Drake 101: e-Filing

1 Credit Hour

Drake Software® WEBINARS

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Course Overview

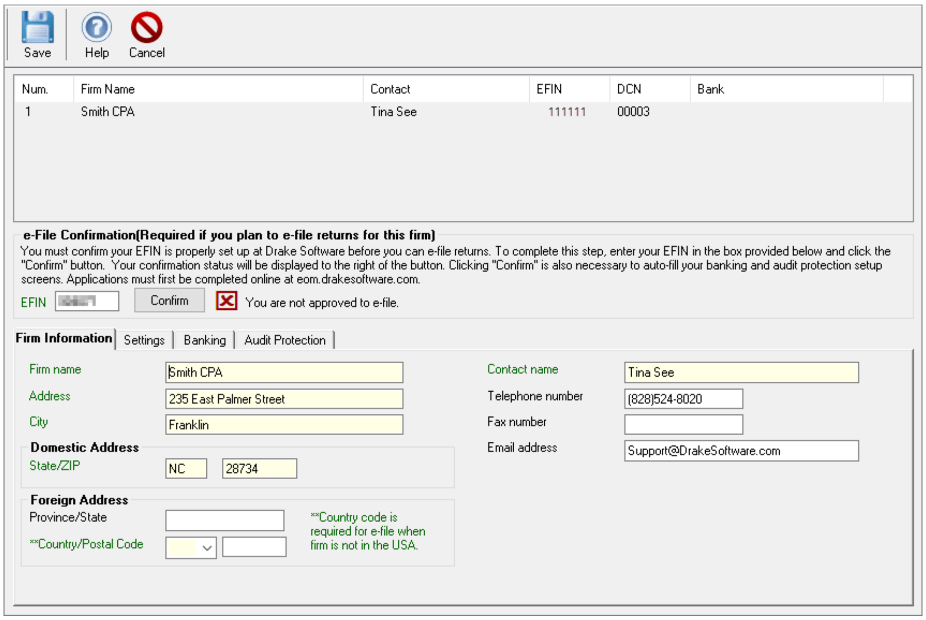
This is a basic course designed to assist Drake Software users with the required setup and steps to successfully e-file tax returns.

Learning Objectives

- At the conclusion of this webinar, you will be able to:
- Apply for an EFIN
- Set up Drake Tax to electronically file tax returns
- e- File returns using four steps in Drake Tax
- Understand the different types of filing acknowledgements
- Access the EF Database
- Diagnose and resolve electronic filing rejections

Firm Setup

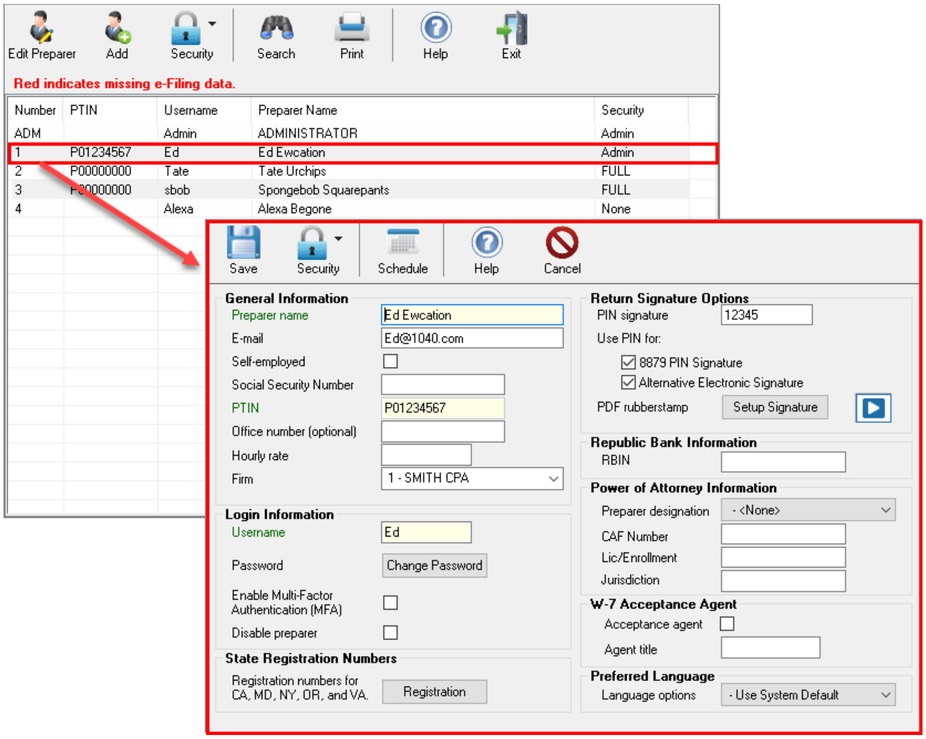
Firm setup must be completed before preparing and e-filing returns. If data is inaccurate or missing, tax returns might be e-filed with incorrect information.



