PAY PER RETURN (PPR)

Drake Software User's Manual

Tax Year 2012

Supplement: Pay Per Return (PPR)

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Table of Contents

Pay Per Return (PPR)

Unlike Drake Software's unlimited package, the Pay Per Return (PPR) tax program allows you to purchase only as many returns as you think you'll need for tax season. The PPR package comes with 15 returns already installed that must be activated before use. You can purchase more returns in any amount you need.

In the following pages are the steps you can take to activate your returns or purchase more returns.

NEW FOR 2012

PPR packages will automatically be converted to the unlimited version of Drake Software when preparers purchase at least 85 returns for the PPR package for tax year 2012.

NOTES

Preparers who do not purchase at least 85 returns for the PPR package (for tax year 2012) can still convert to the regular, unlimited Drake tax software after the tax season ends with no more PPR purchases necessary.

This document has been prepared for PPR users as a supplement to the *Drake User's Manual: Tax Year 2012* and is not meant to replace the manual. For information on installing and using your program, see the manual.

Getting Started with PPR

Installation for PPR preparers is nearly identical to installation for preparers using the full version of Drake. Listed below is information for installing the software and activating returns if using a server, and if using a stand-alone computer.

- **If computers are connected to a server** — Install the software on the server. Activate the returns from the server.
- **If computers are stand-alone computers** — Install the software on all computers. Activate returns from any of the computers. (For instance, you can activate

three PPRs on one machine, four on another, and eight on a third, for a total of fifteen.) Activate returns as you use them, or activate them all at once.

For further information on program installation and software setup, see Chapter 2, "Installation and Setup," in the *Drake User's Manual: Tax Year 2012*.

Your PPR Package

The Drake program for the new tax year is available to all customers in December on CD or via online download. This initial version of the program, whether the full-access version or PPR, includes the following items in the initial shipment:

- Drake Software CD with all federal packages (1040, 1120, 1120S, 1065, 1041, 990, 706, and 709)
- Document Manager
- Shipment letters
- e-Filing software for sending test returns to Drake
- Practice returns and e-filing and banking practice files (PDF)
- *Drake User's Manual: Tax Year 2012* (PDF)
- *Drake Software User's Manual Supplement: Pay Per Return* (PDF)
- Various IRS publications and informational fliers

Software for state programs, e-filing, banking, the new Scenario Planner, city tax rates, and forms-based data entry, are included in a subsequent shipment in January. Federal and state programs are updated with each software release thereafter.

NOTE

Unlike the full-access version, PPR does not include Drake's Client Write-Up (CWU) accounting, payroll, and accounts payable program. CWU is available to PPR users for an additional fee; contact Drake Accounting for more information.

Practice Returns and Test Returns

Practice returns, available on the Drake Support site and on the software CD, help new Drake Software clients become more familiar with how data is entered in Drake. The SSNs for these returns begin with 400-00 and consist of various forms and schedules to show how different tax scenarios are prepared in Drake. (See **Note** below.)

Test returns are also included with the software. The SSNs for these returns run from 500-00-1001 to 500-00-1008 and can be used to test e-filing.

For more information on how practice returns can help you, see "Practice Returns" in *Drake User's Manual: Tax Year 2012*.

NOTE

Take advantage of test returns. Do not create unnecessary returns while learning to use the software. Use Drake test returns to practice data entry. Practice returns and test returns do not count against your total of activated returns. The solutions to the practice returns are available through the software. From the **Home** window tool menu, go to **Help > Online Resources**. (Internet access required.)

How a Return is Charged to Your Account

A return must go through three steps before it can be charged to your account:

- **Purchase** — You receive 15 returns with the PPR program; you can purchase additional returns as needed. The program keeps a running tally of the number of returns you've purchased.
- **Activate** — Returns are activated online through the program. Once a return is activated, it is available for use. The program keeps a running tally of the number of returns you've activated.
- **Create** — A return is created when you:
  - Start a new return
  - Update an existing return
  - Change the SSN or EIN on a return
  - Use the Quick Estimator.

