Running Drake on a Network

Your network’s designated server should meet the following minimum specifications:

1. For Windows XP:
   - 300 MHz processor
   - 128 MB RAM

2. For Windows Vista and Windows 7:
   - 800 MHz processor or higher
   - 512 MB of RAM
   - Support for Super VGA graphics

3. For all Windows operating systems:
   - 200 MB of available hard drive space, plus 7 MB for each state program
   - Internet Explorer 7 or higher
   - CD drive
   - Internet access (required for regular updates)

An HP-compatible laser printer and a TWAIN-compliant scanner are also recommended.
As computers are added to the network, RAM and processing speed of the server and the workstations should be upgraded to improve performance.

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

### Single Workstations and Network Options

New for 2012: Setting up Drake on stand-alone computers or on networks is easier and clearer. The software automatically sets up the location and data paths for you on the **Data Locations** dialog box (Figure 2-3).

The location where you install Drake (see step 5 in Table 2-1 on page 13 or step 7 in “Downloading the Software” on page 13) will be the default location for all current and prior-year client files and returns, and the default location for such configuration settings as firm and preparer setup, reports, macros, letters, pricing files, preparer notes, and schedules. Unless you have files stored in different locations, or you have a unique network setup, it shouldn’t 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.

![Figure 2-3: Network information is entered at Setup > Data Locations](image)

### Networks
Install Drake to your network’s server or to all workstations of a “peer-to-peer” network. Table 2-2 shows a comparison of the two network options:

**Table 2-2**: Comparison of Network Option

<table>
<thead>
<tr>
<th>Server Only (Preferred Setup)</th>
<th>All Workstations (“Peer-to-Peer” Setups)</th>
</tr>
</thead>
<tbody>
<tr>
<td>For firms with a robust network setup</td>
<td>For firms without resources to use a single server</td>
</tr>
</tbody>
</table>
Once your network has been mapped and Drake is installed on a server, complete the following steps at each workstation:

1. Click Start > Run. (Windows 7 users: Click the Office button.) (The Windows Start and Office buttons are located at the lower-left corner of your screen.)
2. Type F:\DRAKE12\NWCLIENT\NWCLIENT.EXE (substituting your server drive letter for “F”).
3. Click OK. (Windows 7 users: Press ENTER.)
4. Click OK. The server-only system is now in place.

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

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

1. From the Home window in Drake, go to Setup > Data Locations.
2. In the Network Setup section of the Data Locations dialog box (Figure 2-3 on page 16), choose the drive where you’ve made the configuration settings from the Share settings (letters, pricing...) drop list.
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, go to Setup > Data Locations.
2. In the Location of client folders section of the Data Locations dialog box (Figure 2-3 on page 16), enter the location where you wish to store and access prior-year files in the Location for 2011 client files drop list.
3. Click OK.

Some network setups—such as “peer-to-peer” networks—don’t work off an actual server. Each station runs Drake independently but one computer—a designated “server”—is used for transmitting returns. For such setups, follow the instructions in “Installing from CD” on page 12 to install Drake onto each workstation.

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

<table>
<thead>
<tr>
<th>Server Only</th>
<th>All Workstations</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Preferred Setup)</td>
<td>(“Peer-to-Peer” Setups)</td>
</tr>
<tr>
<td>Simplified setup and updates</td>
<td>Updates must be installed to each computer</td>
</tr>
<tr>
<td>No need to “stagger” DCN counter</td>
<td>Could be necessary to “stagger” DCN counter</td>
</tr>
</tbody>
</table>
1. From the Home window in Drake, go to Setup > Data Locations to open the Data Locations dialog box. (See Figure 2-3 on page 16.)

2. In the Network Setup section, select the drive of the workstation designated as the “server” from the Tax returns are stored here drop list.

3. Click OK.

By default, all workstation using Drake on a “peer-to-peer” network use the configuration files as 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, go to Setup > Data Locations.
2. In the Network Setup section of the Data Locations dialog box (Figure 2-3 on page 16), choose the drive letter where you’ve stored the configuration settings from the Share settings... drop list.
3. Click OK.

By default, all prior-year files are stored on the individual workstations. If your workstations should share the prior-year files:

1. From the Home window in Drake, go to Setup > Data Locations.
2. In the Location of client folders section of the Data Locations dialog box, enter the drive letter of the “server” workstation in the Location for 2011 client files drop list.
3. Click OK.

All computers on the network must have access to the “server’s” drive – the drive on which the tax returns are stored and from which the returns will be e-filed. Map to the “server’s” drive—not to the Drake12 folder.

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

**Important**

All computers on the network must have access to the “server’s” drive – the drive on which the tax returns are stored and from which the returns will be e-filed. Map to the “server’s” drive—not to the Drake12 folder.

**Caution**

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

### Table 2-3: Setup Procedures: Required and Optional

<table>
<thead>
<tr>
<th>Required Setup Procedure</th>
<th>Optional Setup Procedures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Firm(s) (See “Firm Setup” on page 20.)</td>
<td>Options (See “Options Setup” on page 27.)</td>
</tr>
</tbody>
</table>
If you used Drake last year, you can bring forward most required program settings from your 2011 program. See “Updating Settings” on page 79 for details.

### Logging in as an Administrative User

Log in as ADMIN to enter setup information. The administrator can access the following features not available to non-administrative users:

- Preparer setup security features in Setup > Preparer(s)
- Additional features in Setup > Firm(s)
- Network options (Setup > Data Locations)
- The Administrative Options tab of Setup > Options
- Additional tracking information on the ADMN screen in data entry

An ADMIN password is not required. If your firm chooses to have an ADMIN password, keep a record of the password. *Drake cannot retrieve lost or forgotten login passwords.*

To set a password for the ADMIN account (optional):

1. From the Drake Home window, select Setup > Preparer(s).
2. Click the Administrator (ADM) row, and then click Edit Preparer.
3. Enter a password in the Password field under Login Information. A password can be up to eight characters (alphabetic and/or numeric) and is not case-sensitive.
4. Re-enter the password in the Password (Repeated) field.
5. Click Save, and then click Exit.

#### Setting an ADMIN Password

An ADMIN password is not required. If your firm chooses to have an ADMIN password, keep a record of the password. *Drake cannot retrieve lost or forgotten login passwords.*

To set a password for the ADMIN account (optional):

1. From the Drake Home window, select Setup > Preparer(s).
2. Click the Administrator (ADM) row, and then click Edit Preparer.
3. Enter a password in the Password field under Login Information. A password can be up to eight characters (alphabetic and/or numeric) and is not case-sensitive.
4. Re-enter the password in the Password (Repeated) field.
5. Click Save, and then click Exit.

If no PTIN has been entered, you will be asked if you want to exit the window without entering a PTIN. Click Yes, or click No and enter a PTIN before saving and exiting. (A PTIN is required for e-filing.)
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.

To ensure that all information needed for e-filing is entered for a firm, firms with incomplete information are highlighted in red in the Setup > Firm(s) grid. Fields required for e-filing are marked by red text.

With the click of a button, you can now import the information from your firm’s bank application into the Drake program. (See “Banking Information,” below.)

Adding a Firm

1. From the Drake Home window, go to Setup > Firm(s).
2. Click Add to activate the bottom half of the Firm Setup window.
3. Enter your firm’s general and banking information. Fields needed for e-filing are indicated by red text.
   - **General Information** — Enter contact and identification information, including firm name, address, phone and fax numbers, contact name, e-mail address, Employer Identification Number (EIN), and Electronic Filer’s Identification Number (EFIN). If the firm is not located in the U.S., enter the province or state, the country, and the postal code.
   - A DCN serial number is assigned to each return based on the firm’s EFIN and DCN. If two returns have the same DCN, the IRS rejects one of the returns. To avoid duplications, DCNs are automatically advanced for each return calculated.

   Offices that use multiple computers that are not networked must “stagger” DCNs to avoid duplication. DCNs should be staggered before creating any 2012 returns. For instructions on staggering DCNs, see “Staggering DCNs” on page 234.

   - **Non-paid-prep** — If the firm is not a paid preparer, enter a non-paid code here. Acceptable codes are VI (VITA), VT (VITA–T), TE (TCE–X), IP (IRS–PREPARED), AND IR (IRS–REVIEWED).
   - **Banking Information** — Choose a bank and include add-on fees.
     - If you’ve completed your online Drake bank application through the Enterprise Office Manager (EOM), click Retrieve to import your banking information directly from the bank application. (For information on the EOM, see “Banking Application” on page 206.)
     - Select a bank and enter the applicable add-on fee and the name of the person or entity that will receive the add-on fee. (This name will appear on the client’s “Bank Information Sheet,” generated with the return.) For more on available options, see Table 7-4 on page 209. For more on individual bank selections, see Chapter 7, “Banking.”
4. Click **Save**. The program assigns a number for each firm entered in **Firm Setup**.

**NOTES**

To view a report of the revenue you’ve earned from the additional (add-on) fees for e-filing, log in to Support.DrakeSoftware.com and go to **My Account > Bank Application**. Log in to the EOM with your EFIN and Drake password, then, from the blue sidebar menu, click **Reporting**. These fees are listed when the returns are funded, not as the returns are transmitted.

**Editing Firm Information**

To edit a firm’s information:

1. From the Drake **Home** window, go to **Setup > Firm(s)**.
2. Select the firm to edit and click **Edit Firm** to activate the bottom half of the **Firm Setup** window.
3. Edit the firm information. (See “Adding a Firm” on page 20 for information on individual fields.)
4. Click **Save**, and then click **Exit** to close the **Firm Setup** window.

**Deleting a Firm**

To delete a firm from Firm Setup:

1. From the Drake **Home** window, go to **Setup > Firm(s)**.
2. Select the firm to delete and click **Delete**.
3. Click **Yes**, and then click **Exit** to close the **Firm Setup** window.