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

Preparer Setup

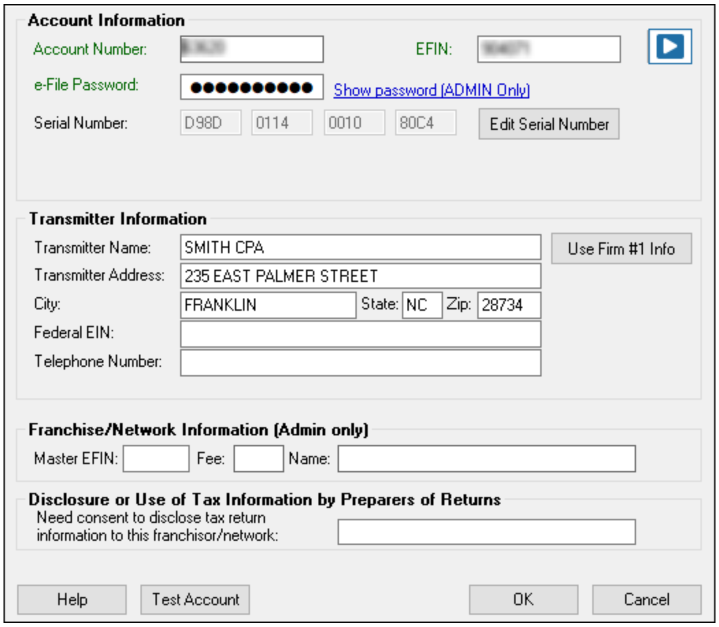
Preparer Setup fields and preparer security must be completed before a preparer can begin preparing and e-filing returns. All preparers must be entered in Preparer Setup. Data-entry operators can also be entered. Each time a name is added to Preparer Setup, a number is assigned to that name.



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

ERO Setup

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



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

e-Filing Returns

This section reviews the following:

e-File Steps

Acknowledgements

EF Database and Online Database (OLDB)

