THOMSON REUTERS®

NAVIGATING IN THE TAX APPLICATIONS

All of the tax applications are consistently designed to provide an easy transition between tax applications.

The tax application Organizer is the lowest level of detail and provides a common place for data entry.

The tax applications provide valuable tools such as diagnostics and tickmarks to assist you in your tax return preparation and review process.

The following tax applications are available from Thomson Reuters:

- 1040
- 1041
- 1065
- 1120 (includes Consolidations), 1120-C, 1120S, 1120A, 1120F, 1120-REIT, 1120-RIC, 1120-PC, 1120-L
- Allocation and Apportionment
- 5500
- 990
- 706
- 709

TOPICS

PROCESS CHART

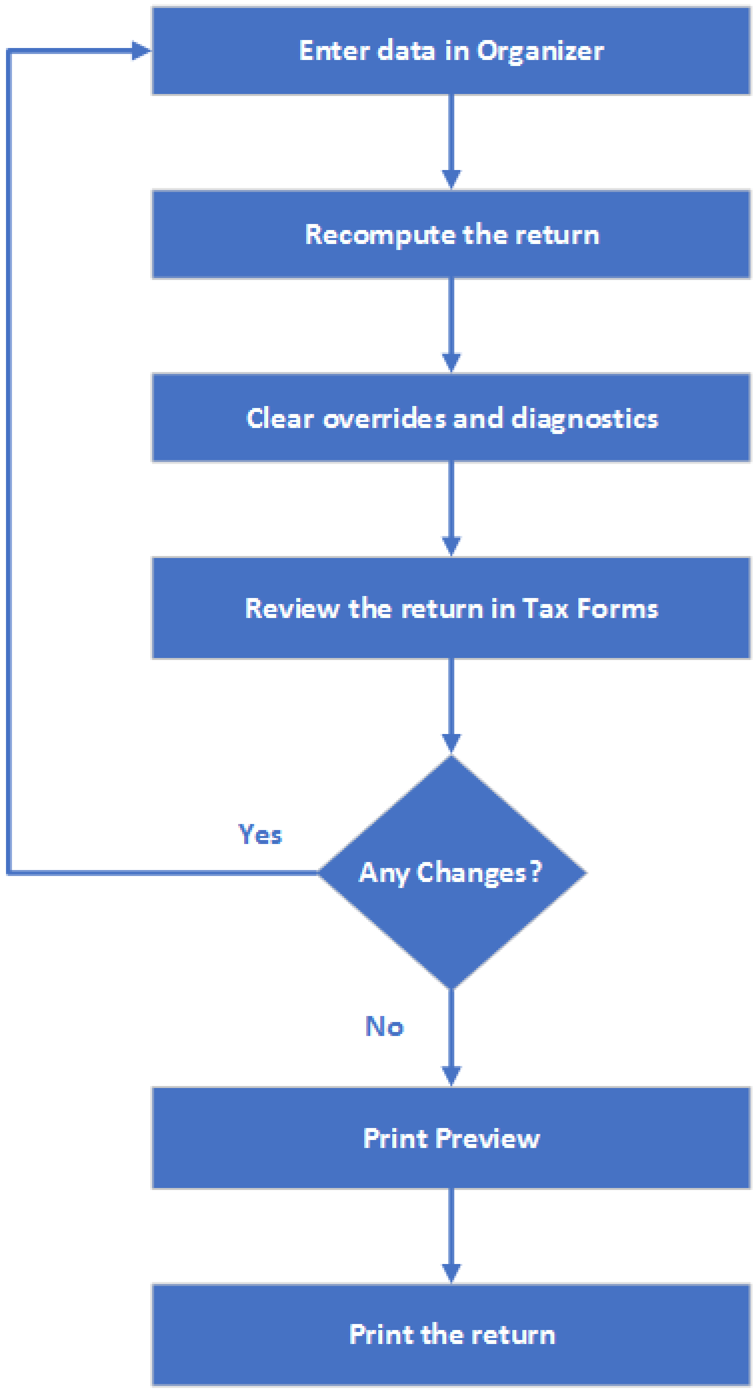


Figure 1

SYMBOLS AND COLORS

Symbols and Colors

Symbols and colors provide visual information to inform you of the presence of overrides, notes, and much more.

Organizer data is entered and modified in white data entry fields.	
Computed totals are shown in non-editable gray fields.	133,905,000
The field is calculated or has an amount carried in from another field or source.	ORVLD1
The field is a source entry or an override.	95,000
A red asterisk indicates that the override amount does not equal the calculated or carried amount.	*
A blue asterisk indicates that the override amount equals the calculated or carried amount.	*
A field has been reviewed.	
The amount in the field is locked and cannot be changed until the tickmark is removed.	
A note is attached to the field.	♪
The field has a drill-down hyperlink.	

SYSTEM COMPONENTS

- **Forms List Window**: A list of Organizer or Tax Forms to select from
- **Forms Window**: Area used to show the selected form
- **Organizer**: Screens for entering data
- **Tax Forms**: Calculated amounts on IRS form facsimile
- **Workpapers**: On-screen audit trail
- **Hyperlink List**: Quick route to all related screens
- **Print Preview**: On-screen view of the print file window

Initial Screen

This screen appears when you first access the tax application and click **General Information > Basic Return Information > Entity Information**.

