Drake Tax® Manual

Tax Year 2024

Drake Tax®

Support.DrakeSoftware.com | (828) 524-8020

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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 websites and Web-based applications—including the Support site (*Support.DrakeSoftware.com*)—you must establish permissions within the Drake User Manager (*User.DrakeSoftware.com*).

See "Initial Setup" on page 25 for details.

Online Support

The Drake Software Support site (*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, classroom training (including tutorials, videos, webinars, and practice returns), and Drake Software's banking partners. Additional information found on the Support site includes your account number, e-file password, Drake Tax and Drake Accounting serial numbers, payment facilitation and bank applications, and the EF database, as well as website services.

Chapter 9, "Resources & Support," on page 267 includes details on these and many other Support options.

To sign in to your firm's Support account via Drake Tax, from the **Home** window, click **Support > Support Website**. (You will need your Drake Software login credentials. See "Initial Setup" on page 25.)

Drake Software Customer Support Hours

Tax Season (January 2, 2025 – April 15, 2025)	Off Season (April 16, 2025 – December 31, 2025)
Monday – Friday: 8 AM – 10 PM (ET) Saturday: 8 AM – 6 PM (ET)	Monday – Friday: 8 AM – 9 PM (ET) Saturday: 9 AM – 5 PM (ET)

Drake Software 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, go to *Support.DrakeSoftware.com* > **Products**, and below **Bank Product Providers**, choose your bank.

Contacting Drake Software

Department	Contact Info.
Accounting (department)	(828) 349-5900, option 5
Drake Accounting Software	DAS@DrakeSoftware.com (828) 349-5908
Drake Pay	Drakepaysupport@DrakeSoftware.com (828) 349-5724
Drake Portals	(828) 349-5725
Education	Education@DrakeSoftware.com
e-File	EF@DrakeSoftware.com
EFIN Management	(866) 273-9032
Fraud Management	(866) 369-9308

Department	Contact Info.
GruntWorx	GruntWorxSupport@DrakeSoftware.com (828) 349-5505
Sales	Sales@DrakeSoftware.com
Support (general)	Support@DrakeSoftware.com Phone: (828) 524-8020
Support (state-specific)	XXState@DrakeSoftware.com (replace "XX" with state abbreviation)

For more on the many helpful resources provided by Drake Software, see Chapter 9, .

Visit *IRS.gov/help* to view a list of current IRS help resources, including phone numbers.

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1 What's New for 2024

This section describes many of the new features for tax year 2024. 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 the Support site at *Support.DrakeSoftware.com* **> Support > Documents**. Supplemental manuals are released with the full version of Drake Tax in January 2025.

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. Note that Drake Tax manuals are updated whenever major changes occur, to the program or tax law. The best way get the latest edition of the manuals is via the Support site at *Support.DrakeSoftware.com* **> Support > Documents**. (You can also connect to the Support site through the tax program. From the toolbar of the **Home** window, click **Support > Support Website** or **Manual & Online Resources**.)

Take advantage of the 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.

Important IRS Changes

The following sections address important information regarding the 2024 tax season. Unless otherwise stated, all changes are effective for the 1040 package *only*. Items with an (F) icon are designated as "in development" and will be available later in Drake Tax 2024.

Form and Schedule Changes

The following forms have been updated for tax year 2024.

Form 1040

The check box "If treating a nonresident alien or dual-status alien spouse as a U.S resident for the entire tax year" has been added to page 1 of Form 1040.

Form 1099-K

Per the American Rescue Plan Act of 2021, taxpayers who received $600 or more in aggregate payments during the year from a qualifying third-party payor must be issued Form 1099-K and report its information on their tax return. Originally, reporting changes were set to take place in 2022 but have since been delayed. (See Notice 2023-10 and Notice 2023-74.)

For tax year 2024, the reporting threshold for Form 1099-K is $5,000 as the IRS phases in reporting requirements. Use screen **99K** (1099-K, Third-Party Payments) to complete Form 1099-K.

Even if the taxpayer does not receive Form 1099-K, transactions that would otherwise be reported on Form 1099-K are still taxable.

Modified Forms and Schedules

The following forms have been modified:

- **Form 3468, Investment Credit** — The form has been expanded from 10 to 12 pages and redesigned to support the provisions created by the Inflation Reduction Act of 2022 (IRA 2022).
- **Form 3800, General Business Credit** —This form has been expanded from eight to nine pages.

General Program Updates

The following sections contain information regarding additional Drake Tax 2024 updates.

Streamlined Installation

As you install Drake Tax, the installation drive will be pre-selected based on the location of the prior year program. If you have changed your network setup for the current year, you can select a different drive as needed.

Additional Support for Certain Forms

The following forms can now be e-filed in Drake Tax:

- Form 1120-H, U.S. Income Tax Return for Homeowners Associations (1120 returns)

- Form 5884, Work Opportunity Credit (990 returns)

- Form 8609, Low-Income Housing Credit Allocation and Certification (990 returns)

- Form 8609-A, Annual Statement for Low-Income Housing Credit (990 returns)

Expired Forms and Screens

The following forms and screens have been removed from Drake Tax:

- Form 8845, Indian Employment Credit (screen **8845**; 1040, 1120, 1120-S, 1065, 1041, and 990 returns).

- Form 8903, Domestic Production Activities Deduction (screen **8903;** 1120 and 1041 returns).

- Form 8915, Qualified 2018 Disaster Retirement Plan Distributions and Repayments (screen **915C**; 1040 returns).

Retired Features

As Drake Software continues its commitment to improving its product and user experiences at the price you deserve, some features no longer have a place in the modern tax industry.

The following features have been retired for tax year 2024:

- **e-Pay** – Use Drake Pay to request payments instead.
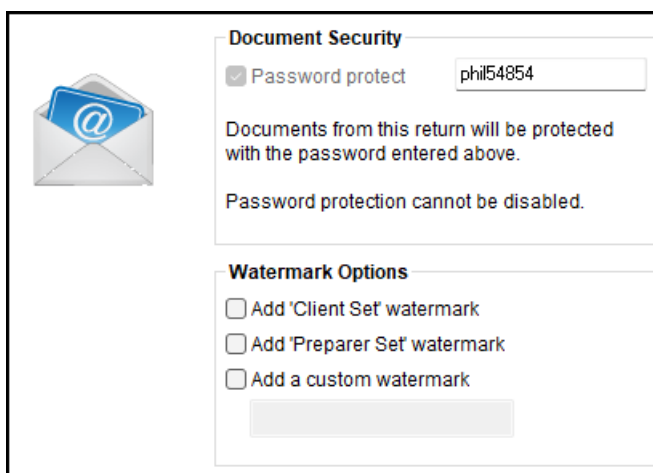
- **Proformas and Hash Totals** – Proformas—and the related Hash Totals report—were previously used by preparers to aid in return data entry; however, they were typically used only in-office with a paper-based workflow. Organizers are more comprehensive and dynamic and can be customized for individual and business taxpayers, allowing you to gather information directly from clients for use in preparing tax returns.

- **Forms-Based Data Entry (Ctrl + G)** – Use the DoubleCheck feature to help you troubleshoot the origin of a number in View/Print mode.

- **PCL Print Support** – A single print method, the Microsoft Windows graphics device interface (GDI), streamlines printer setup and troubleshooting.

- **CD Service** – Drake Tax and Drake Accounting must be downloaded from the Support site; updates are installed automatically, eliminating the need to reinstall the software with a physical CD.

- **Layout for depreciation schedule** –The depreciation schedule is now produced in a landscape layout and will no longer have the option to print in a vertical layout.

Security Enhancements

Email Attachment Passwords

To further secure taxpayer data and personally identifiable information (PII), PDF copies of returns that are created and *emailed* using Drake Tax must now be password protected (View/Print mode **> Print > Email Selected Forms**). You can choose the format of the password assigned to emailed returns via **Setup > Options > Administrative Options**. Passwords can be overridden on a per return basis, but the **Password protect** option cannot be disabled. See KB 13433 for more details on using email in Drake Tax.

Figure 1-1: Password-protecting a return emailed within Drake Tax

Drake Software recommends password-protecting all PDF documents created or stored inside Drake Tax and Drake Documents, but it is not required.

See Publication 4557 for details on IRS requirements and recommendations protecting PII and taxpayer data.

⚠ Exchanging sensitive data through email is not considered secure. Drake Software recommends using Drake Portals to securely send and receive sensitive data instead.

Login Timeout Extended

The preparer login timeout has been extended to 30 minutes for all users in all products.

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.

Drake Pay™

Introduced in 2023, Drake Pay is a secure, modern payment solution you can use to streamline and simplify how you receive payments for tax return preparation services. Whether you work with your clients in person or online, Drake Pay offers multiple payment options, allowing you to get your money fast.

For tax year 2024, the following payment features were added to Drake Pay:

- **Refund Pay** – Refund transfer option where the taxpayer can use their federal refund to pay for your professional preparation services.
- **Request Payment feature** – You can send clients payment requests via Drake Tax, Drake Accounting, and the Drake Pay Manager, eliminating the need to accept payments in person.
- **New Charge feature** – Using the Drake Pay Manager, you can request a payment from a client by clicking the **New Charge** button.

Additional Drake Pay enhancements include:

- **PDF receipts** – Clients receive a PDF receipt of their completed transaction.
- **Drake Accounting support**

Redesigned Knowledge Base

Drake Software's Knowledge Base has been redesigned, allowing you to easily access articles, videos, and other help documentation for all Drake Software products. Filter by product, browse by category, jump to applicable sections, sort tables, and follow along with GIFs.

Form Availability and Filing Statuses

You can now check which federal and state forms are supported in Drake Tax and their up-to-date e-file and paper-file availability statuses via Forms.DrakeSoftware.com.

e-File Task Consolidation

Released March 13, 2024, the e-File Status feature on the Drake Tax **Home** window is an expansion upon the existing e-File Database. e-File Status helps consolidate e-file tasks—including **EF > Transmit/Receive > Acks Only** and **EF > Process Acks**—while allowing you to check if your firm's e-file records are up-to-date using the EF Database you are already familiar with (**EF > Search EF Database**). The **e-File Status** can be accessed only by those with sufficient Drake Tax security permissions. The option **Rehang Acks from the Drake Server** allows you to rehang your own acknowledgments and ensure that the acks you see in Drake Tax are the same as on the Drake server.

From the Drake Tax **Home** window, select **EF > Prepare Extensions** to begin the batch extension process, and follow the on-screen steps.

Upon clicking **e-File Status**, you are given the option to check for and process new acknowledgments from recently e-filed returns. If you have new acknowledgments from Drake Software to process, a red indicator appears on the **e-File Status** icon. All information received through e-File Status is automatically added to the EF Database, accessible from both Drake Tax and the Support site (*Support.DrakeSoftware.com* > **Reports > E-file Status Lookup**).

New Products

For tax year 2024, customers have a new product to choose when purchasing Drake Tax Pro or Drake Tax 1040: Single User or Multi-User. The version you choose depends on the number of users in your firm. See KB article 18494 for a more detailed description of the Single amd Multi-User versions of Drake Tax.

To make sure *you* get paid the money you deserve, Drake Software is launching new features within Drake Pay™ for a more streamlined and effective way to receive payments from clients.

Miscellaneous Enhancements

The below list references only a few of the many resources that have been updated for tax year 2024:

- Beginning with Drake Tax 2023, you can create custom checklists for new clients using the same process that you do for existing and returning clients. This feature is available in all packages. To create a custom checklist for a new client, from the **Home** window of Drake Tax, go to **Last Year Data > Organizers > Summary Organizer**, and click the **Organizer for new clients** link; once you are on the **New Client Organizer Options** window, choose **Custom Editor**. See "Customizable Organizers" on page 144 or Knowledge Base article "15028: Organizers – Custom Pages" for more on using the Custom Editor.

- Batch-printed organizers saved to Drake Documents or Drake Portals can now be password-protected. The default password format is established in **Setup > Options > Administrative Options** tab.

- **EF & Account Information (ERO)** and **Scheduler Appointments & Settings** are now updated by default when updating settings from Drake Tax 2023 to Drake Tax 2024.

- To better protect tax return preparer and taxpayer data, executable (.exe) and dynamic-link library (.dll) files can no longer be emailed using Drake Tax (**Email – Compose Message** window **> Attach** or **Add > Application Log**).

- In a continued effort to upgrade existing Drake Software applications and websites for ease of usability, as well as part of Drake Software's single sign-on migration, Drake Forums (*Forums.DrakeSoftware.com*) has been retired and replaced with the Drake Software Community (Drake Community Forum) (*Community.DrakeSoftware.com*). This community is the perfect place to connect with other Drake Software users, get answers to questions, and stay up-to-date on the latest trends and best practices in your field. Log in to *Community.DrakeSoftware.com* using your Drake Software credentials to get started.

- Appendix C, e-File Mandates, has been removed from the manual and can now be accessed via Knowledge Base article "18322: State e-File Mandates."

Drake Portals
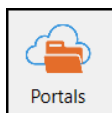
With more preparers than ever working with their clients via virtual means, Drake Portals continues to prove its value to preparers across the U.S.

Master Office Reports

Additional Reporting options are available for multi-sites. This enhancement allows the master office to run reports for their sub-offices who have portal accounts.

Drake Zero + Web1040

Historically, prior-year acknowledgments were not available on the Web platform. Preparers would file returns, then use the reports on the Drake Software Support website to view acknowledgments. Starting in tax year 2024, acks for prior-year returns can be shown on the Web application as well.

2 Installation & Setup

Read this section before installing your 2024 Drake Tax program.

Contents of Your Drake Tax Program

Drake Tax is available for download through the Support site at *Support.DrakeSoftware.com*. All federal packages (1040, 1120, 1120-S, 1065, 1041, 990, 706, and 709), as well as Drake Documents, practice returns, and an e-file program used to transmit test returns to Drake Software are included when you install the tax program. The *2024 Drake Tax Manual*, What's New, Desk Reference Guide, federal and state shipment letters, and helpful infographics are also available for download from the Drake Software Support website (*Support.DrakeSoftware.com* **> Support > Documents**).

State returns, the full e-file transmission program, bank products, the Drake Tax Planner™, city tax rates, and form-based data entry are activated in the full release of Drake Tax, available in January. Federal and state programs are updated via regular program updates thereafter. (See .) Supplemental manuals are made available during the full release of Drake Tax in January 2025.

Your Drake Tax serial number, e-file password, and Drake Software account number are required when installing the tax program. This data is found on the Support site (*Support.DrakeSoftware.com*). If you or a member of your firm does *not* have a

Drake Software account, you must create one via the Drake User Manager (*User. DrakeSoftware.com*). (See for details.)

System Requirements

Supported operating systems include:

- Windows 10
- Windows 11
- 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 .) Actual requirements vary based on your system's configuration and features, as well as other programs you install.

- Windows 10
- 2 GHz processor (Intel Core i3 or equivalent)
- 4 GB of RAM
- 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, and PPR purchases)
- Microsoft .NET Framework Version 4.7 or higher
- Microsoft .NET Core Desktop Runtime Version 8.0.0
- Microsoft ASP.NET Core Runtime Version 8.0.0
- WebView2 Runtime (needed for Drake Portals integration with Drake Documents)

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

- Monitor capable of 1920 x 1080 resolution

- High-speed Internet access for GruntWorx, Drake Portals, 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

- Microsoft Edge Internet browser (or other modern browser, such as Google Chrome or Firefox); Internet Explorer is not supported for Drake Zero and Web1040 products

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 Drake Tax updates and e-file returns.

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**.
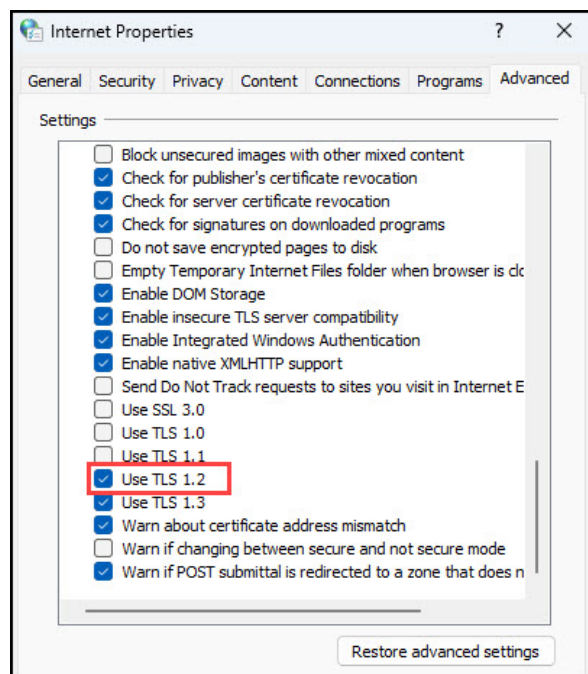
Installation and Download

To download the program from the Drake Software Support site:

1. Sign in to the Support site (*Support.DrakeSoftware.com*).

2. From the blue sidebar menu, select **Downloads > Drake Tax**.

3. From the **Tax Year** drop list, select **2024**. Download the program and choose a location to save the file in.

4. Open the downloaded file (**Drake24_Federal.exe**), and click **Yes** to begin installation. The **Drake 2024 Software Installation** window is opened. From here, jump to "Installation," following.

Installation

New for 2024: When installing Drake Tax, the installation drive will be automatically selected based on the location of the prior year program. If you have changed your network setup for the current year, you can select a different drive as needed.

The Drake Tax installation steps have been rearranged in a more logical manner, and helpful quick links are now available as you progress through the installation process. Use the new **Software Installation** menu bar to easily navigate to previously viewed installation steps. If additional peripheral programs are needed, the **Drake Tax Prerequisites Setup Wizard** is opened once you have finished installing Drake Tax; follow the steps to install the needed programs.

Once the **Drake 2024 Software Installation** window is open:

1. Read and accept the **Drake Software 2024 License Agreement**. Click **Next**.

2. The prior-year installation drive is automatically selected. To install in a different location, select the location and click **Next**.

3. **Install Drake Tax 2024** is marked by default; test returns must be installed with the preseason release and any initial Drake Tax installation but are optional when installing over an existing Drake Tax program. (For more on test returns, see "EF Test Returns and Practice Returns" on page 131.)

4. Select any desired state installs. (States are available in January 2025; see "State Returns" on page 25.) Click **Next**.

5. If you have a **Licensed version** of Drake Tax, enter your **Account number** and **Serial number**; use the **Look up your account number, EFIN, e-file password,** and **serial number** quick link to obtain this information if you do not have it already. Click **Next**.

6. Read the IRS Security Summit information and then **Install** Drake Tax.

7. If additional peripheral programs are needed, the **Drake Tax Prerequisites Setup Wizard** is opened. Follow the steps to install the needed programs.

8. When **Finished**, you are automatically returned to the **Home** page of the **Software Installation** window.

Figure 2-1: Updated **Software Installation** Window
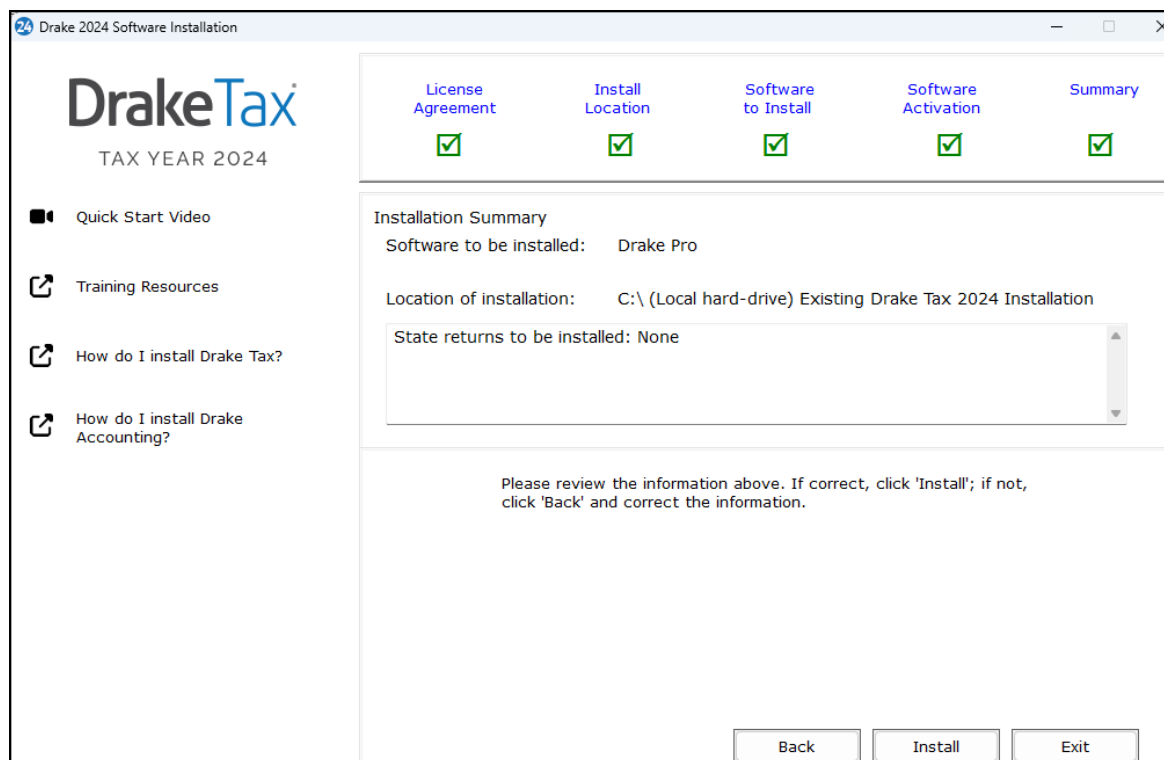
State Returns

Download state packages from Drake Tax beginning in January. State packages can be installed either during the installation process or later. (From the Drake Tax **Home** window, select **Tools > Install State Programs**.) Certain prior-year state packages (pre-2008) must be downloaded from the Support site. (See for details on installing pre-2008 state packages.)

Initial Setup

Much of the initial and vital setup procedures are handled via the Drake Software User Manager and Support site.

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

Drake User Manager

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

Access the Drake User Manager by logging in to either *User.DrakeSoftware.com* or from the Support site 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 their Drake Software credentials.

Figure 2-2: The **Applications** Page of the User Manager
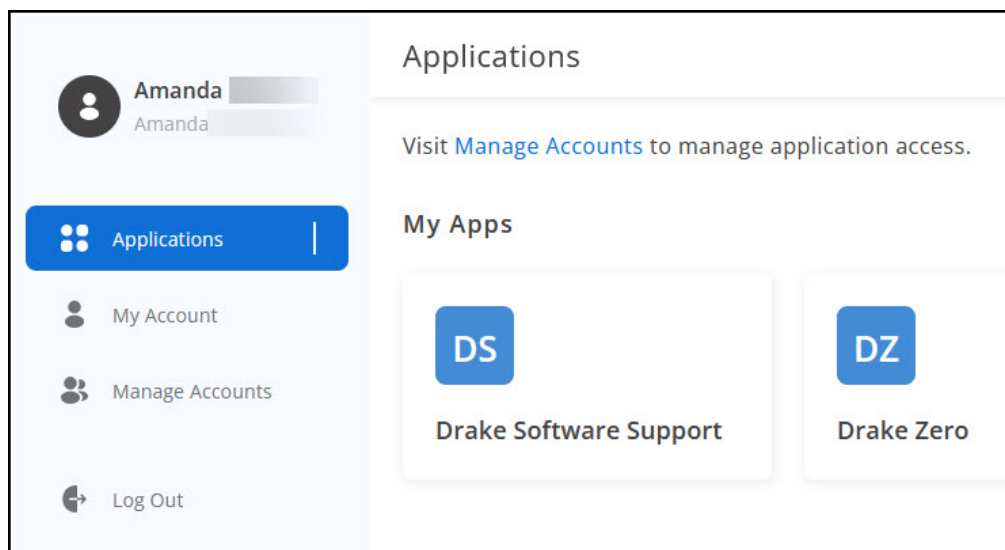
Any user that should have access to the Support site or other applicable Drake Software product (currently comprising Drake Portals, Drake Pay Manager, Drake Zero, Web1040, and Web Check Print) must be set up and granted the necessary permissions using the Drake User Manager.

A user must have admin rights for the Drake User Manager in order to add or remove users or adjust user permissions and application access.

Creating Users

To create a Drake Software account for an employee:

1.   From the menu bar of the Drake User Manager, click **Manage Accounts**.

2.   Click **Add User**. Enter the employee's **First Name**, **Last Name**, and **Email**. Drake Software recommends leaving the **Send onboarding email** option active. Click **Save**.

The employee must click the link in their onboarding email and follow the necessary steps to finish setting up their Drake Software account. For additional information

regarding the onboarding process, view <u>Knowledge Base article "17862: Drake User Manager - Onboarding."</u>

Modifying Users and Permissions

To edit an employee's account, including their access to Drake Software applications, from the menu bar of the Drake User Manager, click **Manage Accounts**, and select the employee's **Username**.

- To change any of the information on the **User Details** tab, click the three vertical dots ⋮ (below **Application Access**), and choose **Edit User**.

- To reset the employee's security questions, click the three vertical dots ⋮ (below **Application Access**), and choose **Clear Security Questions**.

- To add or change an employee's access level to a certain application, click the **Application Access** tab.

    ° If the employee is already set up with the desired application, in the **Action** column, click **Edit** 👥 to add or remove roles as needed. **Submit** your changes.

    ° If the employee is *not* set up with the desired application, use the **Applications** drop list. Select the appropriate product and assign any necessary roles. Click **Submit** when finished.

Hover your pointer over each role for a tooltip explaining what the role entails.

Removing or Disabling Users

To delete or temporarily revoke access to a Drake Software employee account, or to remove access to a certain application, from the menu bar of the Drake User Manager, click **Manage Accounts**, and select the employee's **Username**.

- To delete an employee's Drake Software account, click the three vertical dots ⋮ (below **Application Access**), and choose **Delete User**.

- To disable an employee's access to their Drake Software account, click the three vertical dots ⋮ (below **Application Access**), and choose **Edit User**. Change the **Status** to **Disabled**.

- To revoke access to an application, click the **Application Access** tab. In the **Action** column associated with the corresponding application, click **Delete** 🗑.

Drake Software Support Site

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

Account

Click **Account** to see a list of pages that contain 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 payment facilitation and bank applications; and check on your DIY Referrals.

e-File Password

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 2024 Drake Tax program in order to e-file tax returns. To change your e-file password, log in to the Support site, select **Account > E-file Password**, and **Edit** the appropriate password.

For information on entering your e-file password in Drake Tax, see "ERO Setup" on page 42.

Initial Log In

When you open Drake Tax for the first time, you are asked to set up a password for the primary administrator (ADMIN). This must be a "strong" password, meeting the listed **Password Requirements**. (See red box in Figure 2-3 on page 29.) 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 2-3: **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 fulfill requirements.

4. Click **Next** to open the **Security question** window.

5. Select a security question and enter 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 their phone and following the on-screen directions or opt out of MFA by selecting the corresponding box. (See "Multi-Factor Authentication" on page 31 for more.) Click **Finish**.

Passwords expire after 180 days.

"Timing Out"

After 30 minutes of inactivity, Drake Tax "times out"—the program locks, requiring the user to re-enter their 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 re-enter their password before they can access the program again. To change the inactivity time, go to **Setup > Preparers and Users** > select 10, 20 or 30 minutes from the **Inactivity Lockout Time** drop list.

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 screen **ADMN**. (These features can also be made available or unavailable to non-administrative users. See "Setting Up Preparer Security" on page 45.)

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

Forgotten Passwords

If a user forgets their Drake Tax password and clicks **Password Help**, only to discover they cannot remember the answers to their security questions, there is relief.

ADMIN

Under the security question field on the **Drake Tax Security** window, click the **Online password recovery** link. You are directed to the Drake Software's **Software Admin Password Recovery** page. Sign in using your Drake Software credentials, select the applicable program year, and click **Submit** to retrieve your password recovery code. Enter that code in the **Password** field of the tax program's login window, where you are later prompted to set up a new password.

- The **Online password recovery** link is available only to users logged in as "ADMIN."

- The recovery code expires after one hour.

Preparer

A preparer's password can be reset by the primary administrator only. When logged in as ADMIN, from the **Home** menu of Drake Tax, click **Setup > Preparers and Users**, and select the preparer whose password needs to be reset. Click **Reset Password**; the preparer is prompted to enter a new password upon their 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. Record this code, as it will be needed when the user attempts to log in. (See .)

Figure 2-4: 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, they 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 a few 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.

31

— 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. The following steps may vary by MFA provider, but in general, to continue the authentication process, the user must:

1. Activate the app on their phone.

2. Using the camera feature of the 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 2-5: Using MFA in Drake

After scanning the QR code, 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 28. For more on preparer setup, see "Preparer and User Setup" on page 43.

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 2024 or updated from Drake Tax 2023 (see "Setup Assistant" on page 38), 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. A message appears if you update your preparers from Drake Tax 2023 using the **Setup Assistant**, noting that MFA is active for all preparers.

Figure 2-6: MFA Activated for all Preparers
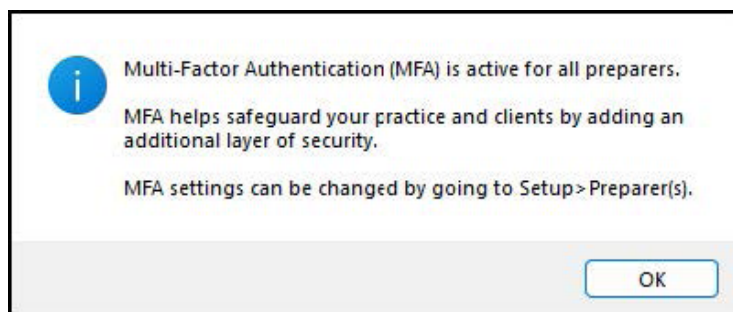
After initial setup, the primary admin can disable MFA from **Setup > Preparers and Users**; from there, the admin has the option to disable MFA for *all* preparers or on a per-preparer basis. From the **Home** window of Drake Tax, select **Setup > Preparers and Users**, and do one of the following:

- (*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 could keep the desktop icon from being produced.

> If 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 the network's file structure, from each workstation, follow the steps below (steps may vary based on the version of the computer's operating system):

1. Open the Windows File Explorer. (In the Windows search bar, type `file explorer` and press ENTER, or hold the Windows key and press E.)

2. Select the network server, and choose **DRAKE24 > FT**.

3. Right-click **DRAKETAX2024.EXE** and select **Show more options > 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 22. 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 is the default location for all current- and prior-year client files and returns, as well as 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 Drake Tax **Home** window, go to **Setup > Data Locations** (Figure 2-7 on page 35). To see a tutorial on setting data locations, click the blue play button ▶.

