

Drake Accounting[®]

2018 User's Manual

DrakeSoftware[®]

Support.DrakeSoftware.com | 828.349.5908

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Introduction

Drake Accounting provides the capability to prepare and print both live and after the fact payroll, W-2/W-3, 1099-MISC/1096, 940, 941, 941SS, 943, 944 and 945 forms. Payroll information is transferred to the journal with the click of a button.

Drake Accounting also provides the ability to manage client financial records through the use of double-entry bookkeeping. A number of reports are provided including multi-column profit and loss reports, pre-posted reports, comparative or single column balance sheets, and payroll reports.

Templates make the creation of a Chart of Accounts easy, but Drake Accounting also allows you to create a custom Chart of Accounts either by editing an existing one or creating one from scratch. You can also export information into Drake Tax Software, reducing data entry time required to prepare your client's tax return.

Use Drake Accounting to enter vendor invoices, print (and reprint) live vendor checks, and enter after-the-fact vendor invoice information for bookkeeping purposes. Use the Accounts Payable module or "Check Writer" to print vendor checks.

Use the Accounts Receivable module to record and track customer invoices, shipments, payments, and balances.

Features

Drake Accounting has many features.

General

- Install Drake Accounting as a complete program each year rather than an upgrade to last year's program. Return to a prior year's program and run reports, reproduce Forms W-2 and W-3, 1099 and 1096, and 94x tax returns. All client setup and Chart of Accounts information can be brought into the new program from last year's software. Bring over one client at a time or all at once.
- Automatically backup client data at designated times or at the click of a button.
- Add, edit, and save client notes. Quickly apply a date and time stamp to the note.

Payroll

- Live Payroll — Create and print payroll checks.
- After-the-Fact Payroll — Enter payroll stub information for bookkeeping purposes.
- Payroll Reports — Produce and print.
- Form 940, 941, 943, 944, and 945 — Produce, print, and e-file.
- Form 940-PR, 941-PR, 941-SS, 943-PR, and 944(SP) — Produce, print, and e-file.
- Form 941-X, 943-X, 944-X, and 945-X — Produce and print.
- State Unemployment Reports — Produce and print.
- W-2/W-3 — Produce, print, and e-file via EFW2.
- W-2c/W-3c — Produce and print.
- Most State Wage and Tax Reports — Adding new ones as requested and approved by the state.
- Track employer's contribution to FICA, 401K, and Medicare.
- Enter state and locality-specific taxes.
- Pay multiple-pay-rate employees.
- Track sick and vacation hours earned, used, and remaining.
- Split Direct Deposit of payroll checks for employees between up to two accounts.

Accounting

- Create a customizable Chart of Accounts (COA).
- Save up to ten years of Chart of Accounts history.
- Make prior year adjustments easily with all balances affected by the adjustment updated automatically.
- Automatically and manually enter Journal transactions.
- Generate offsetting transactions automatically when entering transactions into the journal.
- Monthly/Yearly breakdown of basic financial reports.
- Enter and Import Bank Reconciliation statements.
- Rename accounts
- Enter Start-of-Year beginning balances and month-to-month balances for each account.
- Run a start-of-year balance sheet to reflect the year-to-date and run monthly reports for months entered.
- Create accounts (postable and up to nine sub-levels nested).
- Add, edit, or delete transaction descriptions entered and saved during journal entry.

Accounts Payable

- Set up an unlimited number of vendors.
- Enter invoices for future payment or as after-the-fact for bookkeeping purposes.
- Use extensive invoice sorting and query capabilities.
- Print and reprint vendor checks with automatic entry in the journal.
- Print vendor checks without having to schedule payments using Check Writer.
- Generate an invoice for the vendor's check.
- Write transactions to the journal automatically for vendor checks.
- 1099-MISC and 1096 — Produce, print, and electronically file.

Accounts Receivable

- Set up invoicing parameters, service charge indicators, payment terms, account aging and status information.
- Set up sales tax information by state.
- Add customer demographics, statuses, shipping information, and balances.
- Identify items "for sale" and set prices.
- Link transactions to items and debit and credit accounts.
- Add, edit, print, and delete customer invoices.
- Receive and apply payments to one or multiple invoices.

Reports

- Export and print financial reports to Microsoft Excel.
- Compare gross and net profit and loss for a selected month of this year and last year.
- Produce, print, and transmit W-2, W-3, 1099-MISC, 1099-INT, 1099-DIV, 1099-R, 1098-MORT, W-2G, 1099-PATR, 1099-S, 1099-A, 1099-B, 1099-C, 1096, and 94x series tax return information "on the fly".
- Produce and print W-2c/W-3c.
- Close your books only at the end of the year rather than as part of the end-of-month process.
- Run many reports without posting transactions.

Contacting Support

Telephone Support

Drake Accounting has its own Support phone number.

Call (828) 349-5908 to speak to a dedicated Drake Accounting Support representative.

For Support hours of operation, refer to ["Support Hours"](#).

E-mail Support

DAS@DrakeSoftware.com

When you e-mail Support, please include:

- Your name
- Your EFIN
- A description of your problem in as much detail as possible
- Attach your client file, if necessary.