EF Selections Screen

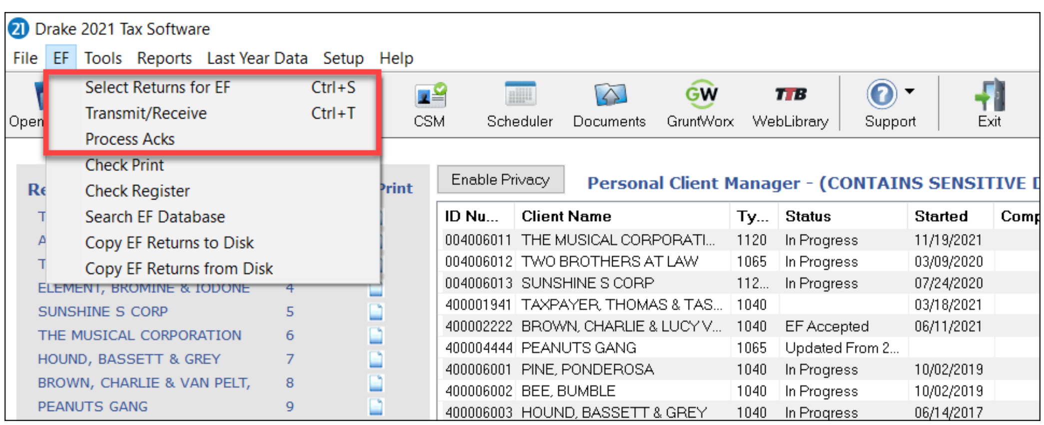
EF Setup Options

e-File Steps

In Drake Tax, returns must be "eligible" for e-file before they can be selected for e-file transmission. Calculate the return to determine if it is ready (eligible) to be e-filed. EF Messages are generated if issues within the return cause it to be ineligible for e-file. EF Messages include error codes, descriptions of the issues, and identification of fields that must be verified. All EF Messages must be eliminated before a return can be e-filed.

The three steps to e-file are:

1. Select returns for e-file
2. Transmit/Receive

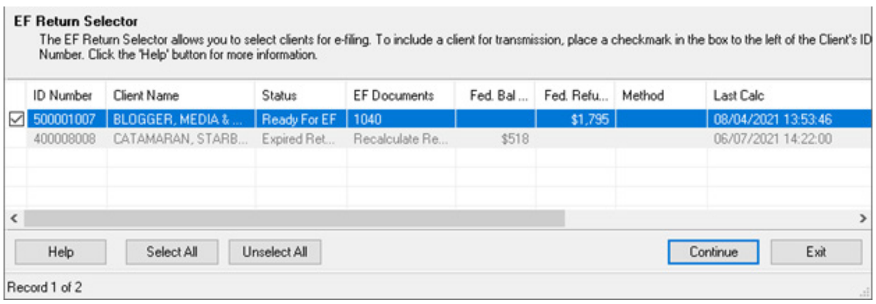


3. Process Acknowledgements

Select Returns for EF (Step 1)

Once returns are eligible for e-file, use the following steps to prepare one or more returns for transmission:

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 to the left.
2. Select the box for each return you intend to transmit. The **Select All** or **Unselect All** buttons may be selected as needed.
3. Once all desired returns have been selected, click **Continue**. An EF Selection Report appears in the Report Viewer, listing all returns awaiting transmission.
4. Click **Exit** to close the Report Viewer.



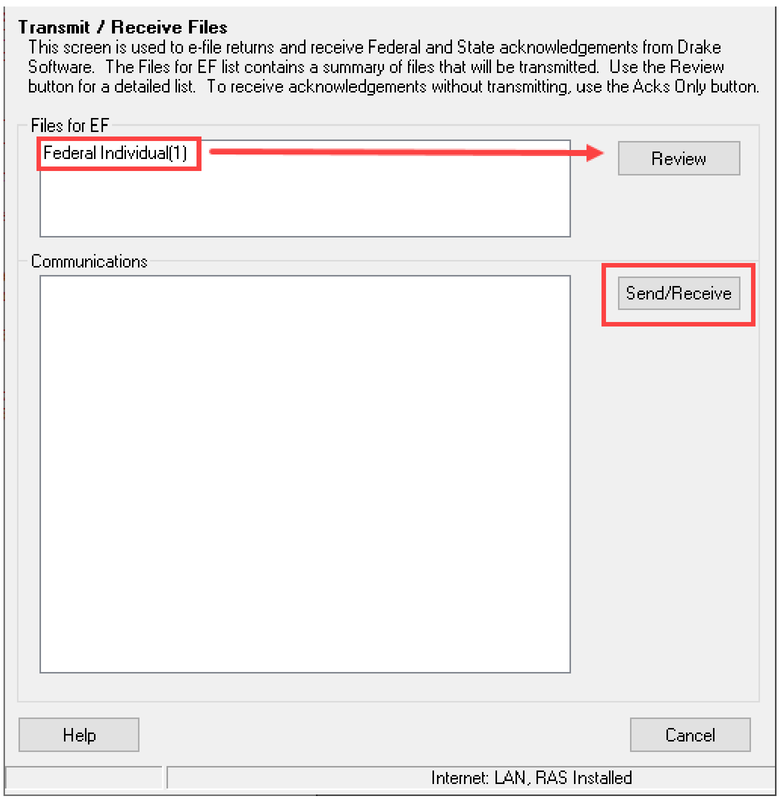
The returns have been selected, and are now in the “send” queue, ready for transmission.