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 2-7: **Data Locations** Window
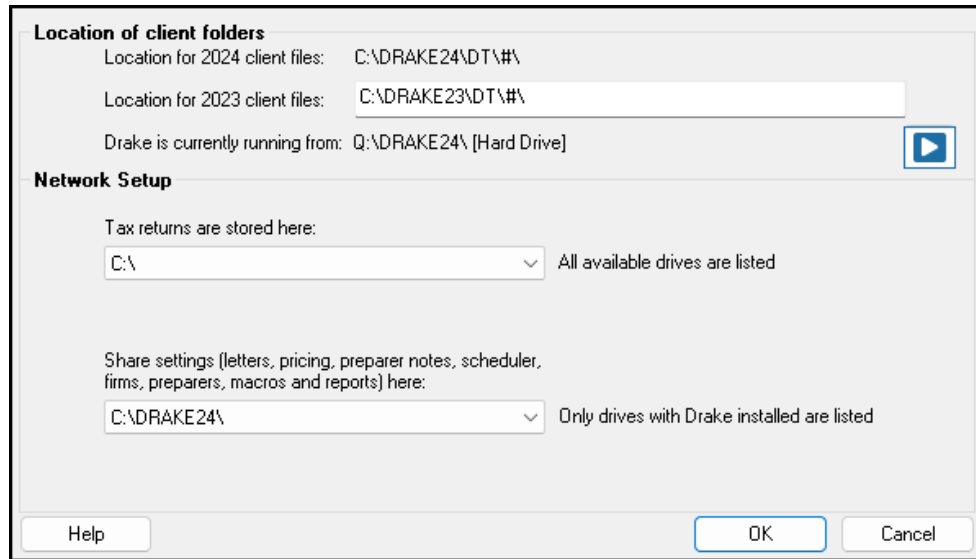
Server Networks

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

1. In your Windows search bar, type `run`, and press ENTER.

2. Type `F:\Drake24\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 below ([Figure 2-8](#)), prompting you to install Drake Tax prerequisites. Click **OK**.

Figure 2-8: Adding Network Shortcuts
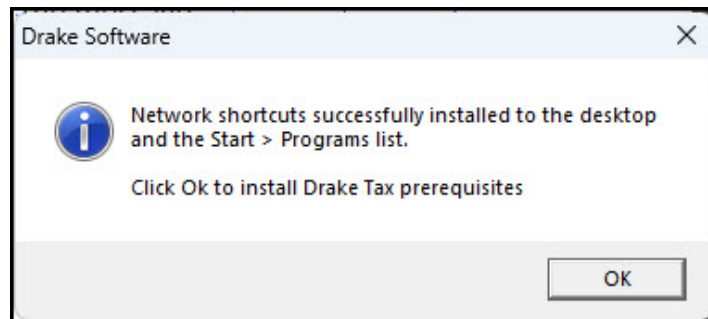
5. The **Drake Tax Prerequisites Setup** window is opened. **Install** the needed programs to complete set up, and click **Finished** when done.

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 the workstation-specific configuration settings are stored.

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 for 2023 client files** text box, enter the location where prior-year files are stored.

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, go to , and 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. From the **Tax returns are stored here** drop list, select the drive of the workstation designated as the "server."

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** to open the **Data Locations** dialog box.

2. Below **Network Setup**, use the **Share settings...** drop list to choose the drive where configuration settings are stored.

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** to open the **Data Locations** dialog box.

2.   In the **Location for 2023 client files** text box, enter the drive letter of the "server" workstation.

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 DRAKE24 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 location 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
Firms (See "Firm Setup" on page 40.)	**Options** (See "Setup Options" on page 50.)
ERO (See "ERO Setup" on page 42.)	**Pricing** (See "Pricing Setup" on page 65.)
Preparers and Users (See "Preparer and User Setup" on page 43.)	**Macros** (See "Macros Setup" on page 67.)
Data Locations (See "Single Stations and Network Options" on page 34.)	**Letters** (See "Parts of a Letter" on page 72.)
Pay Per Return (PPR clients only; download the PPR manual from *Support.DrakeSoftware.com* **> Support > Documents**. The PPR manual is available with the full release of Drake Tax in January.)	**Colors** (See "Color Setup" on page 86.)

If you used Drake Tax last year, you can bring forward most required program settings from your 2023 program. See "Updating Settings" on page 137 for details.

Setup Assistant

The Setup Assistant makes it easier for first-time users to enter 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 2024. The **Drake Setup Assistant** window (Figure 2-9) is opened automatically the first time you log in to Drake Tax.

Figure 2-9: Setup Assistant
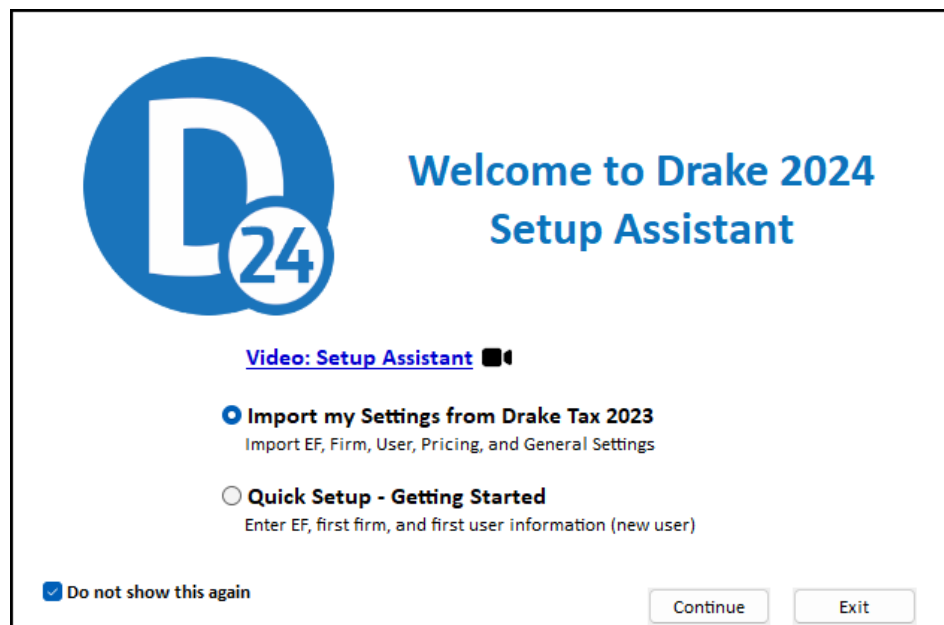
New Users

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 electronic filing information, firm information, or 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 > Preparers and Users**, 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 and User Setup" on page 43.

Returning Drake Users

Returning users should click **Import my Settings from Drake Tax 2023** to be presented with the option to update a variety of settings: EF and account information, preparers, firm information, pricing, letters, and other general settings (Scheduler appointments, colors, macros, reports, Drake Documents, etc.). A green check mark appears beside each completed setup item.

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. Reopen the Setup Assistant at any time by going to the menu bar of the **Home** window and selecting **Help > Setup Assistant**.

Figure 2-10: **Items to Update** Window of the Drake Setup Assistant
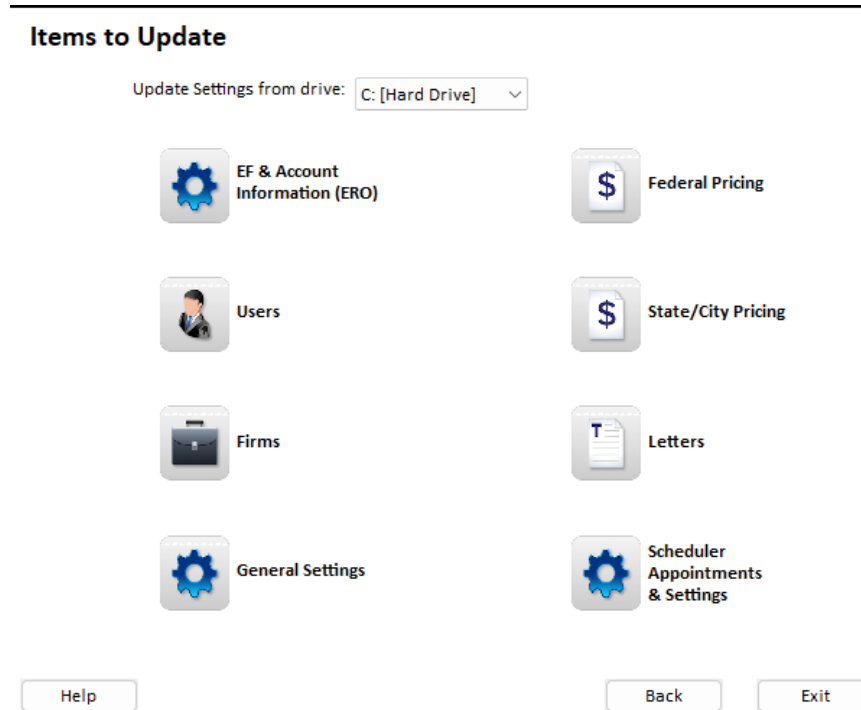
You are not required to use the Setup Assistant. All setup options available through the Assistant are also available through the **Setup** menu (from the **Home** window menu bar). See "Program Setup" on page 37 and "Setup Options" on page 50 for more.

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 **Users** to open the **Update Users** dialog box. At the bottom of the dialog box, mark the **I have verified each selected user'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 Users**.

Firm Setup

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

— Adding a Firm —

To add a firm in Firm Setup:

1.   From the menu bar of the Drake Tax **Home** window, go to **Setup > Firms**.

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 this screen only after the respective applications have been completed via the Support site (*Support.DrakeSoftware.com*) and your EFIN has been confirmed. For information on bank applications, see "Preparing to Offer Bank Products" on page 215.

- **EFIN Confirmation** — Enter your firm's Electronic Filer 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 EFIN Management team 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 only; for this reason, offices that e-file from multiple non-networked computers can still have DCN conflicts. These offices should "stagger" DCNs before any 2024 returns are created to avoid duplication. For instructions on staggering DCNs, see "Staggering DCNs" on page 238.

- **Non-paid-prep** — If the firm is not a paid preparer, enter on the **Settings** tab a **Non-paid-prep** 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 activate this feature, on the **Settings** tab, select **Enable Automatic Invoice Numbering**, and enter a **Starting Invoice #**. 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 also be entered globally from **Setup > Options > Billing** tab.)

- **Banking Information** — If you completed a bank application through the Support site (**Account > Bank Application**), clicking **Confirm** beside your EFIN also imports your bank application information into the **Banking** tab of Firm Setup. To modify your bank information, return to the bank application via the Support site. For details on bank applications, see "Managing Bank Products" on page 215.

- If you signed up for audit protection (see "Audit Protection" on page 168 for more details), your Protection Plus information is imported into the **Audit Protection** tab when you **Confirm** your EFIN. (Sign up for audit protection through the Drake Software Support website (**Products > Audit Assistance**)). When your client signs up for the service, indicate so on screen **AP** (1040 package only).

- Protection Plus reports are available on the Support site. 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 the Support site, 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. When finished, 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 the appropriate icon from the **Firm Setup** toolbar.

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 your **Account Number**, **EFIN**, and **e-File Password** (required), and the name, address, ZIP code, and EIN of the ERO (optional).

Figure 2-11: **Electronic Filing & Account Information (ERO) dialog box**

Click the **Use Firm #1 Info** button (red box in Figure 2-11) to import the information for the first firm listed in **Setup > Firms** 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 214); otherwise, leave this section blank.

5. If applicable, enter 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. (This field facilitates compliance with IRC § 7216; see .)

6. Click **OK**.

Click the **Test Account** button (blue box in) 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, e-file password, and serial number) are correct, the **Get Acknowledgments** window is opened, and your e-file setup is tested.

Preparer and User Setup

Preparer Setup fields and preparer security must be completed before a preparer can prepare and e-file returns. All preparers, data entry personnel, and 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 or User

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 > Preparers and Users**.

2. Click **Add** to activate the **User Setup** window.

3. Enter relevant information about the preparer into the **General Information** section. Any punctuation (periods, commas, apostrophes, etc.) included with the **User name** appears whenever the preparer's name is printed, including on letters and bills generated with the return.

4. (*if e-filing returns*) Complete all fields indicated by red text, such as **User name**, **PTIN**, and **Username**.

When the preparer logs in for the first time, they see the **Password Setup** window () 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 for more information.

6. (*optional*) Mark the **Disable preparer** box to lock the preparer out of the program. 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**.

   ° **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 this option if you are planning to use the e-signature rubberstamp feature. (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 187. Click the blue play button ▶ to see a short video tutorial on using 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** — (*if applicable*) Enter a bar, license, certification, registration, or enrollment number.

   ° **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. (*if applicable*) Enter **W-7 Acceptance Agent** information for the preparer. See the section "Acceptance Agent" on page 45.

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 certificates of accuracy, and forward the certificates and applications 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 > Preparers and Users**. Provide an **Agent title**, if appropriate. Enter the **Office code** assigned to the preparer on their 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 47 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 single preparer:

1.   From the **Home** window of Drake Tax, select **Setup > Preparer and Users.**

2.   From the **User Setup** window, double-click a preparer to edit, or click a preparer and choose **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 mark the items that the preparer should be allowed to access (Figure 2-12). Items left blank are inaccessible to the preparer.

Figure 2-12: Making Custom Security Settings for a Preparer
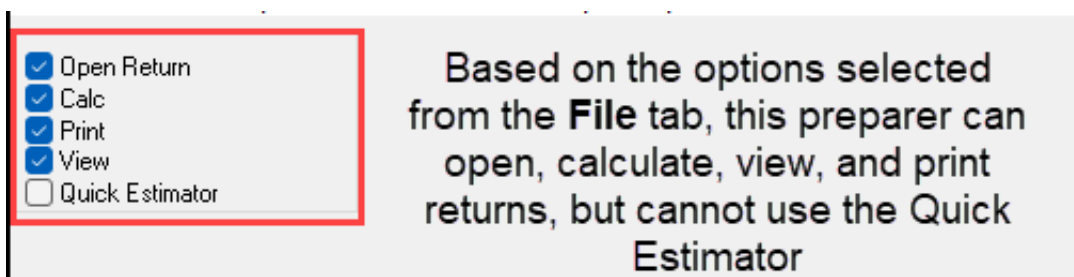
5.   Click **Save**. When prompted, click **OK**. Click **Save** and **Exit** to close **Preparer Setup**.

Other Security Options

Other security options for a single preparer 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 User	Employee is given security settings that match those of another user on the list.
Add User to Security Group	Add the user to a pre-established security group. (See "Setting Up Group Security" on page 47.)
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 > Preparers and Users > Security**, and select **Remove rights for ALL users** (Figure 2-13).

Figure 2-13: Removing Security Rights for all Non-Admin **Users**
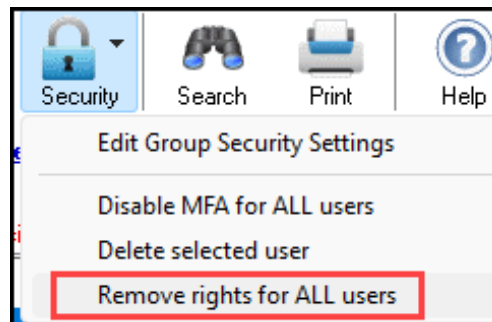
To remove rights for an *individual employee*, from the **User Setup** window toolbar, double-click a preparer, and choose **Security > Set Security to Allow No Options**.

Setting Up Group Security

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

To make entering employees' security settings quicker and easier, set up Group Security. Create as many security groups as needed (such as one for preparers, one for front-office personnel, one for anyone authorized to admin rights, etc.); note, however, that 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 their current group and added to the new one.

To apply group security:

1. From the **Home** window, select **Setup > Preparers and Users**.

2. From the toolbar of the **User 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 the following 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**. Enter a **Group ID** name and a **Group Description** (item #1 in).

   ° To edit an existing group, double-click the group (or highlight the group and click **Edit Group**).
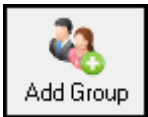
Figure 2-14: Adding a Security Group

4.   Under the **Security Settings** tab (item #2 in Figure 2-14), mark the boxes representing the features for which the group should have access. (**Security Settings** cannot be edited for **FULL** or **Admin** groups.) Click **Check All** (#3) to mark all boxes shown in all menu categories. To make specific selections, click the menu bar (**File**, **EF**, **Tools**, **Reports**, etc.,) and activate or deactivate permissions as desired.

5.   Use the **Assign Preparers** tab to perform either of the following actions:

     °   To add a preparer to the security group, either double-click the preparer from the **Available Preparers** list or click the preparer and choose **Select**. Alternately, **Select All** preparers. When a preparer is selected, they are moved to the **Preparers in Security Group** section.

     °   To remove a preparer from the security group, either double-click the preparer from the **Preparers in Security Group** list or click the name and choose **Unselect**. Alternately, **Unselect All** preparers. Removed preparers are returned to the **Available Preparers** section.

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 (contain no preparers) before it can be deleted.

Group Security Reports

The Group Security feature allows you to view and **Print** two reports related to group security settings; these reports can either be printed or exported as an Excel, .csv, or .txt file:

- **Group Security** report (**GROUPSECURITY.TXT**)— (*first report*) Includes group security settings for each group; groups are listed in order of creation, with default groups first

- **Group Preparers** report (**GROUPPREPS.TXT**)— (*second report*) Includes all groups and their assigned preparers

The most-recent version of each group report can be accessed at any time in the Report Viewer (accessed from the Drake Tax **Home** window menu bar via **Reports > Report Viewer**), where it can also be printed or exported.

Other Features

Drake Tax also allows you to build preparer schedules and run reports on existing preparers.

— Drake Tax Scheduler —

To create a preparer's daily schedule:

1. From **Setup > Preparers and Users**, double-click a name to select a preparer (or click the name once and then choose **Edit User)**.

2. Click **Schedule** to open the **Setup Schedule** dialog box.

3. Under **Standard Schedule**, select either one or multiple days, set the **In** and **Out** times that apply to those days, and **Apply** the changes.

4. Your changes appear in the preparer's **Standard Schedule** pane. **Save** the schedule when finished.
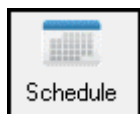
> To edit a schedule for one or multiple days, select the applicable days, and adjust the **In** and **Out** times as necessary. Any time blocks previously present for the selected days are overridden.

See "Scheduler" on page 151 for more information on using the Drake Scheduler.

49

— Preparer Reports —

To **Print** a list of existing preparers (able to be viewed, printed, or exported as an Excel, .csv, or .txt file) or **Search** for a specific preparer, click the respective icon on the **User Setup** toolbar (Figure 2-15). The most-recent preparer report (**PREPFILE.TXT**) can be accessed at any time in the Report Viewer (accessed from the Drake Tax **Home** window menu bar via **Reports > Report Viewer**).

Figure 2-15: The **Search** and **Print** Icons on the **User Setup** Toolbar
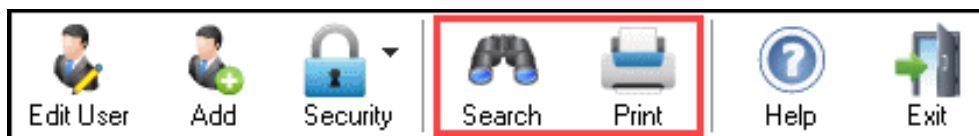
Pay-Per-Return Setup

(*PPR clients only*) For information on using and setting up Drake Tax PPR, see the *Drake Tax Manual: Pay-Per-Return (PPR)* supplement, available from the Support site (**Support > Documents**) or through the tax program (from the toolbar on the **Home** window of Drake Tax, go to **Support > Manual & Online Resources**). This manual is available with the full release of Drake Tax in January 2025.

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 – 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** Tab

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 TAB 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 entered ZIP code.
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 the primary SSN or EIN of a return to be entered twice, helping reduce errors.
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 complete required firm and preparer number fields on data entry screens.
Magnify data entry	Enlarge the active field for easier reading.
Activate W-2 wage and withholding verification fields	Require wage and withholding amounts be entered twice on screen **W2**, as well as federal and state distributions and federal withholding amounts on screen **1099**.
Do not restrict minimum font size in 800x600	(*sizing option for monitors with an 800 x 600 resolution*) Do not substitute fonts; automatically shrink text to fit on screens.
Use grid data entry format on available screens	Complete applicable screens using a spreadsheet environment.
Enable Data Entry toolbar	Activate the data entry screen toolbar. (See "Data Entry Toolbar" on page 119 for details.)
Disable TaxBook Research links	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 helps, error codes (EF Messages), and Return Notes.
Letter case for data entry	Choose between all uppercase letters and mixed case.
Display warning for missing required field	Choose frequency of warnings regarding missing required data: 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 & View/Print** Tab

Option	Description
Autocalculate tax return when exiting data entry	Automatically calculate the open return when closing the return.
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	Print each overflow statement on a separate page.
Go directly to form when accessing View or data entry mode	Go from a data entry screen to the corresponding form 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	Be notified of EF Messages via a "beep" when calculating a return.
Mask SSN, EFIN, PTIN on Client and Preparer Sets	Mask the 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 is not printed on the payment voucher or 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 cannot process the payment. Ensure the correct version of the voucher is used; these are 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	Prevent the direct deposit account number on Form 1040 from being masked.
Turn off auto-balance of the balance sheet	Force the 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, 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 (FTC) to be filed without Form 1116; the FTC instead flows to Schedule 3.
Pause option for calculation	Choose the circumstances under which the **Calculation Results** window appears, allowing you to review calculation results before proceeding to View/Print mode.

Option	Description
Number of days to store print files	Store print files from 1 – 9 days or remove them once the return is selected for e-file. If a return is needed after the print file is removed, recalculate the return to recreate 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** Tab

Option	Description
Print Schedule A only when required	Produce Schedule A only when taxpayer qualifies for itemized deductions.
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 tax year 2025 in addition to the one for 2024.
W-2/1099 forms	Produce and display all Forms W-2 and 1099-R with the return in View/Print mode.
Print two W-2/1099-Rs per page	If return has more than one Form W-2 or 1099-R, print two per page.
Print page 2 of Schedule K-1...	Produce page 2 of Schedule K-1 for Form 1041 and applicable K-1 codes for Forms 1120-S and 1065.
Print ES vouchers only when screen ES indicates	Print estimated tax vouchers only when screen **ES** exists.
Always show reason for no EIC	Generate a Return Note explaining why the taxpayer does not qualify for the Earned Income Credit (EIC).
Always show tax computation worksheet	Generate the Computation of Regular Tax worksheet ("Tax Computation" in View/Print mode), showing how the program calculates the tax on line 16 of Form 1040.

Option	Description
Print shareholder's/partner's adjusted basis worksheet (1120-S/1065 packages only)	Automatically print a partner's or shareholder's Basis Worksheet ("Wks Adj Basis" (1065)/"Wks SBAS" (1120-S) in View/Print mode).
1040-SR suppress	Choose to have Form 1040 generated and Form 1040-SR suppressed globally when the taxpayer is eligible to use Form 1040-SR.
Form 8879 bank account options	Select an option for printing bank account information on Form 8879.
Select to Turn On	Produce lists of the following items (W-2, W-2G, 1099-M, 1099-NEC, 1099-R, federal withholding lists (see notes below), dividends, interest, and K-1s) when the selected number is exceeded.

- Many of these settings can be adjusted on a per-return basis. See .

- The program produces a Federal Income Tax Withheld worksheet ("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 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 List if more than** 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 cover sheets and envelopes for a single return on screen **COMM**.

Table 2-7: Setup Options: **Optional Documents** Tab

Option	Description
Folder coversheet	Generate a folder cover sheet on which the taxpayers' names, as well as the name, address, and phone number of the preparer's firm, are printed.

Option	Description
Prior year(s) comparison form	Produce a comparison sheet containing data from the current- 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, IRS Service Center, state tax department, and city tax office, as well as the address for filing Schedules K-1 and the address of the preparer's firm.
Do not print taxpayer envelope sheet with organizer	Prevent a cover sheet addressed to the taxpayer from being included with organizers; any selection from the **Taxpayer address** drop list is still included when the return is printed.
Do not print firm envelope sheet with organizer	Prevent a cover sheet addressed to the firm from being included with organizers; any selection from the **Firm address** drop list is still included when the return is printed.
Estimated payment coversheet (Nelco ENV500)	Print cover sheets for applicable estimated tax payment addresses using Nelco ENV500 envelope dimensions (1040 and 1041 returns with quarterly taxes only).
Order Nelco compatible presentation products (link)	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: Setup Options: **Optional Items on Return** Tab

Option	Description
Date on return	Print the current date 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.
Print dates for taxpayer and spouse signatures (excludes 1040)	Print taxpayer and spouse signature dates on the return (excluding Form 1040).
Taxpayer phone number	Print the taxpayer's phone number (entered on screen **1**) on the return.
Taxpayer email address	Print the taxpayer's email address (entered on screen **1**) on the return.
Preparer	Select an ERO or individual preparer to act as the taxpayer's third-party designee.

Option	Description
Interest and Penalty Calculation	Calculate penalties and interest on returns filed after the due date using IRS quarterly interest rates. For more information, see "Setting Up Preferences" on page 195.

Client Communications

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

Table 2-9: Setup Options: **Client Communications** Tab

Option	Description
Letter Selection (all packages)	Select the Client Results letter template to be used for each return in the corresponding package. For more information on each template, see Table 2-15 on page 78.
Additional Letter Options:	
• **Include privacy letter with returns**	Print the Privacy Disclosure letter with every return.
• **Include engagement letter with returns**	Generate an Engagement letter when the return is calculated (all packages). At the end of the letter template are spaces for client and preparer signatures. Engagement letters can also be produced prior to completing the return via **Tools > Client Communications > Letters**.
• **Include customized supplemental letter with returns**	Print a customized letter that can be used for various purposes. (See Table 2-15 on page 78.)
• **Include K-1 letter with returns**	Print the cover letter for individual Schedules K-1 (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 use neither.
Filing Instructions:	
• **Federal**	Choose 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. Federal filing instructions include the due date of the return, form to be filed, return's mailing address, and any tax due or refund amount. 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 using the **COMM** screen (**Print federal filing instructions** drop list).

Option	Description
• **State**	Produce a sheet of detailed state filing information that includes the due date of the return, the form to be filed, return's mailing address, and any tax due or refund amount. The instructions are listed as "ST INST." ("ST" refers to the state abbreviation; for example, "OH INST" 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 (**Print state filing instructions** drop list).
• **Print filing instructions for federal Forms 8878 and 8879**	Produce filing instructions for the applicable IRS Form 8878, IRS e-file Signature Authorization for Form 4868 or Form 2350, or Form 8879, IRS e-file Signature Authorization.
Use paper-filing information...	Produce information specific to paper-filed returns in federal and state letters and filing instructions.
Referral Coupons (3 per sheet)	Offer clients discounts for referring other clients (1040 package only). Enter the number of referral sheets to print per return and the referral (coupon) amount. No coupons are printed if there is not an entry in the **Sheets per return** field. To customize your coupons, from the **Home** window menu bar, go to **Setup > Communications Editor**. Click **Open > Individual > Individual Referral Coupon**. See "Client Communications Editor" on page 72 for details on editing the coupon.
• **Do not print referral coupons with organizer**	Prevent referral coupons from being printed with organizers even if a number is present in the **Sheets per return** field.

To override the default Client Results letter for individual clients, see "Overriding Letters Setup" on page 100.

Billing

There are three bill types: a comprehensive itemized bill and a one-page summary bill. 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 85.) For information on accepting credit, debit, or contactless payments from your customers, see "Digital Payments for Services Rendered" on page 202.

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

Table 2-10: Setup Options: **Billing** Tab

Option	Description
Select Bill format:	
• **Comprehensive Bill**	Generate an itemized client bill (all packages)
• **Comprehensive Bill - Do not print table grid**	Generate an itemized client bill without the grid (all packages)

Option	Description
• **Summary Bill**	Generate a summarized client bill (all packages).
All Bill formats:	
• **Show preparer fees withheld from bank product**	Print preparer fees withheld from the bank product on the bill.
• **State sales tax** • **Local sales tax**	Enter state and local sales tax rates to add to each bill; enter amounts as decimals or whole numbers. 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 40) or per return ("Adjusting Individual Amounts" on page 99).
• **Billing statement format**	Choose to not produce a bill or select from among six formatting options, including: • **Show only total amount** — Only a total; does not display an itemized list of forms being billed for (Comprehensive bill only) • **Show form list and total** — An itemized list but no price-per-form, only a total (Comprehensive bill only) • **Show forms, form prices, and total** — An itemized list, price-per-form, and total (Comprehensive bill only) • **Bill by time** — Time = spent preparing the return, multiplied by the preparer's **Hourly rate** (defined in **Setup > Preparers and Users**) • **Show forms, number of forms, and charges per form** — An itemized list of charges based on forms present in the return and associated form prices (entered in **Setup > Pricing**) • **Move prep time charge to bottom of bill** — A bill by time but with the total at the bottom Drake Tax prepares a "Bill Summary" by default in View/Print mode, along with whatever option is selected here, unless the **Bill summary** check box is cleared at **Setup > Options > Optional Documents** tab.
• **Header on bill**	• **Show preparer's name** — Print the sentence, "Your 2024 tax return was prepared by [return preparer's name]," on the bill (Comprehensive bill only). • **Show only tax year** — Prints the sentence, "2024 Tax Year Statement" on the bill (Comprehensive bill only). • **Professional services statement** — Prints the sentence, "For professional services rendered in connection with the preparation of your 2024 tax return," on the bill (Comprehensive bill only).

States

To select options for state returns, choose the **States** tab, and select a state from the drop list. Activate or disable options as desired and click **OK**. Available options depend on the chosen state. For more on specific state options, 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** data entry screen.

Table 2-11: Setup Options: **EF** Tab

Option	Description
Auto-generate taxpayer(s) PIN (1040 Only)	Assign a randomly generated PIN to each taxpayer and spouse.
Require 'Ready for EF' indicator on EF **screen**	Require the **Ready for EF** indicator on screen **EF** 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 the next time you open the return.
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 federal returns from being e-filed.
Print EF status page	Generate an EF Transmission Status page ("EF Status" in View/Print mode) 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 the return does not include a bank product. (To override, see "Overriding Bank-Product Alert" on page 244.)
Activate imperfect return election in data entry	Allow the option **Imperfect return election** to be selected on screen **EF**.
Allow EF Selection from the Calculation results window	Allow the preparer to send the open return directly to the e-file queue via the **Calculations Results** window.
Allow EF from View/Print (ADMIN Only)	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 Check Print records.

Option	Description
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 the taxpayer when the return is accepted. (The client's email address must be present on screen **1**.) Override this selection on screen **EF** using the **Email 9325 notice to taxpayer** drop list. This feature includes individual state returns, federal and state business returns, and FBARs.
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, see "Electronic Signatures" on page 187. Override this selection on screen **EF** by selecting **e-Signature NOT required on this return**.
Disallow EF selection if DoubleCheck Review flag exists	Require all DoubleCheck flags in View/Print mode to be removed before the return can be sent to the e-file queue. (See "LinkBacks and DoubleChecks" on page 183.)
Default ERO	Choose a preparer number, **Paid Preparer**, or **None** to indicate what ERO name should appear on all applicable return documents. Override this selection on screen **1** (**ERO #** field) or **PREP** (**FEDERAL PREPARERS** section).
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, all 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 (*Support.DrakeSoftware.com* **> Reports > MOM**).
State EF	Suppress e-file for all state returns, or select individual states to always suppress.
EF Selection Report Options	Customize EF Selection reports by specifying which columns (such as SSN/EIN, client name, refund/balance due, etc.) to include in the EF Selection report.