Support Hours

December 4th — April 20th

Monday — Friday 8 a.m. to 10p.m. EST
Saturday 8a.m. to 6p.m. EST

April 21st — December 4th

Monday — Friday 8a.m. to 9p.m. EST
Saturday 9a.m. to 5p.m. EST

System Requirements

Review all system requirements before installing Drake Accounting.

Drake Accounting requires a computer running Windows 7 or above. In addition, the software will only support Windows Servers 2012 and above.

NOTE

Microsoft .NET Framework 4.0 or higher is required to run Drake Accounting. During installation, we verify this is installed. If it is not, you will be taken to the web site where it can be downloaded.

WARNING!

Drake Accounting will not work on Windows Server 2008.

To take maximum advantage of the software's features, you need:

- High-speed Internet access. Internet service is required for immediate updates.
- A TWAIN-compliant scanner
- An HP-compatible printer (laser printer preferred) is strongly recommended. Other printers are compatible with Drake Software. Call Drake Accounting Support to verify compatibility of your printer.
- Drake Accounting offers MICR printing. This requires a laser printer with a magnetic ink cartridge.

Installation Instructions

Drake Accounting can be installed to a stand-alone PC or a network. The installation procedure is nearly identical either way.

There are three prerequisites (SAP Crystal Reports, Microsoft SQL Server, and .Net Framework) that may need to be installed before Drake Accounting can be installed. The Drake Accounting installation will determine whether any of these need to be installed and if needed, they will be installed automatically before the actual Drake Accounting program is installed.

To install Drake Accounting on a stand-alone or server computer:

1. Download and run **DrakeAccounting.exe**
2. When the SAP Crystal Reports Installation Wizard is displayed, click **Next**.
3. Once you finish reading the SAP Crystal Reports License Agreement, select **I accept the License Agreement** and click **Next**.
4. When the SAP Crystal Reports **Start Installation** screen is displayed, click **Next**.
5. Once SAP Crystal Reports has been successfully installed, click **Finish**.
6. The Microsoft SQL Server Compact Setup is displayed after the Crystal Reports Installation. Click **Next** at the Microsoft SQL Server Compact Setup.
7. Once you have read through the license agreement for Microsoft SQL Server Compact, select I accept the terms in the license agreement and click **Next**.
8. Click **Install** to begin installing Microsoft SQL Server Compact.
9. Once the Microsoft SQL Server Compact Setup has been successfully installed, click **Finish**. .Net Framework 4.6.2 will start downloading after the Microsoft SQL Server has been completed.
10. Once you finish reading the license agreement for .NET Framework, select **I have read and accept the license terms** and click **Install**.
11. Once the prerequisites have been completed, click **Next** at the Drake Accounting 2018 Setup Wizard.
12. Once you finish reading the End-User License Agreement, select **I accept the terms in the License Agreement** and click **Next**.
13. If you use a Wacom Signature Pad, select **Wacom Signature Pad SDK** under **Optional Installations**.
14. Click **Browse** and choose the appropriate drive to install Drake Accounting if the default selected drive is incorrect.
15. On the **Configure Shortcuts** window, select where you want to create Drake Accounting shortcuts (Desktop and/or Start Menu Program folder). Click **Next**.
16. Click **Install** and **Finish** if you are ready to complete the installation of Drake Accounting.

To install Drake Accounting on a network workstation:

1. Go to **Start > File browser** > go to the network drive that Drake Accounting was installed on.
2. Open the DrakeAccounting2018 Folder.
3. Click **DrakeAccounting2018_ClientSetup.exe**.
4. Click **Next**.
5. Accept the License Agreement and click **Next**.
6. Click **Browse** and choose the network drive that Drake Accounting was installed on.
 - a. Go to the DrakeAccounting2018 folder and select **DrakeAccounting2018.exe**.
 - b. Click **Open** and **Next**.
7. Go through the rest of the installation process. Click **Install** and **Finish** once the installation is complete.

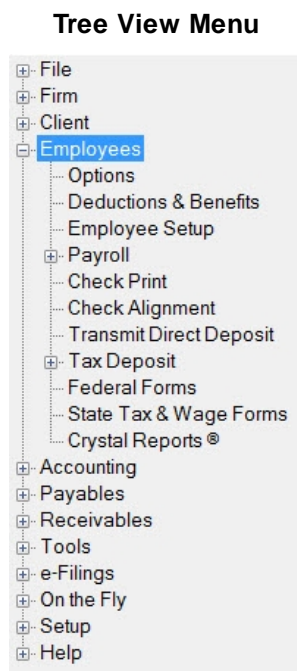
Navigation

Drake Accounting is a Windows-based program which uses a Tree View menu. The following tips will aid in navigating the program.

- [Tree View Menu](#)
- [Client Selector Window](#)
 - [Changing the Active Client](#)
 - [Client Selector Icons](#)
- [Date Fields](#)

Tree View Menu


The Tree View menu is displayed along the left side of the Drake Accounting window and functions the same as it does inside a Windows folder.



- Click the plus sign (+) to the left of the module name to expand the Tree View and show the screens available in the expanded module.
- Some modules have expandable modules which contain additional options. These expandable modules are represented by the plus sign (+). Click the plus sign (+) to reveal the additional options.

NOTE

It is not necessary to close a module or screen before going to another screen. Click on the desired module or screen and Drake Accounting closes the current screen and opens the new screen. If there is unsaved entries on the screen being closed, a prompt to save is displayed.

