What's New - Drake Software 2024

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 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 features were added to Drake Pay:

- Request Payment feature – Send your clients payment requests via Drake Tax, Drake Accounting, and the Drake Pay Manager, eliminating the need to accept payments in person.
- Refund Pay – Offer your clients the option to use their federal tax refund to pay for tax preparation fees. Drake Refund Pay is a preparer-paid refund transfer product offered exclusively through Drake Pay.

Additional Drake Pay enhancements include:

- PDF receipts – Clients receive a PDF receipt of their completed transaction.
- Send payment requests to a mobile phone – Coming soon!
- ACH payment option – Coming soon!

Drake Pay is fully integrated, making it easy to incorporate it into your workflow. Collect in-person and online payment through the following Drake Software products: Drake Tax, Drake Pay Manager, Drake Portals/Drake Documents, Drake Accounting, and Web1040.

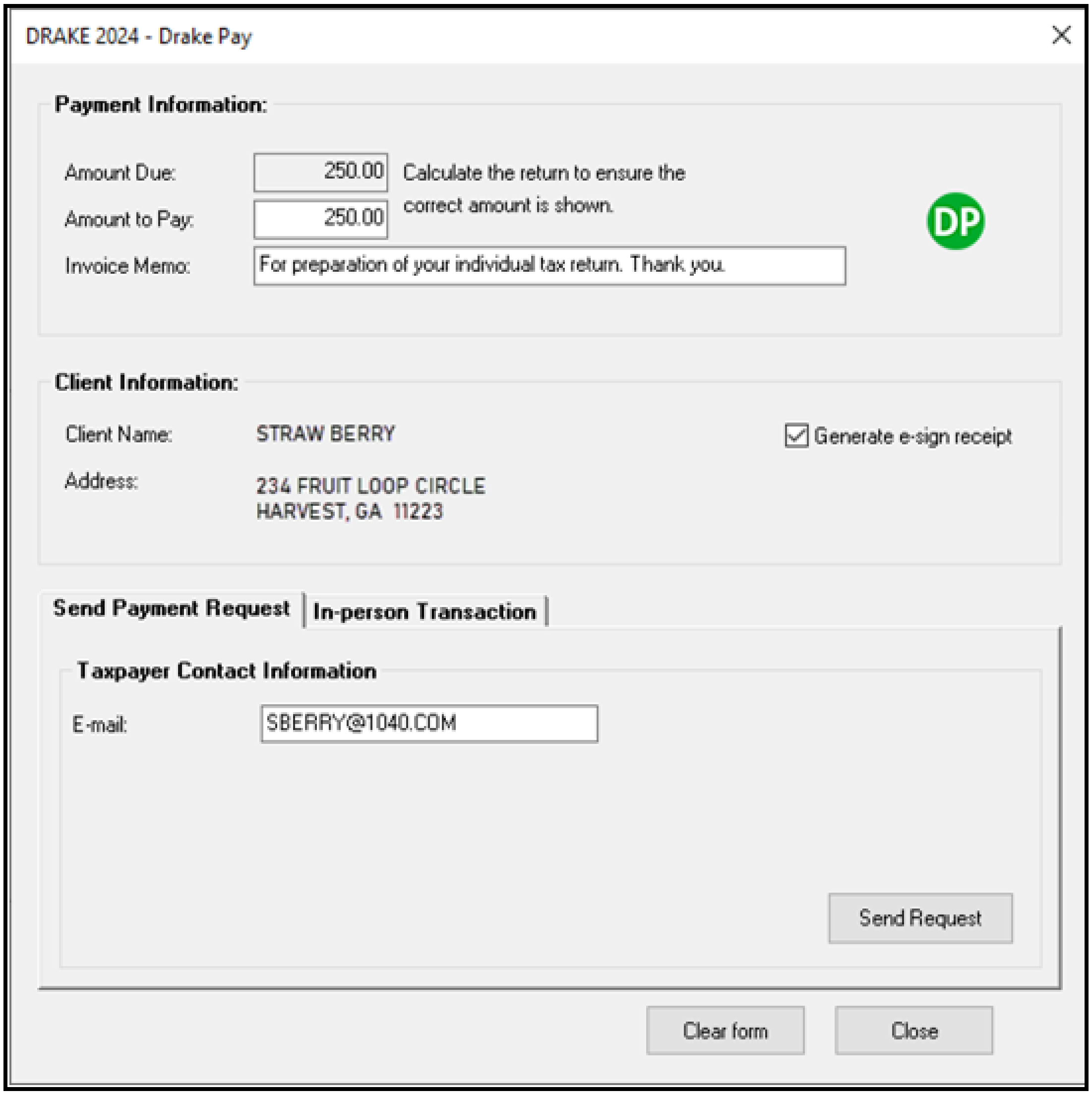
Figure 1: Payment types by product

	In Person Payments	Online Payments	Refund Pay
Drake Tax	✓	✓	✓
Drake Pay Manager	✓	✓	
Drake Portals/Drake Documents		✓	
Drake Accounting	✓	✓	

Sending Payment Requests from Drake Tax

To send a payment request from Drake Tax, click the Payments button from data entry toolbar of the return. Complete the screen and click Send Request. The taxpayer receives an email with a link to the Drake Pay payments page, where they can choose to pay by credit, debit, or pay with their federal return.

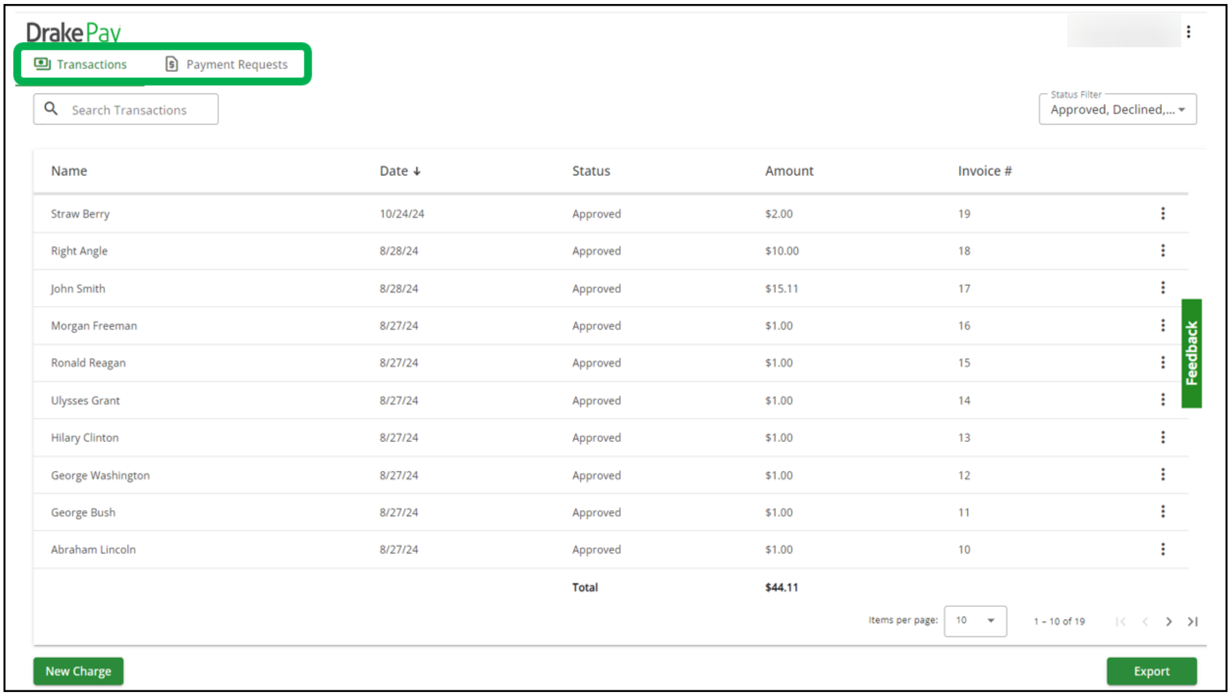
Figure 2: Payment Request window



Drake Pay Manager

The Drake Pay Manager is a web application where you can view detailed information about the transactions processed through Drake Pay. You can also use the Drake Pay Manager to make and request payments.