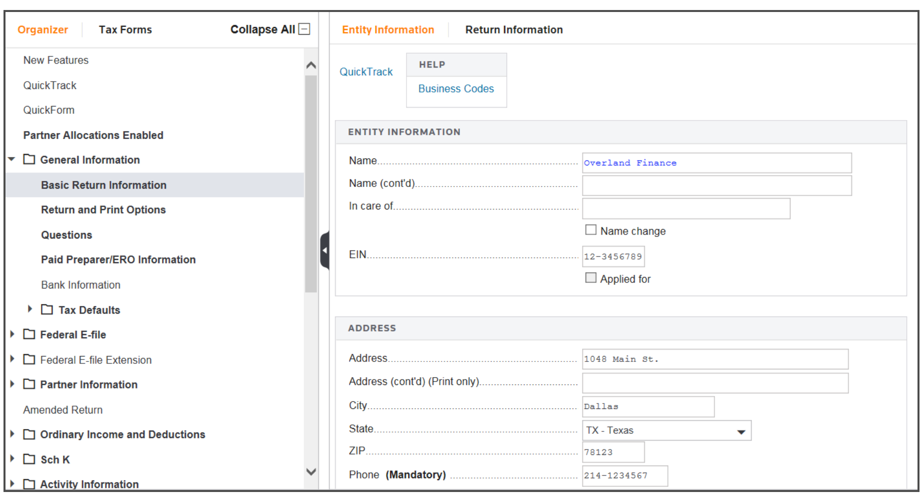


Figure 2

Screen Components

Title Bar

Figure 3

Forms List Window

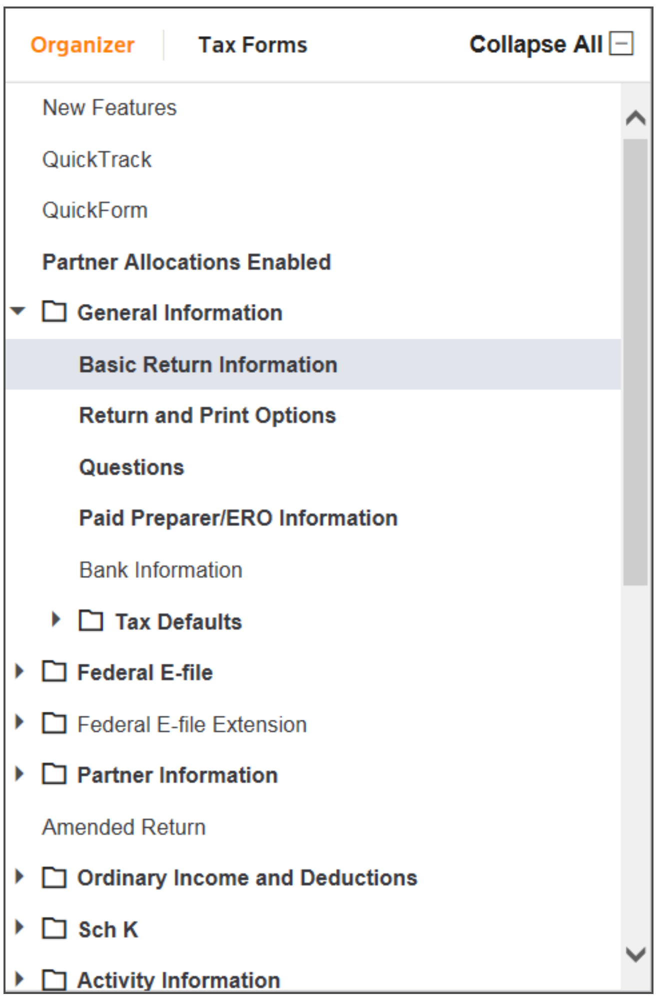


Figure 4

Forms Window

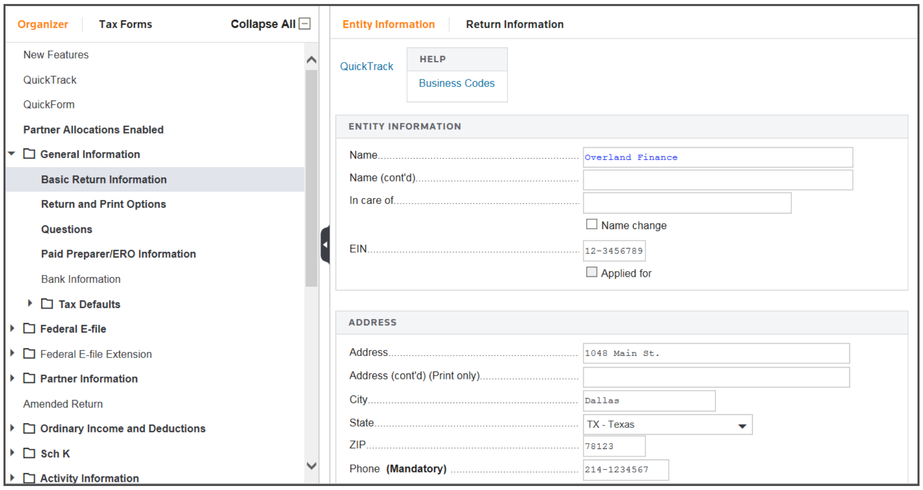


Figure 5

The Forms List Window is the navigation section of the screen organized as a hierarchy of folders and forms. To toggle the display of the Forms List Window and maximize the space in the right frame, Select the arrow to the left of the right frame.

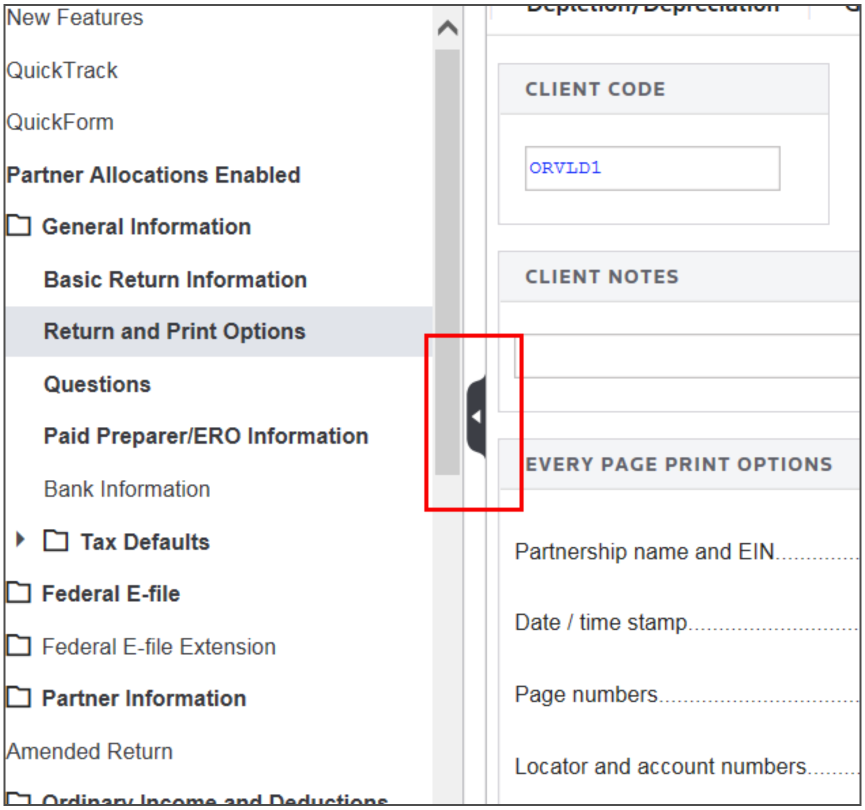


Figure 6

Organizer

Organizers provide the appropriate fields needed to complete your tax data entry. This is the lowest level of detail, and any data entered here automatically flows to the related tax forms and workpapers.

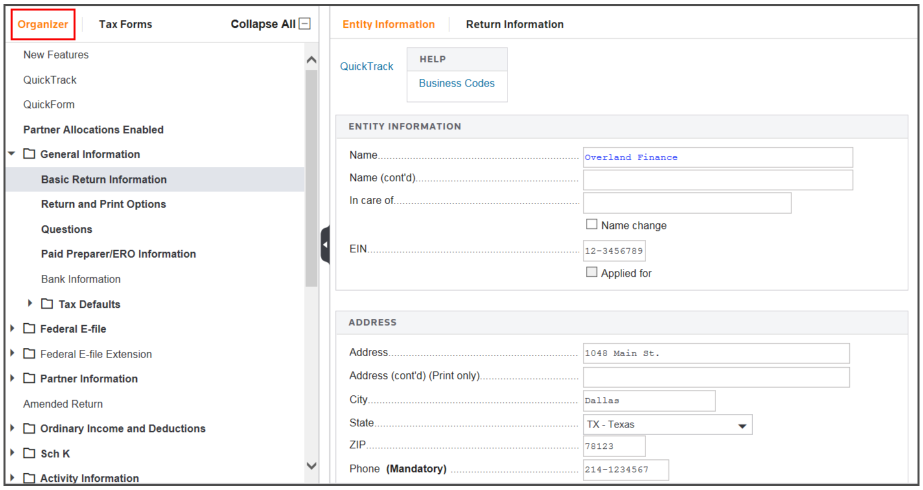


Figure 7

Tax Forms

Use Tax Forms to review the tax return and override Organizer input if necessary. Notice that the taxpayer's name from the Organizer automatically carries from the **Taxpayer Information** Organizer screen.

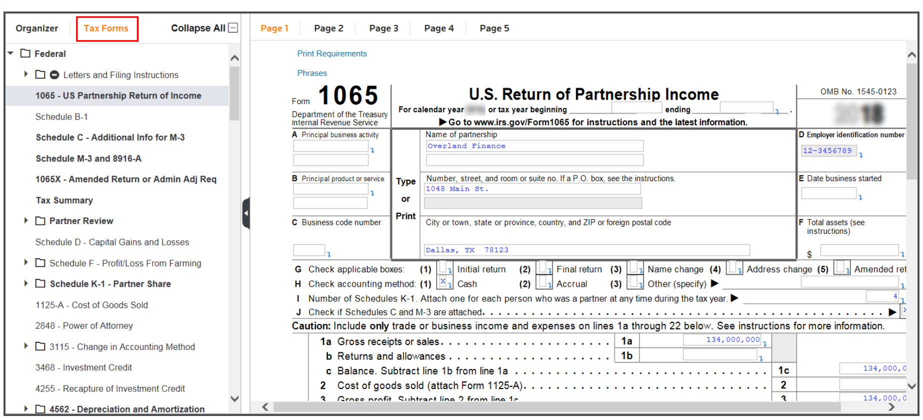
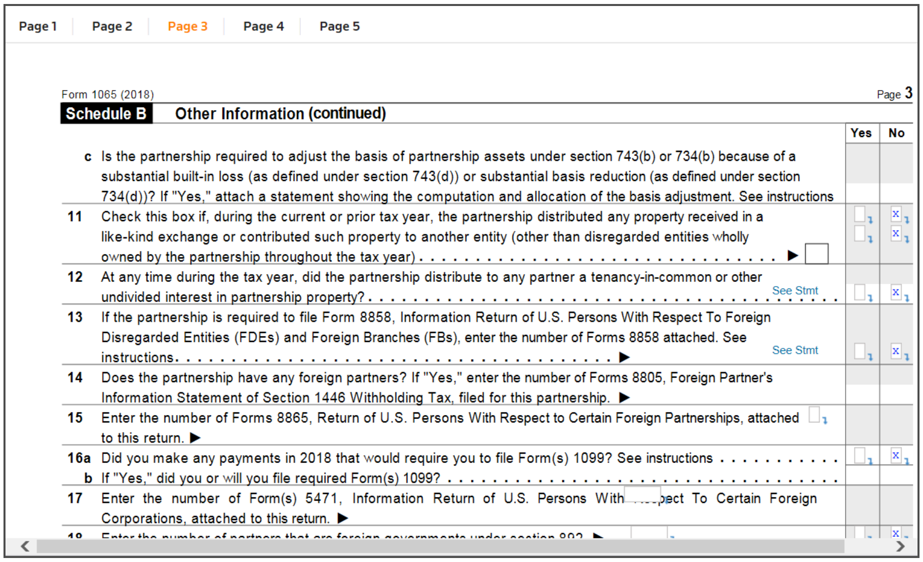


