Drake 101: Data Entry

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Course Overview

This is a basic course designed to familiarize Drake Tax users with navigating data entry while preparing a tax return using Drake Tax 2021.

Learning Objectives

Upon completion of this course, the student will be able to use Drake Tax to:

- Navigate within Data Entry Screens
- Create or Open an Individual 1040 return
- Enter basic 1040 Tax Return Information
- Calculate and View a 1040 Tax Return

Creating and Opening Returns

Open Drake 2021 Tax Software. This class presumes you have already set up your firm and preparer information. If you have not, please do so before continuing. You can see the Video Tutorials on DrakeSoftware.com for assistance.

The **Home** Window in Drake Tax has several sections:

1. Menu Bar (has drop down menus to complete various tasks)

2. Tool Bar (has buttons to complete various tasks)

3. Recent Returns (Last 9 returns)

4. Appointments (shows logged in preparer's appointments if using Drake scheduler)

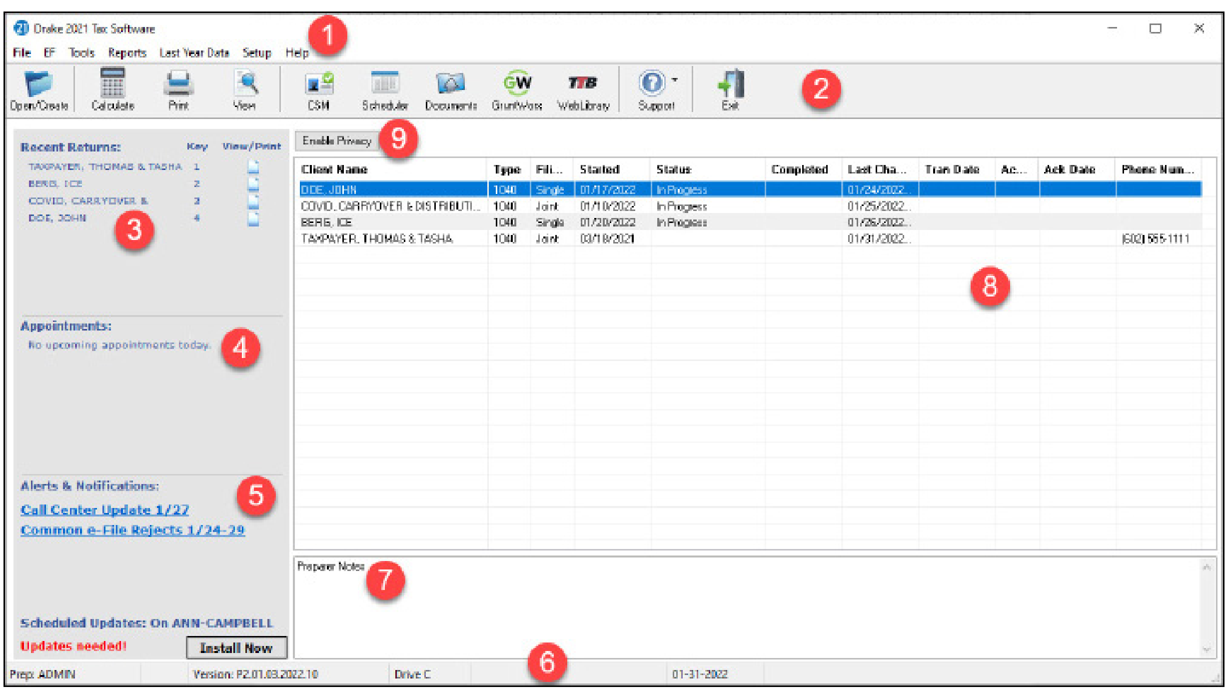
5. Alerts & Notifications (indicates when EF acknowledgments are available, important notices from Drake, and scheduled updates status. Alerts are refreshed every 15 minutes if you have an active internet connection.)

6. Status Bar (logged in preparer, program version, computer drive, and date)

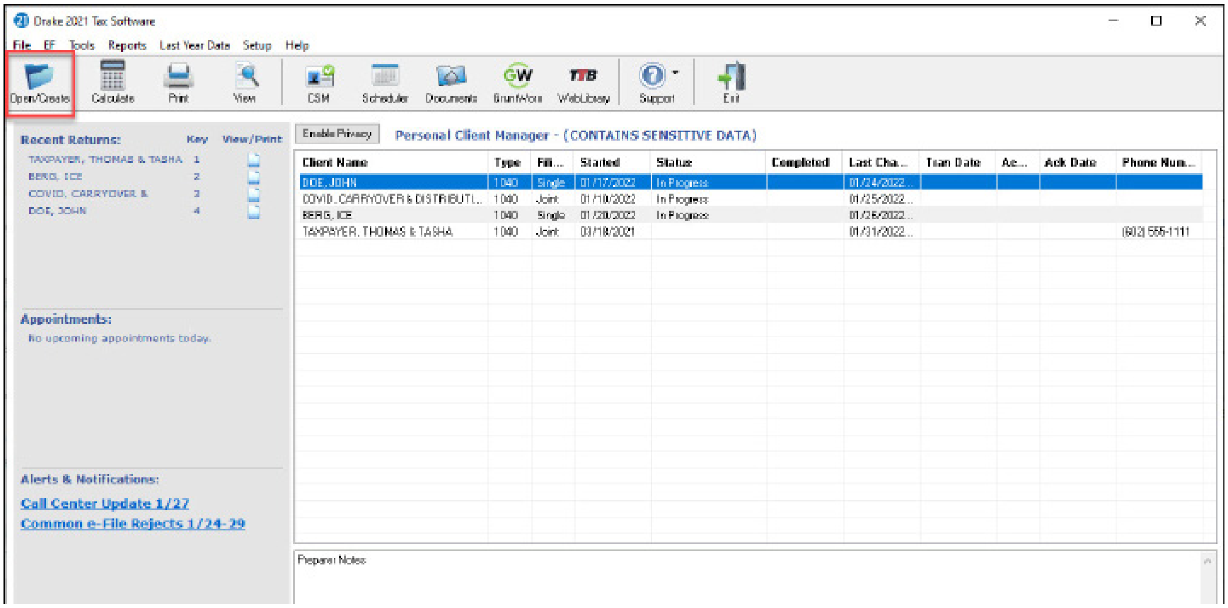
7. Preparer Notes (Notes on the fly, visible only to preparer. Stay on screen until deleted)

8. Personal Client Manager (personalized version of the Client Status Manager (CSM) for the logged-in preparer. This gives you a snap shot of the status of all the returns you are working on, and it can be filtered and customized to suit your needs.

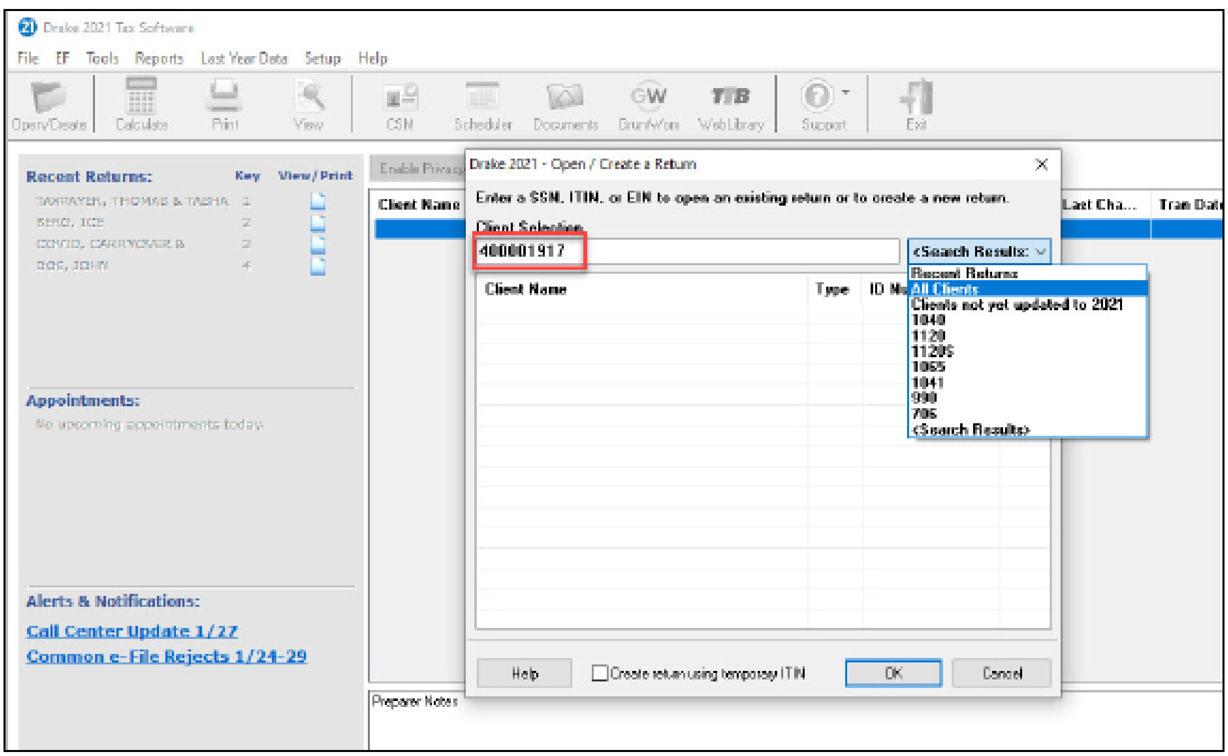
9. Enable Privacy Button (toggles visibility of client's data on and off)



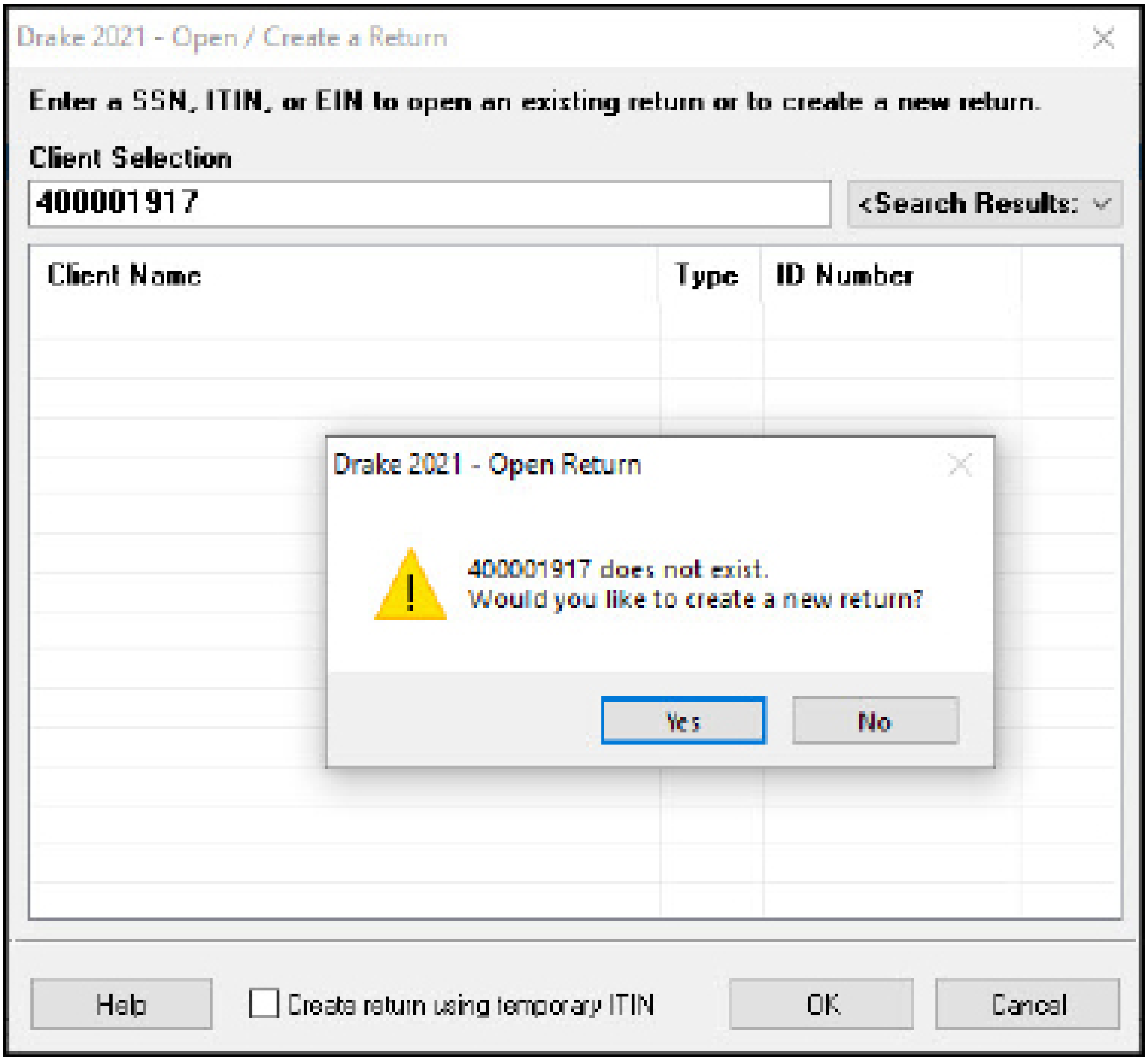
From the **Home** Screen, choose **Open/Create** on the toolbar.



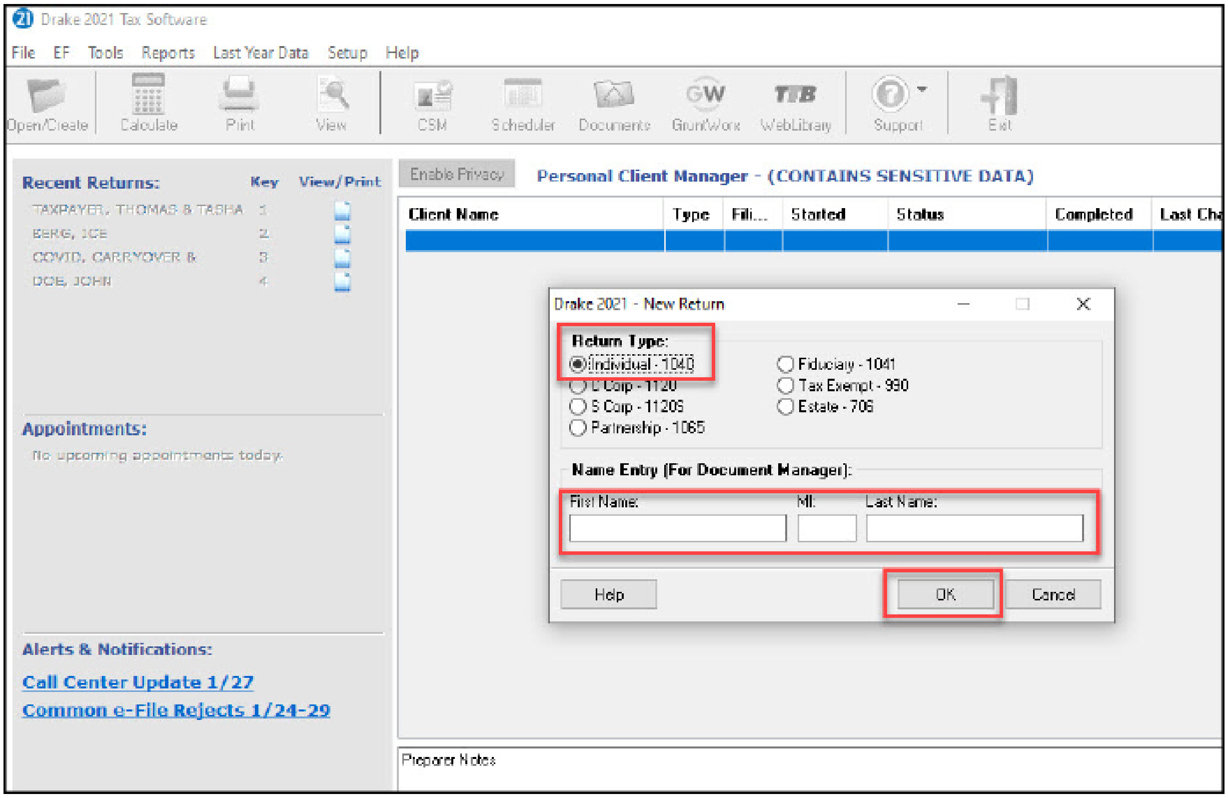
You can filter your return list by Most Recent Returns, All clients, client entity type, etc.



When you enter an ID number (SSN or EIN), Drake Tax searches both current- and prior-year files. If it finds a client record in the prior-year files only, you are given the opportunity to update the record from the previous year into this year's program or create a new return.

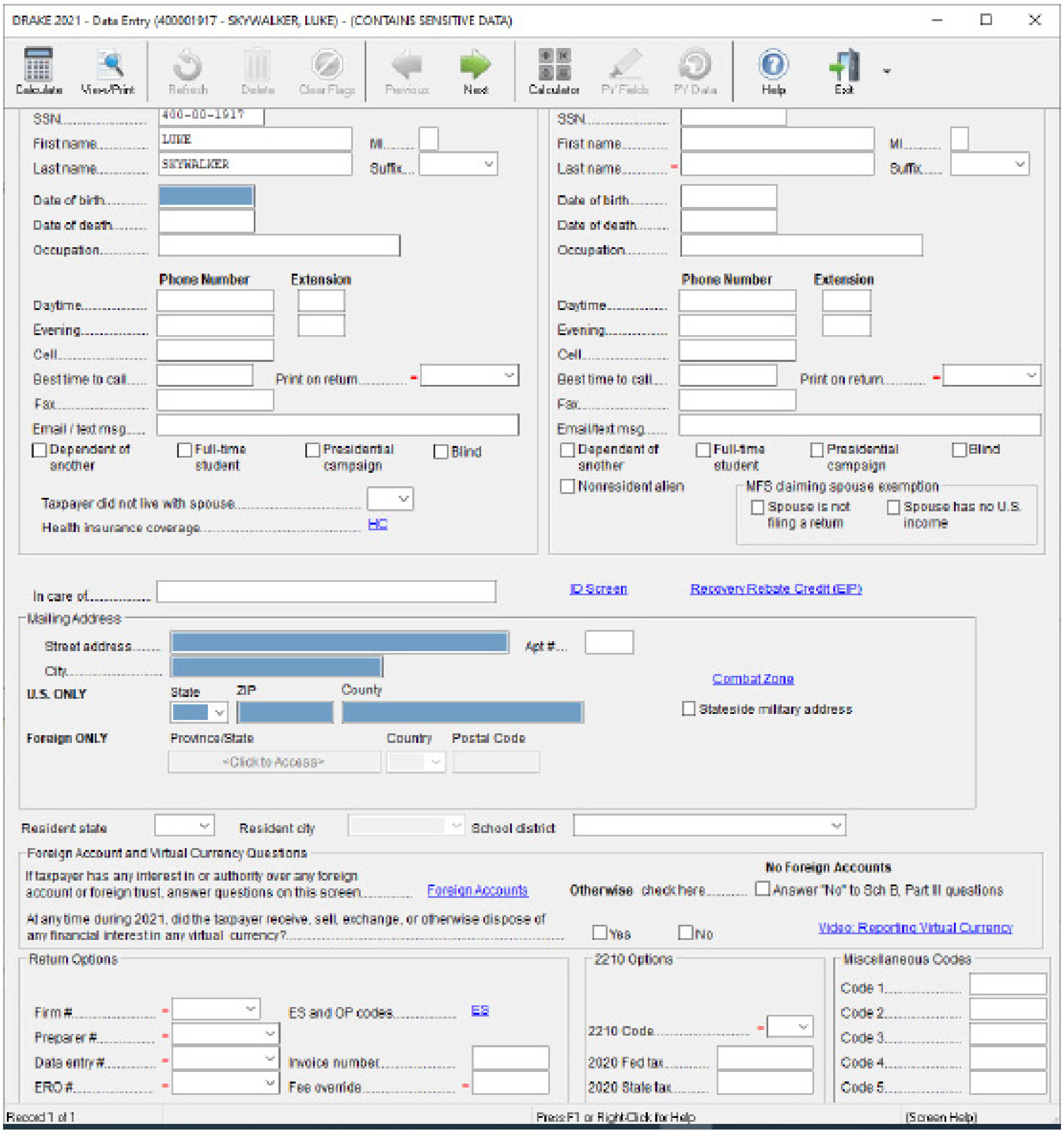


To start a new return, choose **Yes**. You will be asked to verify the SSN/EIN, Return Type, and enter the Taxpayer name.