Transmit Returns (Step 2)

After all desired returns have been selected and the EF Selection report in the Report Viewer has been closed, use the following steps to transmit.

1. 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.
2. *(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**.

Important



This is the last chance to remove a return from the queue before it is transmitted. Once a return is transmitted, it cannot be pulled back.

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

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

Checks for new acknowledgments

Transmits files to Drake Software and Retrieves pending acknowledgments of the transmitted files (if available) Click Exit to close the Transmit/Receive box.

Process Acknowledgements (Step 3)

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 can pick up through the Drake Tax Program.

To process acknowledgements, 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. 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 codes.

Drake Software Acknowledgement Codes

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

IRS Acknowledgement Codes

Code	Description
A	Tax return has been accepted by the IRS.
R	Tax return has been rejected by the IRS.
E	Imperfect return; see Error! Reference source not found..

Bank Acknowledgement Codes

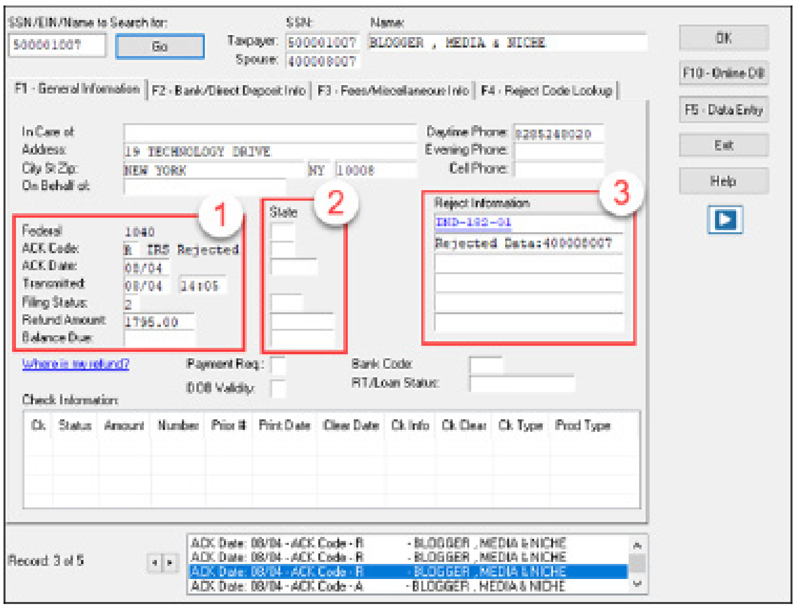
Code	Description
Bank Product Accepted	Bank product application has been approved.
Bank Product Declined	Bank product application has been declined.
Check Print	Checks are available for printing.
Prep Fees Deposited	Preparer fees have been deposited.

EF Database

The EF database is a searchable database that displays information about all returns your office has e-filed for the current tax year.

To search the EF database:

1. From the Home window 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. To browse all records, leave this field blank.
3. Click **Go**.



To scroll through the records for that taxpayer, use the arrows at the bottom of the screen or press Page Up or Page Down on your keyboard.

The **F1-General Information** tab displays basic taxpayer information along with:

1. **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.
2. **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.
3. **Reject Information** — 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.