Administrative 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** Tab

| Option	Description
Use customized data entry selection menu	Make certain forms or screens visible, hidden, or inaccessible to users without administrative rights. See "Locking Screens" on page 62.
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 screen **BILL**. See "Customized Drop Lists" on page 63.
Allow preparer access to same-firm returns only	Prevent 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 > Preparers and Users** (does not affect primary ADMIN and users with administrative rights).
Use customized flagged fields on all returns (federal returns only)	Select this box, click **Flag**, and select a package type. Open 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 administrative rights; click the field again or right-click and select **Unlock Field** to remove the lock. (For locking screens instead of fields, see "Locking Screens" on page 62.) Press Esc to save your changes.
Apply current-year Admin flag settings when updating from prior year	Update flags set globally in Drake Tax 2023 to Drake Tax 2024 (after updating data from **Last Year Data > Update Settings 2023 to 2024 > General Settings > Options**).
Authorize/Request the disclosure of certain taxpayer information	Activate certain program functions for select third-party vendors. Contact your 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 screen **PRNT** 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 (PCM) on the Drake Tax **Home** window for the logged-in preparer.
Bank Products – State laws regarding fees: Charge ALL taxpayers the same fees	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.

Option	Description
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. Override these settings on a per-return basis in View/Print mode by going to **Print > Print Selected Form(s) to PDF Document**.
Return Status Notification Programs	Receive return status notifications through ABCvoice. • Generate 7216-series consent forms for the customer to sign. • Require contact information (phone number and email on screen **1** or **ABCV**).
Include password protected returns in reports (ADMIN Only)	Password-protect returns generated on reports that are able to be printed within the Report Manager.

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. To lock screens:

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 Menu** is opened, select a **Package** and **Package Type**, then click **Load Menu**. A version of the **Data Entry Menu** is opened, each screen listed with an adjoining check box ([Figure 2-17](#)).

Figure 2-17: Locking and Hiding Screens
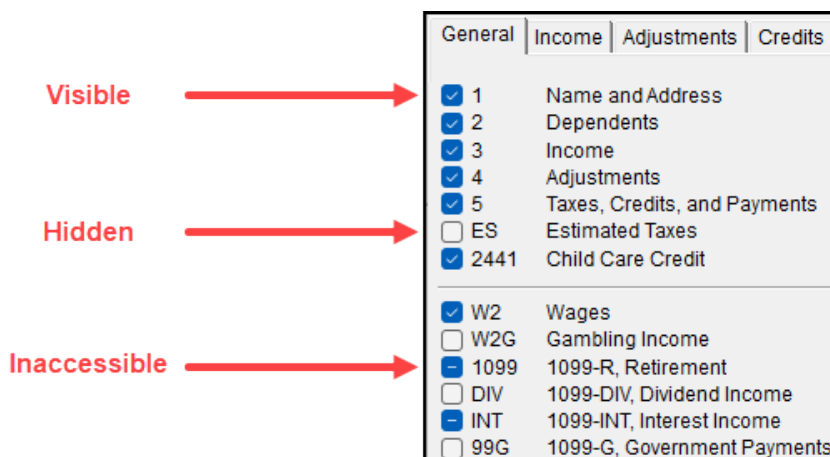
Click a screen's check box to lock it, make it visible, or hide it (default is visible). Examples are shown in Figure 2-17 on page 62 and described, following:

- ° **Visible** — Items with a *check mark* are both visible and accessible.
- ° **Hidden** — Items with *a clear check box* are not visible on the **Data Entry Menu** but can still be accessed using the Selector field.
- ° **Inaccessible** — Items with a *hyphen (minus sign (-))* are not visible on the **Data Entry Menu** cannot be accessed using the Selector field.

4. **Save** your changes or click **Cancel** to close the menu without saving your changes. 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 item 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**. Afterward, 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 **Code 1** (on screen **1**) with user-defined referral codes of "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 64) to open the **Customizable Dropdowns in Data Entry** dialog box.

Figure 2-19: Click the Second **Customize** Button
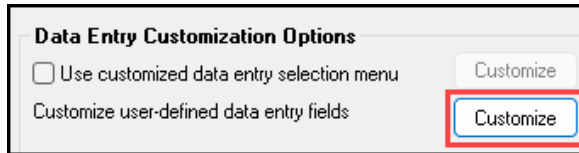
3.   Select an item (for instance, **Name and Address Screen – Miscellaneous Code 1**) and click **Edit** to open the **Customizable Dropdowns – Edit Entries** dialog box.

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
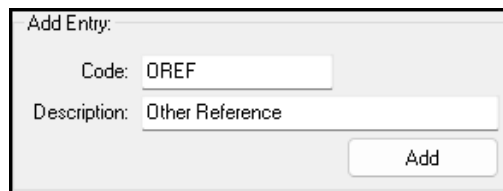
5.   Repeat the previous two steps for additional drop list items. When added, items are displayed in the **Entry List** on the left side of the dialog box. (See <u>Figure 2-18 on page 63</u>.)

6.   The **Edit Entries** dialog box also offers the following options:

°   **Edit** — Select an item from the **Entry List** to 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, 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 <u>"Customized Drop Lists" on page 63</u>, and in step <u>3</u>, 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 list items to the **BILL** screen. (See Figure 2-21 for an example.)

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

Pricing Setup

Pricing Setup is the central location for modifying billing and printing details, including the price of forms, form print order, and forms to be included on bills. The user can break down the pricing and modify them as individual sets. The **Pricing Setup** window has been redesigned, combining and optimizing the functionality of the prior-year **Pricing Setup**, **Printing**, **Sets**, and **Sort Form Order** windows. Choose the applicable **Return Type** and use the **Fed/State** drop list to filter by federal, state, and city forms. Double-click any field to adjust a variety of details, including form descriptions, global prices, and the quantity and type of copies in specific sets. Click, drag, and drop multiple forms at once to modify the order in which they appear in View/Print mode (available when the **Category** is **Default View**), and indicate what documents to display on client bills. Search the current list view for desired forms, using the arrow keys to navigate through the search (or, alternatively, use F3 and Shift+F3), and copy one set over another. Change a form's Category, and select the **Bill Options** icon to indicate what types of documents to include on client bills. You can also sort the current list by column headers; to reset the current list view (unsort via column headers), exit and reopen Pricing Setup.

Prior-year pricing options can be automatically updated to the current-year version of Drake Tax (**Last Year Data > Update Settings 2023 to 2024 > Federal Pricing** or **State/City Pricing**).

To set up pricing:

1. From the **Home** window, go to **Setup > Pricing** to open the **Pricing Setup** window.

2. Choose the applicable **Return Type** and **Fed/State** type to filter by federal, state, and city forms; narrow your search further using the **Category** drop list, or choose a print set. The results are displayed in the grid below. **Search** the current list for a specific form by clicking the corresponding icon or pressing F3; use the arrow keys to navigate through the search (or, alternatively, use F3 and SHIFT+F3).

You can also use the column headers to sort forms. To reset the current view (unsort by column headers), exit and reopen Pricing Setup.

Figure 2-22: The **Pricing Setup** Window

Number	Form Name	Description	Form Price	Item Price	Bill	Pages	Category	Sign Copy	Est Copy	Client Copy	Prep Copy	Fed Copy	State Copy
96	Form 9325	General Information for Electronic Filing	$0.00		✓	1	EF	0	0	1	1	0	0
499	EF Notice - FBAR	E-file Notification for FBAR	$0.00		✓	1	EF	0	0	1	1	0	0
188	EF PDF	Federal PDF Attachments	$0.00		✓	1	EF	0	0	1	1	0	0
97	Form 1040-X	Amended Income Tax Return	$0.00		✓	2	Forms	0	0	1	1	1	0
1	Form 1040	U.S. Individual Income Tax Return	$0.00		✓	2	Forms	0	0	1	1	1	0
2	Form 1040-SR	U.S. Tax Return for Seniors, page 1	$0.00		✓	1	Forms	0	0	1	1	1	0
3	Form 1040-SR pg 2	U.S. Tax Return for Seniors, page 2	$0.00		✓	1	Forms	0	0	1	1	1	0
4	Form 1040-SR pg 3	U.S. Tax Return for Seniors, page 3	$0.00		✓	1	Forms	0	0	1	1	1	0
5	Form 1040-SR pg 4	U.S. Tax Return for Seniors, page 4	$0.00		✓	1	Forms	0	0	1	1	1	0
605	Form 1040-SS	U.S. Self-Employment Tax Return, page 1	$0.00		✓	1	Forms	0	0	1	1	1	0
606	Form 1040-SS pg 2	U.S. Self-Employment Tax Return, page 2	$0.00		✓	1	Forms	0	0	1	1	1	0
413	Form 1040-NR	U.S. Nonresident Income Tax Return	$0.00		✓	2	Forms	0	0	1	1	1	0
601	Schedule 1	Additional Income and Adjustments to Income	$0.00		✓	2	Forms	0	0	1	1	1	0
602	Schedule 2	Additional Taxes	$0.00		✓	2	Forms	0	0	1	1	1	0
603	Schedule 3	Additional Credits and Payments	$0.00		✓	2	Forms	0	0	1	1	1	0
461	Form 2210	Underpayment Penalty	$0.00		✓	1	Forms	0	0	1	1	1	0
463	Form 2210 pg 2	Underpayment Penalty - Regular Method	$0.00		✓	1	Forms	0	0	1	1	1	0
464	Form 2210 pg 3	Underpayment Penalty - Annualized Income	$0.00		✓	1	Forms	0	0	1	1	1	0
465	Form 2210F	Underpayment Penalty - Farmers and Fishermen	$0.00		✓	1	Forms	0	0	1	1	1	0
7	Schedule A	Itemized Deductions	$0.00	$0.00	✓	1	Forms	0	0	1	1	1	0
415	Schedule A - 1040-NR	Schedule A - Itemized Deductions	$0.00		✓	1	Forms	0	0	1	1	1	0
416	Schedule NEC - 1040-NR	Schedule NEC - Tax Not Connected With U.S.	$0.00		✓	1	Forms	0	0	1	1	1	0
417	Schedule OI - 1040-NR	Schedule OI - Other Information	$0.00		✓	1	Forms	0	0	1	1	1	0
8	Schedule B	Interest and Ordinary Dividends	$0.00	$0.00	✓	1	Forms	0	0	1	1	1	0
9	Schedule C	Profit or Loss from Business	$0.00	$0.00	✓	2	Forms	0	0	1	1	1	0
11	Schedule D	Capital Gains and Losses	$0.00		✓	2	Forms	0	0	1	1	1	0

Return Type: Individual   Category: Default View
Fed/State: Federal   Sets: Default View
Restore   Copy Sets   Search   Bill Options   Print   Help   Exit

Drag & Drop Mode: Default View Form Order

3. Select a form in the grid or double-click the form. All editable fields become active.

> Drake Software does *not* recommend editing the form name in order to better assist with troubleshooting.

4. (*optional*) Adjust what forms are produced on the client bill by selecting or clearing the corresponding **Bill** check box. Click the **Bill Options** icon to add or remove batches of forms from the bill.

5. Enter pricing information in the **Form Price** and **Item Price** fields.

   ° When an **Item Price** entry is not applicable for a form, the field is unavailable. **Item Price** is activated only when multiples of a form are allowed.

   ° If 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, select a **Category** of **Per Item Charges**.)

By default, all changes are saved automatically. To disregard all changes made during your current Pricing Setup session, click the arrow beside **Exit** and select **Exit without saving**.

Repeat these steps for each form, or set pricing for only the most commonly used forms. You can also adjust form pricing on the fly from within a return. For more information, see .

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 **387** in the **Pricing Setup** window to assign a fee name, description, and amount.

- **Financial Product Assistance Fee** — Use this option (item **212** 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 are 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.)

  ° 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 **Bill** check box is *not* marked for item **212**.

Minimum and Maximum Fees

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

1. From **Setup > Pricing**, locate form numbers **255** (**Minimum Fee**) and **256** (**Maximum Fee**).

2. Double-click a row and enter the **Form Price** (fee). Your changes are saved automatically.

If incorrect charges are generated on bills, check the minimum and maximum fees to see if they 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" and its associated information 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; other macros, such as those that open screens, can be used from the **Data Entry Menu**. To view available macros, click a field and press Ctrl+Shift+M, or right-click a field and select **Macros**, 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, and the corresponding data appears on the screen.

Creating New Macros

To create your own macros in Drake Tax:

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

2. Double-click a line to open the **Edit Macro** window.

3. Construct a simple formula of words and operators to enter the desired data. Symbols for non-character shortcuts are listed below in Table 2-13. To automatically create a macro using the key strokes you would use in data entry, go to "Recording Macros" on page 70.

Table 2-13: Macro Symbols

Symbol	Action
<	Move cursor back one field. If < 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 > 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 ~ 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
X	Mark a check box.
[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 # 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 #. (See "Heads-Down Data Entry" on page 131.) Recording combination: Ctrl+N

Symbol	Action
*	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. An Existing Forms List is opened whenever there is more than one record of a certain screen (such as two screens **C**) and Grid Data Entry is either deactivated or not available for the selected screen. When an Existing Forms List is displayed, 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 * 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]	Move the cursor to the first field on a screen.
[End]	Move the cursor to the last field on a screen.
[FF:#]	Move the cursor ahead a prescribed number of fields. For instance, [FF:5] moves the cursor ahead five fields. This macro is not compatible with macros that use, or are initiated in, heads-down mode.
[FB:#]	Move the cursor back a prescribed number of fields. For instance, [FB:5] moves the cursor back five fields. This macro is not compatible with macros that use, or are initiated in, heads-down mode.
[FJ:#]	Move the cursor to the prescribed field number. For instance, [FJ:25] moves 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.
[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 Schedule 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 **1065 K1 12 – 20** tab to the **1065 K1 1 – 11** tab.

4. Click **Save** when finished.

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. Open a return and go to screen **1**.

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, enters "Atlanta" for the **City**, "GA" for the **State**, a **ZIP** code of "30331," "Fulton" in the **County** field, then jumps ahead two fields and enters "GA" for the **Resident state**.

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>#28>X>#~` would open the **EF** screen (EF>), toggle heads-down data entry mode to ON (#), go to field 28 (28>), select the box to **Suppress federal/state EF and all bank products** (X), toggle heads-down mode to OFF (#), save the data, and exit 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.

Click **Stop** to finish recording and **Save** your changes. lists all operators used in building macros.

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.

There are also Engagement letters, Extension letters, letters with amended returns, payment reminders, appointment reminders, Preseason and Postseason letters, cover letters, and letter

templates that can be used as a blueprint for building your own custom letters—all of which can be edited and customized.

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

Drake Tax assumes that the preparer intends to e-file all eligible returns; therefore, all filing instructions and Client Results letters contain information specific to e-filed returns.

To produce paper-file instructions for *all returns*, mark the **Use paper-filing information...** check box at **Setup > Options > Client Communications** tab. To produce paper-file information for a *single return*, mark the applicable **Paper** check box on screen **COMM**, or select **Yes** from the respective drop list.

Editing Modes

There are two modes used for viewing and editing letters: Full Edit 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 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 Edit and Outline mode. For more on Outline mode, see .

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 purchases with refunds, bank product refunds, installment agreements, and estimated payments. The Federal, States, Cities Only Result Letter has much of the same information, without the state "OtherTax" 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 a customized 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.

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 mode. From the toolbar, click **Full Edit** to switch to Full Edit mode. (For more on Outline mode, see "Available Letter Templates" on page 77.) In Full Edit mode, the right pane of the Editor displays the letter template; the left pane displays, in a 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 collapse 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.
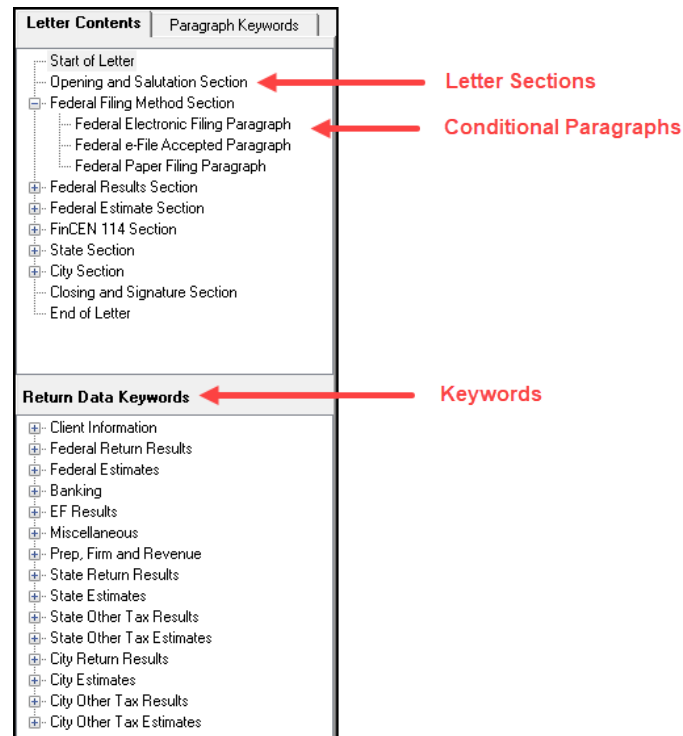
Parts of a Letter

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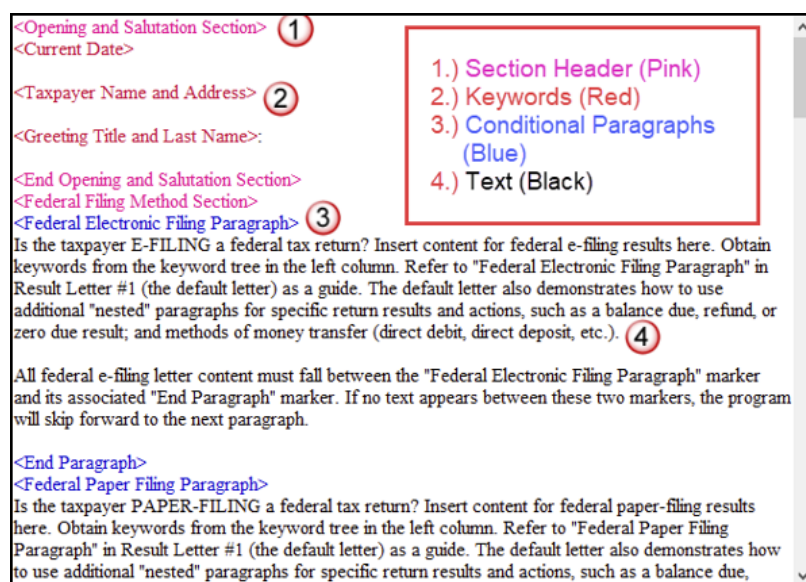
Sections make it easier to find the text and keywords you want to edit. Sections are listed under the **Paragraph Keywords** tab and include such sections as "Opening and Salutation Section," "Federal Filing Method Section," "State Income Tax Estimate Section," etc.

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 A.")

To change the text 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* text tags 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 *federal balance due* and has selected to pay by *direct debit*.

Figure 2-24: Conditional Paragraph Offset with Green Tags

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

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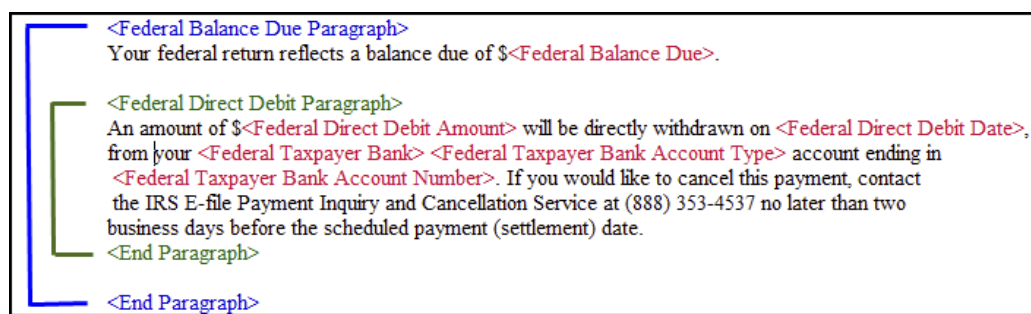
In this example, the **Federal Direct Debit Paragraph** is generated *only* if the **Federal Balance Due Paragraph** is generated, and only if applicable for a return.

Letter Editing Options

To edit a letter:

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

   ° In Outline mode, double-click a **Sections** 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 for more information on editing letters in Outline mode.)

   ° 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** is opened to the last letter template viewed.

   ---

2. To edit the letter's 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 redo, 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.) In the

letter pane, click where you want the new item to go. Double-click a keyword from the tree; the selected keyword is added to the letter with a line for new text.

4. To add a *data entry* keyword to the letter, make a selection from the **Return Data Keywords** tree on the bottom of the left column (Full Edit mode) or from the tree on the left side of the **Edit...Paragraph** dialog box (Outline mode). In the letter pane, click where you want the new item to go. Double-click a keyword from the tree; the selected keyword is added to the letter.

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!*) or press either DELETE or BACKSPACE. Click **OK**.

6. Click **Save**.

The following table covers Rich Text Format (RTF) keyboard shortcuts that can be used within the Client Communications Editor to make editing letters faster and easier.

Table 2-14: Client Communications Editor Keyboard Shortcuts

Keyboard Shortcut	Description
CTRL+B	Apply or remove **bold** formatting.
CTRL+C	Copy text.
CTRL+SHIFT+C	Copy text and text formatting.
CTRL+X	Cut text.
CTRL+BACKSPACE	Delete word to the left of cursor.
CTRL+DELETE	Delete word to the right of cursor.
SHIFT+ ←	Select or extend selected text one character to the left.
SHIFT+ →	Select or extend selected text one character to the right.
CTRL+SHIFT+ ←	Select all text within the current word that is left of the cursor
CTRL+SHIFT+ →	Select all text within the current word that is right of the cursor
CTRL+F	Search the current letter and find desired text.
SHIFT+ENTER	Insert blank line.
CTRL+I	Apply or remove *italic* formatting.
CTRL+1	Change the line spacing of the current paragraph to single spacing
CTRL+5	Change the line spacing of the current paragraph to 1.5 spacing
←	Move cursor one character to the left.
→	Move cursor one character to the right.
CTRL+ ←	Move cursor one word to the left.

Keyboard Shortcut	Description
CTRL+ →	Move cursor one word to the right.
CTRL+V	Paste text.
CTRL+SHIFT+V	Paste text and text formatting.
CTRL+P	Print the active letter.
CTRL+Y	Redo action.
CTRL+R	Find and replace desired text.
CTRL+S	Save the current letter.
CTRL+A	Select all text and text formatting.
CTRL+U	Apply or remove underline formatting.
CTRL+Z	Undo action.

Naming a Template

Each template has a default name. (See). To assign a new name:

1.   From the Client Communications Editor, click **Open** and select a letter template.
2.   Click **Setup > Rename Letter** (or press CTRL+N) to open the **Rename Letter** dialog box.
3.   Enter the desired name and click **OK**.

The new name is displayed in the **Client Communications Editor** title bar and when selecting a letter from **Open**.

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 Returns

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

The Letter Preview feature is available for only result letters and the Privacy letter. To preview the open letter, click **Preview**.

Bringing Forward a Letter

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 Letter** dialog box.
3. Select the drive on which the prior-year letter is stored.
4. Select the desired prior-year letter for the current letter package.
5. Click **Continue**.
6. When prompted, click **Yes**.

- If you bring 2023 letters forward into the 2024 program, you overwrite any changes made to the 2024 letters.

- Be sure to read through the replacement letter to ensure that the information is current and accurate.

- Only one letter can be updated at a time

Available Letter Templates

Table 2-15 on page 78 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 315.)

Table 2-15: 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 2025 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)
Preseason Letter*	Reminder to 2023 clients that tax season is coming up; all applicable packages
Postseason Letter*	Letter thanking 2024 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)

Letter Template	Description
Engagement Letter*	Standard Engagement letter for tax services (all packages)
e-File Status Letter*	Provides 2024 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, 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), with the various conditional paragraphs grouped under the Section tags.

Figure 2-26: Section Tags and Conditional Paragraphs in Outline Mode
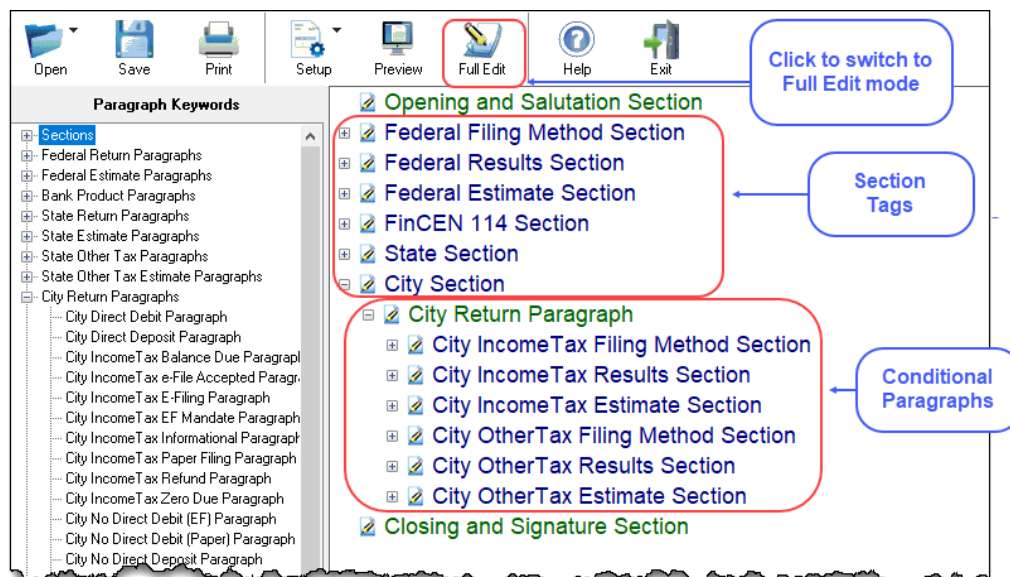
Click the PLUS SIGN [+] in front of a Section tag to reveal the conditional paragraphs that relate to that section. Click, drag, and drop conditional paragraphs to a new location under the Section tag if desired.

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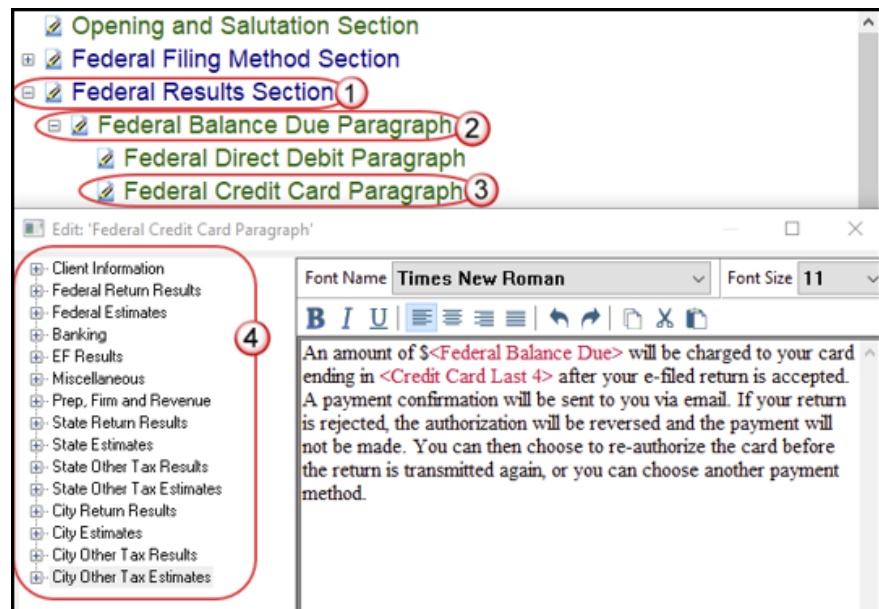
The paragraph inside the **Edit Paragraph** dialog box displays regular text and the keywords for that paragraph. Make any changes to the text you wish, including changing the font style and size using the formatting bar. Add new keywords (#4) from the selections tree beside the paragraph.

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).

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 83.

° 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:\Drake24\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 .

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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 84.

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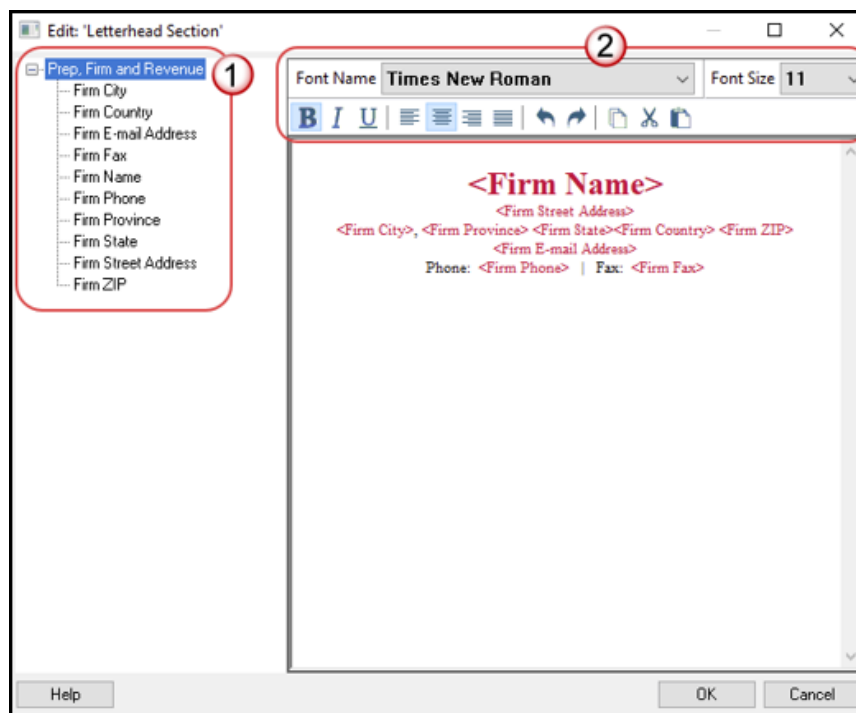
In the keywords tree on the left side of the window (item #1 in Figure 2-29) are the keywords representing the information that will appear in the letterhead at the top of all generated letters and on the client's bill. (The selections for footers are limited to contact information, address data, and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

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).

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 ().

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 .

Choosing a Bill Format

New for 2024: The "classic" bill, the style of bill that Drake Tax has produced for years, has been removed from the program. The "Comprehensive bill - Do not print table grid" is now the default bill format.

There are two types of bills: a "comprehensive" bill that itemizes all the charges (the price for each form, worksheet, statement, etc., included in the return); and 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 98).

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, Comprehensive Bill - Do not print table grid,** or **Summary Bill**.

3. Select the options you want. (For more information, see Table 2-10 on page 57.)

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 or comprehensive), from the **Client Communication Editor** toolbar, go to **Setup > Page Layout**. (See "Letters Setup" on page 80.) To edit your letterhead information, see "Customizing Letterheads and Footers" on page 83.