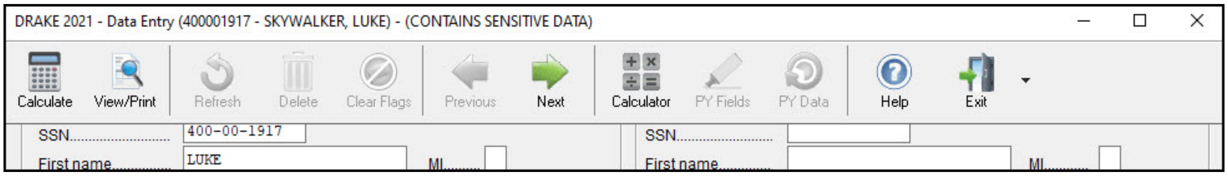

Drake 2021 Tax Software
File EF Tools Reports Last Year Data Setup Help
Open/Create Calculate Print View CSM Scheduler Documents GruntWorx WebLibrary Support Exit
Recent Returns: Key View/Print
TAXPAYER, THOMAS & TASHA 1
BERG, ICE 2
COVID, CARRYOVER & 3
DOE, JOHN 4
Enable Privacy
Personal Client Manager - (CONTAINS SENSITIVE DATA)
Client Name Type Fili... Started Status Completed
Drake 2021 - New Return
Return Type:
Individual - 1040
C Corp - 1120
S Corp - 1120S
Partnership - 1065
Fiduciary - 1041
Tax Exempt - 990
Estate - 706
Name Entry (For Document Manager):
First Name: MI: Last Name:
Help OK Cancel
Appointments:
No upcoming appointments today.
Alerts & Notifications:
Call Center Update 1/27
Common e-File Rejects 1/24-29
Preparer Notes

Screen 1 – Name and Address

Use screen **1 (Name and Address)**, accessible from the **Genera**l tab, to enter information about the taxpayer for the top section of a Form 1040. Screen **1** is opened automatically upon creating a new return.



Tip: Hover over top of screen to display the toolbar, which is normally hidden.



Data Entry Toolbar

The **Data Entry** toolbar, available on all data entry screens allows you to perform several functions without the need to leave the screen. You can use a macro or keyboard combination, or select from a right-click menu.

To view the toolbar, move your mouse pointer to the top of any **Data Entry** screen. Select the buttons on the toolbar to perform the various functions. Certain buttons are activated depending on prior-year or current-year entries. To close the toolbar, move your mouse away from the top of the screen.

Note

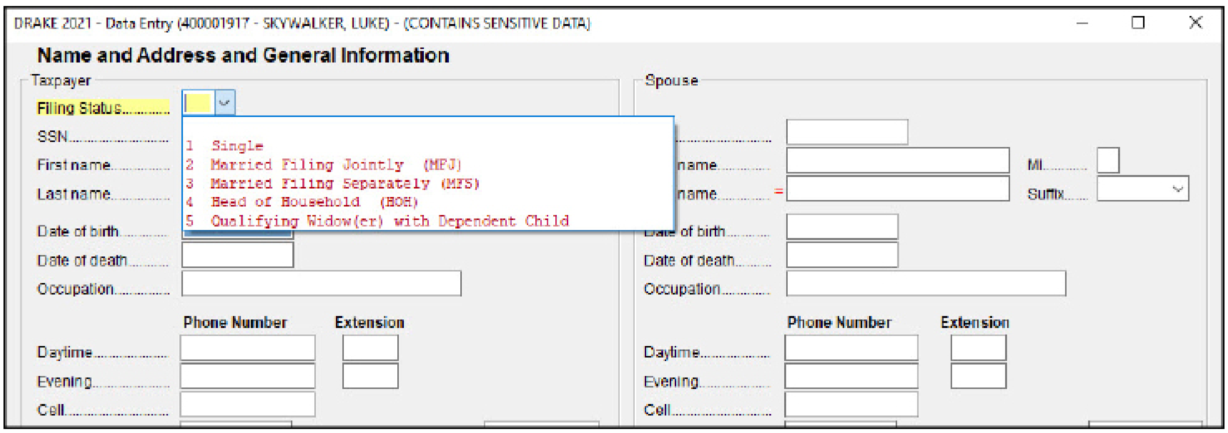
If you prefer not to use this toolbar, it can be disabled by going to **Setup > Options, Data Entry** tab, and clearing the **Enable Data Entry toolbar** check box.

Filing Status

Select a filing status from the **Filing Status** drop list at the top of screen **1**. Press F1 in the **Filing Status field** to view explanations for the available codes.

After making a selection from the **Filing Status** drop list, make any other selections necessary to explain the client's filing status:

- Taxpayer did not live with spouse drop list
- Nonresident alien check box for nonresident alien spouse
- MFS claiming spouse exemption check boxes for Married Filing Separately returns

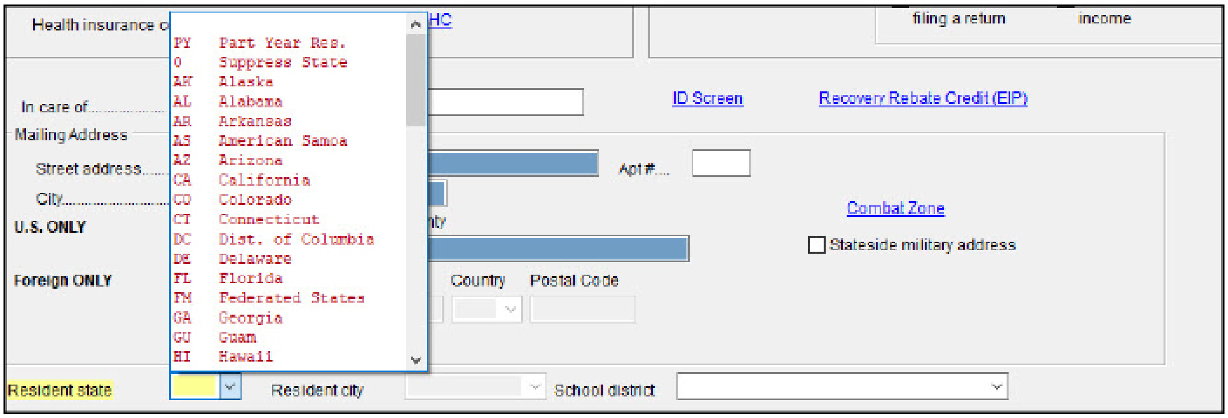


Taxpayer Information

The taxpayer's name and SSN are entered as you create the return. Other important taxpayer data, such as date of birth, occupation, and contact information (phone numbers and email address) for the taxpayer (and spouse, if applicable) is entered on screen **1**. Note that not all fields in the Spouse column are activated if the filing status is something other than "Married Filing Jointly", the fields that are activated should be completed.

Residency Information

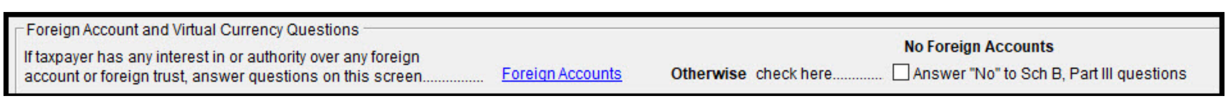
The **Mailing Address** section of screen **1** includes fields for both domestic and foreign addresses. If the resident state differs from the state in the mailing address, select the appropriate state code from the **Resident state** drop list near the bottom of screen **1**. If the taxpayer is a part-year (PY) resident of the state in the mailing address, select **PY** from the **Resident state** drop list. To keep a state return from being calculated, select **0** from the **Resident state** drop list. The **Resident city** drop list is activated if a city return is required. The S**chool district** drop list is activated when needed.

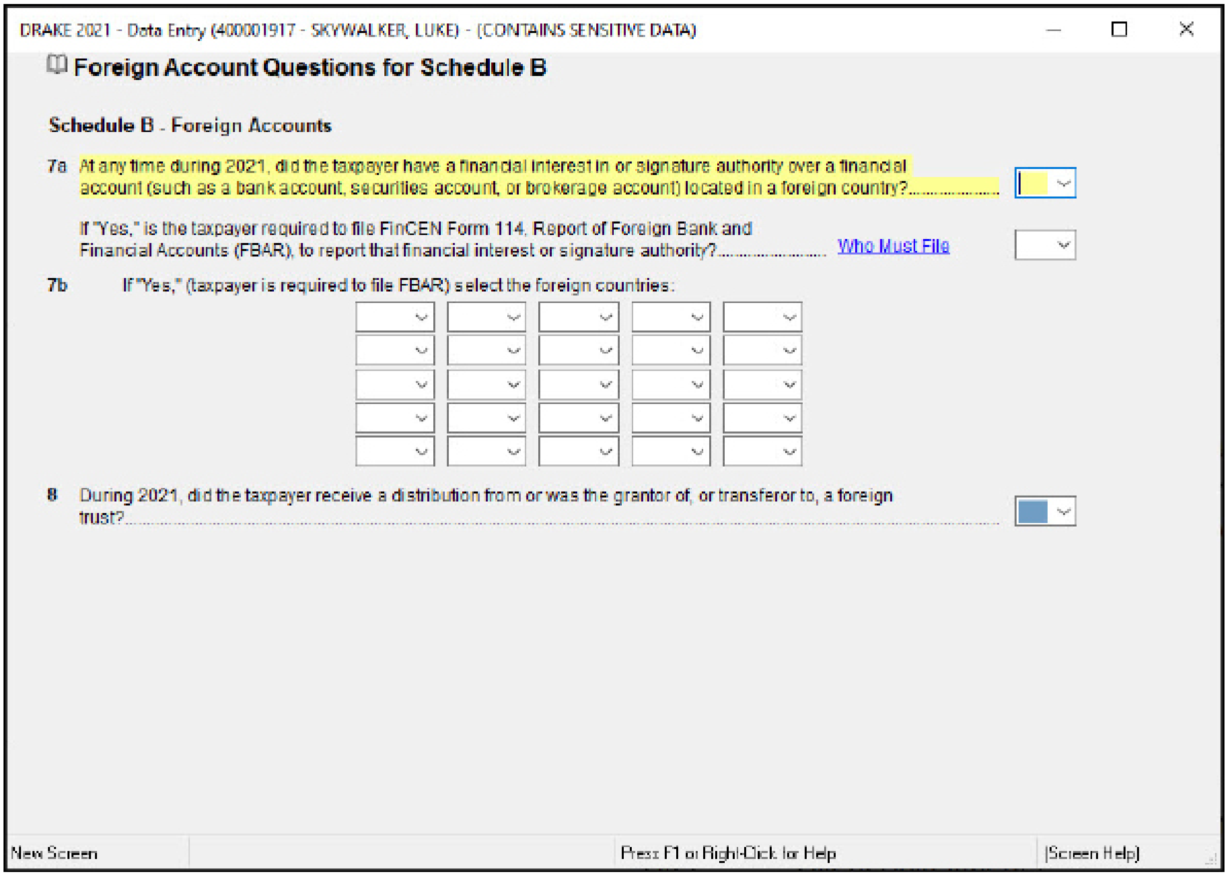


Foreign Account and Virtual Currency Questions

The **Foreign Account and Virtual Currency Questions** must be answered on all returns.

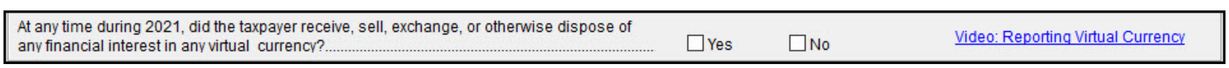
If at any time during the tax year the taxpayer had a financial interest or signature authority over a **foreign financial account**, click the blue hyperlink **Foreign Accounts** and complete the applicable fields.





If the taxpayer would answer "no" to all Schedule B, Part III questions, simply check the box.

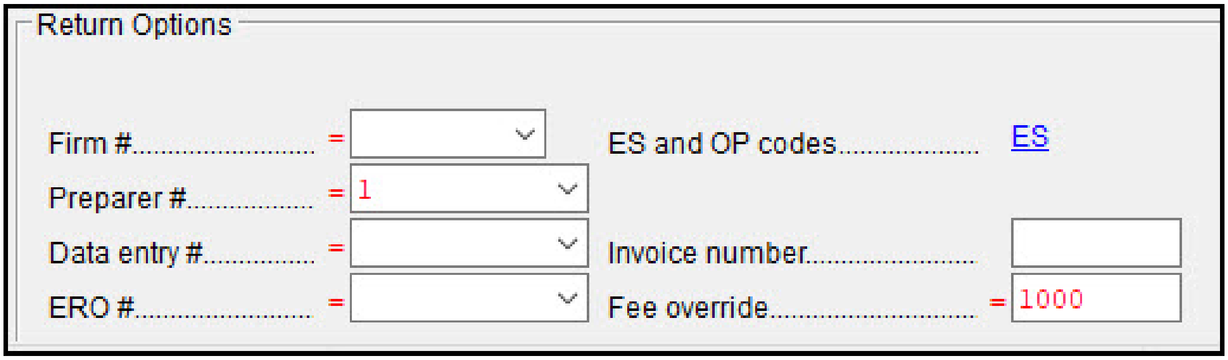
If at any time during the tax year the taxpayer received, sold, exchanged or acquired any financial interest in any virtual currency, check yes. Otherwise, check no.



There is also a link to a video tutorial on reporting virtual currency.

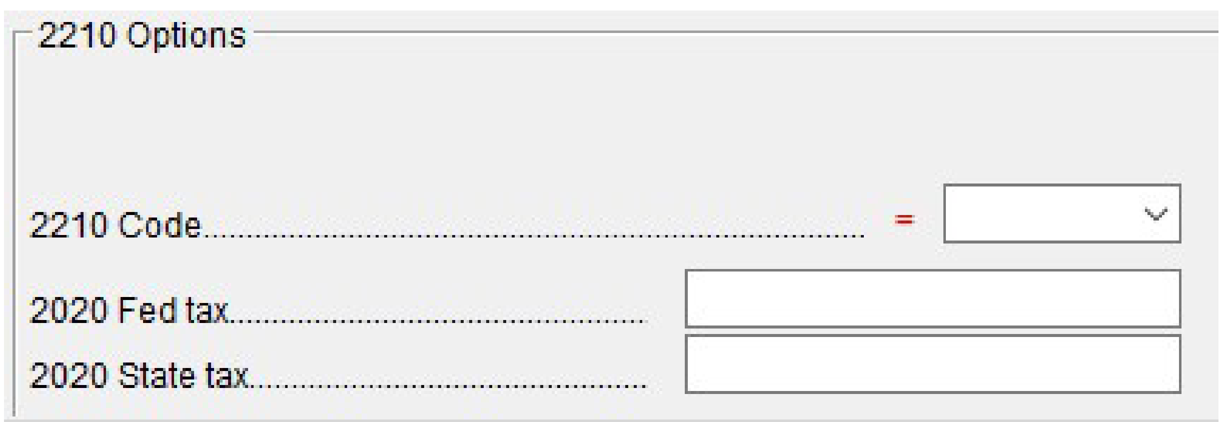
Return Options

To override the firm, preparer, data entry operator, or ERO, make selections from the drop lists at the bottom of the screen in the **Return Options** section. You can also over-ride the fee.



2210 Options

The **2210 Options** assists in calculating any underpayment penalties due. Data will be pulled from the prior year if return was prepared in Drake. For new clients, an entry can be made to assist in the calculations for the current year.



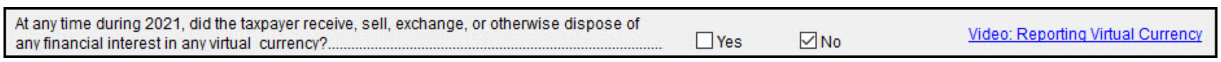
Screen Hyperlinks

Hyperlinks in data entry allow easier, quicker data entry. Hyperlinks are available in all packages. Use links to move quickly from one screen to a related screen without having to return to the **Data Entry Menu**.

See image below for examples on how Hyperlinks display.

Click the **ID** screen link to go directly to the **IDS** screen to enter the taxpayers ID information. Click **Esc** or the top right **X** to go back to the original screen.

Some screens have links that open quick help videos. These videos can also be accessed here: https://www.drakesoftware.com/service-learning/videos. An example would be the video on reporting virtual currency.

