must select **Ready for EF** before the return is put into the “send” queue for e-file—even if it is otherwise ready to go. Because you must manually indicate that each return is ready to be e-filed, selecting this option can help prevent accidental e-file.

To choose this option, go to **Setup > Options**, **EF** tab and select **Require ‘Ready for EF’ indicator on EF screen**.

Review return for e-File Messages Prior to e-Filing

Calculate the return to determine if it is ready to be e-filed. 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. All EF Messages must be eliminated before a return can be e-filed.

Three Steps to e-File

Step 1 - Select Returns for EF

To prepare a return for transmission:

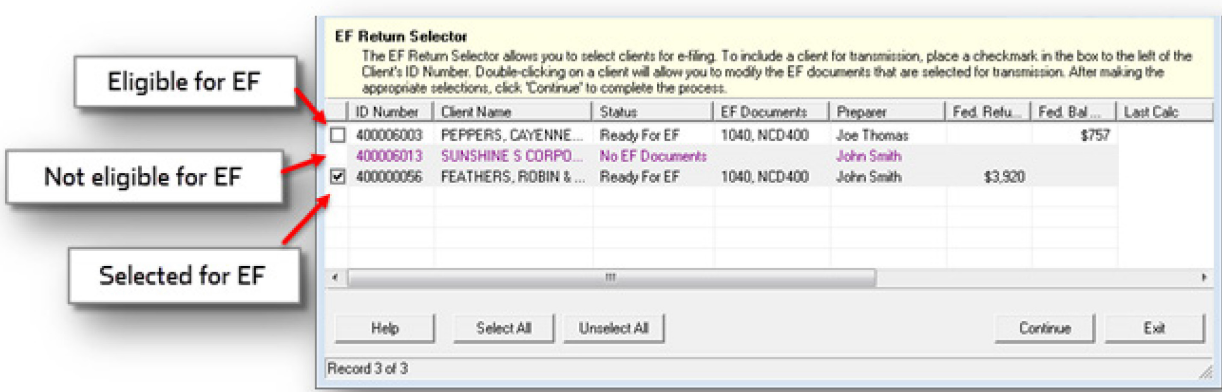
1. From the Drake **Home** window, select **EF > Select Returns for EF**. The **EF Return Selector** displays a list of recently calculated returns. Those eligible for e-file are indicated by a check box.

2. Select the boxes of the returns to transmit. Use the **Select All** or **Unselect All** buttons as needed.

3. Click **Continue**. The Report Viewer shows the **EF Selection Report**, which lists all returns that are awaiting transmission.

4. Click **Exit** to close the Report Viewer.

The selected returns are now in the "send" queue and are ready for transmission.



Step 2 - Transmit Returns

To transmit a return:

1. From the **Home** window, select **EF > Transmit/Receive** to open the **Transmit/Receive** dialog box, which displays the types of returns to be e-filed.

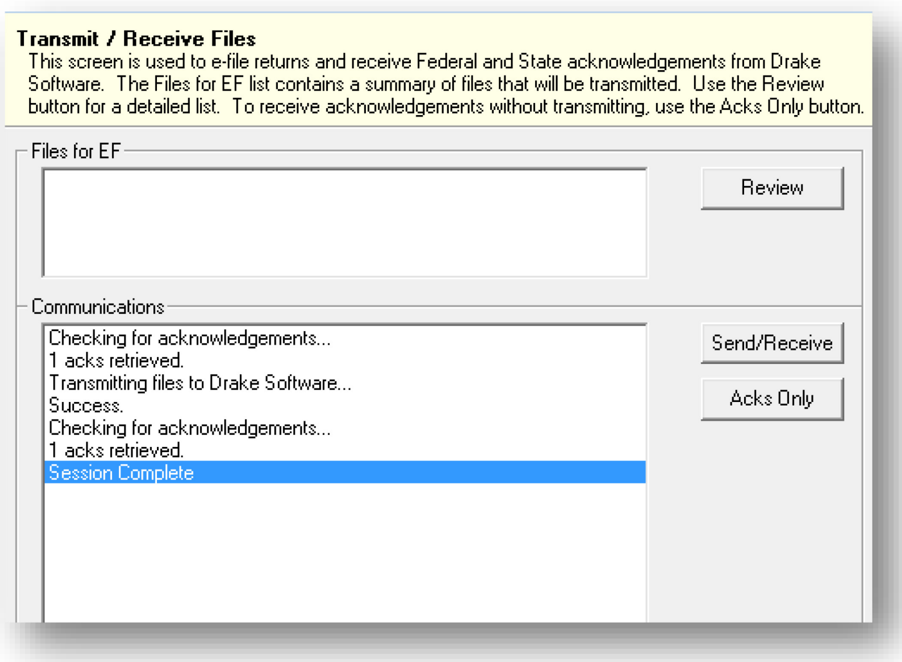
2. To review and, if necessary, eliminate files from the "send" queue, select a file from the **File for EF** pane and click **Review**. The **Transmit File Editor** lists individual returns. To remove a return from the queue, select it and click **Remove. (OPTIONAL)**

