

REVIEWING TAX RETURNS

Reviewing a return is a very important step in the overall tax return preparation process. The tax applications provide several useful tools to assist you in your review process:

- symbols and colors
- tickmarks and field locks
- diagnostics and overrides
- Tax Summary screens
- hyperlinks between related forms.

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PROCESS CHART

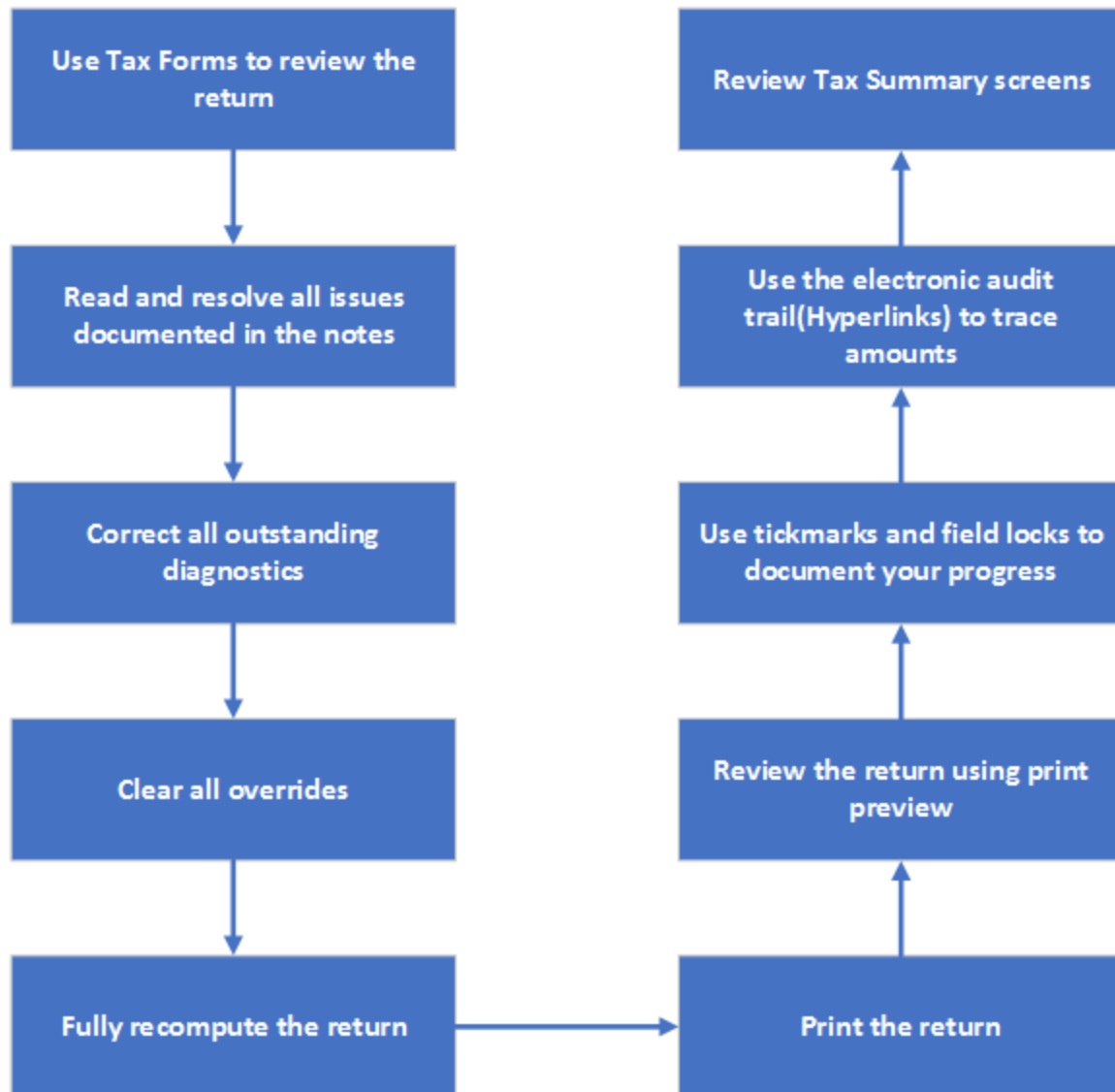

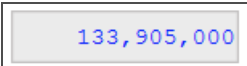
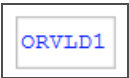









Figure 1

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.	
The field is calculated or has an amount carried in from another field or source.	
The field is a source entry or an override.	
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.	

