

Figure 2-2: A green check mark indicates a completed setup item, a red X indicates an incomplete setup item, and a question mark indicates a partially complete setup item.

You are not required to use the Setup Assistant. To keep it from opening at program startup, select **Do not show Setup Assistant at program startup**. (See Figure 2-2.) Go to **Help > Setup Assistant** to return to the Setup Assistant at any time.

Running Drake on a Network

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

NOTE The following specification are *minimum* requirements. For best results, Drake recommends upgrading your system above these requirements.

For Windows XP:

- 300 MHz processor
- 128 MB RAM

For Windows Vista and Windows 7:

- 800 MHz processor or higher
- 512 MB of RAM
- Support for Super VGA graphics

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.

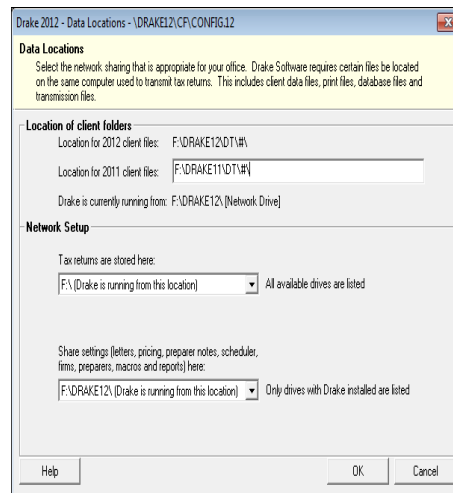


Figure 2-3: Network information is entered at **Setup > Data Locations**

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

Server Only (Preferred Setup)	All Workstations ("Peer-to-Peer" Setups)
For firms with a robust network setup	For firms without resources to use a single server

Table 2-2: Comparison of Network Option

Server Only (Preferred Setup)	All Workstations ("Peer-to-Peer" Setups)
Simplified setup and updates	Updates must be installed to each computer
No need to "stagger" DCN counter	Could be necessary to "stagger" DCN counter

Server Networks

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**.

Other Network Configurations

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 be linked to the "server" in the following manner:

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*.

IMPORTANT

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.

CAUTION

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

Software Setup

Perform setup procedures *before* attempting to prepare or e-file returns. Some setup procedures are required; others are optional.

Table 2-3: Setup Procedures: Required and Optional

Required Setup Procedure	Optional Setup Procedures
Firm(s) (See “Firm Setup” on page 20.)	Options (See “Options Setup” on page 27.)

Table 2-3: Setup Procedures: Required and Optional

Required Setup Procedure	Optional Setup Procedures
ERO (See "ERO Setup" on page 21.)	Pricing (See "Pricing Setup" on page 37.)
Preparer(s) (See "Preparer Setup" on page 22.)	Macros (See "Macros Setup" on page 38.)
Data Locations (See "Single Workstations and Network Options" on page 16.)	Letters (See "Letters Setup" on page 43.)
Pay Per Return (PPR clients only; see PPR manual on CD, from the Home window of the software at Help > Online Resources , or from the Drake Support website.)	Colors (See "Color Setup" on page 46.)
	Printing (See "Printing Setup" on page 47.)

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

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**.

*Shortcut: Double-click the **ADM** row to edit it.*

NOTE

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.

NOTE

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



To add a firm in Firm Setup:

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.

NOTE

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**.

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**.

NOTES

These fees are listed when the returns are *funded*, not as the returns are transmitted.

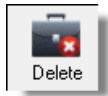
Editing Firm Information

Shortcut: Double-click a firm's row to edit firm data.

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.

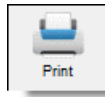
Deleting a Firm



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.)

Electronic Filing Setup
Enter Electronic Return Originator information below. All General Information fields, except Telephone Number, are needed for e-filing. Click help for Connection Settings information.

General Information

Account Number: 00000 EFIN: 000000
Drake Password: *****

Serial Number: Edit Serial

Transmitter Name: THE TAX DOOD
Transmitter Address: 1234 WEST MAIN STREET
City, State, Zip Code: FRANKLIN, NC 287341001
Federal EIN: 590000000
Telephone Number: (828)524-8888

Connection Settings
Choose the appropriate settings below:
If necessary, consult with your technician or contact Drake Support for assistance.

- Always use my existing Internet connection (DSL/Cable/LAN/Dial-up)
- Dial whenever an Internet connection is not present
- Not Recommended: Always launch a new dial-up connection

When dialing, use this connection: [Dropdown]

Franchise/Network Information (Admin only)
Master EFIN: [Field] Fee: [Field] Name: [Field]

Disclosure or Use of Tax Information by Preparers of Returns
Need consent to disclose tax return information to this franchisor/network: [Field]

Help Install Dialer OK Cancel

Figure 2-4: Setup > ERO

NEW FOR
2012

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.

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

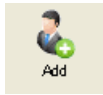
Preparer Setup

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



To apply for a PTIN, go online at www.irs.gov/For-Tax-Pros and click **Apply for PTIN**.

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.

IMPORTANT

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.