**Printing a List of Firms**

To print a list of firms entered in the program:

1. From the Drake **Home** window, go to **Setup > Firm(s)**.
2. Click **Print**. The Report Viewer displays the report on the screen.
3. Click **Print** to open the **Print ‘Drake Report’** dialog box.
4. Change any print options necessary, and then click **Print** again.
5. Click **Exit**, and then click **Exit** again to close the **Firm Setup** window.

**ERO Setup**

An Electronic Return Originator (ERO) must complete ERO Setup in order to e-file returns, use the Drake e-mail program, download software updates, and access the online e-filing database. Required fields for e-filers are marked in the program by red text.

To set up your firm as an ERO in Drake:

1. From the Drake **Home** window, go to **Setup > ERO** to open the **Electronic Filing Setup** dialog box.
2. In the **General Information** section, enter the account number, EFIN, Drake password, name, address, ZIP code, and EIN of the ERO. Fields required for e-filers are marked by red text. (See Figure 2-4 on page 22.)
Click the Use Firm #1 Info button (Figure 2-4 on page 22) to import the information for the first firm listed in Setup > Firm(s) directly into the General Information section of the Electronic Filing Setup window. In the event you must edit your serial number, mark the Serial Number check box and enter the changes.

3. Under Connection Settings, make a new choice if you wish to change from the default setting (Always use my existing Internet connection) which works for most computers. Contact Drake Support if you have trouble connecting to Drake.)

4. If your firm is a franchise or network, complete the Franchise/Network Information fields. (See “Franchise/Network Requirements” on page 203.)

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. (The field facilitates compliance with IRS Regulation 7216; see “Taxpayer Requirements” on page 202.)

6. Click OK.

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.

TIP  Include data entry operators in Preparer Setup to (1) track data entry information and (2) easily set up Front Office preparers in the Scheduler. (See “Scheduler” on page 85.)
Adding a Preparer

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

1. From the Drake Home window, go to Setup > Preparer(s).
2. Click Add to activate the bottom half of the Preparer Setup window.
3. Enter General Information. Fields required for e-filers are indicated by red text. Note that a PTIN is required by the IRS.
4. Enter Login Information. Note that a login name is needed for e-filing and use of a password is optional.
5. If applicable, click Registration to enter your state registration ID (California, Maryland, New York, Oregon, and Virginia only). Click OK to save.
6. Indicate Return Signature Options.
   - PIN Signature — Enter the preparer’s five-digit PIN Signature.
   - Use PIN for:
     - 8879 PIN Signature — Select to activate the 8879 PIN signature.
     - Alternative Electronic Signature — Select to automatically populate any field requiring electronic signature with the preparer’s name.

   The alternative electronic signature is printed on the “Preparer’s signature” at the bottom of returns that have not been e-filed and on returns where the preparer and ERO are different (for example, if an override field on screen 1 is used). To have the alternative electronic signature printed on 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.

7. If applicable, enter the firm’s Republic Bank Identification Number (RBIN).
8. Enter Power of Attorney information (necessary for 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 Central Authorization File (CAF) number assigned by the IRS.
   - 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.
9. Enter W-7 Acceptance Agent information for the preparer, if applicable.

You are now ready to set up preparer security. If you click Save at this point, you will be reminded that security rights need to be set before the preparer can access any features in the program. If you select to close Preparer Setup now, be aware that you’ll have to return at some point to set the preparer’s security rights.

To proceed, go to Step 4 in the following section, “Setting Up Preparer Security.”
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 may be a better option. See “Setting Up Group Security” on page 25.

**NOTE**

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

To customize security settings for a preparer:

1. From the Drake Home window, go to Setup > Preparer(s).
2. Select a preparer and click Edit Preparer.
4. In the Preparer Security Setup window, select a menu, and then select the items to which the preparer should be allowed access. Items left blank will be inaccessible to the preparer. (See Figure 2-5 on page 24.)
5. Click Save. When prompted, click OK. Click Exit to close Preparer Setup.

Other options available under the Security button are shown in Table 2-4.

**Table 2-4: Preparer Security Options**

<table>
<thead>
<tr>
<th>Security Option</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Set Security to Allow No Options</td>
<td>Employee cannot access any part of the program.</td>
</tr>
<tr>
<td>Set Security to Allow All Options</td>
<td>Employee can access all parts of the program, except for administrative-only features.</td>
</tr>
<tr>
<td>Set Security Equal to Existing Preparer</td>
<td>Employee is given security settings to match those of another preparer on the list.</td>
</tr>
<tr>
<td>Add Preparer to Security Group</td>
<td>Add preparer to a pre-established security group. (See “Setting Up Group Security,” following.)</td>
</tr>
<tr>
<td>Front Office (Scheduling Only)</td>
<td>Employee can access the Scheduler only.</td>
</tr>
<tr>
<td>Administrator (Full ADMIN Rights)</td>
<td>Employee can access all parts of the program, including administrative-only features.</td>
</tr>
</tbody>
</table>
To remove security rights from *all* preparers (other than administrative users), go to **Setup > Preparers** and click **Remove Rights**. To remove rights for an individual employee, set that person’s security to **Allow No Options**.

### Setting Up Group Security

Only an administrative user can apply security settings to a group of preparers. You can create as many security groups as needed, but a preparer can belong to only one security group at a time.

**NOTE**

You cannot assign a preparer to more than one security group. If you try to do this, the preparer is removed from his or her current group and added to the new one.

To apply group security:

1. From the Drake **Home** window, go to **Setup > Preparers**.
2. Click **Group Security** to open the **Group Security** dialog box. Three security levels, listed below and shown in Figure 2-6, are available by default. If preparer data is brought forward from last year and there are preparers with any of these security levels, they are automatically added to the appropriate group.
   - **Admin** — Users with administrative rights; group cannot be deleted.
   - **Front Office** — Front Office rights for non-preparers (Scheduler access only)
   - **Full** — Users with full access to everything except administrative features
3. Choose one of the following options:
   - To add a group, click **Add Group**. Under **Security Group General Information** (Figure 2-6), enter a **Group ID** and a **Group Description**.
   - To add preparers to an existing group, double-click the group row near the top of the **Group Security** dialog box.

**Figure 2-6: Security Group General Information section of Group Security dialog box**

4. Under **Security Settings**, click to mark the boxes representing the features to which the group should have access. (Accessible features cannot be edited for the Full or Admin groups.) Click **Check All** to mark all boxes shown in all menu categories.
5. Under the **Assign Preparers** tab, select the preparers to be assigned to the group. (To select a preparer, double-click a name or click the name and click **Select**. Selected preparers are listed in the **Preparers in Security Group** column.)

6. Click **Save**.

**Note**

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

To edit group settings or members, select a group name and click **Edit Group**. To delete a group, select a group name and click **Delete Group**. Note that a group must be empty (must contain no preparers) in order to be deleted.

**Group Security Reports**

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

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

Reports are shown in the Report Viewer, which allows options for printing and exporting the reports. To access reports, click **Print** in the **Group Security** toolbar. The program displays the “Group Security” report first. To access the “Group Preparers” report, click **Exit** in the Report Viewer toolbar. Once the “Group Preparers” report is open, click **Exit** again to return to the **Group Security** dialog box.

**Other Features**

Other features available under **Setup > Preparer(s)** include the ability to create a preparer’s daily schedule, the ability to print a list of preparers, and the ability to run a search on preparers. To access these features, use the following procedures.

To create a preparer’s daily schedule:

1. From the Drake **Home** window, go to **Setup > Preparer(s)**.
2. Select a preparer and click **Edit Preparer**.
3. Click **Schedule**.
4. Select day and “in” and “out” times.
5. Click **Apply**, and then click **Save** to save the schedule.

See “Scheduler” on page 85 for more information on using the Drake Scheduler.

To print a list of preparers entered into the program:

1. From the Drake **Home** window, go to **Setup > Preparer(s)**.
2. Click **Print**. The Report Viewer displays the current preparer listing.
3. Click **Print**, and then click **Print** again.
4. Click **Exit** to close the Report Viewer. Click **Exit** again to close the **Preparer Setup** dialog box.

See “Report Viewer” on page 323 for more on using the Drake Report Viewer.
To search for preparers entered into the program:

1. From the Drake **Home** window, go to **Setup > Preparer(s)**.
2. Click **Search**.
3. Enter preparer information in the **Find Preparer Record** box. As you type, the software locates (and highlights) the record.
4. Click **Close**. Click **Exit** to close the **Preparer Setup** dialog box.

**Pay Per Return Setup (PPR Clients Only)**

For information on setting up PPR, see *Drake Software User’s Manual Supplement: Pay Per Return (PPR)*, available on your Drake CD, through the software (from the **Home** window in Drake, go to **Help > Online Resources**) and on the Drake Support site at [http://Support.DrakeSoftware.com](http://Support.DrakeSoftware.com) (**Training Tools > Manuals**).

**Data Locations Setup**

Data location settings (formerly Directories/Paths settings), which manage the locations for data access and storage, is now configured when you install the program. To change your settings (ADMIN only), select **Setup > Data Locations** from the **Home** window. For more information, see “Single Workstations and Network Options” on page 16.

Directory and path settings **should not be changed** during tax season. Changing a drive letter during tax season can cause problems in file storage and e-file processing. For details on setting network configurations, see “Single Workstations and Network Options” on page 16. For assistance, contact your office IT professional or Drake Support.

**Options Setup**

The tax software is shipped with the most common preferences set as the defaults. Use Options Setup (accessible by clicking **Setup > Options** from the **Home** window) to view or change the defaults for the various options available. Options are categorized into tabs, as shown in Figure 2-7. (Only administrative users have the **Administrative Options** tab.)

![Figure 2-7: Tabs in Options Setup](image)
Table 2-5 through Table 2-12 describe the options available on each tab in Options Setup.

**Data Entry Options**

Options under the **Data Entry** tab are described in Table 2-5.