TAX FORMS

After entering data into the Organizer and computing the return, use Tax Forms to review the return.

The screenshot shows the 'Tax Forms' interface. On the left, a sidebar lists the 'Federal' section with '1040 - Income Tax Return' selected. The main area displays the 'Form 1040 U.S. Individual Income Tax Return' form. The form includes fields for filing status (Single, Married filing jointly, etc.), personal information (Name, Social Security number, Date of birth), and deductions (Standard deduction, Itemized deductions). It also has a section for dependents and a 'Sign Here' section for the taxpayer and preparer.

Figure 2

Tax Forms show the tax return data along with the calculated dollar amounts. The primary purpose of Tax Forms is to review the return.

This is a detailed view of the 'Form 1040 U.S. Individual Income Tax Return' form. It includes fields for filing status (Single, Married filing jointly, etc.), personal information (Name, Social Security number, Date of birth), and deductions (Standard deduction, Itemized deductions). It also has a section for dependents and a 'Sign Here' section for the taxpayer and preparer. The form is designed to be filled out by the taxpayer or a preparer to report income and calculate taxes.

Figure 3

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.

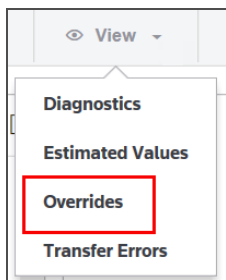


Figure 4

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.

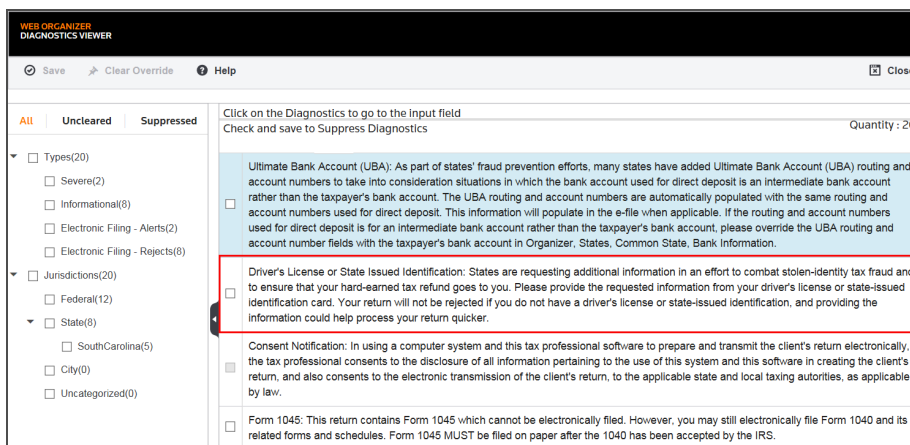


Figure 5

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

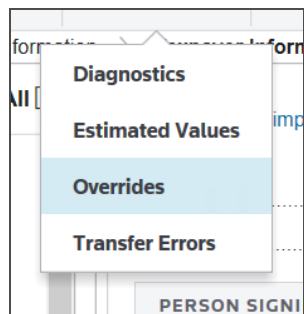


Figure 6

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

Click on the Overrides to go to the input field
Check and Click Clear Override to Clear Override Quantity : 3

	Computed Value	Override Value
<input type="checkbox"/>		3
<input type="checkbox"/> 4		1
<input type="checkbox"/> B		A

Figure 7

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

Schedule K-1 Name ... Overland Rental Patn...

[Activity Information](#) |
 [Income](#) |
 [Deductions](#) |
 [SE/Credits/Foreign Tax Cr](#) |
 [AMT/Nondeductible/Other Info](#)

[Pass Loss Carryovers](#) |
 [Pass Cred Carryovers](#) |
 [State Information](#) |
 [Schedule K-1 Import](#)

QuickTrack HELP

[Activity Fully Disposed](#) |
 [Activity Type](#)

Activity number (System generated)..... 5

Sort order for next year's proforma..... 2.00

K-1 Name (Mandatory)..... Overland Rental Partnership

Federal EIN (Mandatory).....

Property Type..... (None selected)

Tax shelter registration number.....

Tax shelter identification number.....

☐ Fully disposed of during the current year

Figure 8

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

Figure 9

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 10

TAX SUMMARY

Select **Tax Summary** from the Forms List Window, or click the **Tax Summary** icon to display the **Federal Tax Summary** screen. You can also view the **Federal Tax Summary** screen from any federal form through the shortcut menu. Right-click any field to access the screen. This screen summarizes many key figures in the return.