See "Counting PPRs" on page 7 for instructions on each of these processes.

Before you are charged for a new PPR, an alert appears on your screen, informing you that to proceed reduces your store of PPRs by one. (Figure 1-1.)

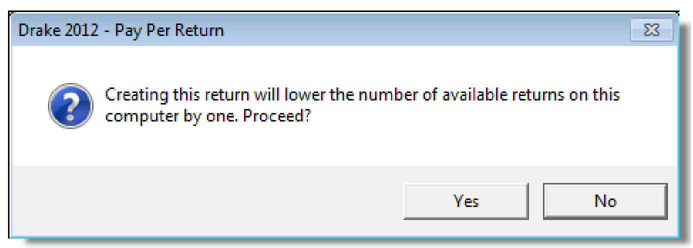

Figure 1-1: An alert allows you to verify that you're ready to use one of your PPRs

If you want to open an existing return from the previous year but aren't ready to update that return, you can open it in read-only mode. (Figure 1-2.) Read-only mode allows viewing of the return, but does not allow calculation or data entry. If you want to enter data or calculate the return, click **Count**. (This will reduce the number of your available activated returns by one.) For information on updating returns, see "Updating a Return" on page 8.)

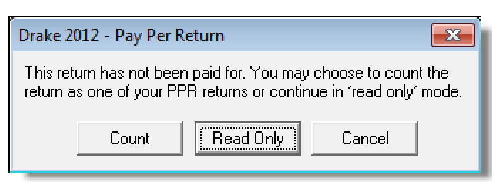

Figure 1-2: Option for opening a return in read-only mode

Restrictions and Notes

Be aware of these PPR restrictions and notes:

- **SSNs or EINs entered on screen 1 cannot be edited** — Once a return has an SSN or EIN, it counts toward your total and cannot be added back to your PPR bank of activated but unused returns.
- **SSN verification can reduce errors** — The required SSN verification field on the **New Return** screen helps reduce errors and avoid accidentally starting a new return.
- **Names can be changed or corrected** — Change or correct names on a return without being charged for another return.
- **Proformas and organizers can be printed** — Print proformas and organizers for gathering information from your clients without being charged for a return. From the menu bar of the **Home** window, select **Last Year Data > Organizers** or **Last Year Data > Proformas**. For more information on proformas and organizers, see Chapter 4, "Preseason Preparation," in *Drake User's Manual: Tax Year 2012*.
- **Created returns can be moved to other computers** — An *activated* return is available *only* from the computer on which it was activated; it cannot be copied and moved to another computer; however, once an activated return is *created*, it can be copied and moved to another computer without counting against your total. (For details on transferring returns, see "Backing up and Restoring Files in *Drake User's Manual: Tax Year 2012*.)
- **Software can be installed on peer-to-peer networks** — On networks not using a true server (networks where one computer is designated a "server," and the other computers share files through that computer), returns can be installed and activated on any of the computers in the network. (For instance, two returns can be installed and activated on workstation A, three on workstation B, and five from workstation C.)
- **Software can be installed on a server** — On networks using a true server, all returns are installed and activated from the server, and all computers on the network have access to all the returns through the server.

Activating and Purchasing PPRs

Your software comes with 15 PPRs installed. These returns, and any additional returns you purchase, must be activated before use.

NOTES

To activate or purchase returns through the software, your computer must be connected to the Internet, and you must complete ERO and Firm setup.

If you have trouble purchasing or activating returns online, call Drake Support at (828) 524-8020.

Returns are purchased and activated through the **Pay Per Return** dialog box (Figure 1-3 on page 5). To open the **Pay Per Return** dialog box, from the **Home** window, go to **Setup > Pay Per Return**.