Figure 3: Drake Pay Manager home window



Drake Pay Resources

For more information, visit https://info.DrakeSoftware.com/Drake-Pay.

To sign up for Drake Pay and or Drake Refund Pay, log in to your Drake Account at https://Support.DrakeSoftware.com/ and go to **Products > Drake Pay**.

Helpful KB Articles:

- Drake Pay Overview and Frequently Asked Questions - KB Article 18314
- Protecting You and Your Clients from Phishing Emails - KB Article 18584

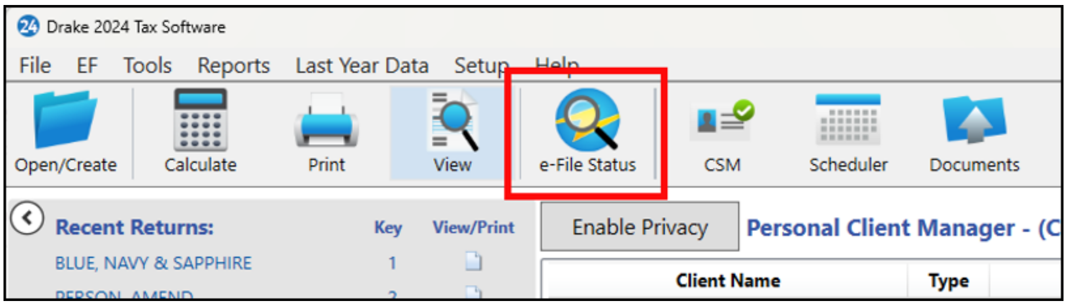
e-File Updates

To help streamline your e-file process, the following enhancements were made to the e-file utilities.

e-file Status

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 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 can be accessed only by those with sufficient Drake Tax security permissions.

Figure 4: Image of the e-File status icon.

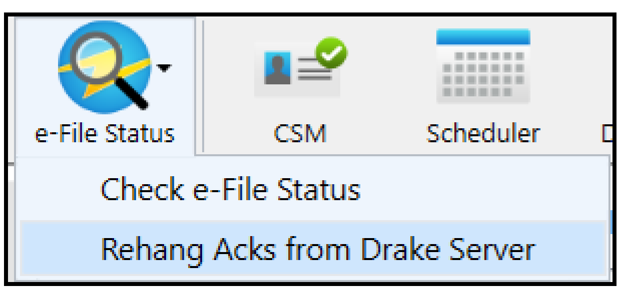


Upon clicking **e-File Status**, you are given the option to check for and process new acknowledgments from recently e-filed returns. If you have new acknowledgments from Drake Software that need to be processed, a red indicator appears on the e-File Status icon. All information received through e-File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

Rehang Acks

There is now an option to rehang acknowledgments from the Drake Software servers to make sure your local EF database matches the EF status of the Drake servers.