Figure 8

Electronic Audit Trail

After completing the Organizer data entry, use the Tax Forms to show the tax return data along with the calculated dollar amounts. The primary purpose of Tax Forms is review. If necessary, you can use Tax Forms to override Organizer input, but it is not recommended.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Form 1065 (2018) Page 3

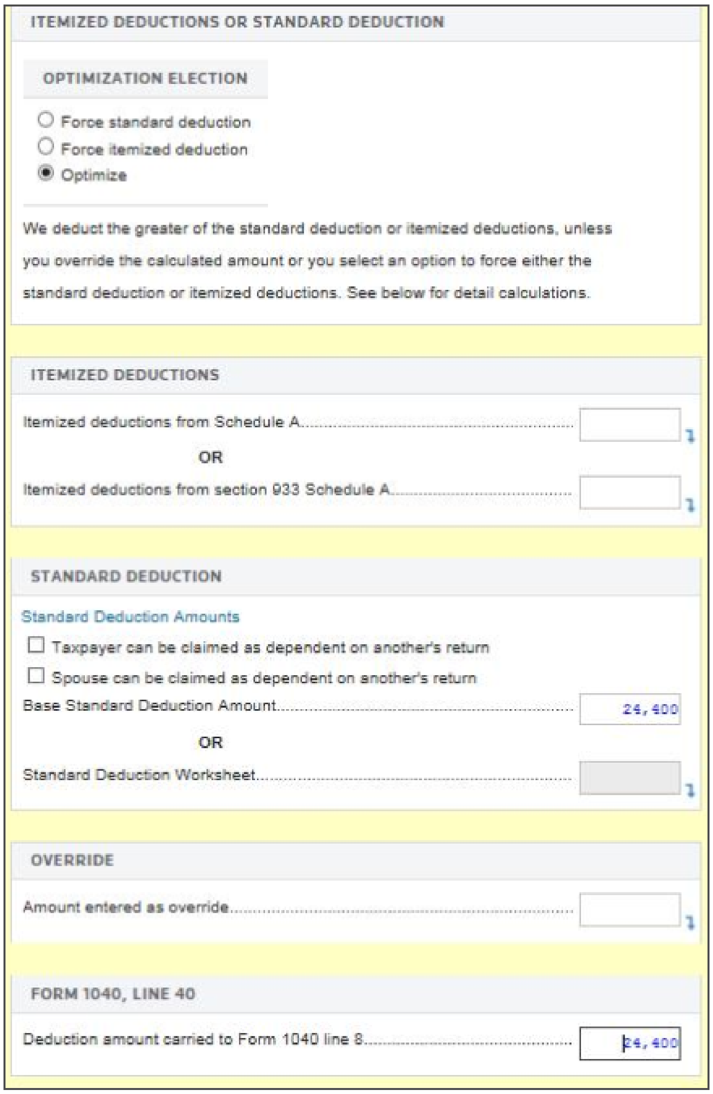
Schedule B Other Information (continued)

		Yes	No
c	Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions		X
11	Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (other than disregarded entities wholly owned by the partnership throughout the tax year) . . . ▶		X
12	At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in partnership property? . . . See Stmt		X
13	If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities (FDEs) and Foreign Branches (FBs), enter the number of Forms 8858 attached. See instructions. . . . ▶ See Stmt		X
14	Does the partnership have any foreign partners? If "Yes," enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership. ▶		
15	Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return. ▶		
16a	Did you make any payments in 2018 that would require you to file Form(s) 1099? See instructions . . .		X
b	If "Yes," did you or will you file required Form(s) 1099? . . .		
17	Enter the number of Form(s) 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations, attached to this return. ▶		

Figure 9

Workpapers

Workpapers show supporting computations and serve as an audit trail between the Organizer input and the Tax Forms. These links are automatically generated by the tax application to provide more detail about the item selected.


ITEMIZED DEDUCTIONS OR STANDARD DEDUCTION

OPTIMIZATION ELECTION

- ○ Force standard deduction
- ○ Force itemized deduction
- ◉ Optimize

We deduct the greater of the standard deduction or itemized deductions, unless you override the calculated amount or you select an option to force either the standard deduction or itemized deductions. See below for detail calculations.

ITEMIZED DEDUCTIONS

Itemized deductions from Schedule A........

OR

Itemized deductions from section 933 Schedule A........

STANDARD DEDUCTION

Standard Deduction Amounts

- ☐ Taxpayer can be claimed as dependent on another's return
- ☐ Spouse can be claimed as dependent on another's return

Base Standard Deduction Amount........ 24,400

OR

Standard Deduction Worksheet........

OVERRIDE

Amount entered as override........

FORM 1040, LINE 40

Deduction amount carried to Form 1040 line 8........ 24,400

Figure 10

Workpapers appear with a light yellow background that easily distinguishes them from the Organizer or Tax Form screens.

Workpapers are editable; however, it is strongly recommended that you make necessary changes on the Organizer screen. If you make changes here, your totals and detail statements may not foot correctly.

Hyperlinks

Hyperlinks are joined (linked) areas of the return that provide easy movement between related forms, data entry areas, and workpapers. Forms and screens may be hyperlinked to:

- Workpapers
- Organizers
- Tax Forms
- Tax Summary.

You can access hyperlinks by:

- using your mouse to select most fields
- right-clicking the mouse button to access the **Shortcut** menu
- selecting **View > Hyperlinks**.

Print Preview

Print Preview permits on-screen viewing of the actual print file prior to printing the return. You can review all forms, schedules, and whitepaper statements with Print Preview.

TAX APPLICATION NAVIGATION

The tax applications provide several alternative navigation methods for you to choose from:

- Quick Track and Quick Form (purple box)
- Forms List Window (blue box)
- Navigation Buttons/Links (green box)
- Hyperlinks
- Access Menu (red box).

To access the most commonly used Organizers, select one of the underlined link items from the **Quick Track** menu. You can quickly navigate to any form listed with one click.

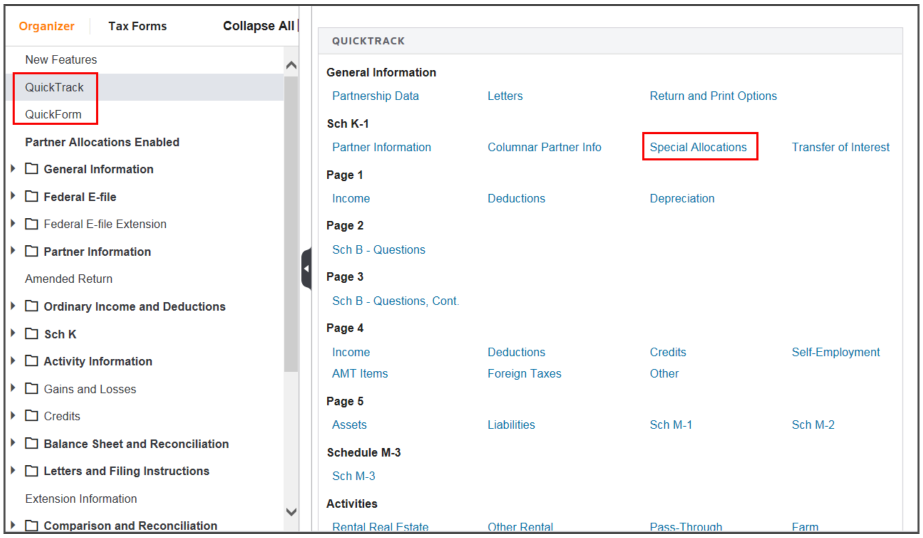


Figure 11

To access the most commonly used forms, select an link item from the **Quick Form** menu.

To access an individual form using the Forms List Window, click the **Tax Forms** tab, select the jurisdiction, and click the folder to see the list of forms. To open the form you want, just click it.