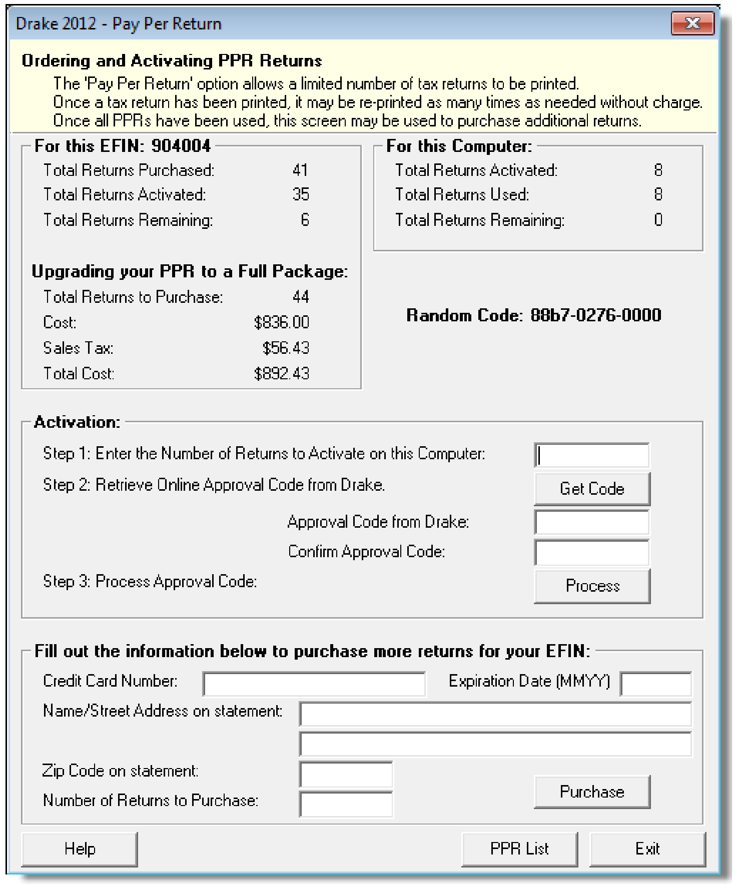

Figure 1-3: Pay Per Return dialog box

About the PPR Dialog Box

The **Pay Per Return** dialog box (Figure 1-3) consists of the following components:

- **For this EFIN** — Displays the number of returns purchased, the number of returns activated, and the number of purchased returns remaining for the EFIN.

NOTE If the word “Unknown” appears in place of amounts, the computer is not connected to the Internet.

- *New for 2012:* **Upgrading your PPR —** Displays the number of returns you will need to purchase before your PPR package can be converted to the full unlimited version of Drake. Also displays how much those returns will cost, including sales tax (based on the EFIN’s state).
- **For this Computer —** Displays the number of PPRs activated, used, and remaining on the computer. This section is particularly important for EFINs who install Drake Software to more than one computer.
- **Random Code** — Used only by clients activating returns through Drake Support instead of via the Internet.
- **Activation** — Contains fields and commands for activating returns.

- **Fill out the information below...** — Contains fields and commands for purchasing more returns.
- **Help** — Opens the software's Help program.
- **PPR List** — Shows a list (sorted by SSNs or EINs) of the returns activated and used on this computer.
- **Exit** — Closes the **Pay Per Return** dialog box.

Activating Returns

To activate PPRs online:

1. From the **Home** window in Drake, go to **Setup > Pay Per Return** to open the **Pay Per Return** dialog box. (Figure 1-3 on page 5)
2. In the **Activation** section, enter the number of returns to activate in the **Step 1** box. In the example in Figure 1-4, the user is activating four returns.