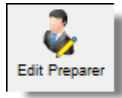
To proceed, go to Step 4 in the following section, "Setting Up Preparer Security."

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**.
3. Select **Security > Custom Security**.
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.)

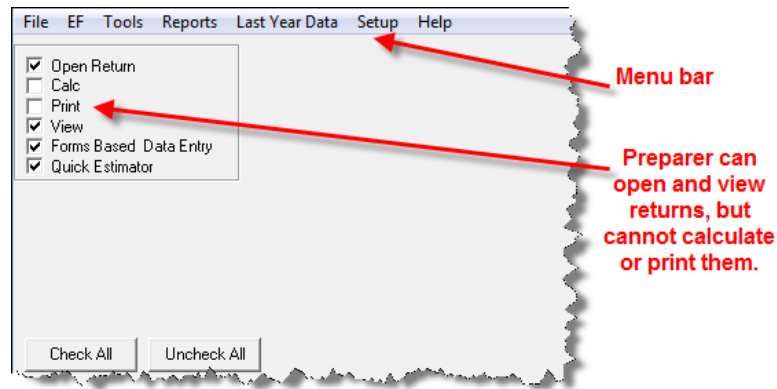


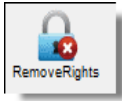
Figure 2-5: Security setup

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

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



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

Setting Up Group Security

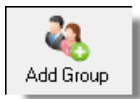
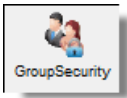
Only an administrative user can apply security settings to a group of preparers. You can create as many security groups as needed, but a preparer can belong to only one security group at a time.

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.



Group ID	Description
Admin	Group can access everything including special Admin only sections.
FRONT OFFICE	Front Office used for non-preparers.
FULL	Full access to everything except special Admin only sections.

Security Group General Information

Group ID:

Group Description:

Security Settings | Assign Preparers

File EF Tools Reports Last Year Data Setup Help

Open Return
 Calc
 Print
 View
 Forms Based Data Entry
 Quick Estimator

Custom Preparer Security
Click the menu items to apply security. A checkmark indicates access is allowed. Remove the checkmark to disallow access.

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.

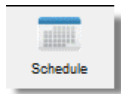


Reports are shown in the Report Viewer, which allows options for printing and exporting the reports. To access reports, click **Print** in the **Group Security** toolbar. The program displays the “Group Security” report first. To access the “Group Preparers” report, click **Exit** in the Report Viewer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

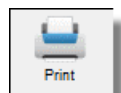
To create a preparer's daily schedule:



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.

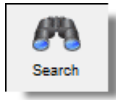
To print a list of preparers entered into the program:



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> (**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.

CAUTION

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

Options Setup is not required for completing or e-filing tax returns.

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.)

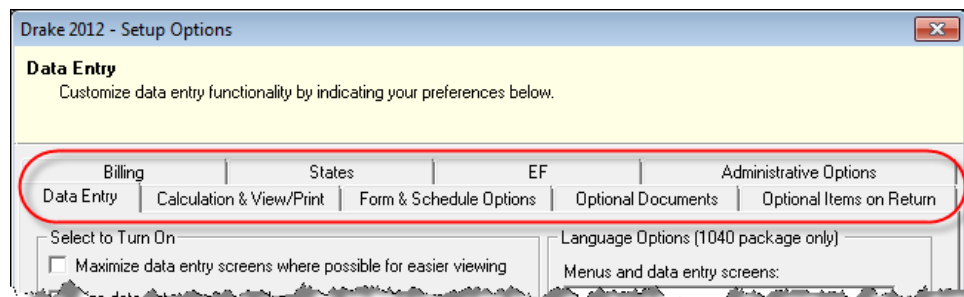


Figure 2-7: Tabs in Options Setup

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 2-5: Options Setup: Data Entry

Option	Description
Maximize data entry screens where possible for easier viewing	Increase the size of the Drake screen to fill your monitor. Effective at all monitor resolutions.
Size data entry screens to show most fields without scrolling	Decrease the size of large Drake screens so they fit on your monitor. Effective only when monitor resolution is set to 1024x768 or smaller.
Disable sizing of data entry screens	Keep preparer from resizing screens. Effective usually for monitor resolution set to 800 x 600 or smaller.
Tab to ZIP code field (skip city/state and use ZIP code database)	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.
Show notes/reminders to preparer when opening a return	Show all notes and reminders from the NOTE and PAD screens every time you open a client file that contains notes or reminders.
Verify SSN when creating new return	Require double entry of SSN or EIN, helping eliminate erroneous entries.
Enable Windows standard keystrokes	CTRL+X = cut; CTRL+C = copy; CTRL+V = paste; SHIFT+CTRL+X = autofill amended screen; SHIFT+CTRL+C = calculate return; SHIFT+CTRL+V = view return
Autofill preparer and firm number on new returns	Automatically enter the firm number and preparer number where required on data entry screens.
Magnify data entry	Enlarge the active field for easier reading.
Activate W-2 wage and federal withholding verification fields	To ensure accuracy of data entry, require wage and withholding amounts be entered twice on the W2 screen.
Do not restrict minimum font size in 800x600	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.
Use grid data entry format on available screens	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.
Language Options (1040 package only)	Choose between English and Spanish for menus, data entry screens, field-specific help text, and error codes.
Letter case for data entry	Choose between all uppercase letters and mixed case.
Override field indicator	Format override fields in data entry; see "Override & Adjustment Fields" on page 72.
Adjustment field indicator	Format adjustment fields in data entry; see "Override & Adjustment Fields" on page 72.
Display warning for missing required fields	Choose to receive a warning: whenever a required field is empty; once per data-entry session; not at all.