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 2024 program look different from your 2023 program. If you must open the 2023 program during tax season, customized colors may help you avoid entering current-year data into a prior-year 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**.

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 default Windows 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 2-16 on page 88), 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 and Device Setup > Printers**.

2. Enter setup changes as needed. Details on each tab are provided in Table 2-16 on page 88.

3. Click **Save**. (If making changes to printer settings on the **F8** tab, click **Update**, then **Save**.)

Table 2-16: 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.
	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 89.
	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 178), 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
(F8) Edit Printer Settings:		Used to edit print settings for a selected printer and to test printers for compatibility with Drake Tax.

Tab	Field	Description
	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.
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. For example, when printing a return, you can chose to print a client set or preparer set; the preparer set may be more comprehensive, containing additional forms for record-keeping purposes, while the client's may be more simple and contain required IRS correspondence. The **Pricing Setup** window has been redesigned, combining and optimizing the functionality of the prior-year **Pricing Setup**, **Printing**, **Sets**, and **Sort Form Order** windows. To define printing sets:

1. From the Drake Tax **Home** window, go to **Setup > Pricing** to open the **Pricing Setup** window.

2. Choose the applicable **Return Type** and **Fed/State** type to filter by federal, state, and city forms.

3. Locate the desired form. **Search** the current list by clicking the corresponding icon. You can also use the column headers to sort forms. To reset the current view (unsort by column headers), exit and reopen Pricing Setup. Make a **Sets** selection to view a list of all forms included in the chosen set.

4. Note the various **Copy** columns. Each **Copy** column signifies a different set. Double-click and edit the number of copies per form, per set as needed. For example, in ,

three Schedules C are printed with the **Client** set.

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

Your changes are saved automatically. Repeat this procedure for other forms as needed.

The **Pricing Setup** window also allows you to copy existing sets over other sets. From the toolbar, click **Copy Sets**, and choose the set you want copied and which sets will be overridden with the selected set.

Changing Print Sets "On the Fly"

Make **Sets** changes "on the fly" (in other words, without going to Pricing Setup) for all returns while in View/Print mode. To change the number of copies to print for a certain form within a particular set, complete the following steps while in View/Print mode:

1. Select a form from the directory tree, and from the toolbar, click **Setup > Form Properties** (or right-click the form and click **Setup > Form Properties**). The **Properties** dialog box is opened.

2. Adjust the **Number of Copies** to print for the selected form within one or multiple sets. Any changes made here affect all returns and are reflected in Pricing Setup.

3. **Save** your changes.

If using Basic View, adjust set printing by right-clicking a form and selecting **Properties**.

Pricing can also be changed "on the fly" for all returns or a single return; see "Adjusting Form Pricing On the Fly" on page 100.

Setting a Print Order

Use Pricing Setup to view or change the order in which forms are printed using drag-drop ordering.

1. From the menu bar of the Drake Tax **Home** window, go to **Setup > Pricing**.

2. Choose the package to modify by selecting a **Return Type** and **Fed/State** type; choose a print set to modify, if desired. The **Category** *must* remain **Default View**. Changing the **Category** to any other option disables form ordering, as the list view changes to a pre-filtered version of the selected package or set. If drag-drop form ordering is not allowed, a status of **Not Available** appears in the lower-left corner of the **Pricing Setup** window (image left).

Drag & Drop Mode: Not Available

3. Double-click a form to drag and drop it to the desired location. To move multiple forms at once, either:

    °   Click a form and drag your cursor to highlight the desired forms, then click and drag the highlighted form block to the desired location.

    °   Hold CTRL and select the desired forms. Release CTRL and drag the highlighted form block to the desired location.

To reset the form order of all **Sets** within the selected package (**Return Type** and **Fed/State** combination), choose **Restore**.

Changing Form Categories

To change the category of a form, locate the document in the Pricing Setup list, and select the form's current **Category**. From the drop list, select the new category. The next time you open the current package, the form will be in its newly designated category.

Figure 2-31: Changing Form Categories

Setting up Drake Documents

For details on how to set up and use the Drake Documents from Printer Setup, see Chapter 12, .

e-Signature Setup

For details on how to set up the e-Signature feature from **Printer Setup**, see "Electronic Signatures" on page 187.

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 *2024 Drake Tax Manual: Business Returns* supplement, available from the Support site (**Support > Documents**) in January 2025.

Suppressing/Forcing Documents

The **PRNT** screen 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 2-17 lists items that can be suppressed (prevented from being generated) using the **PRNT** screen in the 1040 package.

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

Item	Description
State short form	Suppress any available versions of state "short" forms, forcing the state return to be printed on the state "long" form.
8801	Suppress Form 8801, Credit for Prior Year Minimum Tax – Individuals, Estates, and Trusts, from being printed (if the form is *not* required). (Form 8801 is generated by default for certain returns that have a credit carryforward.)

Item	Description
Organizer	See "Organizers" on page 139.

- 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 located on screen **COMM** (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 produce them.

These items are listed in Table 2-18:

Table 2-18: 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 their language of choice. Select **English** only if the taxpayer *previously* opted 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), or 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.
Schedule A	Choose whether or not to have Schedule A, Itemized Deductions, printed with the return.
Schedule B	Produce Schedule B, Interest and Dividend Income.
Summary	Produce an Individual Diagnostic Summary (appears as "Summary" in View/Print mode).
Compare	Produce a Tax Return Comparison for 2022, 2023, and 2024 (appears as "Comparison" in View/Print mode).

Item	Description
WK_SSB	Produce the IRS Social Security Benefits Worksheet to see if any of the taxpayer's benefits are taxable ("Wks SSB-1" in View/Print mode).
Next-Year Depreciation List	Produce a worksheet showing the depreciation to be carried forward to 2025.
Spanish Forms	Produce all available federal forms in Spanish.
Tax Computation Worksheet	Produce a Computation of Regular Tax worksheet, explaining how the tax was computed on the return ("Tax Computation" in View/Print mode).
QBI Explanation	Produce a QBI Explanation Worksheet ("QBI Explanation"), explaining all activities included in the taxpayer's qualified business income deduction.
1040 instead of 1040-SR	Produce Form 1040 instead of 1040-SR, even if the taxpayer is 65 or older and qualifies for Form 1040-SR.
Form 1040-SR, page 4	Produce Page 4 of Form 1040-SR—the Standard Deduction Chart for the various filing statuses.
Form 461	Produce Form 461, Limitation on Business Losses.
Form 1045, page 3 (Schedule A – NOL)	Produce Form 1045, page 3, when taxable income is less than "0" (zero) and did not result in a current-year NOL.
Form 4562	Produce Form 4562, Depreciation and Amortization.
Form 4952	Produce Form 4952, Investment Interest Expense Deduction.
Form 6198	Produce Form 6198, At-Risk Limitations.
Form 6251	Produce Form 6251, Alternative Minimum Tax for Individuals.
Form 8283	Produce Form 8283, Noncash Charitable Contributions.
Form 8582	Produce Form 8582, Passive Activity Loss Limitations.
Form 8615	Produce Form 8615, Tax for Certain Children Who Have Unearned Income.
Form 8960	Produce Form 8960, Net Investment Income Tax – Individuals, Estates, and Trusts.
Form 8962	Produce Form 8962, Premium Tax Credit.
Form 8995/8995-A	Produce Form 8995 or 8995-A, Qualified Business Income Deduction, for reporting aggregation of business operations, allocations of losses, and income from agricultural and horticultural cooperatives.
Print EIC due diligence documents	Produce EIC due diligence documents; overrides the global setting from **Setup > Options > Administrative Options** tab.
DDASSIST	Produce the EIC Due Diligence Checklist.
EIC Not Calculated Explanation	Generate a Return Note stating why the EIC has not been calculated for the return.
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 5-digit PIN that was chosen in Preparer Setup. An entry here causes the associated 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 already been e-filed.

Item	Description
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 taxpayer's 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 accessed from the **Home** window menu bar of Drake Tax (see "Setup Options" on page 50). 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 93) within a return. Overrides for envelope coversheets, letters, and filing instructions can be found on the **COMM** screen (see "Overriding Letters Setup" on page 100 for more details).

Envelope Coversheets

When a return is generated in Drake Tax, envelope coversheets are also generated (if selected at **Setup > Options > Optional Documents** tab) for mailing copies of the return to the taxpayer and tax authorities. Use the **Envelope Coversheet Options** section of screen **COMM** 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 changed globally at Setup Options.)

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.

Client Email Address

To have the client's email address (entered on screen **1**) printed on the return, select **Yes** from the **Print client email address on return** drop list on screen **PRNT**; the email address flows to the signature section of Form 1040.

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 screen **PRNT**.

Billing Format

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

Table 2-19: Options that can be Changed on the Fly from the **BILL** Screen

Option	Choices
Billing option	- Total only - Forms and total - Forms, prices, and total - Bill by time - Charge per form - Do not print bill
Custom paragraph option	- None - Top of bill - Bottom of bill

For more on the **BILL** screen, see .

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

Penalty and Interest Calculations

You can choose to **Automatically calculate penalties and interest on returns filed after the due date** from **Setup > Options > Optional Items on Return** tab. Quarterly interest rates are automatically updated as the IRS releases them.

Use screen **LATE** to either suppress or force the calculation of interest and penalties on a per-return basis. Total penalty and interest amounts can also be edited from this screen.

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 > Preparers and Users**
Preparer	Preparer #1 in **Setup > Preparers and Users**
ERO	ERO selected in **Setup > Options > EF** tab (default is **Paid Preparer**)

To override any of these defaults for a return, open screen **1**, and under **Return Options**, select a firm, preparer number or name, or ERO (Figure 2-32).

Figure 2-32: 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 2-32 on page 97) is for tracking purposes only.

- A firm or preparer must be entered in **Setup > Firms** or **Setup > Preparers and Users** in order to show up as an option in the override drop lists on screen **1**.

Overriding Other Preparer Information

The **PREP** screen 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 > Preparers and Users**)

- State preparer information (if the preparer is not set up at **Setup > Preparers and Users**)

If you make an entry in the **FEDERAL PREPARERS** section of the **PREP** screen, you must complete all applicable information for both the preparer and the firm 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 **If Preparer is set up in Setup> Preparers and Users** section is available if you want to use alternative e-signatures on the state forms.

Overriding the Bill Amount

Standard rates must be established in Pricing Setup (see "Pricing Setup" on page 65). 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 can be added to or subtracted from the bill using the **BILL** screen:

- **Adjustments** (enter an amount and description or select from user-defined drop lists) such as for coupons and other discounts, or any additional charges

- **Balance due from prior years**

- Drake **Tax Planner** fees

- 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 205 for details on how to import payment information to the **BILL** screen. Payments received via Drake Pay automatically flow to this section.

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 63.

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 130.)

- Include the amount charged for a self-prepared e-filed return (item **386** in **Setup > Pricing**).

The **BILL** screen also allows you to override the date printed on the bill, add a short note (independent of the custom paragraph in **Setup > Options > Billing** tab **> Paragraph Content** field) to the bottom of the bill, and add an audit protection service for your customers.

Adjusting Form Pricing On the Fly

To override Pricing Setup and change form prices for either a *single* return or *all* returns without going to Pricing Setup, complete the following steps while in View/Print mode:

1. Select a form from the directory tree, and from the toolbar, click **Setup > Form Properties** (or right-click the form and click **Setup > Form Properties**). The **Properties** dialog box is opened (Figure 2-33)

Figure 2-33: Pricing "on the Fly" for a Form

2. Adjusting the **Form Price** or per-**Item Price** (if applicable).

3. Decide whether you want the updated prices to **Apply to this return** only or **Apply to all returns**. If you choose to apply the pricing changes to all returns, the price of the form and item is adjusted in Pricing Setup.

4. **Save** when finished. 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 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 Results Letters for a *paper-filed* return or extension application, even if the return or application is *eligible* for e-file

- Federal or state Client Results 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, select a new letter from the **Letter Selection** drop list ().

Figure 2-34: Changing the Default Letter for a Return
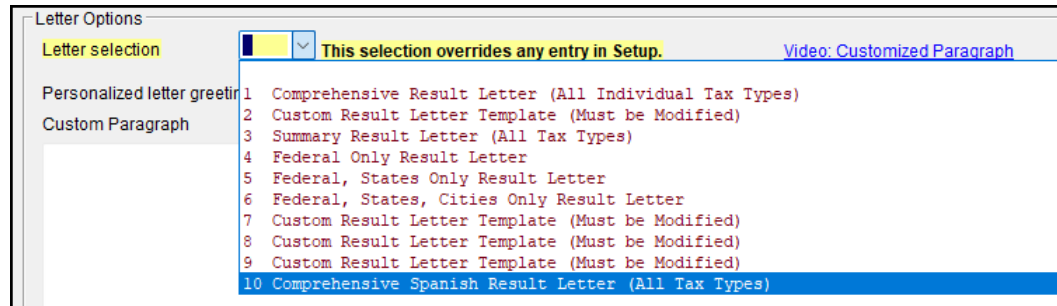
To change the default letter for all returns, go to the **Client Communications** tab in **Setup > Options** and select a template from the applicable package in the **Letter Selection** section of the dialog box.

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 > Client Communications > 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 72.) 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.

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 Results 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 2-35: Selecting Federal and State e-File Letters on the **COMM** Screen

In the example in , 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 2024 program, double-click the **Drake 2024** 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 2024 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 .

Logging In and Out

To log in to Drake Tax:

1. In the user credential fields (figure right), enter the preparer's username and password. Click **Password Help** and answer the security question established during setup if you've forgotten your password. (See "Initial Log In" on page 28.) For additional guidance, click the **Login Assistance** link.

2. Click **Log In** to open the Drake Tax **Home** window.

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 main window of Drake Tax is referred to as the **Home** window.

Figure 3-1: The **Home** Window of Drake Tax
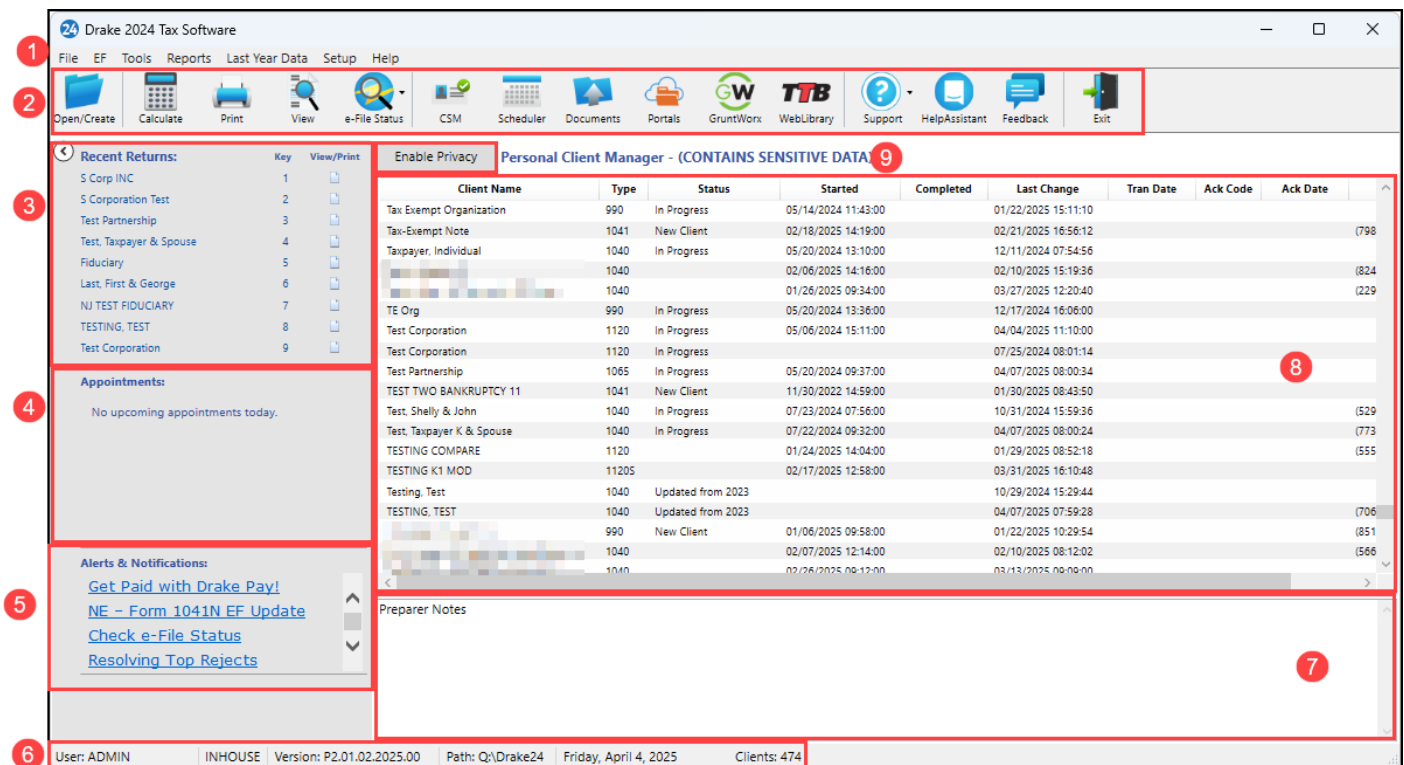
The **Home** window's features include the following, numbered correspondingly:

1. **Menu Bar** — Allows you to complete various tasks in the program

2. **Toolbar** — Allows you to complete various tasks in the program

3. **Recent Returns** — Lists the last nine returns that were opened by the logged-in preparer.

4. **Appointments** — Shows the logged-in preparer's schedule for the current date (per the Drake Scheduler), and provides a link to open the Drake Scheduler

5. **Alerts, Notifications, and Update Status** — Indicates when e-file (EF) acknowledgments are ready to be processed, the status of GruntWorx jobs, (such as pending or completed); important announcements, dates, and reminders, and informs you of Drake Software systems statuses. Your system must be connected to the Internet to receive alerts; alerts are refreshed every 15 minutes.

   The **Update** section of the **Home** window keeps you informed of program updates available to be installed. If all available updates have been installed, the status is listed as **Software up to date**.

6. **Status Bar** — Provides system information about the logged-in preparer, program version, computer drive, and date

7. **Preparer Notes** — Allows you to write brief notes—visible only to the preparer who wrote them—that remain in this section until deleted

8. **Personal Client Manager (PCM)** — Allows the logged-in preparer to easily manage client records, which can be sorted by name, return type, status, transmission date, and more. An administrative user can activate or deactivate logged-in preparers' access to the PCM from **Setup > Options > Administrative Options** tab by marking or clearing the **Enable logged in preparer's Personal Client Manager** check box.

9. **Enable Privacy** — Hides the Recent Returns list, PCM, and Preparer Notes sections. Toggle back to full visibility on the **Home** window by clicking the **Disable Privacy** button.

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, Drake Portals, IRS publications, explanations of tax law, and more)

- A searchable program help for learning Drake Tax

- Drake Software's Support website

- A webpage repository of all Drake Software's video tutorials

- Drake Software's Co-Browse (allows Support agents to see—*not control*—what you see on your computer screen and guide you through troubleshooting)

- Drake Software's Chat Support

- PDF copies of Drake Tax Manuals, including the annual user's manual, all manual supplements (1040, 709, and 706 returns; business returns; and Pay-Per-Returns), 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 287.)
- Drake Tax's Help Assistant, which allows the preparer to get answers to common Drake Tax questions and browse the Knowledge Base for additional information.
- The Feedback button redirects you to a webpage to answer two survey questions.

Personal Client Manager

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 255.

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 3-2) to perform tasks from the **Home** window without using the mouse.

Figure 3-2: Underlined Letters Denote Shortcut Keys

File	EF	Tools	Reports	Last Year Data
Open/Create Returns				Ctrl+O
Calculate				Ctrl+C
Print				Ctrl+P
View				Ctrl+V
Forms Based Data Entry				Ctrl+E
Quick Estimator				Ctrl+Q
Exit				Esc

- ° Press ALT to display the underlined *keyboard shortcut* (note the underlined letters in "Figure 3-2: Underlined Letters Denote Shortcut Keys" on page 110) 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 3-3: For Key Combinations, Hold CTRL and Press the Respective Letter
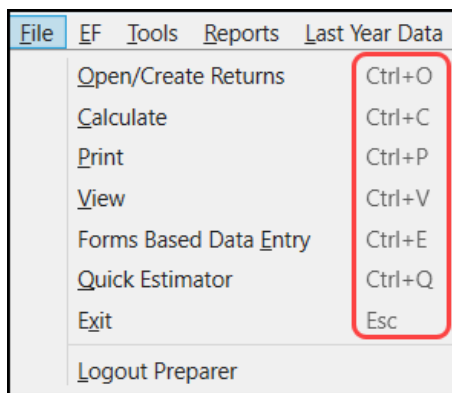
- ° Key combinations are written as two or more key names connected by a plus (+) sign (Figure 3-3).
- ° Press and hold down one key, and then press a second key. Key combinations are shown to the right of each menu item.

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 3-4 shows that the **Foreign Employer Compensation** screen and the **Household Employee** screen can be directly accessed from screen **3** (Income).

Figure 3-4: Text in Blue Denotes Links to Other Screens

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

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 3-5) for covering 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 3-5: Some Tabs on the **K1P** Screen for an Individual (1040) Return

Many screens and windows contain links to helpful video tutorials (circled in Figure 3-5).

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 134 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 3-6 on page 113).

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 or entity's name.

7. Click **OK**. Data entry screen **1** for the new return is displayed.

You may be required to verify the ID number of the new return. Verification is required for all Pay-Per-Return (PPR) clients and when the option **Verify SSN when creating new return** is selected at **Setup > Options > Data Entry** tab.

Opening a Return

To open an existing return in Drake Tax:
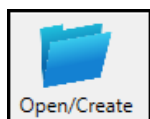
1. From the **Home** window's toolbar, click **Open/Create** or press ALT, F, then O. The **Open/Create a Return** dialog box is displayed.

2. Perform one of the following tasks:

   ° Enter return's ID number or begin typing a name (item #1 in <u>Figure 3-6</u>).

   ° Select one of the returns displayed in the list (item #2).

3. Click **OK**. The **Data Entry Menu** is opened for the selected return.

Figure 3-6: Options Available for the **Open/Create a Return** Dialog Box

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) 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.

Other Enhancements

Another way to narrow your search is to click the **Recent Returns** drop list (item #3 in) 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 2024**. 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 **2023 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 2023 returns to 2024's package, see .

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 3-6 on page 113) 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 and complete screen **W7**.) 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 3-7 on page 116.) 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.

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 119 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 122.)

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

See "Data Entry Toolbar" on page 119 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 their 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 3-7.

Figure 3-7: **Data Entry Menu**

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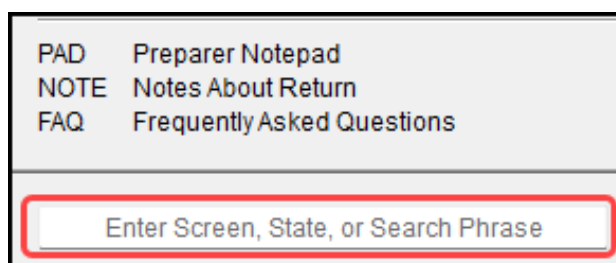
Normally, to open a data entry screen, you click the screen link (code or name) from the **Data Entry Menu**, or enter the screen code in the selector field and press ENTER (↵).

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

Searchable Selector Field

Search for screens by code, name or keyword using the selector field (Figure 3-8), located at the bottom of all **Data Entry Menus**.

Figure 3-8: 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 118.

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 3-9 on page 118).

Figure 3-9: **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 3-10: The Results of a Search for "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 117 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 3-11) 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. The option **Enable Data Entry toolbar** must be selected at **Setup > Options > Data Entry** tab in order to access the toolbar.

Figure 3-11: 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 2023; 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 2023).

Figure 3-12: Comparing Prior-Year Fields and Data on Screen **W2**

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 3-12). 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 3-12). If the screen had no entries in 2023, 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 86.

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 3-13).

Figure 3-13: Using Grid Data Entry for Screen **2**

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 3-14) is displayed if more than one instance of a screen has been saved in a return.

Figure 3-14: Existing Forms List for Screen **W2**

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 3-15: Keeping Track of Multiple Screens
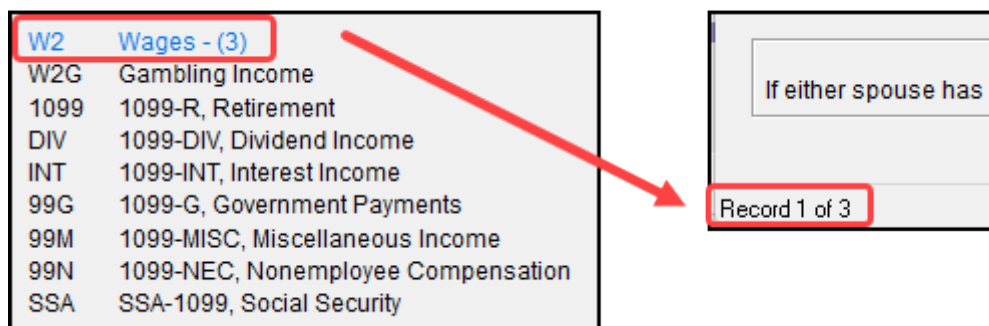
Each time a new screen is produced, Drake Tax indicates the record number on the status bar of the screen. The number of records is also shown on the **Data Entry Menu.** In Figure 3-15 above, the first of the three **Wages** screens is being accessed.

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 3-16 on page 124 that the field is shaded to indicate a worksheet is present. (Default color is red.)

Figure 3-16: A Red Field 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 128.) 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 3-17) 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 3-17: 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 3-18: Flagged Screens
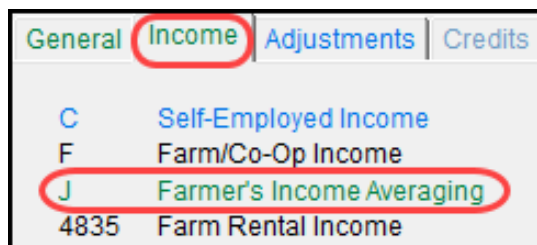
To prevent flagged fields from being overlooked, all flags cause the corresponding screen and tab names to appear as the color of the field flag (default color is green). Once the field has been verified, the highlighted tab and screen names go back to their original colors (default color is blue). In Figure 3-18 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**.

125

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 3-19: 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**, or **City**.

Figure 3-20: Common Drop Lists and Screen Codes

Shown in Figure 3-20, 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 3-21.

Figure 3-21: Associating One Screen with Another

In <u>"Figure 3-21: Associating One Screen with Another" on page 128</u>, 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 <u>Figure 3-15 on page 123</u>.)

> 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.
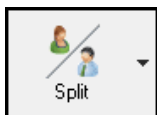
To split a joint return:

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.

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 <u>"About the MFJ/MFS Report" on page 130</u>.) You must **Save** a split return to open or edit the return later.

4. Click **Exit.**

— Unsplitting a Return —

To unsplit a return (merge two split returns that originate from the same return):

1. Open the primary taxpayer's return.

2. On the **Select Client Return** dialog box, choose **Individual (MFJ)**. The **Data Entry Menu** of the Married Filing Jointly return is opened.

3. **Split** the return once more. On the **Return Selector**, **Exit** the return without saving your changes. Both split returns are merged back into a single Married Filing Jointly return; from this point forward, neither Married Filing Separately return can be accessed unless you resplit the return.

— 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 178.

> 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 65. To suppress the charge for an individual return, use the **BILL** screen. (See "Overriding the Bill Amount" on page 98.)

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 tems with minimal keystrokes. This feature is described in detail in "Macros Setup" on page 67.

Heads-Down Data Entry

Heads-down data entry 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 141.

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 on the Support site:

- *Test returns* allow you to practice e-filing returns 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 – 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**. 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**.

4 Preseason Preparation

This chapter provides instructions for bringing forward information from last year, printing 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 2024 data path points to your firm's 2023 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 2023 client files** field (). 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 34.

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. Though batch updates are made available during the full release of Drake Tax, Drake Software 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 2024. 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 114.

— Method 2 —

1. From the **Home** window, select **Last Year Data > Update Clients 2023 to 2024** to open the **Update Client Selection** dialog box (Figure 4-2).

> 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). In the example in , 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 2023 to 2024. (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 2023 to 2024** 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 2023 to the 2024 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 is marked, the client's return will not be updated, even if they are 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 2023:

1.   In the 2024 version of the program, select **Last Year Data > Build EIN/Name from 2023**. 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 2024 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 2023 settings to the 2024 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 2023:

1.   In the 2024 version of the program, select **Last Year Data > Update Settings 2023 to 2024**. The **Update Settings** dialog box is displayed ().

Figure 4-3: Updating Prior-Year Program Settings
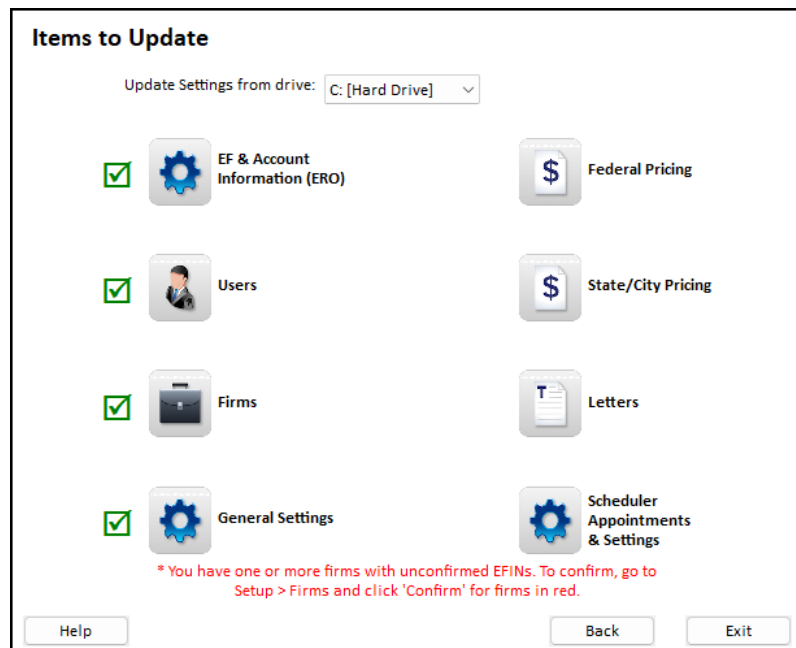
2.   If necessary, select the drive where the 2023 data you want to bring forward to 2024 is being stored.

3.   Select a category (**Preparers**, **Firms**, **General Settings**, etc.) to bring forward from 2023 and update with 2024 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/city 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 box 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**, select a letter, then click **Setup > Update Prior-Year Letter**.

Organizers

Proformas have been removed from Drake Tax 24. Organizers are more comprehensvive and dynamic and can be customized for individual and business taxpayers, allowing you to gather information direction from clients for use in preparing returns.

Available for 1040, 1120, 1120-S, 1065, 1041, and 990-T returns, *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: Schedule E Organizer

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" on page 140.) 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.