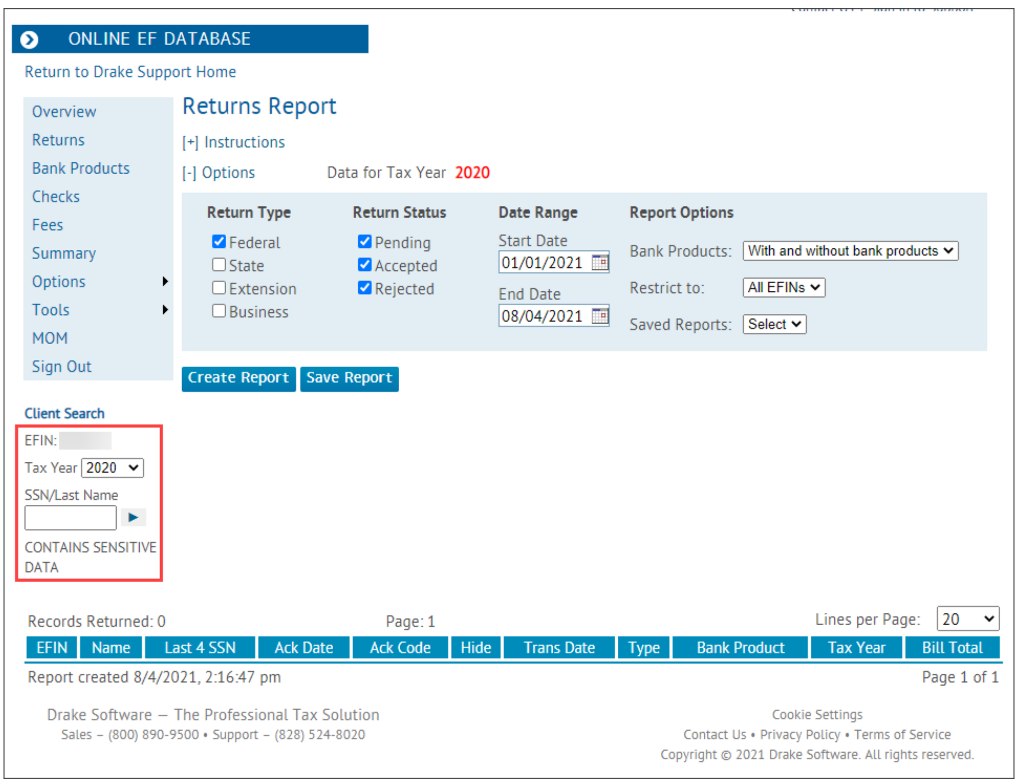
You can also access the EF Database for a taxpayer by pressing F9 in data entry of the taxpayer's return. For more information about the EF Database, see "EF Database" on page 399 in the *2020 Drake Tax User's Manual*.