<table>
<thead>
<tr>
<th><strong>Option</strong></th>
<th><strong>Description</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximize data entry screens where possible for easier viewing</td>
<td>Increase the size of the Drake screen to fill your monitor. Effective at all monitor resolutions.</td>
</tr>
<tr>
<td>Size data entry screens to show most fields without scrolling</td>
<td>Decrease the size of large Drake screens so they fit on your monitor. Effective only when monitor resolution is set to 1024x768 or smaller.</td>
</tr>
<tr>
<td>Disable sizing of data entry screens</td>
<td>Keep preparer from resizing screens. Effective usually for monitor resolution set to 800 x 600 or smaller.</td>
</tr>
<tr>
<td>Tab to ZIP code field (skip city/state and use ZIP code database)</td>
<td>Press the TAB key while entering an address in data entry to bypass the City and State fields and go directly to the ZIP field. City and State fields are completed automatically based on the ZIP code entered.</td>
</tr>
<tr>
<td>Show notes/reminders to preparer when opening a return</td>
<td>Show all notes and reminders from the NOTE and PAD screens every time you open a client file that contains notes or reminders.</td>
</tr>
<tr>
<td>Verify SSN when creating new return</td>
<td>Require double entry of SSN or EIN, helping eliminate erroneous entries.</td>
</tr>
<tr>
<td>Enable Windows standard keystrokes</td>
<td>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</td>
</tr>
<tr>
<td>Autofill preparer and firm number on new returns</td>
<td>Automatically enter the firm number and preparer number where required on data entry screens.</td>
</tr>
<tr>
<td>Magnify data entry</td>
<td>Enlarge the active field for easier reading.</td>
</tr>
<tr>
<td>Activate W-2 wage and federal withholding verification fields</td>
<td>To ensure accuracy of data entry, require wage and withholding amounts be entered twice on the W2 screen.</td>
</tr>
<tr>
<td>Do not restrict minimum font size in 800x600</td>
<td>This is a sizing option for computers using an 800x600 resolution. If this option is selected, the program will not attempt a font substitution to retain readability. Text on screens will shrink to fit as needed.</td>
</tr>
<tr>
<td>Use grid data entry format on available screens</td>
<td>Allows you to type information into a spreadsheet environment, which can result in faster data entry. This feature is available for the Dependents, INT, DIV, 8949, D, and 4562 screens.</td>
</tr>
<tr>
<td>Language Options (1040 package only)</td>
<td>Choose between English and Spanish for menus, data entry screens, field-specific help text, and error codes.</td>
</tr>
<tr>
<td>Letter case for data entry</td>
<td>Choose between all uppercase letters and mixed case.</td>
</tr>
<tr>
<td>Override field indicator</td>
<td>Format override fields in data entry; see “Override &amp; Adjustment Fields” on page 72.</td>
</tr>
<tr>
<td>Adjustment field indicator</td>
<td>Format adjustment fields in data entry; see “Override &amp; Adjustment Fields” on page 72.</td>
</tr>
<tr>
<td>Display warning for missing required fields</td>
<td>Choose to receive a warning: whenever a required field is empty; once per data-entry session; not at all.</td>
</tr>
</tbody>
</table>
Options under the **Calculation & View/Print** tab are described in Table 2-6.

### Table 2-6: Options Setup: Calculation & View/Print

<table>
<thead>
<tr>
<th>Option</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Autocalculate tax return when exiting data entry</td>
<td>Returns are automatically calculated every time you exit the return.</td>
</tr>
<tr>
<td>Display client fee on Calculation screen</td>
<td>Allows the fees charged for return preparation to appear on the <strong>Calculation Results</strong> window.</td>
</tr>
<tr>
<td>Print only one overflow statement per page</td>
<td>Each overflow statement is printed on a separate piece of paper.</td>
</tr>
<tr>
<td>Go directly to form when accessing View or data entry mode</td>
<td>Go from a data entry screen to the corresponding form in View mode when you go to View mode. When the <strong>Data Entry</strong> button is clicked in View mode, the program returns to the data entry screen.</td>
</tr>
<tr>
<td>Audible notification of calculation error messages</td>
<td>When calculating a return, the program produces a “beep” to indicate an error message.</td>
</tr>
<tr>
<td>Layout for depreciation schedule</td>
<td>Select <strong>Portrait</strong> to produce the depreciation schedule vertically using 8.5 x 11 paper; select <strong>Landscape</strong> to produce it horizontally.</td>
</tr>
<tr>
<td>Pause option for calculation</td>
<td>Choose the circumstances under which the <strong>Calculation Results</strong> window appears, allowing a review of calculation results before proceeding to View mode.</td>
</tr>
<tr>
<td>Number of days to store print files</td>
<td>Select to store print files from 1 to 9 days, or to have them removed once the return is selected for e-filing. If a return is needed after the print file is removed, recalculate the return to re-create the print file.</td>
</tr>
<tr>
<td>Print sort options for Interest/Dividends</td>
<td>Choose how items entered on the <strong>INT</strong> and <strong>DIV</strong> screens are sorted when printed on Schedule B: alphabetically, numerically, or not at all.</td>
</tr>
</tbody>
</table>

Options under the **Form & Schedule Options** tab are described in Table 2-7.

### Table 2-7: Options Setup: Form & Schedule

<table>
<thead>
<tr>
<th>Option</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Print Schedule A only when required</td>
<td>Produce Schedule A only when taxpayer qualifies to itemize.</td>
</tr>
<tr>
<td>Print Schedule B only when required</td>
<td>Produce Schedule B only when taxpayer has enough interest income to require filing Schedule B.</td>
</tr>
<tr>
<td>Print Form 4562 only when required</td>
<td>Produce Form 4562, Depreciation and Amortization, only when the tax return requires it.</td>
</tr>
<tr>
<td>Print Form 6251 only when required</td>
<td>Produce Form 6251, Alternative Minimum Tax, only when the tax return requires it.</td>
</tr>
<tr>
<td>Next year depreciation schedule</td>
<td>Select this option to produce a depreciation schedule for next year in addition to the one for this year.</td>
</tr>
<tr>
<td>W-2/1099-R forms</td>
<td>Produce and display in View mode all W-2 forms with the return.</td>
</tr>
</tbody>
</table>
### Table 2-7: Options Setup: Form & Schedule

<table>
<thead>
<tr>
<th>Option</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Print two W-2/1099-Rs per page</td>
<td>If return has more than one W-2 or 1099-R form, print two per page.</td>
</tr>
<tr>
<td>Carryover worksheet</td>
<td>Produce any carryover worksheets associated with the return.</td>
</tr>
<tr>
<td>Print page 2 of Schedule K-1 ...</td>
<td>Produce page 2 of Schedule K-1 for Forms 1120S, 1065, and 1041.</td>
</tr>
<tr>
<td>Form 8879 bank account options</td>
<td>Select bank account printing options on Form 8879.</td>
</tr>
<tr>
<td>1040A/EZ suppress</td>
<td>Automatically suppress Form 1040A or 1040EZ.</td>
</tr>
<tr>
<td>Form 1045 page 2 (NOL)</td>
<td>Automatically produce Form 1045, page 2, if the return has NOL.</td>
</tr>
<tr>
<td>Select to Turn On ___ list if greater than...</td>
<td>Produce lists of these items (W-2, W-2G, 1099-M, 1099-R, dividends, interest, K-1) when the selected number in the drop list is exceeded.</td>
</tr>
</tbody>
</table>

**NOTE**

Many of these settings can be adjusted on a per-return basis. See “Making Changes on the Fly” on page 52.

#### Optional Documents

Options under the **Optional Documents** tab are described in Table 2-8.

### Table 2-8: Options Setup: Optional Documents

<table>
<thead>
<tr>
<th>Option</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Folder coversheet</td>
<td>This option generates a folder cover sheet containing the taxpayers’ names and the name, address, and phone number of the preparer’s firm.</td>
</tr>
<tr>
<td>Prior year(s) comparison form</td>
<td>Select this option to produce a comparison sheet containing data from the current and prior-year returns.</td>
</tr>
<tr>
<td>Return summary</td>
<td>Select this option to produce a return summary with every return prepared.</td>
</tr>
<tr>
<td>Bill summary</td>
<td>Select this option to produce a summary of the taxpayer’s bill with each return.</td>
</tr>
<tr>
<td>Federal filing instructions</td>
<td>Displays detailed federal filing information, including the date to file, form to be filed, address to file, and payment amount. The instructions are listed as FILEINST.PG in View mode. Activated by default. Clear the check box to disable, or use the PRNT screen to activate or disable on a single return.</td>
</tr>
<tr>
<td>State filing instructions</td>
<td>Displays detailed state filing information, including the date to file, form to be filed, address to file, and payment amount. The instructions are listed as “STINST.PG” (“ST” refers to the state abbreviation; for example, OHINST.PG for Ohio instructions). Activated by default. Clear the check box to disable, or use the PRNT screen to activate or disable on a single return.</td>
</tr>
<tr>
<td>Labels</td>
<td>Select this option to print a sheet of “mail to” addresses on Avery 5160 labels</td>
</tr>
<tr>
<td>Envelope Sheet (address drop lists)</td>
<td>Choose the size of the envelope on which to print the addresses of the taxpayer, the IRS Service Center, the state tax department, the city tax office, and for Forms K-1.</td>
</tr>
<tr>
<td>Estimated payment coversheet</td>
<td>Select this option to print estimated coversheet payment addresses to envelope Nelco ENV500 dimensions for 1040 and 1041 returns with quarterly taxes.</td>
</tr>
</tbody>
</table>
Table 2-8: Options Setup: Optional Documents

<table>
<thead>
<tr>
<th>Option</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>NELCO hyperlink</td>
<td>Click this link to go to the NELCO website to order such Drake-compatible products as envelopes, IRS forms, and checks.</td>
</tr>
<tr>
<td>Letter Options (all packages)</td>
<td>Select the result letter templates to be used for each package.</td>
</tr>
<tr>
<td>Include privacy letter with returns</td>
<td>Select this option to print the privacy disclosure letter with every return.</td>
</tr>
<tr>
<td>Include engagement letter with returns</td>
<td>Select this option to print engagement letters for all packages when the return is calculated. At the end of the letter template are spaces for client and preparer signatures. Engagement letters can also be produced prior to completion of the return using Tools &gt; Letters &gt; Letters.</td>
</tr>
<tr>
<td>Include customized supplemental letter with returns</td>
<td>Print a customized letter that can be used for various purposes. (See Table 2-14 on page 43.)</td>
</tr>
<tr>
<td>Include K-1 letter with returns</td>
<td>Print the cover letter for individual K-1s (1065, 1120S, and 1041 packages).</td>
</tr>
<tr>
<td>Referral Coupons (3 per sheet)</td>
<td>Enter the number of sheets per return or the coupon amount.</td>
</tr>
</tbody>
</table>

**NOTE**
To override the default letter for an individual client, see “Overriding Letters Setup” on page 58.

Optional Items on Return
Options under the **Optional Items on Return** tab are described in Table 2-9.