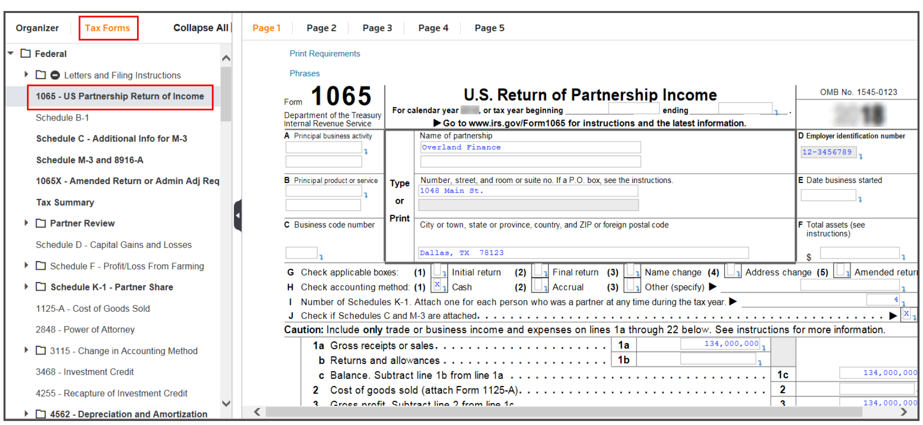


Figure 12

Use your mouse to access hyperlinks that show related screens. Double-clicking a field drills down to a lower level screen. Right-clicking a field displays a hyperlink menu. A double-click is also known as a drill-down hyperlink. This link takes you directly to the source of that entry. The source can be another form, schedule, workpaper, or Organizer screen.

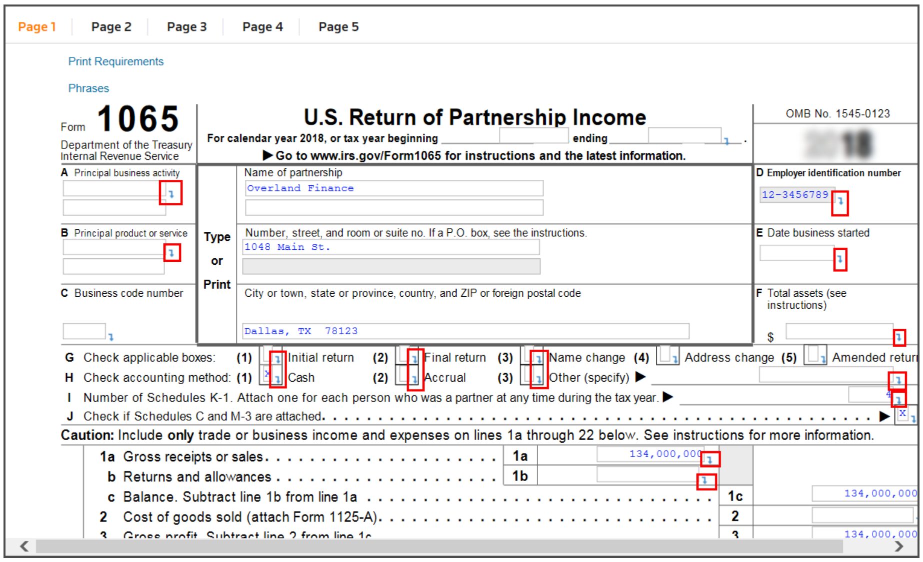


Figure 13

Use your mouse to highlight or focus on the field you want to review, as we have shown below. Then right-click the hyperlink to display the menu (boxed in **red** below). When the menu appears, select one of the choices from the menu. The right-click menu lists all the items you can access in the return that are related to the active window or field.

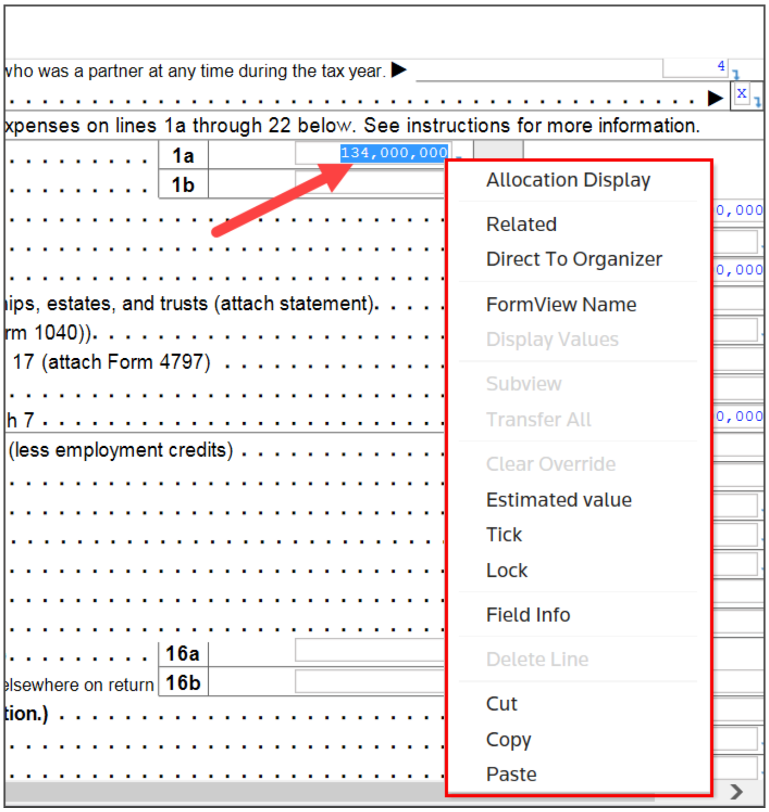


Figure 14

Select **Related...** from the menu to see the **Related** items dialog box shown below. You can access the Organizer, Workpaper, Tax Form, or Tax Review forms related to this field by clicking the item.

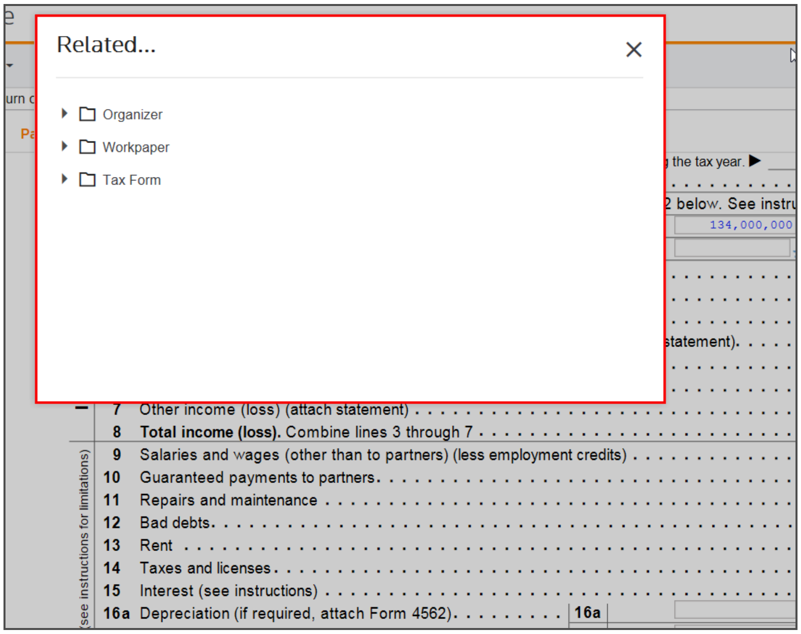


Figure 15

When you select fields next to a down arrow, you access the drill-down hyperlink. Click the arrow beside the field to go to the source of this data, as shown below.

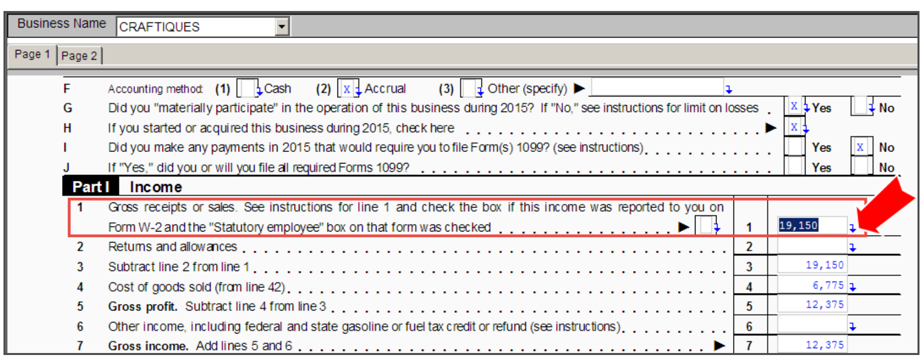


Figure 16

The tax application takes you to the workpaper for line 1.