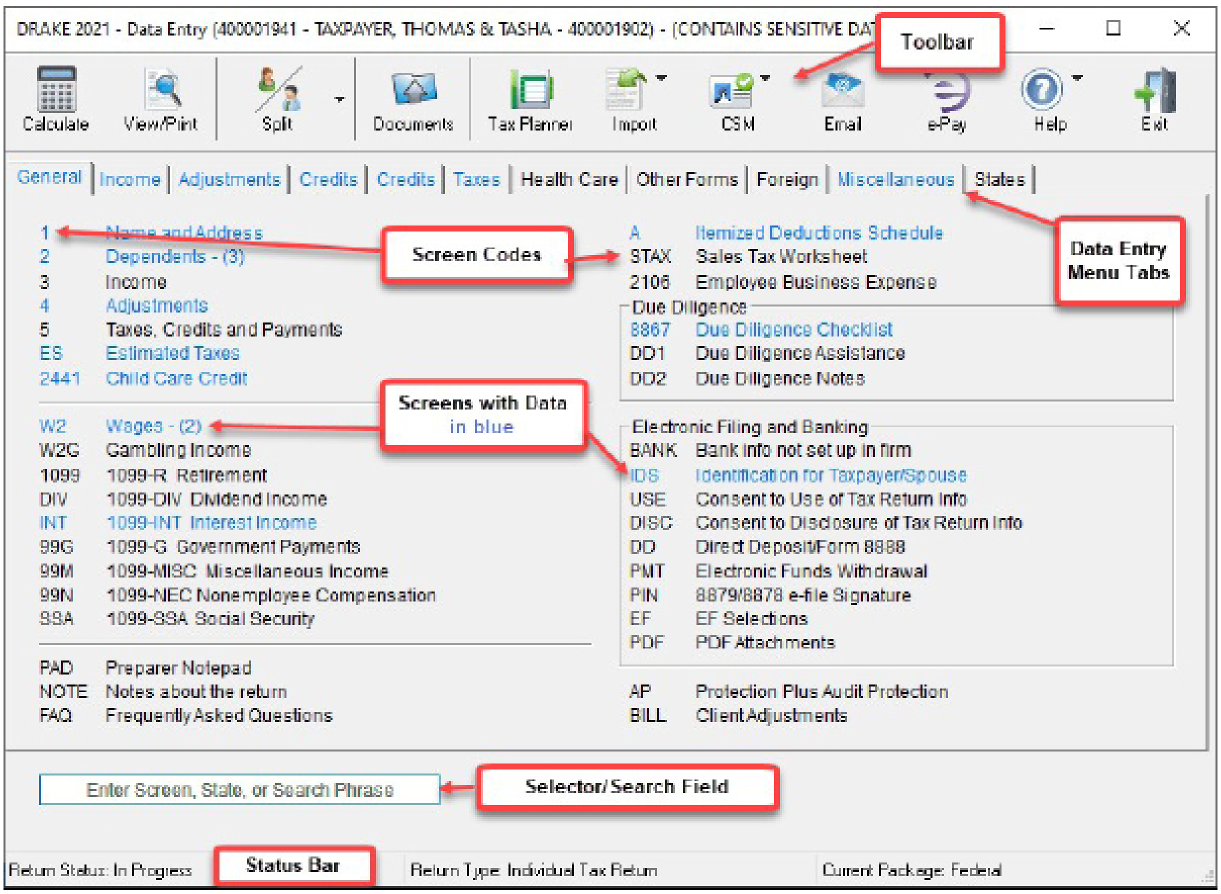


Data Entry Menu

Returns are prepared in data-entry. Access data-entry screens from the **Data Entry Menu**. Within data entry, press ESC to save your data, exit the open screen, and return to the **Data Entry Menu.**

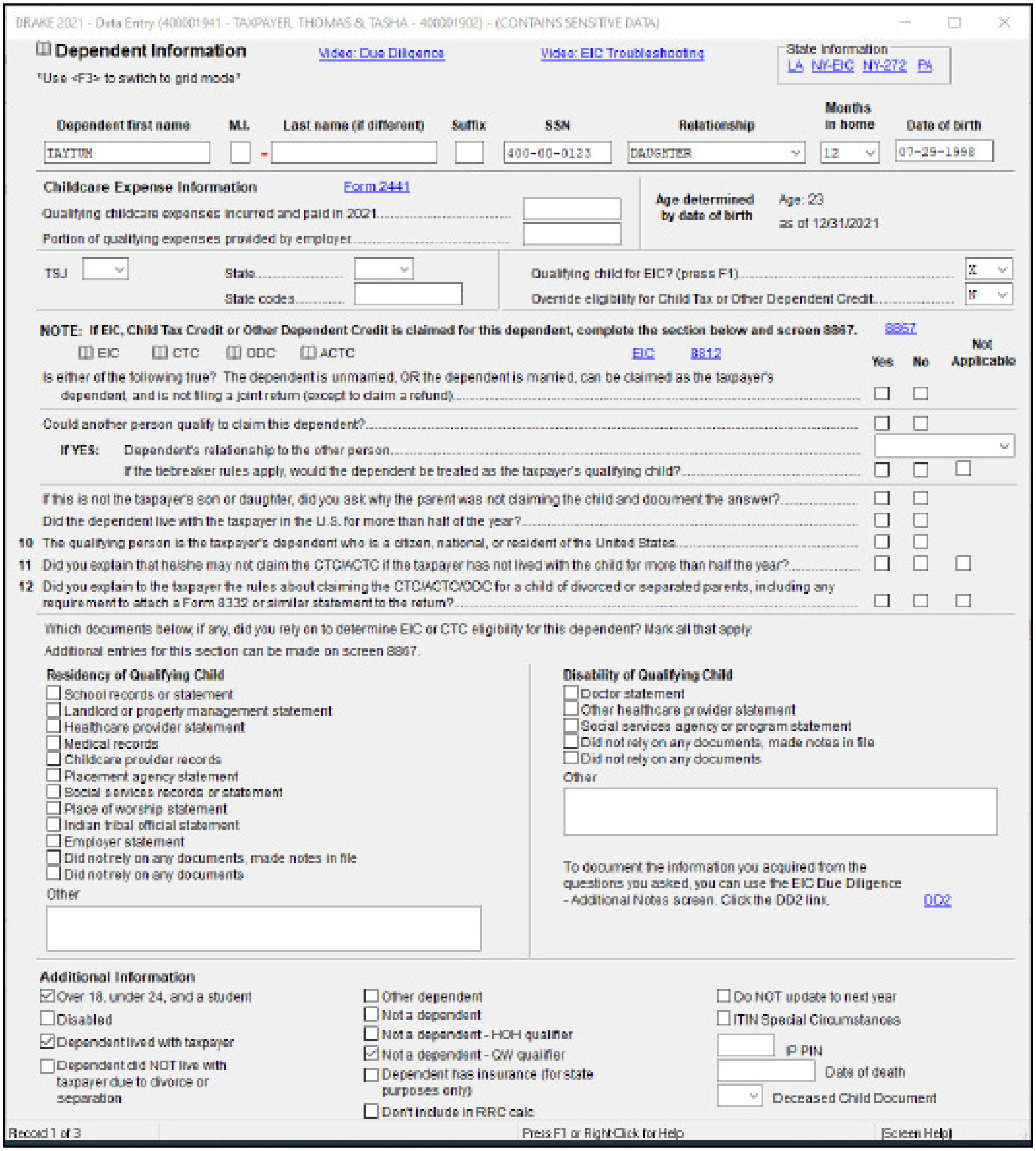
Pressing ESC from the **Data Entry Menu** returns you to the **Home** window. While in data entry, you can use the TAB key, and the UP ARROW and DOWN ARROW keys to move from field to field, and PAGE UP and PAGE DOWN keys to move from screen to screen.

The **Data Entry Menu** is displayed when you open a return. It consists of a toolbar, data entry menu tabs, screen codes, the selector/search field, and the status bar.



Dependent Information

Use screen **2 (Dependents)**, accessible from the **General** tab of the **Data Entry Menu**, to complete the "Dependents" section of Form 1040. Use a separate **Dependents** screen for each dependent, pressing Page Down to open each new screen. Data is saved automatically upon exiting a screen. The number of active **Dependents** screens is shown on the **Data Entry Menu**.



DRAKE 2021 - Data Entry (400001941 - TAXPAYER, THOMAS & TASHA - 400001902) - (CONTAINS SENSITIVE DATA)

Dependent Information Video: Due Diligence Video: EIC Troubleshooting

State Information: LA NY-EIC NY-272 PA

Use <F3> to switch to grid mode

Dependent first name	M.I.	Last name (if different)	Suffix	SSN	Relationship	Months in home	Date of birth
TAYTUM				400-00-0123	DAUGHTER	12	07-29-1998

Childcare Expense Information Form 2441

Qualifying childcare expenses incurred and paid in 2021

Portion of qualifying expenses provided by employer

Age determined by date of birth: Age: 23 as of 12/31/2021

TSJ

State

State codes

Qualifying child for EIC? (press F1): X

Override eligibility for Child Tax or Other Dependent Credit: N

NOTE: If EIC, Child Tax Credit or Other Dependent Credit is claimed for this dependent, complete the section below and screen 8867. 8867

EIC CTC ODC ACTC EIC 8812

	Yes	No	Not Applicable
Is either of the following true? The dependent is unmarried, OR the dependent is married, can be claimed as the taxpayer's dependent, and is not filing a joint return (except to claim a refund)	☐	☐	
Could another person qualify to claim this dependent?	☐	☐	
If YES: Dependent's relationship to the other person			
If the tiebreaker rules apply, would the dependent be treated as the taxpayer's qualifying child?	☐	☐	☐
If this is not the taxpayer's son or daughter, did you ask why the parent was not claiming the child and document the answer?	☐	☐	
Did the dependent live with the taxpayer in the U.S. for more than half of the year?	☐	☐	
10 The qualifying person is the taxpayer's dependent who is a citizen, national, or resident of the United States.	☐	☐	
11 Did you explain that he/she may not claim the CTC/ACTC if the taxpayer has not lived with the child for more than half the year?	☐	☐	☐
12 Did you explain to the taxpayer the rules about claiming the CTC/ACTC/ODC for a child of divorced or separated parents, including any requirement to attach a Form 8332 or similar statement to the return?	☐	☐	☐

Which documents below, if any, did you rely on to determine EIC or CTC eligibility for this dependent? Mark all that apply.

Additional entries for this section can be made on screen 8867.

Residency of Qualifying Child

- ☐ School records or statement
- ☐ Landlord or property management statement
- ☐ Healthcare provider statement
- ☐ Medical records
- ☐ Childcare provider records
- ☐ Placement agency statement
- ☐ Social services records or statement
- ☐ Place of worship statement
- ☐ Indian tribal official statement
- ☐ Employer statement
- ☐ Did not rely on any documents, made notes in file
- ☐ Did not rely on any documents

Other

Disability of Qualifying Child

- ☐ Doctor statement
- ☐ Other healthcare provider statement
- ☐ Social services agency or program statement
- ☐ Did not rely on any documents, made notes in file
- ☐ Did not rely on any documents

Other

To document the information you acquired from the questions you asked, you can use the EIC Due Diligence - Additional Notes screen. Click the DD2 link. DD2

Additional Information

- ☑ Over 18, under 24, and a student
- ☐ Disabled
- ☑ Dependent lived with taxpayer
- ☐ Dependent did NOT live with taxpayer due to divorce or separation
- ☐ Other dependent
- ☐ Not a dependent
- ☐ Not a dependent - HOH qualifier
- ☑ Not a dependent - QW qualifier
- ☐ Dependent has insurance (for state purposes only)
- ☐ Don't include in RRC calc
- ☐ Do NOT update to next year
- ☐ ITIN Special Circumstances

IP PIN

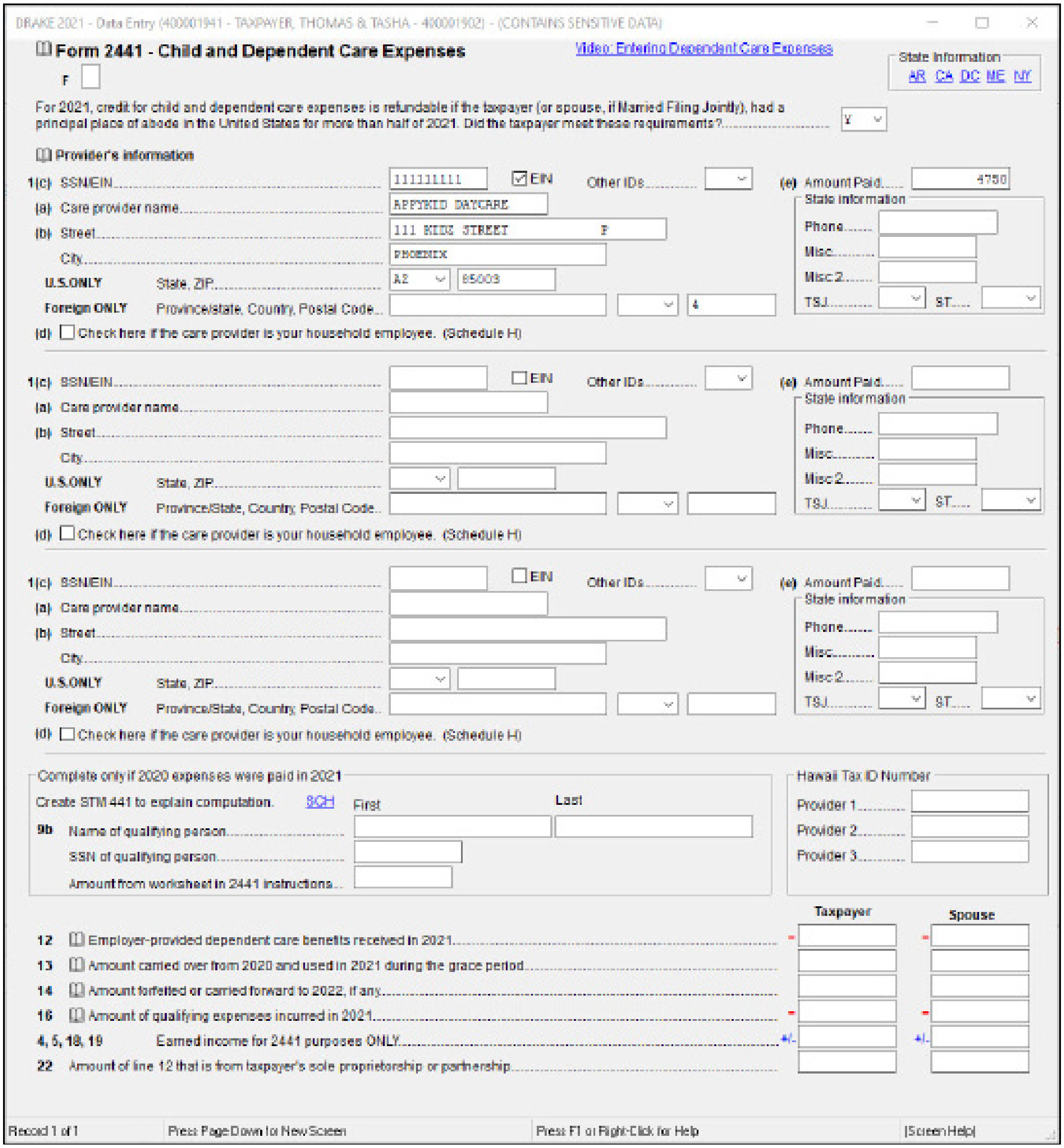
Date of death

Deceased Child Document

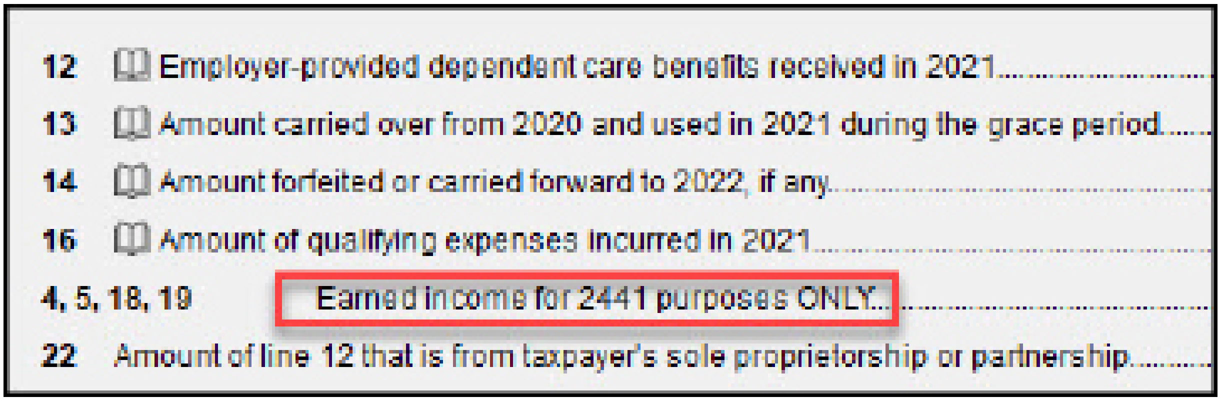
Record 1 of 3 Press F1 or Right-Click for Help [Screen Help]

Childcare Expense Information

Use screen **2441** to enter information for Form 2441, Child and Dependent Care Expenses. Enter data on both the **2441** screen and screen **2** for expenses the taxpayer incurred and paid for on behalf of each dependent.

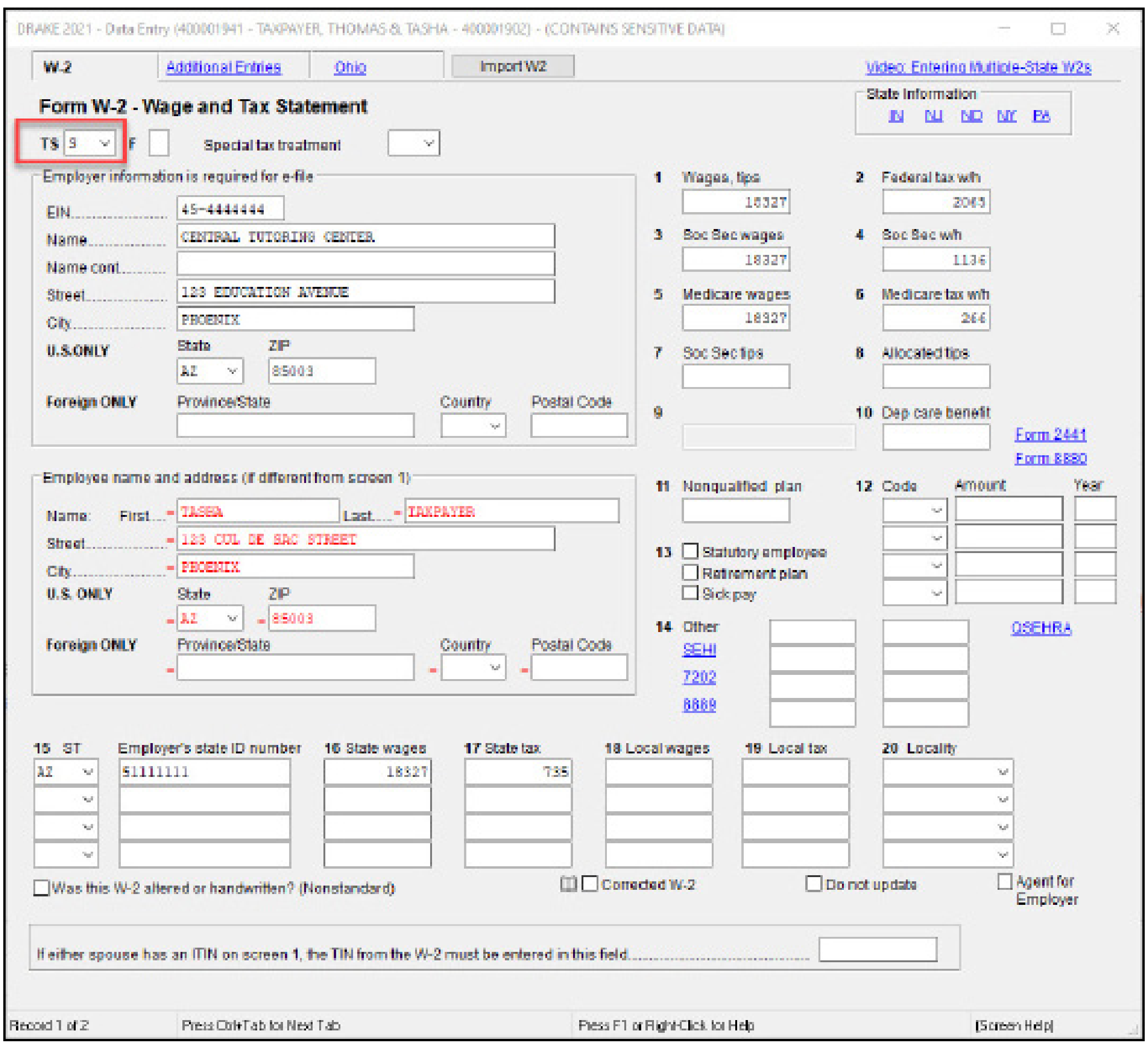


To qualify for the childcare credit, parents must have earned income, be full-time students, or be disabled. If a spouse does not have income but is disabled or a student, then enter $250 (one child) or $500 (two or more children) for each month the spouse was a student or disabled. This information is entered near the bottom of the **2441** screen in the **Earned income for 2441 purposes ONLY** field. An entry in this field affects Form 2441 amounts only and must be at least as much as the childcare expenses.