Table 2-9: Options Setup: Optional Items on Return

<table>
<thead>
<tr>
<th>Option</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date on return</td>
<td>The default is the current date. To change this date, enter the required date on the <strong>PRNT</strong> screen. If desired, select to print dates for taxpayer and spouse signatures (excluding 1040).</td>
</tr>
<tr>
<td>Print dates for taxpayer and spouse signatures (excludes 1040)</td>
<td>Select this option to print the signature dates for taxpayer and spouse signatures on the return (excluding 1040).</td>
</tr>
<tr>
<td>Taxpayer phone number</td>
<td>Select this option to print the taxpayer’s phone number entered on screen 1.</td>
</tr>
<tr>
<td>Third party designee</td>
<td>Select the preparer number of the preparer designated as the third-party designee to be printed on the main form of the return.</td>
</tr>
<tr>
<td>Rounding amounts</td>
<td>Select <strong>Dollar</strong> or Penny rounding. Dollar rounding is required for e-filing. Penny rounding prints penny amounts on all forms.</td>
</tr>
<tr>
<td>Interest and Penalty Calculation</td>
<td>Calculate penalties and interest on returns filed after the due date based on interest rates entered. For more information, see “Penalty and Interest Calculation” on page 181.</td>
</tr>
</tbody>
</table>
**Billing**  
Options under the **Billing** options tab are described in Table 2-10.

### Table 2-10: Options Setup: Billing

<table>
<thead>
<tr>
<th>Option</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Print taxpayer’s SSN on the bill</td>
<td>Select this option to print the taxpayer's SSN on the bill.</td>
</tr>
<tr>
<td>Show preparer fees withheld from bank product</td>
<td>Select this option to print on the bill the preparer fees withheld from the bank product amount.</td>
</tr>
<tr>
<td>Print taxpayer’s phone number on the bill</td>
<td>Select this option to have the taxpayer’s phone number (entered on screen 1) printed on the bill.</td>
</tr>
<tr>
<td>Print taxpayer’s e-mail address on the bill</td>
<td>Select this option to have the taxpayer's e-mail address (entered on screen 1) printed on the bill.</td>
</tr>
<tr>
<td>Sales Tax</td>
<td>Enter the sales tax rate to add to each bill. Number must be greater than 1. For example, 4.5 would represent a sales tax rate of 4.5%.</td>
</tr>
<tr>
<td>Billing statement format</td>
<td>Select among seven formatting options, including:</td>
</tr>
<tr>
<td></td>
<td>- Billing by time (preparing bill based on time spent preparing return multiplied by preparer's hourly rate as defined in Setup &gt; Preparers)</td>
</tr>
<tr>
<td></td>
<td>- Billing by form (preparing bill based on forms necessary to complete return by price entered in Setup &gt; Pricing); program prepares a bill summary along with the option selected here unless the Bill Summary option is cleared at Setup &gt; Options, Optional Documents tab.</td>
</tr>
<tr>
<td>Header on bill</td>
<td>Select among options for the header to be printed on the bill.</td>
</tr>
<tr>
<td>Custom Paragraph</td>
<td>Choose to have a custom paragraph printed on the bill. Select a location, and then write the paragraph in the supplied text box.</td>
</tr>
</tbody>
</table>

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

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

### Table 2-11: Options Setup: EF

<table>
<thead>
<tr>
<th>Option</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auto-generate taxpayer(s) PIN</td>
<td>Have the software assign a randomly generated PIN. (1040 only)</td>
</tr>
<tr>
<td>Require ‘Ready for EF’ indicator on EF screen</td>
<td>Requires that the Ready for EF indicator on the EF screen be marked before a return can be selected for e-filing.</td>
</tr>
<tr>
<td>Lock client data file after EF acceptance</td>
<td>Locks the client’s data file once it has been e-filed. Opening a locked file requires you to acknowledge a warning screen before you can edit the return. You can also access a locked file at Tools &gt; File Maintenance &gt; Unlock Client Files.</td>
</tr>
<tr>
<td>Print 9325 when eligible for EF</td>
<td>Prints Form 9325, Acknowledgment and General Information for Taxpayers Who File Returns Electronically, for every eligible return.</td>
</tr>
</tbody>
</table>
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 2-11: Options Setup: EF

<table>
<thead>
<tr>
<th>Option</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suppress federal EF</td>
<td>Prevents e-filing of the federal return.</td>
</tr>
<tr>
<td>Print EF status page</td>
<td>Generates the <strong>EF Status</strong> page for any return that is eligible for e-file.</td>
</tr>
<tr>
<td>Alert preparer when bank product is not included</td>
<td>Alert the preparer via an EF message that a return does not include a bank product. (To override, see &quot;Overriding Bank-Product Alert&quot; on page 238.)</td>
</tr>
<tr>
<td>Activate imperfect return election in data entry</td>
<td>Activates <strong>Imperfect Return Election</strong> check box on EF screen in data entry.</td>
</tr>
<tr>
<td>Allow selection for EF from the ‘Calculation Results’ screen</td>
<td>Allows preparer to send the currently active return directly from the <strong>Calculations Results</strong> window to the e-filing queue. (The return is then transmitted automatically the next time you e-file returns.)</td>
</tr>
<tr>
<td>Enable prompting before automatic transmission of ‘Check Print Records’</td>
<td>Allows program to notify you before it transmits the Check Print Records.</td>
</tr>
<tr>
<td>E-mail 9325 Notice to Taxpayer (automatic from Drake Processing Center)</td>
<td>Form 9325, Acknowledgment and General Information for Taxpayers Who File Returns Electronically, is automatically e-mailed to taxpayer when return is accepted. (E-mail address must be present on screen 1.)</td>
</tr>
<tr>
<td>Default ERO</td>
<td>Choose a preparer number, <strong>Paid Preparer</strong>, or <strong>None</strong> to indicate the ERO name that should appear on return documents. This choice can be overridden on screen 1 and the <strong>PREP</strong> screen in data entry.</td>
</tr>
<tr>
<td>Check for e-mail during EF transmit/receive</td>
<td>The program checks for e-mail received every time you transmit returns or pick up acknowledgments.</td>
</tr>
<tr>
<td>Combine EF steps (Select, Transmit, Post Acks)</td>
<td>Combines all e-filing steps. Click <strong>OK</strong> or press <strong>Esc</strong> on selected returns to e-file, pick up any new acknowledgments, and process the acknowledgments in one step.</td>
</tr>
<tr>
<td>Transmit return data to Drake for multi-office web reports</td>
<td>Sends Client Status Manager (CSM) data sent automatically to the Multi-Office Manager (MOM) during the EF process.</td>
</tr>
<tr>
<td>State EF</td>
<td>Suppress e-filing of all state returns, or select states to suppress while other state returns remain eligible.</td>
</tr>
<tr>
<td>EF Selection Report Options</td>
<td>Customize EF selection reports by specifying which columns (such as SSN/EIN, client name, refund/balance due, etc.) should be included in the EF selection report.</td>
</tr>
</tbody>
</table>

### Admin. Options

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

### Table 2-12: Options Setup: Administrative Options

<table>
<thead>
<tr>
<th>Option</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use customized data entry selection menu</td>
<td>Mark the check box, click the top <strong>Customize</strong> box, and then select the package and package type to customize. Click <strong>Load Menu</strong>. When the data entry screen is opened, click (uncheck) items to disable them in the <strong>Data Entry Menu</strong>. Click <strong>Save</strong>. The selected (unchecked) items will not be visible or accessible to any user other than those with administrative rights. (See “Locking Screens” on page 34.)</td>
</tr>
</tbody>
</table>
Locking Screens

An administrative user can “lock” selected screens, making them inaccessible to other users.

1. Go to Setup > Options, Administrative Options.
2. Select Use Customized data entry selection menu.
3. Click Customize.

After loading a selected menu, click a screen’s check box to lock the screen or to make it visible or hidden. (Default is “visible.”) Examples are shown in Figure 2-8 and described below the figure.