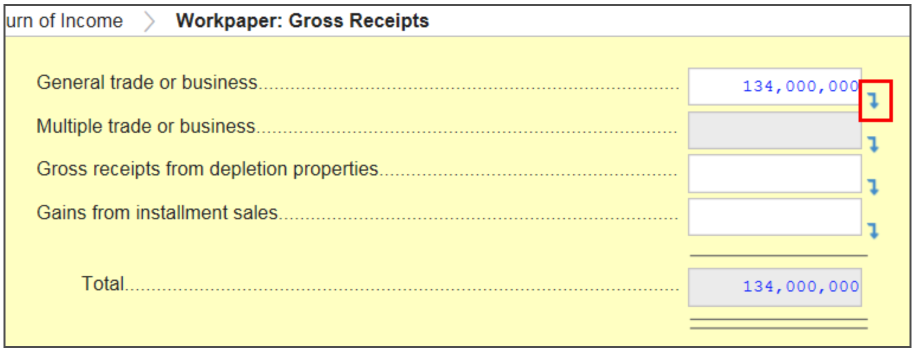


Figure 17

From the workpaper, you can drill down to the Organizer. Most fields contain drill-down hyperlinks unless the field contains source data or performs a calculation.

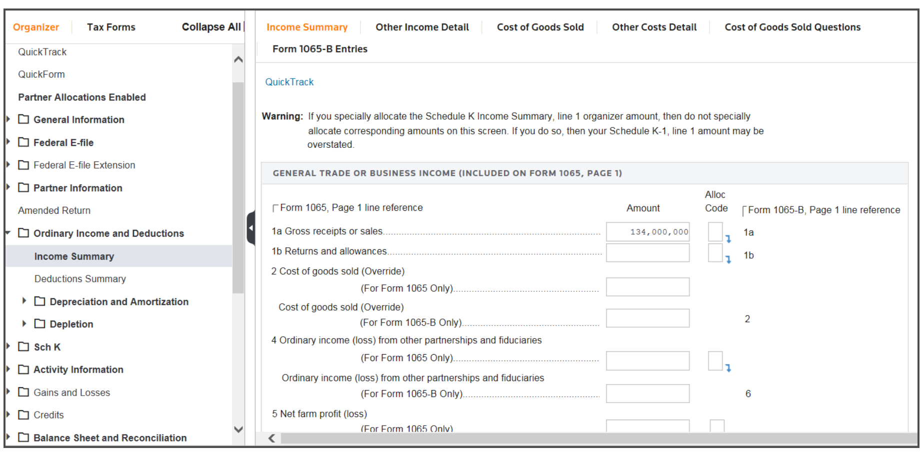


Figure 18

When you use hyperlinks to access other areas of the return, you can easily return to the screen you were on by using the **Previous in History**, **History**, or **Next in History** icons on the toolbar. Each of these navigation methods is also available through the **View** menu.

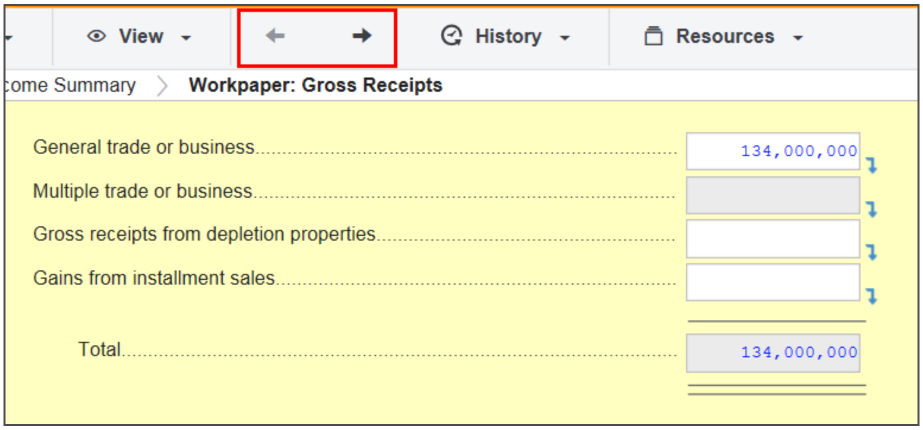


Figure 19

ORGANIZER DATA ENTRY

We will now go over some basic tips to help optimize your data entry performance.

To temporarily hide the Forms List Window and maximize the Forms Window on the right, click the right arrow between the Forms List and the Forms Window.

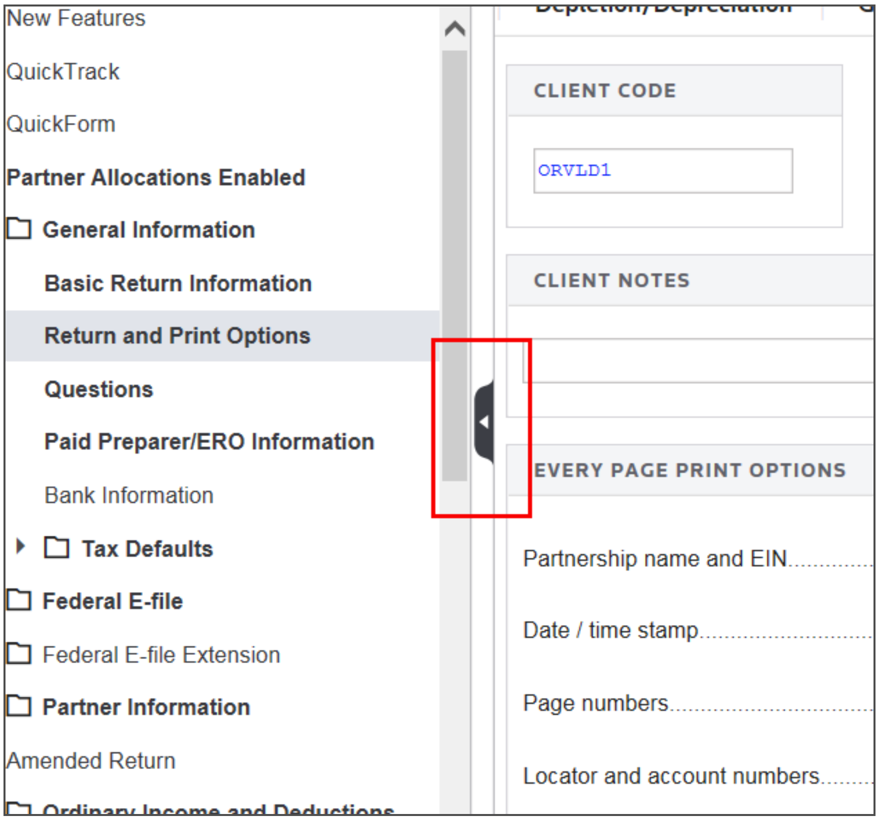


Figure 20

To restore the Forms List, click the right arrow again.

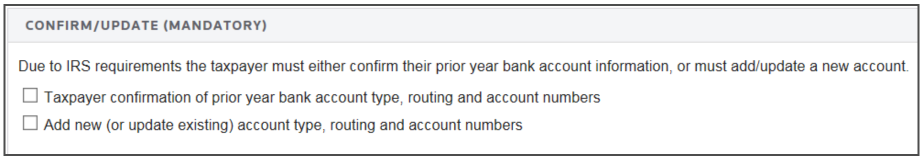
The Organizer forms are designed to facilitate the input process. All data entered in the Organizer flows through a return wherever the data is applicable. Also, the prior year's information is proforma'd into the Organizer. Because the Organizer is the lowest level of detail, it is the recommended place for data entry.

Use the **Previous in History** and **Next in History** icons to navigate between forms.

Click the **History** item to see and select from a list of history items.

Certain fields require you to enter data to complete a form. These mandatory fields are clearly marked on the screen as ***Mandatory***.

> You must make an entry in the mandatory field before making other entries on that Organizer screen.