Press Ctrl+Shift+T or click the  icon to toggle between hiding and showing the Tree View menu.

Client Selector Window

The **Client Selector** window is the main or Home window of Drake Accounting and is displayed when all other Drake Accounting windows are closed.

Client Selector Window

Client Code Test_Co - Client#1

Client Code	Client Name	ID Number	Business Type
1__TEST	CLIENT	111111111	Sole Proprietor (1040)
1_2_Test	Name	564564564	Sole Proprietor (1040)
321	Another Test Company	400008821	Sole Proprietor (1040)
AR1TEST	ACCOUNTS RECEIVABLE 1	111111111	S - Corporation(1120S)
BANK-REC_01	Bank Reconciliation 01	469999900	Sole Proprietor (1040)
DRAKE_CO	Drake & Company	123456789	Corporation (1120)
hello	Hello Company	234234234	Sole Proprietor (1040)
PHILLIPS' St	Phillips's St Accounting Services	999888774	Sole Proprietor (1040)
Test_Co	Client #1	878787878	Partnership(1065)

There are several functions that can be performed from this window, including:

- [Changing the Active Client](#)
- [Client Selector Icons](#)
- [Backup the Current Client](#)
- [Add a New Client](#)

Changing the Active Client


To view a different client's information:


1. Go to the Drake Accounting **Client Selector** window. This window is displayed when all other Drake Accounting windows are closed.
2. There are two ways to change the active client in Drake Accounting:
 - Click on the desired client from the **Client Selector** grid, or
 - Enter the desired client's Client Code into the **Client Code** field at the top left of the **Client Selector** window and press Enter. The Client Code will give a drop list of clients when the first letter/number is typed in the client code box using Autocomplete. If a match is not found, a message is displayed asking if you would like to create that client.


The active client is indicated with a blue highlight. In the example "[Active Client](#)" below, "Client #1" is the active client and the information displayed when an item is selected from the Tree View will be for the "Test_Co" client.

Active Client

Client Code







Test_Co - Client #1

Client Code	Client Name	ID Number	Business Type
1__TEST	CLIENT	111111111	Sole Proprietor (1040)
1_2_Test	Name	564564564	Sole Proprietor (1040)
321	Another Test Company	400008821	Sole Proprietor (1040)
AR1TEST	ACCOUNTS RECEIVABLE 1	111111111	S - Corporation(1120S)
BANK-REC_01	Bank Reconciliation 01	469999900	Sole Proprietor (1040)
DRAKE_CO	Drake & Company	123456789	Corporation (1120)
hello	Hello Company	234234234	Sole Proprietor (1040)
PHILLIPS' St	Phillips's St Accounting Services	999888774	Sole Proprietor (1040)
Test_Co	Client #1	878787878	Partnership(1065)

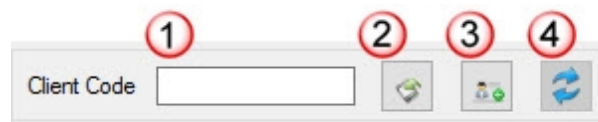
NOTE

A client highlighted in grey, such as "DRAKE_CO" in the "Active Client" example, indicates there is missing information in that client's setup.

Client Selector Icons

The **Client Selector** icons are used to perform several functions, including creating a new client, backing up the active client, and rebuilding the client list.

Client Selector Icons



Client Code field (#1 above) — Use this field to either change the active client or to enter the Client Code for a new client (#3 above).



Backup the Current Client (#2 above) — Click this icon to make a backup of the active client's files. The backup file is written to the location specified in the **Backup** field on the **Firm > Firm Information Setup** window. To backup other clients and more than one client at a time, see "Backup Client".




Add a New Client (#3 above) — Click this icon to begin the set up of a new client. If a unique Client Code was not entered into the **Client Code** field (#1 above) prior to clicking this icon, you will be required to enter one on the **Client Setup** window. For details on adding a new client, see "Setting Up a New Client".




Rebuild Client List (#4 above) — Click this icon any time clients are missing from the Client Selector grid. This may occur when adding, deleting, or importing clients.

Date Fields

There are two ways to select a date for any **Date** field in Drake Accounting.

Click the  to the right of the **Date** field to open the calendar function. The calendar function is displayed with the month, year, and date currently in the **Date** field highlighted (see ["Displaying the Calendar function"](#) below).

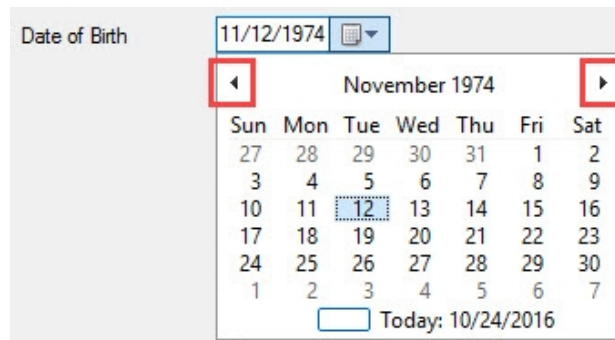
Displaying the Calendar function



Then use one of the following methods to select the appropriate date:

Method 1 — Use this method if you need to select a date that is only a few months earlier or later than the one currently displayed in the **Date** field. Click the left and right arrows (◀ and ▶) to display the next or previous month (see ["Moving One Month at a Time"](#) below).