Blank organizers are available from Blank Forms. (From the **Home** window menu bar, go to **Tools > Blank Forms**.)

- See "Printing Organizers" on page 142 for details on generating and printing organizers.
- See "Changing Form Order (Global)" on page 149 for instructions on changing the order of the forms that appear in organizers.
- See "Customizable Organizers" on page 144 and "History" on page 147 for details on customizing organizers.

"Fillable" PDFs

When generating PDF copies of your organizers, Drake Tax gives you the option of generating "fillable" PDFs (circled in Figure 4-5).

Figure 4-5: 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 Drake Portals).

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.

Checklists

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.) they still need to gather for this year's return.

Edit the text or labels of the checklist with the Custom Editor function. See for details.

Changing Form Order

Change the order of forms as they appear in your organizers from the **Organizer Options** dialog box by clicking either **Custom Editor** (organizers only) or **Form Options**. Make a global change (to all organizers) before generating the organizers or proformas, or make changes to individual organizers as you go.

See for more.

Heads-Down Data Entry

Combine the organizer codes and heads-down mode to move 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 (red square in Figure 4-6), and the system returns you to the first text box.

Figure 4-6: 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

To print organizers for selected clients:

1. From the **Home** window, select **Last Year Data > Organizers** to open the **Organizer Client Selection** search window. Choose between **Summary** and **Comprehensive** and then click **Next**.

2. Choose an option for selecting returns for organizers.

° 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** search window.

° To help narrow your search, click the drop list to the left of the **Select Client** button and choose a return type.

3. Repeat the previous steps until all returns you wish to generate organizers for are listed under **Selected Clients**. Click **Next** to open the **Individual Summary Organizers** window (Figure 4-7 on page 143).

> Produce organizers 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 332.

Figure 4-7: Selecting Options for Organizers from the **Options** Window

. From the **Organizer Options** window, select any desired options (red box on left in Figure 4-7). For instance, Schedule A would normally be generated with the organizer *only if* Schedule A had been included in the taxpayer's 2023 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 2023 return. Select all options you wish to be included in the organizer. (Click the **Select All** button to select all options listed, or **Unselect All** to clear all options.)

5. 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 > Preparers and Users** are in the list.

6. Click **Process 1040** (red box on bottom of Figure 4-8 on page 145). (If printing organizers 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** dialog box.

7. Select options from the **Print Options** section to send the organizers to the printer, Drake Documents, or Drake Portals, or to generate fillable PDF documents. For information on how to use Drake Documents and Drake Portals, see Chapter 12, "Suite Products." When sending organizers from multiple taxpayers to Drake Documents or Drake Portals, Drake Tax automatically sends the organizers to the correct client file or Drake Portals portal.

8. *(optional)* Change which forms are to be included in the organizer, and change the order in which they appear. See ["Changing Form Order (Global)" on page 149](#) and ["Changing Form Order (Individual)" on page 150](#).

9. *(optional)* To view one of the organizers in View/Print mode, click that organizer in the **Client List** of the **Print Organizer** 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 organizers. See ["Letters" on page 315](#).

Customizable Organizers

You can create custom checklists for new clients using the same process that you do for existing and returning clients. This feature is available in all packages.

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 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" on page 142](#). Click **Next**. (See ["Filter Manager" on page 332](#) 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 4-8 on page 145](#)). 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 4-8: **Custom Editor** Window
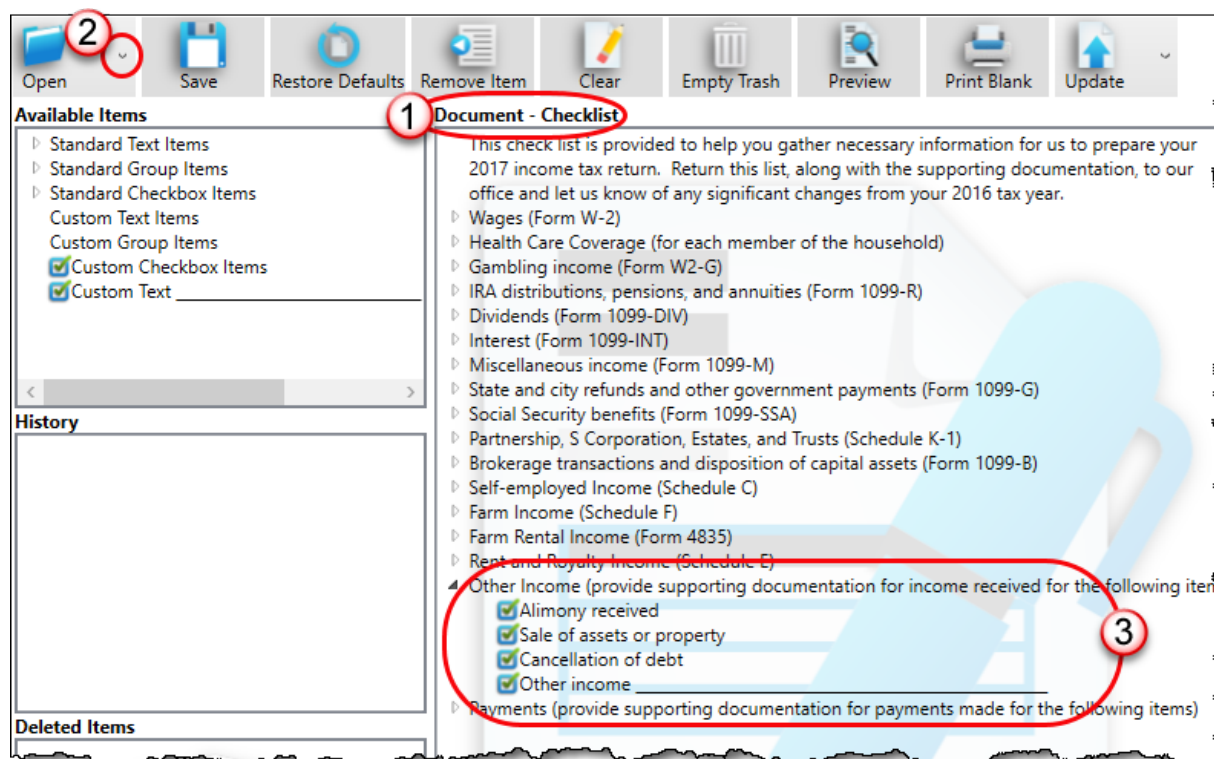
Parts of the Editor

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 4-8)—the document in Figure 4-8 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 148.) 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 4-9) 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 4-9: Placing New Organizer Options
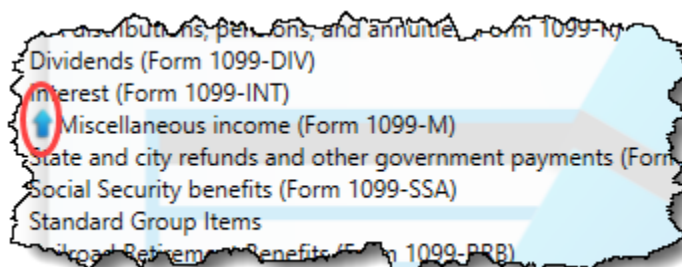
If you drag a new **Standard Group Item** into the **Checklist** pane, you are also adding all the standard items nested beneath the **Standard Group Item**.

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," following, 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.

147

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** 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 4-10 on page 149).

Figure 4-10: Add and Edit Questions and Text Lines for Questionnaires
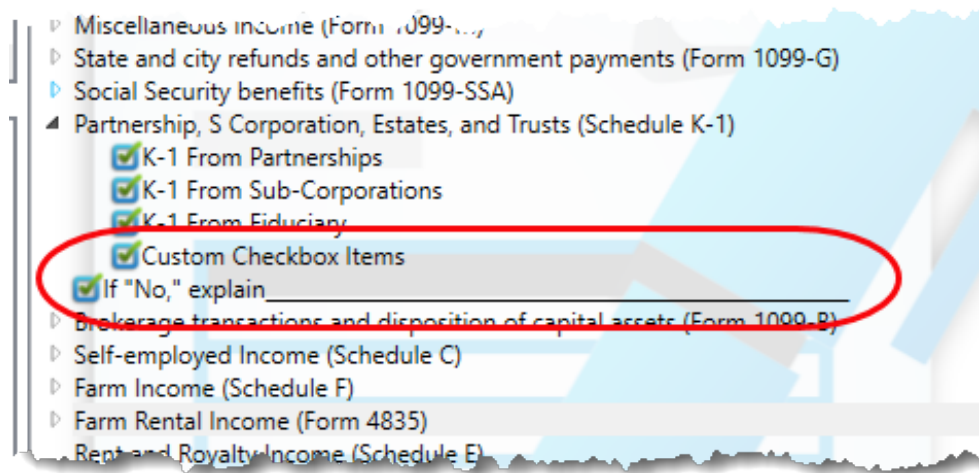
Click **Preview** to see how the new text and blank line will appear in the questionnaire.

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 from the **Organizer Options** dialog box. Choose the forms you do *not* want generated in your organizers.

To reorganize or delete forms:

1. Follow the first two steps for .

2. From the **Organizer Options** dialog box toolbar, click **Form Options** to open the **Form Properties Editor**.

3. From the **Organizer** drop list in the upper-left corner of the **Form Properties Editor**, select an organizer type—**Comprehensive**, **New**, or **Summary**

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, 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. Choose **Select All** to add all items back to the organizer.

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 to its original state (when shipped).

Changing Form Order (Individual)

To change the form order for a *single* organizer:

1. From the menu bar of the **Home** window, click **Last Year Data** and select **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 **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**.

5. Select a client from the **Client List**, and from the toolbar of the **Print Organizer** 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

Batch-printed organizers saved to Drake Documents or Drake Portals can be password-protected. The default password format is established in **Setup > Options > Administrative Options** tab.

As noted earlier, you can send organizers to a printer, Drake Documents, or Drake Portals. By sending them directly to Drake Portals, you get organizers into your clients' hands faster. Drake Portals 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 .

To print organizers from the Scheduler, open a new appointment in the Scheduler, and from the **Appointment Detail** toolbar, click the **Organizer** 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 . See "Scheduler," following.

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, and organizers, 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 .

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 their calendar. 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 preparer and, from the **Home** window, go to **Setup > Preparers and Users**.

2. Select a preparer and click **Edit User**.

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
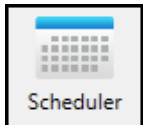
There are several ways to access the Scheduler: from a desktop icon, the **Home** window toolbar, or the **Home** window menu bar (**Tools > Scheduler**).

Add new appointments from the **Data Entry Menu** by right-clicking anywhere on the screen and selecting **Add Appointment**. (See "Synchronized Schedules" on page 166 for details on adding appointments.)

The **Scheduler** window has five main sections, numbered correspondingly in Figure 4-11 on page 153:

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 4-11 on page 153 shows the **Scheduler** calendar in Preparer mode for the preparer, TestP:

Figure 4-11: **Scheduler** Calendar Overview
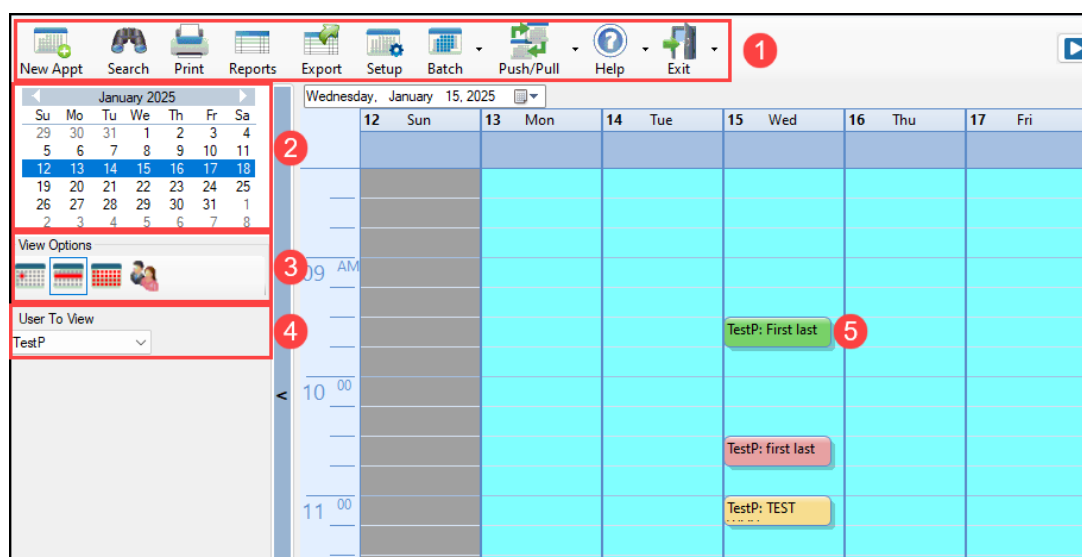
- Make your appointments a different color so they stand out better against the Scheduler grid. Item #5 in Figure 4-11 shows different colors for different types of appointments: new client, returning clients, corporation clients, planning meetings, audits, etc. See "Scheduling Appointments" on page 158 for details.

- Click the blue arrow in the upper-right corner of the **Drake Scheduler** window (to the right of #1 in Figure 4-11) 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 165.
	Edit user's schedule	Click **Edit** to establish a daily schedule for the logged-in user. Change the "in" and "out" times (lunch, vacations, holidays, etc.) for the staff. (Overrides settings from **Setup > Preparers and Users > Schedule**. See "Establishing Daily Schedules" on page 156 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 "Drake Portals Back Up Offsite/Online" on page 307.)

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 User Schedule** dialog box (Figure 4-12).

Figure 4-12: **Setup User Scheduler** Dialog Box (for a Preparer)

3.   From the **Select User** 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 User Schedule** dialog box, select:

- **Save for All Users without schedules** – All preparers without a previous schedule will have the same schedule as the one just completed or edited.

- **Save for All users** – 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 – 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.
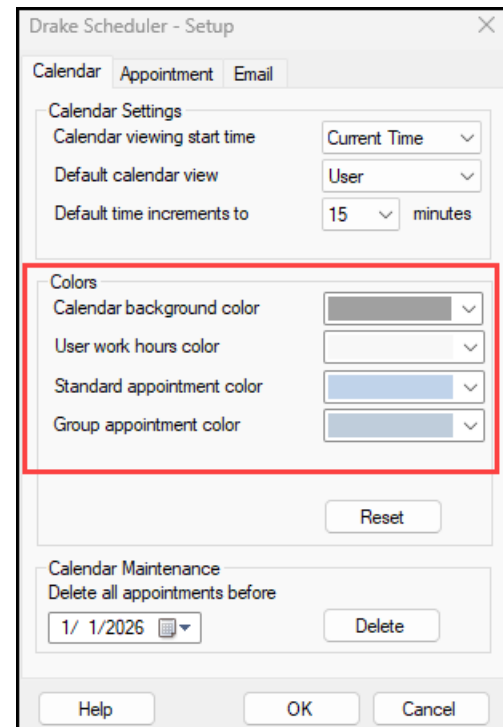
Scheduling Appointments

Appointments can be scheduled for an individual preparer or a group of users. To schedule an appointment:
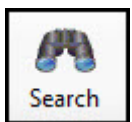
1. From the **Scheduler** toolbar, click **New Appt,** press CTRL+N, or double-click an appointment time in the schedule grid to schedule an appointment for that time slot. The **Appointment Detail** dialog box is displayed (Figure 4-13).

Figure 4-13: **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 2023 to 2024** and select **Users**.

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 163.

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 they log 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 **Users**. 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.

159

- 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 2024 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 4-14: Setting Up Batch Appointments
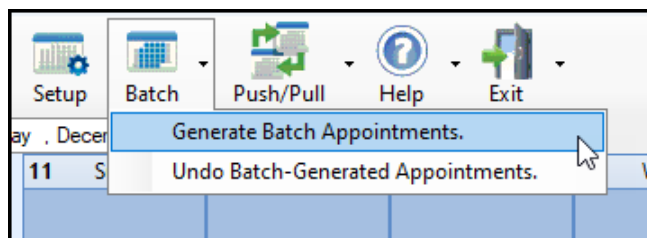
2. If necessary, select a location from the **Use last year's appointments found on drive** drop list.

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 4-15.)

Figure 4-15: 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 **Users** 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.
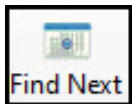
To see a complete list of all open appointments for the remainder of a day, week, or month, at the top of the **Find Next Appointment** dialog box, click the **Quick List** tab.

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 4-16](#), all scheduled appointments with clients whose name has "te" are listed.

Figure 4-16: 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 .

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 166.

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 **Drake Schedule – Setup** dialog box (figure right), make a selection (Google or Outlook) from the **Select external calendar** drop list.

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**.

165
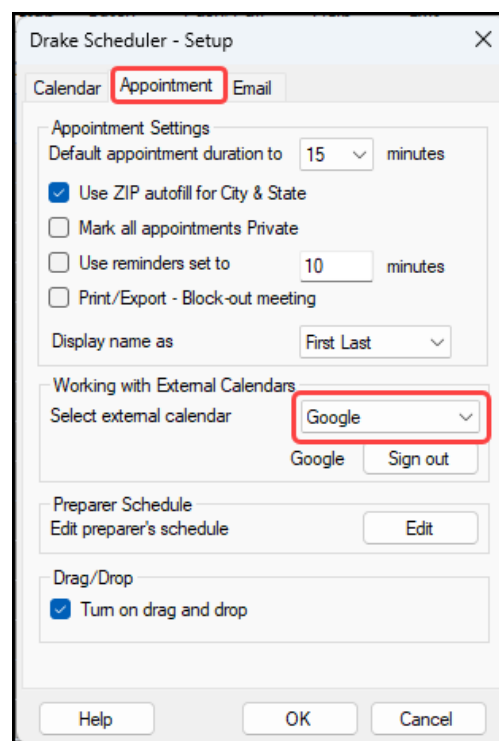
2. Select to "Pull future appointments from..." or "Send future appointments to..."

° 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

Schedule Report	Description
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 4-17 on page 168) 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 4-17: 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 2024 (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 *TheTaxBook.com/Drake* (promo code 799)
- Call (866) 919-5277
- Mail the order form to TheTaxBook (address provided on the form; access the form from the Drake Software Support website)

For more information, sign in to the Support site 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), and 1120, 1120-S, and 1065 business returns; it handles ITIN W-7 rejections, assists in getting denied EIC claims funded, offers tax debt relief assistance, assists with IRS issues concerning identity theft, pays up to $2,500 in penalties, interest, and tax liabilities (should an error occur), and provides up to $1,000,000 in services to resolve notices or audits. Federal nonresident individual returns (1040-NR) are not covered by Protection Plus.

Firms enrolled with Standard (Form 1040) Protection Plus can charge taxpayers an additional audit protection fee (maximum $65 per return) on top of the base fee ($59.95 per return).

Protection Plus is also available for 1120, 1120-S, and 1065 returns at the firm-level for $75 per return; all individual returns are also covered for $10 per return. Coverage is not offered on a per-return basis for business returns.

There are two Protection Plus plans: Firm-Level and Standard. Firm-level and standard, compared in Table 4-3.

Table 4-3: Protection Plus Plans

	Firm-Level	Standard
Cost	• **1040 returns only** — $10 per return • **1040, 1120, 1120-S, and 1065 returns** — $10 per 1040 return; $75 per business return	$59.95 per 1040 return
Coverage	All applicable returns	1040 returns (on an as-need basis)
Markup	N/A	Up to $65 (maximum total charge of $124.95)
Fee Collection Method	• The preparer collects fees when the customer pays for their tax return. Protection Plus fees for all applicable returns e-filed from January 1, 2025 – October 31, 2025, are billed to you directly.	• The preparer collects fees when the customer pays for their tax return. Protection Plus fees for all applicable returns e-filed from January 1, 2025 – October 31, 2025, are billed to you directly. • Drake Software returns any markup due to the preparer (schedule to be announced).

There is no line item printed on the client's bill for Protection Plus, but a copy of the member agreement is included with each tax return.

For more information or to enroll with Protection Plus, sign in to *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 via the Support site, 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. Open screen **AP** (Protection Plus Audit Protection).

3. Select the **Yes** check box to enroll this client in the audit protection program. (The default selection is **No**.)

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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
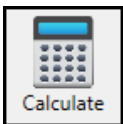
To calculate a return from data entry, open the return and click **Calculate** (or press CTRL+C). By default, results are displayed in the **Calculation Results** window. (See <u>Figure 5-2 on page 173</u>.) To calculate one or more returns from the **Home** window (without opening a return to data entry):

1. From the **Home** window's toolbar, click **Calculate** to open the **Batch Calculation Client Selection** dialog box (<u>Figure 5-1 on page 172</u>). 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 173) 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 64.

Calculation Summary

The **Summary** tab, shown in <u>Figure 5-2</u>, has four main sections: EF Status, EF Messages, Return Notes, and Fee Types and Amounts. (See <u>"Fee Type/Amount" on page 176</u> 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 <u>"EF Status Column,"</u> 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 (<u>Figure 5-3 on page 174</u>) is displayed when the product is eligible for e-file—that is, when there are no EF Messages and no conflicting 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.

Figure 5-3: Indicators in the **EF Status** Column

Other indicators give the status of other returns and forms, and vary by package. Table 5-1 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.

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** 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 173) 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 245.

Return Notes

The **Return Notes** section (see Figure 5-2 on page 173) 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 a specific return, open 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 by using screen **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.
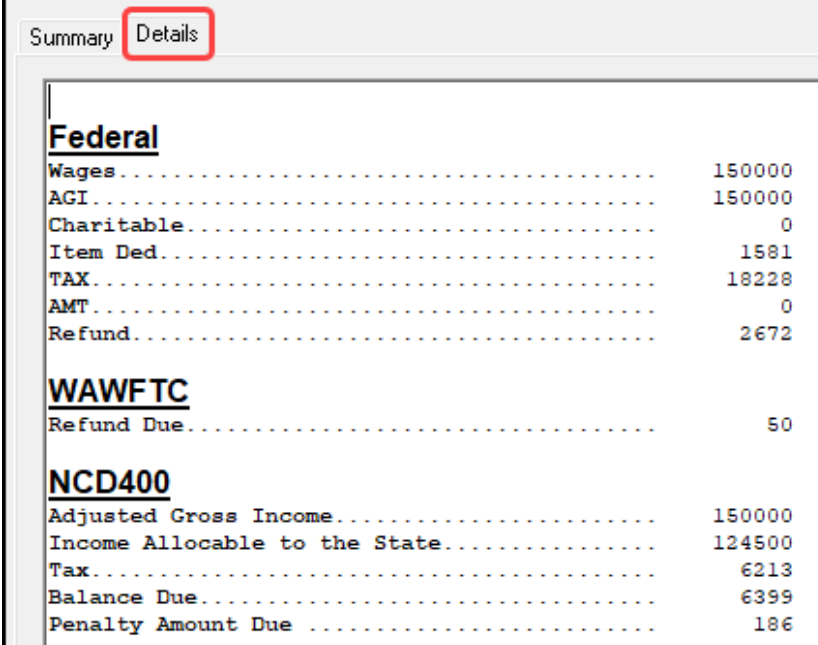
Fee Type/Amount

The **Fee Type** and **Amount** columns (see Figure 5-2 on page 173) 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 List

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 List if more than** 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 :

1. **Toolbar** — Contains icons for performing actions regarding the return. (See .)
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
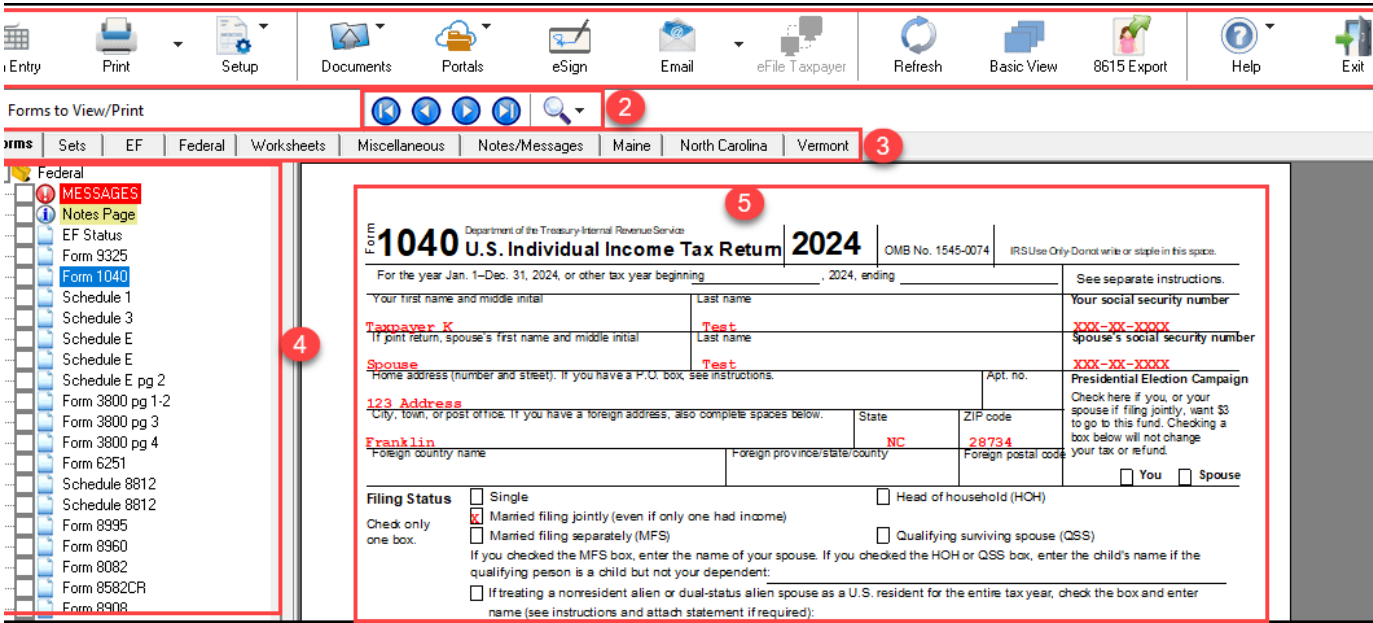
These five components are described in the following sections.

 "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
Data Entry	Leave View/Print mode and return to data entry.
Print	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
Setup	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.
Documents	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 200 and "Drake Documents" on page 358.
Portals	Click the arrow next to the Portals icon to open the cient's portal or to upload the selected forms to Drake Portals.
eSign	Use with electronic signature pad to digitally sign tax forms in View/Print mode or from Drake Documents. See "Electronic Signatures" on page 187.
Email	Email the return to a selected recipient. Links to video tutorials are also available.
eFile Taxpayer	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.
Refresh	Update the viewed return to reflect any changes made by another preparer working in the open return.
Basic View	Switch to the cascade view (the exclusive view used by Drake Software before 2008).
K1 Export	Open the K1 Export tool. (This button is visible only for certain business returns.)
8615 Export	Open the 8615 Export tool. (This button is visible only for returns with dependents.)
Help	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	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 179) 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.
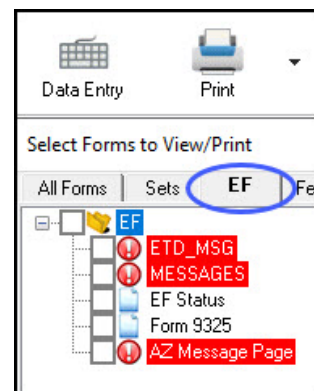
Table 5-3: Category Tabs and Descriptions

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 screen **HIDE** (or **HID2** 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 179.) Expand or collapse the tree as necessary for your viewing needs.

Viewing Panel

The viewing panel (item #5 in Figure 5-6 on page 179) 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
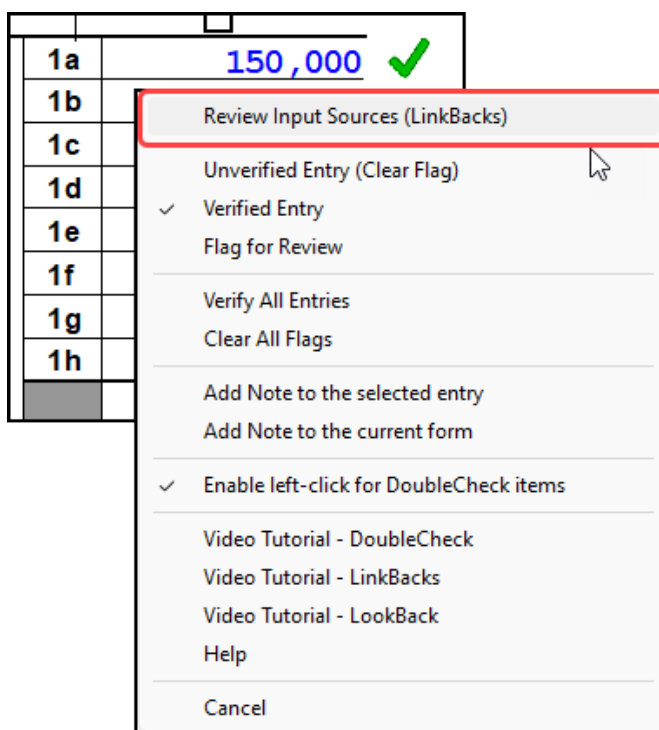
For instance, if you want to know how income data gets to line 1a of Form 1040, view the return (Enhanced mode only), right-click the amount on line 1a, click **Review Input Sources (LinkBacks)**, and view a list of the screens from which the program pulls income sources that flow into the line 1 total—for 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 184.)

— Using LinkBacks —

At the top of the **LinkBacks** window (item #1 in) 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, 1120-S, 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 186.

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 eligible for e-file. 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), 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 Drake Portals. For details, see "Drake Portals" on page 388.

- 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 and Users**, 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. Alternately, go to **Setup > Preparers and Users**, 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.

2. From the **E-Signature Setup** window, select a preparer from the list and click **Sign** to open the **Signature Capture** window (figure right).

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**.
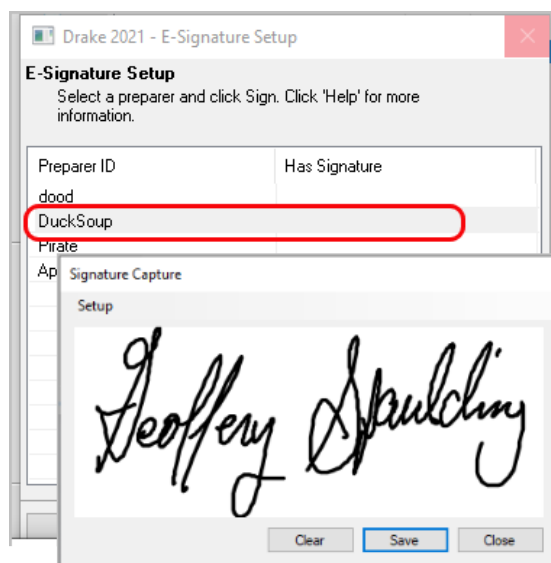
When you are finished, click **OK** to close **E-Signature Setup**.

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 > Preparers and Users**.

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 > Preparers and Users** 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 Drake Portals.

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 359.) 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 5-10 on page 189). 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 196.)

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 .)