Calc & View/Print Options

Options under the **Calculation & View/Print** tab are described in Table 2-6.

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

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

Form & Schedule

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

Table 2-7: Options Setup: Form & Schedule

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

Table 2-7: Options Setup: Form & Schedule

Option	Description
Print two W-2/1099-Rs per page	If return has more than one W-2 or 1099-R form, print two per page.
Carryover worksheet	Produce any carryover worksheets associated with the return.
Print page 2 of Schedule K-1 ...	Produce page 2 of Schedule K-1 for Forms 1120S, 1065, and 1041.
Form 8879 bank account options	Select bank account printing options on Form 8879.
1040A/EZ suppress	Automatically suppress Form 1040A or 1040EZ.
Form 1045 page 2 (NOL)	Automatically produce Form 1045, page 2, if the return has NOL.
Select to Turn On ___ list if greater than...	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.

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

Option	Description
Folder coversheet	This option generates a folder cover sheet containing the taxpayers' names and the name, address, and phone number of the preparer's firm.
Prior year(s) comparison form	Select this option to produce a comparison sheet containing data from the current and prior-year returns.
Return summary	Select this option to produce a return summary with every return prepared.
Bill summary	Select this option to produce a summary of the taxpayer's bill with each return.
Federal filing instructions	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.
State filing instructions	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.
Labels	Select this option to print a sheet of "mail to" addresses on Avery 5160 labels
Envelope Sheet (address drop lists)	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.
Estimated payment coversheet	Select this option to print estimated coversheet payment addresses to envelope Nelco ENV500 dimensions for 1040 and 1041 returns with quarterly taxes.

Table 2-8: Options Setup: Optional Documents

Option	Description
NELCO hyperlink	Click this link to go to the NELCO website to order such Drake-compatible products as envelopes, IRS forms, and checks.
Letter Options (all packages)	Select the result letter templates to be used for each package.
Include privacy letter with returns	Select this option to print the privacy disclosure letter with every return.
Include engagement letter with returns	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 > Letters > Letters .
Include customized supplemental letter with returns	Print a customized letter that can be used for various purposes. (See Table 2-14 on page 43.)
Include K-1 letter with returns	Print the cover letter for individual K-1s (1065, 1120S, and 1041 packages).
Referral Coupons (3 per sheet)	Enter the number of sheets per return or the coupon amount.

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

Option	Description
Date on return	The default is the current date. To change this date, enter the required date on the PRNT screen. If desired, select to print dates for taxpayer and spouse signatures (excluding 1040).
Print dates for taxpayer and spouse signatures (excludes 1040)	Select this option to print the signature dates for taxpayer and spouse signatures on the return (excluding 1040).
Taxpayer phone number	Select this option to print the taxpayer's phone number entered on screen 1 .
Third party designee	Select the preparer number of the preparer designated as the third-party designee to be printed on the main form of the return.
Rounding amounts	Select Dollar or Penny rounding. Dollar rounding is required for e-filing. Penny rounding prints penny amounts on all forms.
Interest and Penalty Calculation	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.

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

Table 2-10: Options Setup: Billing

Option	Description
Print taxpayer's SSN on the bill	Select this option to print the taxpayer's SSN on the bill.
Show preparer fees withheld from bank product	Select this option to print on the bill the preparer fees withheld from the bank product amount.
Print taxpayer's phone number on the bill	Select this option to have the taxpayer's phone number (entered on screen 1) printed on the bill.
Print taxpayer's e-mail address on the bill	Select this option to have the taxpayer's e-mail address (entered on screen 1) printed on the bill.
Sales Tax	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%.
Billing statement format	Select among seven formatting options, including: <ul style="list-style-type: none"> - Billing by time (preparing bill based on time spent preparing return multiplied by preparer's hourly rate as defined in Setup > Preparers) - Billing by form (preparing bill based on forms necessary to complete return by price entered in Setup > Pricing); program prepares a bill summary along with the option selected here unless the Bill Summary option is cleared at Setup > Options, Optional Documents tab.
Header on bill	Select among options for the header to be printed on the bill.
Custom Paragraph	Choose to have a custom paragraph printed on the bill. Select a location, and then write the paragraph in the supplied text box.