Figure 5: **e-File Status** button

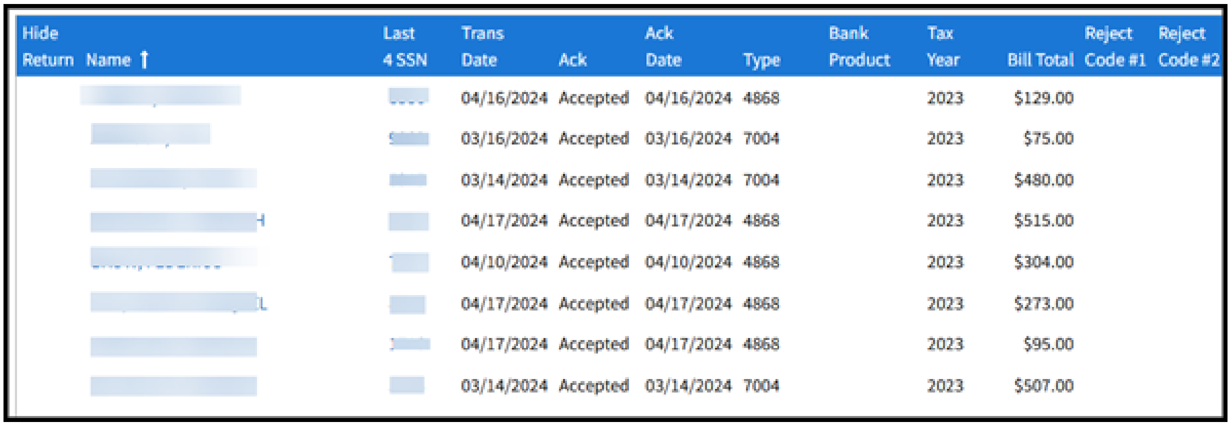


Online EF Database

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, 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 https://Support.DrakeSoftware.com/, and make your desired selection from the **Reports** drop list. Additional details for each report type are available by expanding the list.

Figure 6: Online EF report



Hide Return	Name	Last 4 SSN	Trans Date	Ack	Ack Date	Type	Bank Product	Tax Year	Bill Total	Reject Code #1	Reject Code #2
	[illegible]	[illegible]	04/16/2024	Accepted	04/16/2024	4868		2023	$129.00		
	[illegible]	[illegible]	03/16/2024	Accepted	03/16/2024	7004		2023	$75.00		
	[illegible]	[illegible]	03/14/2024	Accepted	03/14/2024	7004		2023	$480.00		
	[illegible]	[illegible]	04/17/2024	Accepted	04/17/2024	4868		2023	$515.00		
	[illegible]	[illegible]	04/10/2024	Accepted	04/10/2024	4868		2023	$304.00		
	[illegible]	[illegible]	04/17/2024	Accepted	04/17/2024	4868		2023	$273.00		
	[illegible]	[illegible]	04/17/2024	Accepted	04/17/2024	4868		2023	$95.00		
	[illegible]	[illegible]	03/14/2024	Accepted	03/14/2024	7004		2023	$507.00		

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**.

