JANUARY 2, 2012 RELEASE

WHAT'S IN THIS SHIPMENT

Drake Software CD, including:

- Software for sending live transmissions to the IRS and approved states. (To see which states have been approved for e-filing, go to *https://support.drakesoftware.com* **> Resources > Federal/State Facts**.)
- Federal and state tax compliance programs. Most state forms and packages are live on this CD. Refer to your resident state shipment letter for more details. (All state letters are included on this CD in PDF form.)
- Software tools, reports, setup, and Drake Document Manager.
- The *2011 Drake Software User's Manual* in electronic format. If you prefer a hard copy, you can print one from the CD or order one directly from Drake for $25 (plus tax, shipping, and handling). To order, go to *Support.DrakeSoftware.com* **> Training Tools > Manuals** and click the link in the right side of the window.

  (**Note**: The manual on this CD contains new and revised content since the previous software release. If you have already saved a PDF version of the 2011 manual to your computer, you should save a new copy from this CD.)
- The latest version of Client Write-Up, Drake's payroll and write-up program. CWU is free to full-version tax software customers ($295 for PPR customers).

E-FILE MANDATES

New e-file mandates are in effect for filing season 2012. Preparers who anticipate preparing 11 or more federal individual or trust tax returns during the year are required to file their returns electronically. Preparers must be authorized e-file providers in order to use IRS e-file. To apply to become an e-file provider, go to the IRS website (*www.irs.gov*), click the **Tax Professionals** tab, and follow the links to set up an e-Services account. For details of the process, watch our instructional video at *http://www.youtube.com/watch?v=Z3jAa7GP-og*.

ELECTRONIC FILING

In accordance with IRS regulations, you cannot submit electronic returns to the IRS until you have received all W-2, W-2G, and 1099-R forms from the taxpayer. If the taxpayer cannot provide correct W-2, W-2G, or 1099-R forms, you may e-file the return only after Form 4852 (Substitute for Form W-2/1099-R) is completed in accordance with the use of that form. This is the only case in which information from pay stubs or Leave and Earning Statements (LES) is allowed.

Important Dates

- January 2, 2012 – Drake accepts federal 1040, 1120, 1120S, 1065, 1041, and approved state transmission files. The 1040 returns can include bank products, but the bank products will not be processed until the IRS issues its first acknowledgements on January 17.
- January 9, 2012 – The IRS begins receiving 1120, 1120S, and 1065 returns.
- January 17, 2012 – The IRS begins receiving 1040 returns.
- January 17, 2012 – Expect first IRS 1040 acknowledgements and bank acknowledgements.
- January 23, 2012 – The IRS begins receiving 1041 returns.
- March 1, 2012 – The IRS begins receiving 990 returns.

990 e-File: The IRS has announced that 990, 990-EZ, and 990-PF returns cannot be e-filed from January 1, 2012, through February 29, 2012. An automatic extension of time to file has been granted to organizations with an original due date (or first three-month extended due date) that falls during the suspension period. The IRS will begin receiving these 990 returns electronically on March 1, 2012. Preparers and organizations may continue to file paper forms during this time. See *http://www.irs.gov/charities/article/0,,id=251096,00.html* for more information.

FORMS, SCREENS, AND FEATURES

For descriptions of the latest forms, screens, and features in the program this year, read "New for 2011," on the **FAQ** screens in the various packages.

NEW FOR 2012: DDM 2, GRUNTWORX, AND SECUREFILEPRO^{TM}

With the 2011 tax program, if you have an operating system that is Windows XP or greater, you have the option of using a new version of the Drake Document Manager (DDM 2) that gives you access to two new features:

- **GruntWorx** — Provides a method of organizing client documents and the ability to import data from certain IRS forms (such as W-2s, W2-Gs, and various 1099s and K-1s) directly into Drake screens with no data-entry time. (A scanner with a document feed and access to high-speed Internet are required for use with GruntWorx.)
- **SecureFilePro**^{TM} — Provides a secure file-sharing site where your clients can view and download their documents, forms, and returns, and can upload documents for you to retrieve.

Users with Windows XP or greater will have two icons on their desktops after installing the enclosed CD: one for the regular DDM and one for DDM 2. Click the icon of the DDM version you prefer to use. Users with older operating systems will receive one DDM icon on their desktop that will access the regular version of DDM.

GruntWorx's products work through the use of tokens that you purchase from Drake. Log on to *https://support.drakesoftware.com,* and from the blue menu bar, go to **My Account > GruntWorx** to purchase tokens.

To sign up for SecureFilePro^{TM}, you need to set up an account. Log on to *https://support.drakesoftware.com*, and from the blue menu bar, go to **My Account > SecureFilePro**.

Tutorials are available at *https://support.drakesoftware.com*> **GruntWorx** and > **SecureFilePro**.

See Chapter 13, "Suite Products," in the *2011 Drake Software User's Manual* for more information on setting up and using these products.

STAFF TRAINING

Take advantage of the following Drake tools to learn to use Drake Software and to train your staff:

DRAKE UPDATE SCHOOL CD/DVD

If you missed the Update Schools, purchase our Update Video to view on your computer or DVD player. To order the video, go to *https://support.drakesoftware.com* > **Training Tools > Video**. For only $39.95 (plus tax and shipping), this CD/DVD includes "What's New in Drake," "Tax Law Updates," "Current Events in the Tax Industry," "Preparer Websites and Online Filing," and "Client Write-Up Overview of Features."