Figure 5-10: **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 5-11: Client Signs Electronically
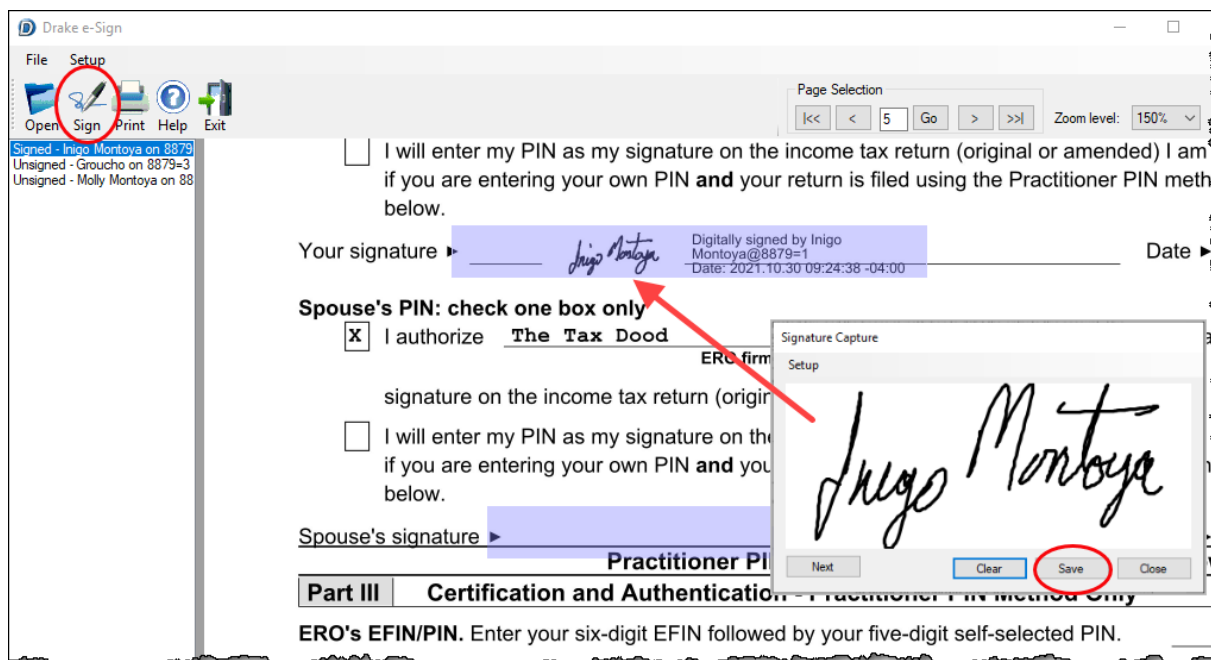
9.   Have the client sign the signature pad. The signature appears on the **Signature Capture** window ([Figure 5-11](#)).

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 187.) 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 188.

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 Forms**.)

4. From the **Print Document** dialog box, choose a printer from the **Printer** drop list.
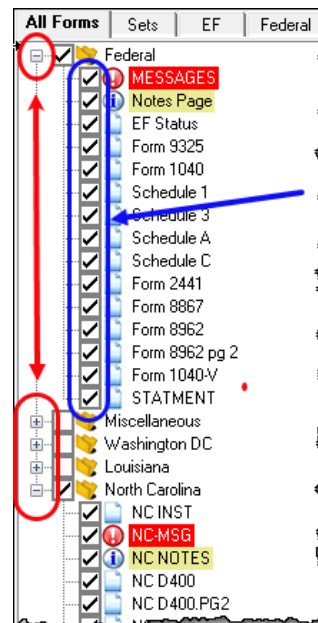
- The **Drake Documents/Drake Portals** options in the **Print Document** dialog box are used to store the PDF forms in the Drake Documents folder or to upload them to Drake Portals (on the *SecureFilePro.com* domain) for the taxpayer to access. For more on these options, see "Drake Portals" on page 388.

- 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 Forms to PDF Document** (or press CTRL+D). The **Print Document** dialog box is displayed (Figure 5-12) with the Drake PDF Printer selected from the **Printer** drop list.

Figure 5-12: Setting Password-Protection Options from the **Print Documents** Window
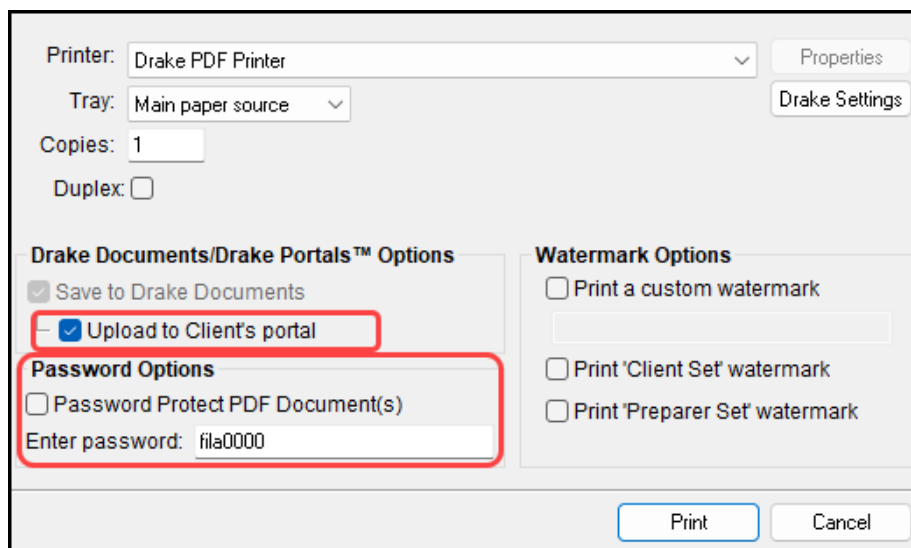
4. (*optional*) The program is set up to password-protect the PDF document. By default, the program uses the first four letters of the taxpayer's last name and the last five numerals of the taxpayer's SSN/EIN as the password. An administrative user can change this default in the **Setup > Options > Administrative Options** tab by making a selection from the **Default password** drop list. (See "About Passwords" on page 196.) To produce the PDF document without having to enter the password, clear the check mark from the **Password Protect PDF Documents** 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 Forms**.)

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.
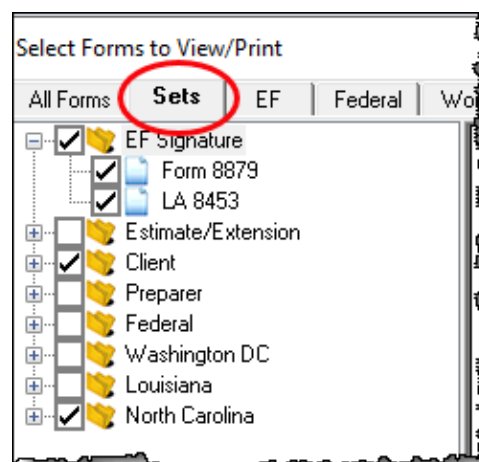
Quick-Printing a Single Form

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**. Printing a single form in this manner is referred to as *quick printing.* Select any desired printing options shown in the **Print Document** dialog box, then click **Print**.

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**. 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.
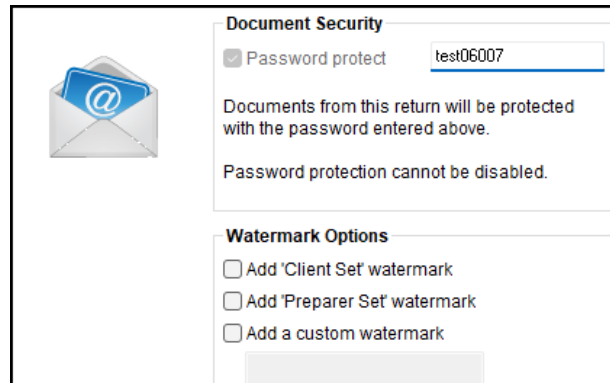
Sending a Return to a Client

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 5-13), showing options for using a password and printing watermarks; see "About Passwords," following, for more information.

Figure 5-13: **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 195.)

7. If no further changes to the message are needed, click **Send.**

About Passwords

New for 2024: Passwords are now required when emailing returns in Drake Tax.

The use of passwords is required and cannot be disabled. Remember that the client must know their 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 5-13 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 5-14).

Figure 5-14: 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 are black, white, and red. The customized colors, as shown in Figure 5-15, are black, white, and blue, respectively.

Figure 5-15: 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 via Pricing Setup.

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 "Pricing Setup Form Order," following.

Pricing Setup Form Order

Through Pricing Setup, you can change the default form order for any form set, return type, state package, and more. Turn back to "Setting a Print Order" on page 103 for instructions on changing global form order using Pricing Setup.

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 (see "Printing Sets" on page 101)
*   Drake Documents setup (see "Using Drake Documents" on page 358)
*   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

When completing screen **X** for the first time for federal 1040 and 1120 returns, as well as certain state 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. 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.

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 5-16: Describing Archived Return

Archive Client Return

Please enter a description for the archived file. The description is used in the Document Manager and in the Archive Manager to help identify specific archives.

Enter a description for the archived file:
Ex: 'Original Return before Amending'

Test Original

OK   Cancel
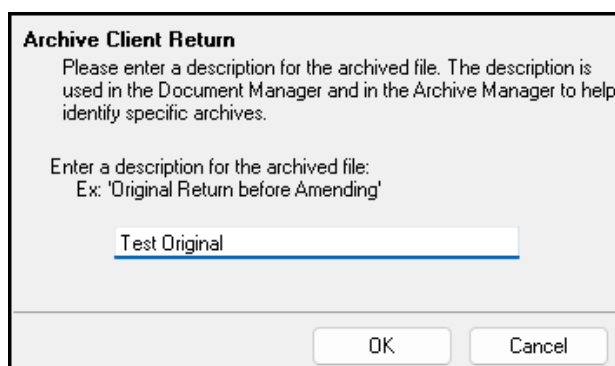
2. In the **Archive Client Return** dialog box, enter a description of the archived file (Figure 5-16), and click **OK.**

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.

Digital Payments for Services Rendered

Drake Tax allows you to accept many forms of payment from your clients, including credit, debit, and contactless payment options. Upon completing a transaction with Drake Pay, payment information is automatically imported into screen **BILL**. You can also import an Excel, CSV, or tab delimited worksheet containing payment information directly into Drake Tax.

Removed for 2024: e-Pay is no longer supported. e-Pay customers are encouraged to sign up for Drake Pay.

Drake Pay

Drake Software partnered with Infinicept®—a leading provider of embedded payment solutions with an outstanding reputation in the financial services industry—to redefine and expand the payment acceptance solution we offer our clients. Drake Pay is Drake Software's new payment facilitation offering that, unlike e-Pay, accepts many modern payment methods, allowing preparers to get their money faster, all with enhanced security.

With Drake Pay, preparers have more ways to collect payments from their customers, including credit, debit, and contactless payments—but more importantly, clients can rest easy knowing they are using a no-compromise security payment acceptance solution. Via Infinicept's Launchpay™ solution, Drake Pay customers are able to take advantage of Launchpay's certified technology, which conforms to all Payment Card Industry (PCI) Secure Software standards; the technological components used by Launchpay are also included on the Validated Payment Software list maintained by the PCI Security Standards Council. Drake Pay clients also have access to free educational resources related to payment safety and security

Drake Pay is integrated with Drake Tax®, Drake Zero®, Web1040®, and Drake Portals™. With the launch of Drake Pay, clients can no longer sign up for e-Pay. Existing e-Pay customers are encouraged to sign up for Drake Pay; however, once signed up, customers can no longer use e-Pay.

Collect payments within Drake Tax by manually entering card information or via a compatible point-of-sale (POS) system. (For instructions on purchasing compatible devices, see Knowledge Base article 18413.) The device must then be configured at **Setup > Printing and Device Setup > Drake Pay**; control who can access POS configurations with group security (**Setup > Preparers and Users > Security > Edit Group Security Settings > Setup** tab **> Printing and Device Setup > Drake Pay**). Transactions made in Drake Tax using Drake Pay are automatically updated on the taxpayer's **BILL** screen.

Visit the Drake Pay information page to learn more. To sign up for Drake Pay, log in to the Support site (*Support.DrakeSoftware.com*), and choose **Products > Drake Pay**. For customer assistance, email DrakePaySupport@DrakeSoftware.com or call (828) 349-5724.

New for 2024: The following payment features were added to Drake Pay:

• **Refund Pay** – refund transfer option where the taxpayer can use their federal refund to pay for your professional preparation services. See KB article 18628.

• **Request Payment feature** – You can send clients payment requests via Drake Tax, Drake Accounting, and the Drake Pay Manager, eliminating the need to accept payments in person. See KB article 18583 for more information.

• **New Charge feature** – Using the Drake Pay Manager, you can request a payment from a client by clicking the **New Charge** button. See KB article 18563.

• **PDF receipts** – Clients receive a PDF receipt of their completed transaction.

Before you can begin processing payments with Drake Pay, you must enter your Drake Software **Account Number** and **e-File Password**, and your IRS **EFIN**, at **Setup > Electronic Filing & Account Information (ERO)**; you must also **Confirm** your **EFIN** at **Setup > Firms**. Drake Pay is to be used for collecting return preparation fees; it *cannot be used* to pay tax due. Drake Pay uses your configured form pricing (**Setup > Pricing**), and any billing adjustments made on applicable screens, to calculate the amount of fees due to you from your client.

Processing Payments via Data Entry

You must calculate the return before you can collect payment for it. When your client is ready to pay for their return:

1. Open and calculate the client's return (CTRL+C).

2. From the **Data Entry Menu** toolbar, click **Payments** to open the **Drake Pay** window.

3. Enter the **Amount to Pay**.

4. Record your client's **Billing Information**. Mark the **Pre-fill with taxpayer information** option to automatically complete the fields using the taxpayer's information entered on screen **1**. If you have a signature pad set up, mark the **Generate e-sign receipt** box to have the taxpayer sign off on the payment via signature pad.

5. Gather payment details in one of the following ways:

    a. (*manual card entry*) Use the **Manual card entry** tab to enter payment details and **Process** the payment.

    b. (*card swipe, tap, and contactless*) If you have a compatible point-of-sale (POS) device set up with Drake Tax, the **Live card swipe** tab is active on the **Drake Pay** window. Select this tab, choose the POS device being used to make the transaction, and click **Process**. Use your POS device to complete the transaction. (See "Point-of-Sale (POS) Device Setup," following.)

Payment details flow to the taxpayer's **BILL** screen and adjust the balance due. View additional processing details, and, if necessary, void or refund the payment from the Drake Pay Manager.

— Point-of-Sale (POS) Device Setup —

Drake Pay can be used with Data Cap-compatible devices. (For instructions on purchasing compatible devices, see Knowledge Base article 18413.) These devices do not have to be physically connected to the computer but must be connected to the Internet to transmit payments. To set up a POS device to use with Drake Pay:

1. From the Drake Tax **Home** window, navigate to **Setup > Printing and Device Setup > Drake Pay**.

2. Enter a **Name** for your device and the device's **Serial Number**. Click **Add**. The device is added to the **Device List**.

Other things to note:

- **Execute a parameter download** to update your selected POS device with the latest Drake Pay settings.

- If your POS device is not functioning properly, **Execute a pad reset**.

- To make changes to or delete a POS device, select the device from the **Device List**, and either edit details as needed and **Update** the device, or **Delete** the device.

Figure 5-17: POS Device Setup

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 5-18: Importing Payment Information from Excel Worksheet

The worksheet must include the *same* column headers in the *same* order as in Figure 5-18 (column headers circled).

Save the worksheet. The recommended location is the FT folder in Drake24.

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 , the starting row is "2" so the headings will not be included.)

Figure 5-19: Start the Import from the Correct Line

6. Click **Next**, then **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 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 the Support site, and how to set up your program to offer them.

Drake Tax's Bank Partners

Drake Tax's bank partners are listed in Table 6-1.

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 218.

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 go to 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

Navigate to screen **USE** and have the taxpayer (and spouse, if filing status is Married Filing Jointly) type their name and the date in the supplied fields (Figure 6-1 on page 211).

Figure 6-1: Taxpayer "Signing" Consent to Use

To use the e-Signature feature to obtain electronic consent:

1. Open screen **USE**. (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 .

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. Open the **DISC** screen.

2. Have the taxpayer (and spouse, if filing status is Married Filing Jointly) type their 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 188.

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 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 and select the first check box in the **Paper Consent** section (Figure 6-2).

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 their 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 > Electronic Filing & Account Information (ERO).**

- 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 ().

- A franchise or network EFIN must be entered in **Setup > Electronic Filing & Account Information (ERO)** in order to produce the correct letter from the **CONS** screen and ensure that consent can be obtained for every return. See .

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, following) is completed in the **Account** section of the Support site (*Support.DrakeSoftware.com*), and bank information is imported into Drake Tax at **Setup > Firms**, 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 the Support site (*Support.DrakeSoftware.com* **> Account > Bank**

Enrollment). For more on that application, see .

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 is 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 Forms W-2 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 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.

- 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 the Support site, 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 the Support site (*Support.DrakeSoftware.com*).

Access the Drake Software Support website from the tax program (from the **Home** window toolbar, click **Support > 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 Enrollment**.
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 the Support site.

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 > Firms**.

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 Enrollment**. (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 40.

Once your bank information has been imported and saved at **Firms**, 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. Review "Use of Tax Information" on page 210 and "Disclosure of Tax Information" on page 211 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 their 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 221.

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 the Support site (*Support.DrakeSoftware.com* > **Products > Bank Product Providers**).

An email address 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 the taxpayer to qualify for a bank product. From the bank screen, click the **IDS** link to open screen **IDS** and supply the required identification information.

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 > Firms**.

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: 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 221. 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 and Device Setup > Printers**, 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 and Device Setup > Printers**.
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 223.) 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 223.

Tracking Prior-Year Information

The **ADMN** screen 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.

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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 > Firms** in Drake Tax. You will *not* be able to transmit returns to the IRS for any EFIN that has not been registered.

See 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 > Firms**, and open a firm (double-click or select **Edit Firm** from the toolbar).

Figure 7-1: Go to **Setup > Firms** 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.

3. Click **Continue**. The Report Viewer displays the selected returns.

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

Shortcut:
Ctrl+T

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.

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.

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 for details on a 1-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 for instructions on calculating returns in Drake Tax.)

Figure 7-2: Forms Tree in View/Print Mode
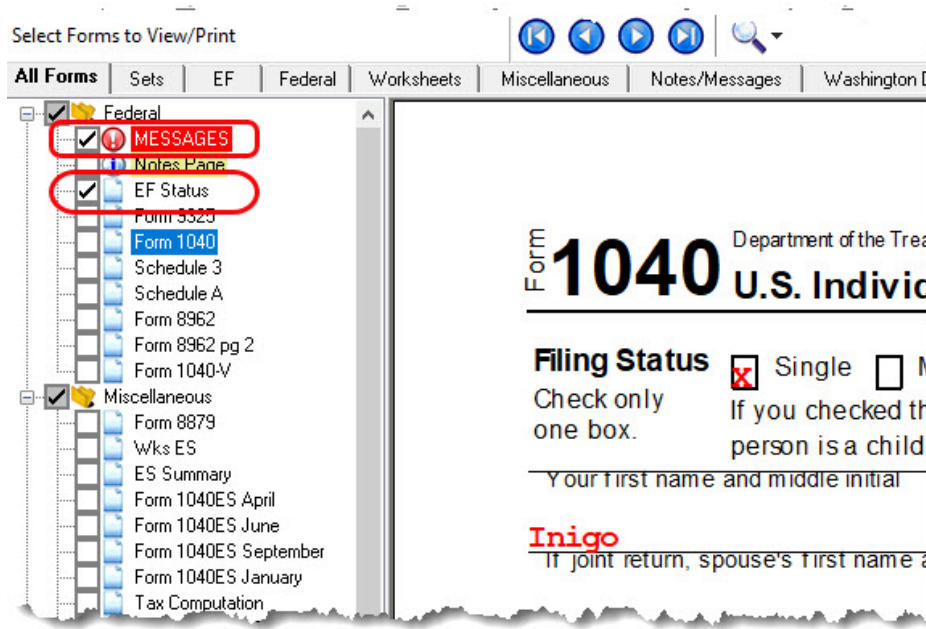
The program generates an "EF Status" document and, if necessary, EF Messages (shown in Figure 7-2) in a directory "tree" and described in the following list:

- **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 197 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 186 for details.

3. Return to data entry and correct the issues that are preventing e-file.

4. Recalculate 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 "EF Select Button" on page 234.)

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). Returns that are otherwise eligible for e-file but must be recalculated cannot be selected and are shaded.

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 the column headers to sort returns by columns.

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

233

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 351 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 right).

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.

Fee Type	Amount
Preparation Fee	$48.33
Total Tax Owed:	**3,677**

EF Select   Back   Continue

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 eligible for e-file.

Step 3: Transmit Return

Never transmit from more than one computer unless the program is installed on a dedicated server.

To transmit a return:

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 233.)

Shortcut:
Ctrl+T

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," following, 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 245.) 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 239.

Bank acknowledgments, listed in Table 7-3 on page 238, 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 246), 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 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 > Firms**.

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 7-4: DCN at **Setup > Firms**

4. Change the **DCN serial number** (Figure 7-4). 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**.

239

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-Filing Batch Extensions

Preparers can e-file extensions for several 1040 returns at once (in batches). From the Drake Tax **Home** window, select **EF > Prepare Extensions**. See for details.

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.

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 7-5 on page 242](#)).

   ° **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

- FinCEN Form 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 the **EF** screen.

2. Under **Federal E-File Override** ([Figure 7-5 on page 242](#)), select the forms to e-file.

Figure 7-5: Override Default e-File Setting on **EF** Screen

```
FEDERAL E-FILE OVERRIDE:
  Select one of the options below:
  ☑ 1040 (includes 9465 if present)
  ☐ 1040-X/Superseded return
  ☐ 1040-X - 2nd Amended/Superseded return
  ☐ 1040-X - 3rd Amended/Superseded return
  ☐ 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.
```

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.) If a payment is being made with the extension, you also must mark the correct check box on screen **PIN** and **PMT**.

To expedite submission and acceptance of Form 9465, Installment Agreement Request, go to the **9465** screen, 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 located in the **Additional Options** section of the **EF** screen.

Emailing Form 9325

Taxpayers and business entities can be notified when any of the following returns are accepted by the IRS or state taxing authority:

- Federal 1040-series returns (1040, 1040-NR, 1040-SS, and 1040-X)
- Individual state returns
- Federal business returns (1120, 1120-S, 1065, 1041, and 990)
- State business returns
- FBARs

Notifications are sent to the taxpayer's or entity's email address on screen **1**. Taxpayers filing 1040-series returns receive a PDF version of Form 9325 with the acceptance email; all other returns receive only an email, satisfying the IRS requirement of a Form 9325 equivalent. Email notifications are *not* sent for accepted extensions.

To receive automatic acceptance emails, the option **Email 9325 Notice to Taxpayer** must be activated in Drake Tax (**Setup > Options > EF** tab); this option can be overridden for 1040-series returns on a per-return basis using the **Email 9325 notice to taxpayer** drop list on screen **EF**. Preparers can modify the "From" email address displayed on the email via their User Account (**Account > Account Info > Form 9325 "From" email address**).

243

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**.
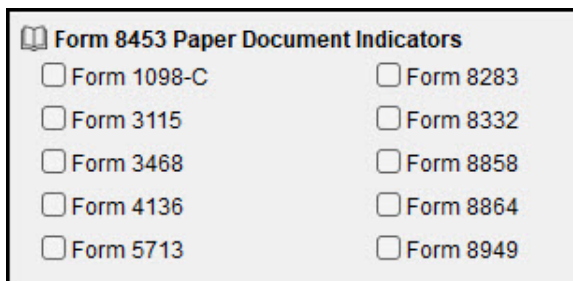
Paper-Filing Form 8453 and Documents

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.

2. Select the appropriate forms in the **Form 8453 Paper Document Indicators** box ().

Figure 7-6: 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, 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 7-7). To browse all records, leave this field blank.

Figure 7-7: 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 7-7.)

245

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
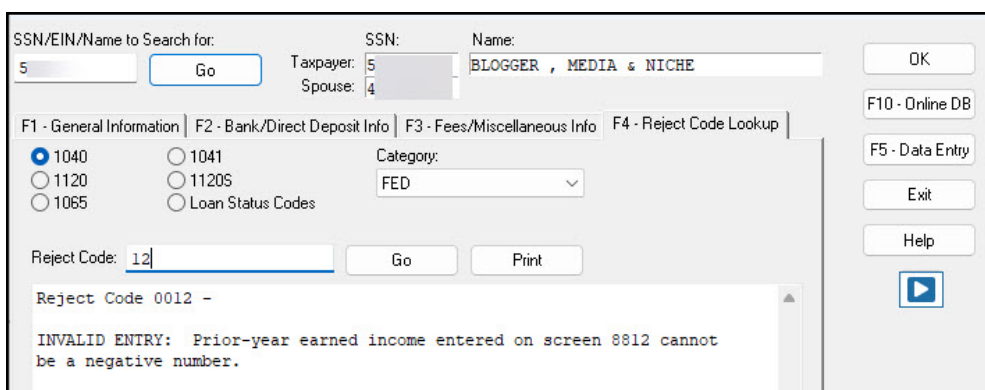
The **F3 – Fees/Miscellaneous Info** tab contains general return information about the taxpayer, the firm, and fees distribution.

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).

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 7-8: 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 **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.

e-File Task Consolidation Feature

The e-File Status feature is an expansion upon the existing e-File Database. e-File Status helps consolidate e-file tasks—including **EF > Transmit/Receive > Acks Only** and **EF > Process Acks**—while allowing you to check your firm's up-to-date e-file records using the EF Database you are already familiar with (**EF > Search EF Database**). The e-File Status feature can be accessed only by those with sufficient Drake Tax security permissions.

247

Go to the **Home** screen of Drake Tax. Upon clicking **e-File Status**, you are given the option to check for and process new acknowledgments from recently e-filed returns. If you have new acknowledgments from Drake Software that need to be processed, a red indicator appears on the e-File Status icon. All information received through e-File Status is automatically added to the EF Database, accessible from both Drake Tax and the Drake Software Support website > **Reports > E-file Status Lookup**).

Rehang Acks

New for 2024: You can now select the option **Rehang Acks from Drake Server** when using the e-File Status feature. This allows you to rehang your own acknowledgments to ensure that the acks in Drake Tax are the same as on the Drake server. The process is as follows:

1. Click on the **e-File Status** icon on the **Home** screen of Drake Tax.

2. Select **Rehang Acks from Drake Server.**

3. On the **Client Selection** window, select the individual or business taxpayer for whom acks need to be reviewed.

4. A grid shows e-filed returns for the selected taxpayer. Compare the acknowledgment status on your local installation (**Your Status**) with the status that shows on the Drake server (**Drake Status**). If you see "Out of Sync" under the **Status** column, click **Rehang My Acks** to rehang the acks and synchronize the information between the local and Drake database.

5. A message is displays to let you know that the request is being processed.

6. You can wait for the process to be completed, or **Close** the dialog box and work on something else while the acks are synced.

   ° If you choose to wait, the **Process Acks** window will open automatically after the request is complete. Review and print acks as needed.

   ° If you exit the processing window by clicking **Close**, you must go to **EF > Process Acks** (from the **Home** window menu bar) to review results.

Bank Acks are not rehung during this process. If you need assistance with bank acks, or an EF Rebuild due to a computer crash, contact Drake Support at (828) 524-8020 for assistance.

EF Reports (Online)

Users must have the correct **Custom Report Access**, established from **Account > User Info**, in order to run former online EF 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 251.
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 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
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 7-9 shows an example of running a general report for **Returns**.

Figure 7-9: 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.

4. Click **Copy Files**.

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 Knowledge Base article "18322: State e-File Mandates."

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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 their 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
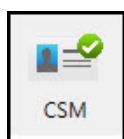
Use any of the following methods to open the CSM:

- From the toolbar of the Drake Tax **Home** window, click **CSM**.

255

- 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
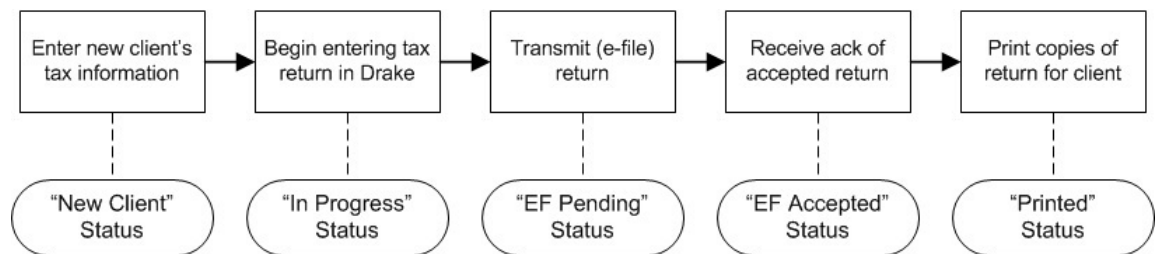
Predefined Statuses

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 2023
- 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
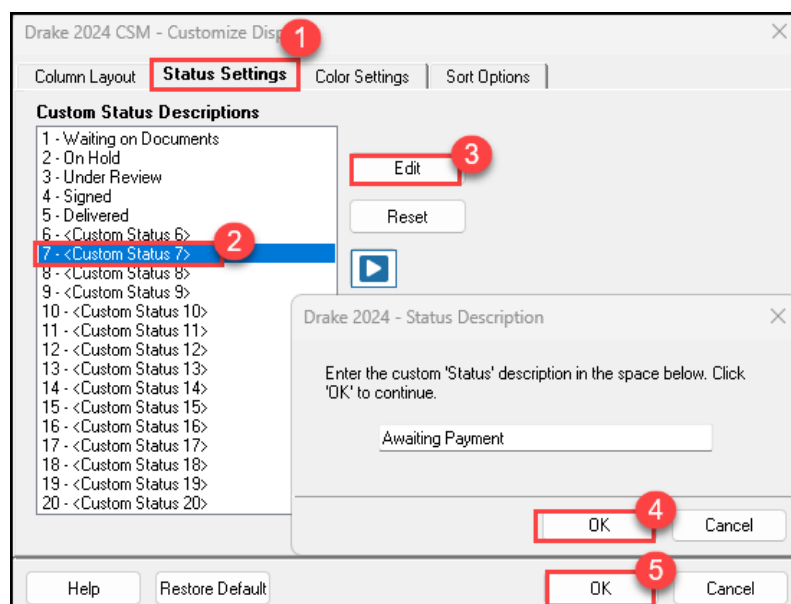
2.   Click the **Status Settings** tab (item #1 in), and then select a status description to rename (#2). Five of the custom statuses have suggested descriptions that can be changed.