Online EF Database

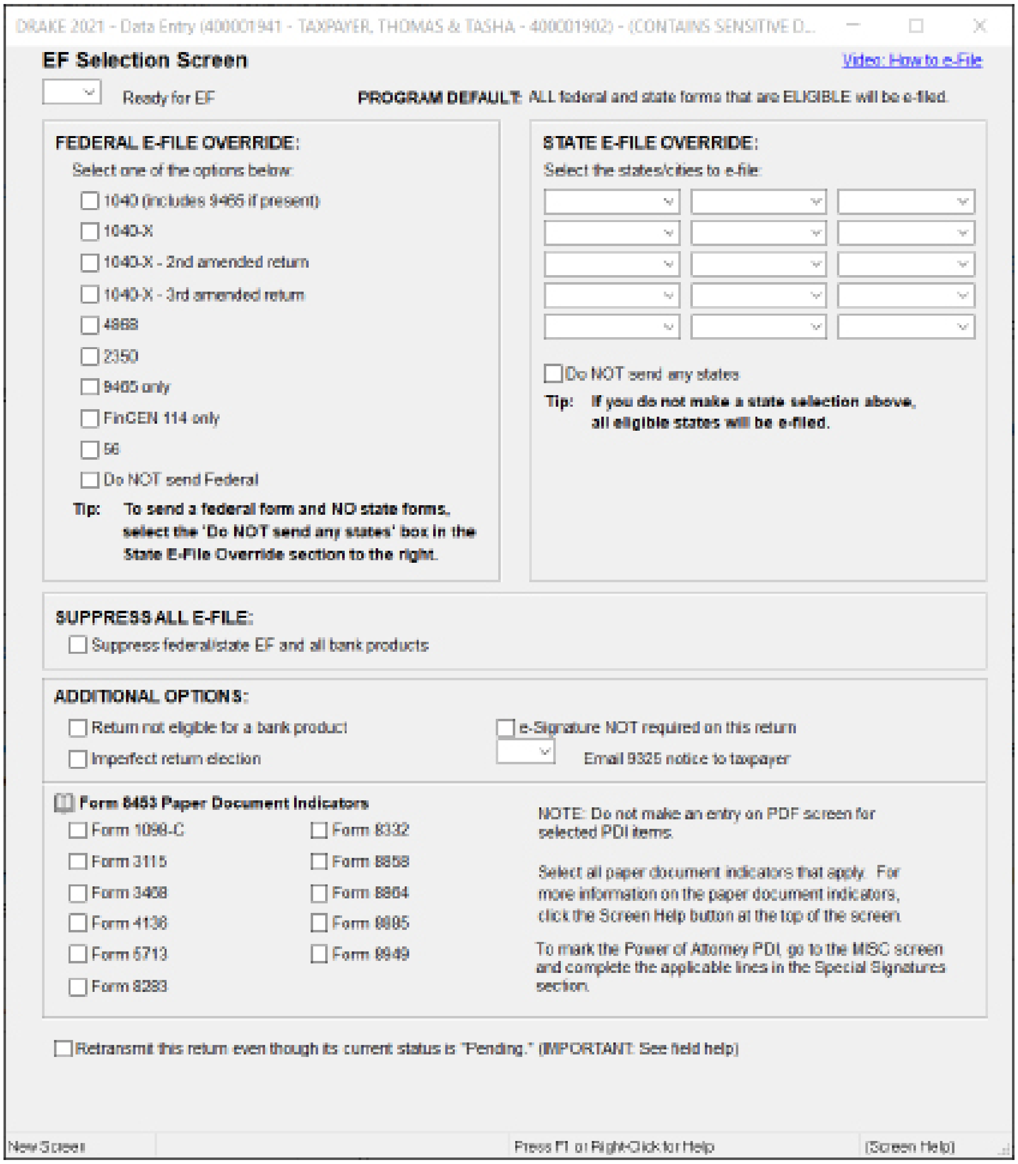
The online EF database displays real-time data on e-filed returns. You can run reports on returns, bank products, and checks; search for e-filing information for a single SSN or EIN; access the Multi-Office Manager (MOM); view CSM data for one or multiple offices; and check the status of each IRS Service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

To access your online EF database from within the program:

1. From the **Home** window toolbar, click **Support > Drake Software Online Support**. (If you are already in the EF database, click **F10 - Online DB**.)
2. Enter your EFIN and Drake Tax password and click **Log In**.
3. From the blue sidebar menu, click **My Account > EF Database**.



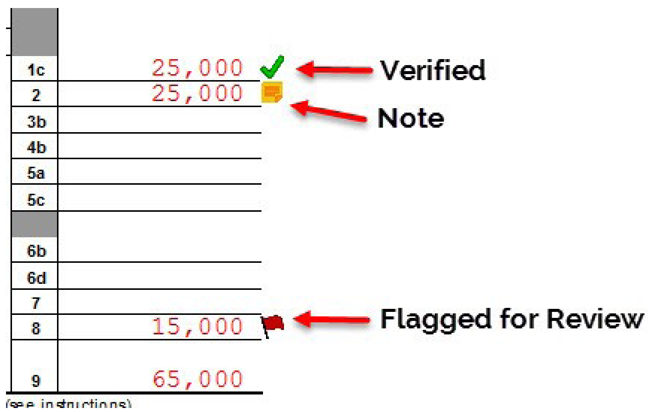
EF Selection Screen



When you e-file a return, Drake Tax, by default, transmits all eligible returns for a taxpayer. To override the defaults, use the **EF** screen in data entry. This screen is needed only if you want to override what is being sent in the transmission. For example, if you would like to send only a state return or maybe just an extension, you can indicate those items in the **EF Selection** screen.

DoubleCheck

Use the DoubleCheck feature in Enhanced View mode to verify or flag for review any item on any form, statement, or document within a return. Select any item from the document tree on the left side of the window. Hover your mouse pointer over any text box, check box, or amount on the document to see a gray check mark. Click to place a green check mark beside the item indicating it has been "verified." Clicking twice places a red flag beside the item to mark it for "review."