Income.....		
Adjustments.....		
AGI.....		
Itemized Deductions.....	33,800	
Standard Deduction.....	24,000	33,800
Exemptions.....		
Taxable Income.....		
Tax.....	NONE	
Additional Tax.....		
Alternative Minimum tax.....	NONE	
Excess advance premium tax credit repayment.....		
Credits.....		
Tax After Credits.....		NONE
Other Taxes.....		1,390
Total Tax.....		1,390
Withholdings/Payments.....		
Underpayment Penalty.....		
Balance Due/Overpayment.....		1,390

Figure 11

Not only is the summary a handy review tool, but it can also be used in “what-if” scenarios. You can pop up the summary, note the amounts, change the returns, and then pop up the summary again to view the results.

ELECTRONIC AUDIT TRAIL

The electronic audit trail is especially useful for reviewers. It consists of using the hyperlinks and drill-downs to trace amounts from the Tax Forms to the workpapers and eventually to the lowest level of detail.

Access the supporting workpapers through the hyperlink list or by selecting Tax Form fields next to a down arrow. In this example, if you click the **Itemized Deductions** field, the workpaper appears.

7	
8	33,800
9	
10	
11	NONE
12	
13	NONE

Figure 12

Workpapers provide an automatic audit trail from amounts on the Tax Forms to the Organizer entries from which they were calculated.

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..... 33,800

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..... 24,000

Figure 13

Although some amounts can be changed on the workpapers, we strongly recommend that you make changes only in the Organizer.

Changes made directly on the workpapers might not carry to other essential fields in the return.

This is an example of an Organizer screen with the lowest level of detail. You can compare these amounts to the actual W-2s in the taxpayer’s file or to the Organizer booklet amounts.

Tax Forms > Federal > Sch A - Itemized Deductions

SCHEDULE A
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Itemized Deductions

Go to www.irs.gov/ScheduleA for instructions and the latest information.
Attach to Form 1040.

OMB No. 1545-0074

Attachment
Sequence No. 07

Name(s) shown on Form 1040
Richard P Ashmore & Laura R Ashmore

Your social security number
111-11-1111

Medical and Dental Expenses

Caution: Do not include expenses reimbursed or paid by others.

1 Medical and dental expenses (see instructions) 1

2 Enter amount from Form 1040, line 7 2

3 Multiply line 2 by 7.5% (0.075) 3

4 Subtract line 3 from line 1. If line 3 is more than line 1, enter -0- 4

Taxes You Paid

5 State and local taxes

a State and local income taxes or general sales taxes. You may include either income taxes or general sales taxes on line 5a, but not both. If you elect to include general sales taxes instead of income taxes, check this box ☐

5a

b State and local real estate taxes (see instructions) 5b

c State and local personal property taxes 5c

d Add lines 5a through 5c 5d

e Enter the smaller of line 5d and \$10,000 (\$5,000 if married filing separately) 5e

6 Other taxes. List type and amount 6

Figure 14

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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.

ACTIVITY INFORMATION

Activity number (System generated).....5

Sort order for next year's proforma.....

K-1 Name (Mandatory).....Over

Federal EIN (Mandatory).....2358

Property Type.....(None

Tax shelter registration number.....

Tax shelter identification number.....

☐ Fully disposed of during the current year

TRADE OR BUSINESS TO WHICH NET INVESTMENT I

☐ Yes ☐ No ☒ Blank

Related

Direct To Organizer

FormView Name

Display Values

Clear Override

Estimated value

☒ Tick

Lock

Field Info

Delete Line

Cut

Copy

Paste

Figure 15


A tickmark displays beside the field.