Moving One Month at a Time



Sun	Mon	Tue	Wed	Thu	Fri	Sat
27	28	29	30	31	1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
1	2	3	4	5	6	7

Today: 10/24/2016

Once the appropriate month is displayed, click the desired date. The calendar closes and the **Date** field displays the selected date.

Method 2 — Use this method to select a date that is months or years earlier or later than the date currently displayed in the **Date** field.

NOTE

Select the desired year first, then the month, then the day.

- Click the calendar header ("November 1974" in the above example) once to display all months of the selected year. Click the ◀ and ▶ arrows to display the next or previous year's monthly calendar.

Method 2 - After Clicking the Calendar Header 1 Time

- Click the calendar header a second time (now displaying the selected year - "1974" in the above example) to display all years in the currently selected decade. Click the ◀ and ▶ arrows to display the next or previous decade.

Method 2 - After clicking the Calendar Header 2 times

- Click the calendar header a third time (now displaying the year range of the decade containing the selected year - "1970-1979" in the above example) to display all decades in the current century. Click the ◀ and ▶ arrows to display the next or previous century.

Method 2 - After clicking the Calendar Header 3 times

Select the appropriate year, then month, then date. The calendar closes and the **Date** field displays the selected date.

Hot Key Shortcuts

Below is a list of common hot keys and keyboard shortcuts for Drake Accounting.

Desired Action	Hot Key
Hide/Show Tree Menu	Ctrl + Shift + T
Open Drake Accounting Help	F1
Move cursor forward one field	Tab, Enter
Exit the program	Esc
Move cursor within a field	or
Delete character behind the cursor	Backspace
Delete character in front of the cursor	Delete
Override Deductions and Benefits with default values under Employee Setup	F3
Copy	Ctrl + C
Cut	Ctrl + X
Paste	Ctrl + V
Select all (Only on Bank Reconciliation)	Ctrl + A
To add transaction in the Journal	Ctrl + N
To delete transactions in the Journal	Ctrl + D
To save transactions in the Journal	Ctrl + S

Documentation Standards

Use the following key in reading this manual:

- Window/dialog box names, tab names, and field names — Window/dialog box names, tab names, and field names appear bold (**Client Setup** dialog box, **GL Account Numbers** tab, **Firm Name** field).
- Dialog box buttons — Dialog box buttons appear bold (e.g. **Save**).
- Keyboard keys to type — Appear in bold. (Press **Y** for Yes).
- Command paths — Appear bold and separated by an angle bracket ">" (**Client > Edit**).
- "Click" means to press the left mouse button. "Double-click" means to press the left mouse button twice in rapid succession. "Right-click" means to press the right mouse button.

File Menu

The **File** menu is where you can access:

- [Setup Panel](#) — This is your portal to most of the Drake Accounting setup.
- [Importing](#) — Import Employee, AR Customer, Chart of Accounts, and Vendor information from QuickBooks®, Sage 50®, or Intuit EasyACCT.
- [Activate Drake Accounting](#) — Drake Accounting must be activated for you to have full access to the software.

Setup Panel

Use the **Setup Panel (File > Setup Panel)** as a central location to access the following setup information:

- [Employees Tab](#)
- [Accounting Tab](#)
- [Payables Tab](#)
- [Receivables Tab](#)
- [Financial Tab](#)

Employees Tab

Employee and Payroll setup options include:

- **Employee Options**
 - [Payroll Options](#) — Use this tab to set up how overtime is stored, payroll posting options, automatic sick and vacation accrual options, and 401(k) matching options. This is set up by going to **Employees > Options > Payroll Options** (see "[Payroll Options](#)").
 - [GL Account Numbers](#) — The account information entered is used to generate entries into the payroll journal from payroll entries. This is set up by going to **Employees > Options > GL Account Numbers** (see "[GL Account Numbers](#)").
- **Deductions and Benefits Setup** — All deductions and benefits beyond the standard deductions offered to any employee must first be set up. This is set up by to **Employees > Benefits & Deductions** (see "[Deductions and Benefits Setup](#)").
- **Employee Setup** — Employee setup consists of entering the employee's basic contact information, payroll rates, sick and vacation balances, federal, state, and local withholding, assigning deductions and benefits to the individual employee from those previously set up, and entering bank information if the employee will be receiving their pay using direct deposit. This is set up by going to **Employees > Employee Setup** (see "[Employee Setup](#)").

Accounting Tab

Accounting setup options include:

- **Accounting Options** — Use accounting options to tailor your interaction with Drake Accounting when making manual entries to the journal. This is set up by going to **Accounting > Options** (see "[Accounting Options](#)").
- **Chart of Accounts** — To set up a Chart of Accounts, go to **Accounting > Chart of Accounts** (see "[Chart of Accounts \(COA\) Setup](#)").