DRAKE ETC

Drake's e-Training Center (ETC) is your site for Drake Software training and Continuing Professional Education (CPE). Drake ETC offers a variety of interactive webinars, tax courses, videos, online

tutorials, and practice returns, each designed to help develop your knowledge of Drake and federal tax topics. Track your progress, earn CPE credits, and print CPE certificates online.

Drake ETC's webinars cover many Drake Software and tax-related topics, with new webinars added every month. Webinars are presented with panelists available to answer viewers' questions during the event. CPE credits are available (no test required).

To access Drake ETC, go to *https://support.drakesoftware.com*, and click **Training Tools > Drake ETC**. You'll need your EFIN and Drake password to set up an account. From the ETC "Welcome" page, go to the blue menu bar and click **Webinars > Available Webinars** for a list of upcoming webinars. Keep up with webinars you've viewed, and with your CPE progress, at **Webinars > My Webinars**.

Coming in Spring 2012: **Test Training** – Drake ETC will be offering training to help get you ready for the Registered Tax Return Preparer Competency Test. Certain tax return preparers will be required to take and pass the test (CPAs and attorneys are exempt; Enrolled Agents take a separate test). Individuals who have a PTIN or acquire a provisional PTIN by the April 2012 deadline will have until December 31, 2013, to pass the test.

Look for Drake ETC's training program toward the end of tax season.

ARTICLES, BLOGS, AND BROADCASTS

Drake Software keeps you up to date with important information about the software and tax industry in a variety of ways:

- For the latest news and information, follow us on Twitter at *http://twitter.com/drakesoftware*
- Get answers, ask questions, and discuss various topics with other preparers and with Drake Software at *http://taxingsubjects.com/*
- For discussions of issues affecting tax preparers—such as the IRS, banking and bank products, and Congress—see the Drake blog at *http://blog.drakesoftware.com/*
- Broadcast e-mail sent to your *1040.com* e-mail address will contain the most up-to-date information. All broadcast e-mails are also posted on the Broadcast Center at *https://support.drakesoftware.com*> **Resources > Broadcast Center**.

For information on other training tools, go to the Drake Support website at *https://support.drakesoftware.com*

SOFTWARE INSTALLATION

1. Close all open programs on your computer.

2. Insert the 2011 Drake CD into the CD drive. Wait for the **Drake 2011 Software Programs** window to be opened, displaying two installation options: **Install Drake 2011 Tax Software** and **Install Drake Client Write-Up 2012**.

3. Click the icon to **Install Drake 2011 Tax Software**.

4. Read and accept the Drake Software 2011 License Agreement. Click **Next**.

5. The **Install Drake 2011 Tax Software**, **Install State Tax Programs**, and **Install Drake Document Manager** options are selected by default. Clear the **Install State Tax Programs** or the **Install Drake Document Manager** check boxes if you want to install states or the DDM later. Click **Next**.

6. Select a drive on which to install the software, or select **New** if this is the initial installation and click **Next**. (If this is the initial installation, you will be asked to enter the serial number from your packing slip. Click **Next**.)

7. If you chose **New** in Step 6, select the drive on which to install Drake. Click **Next**.

8. If you chose to install states in Step 5, select the states to install and click **Next**.

9. If you chose to install the Drake Document Manager in Step 5, select the drive on which to install it. Click **Next.**

10. Click **Install** and wait for installation to be completed.

REMINDER: Save your packing slip! You will need your serial number and account number when installing subsequent Drake CDs. The account number – *and password* – on your packing slip must be entered on the ERO setup screen along with your EFIN (**Setup > ERO**).

To retrieve a misplaced serial number, go to *https://support.drakesoftware.com*, click **Resources > Download Center > Drake Software 2011 Release Date**, and scroll down to **Click here to access your Drake 2011 serial number**. The serial number for the logged-in EFIN will be displayed.

DOWNLOADING DRAKE SOFTWARE

The software is also available for download from the Drake Support website.

To download Drake Software:

1. Go to *Support.DrakeSoftware.com.* (You will need your EFIN and Drake password.)

2. Click **Resources > Download Center > Drake Software 2011 > Drake Software 2011**. Scroll down and click **Drake Software 2011**.

3. When the **File Download - Security Warning** window is opened, select **Save** to save the software to your computer or server.

4. When the download is complete, double-click the **Drake11_Federal.exe** icon, and then click **Run** and **Yes** to begin the installation process.

5. Follow the steps to install the software to the drive of your choice. You will need your serial number from your packing slip.

6. To download state programs, open Drake Software, go to **Tools > Install State Programs**, and choose the option to install states from the Internet.

Spanish Support: Si te gustaria hablar con alguien en Español, llame al (828) 349-5500, y trataremos de conectarle con uno de nuestros agentes de apoyo que hablan Español.

Note: If you received a damaged or bad CD, contact Drake Software Support at (828) 524-8020; by fax at (828) 349-5718; or by e-mail at *Support@DrakeSoftware.com*. Include your name, company name, and EFIN with your request**.**

For the latest news and information on the tax-preparation industry, follow Drake Software on Twitter at *http://twitter.com/drakesoftware*. Read and contribute to our blog a*t http://taxingsubjects.com/*