W2 Screen

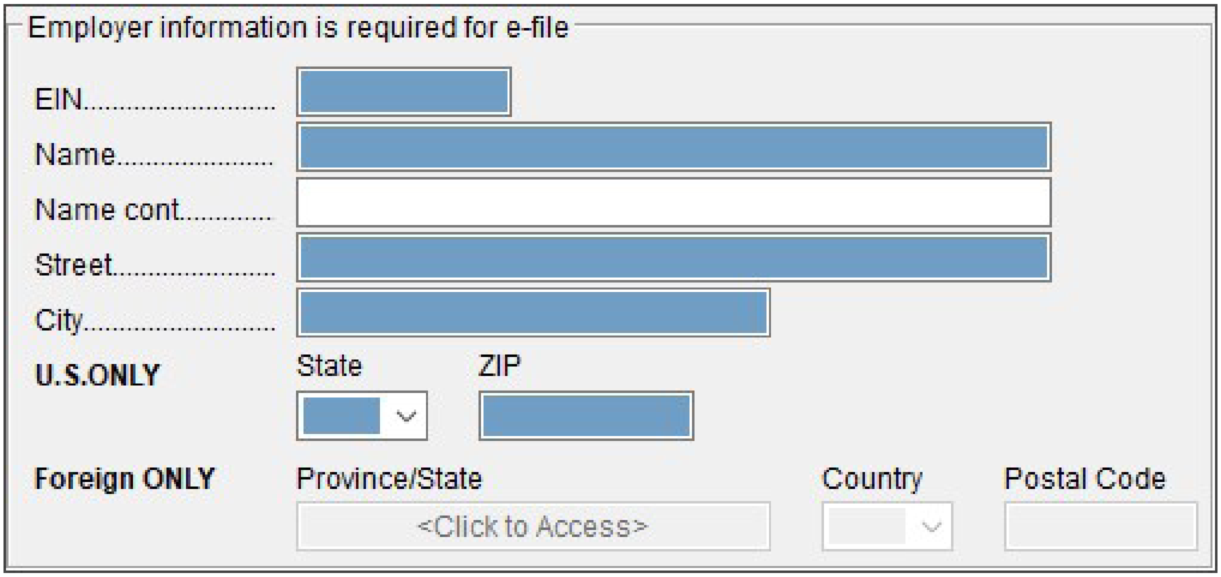
Use screen **W2 (Form W-2 – Wage and Tax Statement)**, accessible from the **General** tab of the **Data Entry Menu**, to enter W-2 data. Be sure to choose the proper taxpayer in the TS field, if this is a MFJ or MFS return.



Required Fields

Fields that are required for e-file are highlighted in blue.

If these required fields have not been completed, a reminder appears when you try to exit from the screen.

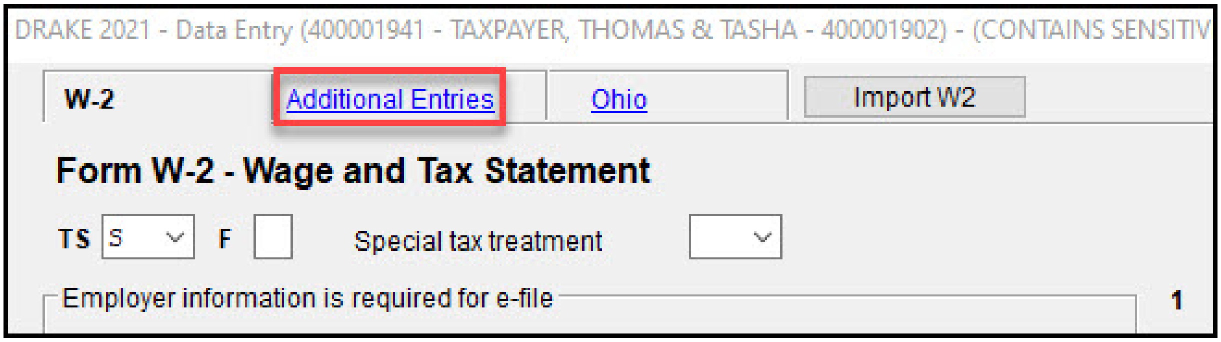


W-2 Wages

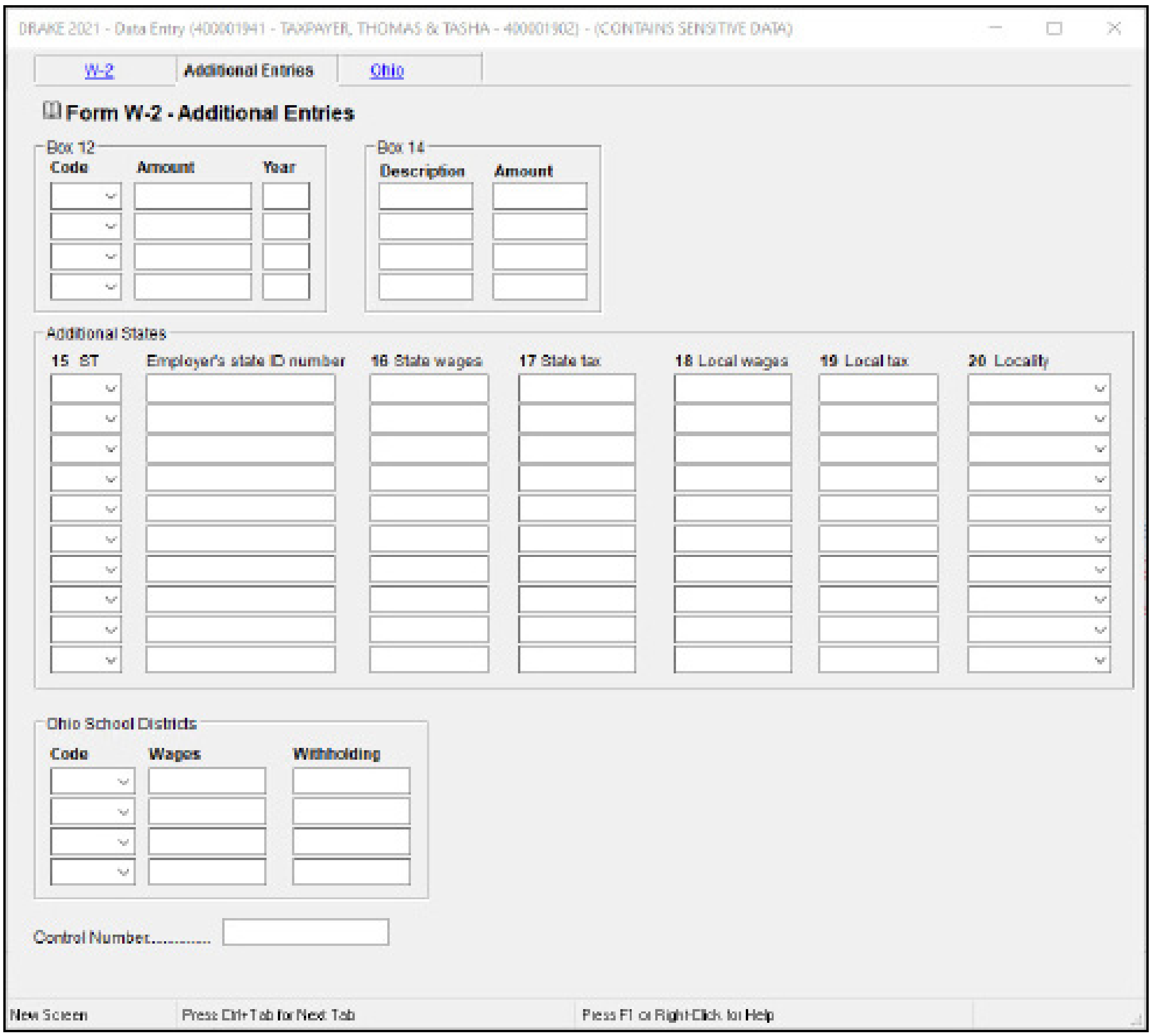
The **W2** screen is designed to reflect the IRS Form W-2, Wage and Tax Statement. Data entered here must match the client's W-2 form. The following fields can be completed automatically by the program:

- **Names and Addresses** — If the employer's EIN is in your Drake Tax database, the employer's information is filled automatically once you enter the employer's EIN. The employee information is filled automatically once **T** or **S** is selected at the top of the screen from the **TS** drop list. Nothing needs to be typed into these fields unless the information on the form differs from what was previously entered in the program.
- **Wages and Withholding** — When wages are entered in box **1**, boxes 3-6 and 16 are filled automatically. These amounts should match those on the taxpayer's W-2.

Additional Entries Tab

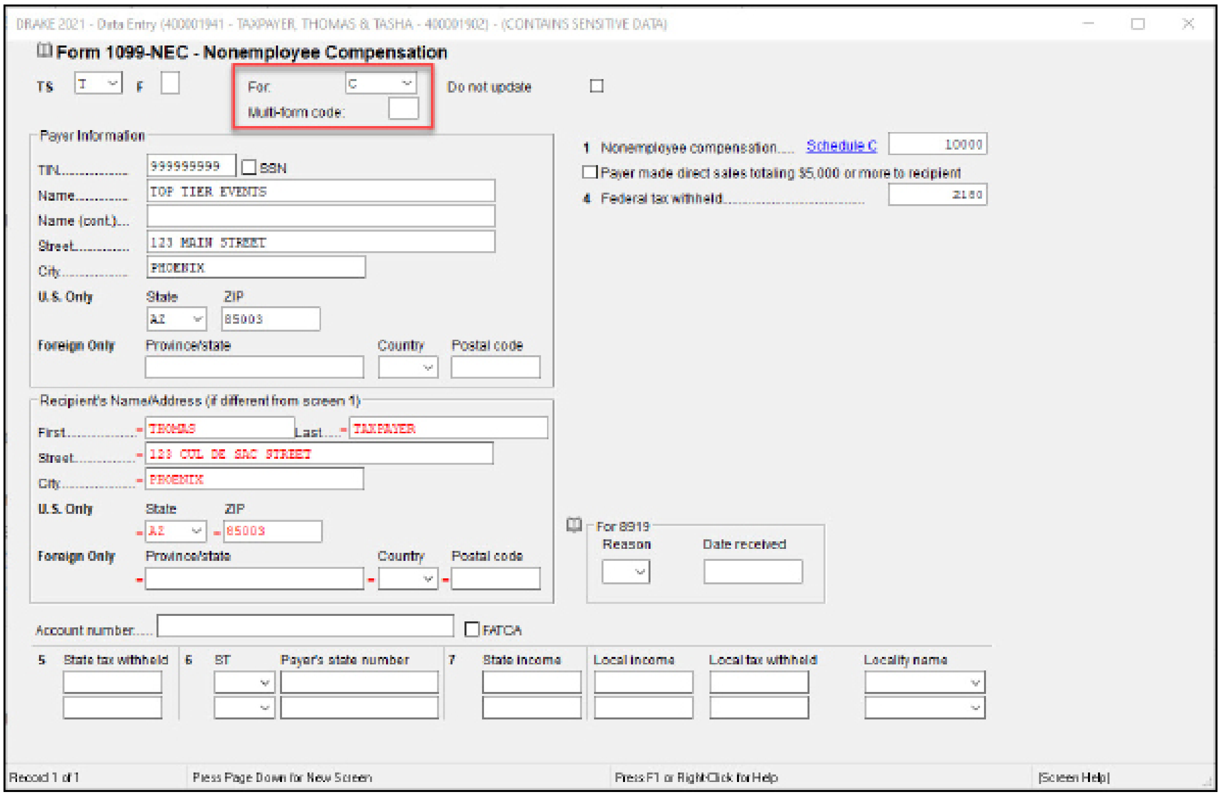


If the taxpayer has W-2 information from more than four states, click the **Additional Entries** tab at the top of the W2 screen to access 10 more lines of data-entry fields for box 15 of Form W-2. There are also four additional lines for boxes 12 and 14, and four more lines for Ohio School Districts.



Entering Form 1099-NEC

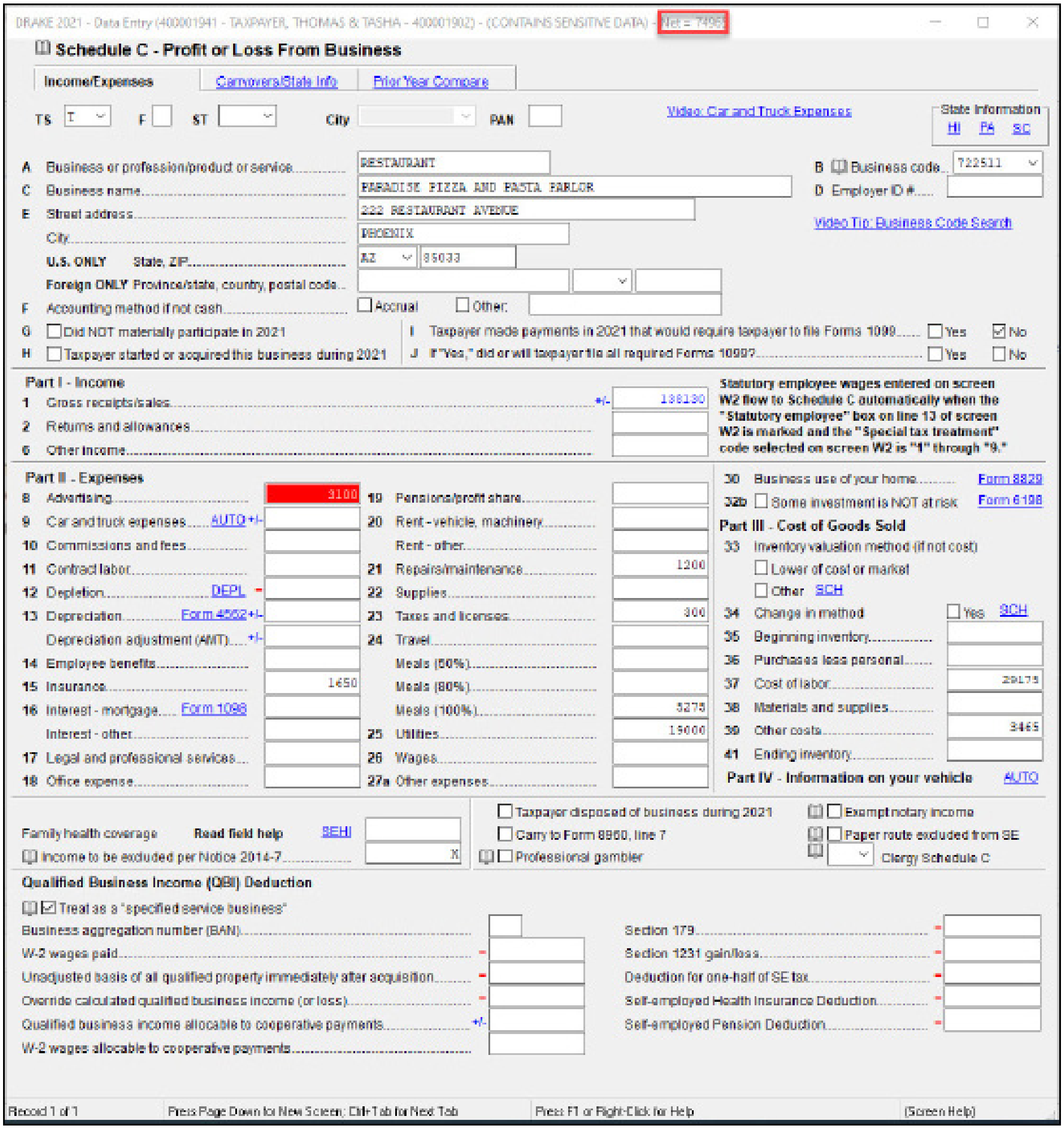
Use the **99N** screen to enter data from Form 1099-NEC, Nonemployee Compensation. Select from the **TS** drop list at the top of the **99N** screen to indicate whether the taxpayer or spouse is the recipient of this 1099-NEC. To associate the screen **99N** information with a specific line or form within the return (such as Schedule C or Schedule E), make a selection from the **For** drop list. If associating it with one of multiple forms, enter a **Multi-form code**. For example, if associating the **99N** screen with the third occurrence of a Schedule C, select C from the **For** drop list and type 3 in the **Multi-form code (MFC)** field.



Self-Employment Income

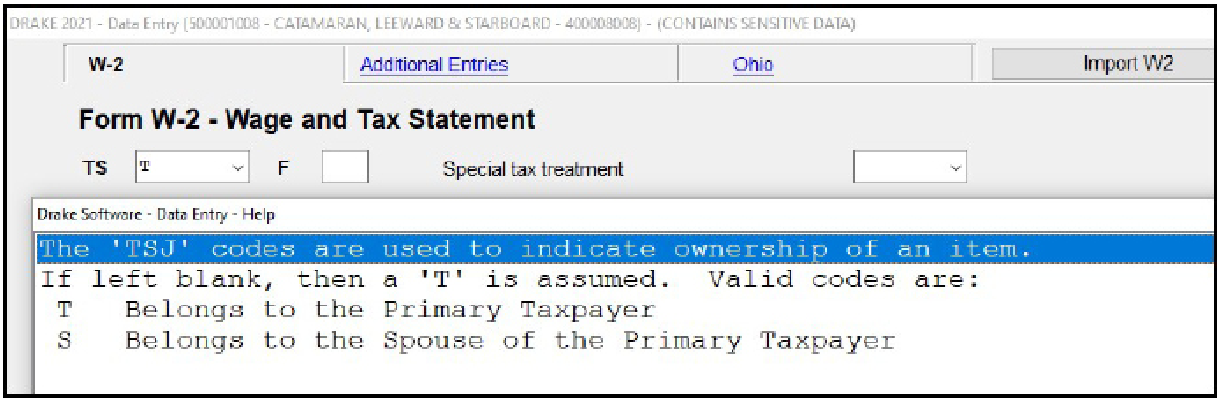
Schedule C

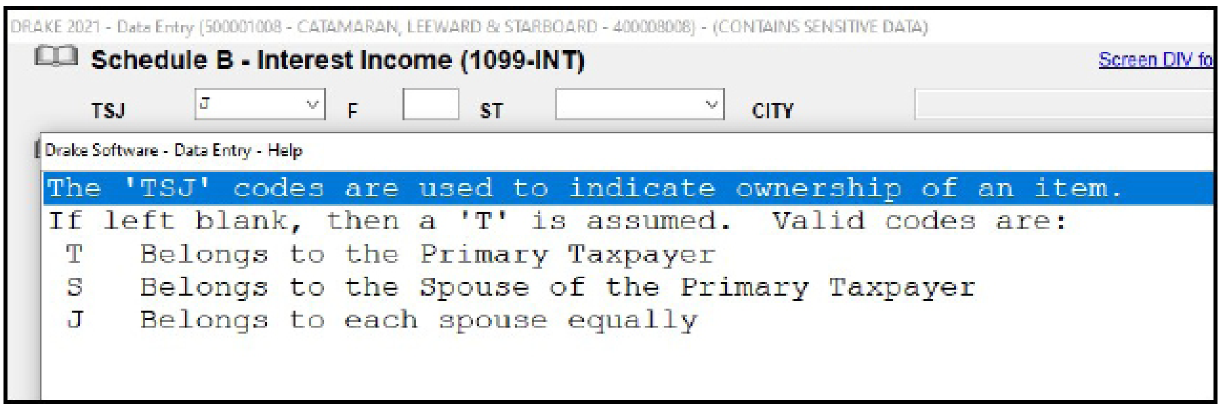
Screen **C, Self-Employed Income**, covers Schedule C, Profit or Loss from Business (Sole Proprietorship). Screen **C** is accessible from the **Income** tab of the **Data Entry Menu**. Several screens in Drake Tax (such as the **99N, AUTO**, and **4562** screens) can be associated with a Schedule C using the **For** and **Multi-form Code boxes** on those screens.