CONFIRM/UPDATE (MANDATORY)

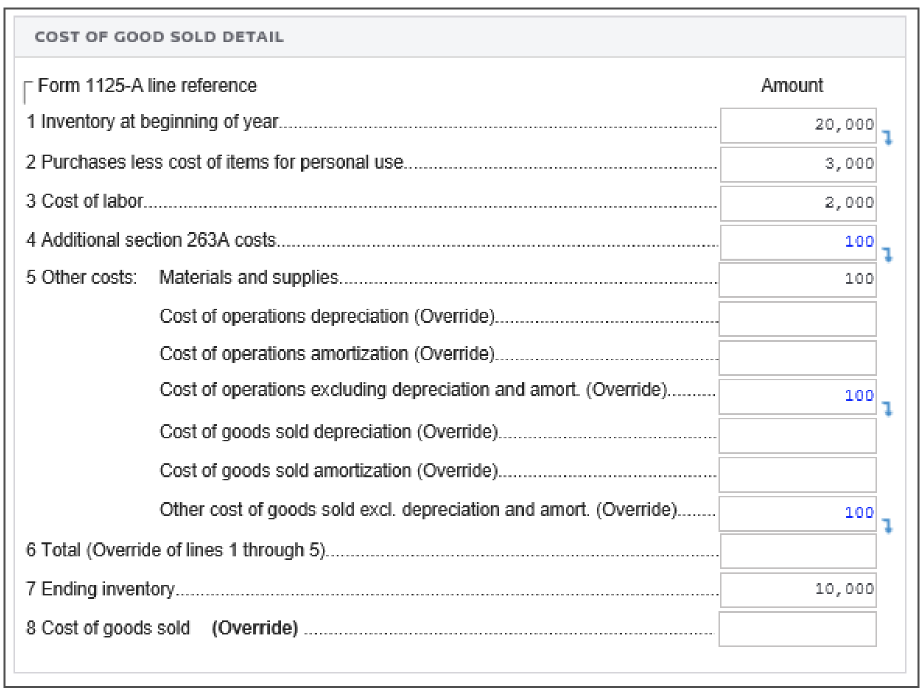
Due to IRS requirements the taxpayer must either confirm their prior year bank account information, or must add/update a new account.

☐ Taxpayer confirmation of prior year bank account type, routing and account numbers

☐ Add new (or update existing) account type, routing and account numbers

Figure 21

If detail is required on a form for a particular line item, the Organizer provides a repeating data field to enter this detail. You can insert or delete lines anywhere in the group to keep your data in a certain order. The group total automatically calculates and carries to the appropriate forms and schedules. The detail prints on a whitepaper statement to accompany the return.



COST OF GOOD SOLD DETAIL

Form 1125-A line reference	Amount
1 Inventory at beginning of year	20,000
2 Purchases less cost of items for personal use	3,000
3 Cost of labor	2,000
4 Additional section 263A costs	100
5 Other costs: Materials and supplies	100
Cost of operations depreciation (Override)	
Cost of operations amortization (Override)	
Cost of operations excluding depreciation and amort. (Override)	100
Cost of goods sold depreciation (Override)	
Cost of goods sold amortization (Override)	
Other cost of goods sold excl. depreciation and amort. (Override)	100
6 Total (Override of lines 1 through 5)	
7 Ending inventory	10,000
8 Cost of goods sold **(Override)**	

Figure 22

If you need more lines to insert data, move to an unused line and enter the data.

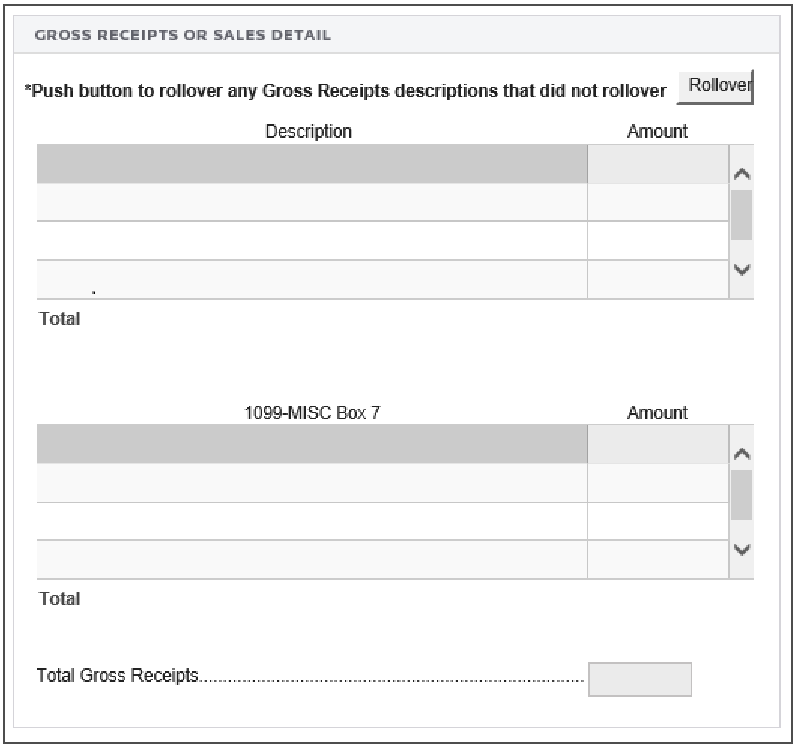


Figure 23

You can delete a line just as easily. Move the focus to the line you want to delete, and delete the information. Many fields can only be deleted using the navigation tree.

You can add items to some folders. In this example, select **Retirement Distributions** and select **Add New 1099-R Payer Name**. Enter a description for the new item in the field, and click **Save**.

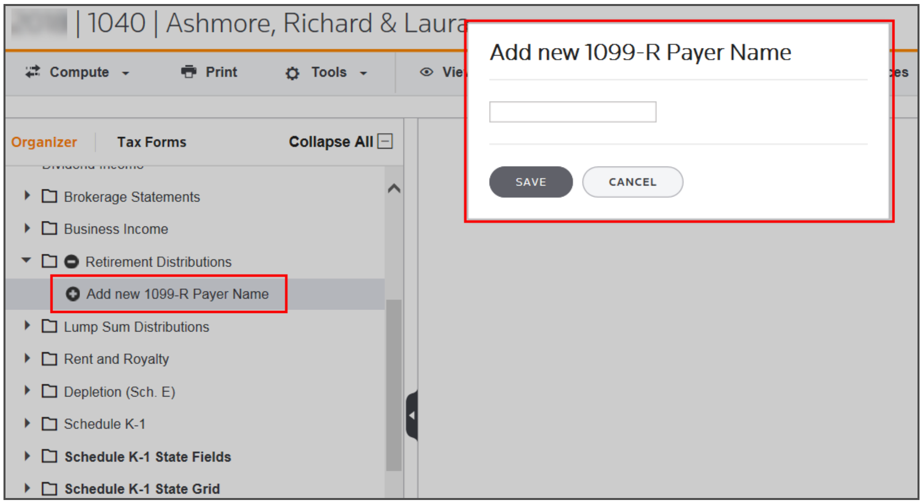


Figure 24

After the item is added, it appears in the Forms List Window as well as in the drop-down list in the Forms Window, so it is easily accessible.

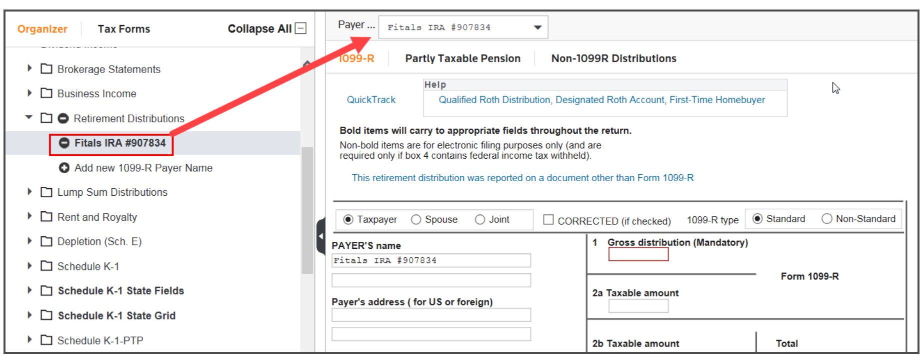


Figure 25

You can delete items in the Forms List Window by clicking the negative icon next to the item. You will receive a confirmation message before the item is deleted.

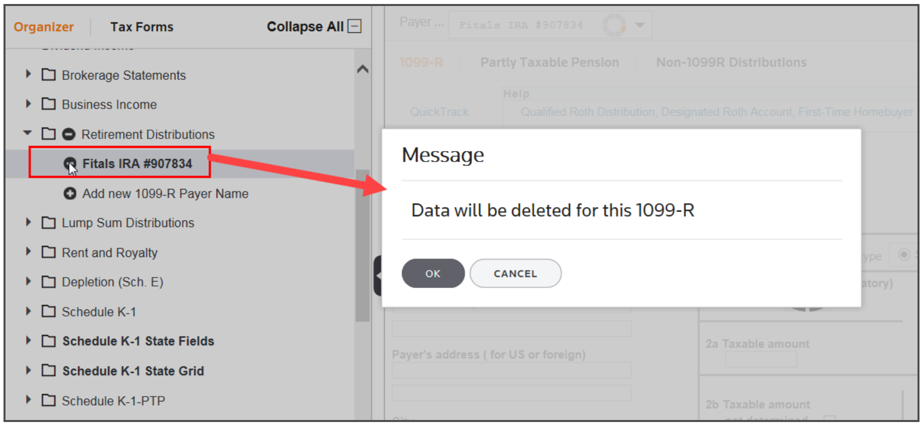


Figure 26

TICKMARKS AND LOCK FIELDS

Tickmarks

 After reviewing an amount, you can check it off with a tickmark, just as you would on paper. To add or remove a tickmark, navigate to the field, and click **Tick** on the pop-up menu.