3. Click **Send/Receive**. The Report Viewer displays the **EF Transmission Record**. Click **Exit**.

   The program immediately authenticates you on the Drake Server and performs the following tasks:

   • Checks for new acknowledgments
   • Transmits files to Drake
   • Retrieves pending acknowledgments of the transmitted files (if available)
   • End Transmission Session – Session Complete

4. Click Exit to close the Transmit/Receive box.



Step 3 - Process Acknowledgements

When Drake 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, which you can "pick up" by logging in to Drake.

To process acks, go to the **Home** window and select **EF > Process Acks**. The **Process Acknowledgments** box displays progress. This data is copied to the EF database for later access. If no new acknowledgments are found, Drake asks if you want to review old ones. After you read the acknowledgment file, an **Acknowledgment Report** shows the acknowledgment code and batch ID.

Drake Acknowledgement Codes

Code	Description
P	Tax return transmitted successfully to Drake. Return is being processed.
T	TEST return transmitted successfully to Drake.
B	Bad transmission

IRS Acknowledgement Codes

Code	Description
A	Tax return has been accepted by the IRS.
R	Tax return has been rejected by the IRS.
E	Imperfect return.

Bank Acknowledgement Codes

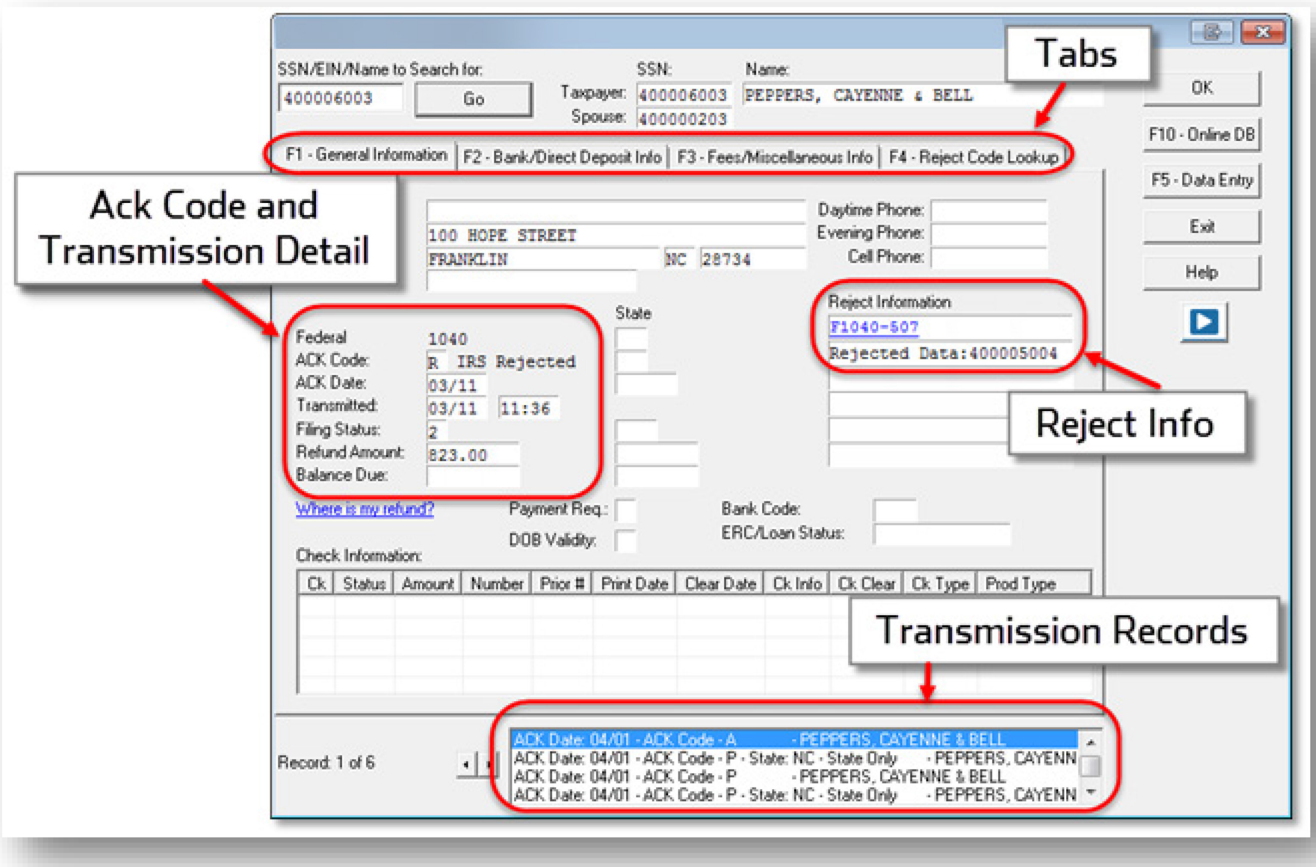
Code	Description
Bank Product Accepted	Bank product application has been approved.
Bank Product Declined	Bank product application has been declined.
Check Print	Checks are available for printing.
Prep Fees Deposited	Preparer fees have been deposited.