DoubleCheck Flags

DoubleCheck flags don't make a return ineligible for e-file unless you make the selection in **Setup > Options > EF > Disallow EF selection if DoubleCheck Review flag exists**. In this case, returns that are otherwise eligible for e-file will be prevented from e-file until the flag is cleared; however, no EF message is generated. The flag can be removed in View/Print mode by clicking on the item or in the right-click menu, select **Clear all flags**.

DoubleCheck 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.

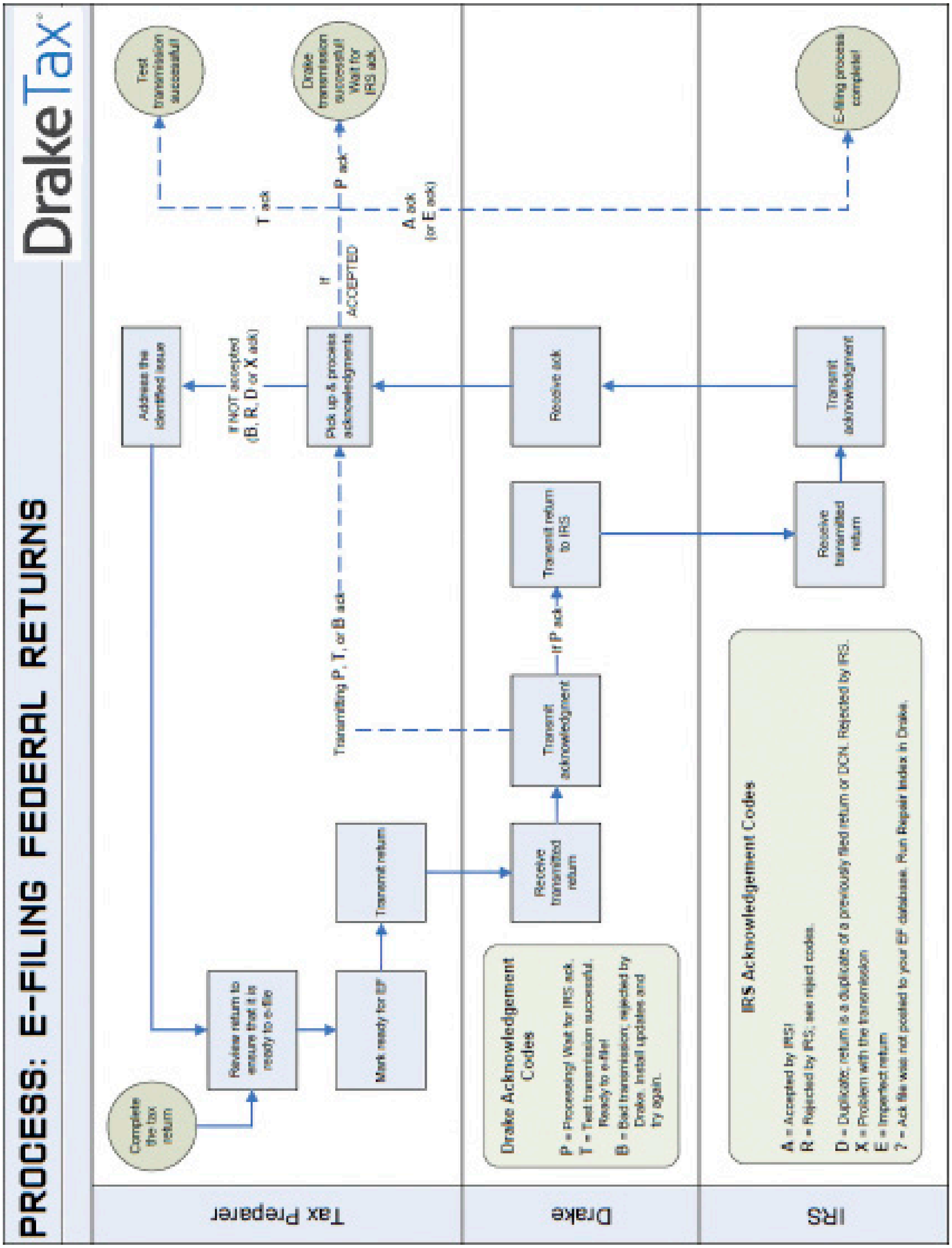
To make a note about a text box, check box, or calculated amount in the document, right-click it, select **Add Note to selected entry**, type your note in the **Notes** pane, and click **Save**. A small yellow "note" box then appears beside the item and in the document tree.