TS or TSJ Fields

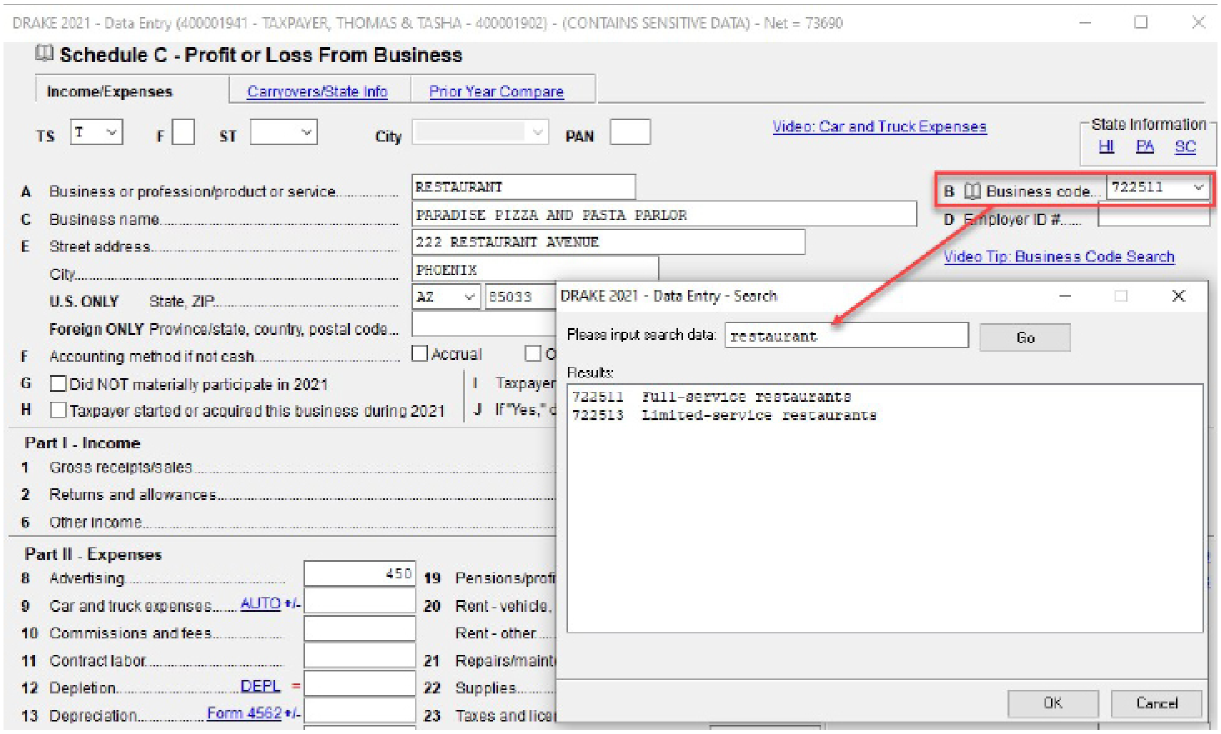
The **TS** or **TSJ** fields assigns the data on a screen to the Taxpayer (T), Spouse (S), or both (J). It is available in many screens, including **C, W2, and INT**.





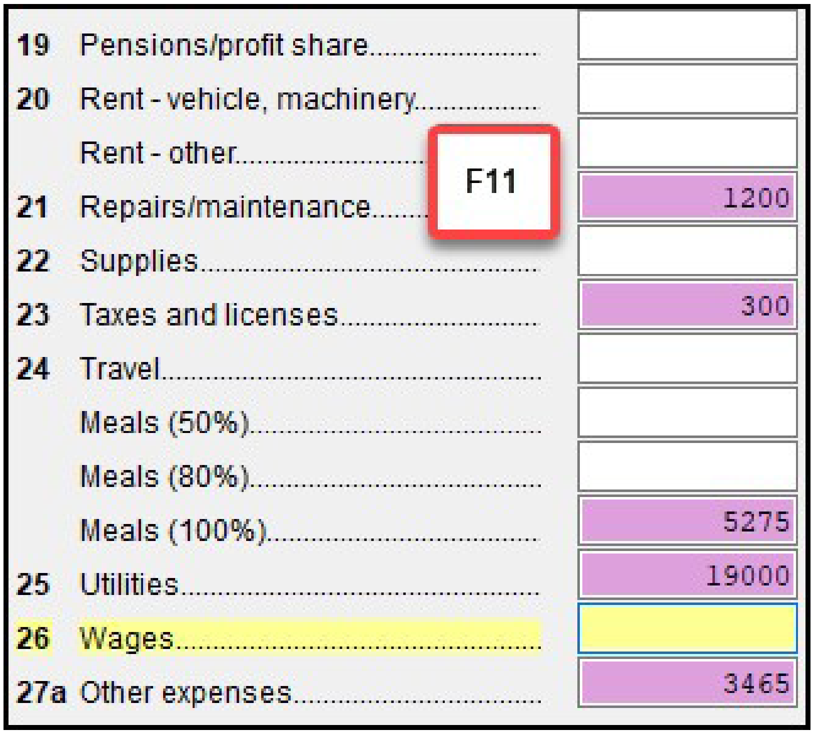
Business Codes

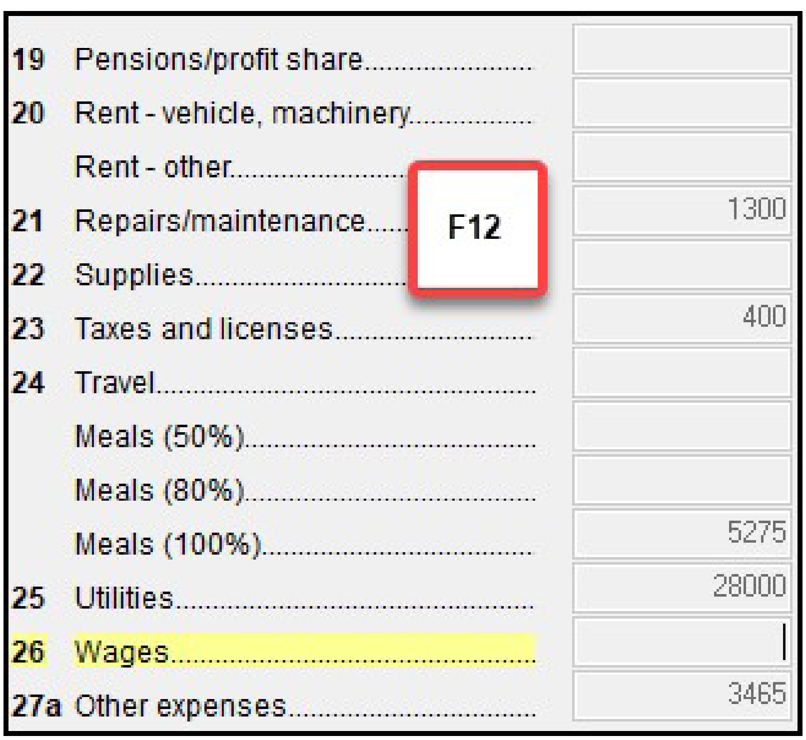
To locate a specific business code, place the cursor in the **Business code** box (field **B**) and press CTRL+SHIFT+S (or right-click in the field and select **Search**). Enter a search term and click **Go**. All codes that include the search term are displayed. You can double-click the desired code, or you can select one and press ENTER (or click **OK**).



LookBack

The LookBack feature allows you to see the prior year's data entry on current year Drake Tax screens. In an open data entry screen, press the F11 key, and any field in the screen that contained data last year will be highlighted in a contrasting color. To see a read-only version of last year's entry, press F12. Press any key to return to data entry for current year. If you prefer not to use the F11 and F12 keys, you can also right-click anywhere on an open screen and select **Highlight prior year fields** or **Show prior year data**.



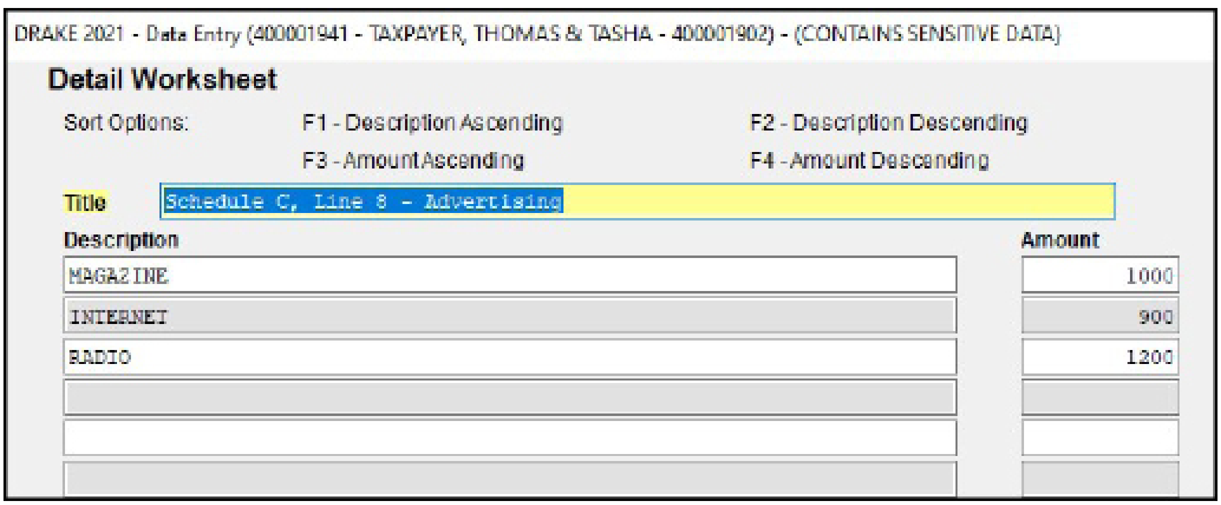


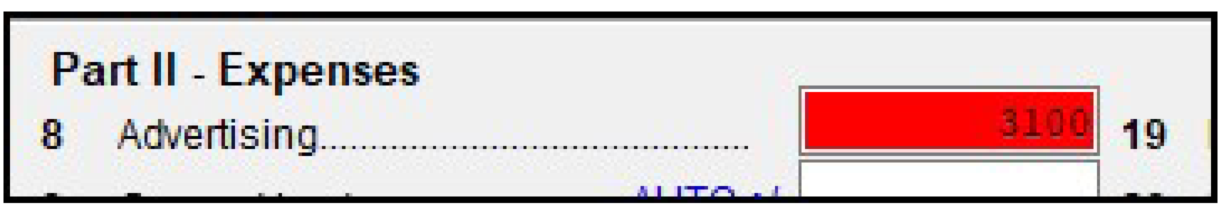
Detail Worksheet

You can enter up to 30 items for certain fields using a **Detail Worksheet**. Totals are calculated automatically and can be seen at the bottom of the worksheet.

To use a **Detail Worksheet:**

1. Select the field to which the worksheet will apply and take one of the following steps to open a **Detail Worksheet**:
    a. Double-click the field
    b. Press Ctrl+W
    c. Right-click and select **Add Worksheet**
2. Enter or edit the worksheet **Title**.
3. Enter a **Description** and **Amount** for each item. Do not skip lines. You can use the F1, F2, F3, and F4 keys to sort items in the list, if necessary.
4. Press Esc to close the detailed worksheet. Drake Tax saves your work and displays the total in the data entry field, which is shaded red to indicate the presence of a worksheet.



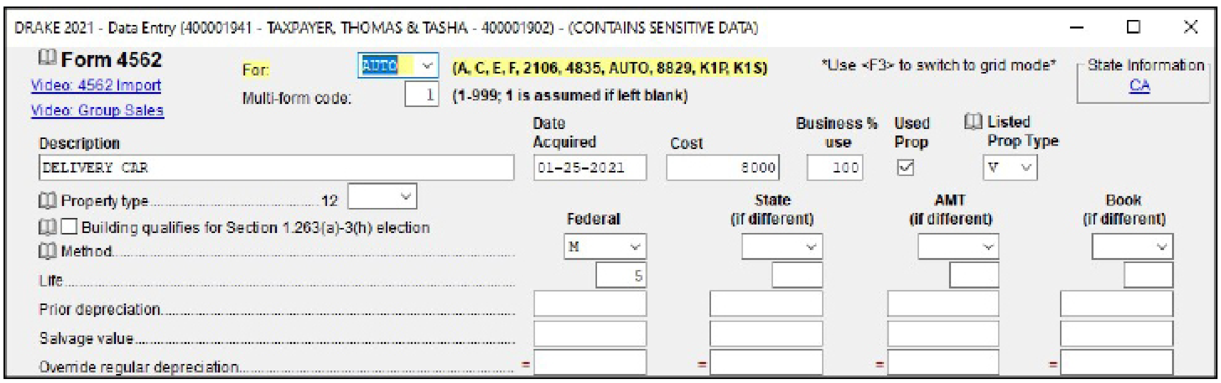


Other Expenses Reported on Schedules C or F

An entry in the "Other expenses" fields on screens C and F opens a Detail Worksheet automatically where you can list the other expenses.

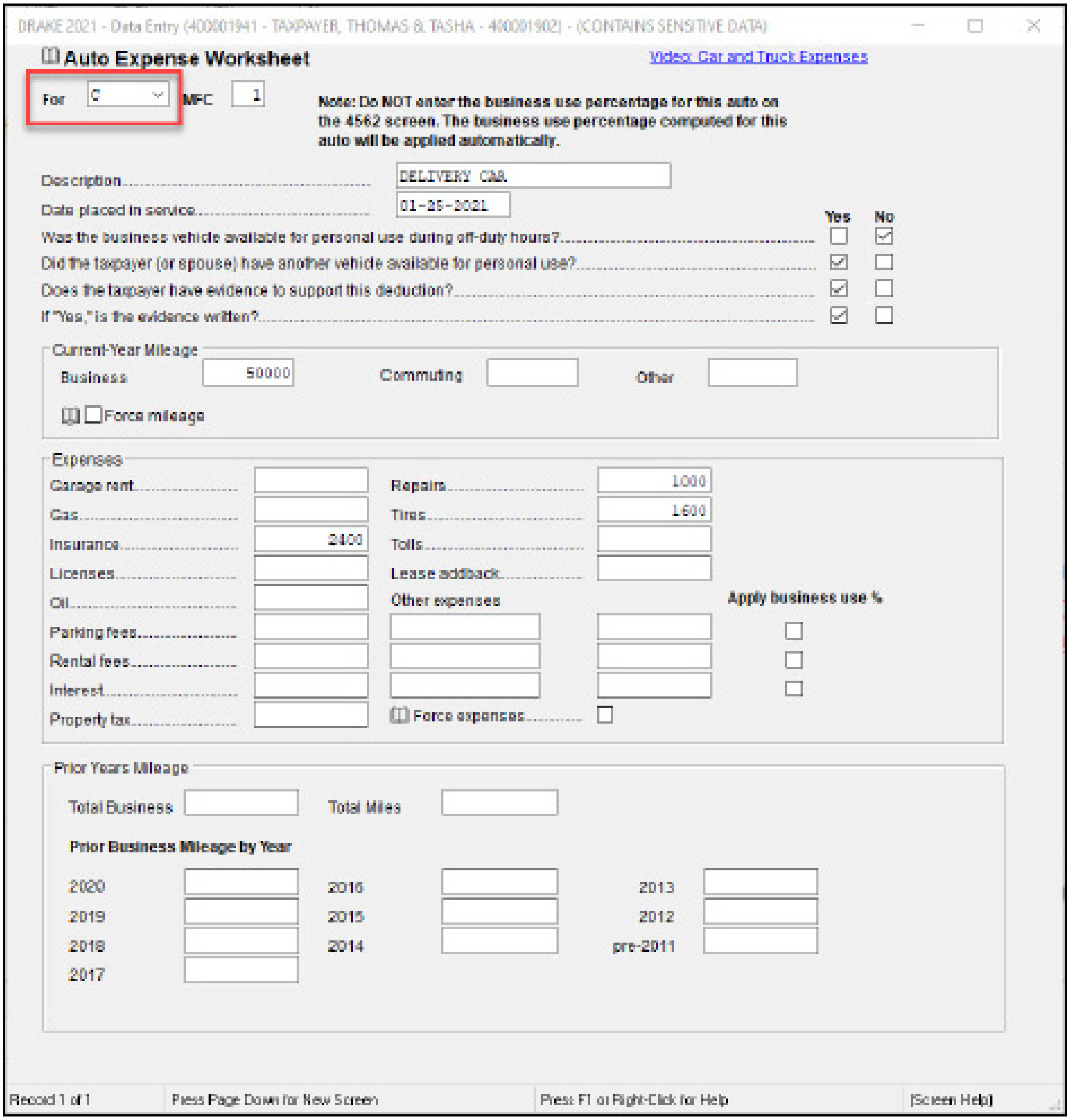
Entering Depreciation

Screen **4562**, **Depreciation Detail**, covers the depreciation of an asset. A taxpayer may qualify to claim depreciation expense on a tax return to compensate for the loss in the value of an asset, such as a vehicle used in a trade or business. Screen **4562** is accessible from the **Depreciable Assets** section on the **Income** tab of the **Data Entry Menu**.