EF Database

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, 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. To browse all records, leave this field blank.
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.



Online EF Database

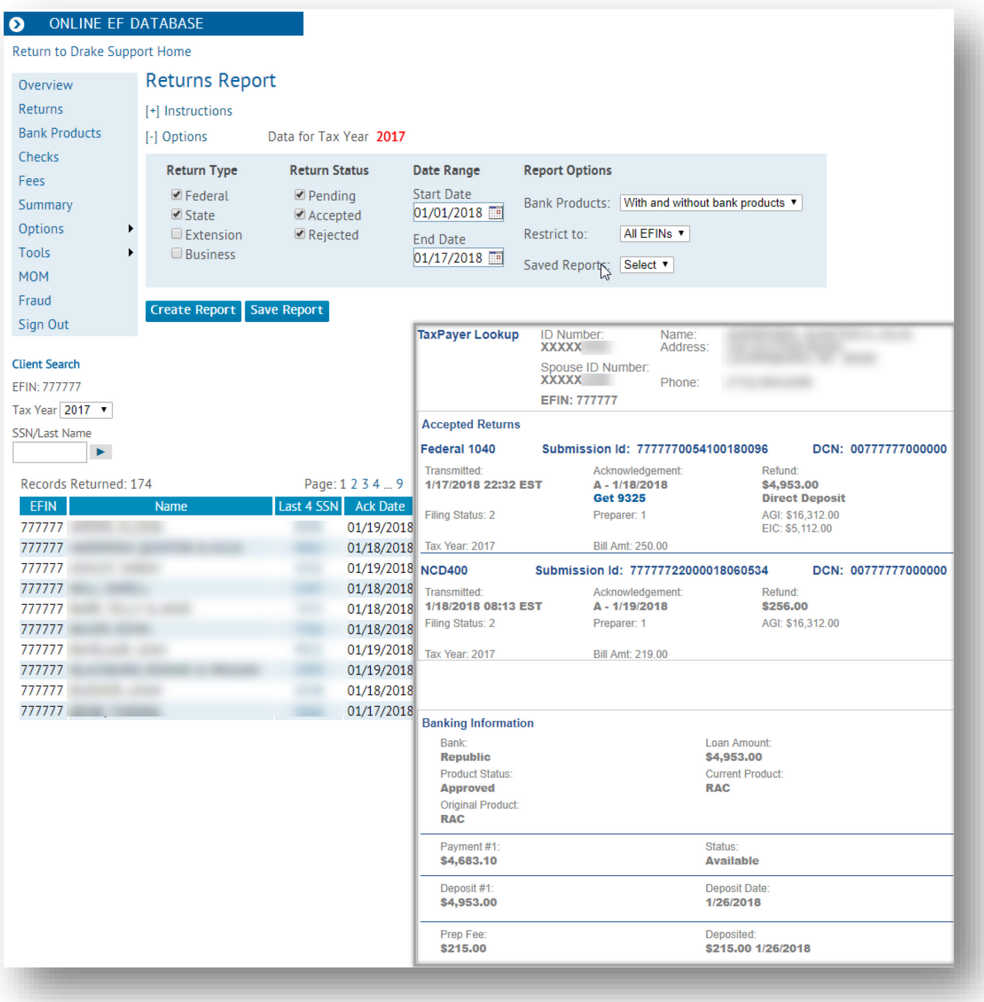
The online EF database displays real-time data on e-filed returns. You can run reports on returns, bank products, and checks; search for e-filing information for a single SSN or EIN; access the Multi-Office Manager (MOM); view CSM data for one or multiple offices; and check the status of each IRS Service Center.

To access your online EF database from within the software:

1. From the **Home** window, click **Support**. (If you are already in the EF database, click **F10 - Online DB**.)

2. Enter your EFIN and Drake password and click **Log In**.

3. Go to **My Account > EF Database**.



Webinar Summary

- The four steps for e-filing in Drake Software are**:**

  Step 1 – Review return for e-File messages
  Step 2 – Prepare the transmission File
  Step 3 – Transmit the Return
  Step 4 – Process Acknowledgements

- It is recommended to go through all the options found in **Setup** > **Options > EF tab** prior to the start of tax season to ensure e-filing is properly set up.