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 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 2023 to 2024** and update the return. The client's record goes into the 2024 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 263.) The return is opened to the **General** tab of the **Data Entry Menu**. 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 their 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:

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
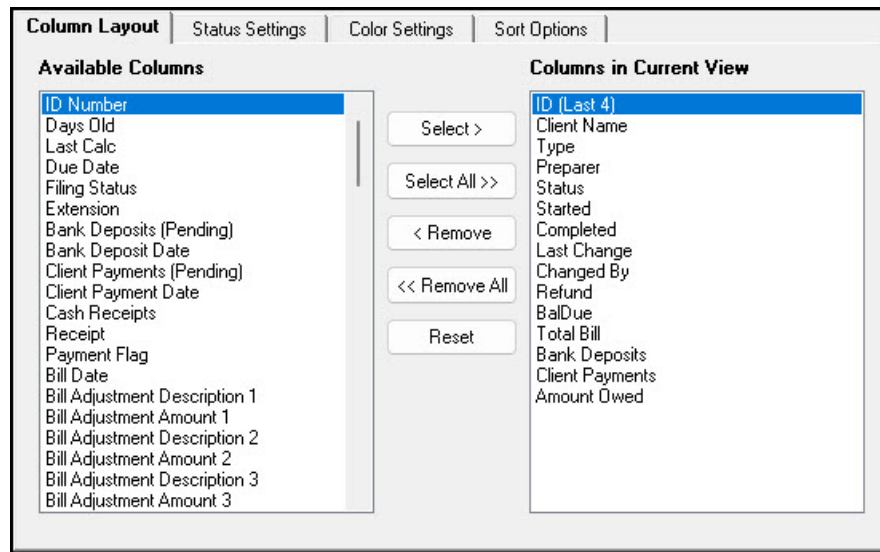
2. To *add* a column to your view, select an item in the left pane and click **Select** (or double-click the item) to move it to the right pane. To add all items, click **Select All**.

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 257.)

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 260](#)), 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 260](#).)

    ° 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.

Filter by preparer
- ✓ All Preparers
- Current Preparer

Filter by status
- ✓ All Status Types
- Work in Progress
- Completed Returns
- EF not Sent
- EF Pending
- EF Accepted
- EF Rejected
- Missing Files

Filter by return type
- ✓ All Return Types
- All Business Returns
- Individual (1040)
- Corporate (1120)
- S Corp (1120S)
- Partnership (1065)
- Fiduciary (1041)
- Estate Tax (706)
- Tax Exempt (990)

Hide or display returns
- Hide Inactive Returns
- Hide Completed Returns
- Hide Deleted Returns
- Display Deleted CSM Records

- 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 63.)

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, 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 337.

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 311](#). 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 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 *2024 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. 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 *2024 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:

- **Support site** — *Support.DrakeSoftware.com* **> Support > Documents > Manuals** tab
- Drake Tax **Home** window toolbar
  - Select **Support > Support Website**. Sign in and click **Support > Documents > Manuals** tab.
  - Select **Support > Manual & Online Resources**.

In the same location is also the What's New for 2024 and the Drake Software Desk Reference Guide. The *2025 Drake Accounting Manual* and Drake Tax Manual supplements are made available with the full release of Drake Tax (January 2025).

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 *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 *Support.DrakeSoftware.com*.

To sign in to the Support site, 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 Drake Software user account.

See "Initial Setup" on page 25 and "Managing Bank Products" on page 215 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 Drake Pay, Drake Portals, 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 the Support Site

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.

269

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 248), and check on your DIY Referrals (following).

For more on setting up the account, see "Initial Setup" on page 25.

For details on applying to provide bank products, see "Managing Bank Products" on page 215 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 Drake Software user account using the Drake User Manager. Turn back to "Drake User Manager" on page 26 for information on creating user accounts and setting permissions.

To allow employees who have their own EFINs access to your firm's information via the Support site, add them to your office as "sub-EFINs." From *Support.DrakeSoftware.com*, 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 their 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, 5 – 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, Drake Portals, 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.

Drake Portals

Drake Portals 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 Drake Portals packages.

For more details on using this feature, see .

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 .

TheTaxBook

Links throughout Drake Tax 2024 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 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,

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 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, Drake Portals, 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 shows the **Home** window of the Drake Software Knowledge Base.

Figure 9-2: Knowledge Base Quick Search (Item #1); Trending articles (#2); Topics (#3), and Frequently Asked Questions (#4);
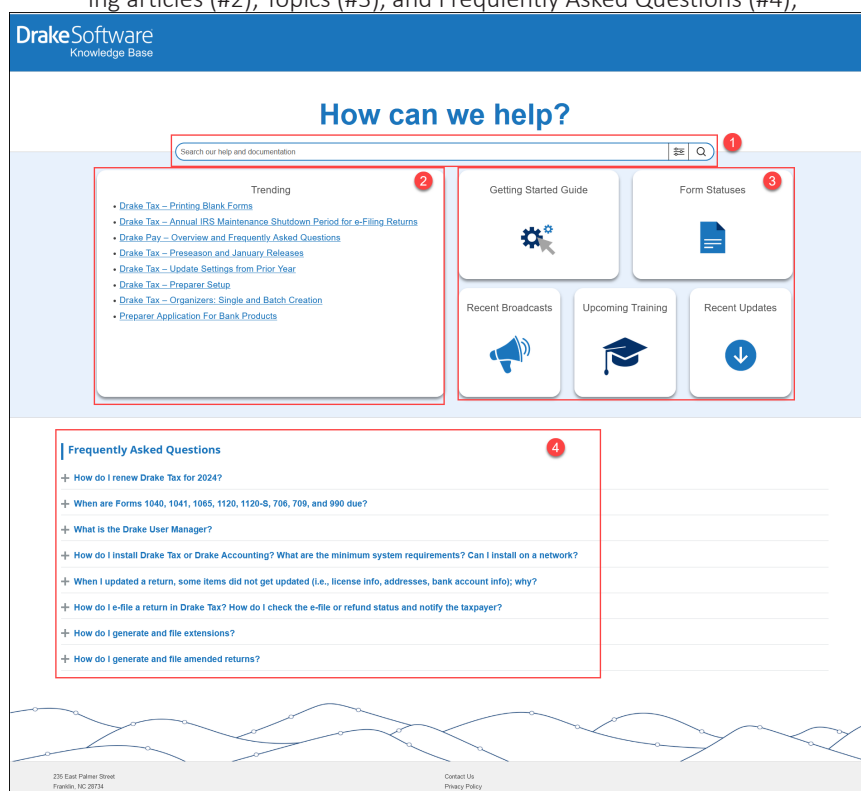
> Depending on the Web browser you use, the location of items on the Knowledge Base webpage could vary.

273

— Searching the KB —

There are several methods of searching for a topic or article, beginning at the **Home** window of the KB:

- **Search** field
- **Trending** tab
- **Topics** tabs
- **Frequently Asked Questions**

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.

KB Advanced Search Options

Direct your search by selecting options from **All Produts** filter. From the drop lists, choose to search for articles defined by the following filters (see "Figure 9-3: Search options on the KB" on page 275):

- **All products**
- **Drake Tax**
- **Drake Accounting (DAS)**
- **Drake Portals**
- **Drake Documents**
- **Drake Pay**
- **Drake Scheduler**
- **Web1040 and DRAKE Zero**
- **GruntWorx**
- **Rightworks**

Figure 9-3: Search options on the KB
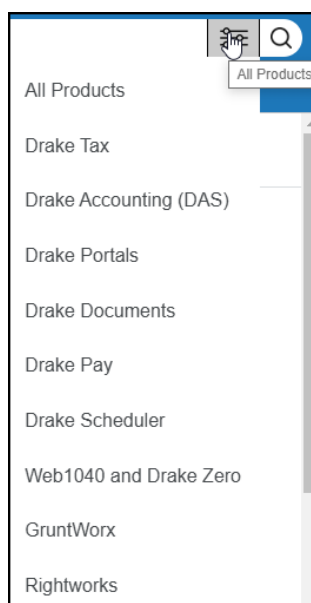
— Browsing the KB —

The **Home** page window gives you access to all available KB articles produced by the Drake Software team. Get started by selecting any of the Trending articles, or select one of the tabs such as the Getting Started Guide, Form Statuses, Recent Broadcasts, Upcoming Training or Recent Updates. Once an article is selected, all articles are stored in folders displayed in a "tree" to the left side of the window.

— Related Articles —

If there are other articles in the KB related to the one you queried, those articles appear to the left. Click a folder to open the tree of categories, then click a category to list all relevant articles in the document pane of the window. Click an article to open it.

— 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 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 2024
- 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 9-4](#)) 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 9-4: **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 9-5 on page 277](#)). 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 Community," following) and state taxing authority websites.

Figure 9-5: Selections (Item #1) on the Illinois Page; Links to the Illinois State Website (#2 and #3)

Form Availability and Filing Statuses

New for 2024: You can now check which federal and state forms are supported in Drake Tax and their up-to-date e-file and paper-file availability statuses via Forms.DrakeSoftware.com. Once on the site, select either federal or a specific state for more information on supported forms, schedule changes, and tax law updates.

Drake Community

In a continued effort to upgrade existing Drake Software applications and websites for ease of use, Drake Forums (*Forums.DrakeSoftware.com*) has been retired and replaced with the Drake Software Community (Drake Community Forum) (*Community.DrakeSoftware.com*). This community is the perfect place to connect with other Drake Software users, get answers to questions, and stay up-to-date on the latest trends and best practices in your field. Log in to *Community.DrakeSoftware.com* using your Drake Software credentials to get started.

The Drake Community is a strictly voluntary resource and should not be used as a substitute for obtaining help from Drake Software Support.

277

Drake Software Status

The Drake Software Support website (**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, Drake Portals, Drake Zero, Rightworks, 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

Peruse the **Training** tab of the Support site 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 Drake Portals.

- **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 131 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 an in-person or virtual update school, and earn 8 CPE credits as you learn about the latest tax industry information software enhancements. Visit *Support.DrakeSoftware.com/Schools* to learn more.

- **DrakeCPE** — See "DrakeCPE" on page 279.

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 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 *Support.DrakeSoftware.com*, 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, log in to *Support.DrakeSoftware.com*, 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 2024** — An published document describing the additions and changes to IRS tax laws and Drake Software programs for the 2024 tax year

- **Knowledge Base** — An online reference source containing answers to common tax and program questions (See "Knowledge Base" on page 273 for more information.)

- **Program Help** — A searchable, indexed encyclopedia containing answers to common software questions (see "Program Help," following, for more information)

- **Support Website** — *Support.DrakeSoftware.com*, containing links to all of Drake Tax's online help resources (see "Online Support" on page 268)

- **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

- **Co-Browse** — A method of troubleshooting that allows a Support agent to see—*not control*—what you see on your computer and guide you to a resolution

- **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

- **Help Assistant**— A link to a search tool used for answering common and trending Drake Tax questions using the Knowledge Base and Drake Software's documentation.

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 9-6: "Links" Page of Program Help
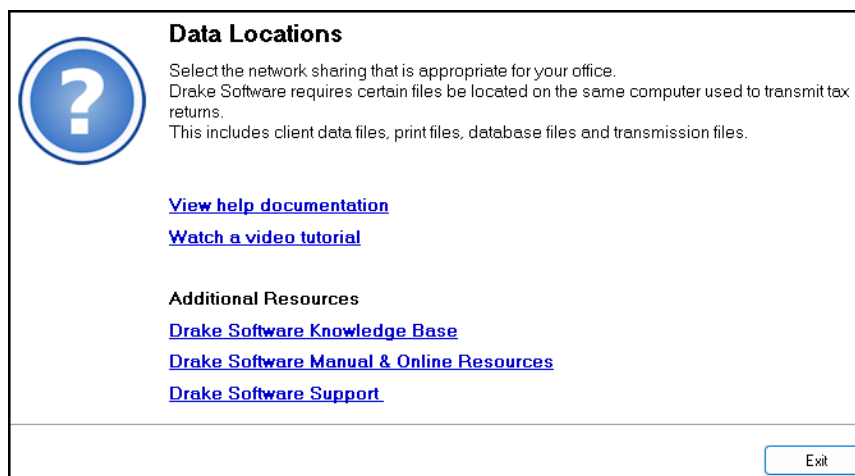
When you access the online Program Help system, you first see a "links" page (Figure 9-6), containing links not only to the help you are looking for, but with the **Additional Resources** links, also to such helpful resources as video tutorials, the Drake Software KB, the *2024 Drake Tax Manual*, and 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 9-6, 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 offline Program Help you are familiar with from past versions of Drake Tax. While the following information refers to the online version, the older offline 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 9-7 on page 282). In this example, the user clicked the "Setup" book (#2) in order to find information on the Setup Options. The user clicked the Data Locations (#3) to reveal the Data Locations article.

Figure 9-7: Topics in Program Help
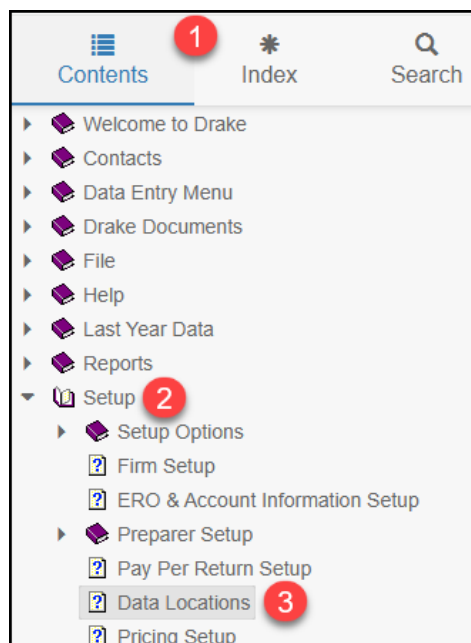
Links to these same articles also appear in the large information pane in the center of the window.

— 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 9-8).

Figure 9-8: Searching Program Help
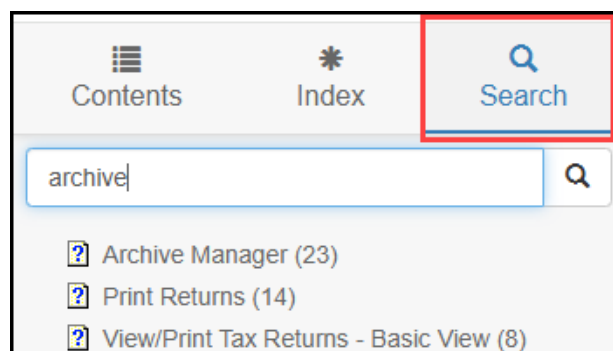
Articles in which the searched-for term appears are listed. Simply click an article to view it in the information pane in the center of the window. In <u>Figure 9-8 on page 282</u>, the user entered the term "archive," and the most popular article returned was for the "Archive Manager."

— 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 <u>"Tax Research" on page 287</u>).

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 <u>"Knowledge Base" on page 273</u>.)

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 <u>"TheTaxBook's WebLibrary" on page 167</u> 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. 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 9-9: Field Helps are Available on All Data Entry Screens
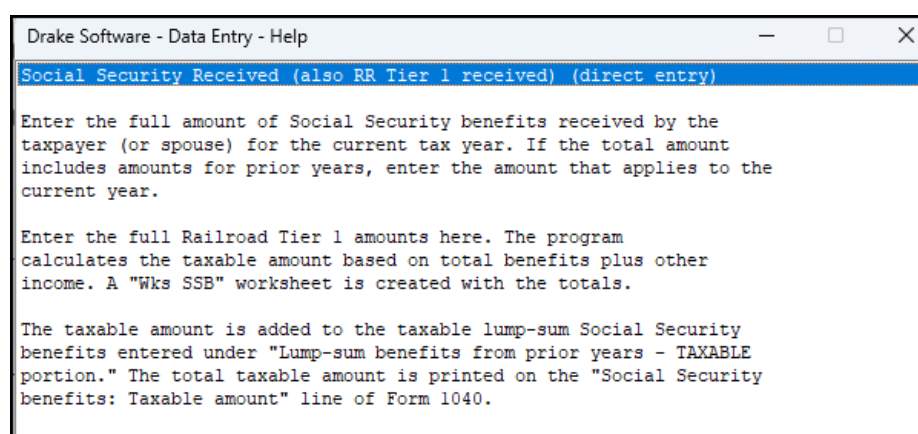
Each help window indicates whether the field is a direct entry, adjustment, or override field. To close a help window, click the **X** in the upper-right corner or press ESC.

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 9-10).

Figure 9-10: Help Resources from Data Entry
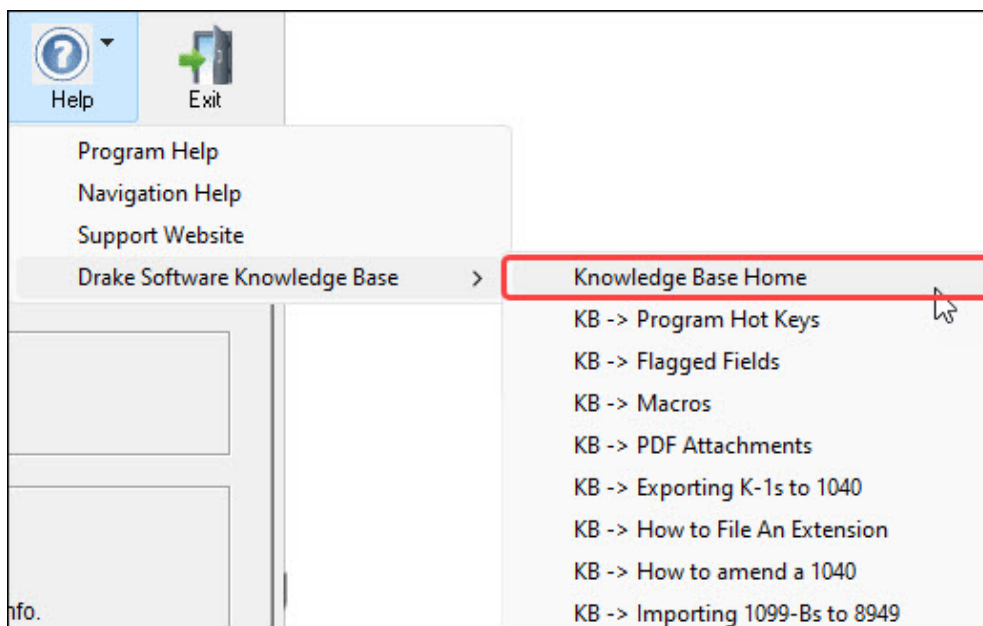
Click the **Help** button from the **Data Entry Menu** toolbar for a list of help options. In the example in Figure 9-10, the user has selected the **Drake Software Knowledge Base**, finding links to the **Knowledge Base Home** window and eight often-viewed KB articles on program functionality.

Other items on the **Help** menu are:

- **Program Help** — Opens the Drake Help Program. (See "Program Help" on page 280 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 *Support.DrakeSoftware.com*. (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 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 <u>Figure 9-11</u>) 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 9-11: 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 (<u>Figure 9-12</u>).

Figure 9-12: Video Links Available on Some Menus, such as the View/Print Mode Toolbar
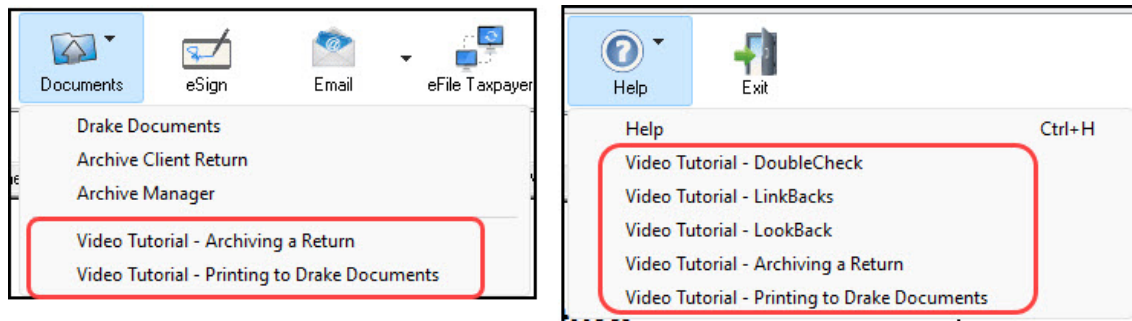
To find all the videos in one convenient place, from the toolbar of the **Home** window of Drake Tax, click the **Support** icon and select **Video Tutorials**. When the Videos site is reached, click the **Getting Started** drop list.

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 9-13).

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 9-13: 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 167 for more information.

Interactive Support

Drake Software provides interactive support via email and phone.

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 Software" 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 9-14 on page 289).

> Every preparer in your office can have their own email account but must complete a separate setup.

At the top of the **ADMIN Options** dialog box, three options are available:

Figure 9-14: 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 290.)

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.

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. KB Article 16560 covers linking Microsoft-based email programs such as Hotmail, Windows Live, and *Outlook.com*, KB article 15719 discusses linking Google's gmail, and KB article 16465 explains *Yahoo.com*

To reach the Drake KB, from the **Home** window of Drake Tax, select **Support > Knowledge Base**. Sign in to *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. Drake Software uses a secure file-transfer program 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 2024.

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 9-15).

Figure 9-15: **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 9-16).

Figure 9-16: 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 9-16) 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). See "Prior-Year Returns" on page 293 and "Other Types of Files" on page 293.

6. Click **Done**. You are returned to the **Compose Message** window with the file attached. (See Figure 9-15 on page 291.)

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 2024, 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 9-16 on page 292), enter the SSN or EIN of the file to send.

Figure 9-17: Attaching Prior-Year Returns to an Email Message
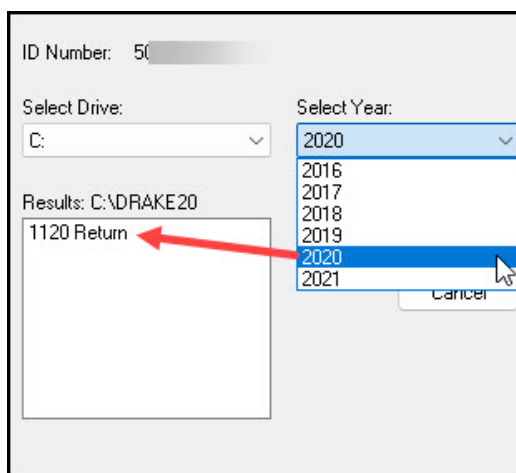
4. *(optional)* Click **Prior Year** (item #2 in Figure 9-16 on page 292) to open the **Prior Year** dialog box (Figure 9-17).

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 9-16 on page 292.)

— 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 9-16 on page 292.)

- 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.

- 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 9-18: Address Books in Drake Tax Email Program
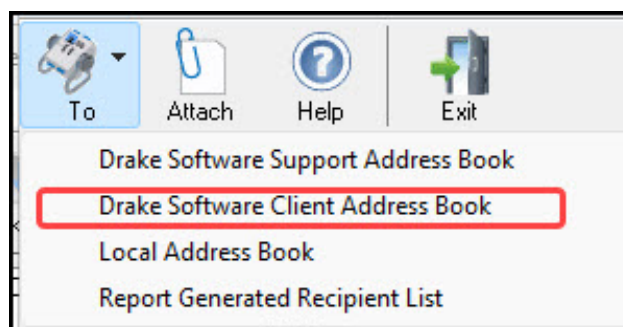
To access these options, click **New** to open the **Compose Message** window and click the **To** icon on the toolbar (Figure 9-18 on page 294). Address books are shown in the drop list.

> To have access to all three address books, and the Report Generated Recipient List shown in Figure 9-18 on page 294, you must have an email account set up in Drake Tax. See "Email Through Drake Tax" on page 288 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 303.) 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 9-19).

Figure 9-19: Importing Addresses from an Excel Worksheet

	A	B	C
1	Last Name	First Name	Email Address
2	Jaeger	Eren	Eren.Jaeger@AOTcom
3	Ackerman	Mikasa	Mikasa.Ackerman@AOT.com
4	Arlert	Armin	Armin.Arlert@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 Drake24.

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 goes 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 (). Double-click a keyword to add it to the body of the email. In the example in , the preparer began the letter by typing `Dear`, and after a space, double-clicking **TAXPAYER NAME** from the Keyword Selector list.

Figure 9-20: Selecting Keywords for Email Message
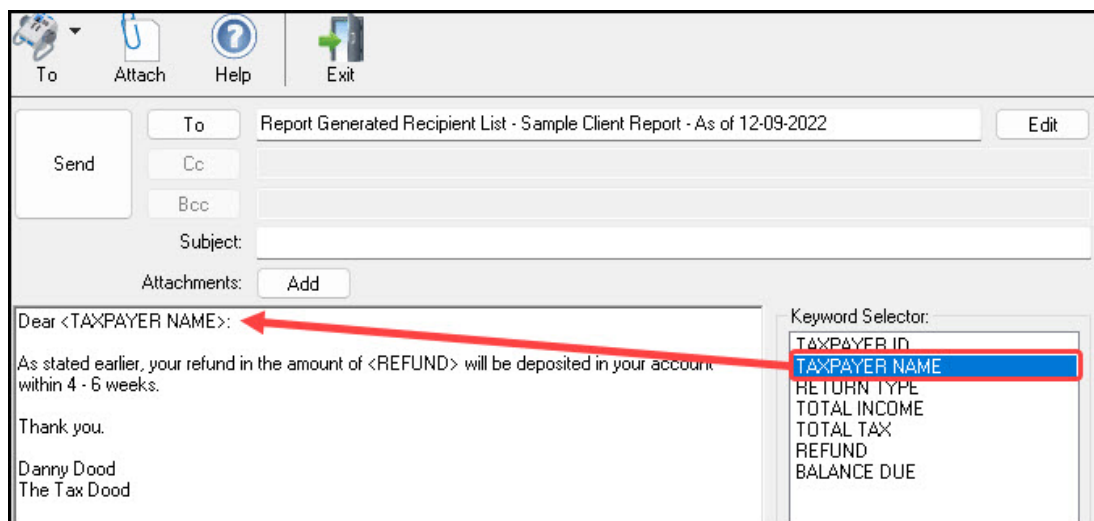
Click your pointer anywhere within the body of the email before double-clicking the keyword to have the keyword entered in that location. Once keywords are added, edit the email message, add a subject line, and add any attachments before clicking **Send**. The message is sent to all selected recipients.

- If you wish to add keywords to your letter that do not appear in your **Keyword Selector** list, return to step 4 on page 297, 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. For additional phone numbers and contact information, see the "Quick Reference" chapter on page 9.

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 300.

- 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 356.)

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 337.)

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 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**
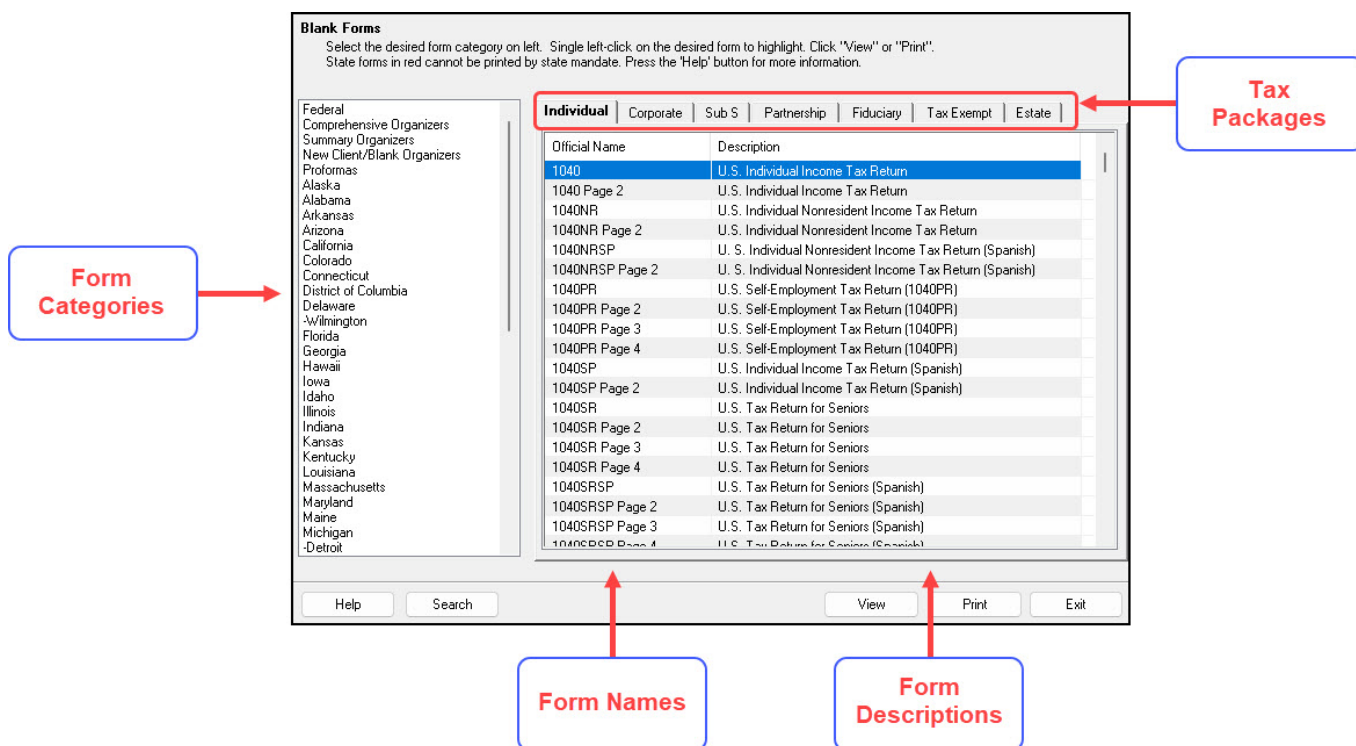
Click a column header to sort forms in ascending or descending order.

---

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 10-1 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 "Drake Portals Back Up Offsite/Online" on page 307.

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** D**ialog 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 "Drake Portals Back Up Offsite/Online" on page 307 for details.) Select the number of weeks you want Drake Portals to keep this backup. (See "Incremental Backups" on page 308.)

   ° 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 Drake Portals at the same time by marking both the **Send to cloud storage** and **Include DD Archive Cabinet** check boxes.

- Delete any previous Drake Portals 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 Drake Portals.

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 304), 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 **Send to cloud storage**. (See "Drake Portals Back Up Offsite/Online" on page 307 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 307).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 307).