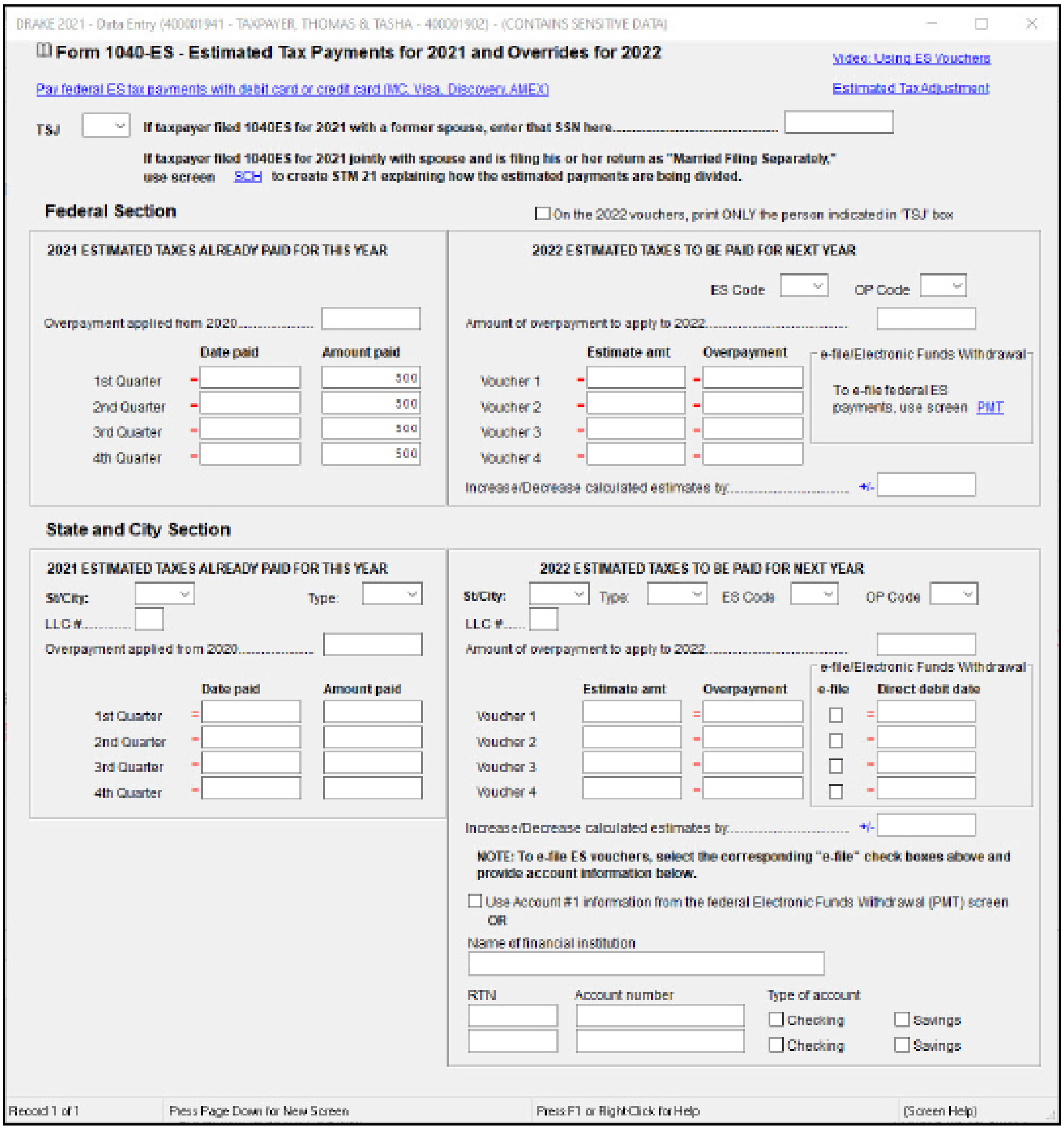
Auto Expense Worksheet – AUTO

Screen **AUTO, Auto Expense Worksheet**, is used to report mileage or expenses for a vehicle used for business. When a vehicle is used for business, the taxpayer may qualify to deduct either mileage or actual expenses (including depreciation, if applicable) for a car or truck on their tax return. The **AUTO** screen is accessible on the **Adjustments** tab of the **Data Entry Menu**. On the **AUTO** screen for a vehicle, first select to which form or schedule the vehicle belongs (The choices are: Schedule C, Schedule E, Schedule F, Form 4835, or Schedule K-1 from a partnership.) and then enter the corresponding **multi-form code** (MFC) for that schedule.



Estimated Taxes

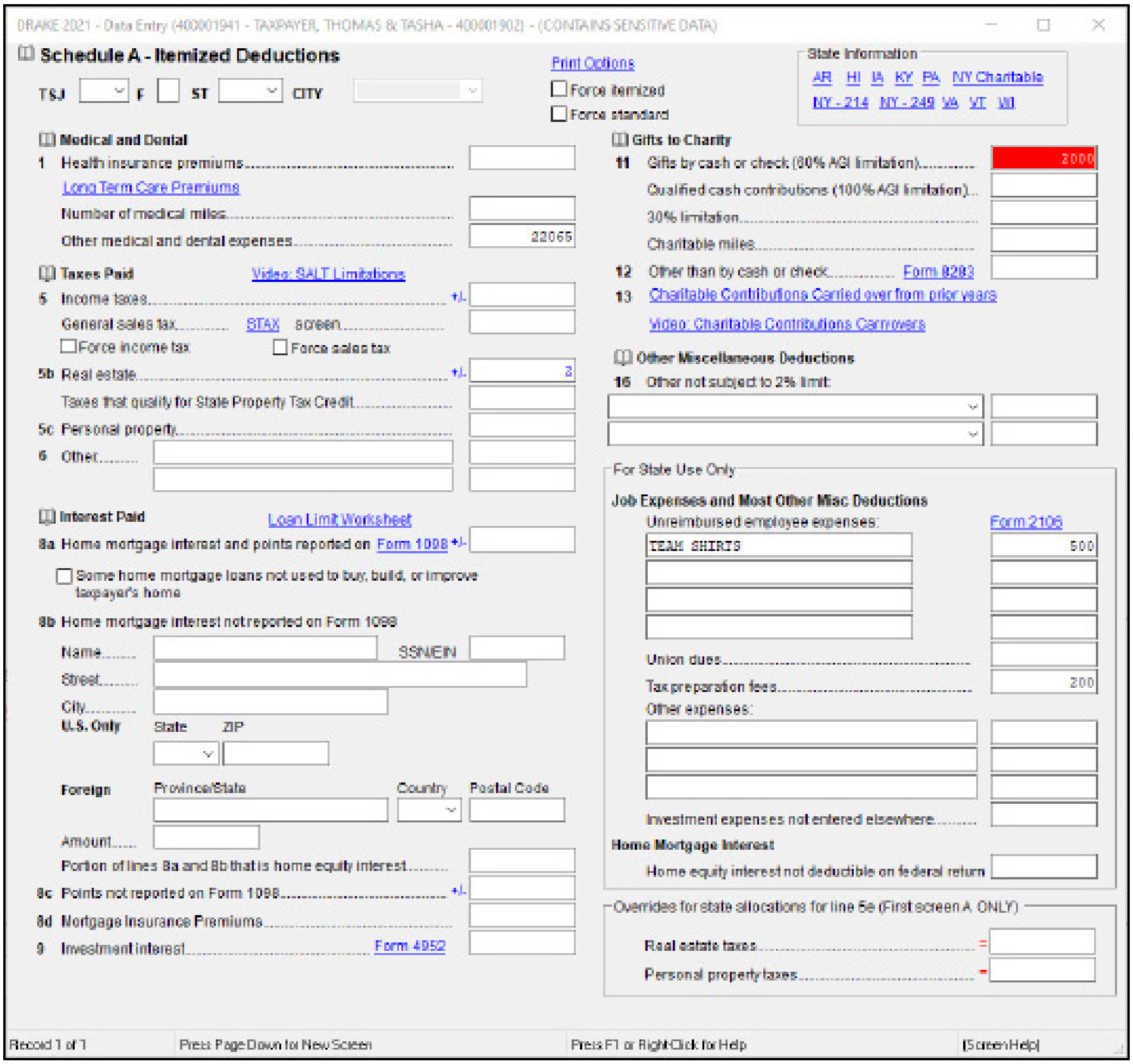
The **ES** Screen, **Estimated Taxes**, is located on the **General** tab of the **Data Entry Menu**. Use the **ES** screen to figure and pay estimated tax. Estimated tax is the method used to pay tax on income that is not subject to withholding. Drake automatically generates federal estimated tax payment vouchers when they are required—for instance, when the taxpayer has a balance due of $1,000 or more—unless you choose to not generate the vouchers. You can opt to not generate the vouchers globally by navigating to **Setup > Options, Form & Schedule Options** tab, then selecting **Print ES vouchers only when screen ES indicates**. If this option is marked, estimates must be generated manually by making entries on the ES screen in each return for which estimates are needed.



Schedule A

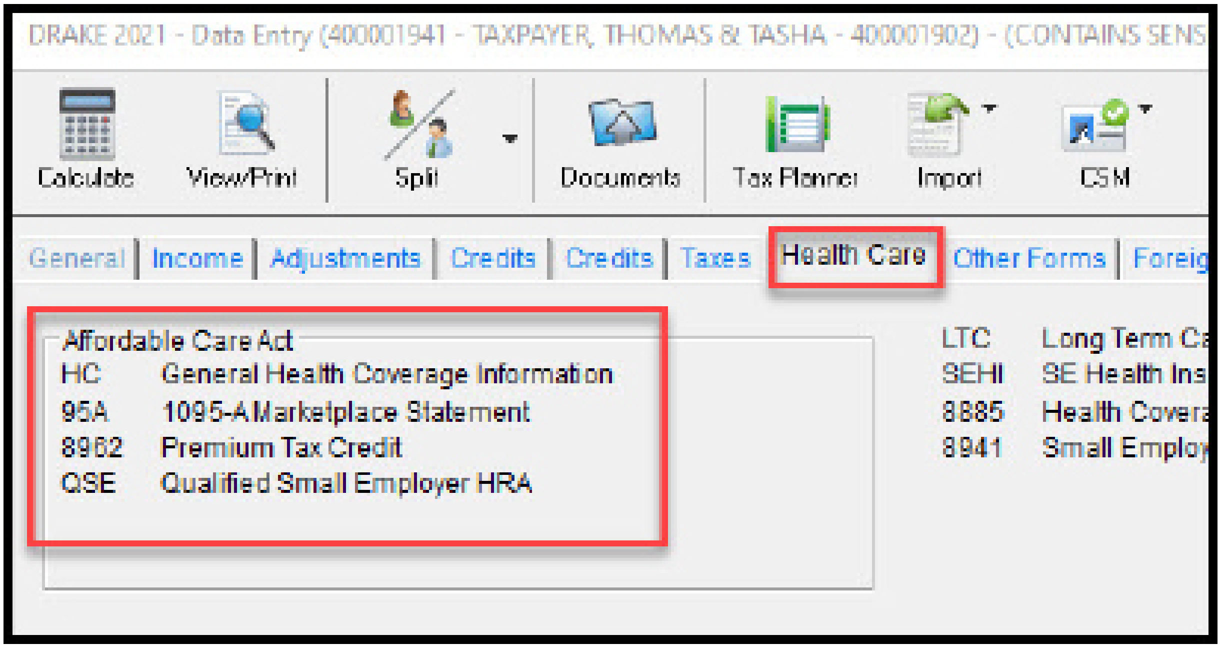
Use screen **A** to enter data for Schedule A, Itemized Deductions. When a screen **A** has been completed for a return, the program determines automatically whether itemizing or taking the standard deduction is more advantageous for the taxpayer and uses the more favorable when calculating the return. You can also manually select either method by marking the applicable **Force** check box at the top of screen **A**.

You can set up the program to generate Schedule A only when it is required by going to the **Setup > Options, Form & Schedule Options** tab and selecting **Print Schedule A only when required.**



Health Care

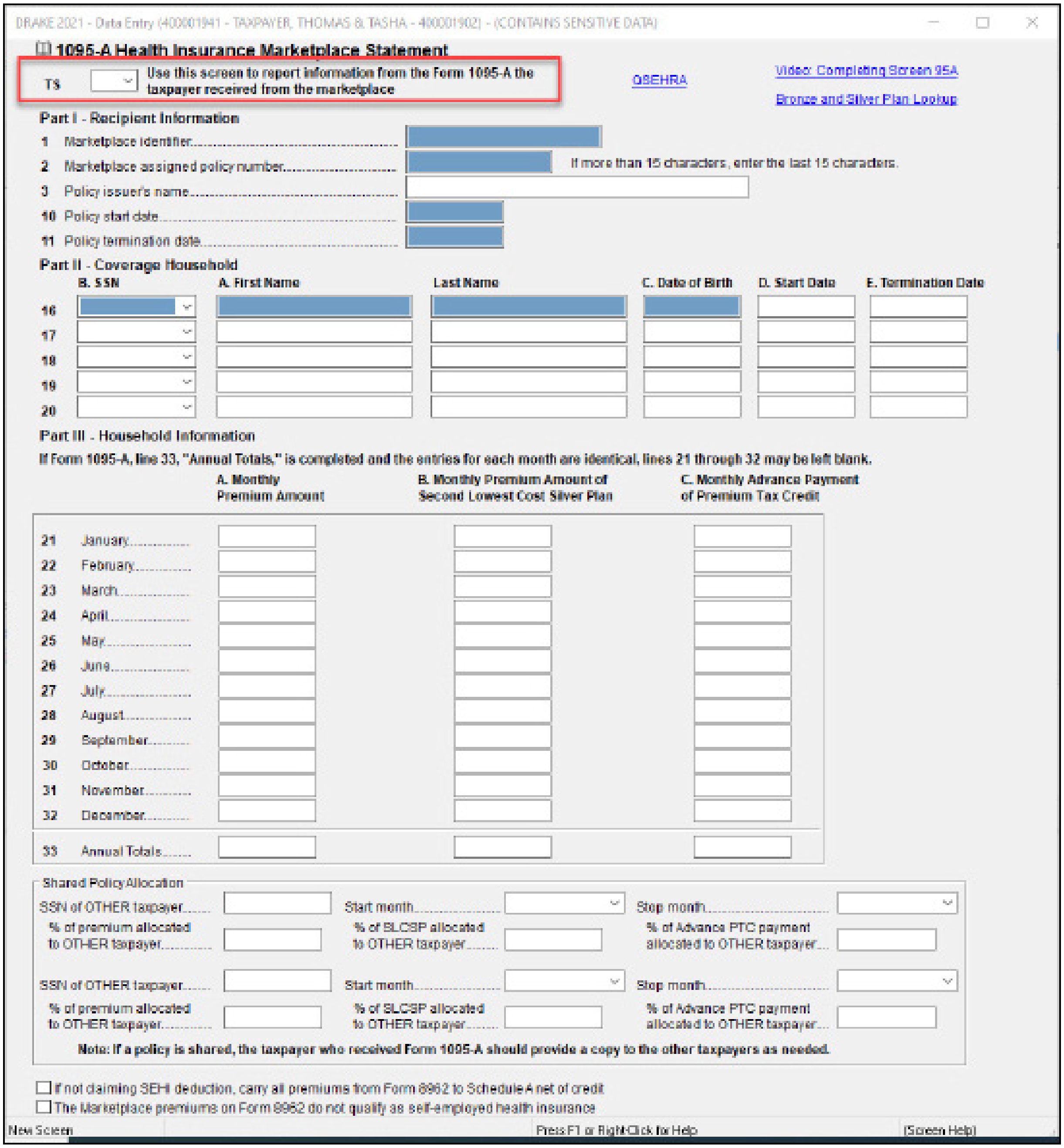
The **Health Care** tab on the **Data Entry Menu** includes screens to help you complete Affordable Care Act (ACA) forms and information.



Also note that five states (CA, MA, NJ, RI, VT) and DC still require evidence of health insurance coverage to avoid penalties. Normally you use the state-specific tabs to enter that information.

1095-A Marketplace Statement

Even though the federal Shared Responsibility Payment has been reduced to zero for all taxpayers after 2018, some taxpayers participate in the Health Insurance Marketplace. Use screen **95A** to record the **1095-A Marketplace Statement**, to properly calculate the Premium Tax Credit. .



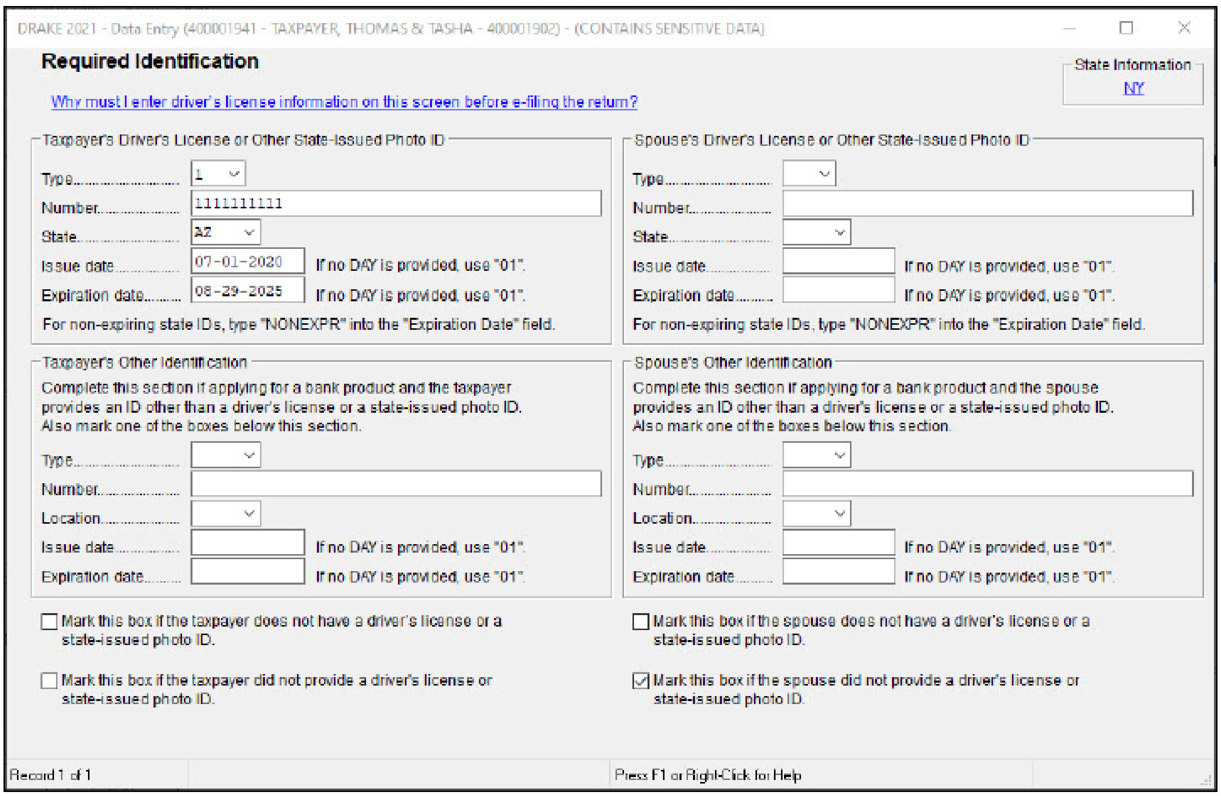
Required Identification

Information on the **IDS** screen, used for taxpayer identification, is required for all electronically filed 1040 returns. Some states have additional restrictions.

Open the **IDS** screen, accessible from the **General** tab of the **Data Entry Menu**. The top section of the screen has fields and drop lists for entering the most common forms of identification—driver's license or other state-issued photo ID.