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

Option	Description
Auto-generate taxpayer(s) PIN	Have the software assign a randomly generated PIN. (1040 only)
Require 'Ready for EF' indicator on EF screen	Requires that the Ready for EF indicator on the EF screen be marked before a return can be selected for e-filing.
Lock client data file after EF acceptance	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 > File Maintenance > Unlock Client Files .
Print 9325 when eligible for EF	Prints Form 9325, Acknowledgment and General Information for Taxpayers Who File Returns Electronically, for every eligible return.

Table 2-11: Options Setup: EF

Option	Description
Suppress federal EF	Prevents e-filing of the federal return.
Print EF status page	Generates the EF Status page for any return that is eligible for e-file.
Alert preparer when bank product is not included	Alert the preparer via an EF message that a return does not include a bank product (To override, see "Overriding Bank-Product Alert" on page 238.)
Activate imperfect return election in data entry	Activates Imperfect Return Election check box on EF screen in data entry.
Allow selection for EF from the 'Calculation Results' screen	Allows preparer to send the currently active return directly from the Calculations Results window to the e-filing queue. (The return is then transmitted automatically the next time you e-file returns.)
Enable prompting before automatic transmission of 'Check Print Records'	Allows program to notify you before it transmits the Check Print Records.
E-mail 9325 Notice to Taxpayer (automatic from Drake Processing Center)	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.)
Default ERO	Choose a preparer number, Paid Preparer , or None to indicate the ERO name that should appear on return documents. This choice can be overridden on screen 1 and the PREP screen in data entry.
Check for e-mail during EF transmit/receive	The program checks for e-mail received every time you transmit returns or pick up acknowledgments.
Combine EF steps (Select, Transmit, Post Acks)	Combines all e-filing steps. Click OK or press Esc on selected returns to e-file, pick up any new acknowledgments, and process the acknowledgments in one step.
Transmit return data to Drake for multi-office web reports	Sends Client Status Manager (CSM) data sent automatically to the Multi-Office Manager (MOM) during the EF process.
State EF	Suppress e-filing of all state returns, or select states to suppress while other state returns remain eligible.
EF Selection Report Options	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.

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

Option	Description
Use customized data entry selection menu	Mark the check box, click the top Customize box, and then select the package and package type to customize. Click Load Menu . When the data entry screen is opened, click (uncheck) items to disable them in the Data Entry Menu . Click Save . 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.)

Table 2-12: Options Setup: Administrative Options

Option	Description
Customize user-defined data entry fields	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.
Use customized flagged fields on all returns	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.
Apply current-year Admin flag settings when updating from prior year	Flags set globally in 2011 are set globally after updating data from Last Year Data > Update from 2011 to 2012 .
Print due diligence documents	Print due diligence documents generated from the EIC1 , EIC2 , EIC3 , and EIC4 screens.
Require applicable due diligence screens to be completed	Require that applicable fields on the EIC1 , EIC2 , EIC3 , EIC4 screens be completed before the return can be e-filed.
Enable logged in preparer's Personal Client Manager	Display the Personal Client Manager on the Drake Home window for the logged-in preparer (check box is marked by default).
Display program update availability to:	Select which preparer groups can view update availability. Selections are Administrators (users with administrative rights) and All preparers.
Bank Products - State laws regarding fees: Charge ALL taxpayers the same fees	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.
Drake PDF Printer Password Options	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.
Return Status Notification Programs	<i>New for 2012:</i> 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).

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.

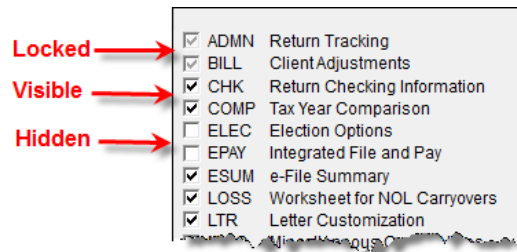


Figure 2-8: Locked, Visible, and Hidden screens

- **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 WOMREF (word-of-mouth reference).

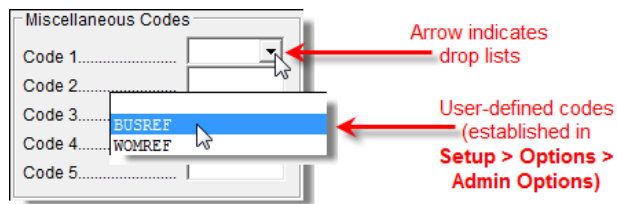


Figure 2-9: Screen 1 drop lists and user-defined miscellaneous codes

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).

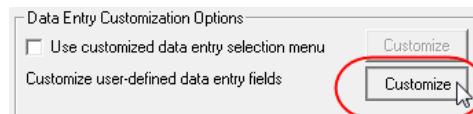


Figure 2-10: Click **Customize** to customize user-defined data entry fields.

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).

The image shows two dialog boxes. The top one is titled 'Selected Entry:' and has fields for 'Code' and 'Description', with 'Save' and 'Cancel' buttons. The bottom one is titled 'Add Entry:' and has fields for 'Code' (containing 'BUSREF') and 'Description' (containing 'Business referral'), with an 'Add' button. A red circle highlights the 'Add' button and the 'Code' and 'Description' fields in the 'Add Entry' dialog.