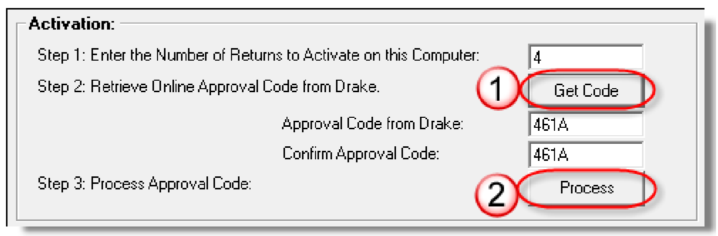

Figure 1-4: Activation section of the **PPR** dialog box

3. Click **Get Code** (item #1 in Figure 1-4). An approval code appears in both the **Approval Code from Drake** and the **Confirm Approval Code** text boxes.
4. Click **Process** (item #2 in Figure 1-4) and wait for the activation request to be processed. (Depending on your computer and Internet connection, this process should be almost instantaneous; dial-up connections take, on average, 15-20 seconds.) Once processing is complete, an alert appears on your screen, telling you how many returns have been activated.
5. Click **OK**. The **For this EFIN** and the **For this Computer** sections are updated (see Figure 1-5); however, you must close the **Pay Per Return** dialog box and then open it again to see the updated numbers.

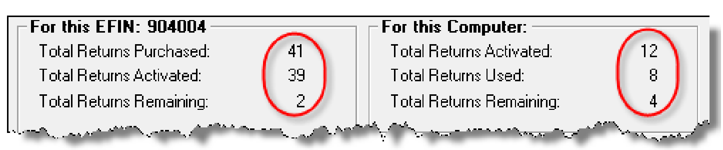

Figure 1-5: Number of PPRs activated and remaining are updated. (Compare to Figure 1-3)

Purchasing Additional PPRs

To purchase more returns:

1. From the **Home** window in Drake, go to **Setup > Pay Per Return** to open the **Pay Per Return** dialog box. (Figure 1-3 on page 5)
2. Complete the **Fill out the information...** section, including the number of returns to purchase, in the lower section of the dialog box (Figure 1-6 on page 7). Note that the city and state aren't necessary when providing the address to which the credit card statement is mailed.

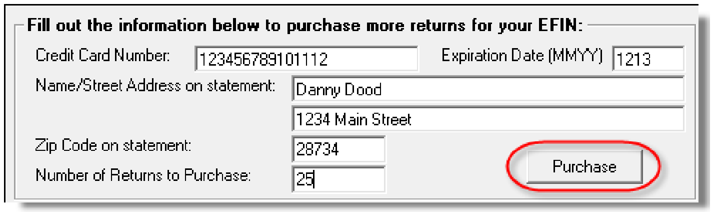

Figure 1-6: Purchasing more returns through the software

3. Click **Purchase**.

You are asked if you're sure you're ready for purchase. Click **OK**. When your purchase transaction is complete, a message tells you "Your purchase is successful!"

Please note:

- If there is a problem during your purchase transaction, you will see a message informing you: "ERROR: Credit card purchase transaction failed." Verify your credit card and address information or try a different credit card.
- During the 2012 filing season, when you've purchased enough returns (85 for tax year 2012), your software can be automatically be converted to the unlimited Drake package simply by opening the Pay Per Return window. From the **Home** window, go to **Setup > Pay Per Return**.
- If you purchase fewer that 85 returns, after the end of the 2012 filing season you can download an update that will automatically switch your PPR software over the unlimited mode. If you attempt to purchase more returns after the end of the 2012 filing season, you will see a message telling you to "Download update for unlimited mode."

Call Drake's Accounting Department at (828) 349-5900 for details.

Counting PPRs

As stated earlier, there are several ways to use PPRs so that they are counted against your total of purchased and activated returns.

- Start a new return
- Update an existing return
- Change the SSN/EIN of a return
- Use the Quick Estimator (to start a return)

This section provides instructions on each of these procedures.

Starting a New Return

When you start a new return, you are alerted that proceeding will lower your number of available returns by one (see Figure 1-1 on page 3).

To start a new return:

1. From the **Home** window, click **Open/New**.
2. Enter an SSN or EIN in the **Open/Create a New Return** dialog box. Click **OK**.
3. In the **Open Return** window, click **Yes**.
4. Verify the SSN/EIN.
5. Enter a name in the **Name Entry** text box. Click **OK**.
6. Click **Yes** to verify that you want this return counted against your total of PPR.