Payables Tab

Payables setup options include:

- **Payables Options**
 - [General Options](#) — Set up how Payables transactions are posted to the journal, what is used as the invoice description, and the direct deposit stub printing options. This is set up by going to **Payables > Options > General Options** (see "[General Options](#)").
 - [GL Account Numbers](#) — Set up the account information that will be used to generate payables entries into the transaction journal. This is set up by going to **Payables > Options > GL Account Numbers** (see "[GL Account Numbers](#)").
- **Vendor Setup** — Vendors must be set up before vendor invoices can be entered into Drake Accounting. This is set up by going to **Payables > Vendor Setup** (see "[Adding and Editing Vendors](#)").

Receivables Tab

Receivables setup options include:

- **Receivables Options**
 - [General Options Tab](#) — Set up how Receivables transactions are posted to the journal, invoice numbering, standard dunning messages, and service charges. This is set up by going to **Receivables > Options > General Options** (see "[General Options Tab](#)").
 - [Dunning Messages Tab](#) — Set up an extended dunning messages for each aging period. This is set up by going to **Receivables > Options > Dunning Messages** (see "[Dunning Messages Tab](#)").
 - [Payment Terms Tab](#) — Setup up to five payment terms and discounts for early payment. This is set up by going to **Receivables > Options > Payment Terms** (see "[Payment Terms Tab](#)").
 - [Customer Status Tab](#) — Designate a customer status and corresponding message to appear in the **Status** field when entering customer invoices. This is set up by going to **Receivables > Options > Customer Statuses** (see "[Customer Status Tab](#)").

- **Sales Tax Setup** — Set up state-, county-, and city-specific sales tax information. This is set up by going to **Receivables > Sales Tax Setup** (see ["Sales Tax Setup"](#)).
- **Customer Setup** — Set up Receivables customer information prior to entering any invoice information for that customer. This is set up by going to **Receivables > Customer Setup** (see ["Adding and Editing Customers"](#)).
- **Invoice Item Setup** — Invoice items must be set up in Drake Accounting before invoices can be entered. This is set up by going to **Receivables > Invoice Item Setup** (see ["Invoice Item Setup"](#)).

Financial Tab

The setup options on this tab include:

- **Direct Deposit Setup** — Enter the firm's direct deposit account information by going to **Firm > Direct Deposit Setup** (see ["Direct Deposit Overview"](#)).
- **MICR Check Designer** — Create a MICR check design that can be used by every client and every client bank account. Create and edit MICR check designs by going to **Firm > MICR Check Designer** (see ["MICR Check Designer"](#)).
- **MICR Bank Accounts** — Set up as many MICR bank accounts as is needed for each client. Enter client-specific bank account information by going to **Setup > MICR Bank Accounts** (see ["MICR Bank Accounts"](#)).
- **Check & Stub Options** — Select the pre-printed check stock you'll be using to print payroll and payables checks and select what information to print on the check stubs. Make these selections by going to **Setup > Check & Stub Options** (see ["Check & Stub Options"](#)).

Import

Use the import feature to import setup information from:

- QuickBooks® (see ["Importing from QuickBooks"](#))
- Sage 50® (see ["Importing from Sage 50"](#))
- Intuit EasyACCT® (see ["Importing from Intuit EasyACCT"](#))

Importing from QuickBooks

Import clients, employees, vendors, customers, and Chart of Accounts information (including account balances) from Intuit's QuickBooks® software. There are three parts to this process.

IMPORTANT

All transactions from the QuickBooks transaction register must be posted to the Chart of Accounts prior to exporting information from QuickBooks.

If you will be converting the Chart of Accounts, it is strongly recommended that you print a Trial Balance report in QuickBooks prior to beginning this process.

PART I. Complete the following steps in QuickBooks:

1. Select the company to be imported into Drake Accounting.
2. Go to **Edit > Preferences > Accounting > Company Preferences** and verify that **Use > Account > Numbers** is selected. In the Chart of Accounts, verify the accounts exist.
3. Make sure all transactions in the General Journal are posted to the Chart of Accounts.
4. Close the Chart of Accounts.
5. Go to **File > Utilities > Accounting > Export > Lists to IIF Files**.
6. On the **Export** window, select all check boxes.
7. Click **OK**.
8. Save the export file from QuickBooks using an extension of .iif.


IMPORTANT

The export file from QuickBooks must have an extension of **.iiF**. If a different extension is used, Drake Accounting will not be able to successfully perform the import.

Not all fields can be imported into Drake Accounting. Refer to ["Appendix I - Imported Data Fields"](#) for a list of importable fields.

You can convert only one QuickBooks client at a time to Drake Accounting. Complete the entire conversion process for a client before returning to QuickBooks and creating another client export file.

PART II. Complete the following steps in Drake Accounting:

1. Go to **File > Import**.
2. Select **Import QuickBooks**.
3. Enter information in the following fields:
 - **File to Import** — Click the folder icon () on the right side of the **File to Import** field. Navigate to the export file created in QuickBooks in [Part I](#) of these instructions. With the export file (*.iiF) selected, click **OK**.
 - **Client Code** — Enter a client code. If a client with the client code entered exists in Drake Accounting, you can only import information that does not exist in Drake Accounting. For instance, if there is an employee in Drake Accounting for the client code entered, employee information will not be imported.
 - If a client with the client code entered does not already exist in Drake Accounting, a new client will be created using the new code. A **Client Code** must be a unique code not currently used in Drake Accounting. Client codes are up to eight alpha/numeric characters (0 - 9, A - Z, and a - z) including underscores (_).
 - Select to import Employee, Customer, Chart of Account, or Vendor information or **Select All Imports** to import all four. Information can be imported only once. Selections previously imported are unavailable to be imported again.
4. Click **Import** to begin the import process. If a client with the **Client Code** entered does not exist in Drake Accounting, the **Client Setup** window is displayed and you will have to complete and save the required fields before the import process will begin. When data is successfully imported, a window is displayed showing how many records of each data type was imported and if any errors occurred.