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
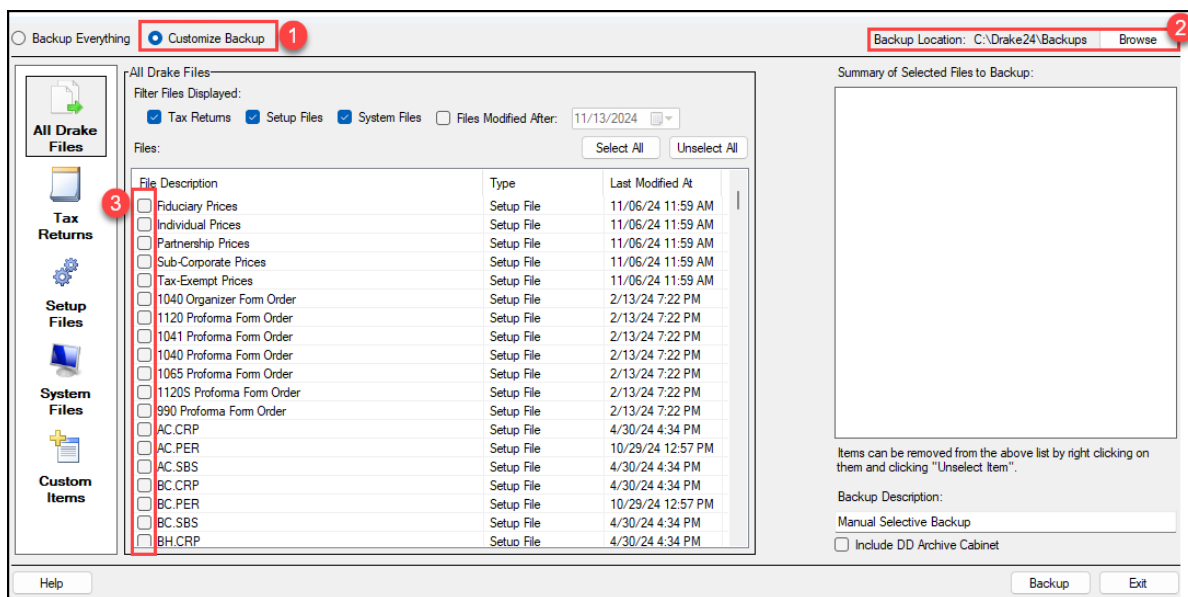
Drake Portals Back Up Offsite/Online

When you mark the **Back up to cloud storage** box and click **Backup**, the program begins performing the desired backup to Drake Portals.

Customers who are not signed in to Drake Portals must enter their Drake Account credentials before the backup can be completed. Files cannot be saved to Drake Portals if the user does not have a Drake Portals 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 Drake Portals, turn to , or sign in to *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 Drake Portals, 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 Drake Portals:

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 303.)

(*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

This will password-protect a single taxpayer return.
The password you choose MUST be eight characters or less. It may be any combination of letters and numbers.
Enter the client's ID Number then enter and confirm the desired password.

Enter the primary taxpayer ID Number: 5▮▮▮▮▮▮▮▮

Current password:

Enter password [Max 8 Characters]: ********

Confirm password: ********

Help   Continue   Exit

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 85.)

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 52 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, then **OK**.

5. 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 304.)

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 313).

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 , 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 304) and QuickBooks files before importing client files.

Data cannot be imported if using the online version of QuickBooks.

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 315). 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 "Digital Payments for Services Rendered" on page 202.

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 316, are those that do not typically accompany a tax return.

315

Table 10-2: Letters Available from **Tools > Client Communications > 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 40.

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**.

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6.   Click **Print**. Click **Exit**.

317

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.

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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 332.) 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 317.)

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 332.) 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 317.)

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 .

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 .

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.

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 Viewer** to review 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.

New for 2024: The City Tax Rates can no longer be edited.

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.

3. Click **Exit** once you have reviewed the city rates.

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.

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.

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.

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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.

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
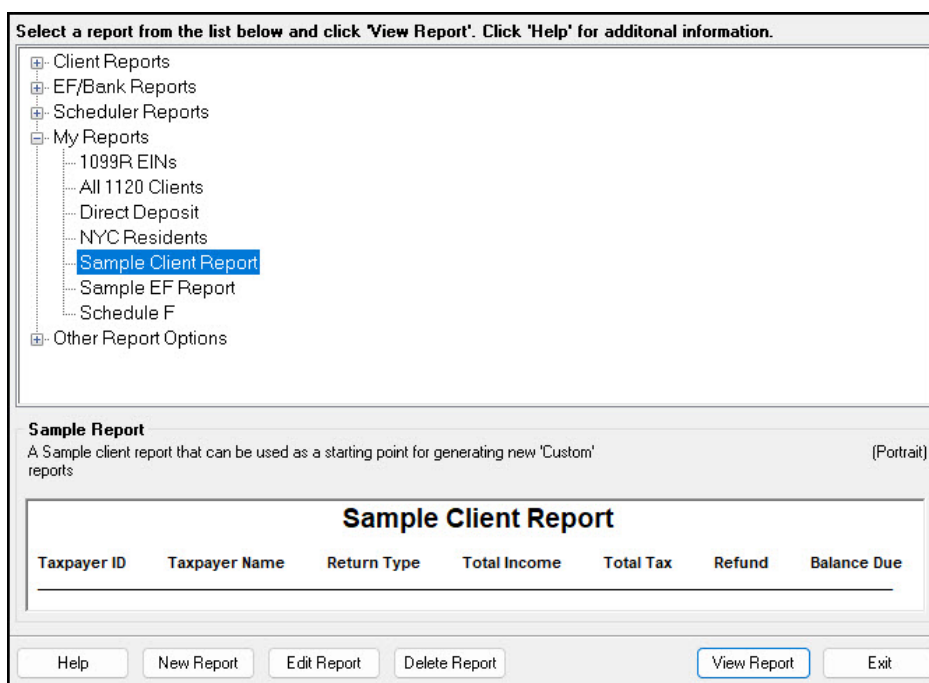
Only those reports in **My Reports** can be deleted. To delete a report, select it and click **Delete Report** (or choose **Delete Report** from the right-click menu).

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: **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 328), 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).

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 (), click **Next** to open the **Report Editor – Step 2 window** ().

2. Select a desired template the **Select a report filter** drop list.

3. Click **Edit Filters** to open the **Filter Manager** window (). 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 .)

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 332.

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 329).

— 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 2023** 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 327) 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 337).

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 327 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 315), proformas and organizers (see "Organizers" on page 139), and the Fixed Asset Manager (see "Fixed Asset Manager" on page 338). 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 329), click **Edit Filters**. (See "Customized Filters" on page 330.)

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 333, 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).

    ° 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: 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 332.)

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 332.)
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 326).
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 > Firms**, and **Setup > Preparers and Users**) 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: **Drake24\ Reports**. To select this or any location, view the report, 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

Depreciation Listing
Choose to print the depreciation listing, export it to a CSV (comma separated value) file, or cancel.

Print   Export to File   Cancel
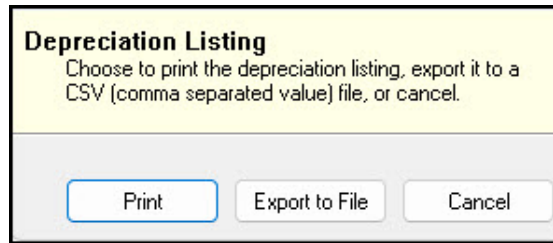
°   **Print** — Send the list to the printer. In the **Print** dialog box, click **Print**.

°   **Export to File** — Depreciation lists exported to file are stored in Drake24\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 341.)	

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 340).

Figure 11-9: **Fixed Asset Manager** Dialog Box

2. Enter a number in the **ID Number** field.

3. Select a report type. (See 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 **Drake24\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 the 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."

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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 Drake Portals, 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 Drake Portals 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 Drake Portals 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 187.

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 355.

- **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: 2023 documents are in the 2023 program, 2024 documents are in the 2024 program, etc. If you choose the Working Cabinet as your source, see "Working Cabinet Window" on page 352.

- 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 353 for details.

- Switch back and forth between the Archive and Working Cabinets as needed. See "Configuring the Cabinet" on page 349.

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 372 for more information on this product)

- Access Drake Portals (see "Drake Portals" on page 374 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 200 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 352 and "Setting up the Archive Cabinet" on page 355.

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 and Device Setup > 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 350.)

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
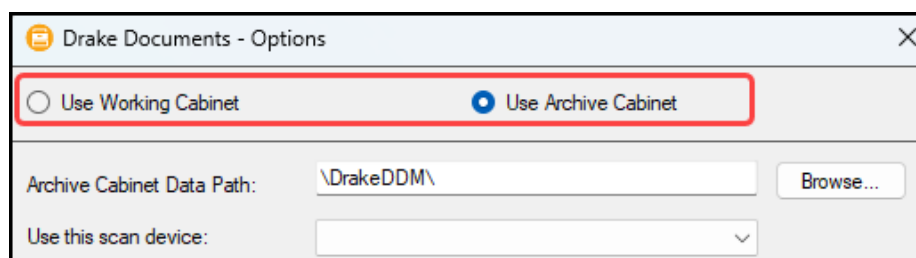
Restricting Access

To restrict access to Drake Documents by individual preparers:

1.   From the **Home** window of Drake Tax, go to **Setup > Preparers and Users** to open the **User 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 > Preparers and Users** to open the **User 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**.
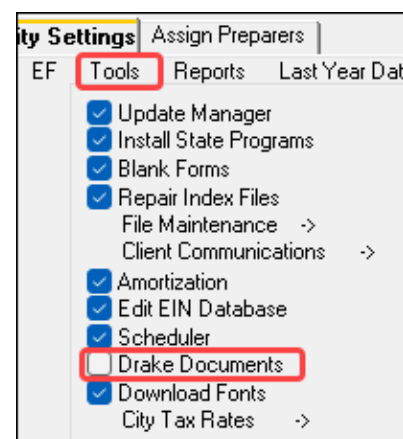
- Individual restrictions are not available for security groups **ADMIN** and **FULL**. The **FRONT OFFICE** security group and any security groups you've added can be restricted. For details on setting up security groups, see "Setting Up Group Security" on page 47

- For information on password-protecting individual files in the Archive Cabinet, see "Document Security" on page 365.

- 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 355 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 288.

File Structure

Both the Working Cabinet and the Archive Cabinet display stored files alphabetically in a folder "tree" (Figure 12-2 on page 348).

Figure 12-2: Archive Cabinet Files (Left) and Working Cabinet Files (Right) Store a "Tree" of Client Folders
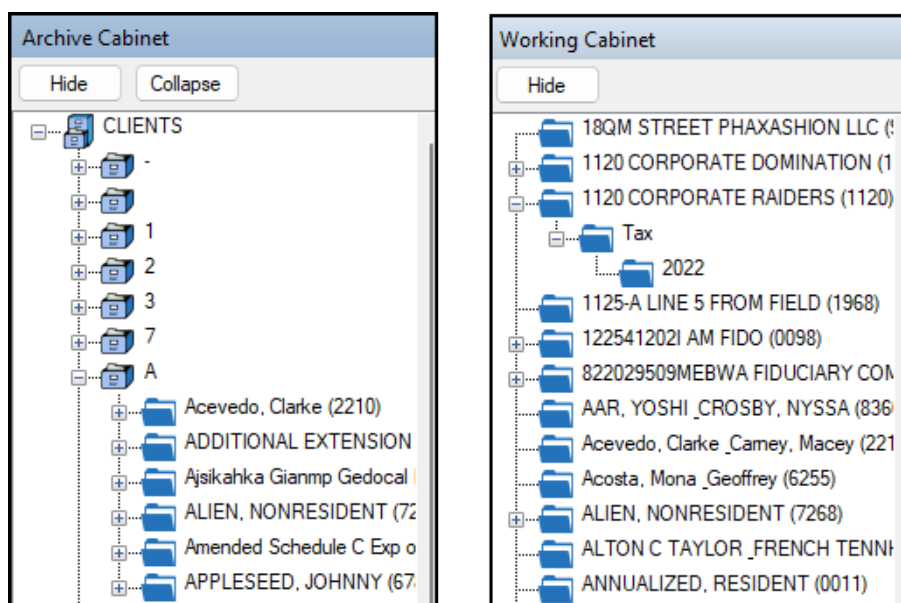
Use the default Drake Documents file structure or customize it as needed. To implement the Drake Documents file structure, see Step 3 under . To customize your file structure:

1. From the **Home** window of Drake Tax, go to **Setup > Printing and Device Setup > 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 and for directions on setting up preparer and group security.

Drake Tax Manual - Tax Year 2024

— 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
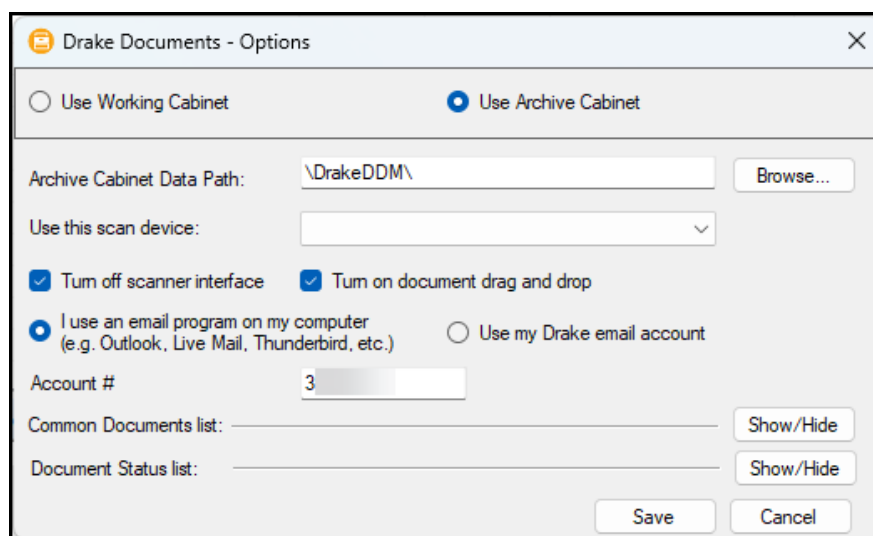
2. From the Drake Documents menu bar, choose **Setup > Options** to open the **Drake Document – Options** dialog box (Figure 12-3 on page 349). Options are listed in Table 12-1.

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 345.)
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 347 and "Email Through Drake Tax" on page 288.
Account #	This number must be entered if you plan to email documents through Drake Documents or if you used the Drake Portals 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 364.

— 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 351).

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 files.

Whenever you scan a document into Drake Documents, you have the option of selecting one of the descriptions entered as a common document. (See <u>"Scanning a File" on page 362</u>.)

— 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.
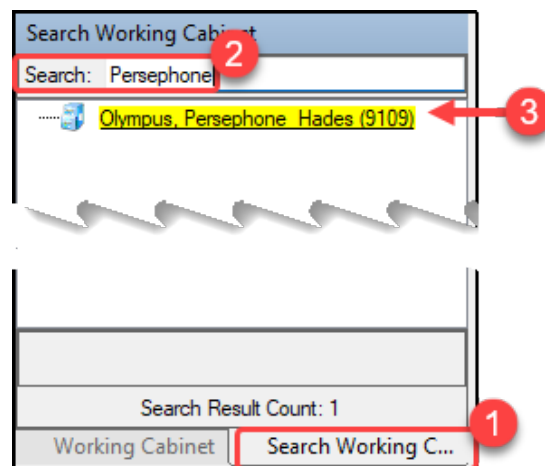
To locate documents stored within Drake Documents, enter the name—or portions of a name—of a stored document and the Search engine locates all documents in all folders that contain the words or phrases you are searching for.

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
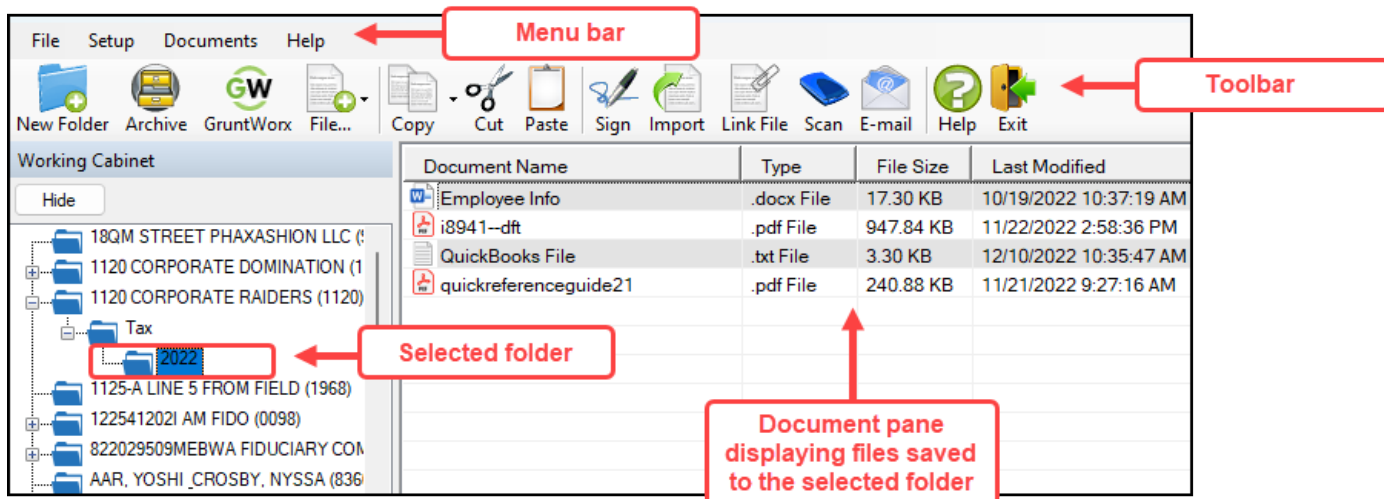
Folders are listed alphabetically, on the left side of the window, based on the individual clients' last names or the business clients' first names. Subfolders are stored within each client's folder. Click the PLUS SIGN to expand a portion of the tree; click the MINUS SIGN [-] to collapse it; or, with 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 2024 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**.
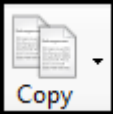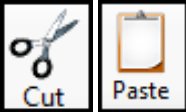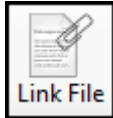
✎ If you open the Drake Documents Working Cabinet from within a return, only that client's file will be offered for transfer to the Archive Cabinet.

— 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 361.

Table 12-2: Other Working Cabinet Tasks

Task	Description
GruntWorx	See "GruntWorx" on page 372.
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 365 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 187.
Import	For information on importing, see "Importing a File" on page 361.
Link File	For information on linking files, see "Linking a File" on page 363.
Scan	For information on scanning to Drake Documents, see "Scanning a File" on page 362.

Task	Description
E-mail	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.
Help	Access Help.
Exit	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 28 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 349.)

The other options on the **Drake Documents – Options** dialog are described in Table 12-1 on page 350.

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.
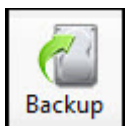
Figure 12-6: Backing Up a Cabinet
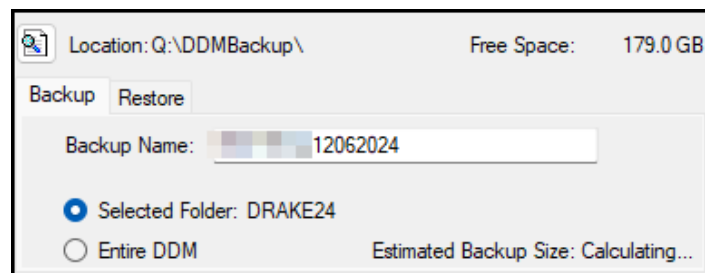
4.   *(optional)* If you do not want to use the default location (The "DDMBackup" folder, located on the drive where Drake Tax is installed) to store your backup, click the **Location** button in the upper-left corner and specify a new location.

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 356, 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 356).

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 352).

"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 354 and "Working with Drake Documents Files" on page 361.

— 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 347) 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 352).

> 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 Drake Portals portal. For details, see "Printing to Drake PDF" on page 193.

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:
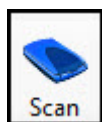
1. From the Drake Documents toolbar, click **Scan**.

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 350) and select a file (#2).

Figure 12-7: Scanning Documents into Drake Documents
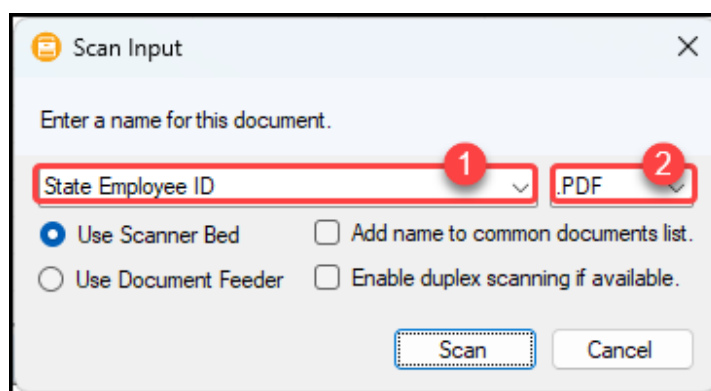
3. Select **Use Scanner Bed** or **Use Document Feeder**.

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 350.

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:
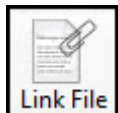
1. Select a folder in which to store the link.

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
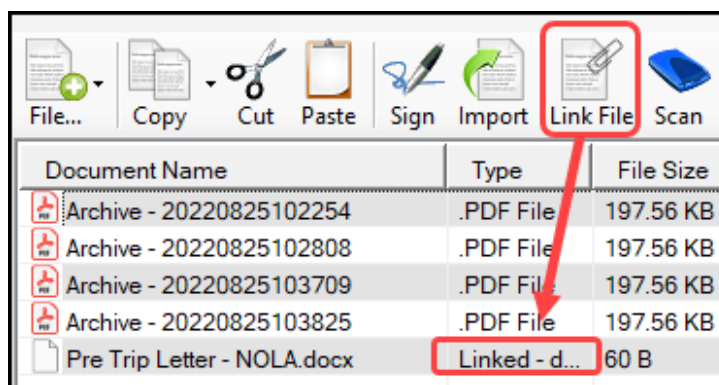
Using the Audit Log

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: Setting Document Status in Audit Log
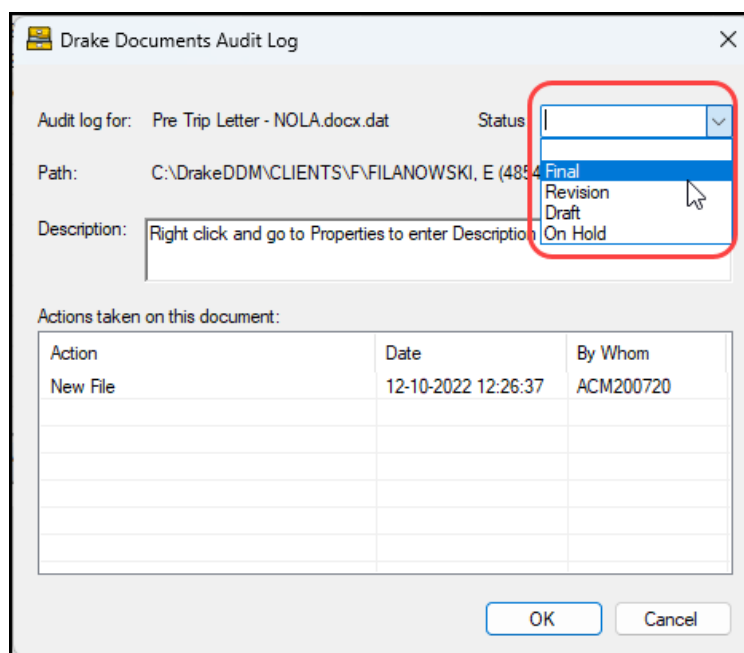
2. From the **Status** drop list, choose the appropriate status.

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 Drake Portals.
  - **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 Drake Portals, see .)

> 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

367

The items on the toolbar are explained in Table 12-3.

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 369), click **New** from the toolbar and choose a tax year.

2. In the **Tax Planner Creation** window, enter a name for the scenario and click **OK**. Create as many scenarios as you wish.

Figure 12-11: Creating new scenarios in Tax Planner
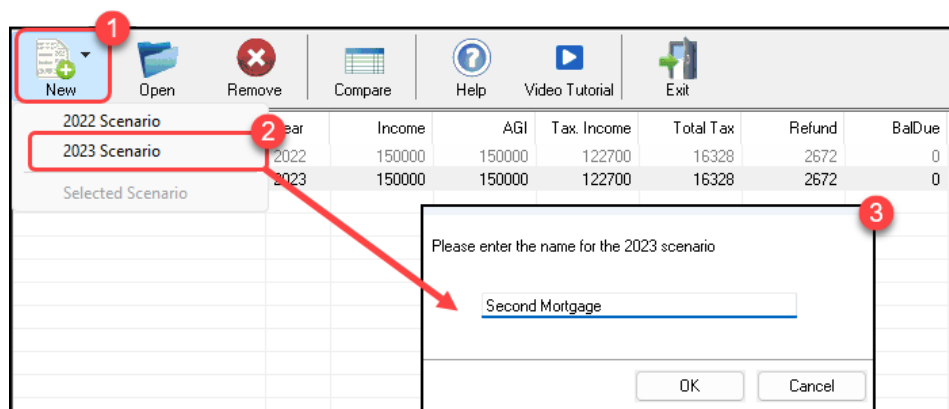
Varying Scenarios

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:

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 the 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 185.

Figure 12-12: Comparing Scenarios

For 2025 scenarios, the calculations are adjusted based on the 2025 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 2024 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 2024.

- **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 *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 expenses. 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" on page 374 .

- 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 *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 *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.

Drake Portals

For many firms, Drake Portals (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, Drake Portals 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.

📝 Turn to to see a list of new Drake Portals features for tax year 2024.

Signature features of Drake Portals include:

- **Importing Client Data Directly into Drake Tax** — Preparers can send questionnaires from Drake Portals 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 Drake Portals with Drake Documents

Accessing Drake Portals 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 Drake Portals.

- Scan or upload documents into Drake Documents and have them automatically synchronized to the client's portal; files uploaded to Drake Portals 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 Drake Portals 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 <u>"Organizers" on page 139</u> for more information.

Drake Portals' 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 Drake Portals. Customers who already have an SFP domain can simply enter their Drake Portals account number and mark the required boxes for an automatic or manual backup; customers who do not have a Drake Portals account must set one up first and pay a monthly or annual fee. Prices range depending on the desired amount of storage.

Features of Drake Portals 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 Drake Portals 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 Drake Portals, sign in to *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
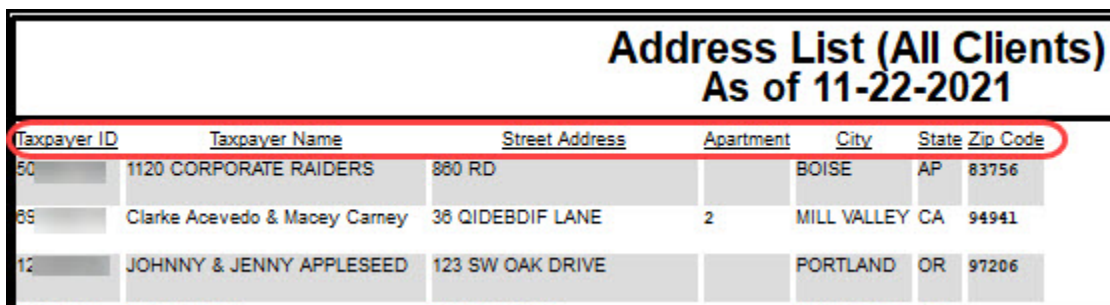
Keywords

Keywords are used in the Reports and Letters programs in Drake Tax.

Report Keywords

Report keywords appear as columns in reports (circled in <u>Figure A-1</u> below). Reports are generated from the Report Manager.

Figure A-1: Report Keywords
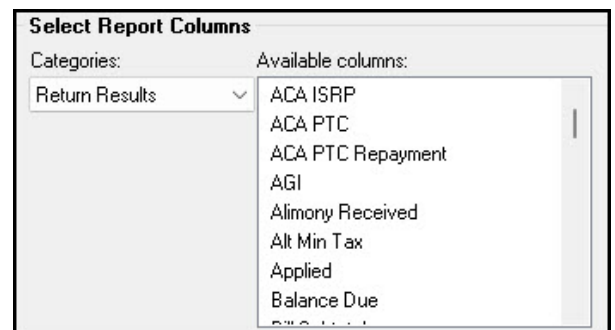
To view report keywords, select **Reports > Report Manager** from the **Home** window and choose to either open a new report or edit an existing report.

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, <u>"Reports."</u>

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
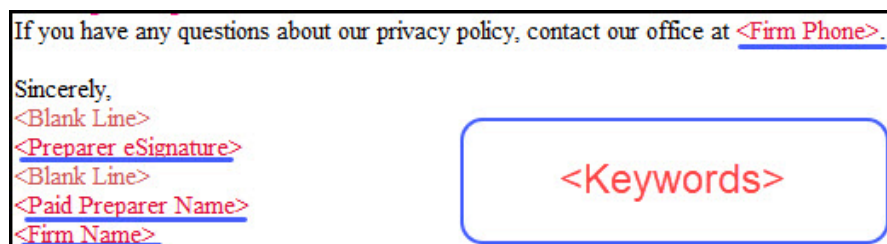
To view available letter keywords, from the **Home** window select **Setup > Communications Editor**, select any template to view, and then from the toolbar, click the **Full Edit** icon.

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 70.
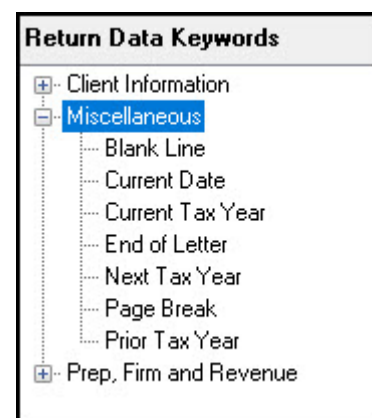
"OtherTax" Keywords in Letters

The Client Results letters in the Client Communications Editor include keywords for "OtherTax" types for state and city returns, as shown in the figure right. These "OtherTax" types generally refer to tax types other than income tax (franchise tax, composite tax, etc.) that are required by certain states and cities.

"OtherTax" keywords function the same as "IncomeTax" keywords. When an "OtherTax" keyword is inserted into a letter template, if the return contains a supported "OtherTax" type, the applicable information is produced on the letter.

The following table lists all "OtherTax" state and city return types supported in Drake Tax.
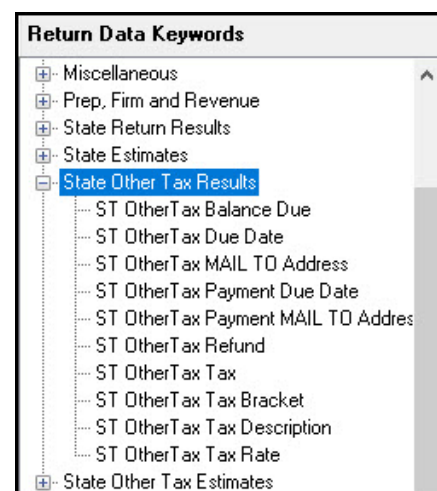
Table A-1: Letter Keywords: "OtherTax" State and City Return Types

State or City	Supported "OtherTax" Return Types
Alabama	• Composite • Electing Pass-Through Entity Tax • Privilege Tax and Annual Report
Arkansas	• Composite • Corp Franchise • LLC Franchise • Pass-Through Entity Tax
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	• 63D-ELT Entity Level Tax • Annual Report • Nonresident Composite
Michigan	• Homestead Property Tax Credit/Home Heating Credit
Minnesota	• Property Tax Credit

State or City	Supported "OtherTax" Return Types
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
— 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)

State or City	Supported "OtherTax" Return Types
— 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 • VAPTE

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Appendix B

B-1

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

B-1

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 notepad (**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
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
View information for the currently selected return	CTRL+Q

Desired Action	Keyboard Keys
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

Index