Figure 7: E-file Detail Lookup by client return report

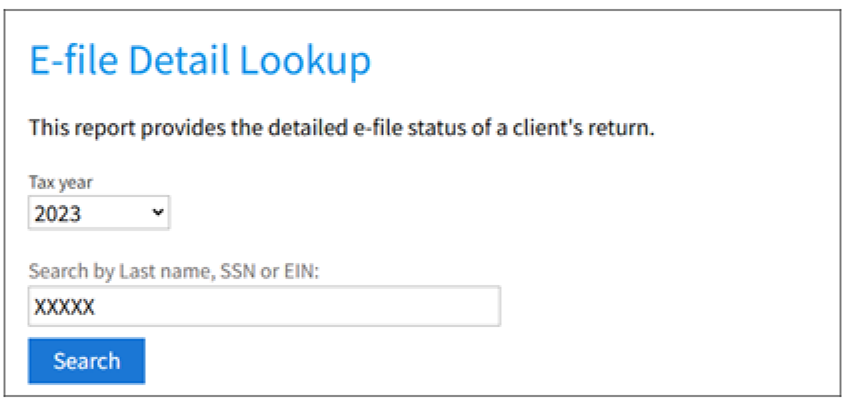
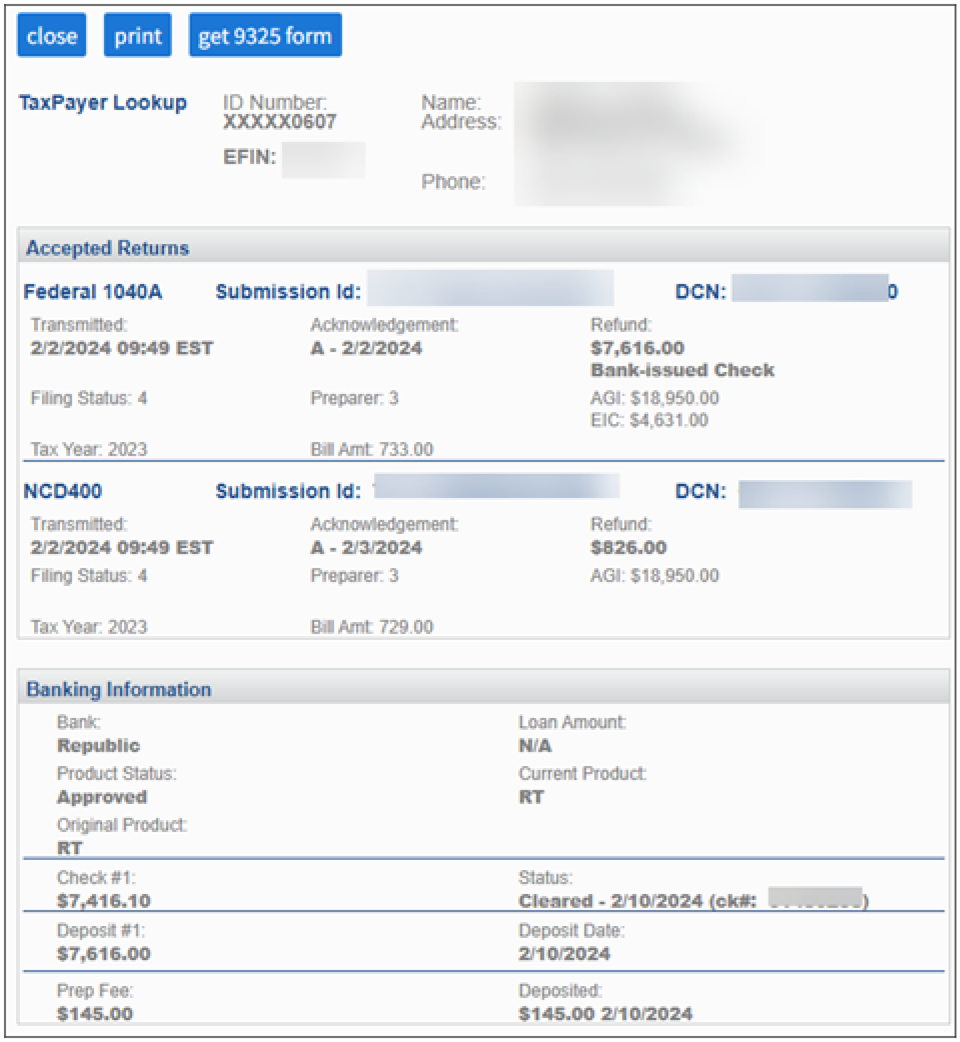


Figure 8: E-file Detail Lookup detailed view



NEW Acks for prior year returns will be available on the Online EF Database.

Form 9325

Form 9325, Acknowledgment and General Information for Taxpayers Who File Returns Electronically, reports information about accepted e-filed returns including the Submissions ID and the date of acceptance.

Individual taxpayers and business entities can be automatically notified via email 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

> **NOTE** Email notifications are sent to the taxpayer's or entity's email address entered on screen **1**.

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 the Form 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 by logging in to https://Support.DrakeSoftware.com/ and accessing their account information. (**Account > Account Info > Form 9325 "From" email address**).

Form Availability

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

Security Updates

To further enhance security, the following changes have been made.