PART III. Verify the information and complete the setup in Drake Accounting:

1. Go to **Client > Edit**. Verify the imported information and complete the client setup. See ["Client Setup"](#) for more detail.
2. Go to **Accounting > Chart of Accounts** and verify that each account, its account type, and account balance is correct. See ["Editing an Account"](#) for detail on editing account information.

NOTE

The Chart of Accounts must have a zero balance before it can be saved.

3. Go to **Employees > Employee Setup**. Verify the information is correct for each employee. See ["Employee Setup Overview"](#) for more detail.
4. Go to **Payables > Vendor Setup** if using Drake Accounting's Accounts Payable feature. Verify the information is correct for each vendor. See ["Setting Up Accounts Payable"](#) for more detail.
5. Go to **Receivables > Customer Setup** if using Drake Accounting's Accounts Receivable feature. Verify the information is correct for each customer. See ["Adding and Editing Customers"](#) for more detail.

IMPORTANT

It is very important that you examine all imported information. Since not all fields can be imported into Drake Accounting, you may need to complete missing setup information.

Importing from Sage 50

Import clients, employees, vendors, customers, and Chart of Accounts information (including account balances) from Sage 50 software. There are three parts to this process.

IMPORTANT

Post all journal entries to the general ledger prior to exporting information from Sage 50.

If you will be converting the Chart of Accounts, it is strongly recommended that you print a Balance Sheet report in Sage 50 prior to beginning this process.

PART I. Complete the following steps in Sage 50:

1. Select the company to be imported into Drake Accounting.
2. Go to **File > Select Import/Export...**
3. Select to export one of the following:
 - Accounts Receivable - Customer List
 - Accounts Payable - Vendor List
 - Payroll - Employee List
 - General Ledger - Chart of Accounts List

NOTE

These lists can be exported one at a time. You may create all four export files for a single client before converting them to Drake Accounting or create and convert one file at a time.

4. Click **Export**.
5. Select the **Options** tab.
6. Save the export files from Sage 50 using the default file names and an extension of .CSV.

IMPORTANT

The export file from Sage 50 must have an extension of **.csv**. If a different extension is used, Drake Accounting will not be able to successfully perform the import.


7. Click **Open**.
8. Select **Include Headings** under **Export Options**.
9. Click **OK**.

NOTE

To create the next export file, begin with step 3.

Not all fields can be imported into Drake Accounting. Refer to [“Appendix I - Imported Data Fields”](#) for a list of importable fields.

PART II. Complete the following steps in Drake Accounting:

1. Go to **File > Import**.
2. Select **Import Sage 50**.
3. Enter information in the following fields:
 - **Folder to Import** — Click the folder icon () on the right side of the **File to Import** field. Navigate to the export folder where the files were created in Sage 50 in [Part I](#) of these instructions. With the export folder selected, click **OK**.
 - **Client Code** — Enter a client code. If a client with the client code entered exists in Drake Accounting, you can only import information that does not exist in Drake Accounting. For instance, if there is an employee in Drake Accounting for the client code entered, employee information will not be imported.

If a client with the client code entered does not already exist in Drake Accounting, a new client will be created using the new code. A **Client Code** must be a unique code not currently used in Drake Accounting. Client codes are up to eight alpha/numeric characters (0 - 9, A - Z, and a - z) including underscores (_).
 - Select to import Employee, Customer, Chart of Account, or Vendor information or **Select All Imports** to import all four. Information can be imported only once. Selections previously imported are unavailable to be imported again.
4. Click **Import** to begin the import process. If a client with the **Client Code** entered does not exist in Drake Accounting, the **Client Setup** window is displayed and you will have to complete and save the required fields before the import process will begin. When data is successfully imported, a window is displayed showing how many records of each data type was imported and if any errors occurred.

PART III. Verify the information and complete the setup in Drake Accounting:

1. Go to **Client > Edit**. Verify the imported information and complete the client setup. See [“Editing a Client Setup”](#) for more detail.
2. Go to **Accounting > Chart of Accounts** and verify that each account, its account type, and account balance is correct. See [“Editing an Account”](#) for detail on editing account information.

NOTE

The Chart of Accounts must have a zero balance before it can be saved.

3. Go to **Employees > Employee Setup**. Verify the information is correct for each employee. See "[Employee Setup Overview](#)" for more detail.
4. Go to **Payables > Vendor Setup** if using Drake Accounting's Accounts Payable feature. Verify the information is correct for each vendor. See "[Vendor Setup](#)" for more detail.
5. Go to **Receivables > Customer Setup** if using Drake Accounting's Accounts Receivable feature. Verify the information is correct for each customer. See "[Adding and Editing Customers](#)" for more detail.