Figure 2-11: Enter code and description in the **Add Entry** fields.

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).

The image shows a dialog box titled 'Edit Entries'. It features a table with two columns: 'Code' and 'Description'. The table contains five rows of data. The first row is highlighted with a red circle. To the right of the table are several buttons: 'Edit', 'Remove', 'Move Up', 'Move Down', 'Sort Ascending', and 'Sort Descending'.

Code	Description
BUSREF	Business Referral
WDMREF	Word of mouth referral
NEWSREF	Newspaper ad
RADIOREF	Radio ad
CARDREF	Business Card handout

Figure 2-12: Entry list of **Edit Entries** dialog box

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**.

NOTE

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).

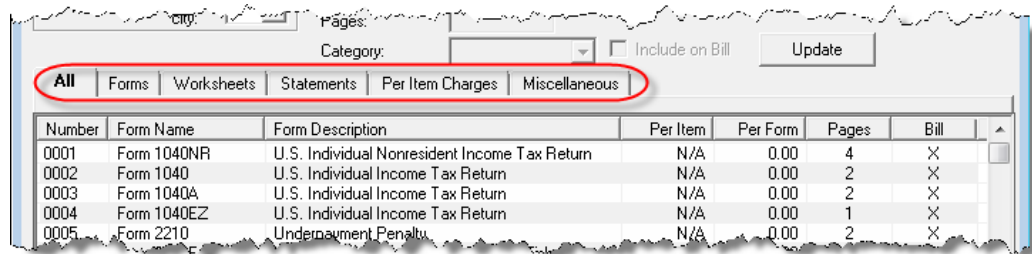


Figure 2-13: Tabs allow you to view categories of documents that can be priced.

Use the scroll bar or arrow keys to find forms. Double-click a form to select it quickly.

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

Use the scroll bar or arrow keys to find forms.

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.

To view a list of macros in data entry, press CTRL+SHIFT+M.

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.

TIP

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

Symbol	Action
<	Move cursor back one field. If the (<) symbol is inserted <i>in front of</i> selected data in a macro, the program moves the cursor back one field from the active field before inserting the data. If inserted <i>after</i> the data, the program inserts the data in the active field then moves the cursor back a field.
>	Move cursor forward one field. If the (>) symbol is inserted <i>in front of</i> the selected data in a macro, the program jumps ahead one field from the active field before inserting the data. If inserted <i>after</i> the selected data, the program inserts the data first, and then moves the cursor forward a field.

Table 2-13: Macro Symbols

Symbol	Action
~	Escape. If the (~) symbol is inserted <i>after</i> the selected data in a macro, the program inserts the selected data, saves the data, and exits the screen.
[D]	Insert date. If [D] is part of a macro, the program enters the current date into the active field.
#	Launch heads-down data entry mode. If the (#) symbol is inserted <i>after</i> the selected data in a macro, the program enters the data then activates heads-down data entry. To have heads-down closed from the macro, add a second (#) symbol. (See "Heads-Down Data Entry" on page 75.)
*	Bypass the Existing Forms List when performing the task set by a macro. Enter an asterisk (*) only once in any macro, and place it at the beginning of the macro. (When you open a screen that has multiple records, an Existing Forms List is displayed, and you have the choice of selecting an existing record or creating a new one. To bypass the New Record option and open the first record listed, enter the (*) symbol in front of the macro. For example, *C opens the first Schedule C record. To open the second record, enter a 2 inside brackets ([2]), thus the macro *C[2] opens the second C screen, *C[3] opens the third, etc.)
[New]	Perform the assigned task on a new record. For example, *C[New] opens a new C screen. The asterisk (*) bypasses the Existing Forms list. It must be present for the [New] function to work properly.
[Home]	Return to first field on a screen. If [Home] is inserted into a macro, the cursor moves to the first field on the screen.
[End]	Move to last field on a screen. If [End] is inserted into a macro, the cursor moves to the last field on the screen.
[FF : #]	Cursor jumps ahead a prescribed number of fields. For instance, [FF : 5] jumps the cursor ahead five fields. This macro is not compatible with macros that use, or are initiated in, heads-down mode.
[FB : #]	Cursor jumps back a prescribed number of fields. For instance, [FB : 5] would jump the cursor back five fields.
[FJ : #]	Cursor jumps to the prescribed field number. For instance, [FJ : 25] would jump the cursor to field # 25. (Obtain field numbers by viewing the screen in heads-down mode. This macro is not compatible with macros that use or are initiated in heads-down mode.
+	Prevents a macro from clearing a flagged field.
[PAGEDOWN]	Move to the next screen in a list. For instance, in a return with several W2s screens, Dependent screens, or 4562 detail screens, press the macro to move from one screen to the next.
[PAGEUP]	Move to the previous screen in a list. For instance, in a return with several W2s screens, Dependent screens, or 4562 detail screens, press the macro to move from one screen to the next.
[NEXTTAB]	Move from one linked screen to the next linked screen. For instance, for clients who receive a K-1 from a partnership, press the macro and go from the 1065 K1 13-20 screen to the Basis Worksheet screen.
[PREVTAB]	Move from a linked screen to the previous one. For instance, for clients who receive a K-1 from a partnership, press the macro and go from the Basis Worksheet screen to the 1065 K1 1-12 screen.