<table>
<thead>
<tr>
<th>Option</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customize user-defined data entry fields</td>
<td>Create option lists for the Miscellaneous Codes fields on screen 1 and the Adjustments and Payments fields on the BILL screen. For step-by-step instructions on this feature, see “Customized Drop Lists” on page 35.</td>
</tr>
<tr>
<td>Use customized flagged fields on all returns</td>
<td>Select this box, click Flag, and select a package type. When the Data Entry Menu is opened, click the desired screen and click each field to flag. Click a field a second time to clear it. Press Esc to save your changes. Note: This option is available for federal packages only.</td>
</tr>
<tr>
<td>Apply current-year Admin flag settings when updating from prior year</td>
<td>Flags set globally in 2011 are set globally after updating data from Last Year Data &gt; Update from 2011 to 2012.</td>
</tr>
<tr>
<td>Print due diligence documents</td>
<td>Print due diligence documents generated from the EIC1, EIC2, EIC3, and EIC4 screens.</td>
</tr>
<tr>
<td>Require applicable due diligence screens to be completed</td>
<td>Require that applicable fields on the EIC1, EIC2, EIC3, EIC4 screens be completed before the return can be e-filed.</td>
</tr>
<tr>
<td>Enable logged in preparer’s Personal Client Manager</td>
<td>Display the Personal Client Manager on the Drake Home window for the logged-in preparer (check box is marked by default).</td>
</tr>
<tr>
<td>Display program update availability to:</td>
<td>Select which preparer groups can view update availability. Selections are Administrators (users with administrative rights) and All preparers.</td>
</tr>
<tr>
<td>Bank Products - State laws regarding fees: Charge ALL taxpayers the same fees</td>
<td>Select this box to charge all clients the same supplementary fees (software, franchise/network, and additional fees), regardless of whether a bank product is included. For more information, click the Program Help link.</td>
</tr>
<tr>
<td>Drake PDF Printer Password Options</td>
<td>Choose to automatically password-protect any generated PDF documents. Passwords can be assigned to PDF documents that are sent using the Drake e-mail program. The default password format is the first four characters of the client’s name plus the last five digits of the client’s ID. The Default password drop list includes other format options. These settings can be overridden during printing from the Print Selection dialog box.</td>
</tr>
<tr>
<td>Return Status Notification Programs</td>
<td>New for 2012: Use this option to receive return status notification through TaxPoint or ABCvoice. Select to generate 7216 consent forms for the customer to sign. Select to require contact information (phone number and/or e-mail address on screen 1, or on the ABCV screen (for ABCvoice) or on the CALL screen (for TaxPoint).</td>
</tr>
</tbody>
</table>
Locked — Menu items with a shaded check mark are not visible or accessible.

Visible — Menu items with a black check mark are both visible and accessible.

Hidden — Menu items with no check mark are not visible but can be accessed using the selector field.

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

Selections made here do not apply for users with administrative rights.

Customized Drop Lists

Your firm can create drop lists for the Miscellaneous Codes on screen 1 and the Adjustment and Payment description fields on the BILL screen. Once you have created a drop list, it appears in the selected field. In Figure 2-9, a drop list has been created for Miscellaneous Code 1 and Code 2 on screen 1. As shown in the example, Code 2 has the user-defined referral codes BUSREF (business reference) and WOM-REF (word-of-mouth reference).

The instructions below explain how to create the drop list like the one in Figure 2-9.

To create a drop list:

1. From the Home window, select Setup > Options and click the Administrative Options tab.
2. Click the second Customize button (Figure 2-10).
3. In the Customizable Dropdowns in Data Entry dialog box, double-click a field to customize, or select a field and click Edit. The Edit Entries dialog box is opened.
4. In the fields of the **Add Entry** section (Figure 2-11 on page 36), enter a **Code** (eight or fewer characters) and a **Description** (25 or fewer characters).

![Figure 2-11: Enter code and description in the Add Entry fields.](image)

5. Click **Add**.

6. 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 (Figure 2-12).

![Figure 2-12: Entry list of Edit Entries dialog box](image)

7. Click **Save Changes** to close the **Edit Entries** dialog box.

Click **Exit** to return to the **Administrative Options** tab. The drop list is now available in data entry.

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

- **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. (See Figure 2-12.)
- **Removing a listed item** — Select an item and click **Remove**. (See Figure 2-12.)
- **Editing a listed item** — Double-click an item. The **Selected Entry** box (see Figure 2-11) is activated with the item properties. Make changes and click **Save**.

You can also create drop lists for the **Adjustments** and **Payments** field of the **BILL** screen.

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

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

**Note**  
Bank-product fees are established in Setup > Firm(s).

To set up pricing:

1. From the Home window, go to Setup > Pricing.
2. Select a package from the Form box of the Pricing Setup window. All forms for that package are displayed in the grid below. View items by category by clicking the tabs at the top of the grid (Figure 2-13).

![Figure 2-13: Tabs allow you to view categories of documents that can be priced.](image)

3. Select a form in the grid and press ENTER (or double-click the form).
4. (Optional) Edit the Form Description. This description is printed on the client bill if Include on Bill is selected. Do not edit the form name.
5. Enter pricing information in the Per Item and Per Form fields.
   - When a Per Item entry is not applicable for a form, the field is unavailable.
   - If Per Item pricing is allowed, the price entered will apply to all instances of the selected form that are printed for a return. (To view all items for which per-item pricing is allowed, click the Per Item Charges tab; see Figure 2-13.)
6. Click Update, and then click Save.

Repeat these steps for each form, or set pricing for only the most commonly used forms. You can price other forms from within the individual returns that require them. (For more information, see “Overriding the Bill Amount” on page 56.)

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

- **Custom fee** — The custom fee is charged on all client returns. Use item 0387 in the Pricing Setup window to assign a fee name, description, and amount.
- **Financial product assistance fee** — Use this option (item 0212 in Pricing Setup) to add a charge to all returns that include a bank product. This fee is not included on the bill if any of the following are true:
– The firm state is Arkansas, Maryland, Maine, or New York (See Program Help link in Setup > Options, Administrative Options tab.)

– In Setup > Options, Administrative Options tab, the option to charge all taxpayers the same fees is marked

– In Setup > Pricing, the Include on Bill box is not marked for this fee

Minimum & Maximum Fees

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

1. From the Home window, go to Setup > Pricing and select a package from the Form box. All forms for that package are displayed in the grid below.
2. Scroll down to Forms 0255 and 0256 (the minimum and maximum fee settings).
3. Double-click a row and enter the fee. Repeat for the other form, if desired.
4. Click Update, and then click Save.

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

Macros Setup

Macros are a series of commands and functions that allow a combination of keys to accomplish tasks. Also called shortcut keys, some macros are already available in the program; for example, CTRL+V opens View mode. You can edit existing macros or create new ones to meet your office’s needs.

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

NEW FOR 2012 The Setup Macros screen has changed slightly, making it easier to enter longer macros, and a new Record feature allows you to create new macros more quickly.

Using Macros

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

Creating New Macros

To set up your own macros in Drake:

1. From the Drake Home window, go to Setup > Macros. The Setup Macros dialog box shows the shortcut keys (Hot Key column) and their associated tasks (Data column).
2. Double-click a line to open the Edit Macro window and enter a new macro or edit an existing macro.
3. In the **Edit Macro** pane, construct a simple formula or words and operators that will enter the data you choose. Symbols for non-character shortcuts are listed in Table 2-13.

4. Click **Save**.

For instance, if you wanted to create and use an address macro for 1234 Peachtree Street, Atlanta, GA 30331, Fulton County, using keys ATL+L for your macro:

1. From the Drake **Home** window, go to **Setup > Macros**.
2. In the **Setup Macros** window, double click an empty **Data** line line.
3. In the **Edit Macro** window, enter 1234 Peachtree Street>>Atlanta>Ga>30331>Fulton>>GA
4. Click **Save**.
5. Go to screen 1 in Drake.
6. Click in the **Street address** field and press ALT+L.

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

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

Example: The macro **EF>#25>X>~** would open the EF screen (**EF>**), toggle heads-down data entry mode to ON (**#**), enter field 25 (**25>**), select the box to **Suppress Federal/State EF and all Bank Products** (**x**), toggle heads-down mode to OFF (**#**), and save the data and escape the EF screen (**~**).

### “Recording” Macros

**New for 2012:** Click the **Record** button on the **Edit Macro** window and you can use key strokes to enter certain macro operators. For instance, click **Record** and:

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

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

**Table 2-13: Macro Symbols**

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;</td>
<td>Move cursor back one field. If the (&lt;) symbol is inserted <em>in front of</em> selected data in a macro, the program moves the cursor back one field from the active field before inserting the data. If inserted <em>after</em> the data, the program inserts the data in the active field then moves the cursor back a field.</td>
</tr>
<tr>
<td>&gt;</td>
<td>Move cursor forward one field. If the (&gt;) symbol is inserted <em>in front of</em> the selected data in a macro, the program jumps ahead one field from the active field before inserting the data. If inserted <em>after</em> the selected data, the program inserts the data first, and then moves the cursor forward a field.</td>
</tr>
</tbody>
</table>
The letters program generates various types of client letters, from engagement letters to the return’s cover letter. In some cases, letter content is automatically based on data from the tax return. 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 result letter will state the balance due amount, provide the e-filing information, and give instructions for mailing the check.

Because so much of the letters program is automatic, you may not have to edit the letter templates at all. If you do need to make changes, Drake has provided numerous options for doing so.

Before making changes, please continue reading this introduction to ensure that you understand how the templates and the Client Communications Editor are structured.

To view a list of Rich Text Format (RTF) keyboard shortcuts for letters, from the menu bar at the top of the Home window, select Help > Drake Software Help (or press CTRL+F1). In the Contents tab, double-click Setup, double-click Letters, then select RTF Guide.

**Parts of a Letter**

A letter in the Client Communications Editor (accessed from Setup > Letters) contains three categories of letter elements: keywords, text, and conditional paragraphs.

**Figure 2-14:** A letter template consists of keywords, text, and conditional paragraphs.

*Keywords* appear as red text within angle brackets. A keyword is a description of the type of text to be generated and added to the letter. 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 C.)

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

*Conditional paragraphs*, like keywords, contain angle brackets. Each “paragraph” actually consists of a starting tag, the conditional text, and an <End Paragraph> tag. Note that both the starting and ending tags end with the word “Paragraph.”

The enclosed conditional text is printed only if a particular situation applies in that letter. For example, the conditional paragraph in Figure 2-15 on page 42 is generated only if the taxpayer, who has a balance due, is paper-filing and has selected not to pay by direct debit.
Paragraph Nesting

Many conditional paragraphs are nested within larger ones. Different nesting levels are indicated by different colors. In Figure 2-16, the Federal No Dir Debit (Paper) Paragraph from Figure 2-15 is nested inside the Federal Balance Due Paragraph. The green and purple text show where each paragraph begins and ends.