If you wish 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.

e-Filing Directly from View/Print Mode

Select the **Allow EF from View/Print** option at **Setup > Options > EF** tab, and you can transmit returns directly from View/Print mode. Click the **eFile Taxpayer** icon from the **View/Print** window and the file is transmitted and any "P" (pending) or "B" (bad transmission) "acks" (acknowledgments) are returned. (All EF Messages must be cleared and the return must otherwise eligible for e-file.)

e-File Overview



Presenter Bio - Trent Fouts

Education Specialist- Trent Fouts is a top tier member of the Drake Software Education Team. Trent is the former owner of a tax practice and the current Chief Financial Officer of Pharma Product Consultants.
His knowledge of the tax industry is valued by Drake Software customers. He is passionate about educating tax preparers using Drake Software products and ways to help streamline tax prep workflow.

Trent joined Drake Software in 2008 and he is a native of Western North Carolina. His background includes over 20 years of customer service, corporate management, and human resources. He has had the opportunity to gain experience in all of these areas ranging from retail management, hospitality management, culture-based travel and tourism, and is a Veteran of the United States Army.

Drake 101 - e-Filing

Course Fee: Free to register and view webinar. Drake customers pay $15.00 and non-Drake customers pay $19.00 for CPE - Pay only if you want to print a CPE certificate after the webinar.
Course Description: This is a basic course designed to assist Drake Tax users with the required and basic program setup and steps to successfully e-file a return. Upon completion of this course, the student will be able to:

- Understand how to apply for an EFIN.
- Successfully set up Drake Tax to electronically file returns.
- Discuss the four-step process of electronic filing.
- Understand the types of acknowledgements.
- Use the EF Database to review electronic filing data for returns.

How to Register: Sign in to DrakeETC.com and select **Webinars** from the menu on the left side of the web page. Select the webinar from the schedule displayed. Follow the prompts to register. Refer to the FAQs on the web page for detailed instructions and frequently asked questions.

CPE Facts:

Affiliation	Format	CPE/Field of Study	Course ID #	Sponsor ID #
NASBA	Internet-Based	1 — Computer Software & Applications	N/A	103137
CTEC**	N/A	0- N/A	N/A	N/A
IRS	Online/Group	1 — Federal Tax Law	FQTGU-T-00457-22-O	FQTGU
TX State Board of Accountancy	Internet-Based	1 — Computer Software & Applications	100368	002921

*Individuals with othe rprofessional credentials should check with their state licensing board or accrediting organization to determine if this program meets their continuing education requirements.
**CTEC does not allow credit to be awarded for courses that cover tax software topics.
Course Level: Basic **Last Revision:** Winter 2022

Prerequisites: There are no required prerequisites other than a general knowledge of Drake Tax.

Course Policies: Drake Software will grant a full refund if a refund request is received within at least 72 hours prior to the start of the webcast. Registrants who are "no-shows" for the live webcast will not qualify for a refund. Refund re-

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Drake Software has been approved by the California Tax Education Council to offer the 2021 Update School, CTEC #3088-CE-0238, which provides 4 hours of federal tax update credit and 0 hours of state credit, and 3088-CE-0237, which provides 1 hours of federal tax credit and 0 hours towards the annual continuing education requirement imposed by the State of California. A listing of additional requirements to register as a tax preparer may be obtained by contacting CTEC at P.O. Box 2890, Sacramento, CA 95812-2890, toll-free by phone at (877) 850-2832, or on the Internet at www.ctec.org