Introduction to Letters in Drake

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.

NOTE

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.

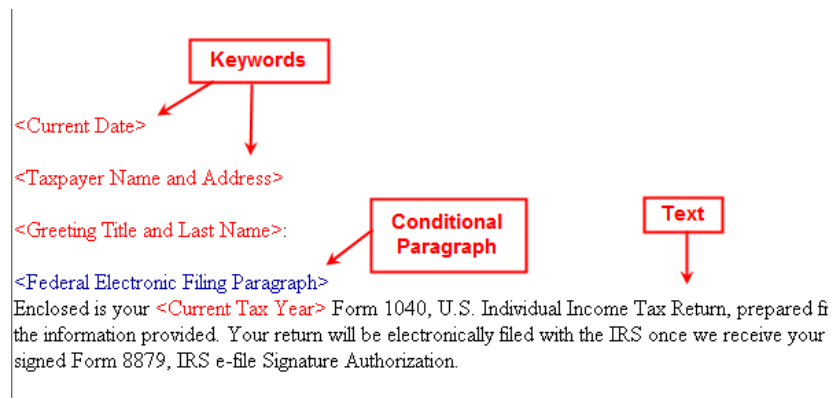


Figure 2-14: A letter template consists of keywords, text, and conditional paragraphs.

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.

Text is generated only if this condition applies.

<Federal No Dir Debit (Paper) Paragraph>
 Include your payment and Form 1040-V with your return. For faster processing and to prevent errors, make your check or money order payable to the "U.S. Treasury" and write your Social Security number and "<Current Tax Year> Form 1040" on the check or money order. If you want to review credit card and other payment options available, call (800) 2PAYTAX or (888) PAY-1040.
 <End Paragraph>

Figure 2-15: Conditional paragraph

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.

<Federal Balance Due Paragraph>
 Your federal return reflects a balance due of \$<Federal Balance Due>.
 <Federal No Dir Debit (Paper) Paragraph>
 Include your payment and Form 1040-V with your return. For faster processing and to prevent errors, make your check or money order payable to the "U.S. Treasury" and write your Social Security number and "<Current Tax Year> Form 1040" on the check or money order. If you want to review credit card and other payment options available, call (800) 2PAYTAX or (888) PAY-1040.
 <End Paragraph>
 <End Paragraph>

Figure 2-16: Nested Conditional Paragraph

In this example, the **Federal No Dir Debit (Paper) Paragraph** is generated *only* if the **Federal Balance Due Paragraph** is generated, and only if applicable for a return.

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.

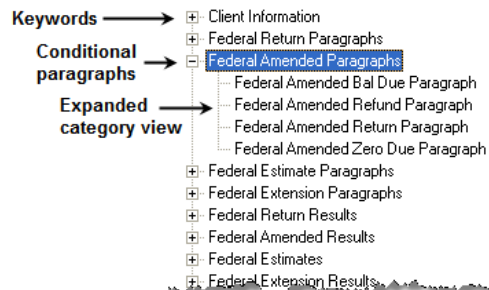


Figure 2-17: Category tree (left pane of Client Communications Editor)

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

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

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.

CTRL+X deletes a selected item.

To edit a letter:

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**.

NOTE

The Client Communications Editor does not allow you to save any letter in which text within angle brackets (in other words, the names of keywords or conditional paragraphs) has been changed.

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).

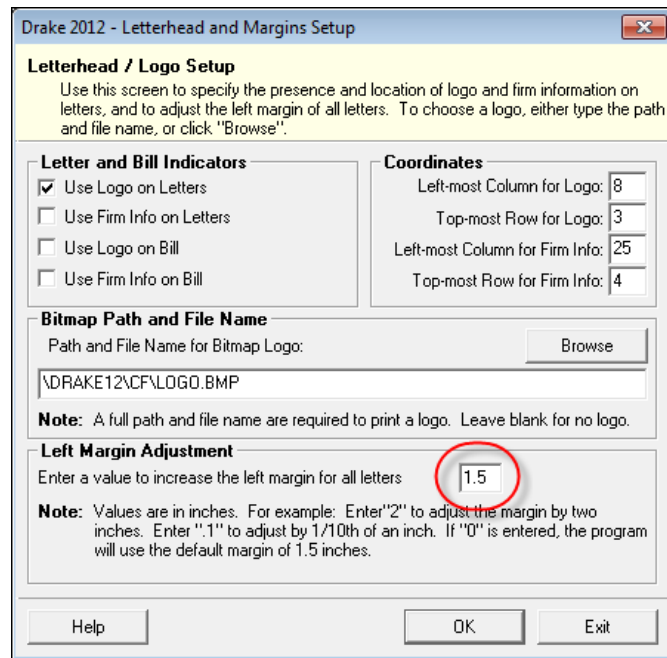


Figure 2-18: Left Margin Adjustment feature

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

Press CTRL+N to quickly access the Rename Letter dialog box.