Login Timeout Extended

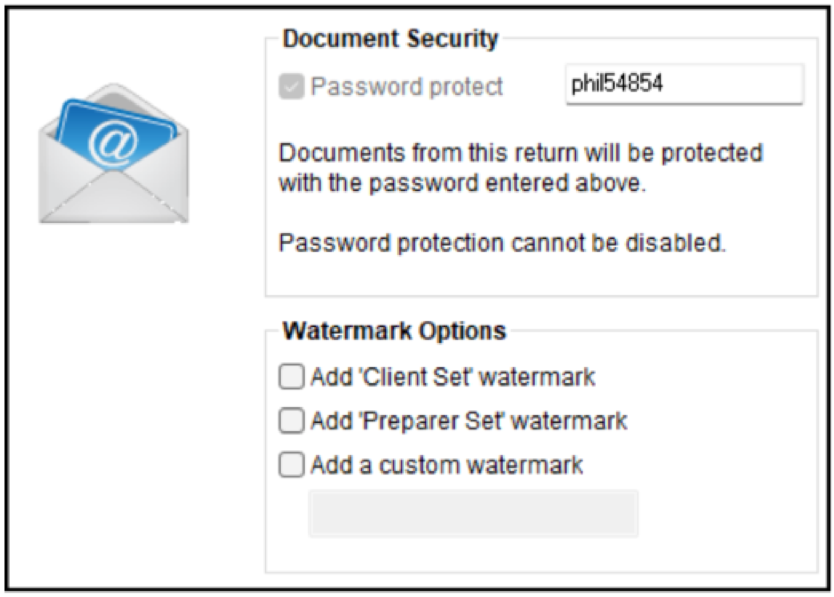
The preparer login timeout has been extended to 30 minutes for preparer-level logins in all products. The timeout of administrators remains at 15 minutes.

Any open screen(s) lock in place and require the preparer to re-enter his or her password in order to continue working in the program. If the preparer chooses to exit the program instead of entering in their password after the "time out," the software will close and *any unsaved data may be lost*.

Email Attachment Passwords

To further secure taxpayer data and Personally Identifiable Information (PII), PDF copies of tax returns created and emails using Drake Tax are required to be password protected. The format of the password is setup by an administrative user in **Setup > Options > Administrative Options**. Passwords can be overridden on a per return basis; however, the Password Protect option cannot be disabled.

Figure 9: Document security window



NOTE Exchanging sensitive data through email is not considered secure. Drake Software recommends using Drake Portals to securely send and receive PII and other taxpayer data.

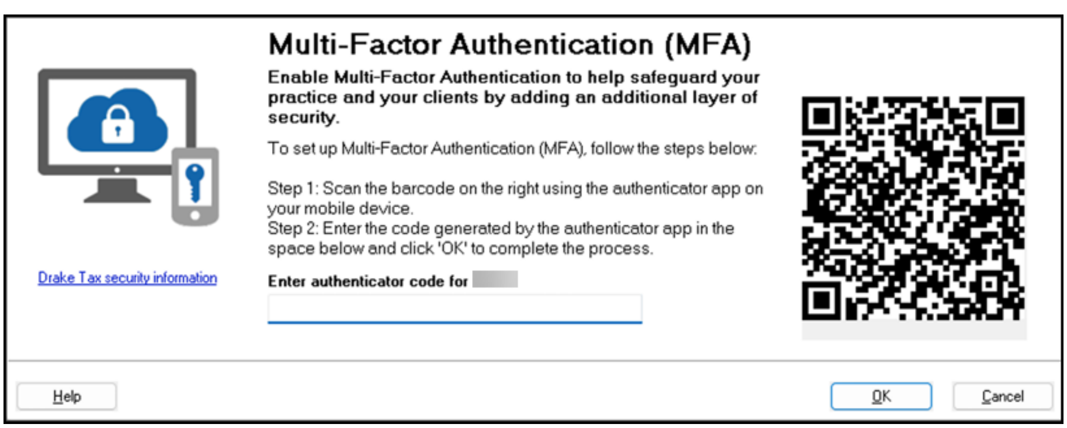
Multi-Factor Authentication

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.

FTC Safeguards Rule require tax professional [16 CFR Part 314.4 (C) (5)] to:

> "Implement multi-factor authentication for any individual accessing any information system, unless your Qualified Individual has approved in writing the use of reasonably equivalent or more secure access controls."

Figure 10: MFA setup window



Resources

- Drake Software Knowledge Base: https://kb.drakesoftware.com/kb/Drake-Home.htm
- Drake Community: https://Community.DrakeSoftware.com/
- Drake Software Form Status: https://Forms.DrakeSoftware.com/
- Drake Tax Quick Reference Guide: https://www.drakesoftware.com/sharedassets/manuals/quickreferenceguide.pdf
- IRS Publication 4557: Safeguarding Taxpayer Data: https://www.irs.gov/pub/irs-pdf/p4557.pdf