Client Communications Editor

The Client Communications Editor, accessed from Setup > Letters, is where you can read, edit, re-write, print, and save the letters contained in the program. You can also add your company letterhead and logo to the letters. The right pane of the Editor displays the letter template. The left pane displays, in tree view, the applicable paragraphs and keywords by category (Figure 2-17). Click [+] to expand a category, or click [-] to contract it. Hover your pointer over a keyword to view its description.

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

Table 2-14 lists all available letter templates. All letters can be modified using the Client Communications Editor. Templates with an asterisk (*) indicate letters that can be generated, individually or in batches, separately from the tax return. (See “Letters” on page 301.)

Table 2-14: Letter Templates Available in 2012

<table>
<thead>
<tr>
<th>Letter Template</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Result Letter</td>
<td>Provides return results for the filed returns; gives info on bank products, estimates, due dates, mailing instructions, etc., as applicable.</td>
</tr>
<tr>
<td>Result - Template</td>
<td>Contains the same keywords and paragraph tags as the Result Letter, but no pre-written letter template is provided.</td>
</tr>
<tr>
<td>Extension Letter</td>
<td>Explains that an application for extension has been filed.</td>
</tr>
<tr>
<td>Amended Letter</td>
<td>Similar to the result letter, but for an amended return.</td>
</tr>
<tr>
<td>Estimate Payment Reminder*</td>
<td>Provides details for making a 2013 estimate payment; individual (1040) package only.</td>
</tr>
<tr>
<td>Scheduled Appointment Reminder*</td>
<td>Informs prior-year clients of this year’s appointment date and gives instructions for preparing for the appointment; individual (1040) package only.</td>
</tr>
<tr>
<td>Referral Coupon</td>
<td>Offers client a discount for referring another client; individual (1040) package only.</td>
</tr>
<tr>
<td>Preseason Letter*</td>
<td>Reminder to 2011 clients that tax season is coming up; all applicable packages.</td>
</tr>
<tr>
<td>Post-season Letter*</td>
<td>Letter thanking 2012 clients for their business; available for all applicable packages.</td>
</tr>
<tr>
<td>Customized Supplemental Letter</td>
<td>Fully customizable template that can be used to create a customer survey, package or product offering sheet, generic letter, client coupon, etc.</td>
</tr>
<tr>
<td>Engagement Letter*</td>
<td>Standard engagement letter for tax services.</td>
</tr>
<tr>
<td>E-file Status Letter*</td>
<td>Provides 2012 clients with an acknowledgment summary of their e-filed returns; available for all applicable packages.</td>
</tr>
<tr>
<td>Privacy Policy</td>
<td>Generic privacy policy for clients.</td>
</tr>
<tr>
<td>K-1 Cover Letter</td>
<td>Cover letter for a shareholder, partner, or fiduciary receiving a Schedule K-1; S corp, partnership, and fiduciary packages only.</td>
</tr>
<tr>
<td>K-1 Amended Letter</td>
<td>Cover letter for a shareholder, partner, or fiduciary receiving a Schedule K-1 that has been amended; S corp, partnership, and fiduciary packages only.</td>
</tr>
<tr>
<td>Grantor Trust Statement</td>
<td>Cover letter for grantor trust statement; fiduciary package only.</td>
</tr>
</tbody>
</table>

Letters Setup

Use the Client Communications Editor (Setup > Letters) to edit letter templates, set up the letterhead for letters and client bills, and preview letters.

**Note**

Use the Letter Outline tab to find individual letter paragraphs quickly.
**Editing a Letter Template**

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

1. In the Client Communications Editor, click **Open** and select a package and letter to edit. The pane on the right displays the selected template.
   - *To edit the letter contents,* add, edit, or delete text as you would in a program like Microsoft Word. From the toolbar, specify font properties, typeface (bold, italic, underlined), and alignment; and copy, cut, and paste.
   - *To add a keyword or conditional paragraph* to the letter, place your cursor where you want the new item to go, and then locate and double-click a keyword or paragraph from the pane on the left. To delete a keyword or conditional paragraph, select it in the letter template and press DELETE.

2. Click **Save**.

**Setting Up Letterhead**

You can also use the Client Communications Editor to set up letterhead for bills.

Arrange to have your firm’s information and logo generated on client bills and letters.

To set up your letterhead:

1. In the Client Communications Editor, go to **Setup > Letterhead and Margins**.
2. Select options from the **Letter/Bill Indicators** section.
3. Designate **Coordinates**. In the right column, number settings indicate the position of the firm information and logo. Settings for the default graphic are:
   - Left-most column for logo — 8
   - Top-most row for logo — 3
   - Left-most column for firm info — 25
   - Top-most row for firm Info — 4
4. Enter the path to the graphic in the **Path/Filename for Bitmap Logo** text box (or use the **Browse** button). The full path and filename are required. To use the simple default graphic, enter `C:\Drake12\CF\LOGO.BMP` (“C” indicates the drive letter to which the Drake program is installed. Change if necessary.) Leave blank for no logo.
5. Click **OK**.

**Changing Letter Margins**

The left margin of a letter can be changed to suit your printing needs. To change the left margin of the default letter:

1. In the Client Communications Editor, select **Setup > Letterhead and Margins**.
2. Enter a number under the **Left Margin Adjustment** box (Figure 2-18 on page 45).
Values are in inches. An entry of 1, for example, adjusts the margin one inch to the right, and an entry of 1.5 adjusts it an inch and a half. Values can also be entered in increments of one-tenth of an inch. For example, an entry of .1 adjusts the margin one-tenth of an inch to the right (see example in Figure 2-18).

3. Click OK.

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

**NOTE**
An entry of “0” applies the default margins. Drake does not accept negative numbers or numbers with two decimal values (such as 1.25).

**Naming a Template**

Each template has a default name (see Table 2-14 on page 43). To assign a new name:

1. From the Client Communications Editor, click **Open** and select a letter template.

2. Click **Setup > Rename Letter**.

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

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

**Restoring a Template**

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

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

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

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

Bringing Forward a Template

To replace a current-year template with a prior-year one:

1. From the Client Communications Editor, click Open and select the template to replace.
2. Go to Setup > Update Prior Year Letter and click OK.
3. Select the drive of the Drake program that contains the prior-year letter.
4. Select a prior-year letter.
5. Click Continue.
6. When prompted, click Yes.

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

Color Setup

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

If you used Drake last year, consider customizing colors to make your 2012 program look different from your 2011 program. If you must open the 2011 program during tax season, customized colors will help you avoid entering data into the old program by mistake.

Program Colors

To customize program colors:

1. From the Drake Home window, go to Setup > Colors.
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.
   - 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.
3. Click **OK**.

### Data Entry Colors

To change the color of a specific area in data entry:

1. From the Drake **Home** window, go to **Setup > Colors**.
2. Click a color box in the **Data Entry Colors** box to open a Windows color palette.
3. Select a color and click **OK**.
4. Once all color selections are made, click **OK**.
5. To restore the original color settings in **Setup > Colors**, click **Restore**, and then click **OK**.

### Printing Setup

Use the Printer Setup to:

- Establish the printer to be used with Drake
- Install a “Print to PDF” option that allows you to create PDF files
- See if your printer is HP PCL-5e compliant

**Note**

Your Windows default printer is designated as the Drake default printer when Drake is installed. You do not have to add or set up a printer in Drake if the printer is already set up in Windows. Printer settings are carried forward automatically each year.

**Tip**

Watermarks can be added on the fly via the **Print Selection** dialog box (the box that is displayed when you click **Print** in Drake). You can opt to print a custom watermark that you specify (see “Watermark Text” in Table 2-15 on page 48) or to 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 Drake **Home** window, go to **Setup > Printing > Printer Setup**.
2. Enter setup changes as needed. Details on each tab are provided in Table 2-15 on page 48.
3. Click **Save**.
### Table 2-15: Printing Setup

<table>
<thead>
<tr>
<th>Tab</th>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>(F5) General Setup</strong></td>
<td>Tray</td>
<td>Default is “Main Paper Source.” Change the default if you have a multiple-tray printer and will not be printing from the main tray.</td>
</tr>
<tr>
<td></td>
<td># Copies</td>
<td>Number of copies to print (not available for labels or checks).</td>
</tr>
<tr>
<td></td>
<td>Duplex</td>
<td>Directs printer to print duplex. Only forms that are approved for duplex will be printed as duplex.</td>
</tr>
<tr>
<td></td>
<td>Staple</td>
<td>If the printer supports stapling after each print job, select this option to turn stapling on.</td>
</tr>
<tr>
<td></td>
<td>Show dialog</td>
<td>Causes the Print dialog box to be opened before each print job.</td>
</tr>
<tr>
<td><strong>(F6) 'Sets' Setup</strong></td>
<td>Tray</td>
<td>Default is “Main Paper Source.” Change the default if you have a multiple-tray printer and will not be printing from the main tray.</td>
</tr>
<tr>
<td></td>
<td>Duplex</td>
<td>Directs printer to print duplex. Only forms that are approved for duplex will be printed as duplex.</td>
</tr>
<tr>
<td></td>
<td>Duplex all</td>
<td>Directs printer to duplex-print all forms (approved or not). (Not available for sets to be mailed to the IRS or a state.)</td>
</tr>
<tr>
<td></td>
<td>Staple</td>
<td>If the printer supports stapling after each print job, select this option to turn stapling on.</td>
</tr>
<tr>
<td></td>
<td>Print set</td>
<td>Indicates which sets should be available for printing after a return is calculated.</td>
</tr>
<tr>
<td></td>
<td>Watermark text</td>
<td>Watermarks to be displayed on the Client and Preparer copies, respectively. Defaults are “Client Copy” and “Preparer Copy.”</td>
</tr>
<tr>
<td><strong>(F7) Options</strong></td>
<td>PCL soft font option</td>
<td>Many printers require soft fonts to be downloaded before tax forms can be printed. Select the desired downloading option.</td>
</tr>
<tr>
<td></td>
<td>Classic print mode</td>
<td>For preparers who prefer Basic View (See “Viewing a Return (Enhanced Mode)” on page 197), Drake’s “Classic Print” mode will be displayed when in Print mode.</td>
</tr>
</tbody>
</table>
Testing Your Printer

While there has been a huge shift towards e-filing, there are still times when returns must be paper-filed. In an effort to process those paper returns “electronically,” government agencies scan these returns, allowing them to more efficiently and accurately move the paper returns into the electronic processing system.