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.

TIP

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.

Use Define Custom Colors to create a new 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

Tab	Field	Description
(F5) General Setup — displays the current default printer for Tax Forms, Reports, Labels, and Checks , and the default for the Letterhead source tray (which allows you to print letters from a tray other than the one used for tax returns).	Tray	Default is "Main Paper Source." Change the default if you have a multiple-tray printer and will not be printing from the main tray.
	# Copies	Number of copies to print (not available for labels or checks).
	Duplex	Directs printer to print duplex. <i>Only forms that are approved for duplex will be printed as duplex.</i>
	Staple	If the printer supports stapling after each print job, select this option to turn stapling on.
	Show dialog	Causes the Print dialog box to be opened before each print job.
(F6) 'Sets' Setup — displays the current default printer and the different types of sets that can be printed; see "Printing Printer Sets" on page 201.	Tray	Default is "Main Paper Source." Change the default if you have a multiple-tray printer and will not be printing from the main tray.
	Duplex	Directs printer to print duplex. <i>Only forms that are approved for duplex will be printed as duplex.</i>
	Duplex all	Directs printer to duplex-print all forms (approved or not). (Not available for sets to be mailed to the IRS or a state.)
	Staple	If the printer supports stapling after each print job, select this option to turn stapling on.
	Print set	Indicates which sets should be available for printing after a return is calculated.
	Watermark text	Watermarks to be displayed on the Client and Preparer copies, respectively. Defaults are "Client Copy" and "Preparer Copy."
(F7) Options — used to set up advanced printing options not related to a specific printer.	PCL soft font option	Many printers require soft fonts to be downloaded before tax forms can be printed. Select the desired downloading option.
	Classic print mode	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.

Table 2-15: Printing Setup

Tab	Field	Description
(F8) Edit Printer Settings — used to edit print settings for a selected printer.	Select printer	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.)
	Printer type	Select the printer type from the drop list.
	DPI override	Change the dots per inch (DPI) setting.
	Adjust margin	Select this option if printed forms are running off the lower edge of the paper.
	Check adjustment - vertical	Use this field if text is being printed too high or low on checks. Enter whole numbers to adjust the printed text 1/4-inch at a time. Enter 1 to move the type 1/4 inch; 2 to move 1/2 inch, etc. Positive numbers move the placement down; negative numbers move the placement up.
	Print Method	PCL (Printer Control Language) is supported by most HP laser-jet 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.)
	Test Printer	Click the Test Printer button to see if your printer is HP PCL-5e compliant. (See "Testing Your Printer" following)
	Main paper source	Select the tray that is to be the main paper source for the selected printer.
	Alternate paper source	Select the paper source to be used when the main paper source is not available.
	Opt. large paper source	Select the tray to be used as the optional large paper source.
Manual feed	Select the tray to be used for manual feed.	

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:

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).

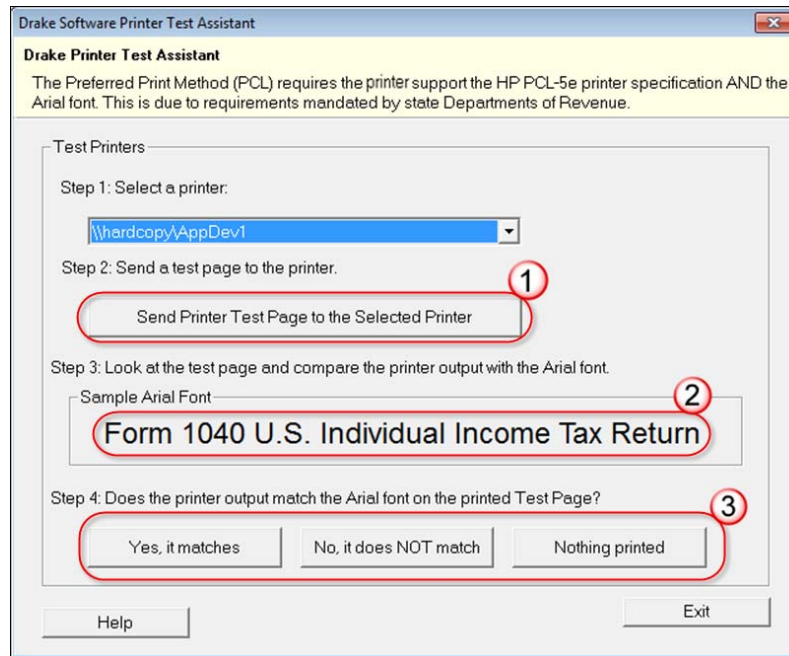
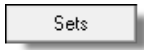


Figure 2-19: Click **Send Printer Test Page...** (item #1) to test a printer for PCL compliance

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**.

Enter the number of copies per set below. Valid Copy amounts are (0 - 9).