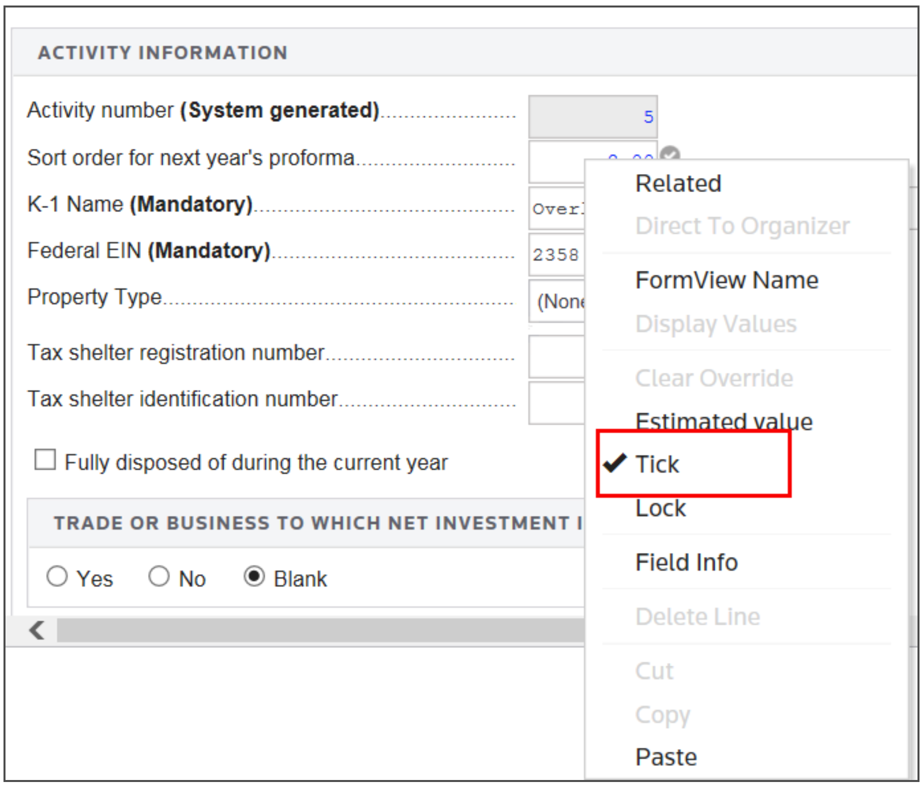


Figure 27

A tickmark displays beside the field.

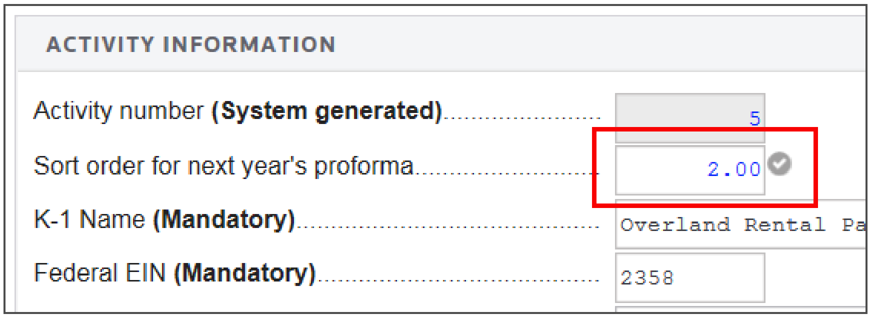


Figure 28

To remove the tickmark, right-click and select **Tick** again.

Lock Fields

You can lock in a number to insure against accidental or non-reviewed changes. To add or remove a lock, navigate to the field, and select **Lock** on the pop-up menu.

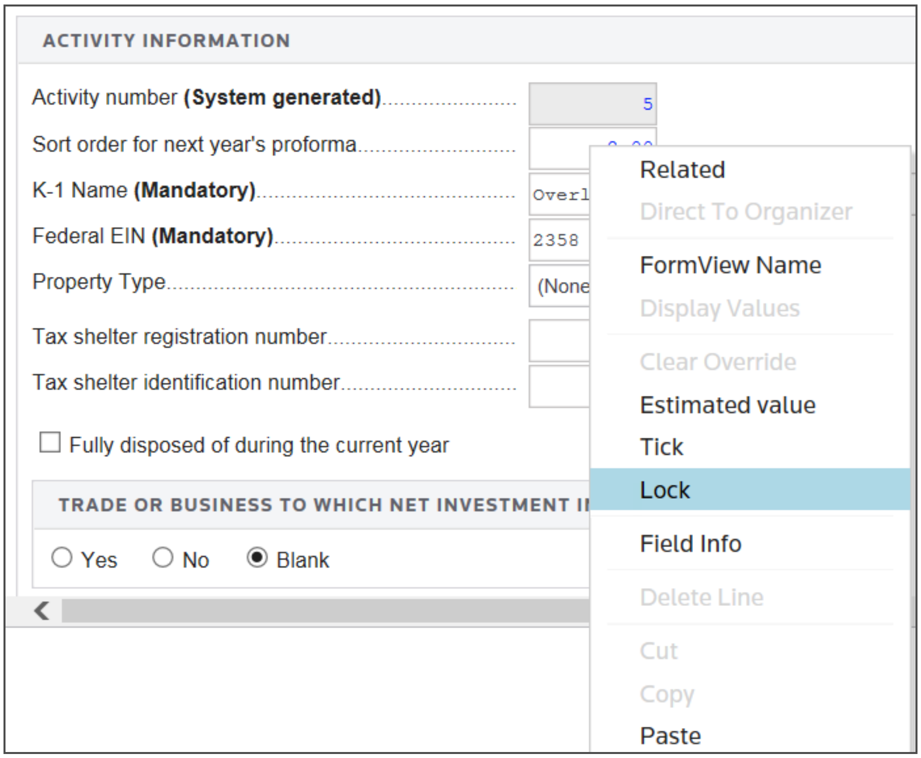


Figure 29

The **Field Lock** symbol appears next to the field as a visual reminder.

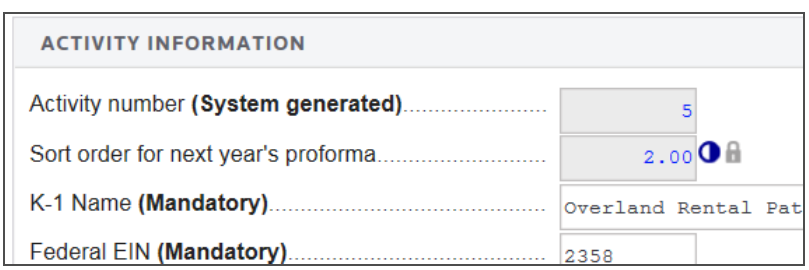


Figure 30

For example, if you add a K-1 with interest income after locking the interest income amount on the 1040, the locked amount will not change even through the underlying detail changed.

When you right-click a locked field, both **Tick** and **Lock** will show as selected. Turn **Lock** off deselects both marks.

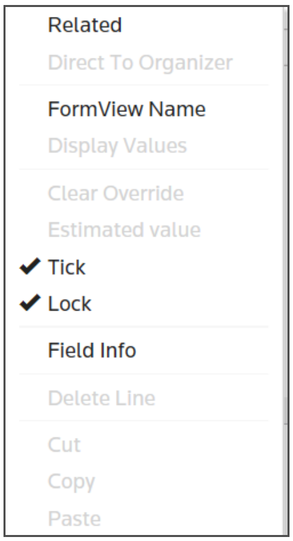


Figure 31

DIAGNOSTICS AND OVERRIDES

Several search and review tools are available under the **View** menu. The tax application generates a list of all diagnostics and warning messages indicating possible problems or errors in your return. You should always review and clear all diagnostics prior to completing a return.

There are five types of diagnostics: *Severe, Informational, Electronic Filing Alerts, Electronic Filing Rejects*, and *Efile XML Validation Errors* (if applicable). The "informational" folder lists all informational diagnostics or nonsevere diagnostics.