IMPORTANT

It is very important that you examine all imported information. Since not all fields can be imported into Drake Accounting, you may need to complete missing setup information.

Importing from Intuit EasyACCT

Import employees, vendors, and Chart of Accounts information (including balances) from Intuit's EasyACCT® software. There are three parts to this process.

PART I. Complete the following steps in EasyACCT:

1. Select the company to be imported into Drake Accounting.
2. Navigate to the **Import/Export Data** window in the **EasyACCT Utilities** section of the **System Navigator**.

NOTE

If a "Named Transfer" has been created, you can skip the remaining steps in Part I of this process and move on to Part II. However, file naming and data type constraints still apply. See the "[Important](#)" note below step 7.

3. Select the **Export Data** button in the **Import/Export** section.
4. Select the data to export. Employees, Vendors, or Chart of Accounts can be selected for export using the **Data Transfer Options - Type of Data to Transfer** field combinations below:
 - Employees - **Employee/Payroll - Employee Records**
 - Vendors - **General Ledger - Vendor Records**
 - Chart of Accounts - **General Ledger - Account Records**

NOTE

Only one export can be selected at a time so this step must be repeated for each additional data type to be imported into Drake Accounting.

5. In the **File Format to Transfer** field, select "Comma Delimited".
6. Select the **Include Column Headings When Exporting Data** checkbox.
7. Set the **Path/File Name** field. It is recommended that you export to an empty folder on your hard drive and that you use the same folder for all exported files.

IMPORTANT

All exported file names must end in .csv and the file name should indicate the type of information the file contains.

The file name for the file containing the exported employee information must contain the word "employee".

The file name for the file containing the exported vendor information must contain the word "vendor".


The file name for the file containing the exported Chart of Accounts must contain the word "chart".

8. Once the required data has been entered, click **Next** and specify the transfer options you prefer. These options vary based on the data type selected for export.
9. Give each field to be exported a sequence number in the **Define Transfer Fields** tab.

NOTES

Not all fields can be imported into Drake Accounting. Refer to [“Appendix I - Imported Data Fields”](#) for a list of importable fields. Some fields are required to be imported. If those fields are not included in the import data, the import will not be successful. The order of the fields in the exported file is not important.

PART II. Complete the following steps in Drake Accounting:

1. Go to **File > Import**.
2. Select **Import Intuit EastACCT**.
3. Enter information in the following fields:
 - **Folder to Import** — Click the folder icon () on the right side of the **File to Import** field. Navigate to the export folder where the files were created in EasyACCT in [Part I](#) of these instructions. Click **OK**.
 - **Client Code** — Enter a client code. If a client with the client code entered exists in Drake Accounting, you can only import information that does not exist in Drake Accounting. For instance, if there is an employee in Drake Accounting for the client code entered, employee information will not be imported.

If a client with the client code entered does not already exist in Drake Accounting, a new client will be created using the new code. A **Client Code** must be a unique code not currently used in Drake Accounting. Client codes are up to eight alpha/numeric characters (0 - 9, A - Z, and a - z) including underscores (_).
 - Select to import Employee, Chart of Account, or Vendor information or **Select All Imports** to import all three. Information can be imported only once. Selections previously imported are unavailable to be imported again.
4. Click **Import** to begin the import process. If a client with the **Client Code** entered does not exist in Drake Accounting, the **Client Setup** window is displayed and you will have to complete and save the required fields before the import process will begin. When data is successfully imported, a window is displayed showing how many records of each data type was imported and if any errors occurred.

PART III. Verify the information and complete the setup in Drake Accounting:

1. Go to **Client > Edit**. Verify the imported information and complete the client setup. See [“Editing a Client Setup”](#) for more detail.
2. Go to **Accounting > Chart of Accounts** and verify that each account, its account type, and account balance is correct. See [“Editing an Account”](#) for detail on editing account information.

NOTE

The Chart of Accounts must have a zero balance before it can be saved.

3. Go to **Employees > Employee Setup**. Verify the information is correct for each employee. See "[Employee Setup Overview](#)" for more detail.
4. Go to **Payables > Vendor Setup** if using Drake Accounting's Accounts Payable feature. Verify the information is correct for each vendor. See "[Vendor Setup](#)" for more detail.

IMPORTANT

It is very important that you examine all imported information. Since not all fields can be imported into Drake Accounting, you may need to complete missing setup information.

Activate Drake Accounting

Drake Accounting must be activated for you to have full access to the software. If Drake Accounting is not activated, you may operate the software in **Demo** mode. In **Demo** mode, you have full use of the program for 90 days with the exception of printing and e-filing Forms W-2 and 1099.

To activate Drake Accounting, complete the following:

1. Go to **File > Activate Drake Accounting**.
2. Click **Activate Software**.
3. Enter the Drake account number and the 2018 software serial number.
4. Click **OK**.

Firm Setup

Global setup options are used throughout Drake Accounting for all clients. These include:

- Entering information about your firm (Firm name and contact information, EIN, EFIN, Drake password, etc.). See ["Firm Information Setup"](#).
- Setting up tax return preparer information. See ["Paid Preparer Setup"](#).
- Editing federal, state, and locality rates and withholding. See ["Rates & Withholding Setup"](#).
- Entering Direct Deposit authentication information (if the Direct Deposit feature will be used). See ["Direct Deposit Overview"](#).
- Setting up security authorization passwords. See ["Security Setup Overview"](#).
- Designing MICR check layouts that can be used by all clients. See ["MICR Check Designer"](#).