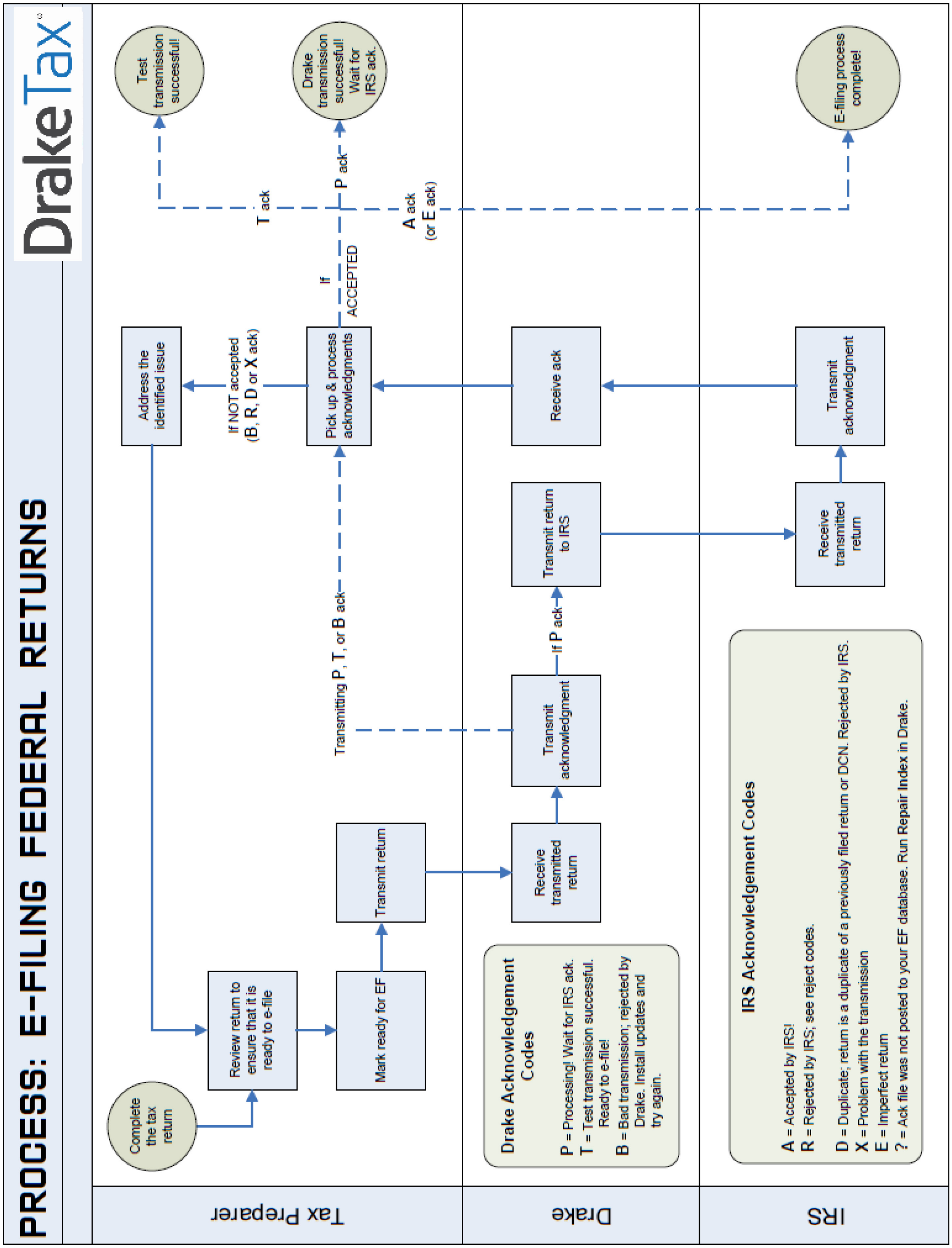
- Be sure to e-file at least one test return prior to the start of tax season to verify a successful transmission has occurred.

- To make alterations to the e-file options for a single return, use the **EF** screen in return data entry.

- It is necessary to check for acknowledgements once returns have been e-filed to ensure you have a complete EF database.

- Use the Online EF Database to view real-time data on e-filed returns and to run reports on EF data.

e-File Overview



Presenter Bio

Trent Fouts
Education Specialist
Drake Software

Trent joined Drake Software in 2008. Trent is a native of Franklin, North Carolina. His background includes over 16 years of customer service, corporate management, human resources, He has had the opportunity to gain experience in all of these areas ranging from retail management, hospitality management, culture-based travel and tourism, and is a Veteran of the United States Army. Trent has owned a tax practice using Drake Software. He is prepared to assist you in learning all aspects of Drake software products.

Presentation Slides