Updating a Return

To update an existing return:

1. From the **Home** window, go to **Last Year Data > Update Clients 2011 to 2012**.
2. In the **Update Client Selection** dialog box, enter an SSN/EIN and click **Add Client**.
3. Click **Next**.
4. In the **Update Options** menu, select the items to update.
5. Click the **Update 1040** button. (If updating business returns, the button will be labeled with the appropriate entity number — 1120, 1120s, 1065, etc.)

You will be offered the opportunity to count the newly updated return against your supply of activated returns, or to open the return in read-only mode. (See Figure 1-2 on page 3.) You cannot make any new entries or calculate the return while in read-only mode.

NOTE

An optional method of updating a return is to click **New/Open** from the toolbar, enter the SSN or EIN of a previous year's client, and then make selections from the **Update Options** menu (step 4, above).

Changing an SSN/EIN

Once an SSN or EIN is displayed on screen **1**, the return is counted against your supply of returns. You can change the SSN or EIN associated with a return, *but this will cost you another PPR*.

To change the SSN/EIN:

1. From the **Home** window, go to **Tools > File Maintenance > Change SSNs on Return**.
2. An alert reminds you that changing the SSN will count against your total of PPRs. Click **Yes**.
3. In the **Incorrect SSN/EIN** text box, enter the current SSN/EIN.

4. In the **Correct SSN/EIN** text box, enter the new SSN/EIN to associate with this return.
5. Click **Continue**, and then click **Exit**.

NOTE After changing a return's SSN or EIN, update your client list by running the Repair Index Files tool. From the **Home** window, go to **Tools > Repair Index Files**.

Quick Estimator

The Quick Estimator is used to quickly calculate results for an individual (1040) return. Please note:

- In PPR mode, each use of the Quick Estimator t*o start a new return* counts against your total of purchased and activated PPRs.
- In PPR mode, use of the Quick Estimator with *already-started returns* does not count against your total.
- The Quick Estimator produces only one return if **Married Filing Separately** is selected as the filing status. A separate return must be generated (using another PPR) for the spouse.

IMPORTANT *Do not* file the return generated in the Quick Estimator with the IRS or an amended return will be required.

After Tax Season

When tax season is over, the software can be switched from PPR version to the unlimited version. An update that will make the switch for you can be downloaded after the end of the 2012 filing season.

Renewing Your Drake PPR Software

After the 2012 tax season, when you want to renew your Drake Software for the 2013 season, you have two easy methods to choose from:

- Renewing online (with a credit card payment)
- Renewing by mail (paying by credit card or check)

Renewing Online

To renew your Drake Software online and make a credit card payment, follow these steps:

1. Go to *Support.DrakeSoftware.com*
2. Log in with your EFIN and password.
3. From the blue sidebar menu on the left, go to **My Account > Software Renewal**.
4. Click **Renew Online**.

5. Read and accept the License Agreement.
6. Enter the requested information and click S**ave and Continue**.
7. On the **Software Selection** window, choose the unlimited version of the software or the Pay Per Return package.
8. Make any other selections (such as the CWU program or the 1040.com online filing package).
9. Select your delivery options (**Download Only** or **CD and Download**).
10. Click **Continue**.
11. Read the **Consider This** message, make a selection (**Yes** or **No**) and click **Continue**.
12. Enter your credit card information and click **Continue**.
13. Review your order. Click **Edit** to make changes. Click **Complete Order**.

Renewing by Mail

To renew your Drake Software by mail and pay by check or credit card, follow these steps:

1. Go to *Support.DrakeSoftware.com*
2. Log in with your EFIN and password.
3. From the blue sidebar menu on the left, go to **My Account > Software Renewal**.
4. From the bottom of the **Welcome back!** window, click **Pay-Per-Returns Package Renewal**.
5. Print the renewal form, fill it out (be sure to include your credit card information unless you're paying by check).
6. Mail the form (and check) to:

Drake Software
Attn: Accounting
235 East Palmer Street
Franklin, NC 28734-304