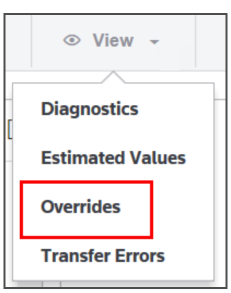


Figure 32

For instance, the system reminds you that the taxpayer's driver's license number or State Identification Number needs to be entered. Click the **Diagnostics** field for a direct link to the input field. You can then enter the correct data. This automatically clears the diagnostic. Use the **Previous History** icon to return to the **Diagnostics** screen.

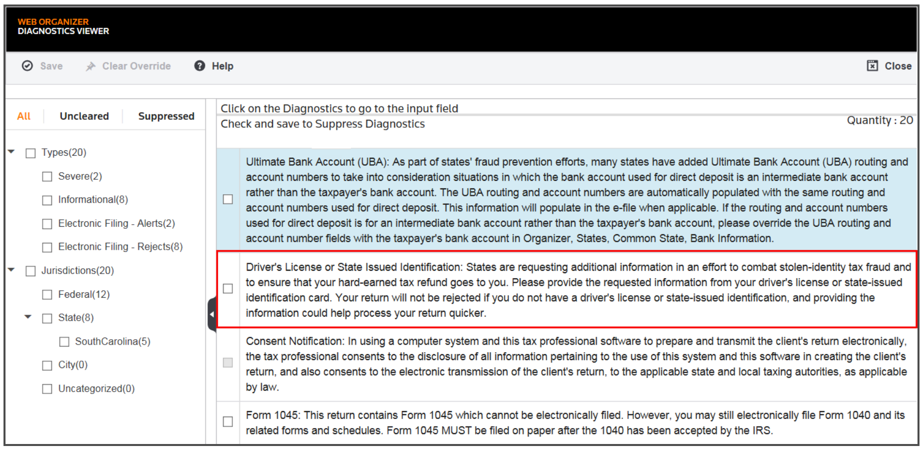


Figure 33

Another good review procedure is to clear all overrides. The tax application automatically scans the return and documents all overrides found.

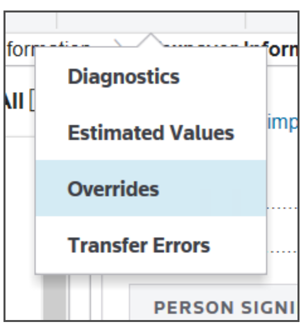


Figure 34

Click the override to access the screen where the override originated.

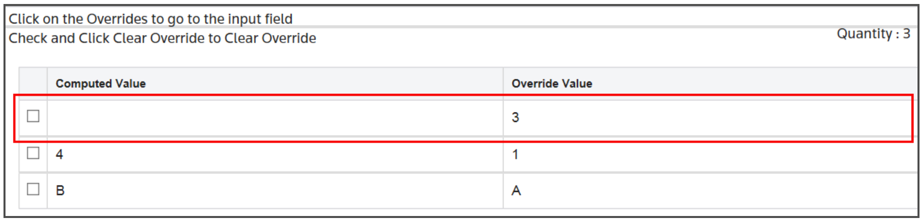


Figure 35

You are taken to the field where the override (*) was entered.

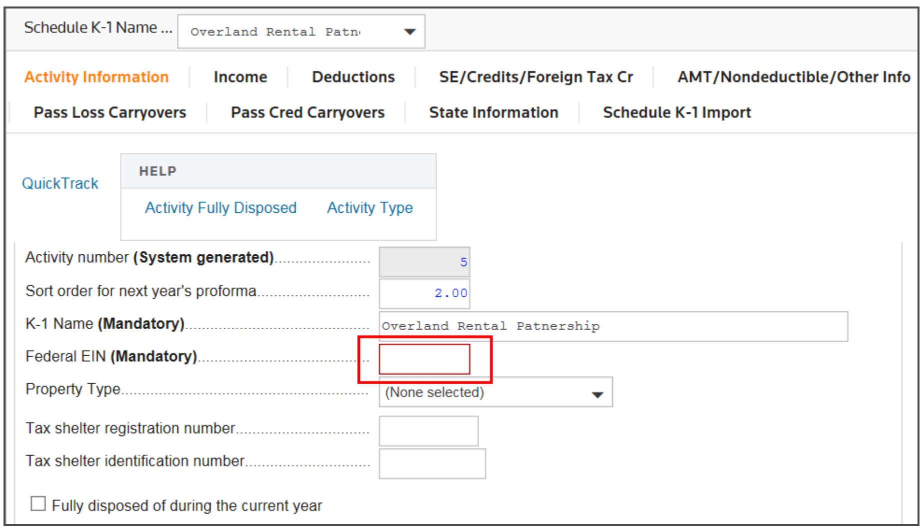


Figure 36

To remove an override, select the check box next to the overridden field, and click **Clear Override**.

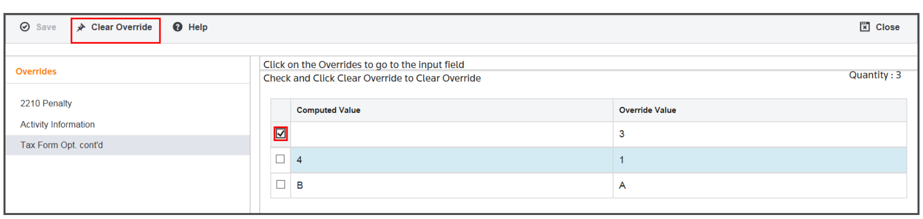


Figure 37

A good practice is to always fully recompute the return after you clear overrides and diagnostics, or after you make any major changes to the return. Once the override is removed, the number from Organizer flows in correctly.

If you override system-calculated or carried amounts, the supporting whitepaper schedule totals (generated from detail) may not foot to the return.

If you override fields, you may get unintended results on comprehensive system-generated forms and schedules, such as AMT and passive limitations.

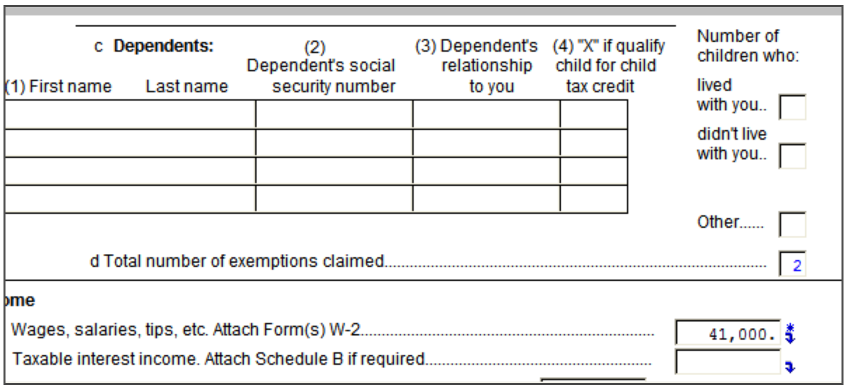


Figure 38

MANAGING COMPUTE

You can use the system more effectively (and increase your efficiency) by leaving compute off when you are completing the tax return data entry. Then use **Compute > Full-Recompute** to compute the return. The compute default when you enter a return is **off**.

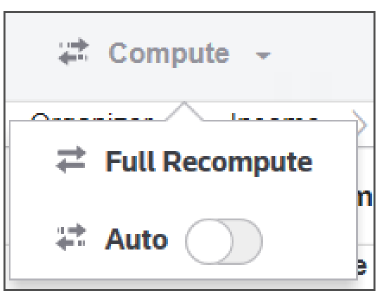


Figure 39

Auto compute calculates the tax return as you enter data. All the amounts automatically total, and the tax forms are completed while you continue to enter additional items. Although you can immediately verify the totals for an item or review the results by viewing the tax forms, you may still have to do a full recompute on the tax return to complete all calculations.

To determine if compute is on or off, check the tool bar. The arrows beside the **Compute** tool will be red if **Auto-Compute** is on. If **Auto-Compute** is off, the arrows will be black.

When a return is computing, a **red** light flashes.

Full Recompute on the **Compute**menu completely recomputes the entire return including all workpapers and attachments. You will be unable to enter data until the compute is finished. Full recomputes are required:

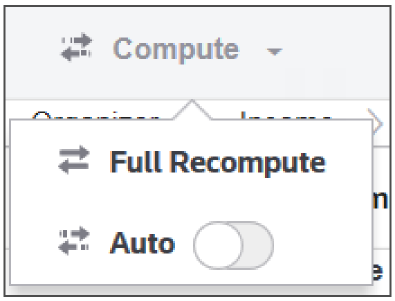


Figure 40

- After loading new software versions
- After rebuilding a return
- Before viewing Tax Letters in Tax Forms
- Before you call the Support group at Thomson Reuters
- After making changes to Tax Defaults
- After making changes to depletion and depletion depreciation details
- Before printing the final copy of the return.