Form Name: Schedule C

EF Signature: Est / Ext: 0 / 0 Client: 3 Preparer: 1 Federal: 1 K-1: 0 Main Form

Update

Figure 2-20: Example: Three copies of Schedule C for client

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>.

Suppressing/Forcing Documents

The **PRNT** screen allows you to indicate which forms should and should not be generated for a return, regardless of program calculations and established defaults.

Suppressing Items from Being Generated

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

Table 2-16: Items That Can Be Suppressed from the PRNT Screen

Item	Description
1040EZ	Prevents Form 1040EZ from being prepared; program prepares either Form 1040 or 1040A instead.
1040A and EZ	Prevents Forms 1040A and 1040EZ from being prepared; program prepares Form 1040 instead.
State short form	Forces state return to be printed on the state long form.
8801	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.)
WK_PAL	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.
WK_6251B	Suppresses exemption worksheet for Form 6251, Alternative Minimum Tax.
WK179LMT	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.

Table 2-16: Items That Can Be Suppressed from the **PRNT** Screen

Item	Description
Proforma/organizer	Prevents proforma/organizer for next year from being generated. See "Organizers and Proformas" on page 80.

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.

Forcing Items to Be Generated

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

Item	Description
Schedule A	Schedule A, Itemized Deductions
Schedule B	Schedule B, Interest and Dividend Income
Form 4562	Form 4562, Depreciation and Amortization
Form 6198	Form 6198, At-Risk Limitations
Form 6251	Form 6251, Alternative Minimum Tax for Individuals
Form 8582	Form 8582, Passive Activity Loss Limitations
Summary	Individual Diagnostic Summary; appears as SUMMARY under Miscellaneous tab in View mode.
Compare	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.)
WK_SSB	Social Security Benefits Worksheet provided by IRS for Forms 1040 and 1040A; allows taxpayer to see if any benefits are taxable.
Next-Year Depreciation List	Worksheet showing the depreciation to be carried forward to 2013.

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

Option	Choices
Billing Statement Format	Total only; Forms and total; Forms, prices, and total; Bill by time; Charge per form
Custom Paragraph	None; Top of bill; Bottom of bill

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.

Penalty & Interest Calculations

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

Global Setting	Available Overrides
Calculation of penalty and interest on all returns	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.
Interest rates	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 > Options .

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

Information	Description
Firm	Firm associated with Preparer #1 in Setup > Preparer(s)
Preparer	Preparer #1 (as entered in Setup > Preparer(s))
ERO	ERO selected in Setup > Options, EF tab (default is “Paid Preparer”)

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).

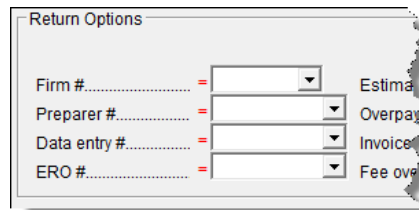


Figure 2-21: Setup override fields on screen **1**

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.

- 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**

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

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

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.

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.

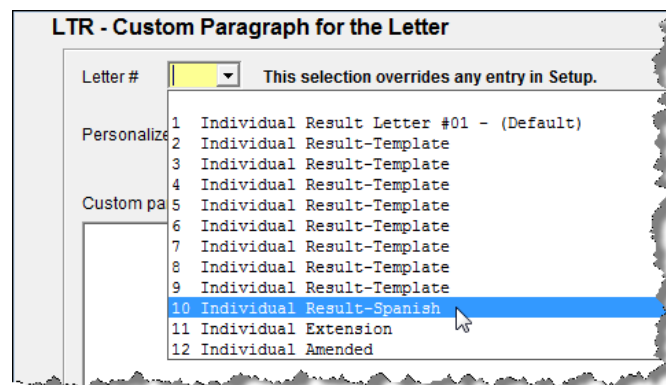


Figure 2-23: Selecting the Spanish letter as the default letter for a return (LTR screen)

NOTE

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.

NOTE

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.

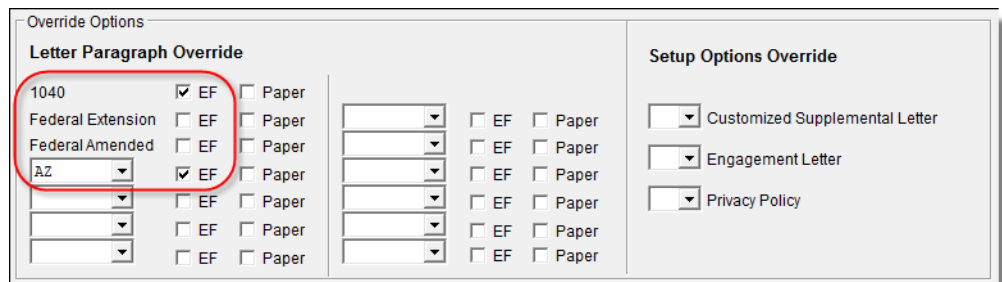


Figure 2-24: Select EF to force a letter to be printed *as if* the return is eligible for e-file.

Printing Additional Letters

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.

NOTE

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.