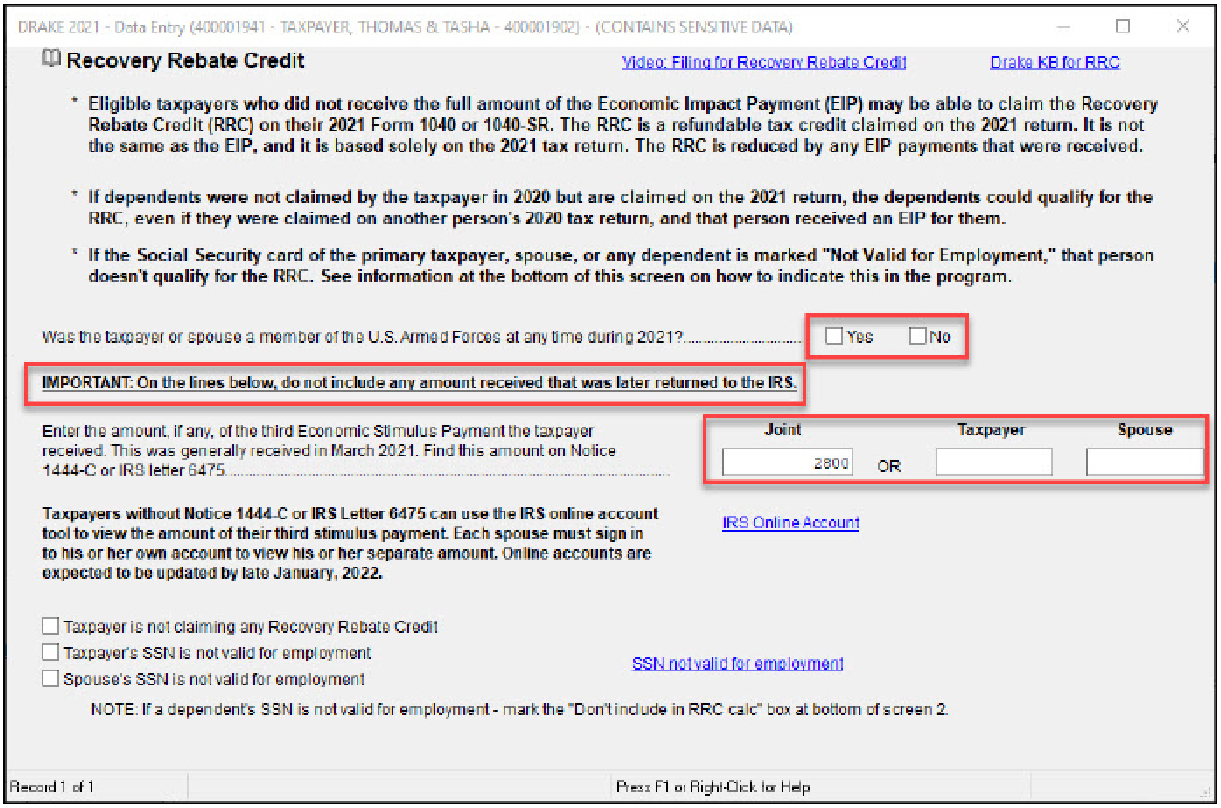
The middle section of the screen **Other Identification** is for entering secondary forms of ID, such as military ID, passport, green card, or visa for both the taxpayer and spouse, when a bank product is being utilized.

The bottom section includes check boxes for stating that the taxpayer does not have a driver's license or other form of state-issued ID, or that the taxpayer has a driver's license or other form of state-issued ID, but declines to provide it.



Recovery Rebate Credit (RRC)

Due to COVID-19, most eligible taxpayers received a third economic impact payment (EIP) during early 2021. To ensure that all eligible taxpayers received the proper amount, an entry must be made on the 2021 tax return in the Recovery Rebate Credit screen (**RRC**) to reconcile the third EIP amount received with the amounts for which the taxpayer is eligible. Use the amount listed on Notice 1444-C. If the taxpayer received a lower amount for the payments (or did not receive the third stimulus payment at all), he or she may be eligible to claim the recovery rebate credit on their 2021 tax return. The **RRC** screen is accessible from the first **Credits** tab.



Required Due Diligence

The IRS requires that tax preparers ask due diligence questions. These questions are located on the following data entry screens:

- The **EIC Information** section of screen **2** must be completed for each qualifying dependent
- The **8867** screen for Form 8867, Paid Preparer's Due Diligence Checklist, must be completed for the taxpayer claiming EIC

Form 8867 covers the EIC, the Child Tax Credit (CTC), the Additional Child Tax Credit (ACTC), the American Opportunity Tax Credit (AOTC), and the Credit for Other Dependents (ODC).


DRAKE 2021 - Data Entry (400001941 - TAXPAYER, THOMAS & TASHA - 400001902) - (CONTAINS SENSITIVE DATA)

Form 8867 - Due Diligence Checklist

8867 | Overrides

Form 8867 Instructions | IRS Return Preparer Toolkit | Video: Due Diligence | Video: EIC Troubleshooting

Paid Preparer Due Diligence Requirements. Use this screen to complete the parts of Form 8867 that are not included on screen 8863 or screen 2.

Screens DD1 and DD2 can assist you with due diligence. Due Diligence Assistance | Due Diligence Notes

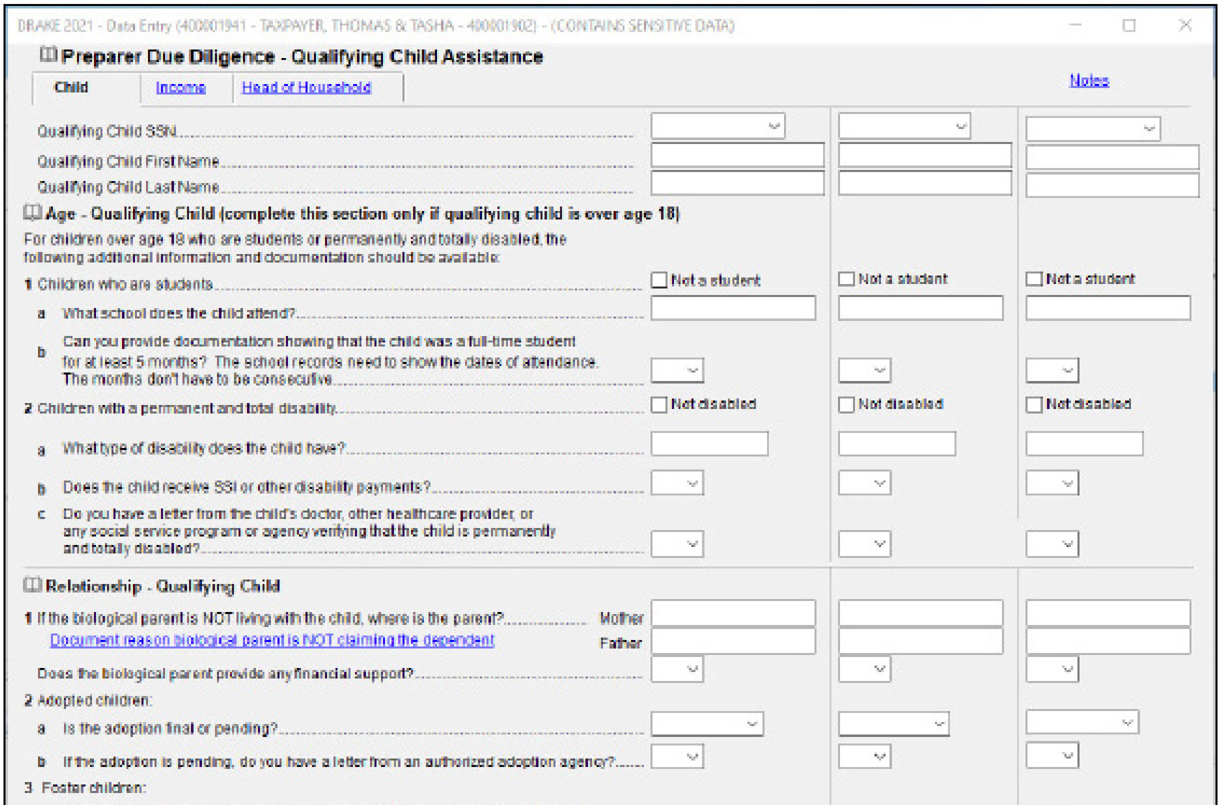
		Yes	No	N/A
1	Did you complete the return based on information for tax year 2021 provided by the taxpayer or reasonably obtained by you?	☑	☐	
3	Did you satisfy the knowledge requirement? To meet the requirement, you must interview the taxpayer, ask questions, document the taxpayer's responses, and review information to determine that the taxpayer is eligible to claim the credits or HOH filing status.	☑	☐	
4	Did any information provided by the taxpayer, a third party, or reasonably known to you in connection with preparing the return appear to be incorrect, incomplete, or inconsistent? (If "Yes," answer questions 4a and 4b. If "No," go to question 5).	☐	☑	
4a	Did you make reasonable inquiries to determine the correct or complete information?	☑	☐	
4b	Did you document your inquiries? (Documentation should include questions you asked, whom you asked, information that was provided, and impact the information had on your preparation of the return).	☑	☐	
5	Did you satisfy the record retention requirement? To meet the record retention requirement, did you keep a copy of any documents provided by the taxpayer that you relied on to determine the eligibility for the credits or HOH filing status or to compute the amount for the credits?	☑	☐	
	In addition to your notes from the interview with the taxpayer, list those documents, if any, that you relied on. Additional entries for this section can be made on screen 8863 and screen 2.			
6	Did you ask the taxpayer whether he or she could provide documentation to substantiate eligibility for and the amount of the credits claimed on the return?	☑	☐	
7	Did you ask the taxpayer if any of these credits were disallowed or reduced in a previous year? (If any credits were disallowed or reduced, go to question 7a; if not, go to question 8).	☑	☐	☐
7a	Did you complete the required recertification forms? Form 8862	☐	☐	☑
	NOTE: If neither taxpayer nor spouse is reporting self-employment income on Sch C, check the N/A box.			
8	If the taxpayer is reporting self-employment income, did you ask adequate questions to prepare a complete and correct Schedule C?	☑	☐	☐
	TIP: The "Income" tab on screen DD1 can assist you with due diligence for Schedule C.			
9a	ALL EIC Claims: Have you determined that this taxpayer is, in fact, eligible to claim EIC for the number of children for whom EIC is claimed, or to claim EIC if the taxpayer has no qualifying child?	☐	☐	
9b	EIC with child: Did you ask the taxpayer if the child lived with the taxpayer for over half of the year, even if the taxpayer has supported the child the entire year?	☐	☐	
9c	EIC with child: Did you explain to the taxpayer the rules about claiming EIC when a child is the qualifying child of more than one person (tie-breaker rules)?	☐	☐	☐
14	HOH only: Have you determined that the taxpayer was unmarried and provided more than half of the cost of keeping up a home for a qualifying person?	☐	☐	
15	Do you certify that all of the answers on this 8867 are, to the best of your knowledge, true, correct and complete?	☑	☐	

The following questions must be answered for all credits listed above.	Yes	No
Was the taxpayer, or spouse if filing jointly, a nonresident alien for any part of the year?	☐	☑
Could the taxpayer, or spouse if filing jointly, be a qualifying child of another person for the year?	☐	☑
Was the taxpayer's main home in the U.S. for more than half the year?	☑	☐
If filing jointly, was the main home of the spouse in the U.S. for more than half the year?	☐	☑
Is the taxpayer, or spouse if filing jointly, eligible to be claimed as a dependent on anyone else's federal income tax return for the year?	☐	☐

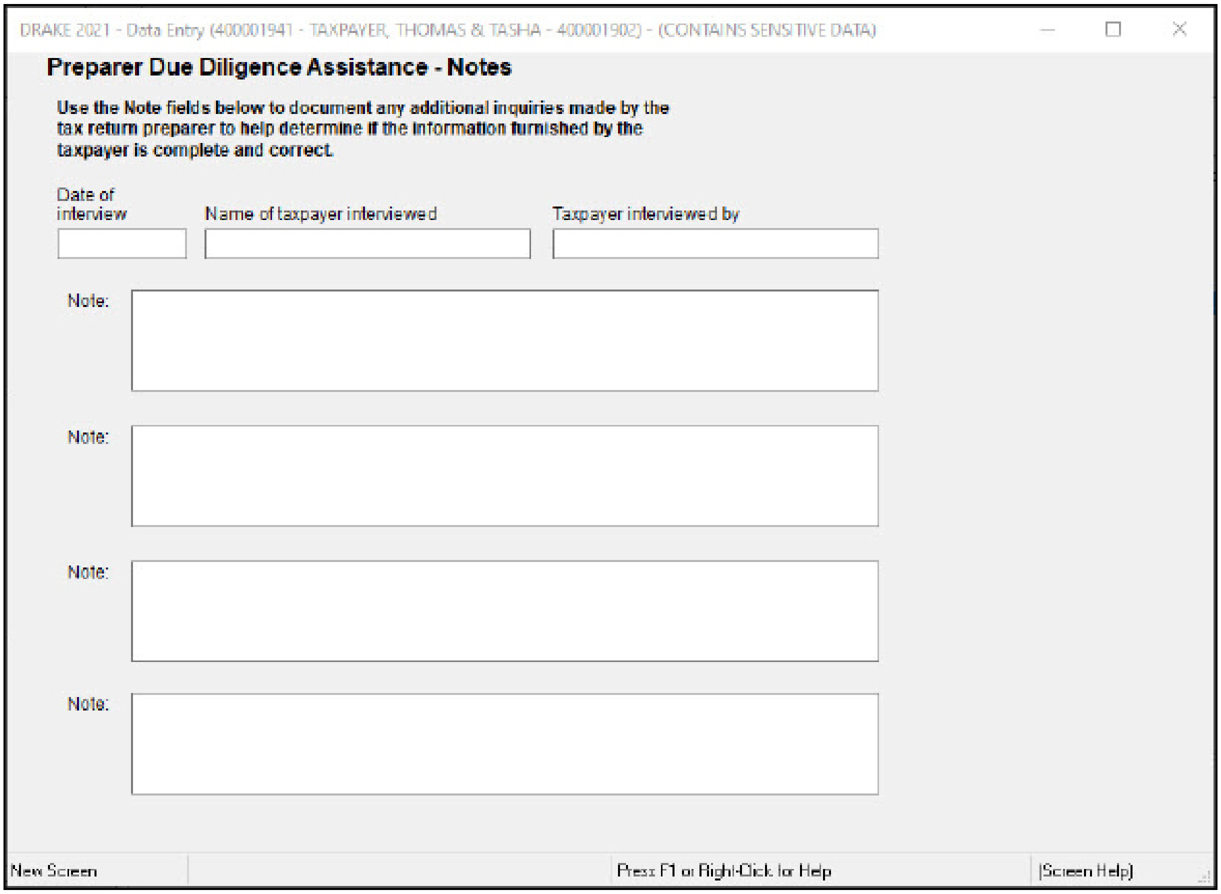
Record 1 of 1 | Press Ctrl+Tab for Next Tab | Press F1 or RightClick for Help | [Screen Help]

The **Due Diligence Assistance** screens (**DD1** and **DD2**), located in the **Due Diligence** section on the **General** tab of the **Data Entry Menu**, provide supplemental questions to help ensure a comprehensive interview with each taxpayer.

DD1

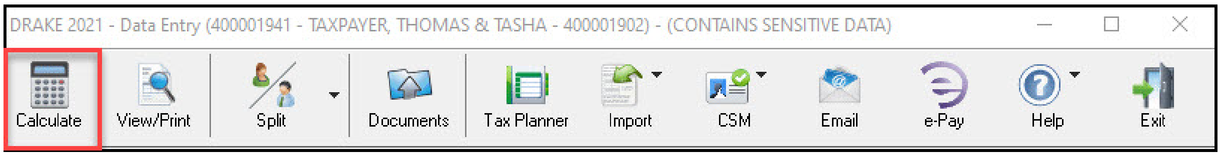


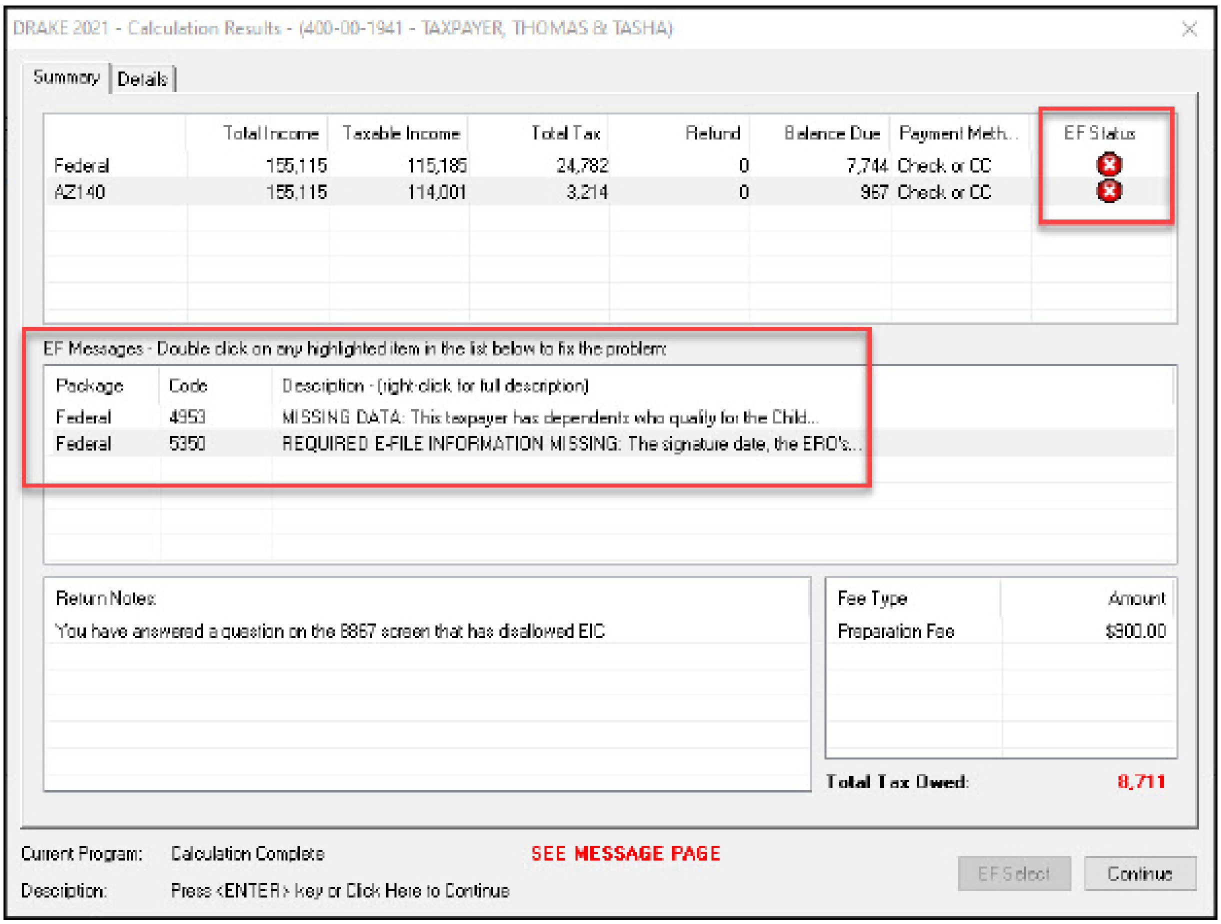
DD2


DRAKE 2021 - Data Entry (400001941 - TAXPAYER, THOMAS & TASHA - 400001902) - (CONTAINS SENSITIVE DATA)
Preparer Due Diligence Assistance - Notes
Use the Note fields below to document any additional inquiries made by the tax return preparer to help determine if the information furnished by the taxpayer is complete and correct.
Date of interview
Name of taxpayer interviewed
Taxpayer interviewed by
Note:
Note:
Note:
Note:
New Screen
Press F1 or Right-Click for Help
[Screen Help]

Calculating a Return

To calculate a return from data entry, press CTRL + C or click **Calculate**. By default, results are displayed in the **Calculation Results** window.