Drake has made changes to its print engine as a part of an ongoing effort to create nearly exact replicas of tax forms on the many different makes and models of printers that are used in tax offices today. Some of these changes are necessitated by the emergence of stricter requirements enforced by some government tax agencies for paper processing.

Drake has provided a way for you to print a test page in the preferred Printer Command Language (PCL) mode to see if your printer is compliant with these software changes.

To test your printer, take the following steps:

<table>
<thead>
<tr>
<th>Tab</th>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>(F8) Edit Printer Settings</td>
<td>Select printer</td>
<td>Select the printer. For printers other than Drake PDF Printer, the fields listed below are activated. (If you select Drake PDF Printer, you’ll be given the option to launch Adobe after printing to the Drake PDF Printer.)</td>
</tr>
<tr>
<td></td>
<td>Printer type</td>
<td>Select the printer type from the drop list.</td>
</tr>
<tr>
<td></td>
<td>DPI override</td>
<td>Change the dots per inch (DPI) setting.</td>
</tr>
<tr>
<td></td>
<td>Adjust margin</td>
<td>Select this option if printed forms are running off the lower edge of the paper.</td>
</tr>
<tr>
<td></td>
<td>Check adjustment - vertical</td>
<td>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.</td>
</tr>
<tr>
<td></td>
<td>Print Method</td>
<td>PCL (Printer Control Language) is supported by most HP laserjet printers. If your printer supports PCL, the remaining fields on the screen will be filled automatically. The Alternate Print Method (GDI) will produce a good print quality but may be slower under some conditions.)</td>
</tr>
<tr>
<td></td>
<td>Test Printer</td>
<td>Click the Test Printer button to see if your printer is HP PCL-5e compliant. (See “Testing Your Printer” following)</td>
</tr>
<tr>
<td></td>
<td>Main paper source</td>
<td>Select the tray that is to be the main paper source for the selected printer.</td>
</tr>
<tr>
<td></td>
<td>Alternate paper source</td>
<td>Select the paper source to be used when the main paper source is not available.</td>
</tr>
<tr>
<td></td>
<td>Opt. large paper source</td>
<td>Select the tray to be used as the optional large paper source.</td>
</tr>
<tr>
<td></td>
<td>Manual feed</td>
<td>Select the tray to be used for manual feed.</td>
</tr>
</tbody>
</table>
1. From the **Home** window of Drake, go to **Setup > Printing > Printer Setup**.
2. Click the **[F8] Edit Printer Settings** tab to open the **Printer Setup** dialog box.
3. Select your printer from the **Select printer** drop list. This activates the fields below.
4. On the right-center of the **Printer Setup** dialog box, click **Help Me Choose** to open the **Printer Test Assistant** dialog box.
5. From “Step 2” of the **Printer Test Assistant** dialog box, click **Send Printer Test Page to the Selected Printer** (item #1 in Figure 2-19).

![Drake Printer Test Assistant](image)

---

**Figure 2-19:** Click **Send Printer Test Page**... (item #1) to test a printer for PCL compliance

6. Compare the text of the printed page to the **Sample Arial Font** of the dialog box (item #2 of Figure 2-19).
7. Click the appropriate button (item #3 of Figure 2-19):
   - **Yes, it matches exactly** — Your printer is PCL-5e compliant and meets Arial font requirements. The software selects the PCL method automatically.
   - **No, it does not match** — Your printer doesn’t appear to support Arial font and will use the Alternate Print Method (GDI) to produce acceptable results. (GDI will produce good print quality but may be slower under some conditions.) Drake recommends you call your printer manufacturer to determine if Arial font can be added.
   - **Nothing printed** — Some printers that are not PCL-5e compliant will not accept the test print. These printers will use the Alternate Print Method (GDI) to produce acceptable results.
8. Select another printer from the **Step 1: Select a printer** drop list and follow the same steps to test.
9. When finished, click **Exit** to close the **Printer Test Assistant**.
10. Click **Update** to save any printer changes. Click **Save** to exit **Printer Setup**.
Printing Sets

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

1. From the Drake **Home** window, go to **Setup > Printing > Printer Setup**.
2. Click the **Sets** button to open the **Copies Per Set** dialog box.
3. Select a category from **Form Categories**. Your selection determines which forms are displayed in the grid below.
4. Double-click a form in the list. The default information for that form fills the text boxes above.
5. In the boxes under each set name, enter the number of copies of the form to be printed with each set. For example, to include three Schedule Cs with the **Client** set, enter 3 under **Client**.

![Figure 2-20: Example: Three copies of Schedule C for client](image)

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

Repeat this procedure for other forms as needed.

Changing Print Sets “On the Fly”

You can make **Sets** changes on the fly (in other words, without going to Printer Setup), but this will modify settings globally—not just for the active return. If you change your **Sets** settings on the fly, you change the settings for all returns.

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

1. Select a form from the directory tree.
2. Select **Setup > Form Properties** from the toolbar.
3. In the **Number of Copies** section, edit settings and click **Save**.

**NOTES**

Pricing can also be changed using this option; see “Pricing for a Single Return” on page 57.

If using Basic View, access this feature by right-clicking a form in Basic View and selecting **Properties**.

Setting a Print Order

Use this option to view or change the order in which forms are printed.

1. From the Drake **Home** window, go to **Setup > Printing > Printer Setup**.
2. Click **Set Form Order** (at the bottom of the **Printer Setup** dialog box) to open the **Sort Form Order** window.
3. Select a package series and choose a set type. Forms are listed with their order number in parentheses to the left. **Normal (Default)** is the established IRS order.
4. To change the sequence in which the forms are printed, click and drag form names until the forms are listed in the desired order.

5. Click Save.

NOTE
To back up the print order and restore it to another machine, choose to back up the setup files from **Tools > File Maintenance > Backup**.

Document Manager Setup
For details on how to set up and use the Document Manager, see Chapter 13, “Suite Products.”

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 you can take while in data entry to “override” these global settings in an individual (1040) return. Comparable options for other packages (such as the business packages) are provided in the manual supplements for those packages, available at [http://Support.DrakeSoftware.com](http://Support.DrakeSoftware.com).

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.

Table 2-16 lists items that can be suppressed using the PRNT screen.

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1040EZ</td>
<td>Prevents Form 1040EZ from being prepared; program prepares either Form 1040 or 1040A instead.</td>
</tr>
<tr>
<td>1040A and EZ</td>
<td>Prevents Forms 1040A and 1040EZ from being prepared; program prepares Form 1040 instead.</td>
</tr>
<tr>
<td>State short form</td>
<td>Forces state return to be printed on the state long form.</td>
</tr>
<tr>
<td>8801</td>
<td>Suppresses printing of Form 8801, Credit for Prior Year Minimum Tax - Individuals, Estates, and Trusts, if the form is not required. (This form is generated by default on certain returns that have a credit carryforward.)</td>
</tr>
<tr>
<td>WK_PAL</td>
<td>Prevents Passive Activity Deduction Worksheet from being prepared. This worksheet shows how much (if any) the taxpayer is taking in passive activity loss deductions this year and how much is being carried over.</td>
</tr>
<tr>
<td>WK_6251B</td>
<td>Suppresses exemption worksheet for Form 6251, Alternative Minimum Tax.</td>
</tr>
<tr>
<td>WK179LMT</td>
<td>Prevents section 179 Business Income Limit Worksheet from being prepared. This worksheet shows the amount (if any) of section 179 deductions taken this year and how much is being carried over.</td>
</tr>
</tbody>
</table>
Table 2-16: Items That Can Be Suppressed from the PRNT Screen

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proforma/organizer</td>
<td>Prevents proforma/organizer for next year from being generated. See “Organizers and Proformas” on page 80.</td>
</tr>
</tbody>
</table>

**NOTES**

The option to print or suppress the 1040A and 1040EZ for all returns (if applicable) is set at **Setup > Options, Form & Schedule Options**.

In the 1120S, 1065, and 1041 packages, if the option to print K-1 letters is selected at **Setup > Options**, you can go to the PRNT screen to suppress the printing of K-1 letters.

Table 2-17 lists PRNT screen items that can be “forced,” even if the program calculations and established defaults would otherwise not generate them.

Table 2-17: Items That Can Be Forced from the PRNT Screen

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schedule A</td>
<td>Schedule A, Itemized Deductions</td>
</tr>
<tr>
<td>Schedule B</td>
<td>Schedule B, Interest and Dividend Income</td>
</tr>
<tr>
<td>Form 4562</td>
<td>Form 4562, Depreciation and Amortization</td>
</tr>
<tr>
<td>Form 6198</td>
<td>Form 6198, At-Risk Limitations</td>
</tr>
<tr>
<td>Form 6251</td>
<td>Form 6251, Alternative Minimum Tax for Individuals</td>
</tr>
<tr>
<td>Form 8582</td>
<td>Form 8582, Passive Activity Loss Limitations</td>
</tr>
<tr>
<td>Summary</td>
<td>Individual Diagnostic Summary; appears as SUMMARY under Miscellaneous tab in View mode.</td>
</tr>
<tr>
<td>Compare</td>
<td>Tax return comparison; compares current-year return with returns from the two prior years and appears as COMPARE under Miscellaneous tab in View mode. (See “Comparing Data” on page 186 for more on creating a tax return comparison in Drake.)</td>
</tr>
<tr>
<td>WK_SSB</td>
<td>Social Security Benefits Worksheet provided by IRS for Forms 1040 and 1040A; allows taxpayer to see if any benefits are taxable.</td>
</tr>
<tr>
<td>Next-Year Depreciation List</td>
<td>Worksheet showing the depreciation to be carried forward to 2013.</td>
</tr>
</tbody>
</table>

**Overriding Other Setup Options**

**Envelope Coversheets**

When a return is generated, Drake prints envelope coversheets, if selected, for mailing with 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 PRNT screen to override coversheet options for a single return.
Filing Instructions

When a return is generated, Drake prints federal and state filing instructions. Default settings are established from Setup > Options, Optional Documents tab. Use the PRNT screen to override the default and force or suppress the filing instructions.