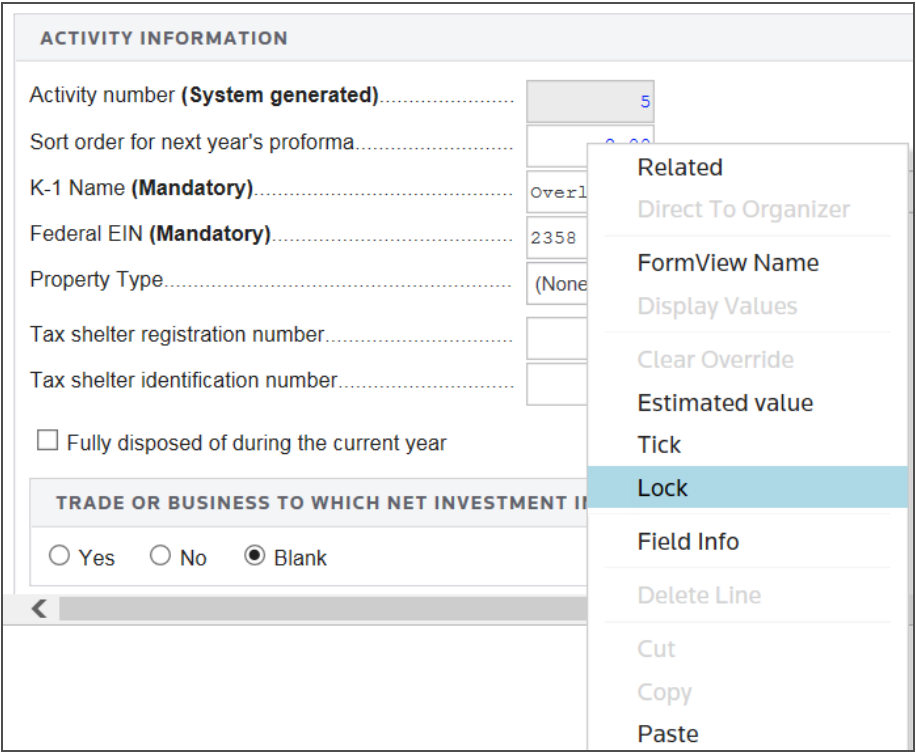
ACTIVITY INFORMATION	
Activity number (System generated).....	<div>5</div>
Sort order for next year's proforma.....	<div>2.00 ✓</div>
K-1 Name (Mandatory).....	Overland Rental Pa
Federal EIN (Mandatory).....	<div>2358</div>

Figure 16

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.



ACTIVITY INFORMATION

Activity number (**System generated**)..... 5

Sort order for next year's proforma..... 2.00

K-1 Name (**Mandatory**)..... Overl

Federal EIN (**Mandatory**)..... 2358

Property Type..... (None)

Tax shelter registration number.....

Tax shelter identification number.....

☐ Fully disposed of during the current year

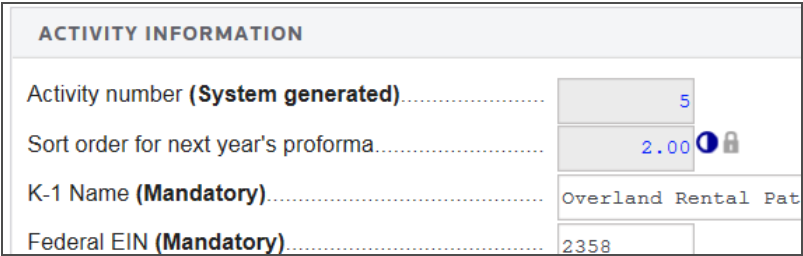
TRADE OR BUSINESS TO WHICH NET INVESTMENT IN

☐ Yes ☐ No ☒ Blank

Context menu options: Related, Direct To Organizer, FormView Name, Display Values, Clear Override, Estimated value, Tick, **Lock**, Field Info, Delete Line, Cut, Copy, Paste.


Figure 17

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



ACTIVITY INFORMATION

Activity number (**System generated**)..... 5

Sort order for next year's proforma..... 2.00 

K-1 Name (**Mandatory**)..... Overland Rental Pat

Federal EIN (**Mandatory**)..... 2358

Figure 18

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.

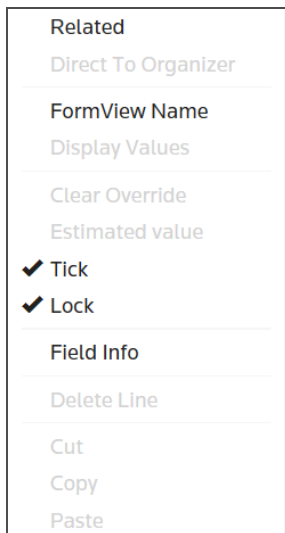


Figure 19

SUMMARY

- Review and clear all diagnostics and override prior to printing.
- Override snowflakes alert you when a carried or computed number was typed over.
- The Federal and State Tax Summaries show key figures from the return.
- Use hyperlinks to trace amounts on the return down to the Organizer screen where the data was entered.
- Tickmarks and Lock Fields provide visual reminders that review of an area is complete.

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Last Updated: February 14, 2020