EF Status Column

The **EF Status** column of the **Calculation Results** window displays the e-file eligibility of any federal and state forms calculated for the selected return. A green check mark is displayed when the return is eligible for e-file—that is, when there are no EF Messages and no other products have been selected on the **EF** screen. A red **X** indicates that a prepared product is not eligible, having received an **EF Message**.

Any of the other federal products that are eligible to be e-filed (for instance, extension requests, amended returns, Forms 4868, 2350, 9465, or 56) and that will be a part of the e-file transmission also receive green check marks when they have been selected for e-file on the **EF** screen and they have no EF Messages.

Indicator	EF eligibility
Green check mark	Default product is eligible and has no EF Messages; other eligible products have been selected for e-file and have no EF messages
Red **X**	Product not eligible for e-file due to EF Messages
Accepted	Product has already been transmitted and has received "A" acknowledgment. (Product appears on **ESUM** screen with "A" ack)
Suppressed	Occurs with any product included in the return that is ready for e-file (no EF Message) but a **Do NOT send Federal**, **Do not send any states**, **Suppress federal/ state EF** check box has been selected on the **EF** screen or at **Setup > Options > EF** tab
Not Selected	Occurs on any product included in the return that is ready for e-file (no EF Message) but has not been selected on the **EF** screen.
Not Available	Indicates that e-file is not available for a specific state product. Can be used in a federal product for forms that are part of the federal product but will not be e-filed with the return. (For instance, Form 5227 in the 1041 package. Even though you can complete the form in Drake, the 5227 will receive a "Not Available" indicator because the IRS accepts the 5227 in paper form only.)

EF Messages

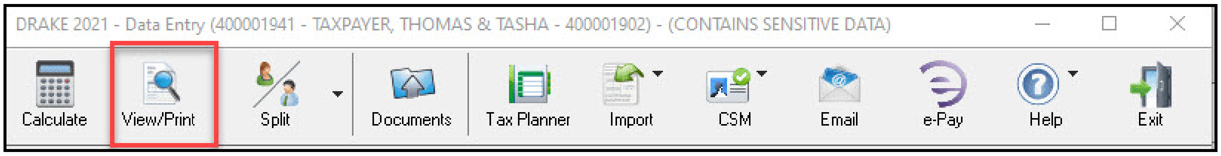
The **EF Messages** section in the **Calculation Results** window displays the individual items that are preventing the return from being e-filed. Often there is a link to the proper data entry screen, where corrections can be made.

Return Notes

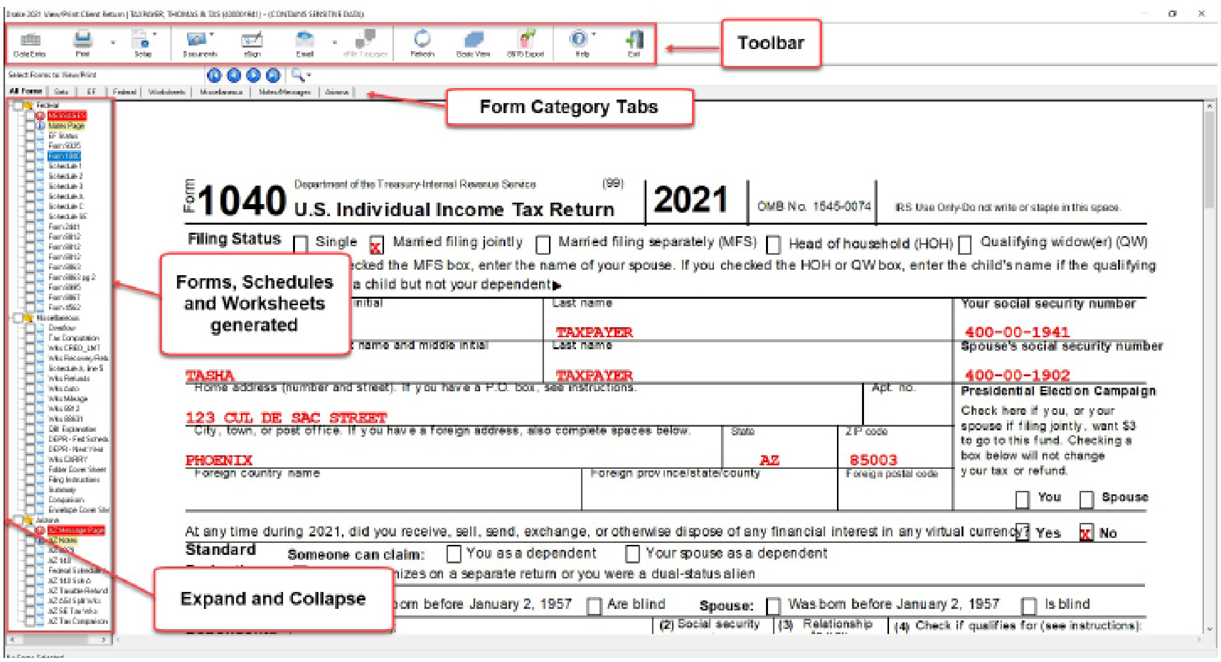
The **Return Notes** section in the **Calculation Results** window displays informational notes about the return. These notes provide details about the return, but they do not require that changes be made, and they do not prevent e-file. They also appear on the NOTES page in View mode.

Viewing and Printing a Return

To View a return from data entry, press CTRL + V or click **View** from the data entry toolbar.

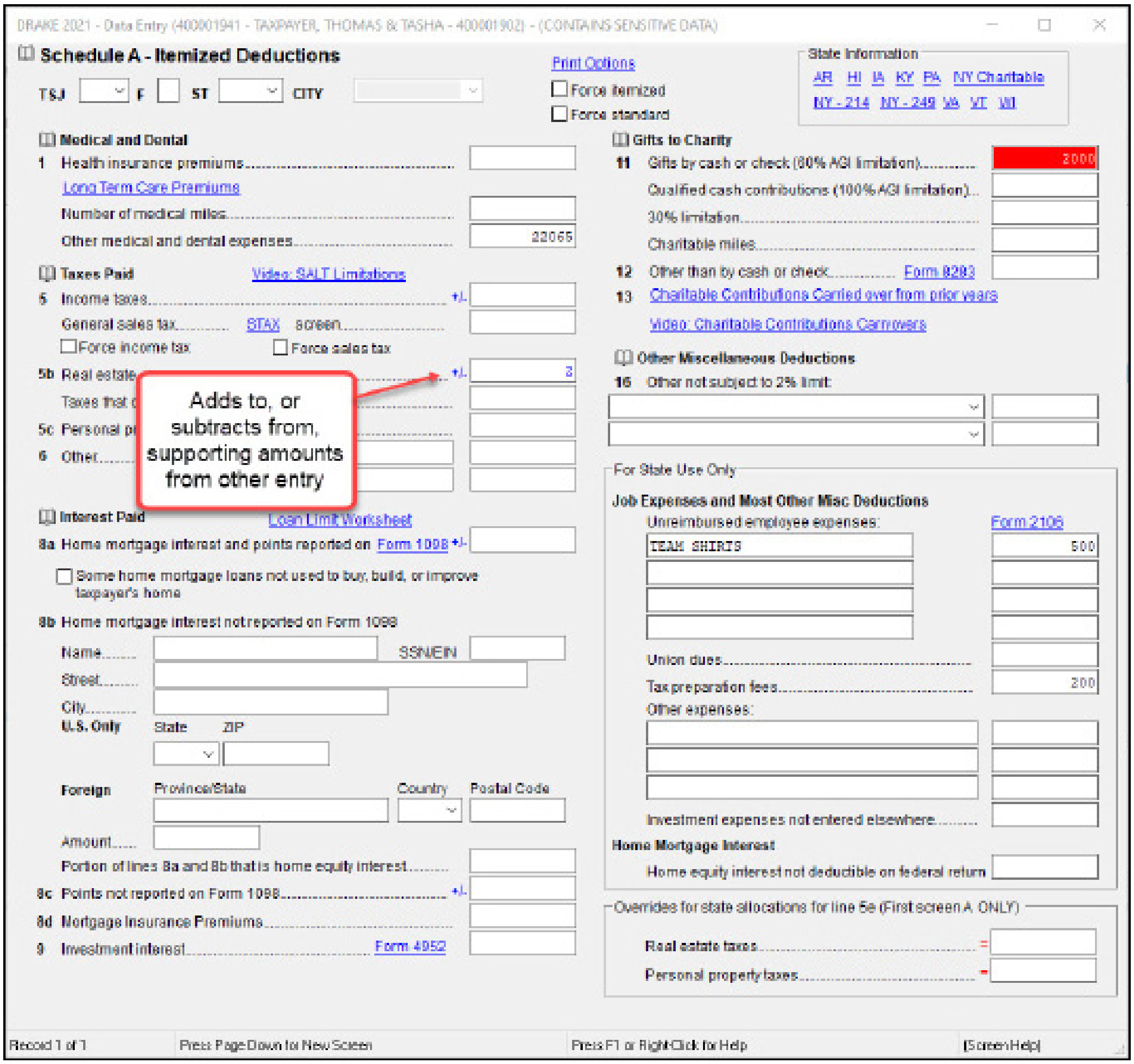


Viewing a return displays all the forms generated for the return. You can toggle from data entry to View mode by pressing CTRL + V to jump to view mode, and then CTRL + E to go back to data entry.



Adjustment Fields

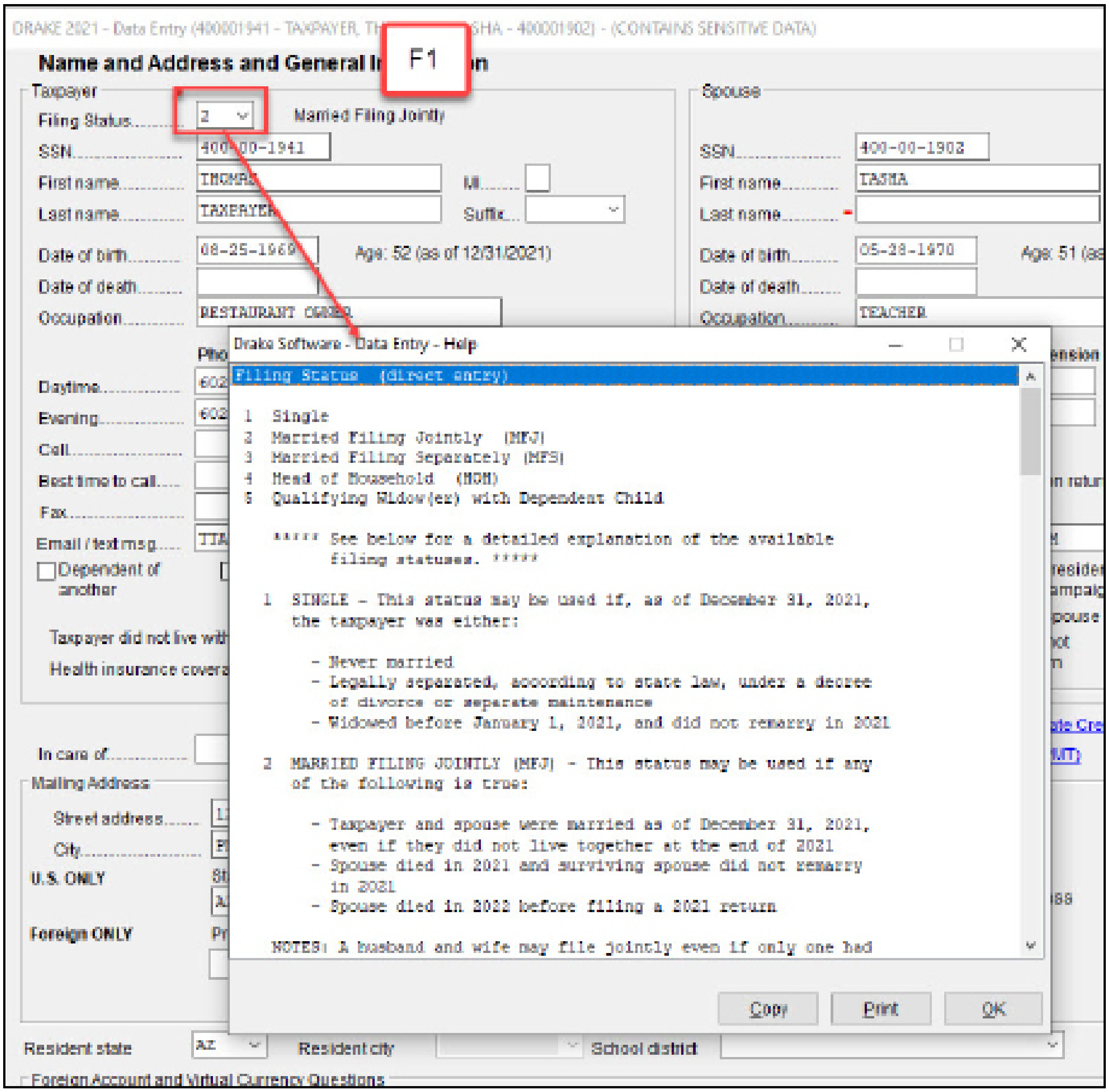
Fields that allow adjustments are preceded by a plus/minus sign (+/-) and display blue text by default. Data in these fields adjust program calculations by the amount entered. A positive number increases the calculated amount; a negative number decreases it.



Field Help

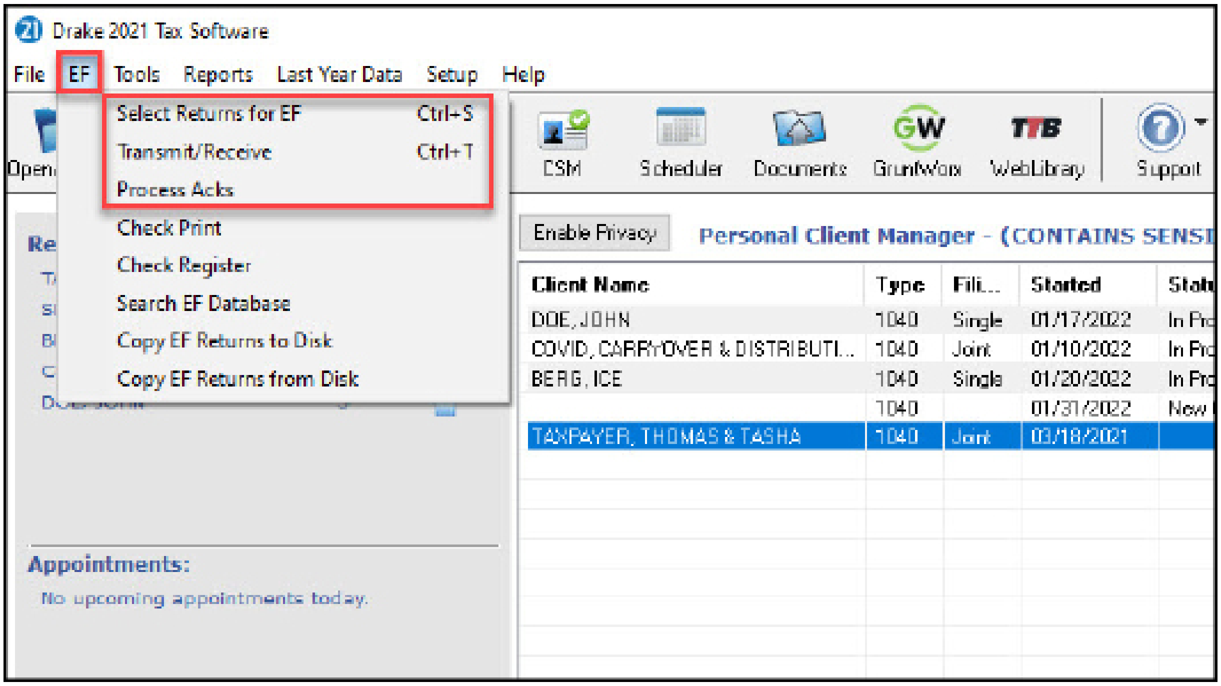
Field help provides information about a selected field. There are three ways to access field help:

- Click inside a field and press F1
- Click inside a field and press SHIFT+?
- Right-click in a field and select **Help > Help for this Field** from the right-click menu



EF Steps

The steps to e-filing are listed in the EF menu on the Drake **Home** Screen.



Presenter Bio - Ann Campbell CPA

Tax Software Trainer

Drake Software

Ann Campbell CPA joined Drake Software in 2021. She is a Certified Public Accountant licensed to practice in California and North Carolina. She has many years of experience as a tax preparer using Drake Software. Ann has also worked as a CFO and Controller in various industries. Ann was one of four finalists for Plastic News CFO of the Year 2019. She is a graduate of the Wharton School at the University of Pennsylvania.

Drake 101 - Data Entry

Course Fee: Free to register and view webinar. Drake customers pay $15.00 and non-Drake customers pay $19.00 for CPE - Pay only if you want to print a CPE certificate after the webinar.
Course Description: This is a basic course designed to familiarize Drake Software users with navigating data entry while preparing a tax return using Drake Tax. Upon completion of this course, the student will be able to:

- Create or open a return in Drake Tax.
- Perform data entry for a basic 1040 return.
- Calculate and view a tax return in Drake Tax.

How to Register: Sign in to DrakeETC.com and select **Webinars** from the menu on the left side of the web page. Select the webinar from the schedule displayed. Follow the prompts to register. Refer to the **FAQs** on the web page for detailed instructions and frequently asked questions.

CPE Facts:

Affiliation	Format	CPE/Field of Study	Course ID #	Sponsor ID #
NASBA	Internet-Based	**1** — Computer Software & Applications	N/A	103137
CTEC**	N/A	0- N/A	N/A	N/A
IRS	Online/Group	**1** — Federal Tax Law	FQTGU-T-00456-22-O	FQTGU
TX State Board of Accountancy	Internet-Based	**1** — Computer Software & Applications	100368	002921

*Individuals with othe rprofessional credentials should check with their state licensing board or accrediting organization to determine if this program meets their continuing education requirements.
**CTEC does not allow credit to be awarded for courses that cover tax software topics.
Course Level: Basic **Last Revision:** Winter 2022

Prerequisites: There are no required prerequisites other than a general knowledge of Drake Tax.

Course Policies: Drake Software will grant a full refund if a refund request is received within at least 72 hours prior to the start of the webcast. Registrants who are "no-shows" for the live webcast will not qualify for a refund. Refund requests will *not* be granted by phone and must be sent to *Education@DrakeSoftware.com*

IRS-APPROVED CONTINUING EDUCATION PROVIDER

Drake Software is an IRS qualified sponsor of continuing professional education.

Drake Software is registered with the Texas State Board of Public accountancy as a CPE sponsor. This registration does not constitute an endorsement by the Board as to the quality of our CPE program.

Drake Software is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit. Complaints regarding registered sponsors may be submitted to the National Registry of CPE Sponsors through its website: *www.learningmarket.org*

Drake Software has been approved by the California Tax Education Council to offer the 2021 Update School, CTEC #3038-CE-0255, which provides 4 hours of federal tax update credit and 0 hours of state credit, and 3038-CE-0257, which provides 1 hours of federal tax credit and 0 hours towards the annual continuing education requirement imposed by the State of California. A listing of additional requirements to register as a tax preparer may be obtained by contacting CTEC at P.O. Box 2890, Sacramento, CA 95812-2890, toll-free by phone at (877) 850-2832, or on the Internet at *www.ctec.org*