Due Diligence Documents

EIC due diligence information is entered on screens EIC1, EIC2, EIC3, and EIC4. The PRNT screen includes options to print EIC due-diligence documents with a selected return. (These options are set globally from the Administrative Options tab in Setup > Options.)

Dates on the Return

A default due date for filing is printed on returns and all letters and filing instructions generated with a return. Use the PRNT screen to override this default date. These changes cannot be set globally from Setup.

Override the default date by entering an alternate due date in the Date to print on returns or Due date to print on letter and filing instructions fields in the Print Overrides section of the PRNT screen.

Return Indicators

By default, the program displays certain indicators (such as “Hurricane Katrina”) on applicable returns. Use the PRNT screen to force certain indicators to be displayed.

NOTE

If a return qualifies for special treatment due to a disaster, the required literal should be entered in the Disaster designation field. An entry here will be printed at the top of the main federal form and will be included in the transmission file for e-filed returns.

Billing Format

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

Table 2-18: Billing Options That Can Be Changed on the Fly

<table>
<thead>
<tr>
<th>Option</th>
<th>Choices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Billing Statement Format</td>
<td>Total only; Forms and total; Forms, prices, and</td>
</tr>
<tr>
<td></td>
<td>total; Bill by time; Charge per form</td>
</tr>
<tr>
<td>Custom Paragraph</td>
<td>None; Top of bill; Bottom of bill</td>
</tr>
</tbody>
</table>

For more on the BILL screen, see “Overriding the Bill Amount” on page 56.

NOTE

Write the custom paragraph for the bill in the Custom Paragraph field at Setup > Options, Billing tab.
The following global setup options are for penalty and interest calculations on late-filed returns. These are set from Setup > Options, Optional Items on Return tab, and can be changed from within a return from the LATE screen on the Taxes tab:

### Table 2-19: Penalty & Interest Options That Can Be Changed on the Fly

<table>
<thead>
<tr>
<th>Global Setting</th>
<th>Available Overrides</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calculation of penalty and interest on all returns</td>
<td>If the global option is selected, it can be suppressed for a single return. If the global option is not selected, it can be forced for a single return.</td>
</tr>
<tr>
<td>Interest rates</td>
<td>Penalty and interest amounts can be entered manually for a single return to override program calculations based on updated or manually entered interest rates in Setup &gt; Options.</td>
</tr>
</tbody>
</table>

For more on the setting up the global option in Options Setup and on using the LATE screen, see “Features for Late-Filed Returns” on page 181.

### Listing a Different Firm, Preparer, or ERO on a Return

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

<table>
<thead>
<tr>
<th>Information</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Firm</td>
<td>Firm associated with Preparer #1 in Setup &gt; Preparer(s)</td>
</tr>
<tr>
<td>Preparer</td>
<td>Preparer #1 (as entered in Setup &gt; Preparer(s))</td>
</tr>
<tr>
<td>ERO</td>
<td>ERO selected in Setup &gt; Options, EF tab (default is “Paid Preparer”)</td>
</tr>
</tbody>
</table>

To override any of these defaults for a return, go to screen 1 of the return and select a firm, preparer number or name, or ERO under Return Options (Figure 2-21).

![Figure 2-21: Setup override fields on screen 1](image)

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 will cause both the firm and ERO information to be overridden with the corresponding information associated with the selected preparer.
Making Changes on the Fly

• If, for Preparer # or Firm #, you select NONE/Self-Prepared Return (No Paid Preparer), nothing will be printed on the applicable lines on the return. For ERO, the program uses the information entered on the EF tab in Setup > Options.

• Data entered on the PREP (Preparer Information) screen overrides the default data and the corresponding Return Options selections on screen 1. ERO information is not affected by PREP screen entries. For more on the PREP screen, see “Overriding Other Preparer Information,” following.

• The Data Entry # field (shown in Figure 2-21 on page 55) is for tracking purposes only.

• A firm or preparer must be entered in Setup > Firm(s) or Setup > Preparer(s) in order to show up as an option in the override drop lists on screen 1.

Overriding Other Preparer Information

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

• Third-party designee (See “Third-Party Designee” on page 162.)

• Federal preparer information (if the preparer is not set up in Preparer Setup)

• State preparer information (if the preparer is not set up in Preparer Setup)

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

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

NOTE

You can now enter state preparer registration information for California, Maryland, Minnesota, New York, Oregon, and Virginia on the PREP screen. You can also enter a firm’s foreign address information in both the federal and state preparer information sections.

Overriding the Bill Amount

Standard rates must be established in Pricing Setup, but you can 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 box).

Adjusting Individual Amounts

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

• Write-in Adjustments, such as for coupons and other discounts, and adjust amounts charged for these adjustments

• Balance due from prior years

• Scenario Planner fees

• Percentage increases and discounts

• Sales tax percentage

• Prior Payments
You can also indicate the following adjustments from the BILL screen:

- To exclude a charge for the Filing Status Optimization Report. (See “About the MFJ/MFS Report” on page 74.)
- To adjust the bill as needed for a self-prepared or firm-prepared e-filed return

The BILL screen also allows you to override the date printed on the bill and add a short note (separate from the custom paragraph) to the bottom of the bill.

**Pricing for a Single Return**

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

1. In data entry, click View to access View mode for the return.
2. Right-click a form in the left column and select Setup > Form Properties. The Properties dialog box is displayed (Figure 2-22).

![Figure 2-22: Pricing on the fly section of the Properties dialog box](image)

3. Edit the description of the form (if desired) and edit the price listed per form or per item.
4. Choose to Apply to this return or Apply to all returns. Applying to all returns changes the pricing file globally (in other words, for all returns).
5. Change number of copies if desired, and then click Save.

You must calculate the return before you can view your changes on the bill.

**NOTE**

To create user-defined drop lists for the write-in Adjustments and Payments screens, see “Customized Drop Lists” on page 35.
Overriding Letters Setup

Letters options and defaults can be set from both Setup > Options, Optional Documents tab and Setup > Letters. Use the LTR screen, accessible from the Other Forms tab, to override global options on a per-return basis.

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

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

In addition, it provides the following options:

- Force-print a letter for a paper-filed return or extension application, even if the return/application is eligible for e-file.
- Force-print a letter for an e-filed return or extension application, even if the return/application is ineligible for e-file.
- Force (or suppress) a customized supplemental letter, engagement letter, or privacy policy letter.

Default Result Letter

The result letter is the standard letter that is 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 Result Letter #1 as the default.

To change the default letter for a return, go to the LTR screen and select a new letter from the Letter # drop list. In addition to other result letter templates, you can have the program generate a result letter in Spanish (Figure 2-23), an extension letter, or an amended return letter instead of the program default letter.

![LTR - Custom Paragraph for the Letter](image)

Figure 2-23: Selecting the Spanish letter as the default letter for a return (LTR screen)

To change the default letter for all returns, go to the Optional Documents tab in Setup > Options and select a template from the applicable package in the Result Letter 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 LTR screen and enter a new greeting in the Personalized letter greeting text box.

To begin the greeting for the letter with one return with “Dear,” enter the greeting, along with the name, in the Personalized letter greeting field. To have all letters for a package type begin with “Dear” (or another greeting of your choice), make the change in the actual template in Setup > Letters.

Adding a Custom Paragraph

To add a custom paragraph to a letter, write the paragraph in the Custom Paragraph field of the LTR screen. By default, the paragraph is printed at the bottom of the letter.

To have a custom paragraph appear somewhere else within the letter:

1. From the Drake Home window, go to Setup > Letters.
2. Click Open and select the package and letter to be generated for the client.
3. Place the cursor on the line where you want the custom paragraph to appear.
4. Click the plus [+] sign next to Miscellaneous in the tree directory (left column of window).
5. Double-click the <Paragraph from LTR screen> keyword. The keyword appears in the letter template.
6. Click Save.

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

E-filing or Paper-filing?

If a return has an EF message when calculated, the return is considered ineligible for e-file and the program generates a result letter for a paper-filed return. If the return is considered eligible for e-file, a letter for an e-filed return is generated. You can override these defaults for the federal and state tax returns and extension applications.

To override the defaults, go to the LTR screen and select EF or Paper for the selected returns (Figure 2-24). To indicate one or more state returns, select state abbreviations from the drop lists provided. In the Figure 2-24 example, the letter will be worded as if both the federal and Arizona returns are going to be e-filed—even if the return is not eligible for e-file.

![Figure 2-24: Select EF to force a letter to be printed as if the return is eligible for e-file.](image-url)
From **Setup > Options, Optional Documents** tab, you can select to have the customized supplemental letter, engagement letter, and privacy policy letter printed with all returns. To override the established defaults for a single return, go to the return’s **LTR** screen and select **Yes** or **No** for the desired letter types. In Figure 2-24 on page 59, the user has selected *not* to have the engagement letter printed for the client.

In the 1120S, 1065, and 1041 packages, you can print K-1 letters for a return by entering the signing information on the **LTR** screen. This is necessary only if the global option to print K-1 letters is not selected in Options Setup.

### Overriding EF Setup

The **EF** screen in data entry allows you to suppress federal and state e-filing on a per-return basis. (The program default in **Setup > Options, EF** tab is that all eligible forms will be e-filed.) For more information on the **EF** screen, see “EF Override Options in Data Entry” on page 236.