Firm Information Setup

The first time you launch Drake Accounting, the program opens the **Firm Information Setup** window. Enter the information on this window before entering transactions. This is the firm's/ accountant's information. Access this window later from **Firm > Firm Information Setup**.

NOTES

The red exclamation mark (🚫) indicates a required field. This information about the firm must be entered.

There is one **Firm Setup** for all clients and reflects the information that the IRS associates with the firm's EIN.

To enter the firm information:

Go to **Firm > Firm Information Setup** and complete the **Basic information**.

Business Identification

- **PTIN** — This is the PTIN of the owner of the firm's EFIN.
- **Federal ID (Required)** — Enter the firm's Employer Identification Number (EIN) or Social Security Number (SSN).
- **EFIN** — This is the EFIN the firm uses when e-filing tax returns.

- **Account #** (Required for e-filing) — Enter the Drake account number associated with the Firm's EFIN and is found on the software's packing slip. This number can also be found by going to the Drake Support website (Support.DrakeSoftware.com), going to the **My Account** tab, then **My Serial Numbers**. This number is required to e-file 94x series tax returns.
- **e-File Password** — Enter your Drake password that is found on the software's packing slip. If you do not have a packing slip and do not know your Drake password, you can go to the Drake Support website (Support.DrakeSoftware.com) going to **My Account** tab, then **My Serial Numbers**.

NOTE

The EIN, EFIN, Account Number, and Drake password must be entered in order to e-file 94x forms.

- **TCC** — Enter the five-character alphanumeric Transmitter Control Code (TCC) assigned by the IRS/ECC-MTB. A TCC must be obtained to e-file data with this program. Submit Form 4419 to the IRS to obtain a TCC.

NOTE

See "[Appendix G - Preparing to e-File Forms 1099](#)" for details on getting a Transmitter Control Code and registering to use the IRS s FIRE website.

Tooltip Delay

Choose the amount of time to leave a tooltip active when hovering over a validator.

Automatically Backup Client Files

Set up Drake Accounting to automatically backup client files at designated times. When Automatic Backup is selected, Drake Accounting backs up the current client information to the default backup folder under "[Firm Information Setup](#)".


- **Start of Client Session** — When this option is selected, the active client's information is backed up when Drake Accounting is launched and, when changing the active client, the newly active client's information is backed up. Files backed up using this option have an **S** (Start of session) added to the end of the file name (e.g. Drake_Co¥2018-02-22_15-06S.ZIP). Files are backed up to the location specified in the **Backup** field on the **Firm > Firm Information Setup** window.
- **End of Client Session** — When this option is selected, the active client information is backed up when you exit Drake Accounting and, when changing the active client, the client you are leaving is backed up. Files backed up using this option have an **E** (End of session) added to the end of the file name (e.g. Drake_Co¥2018-01-15_14-21E.ZIP). Files are backed up to the location specified in the **Backup** field on the **Firm > Firm Information Setup** window.

NOTE

Either the **Start of Client Session** or the **End of Client Session** options may be selected.

- **Maximum Number of Backups Per Client** — When using the **Automatically Backup Client Files** option, a great number of backup files can accumulate. Use this field to set the maximum number of backup files to accumulate for each client. When the specified number of backups has been taken, the next backup will replace the oldest backup taken for that client ("first taken - first replaced").
- **MICR Printer** — Assign the default printer used to print MICR checks. MICR check printing requires a high quality laser printer using MICR toner.

If using blank (not pre-printed) MICR check stock to print payroll or vendor checks, specify your MICR printer.

- Click the  button to the right of the **MICR Printer** text box.
- Select your MICR check printer from the drop list and click **OK**.

Refer to "[MICR Check Setup - Overview](#)" for additional setup information for printing MICR checks.

e-File Setup


- **e-File 94x** — Select this option if you will be e-filing any 94x tax returns. If this option is not selected, e-filing of 94x tax returns is not available. Once this selection is made, complete the rest of the **e-File Selections** section.
 - **ERO PIN** — If you will be e-filing any 94x tax returns as an ERO, enter a self-selected five-digit numeric PIN. An ERO (Electronic Return Originator) e-files their customer's 94x tax returns and is not responsible for the content of the return.
 - **Reporting Agent PIN** — If you will be e-filing any 94x tax returns as a Reporting Agent, enter the five-digit PIN you received from the IRS. See "[Appendix F - Reporting Agent's PIN Application](#)" for details on becoming a Reporting Agent.

- **Business Name Control** — Enter the four-character name control assigned by the IRS to the firm. This name appears on all written correspondence from the IRS to the firm.

IMPORTANT


If you are unsure on what to put in the **Business Name Control** field, have an officer of the firm contact the IRS EIN verification line at (800) 829-4933. An incorrect **Business Name Control** entered here will cause all of your e-filed 94x tax returns to be rejected.

Paths

- **Backup** — This is the location where copies of client data are backed up. The default backup path is \DrakeAccounting2018\Backups. To specify a different location, enter the path or click the browse  button to the right of the text box and browse to a new default location. This is also the backup location used before every **Post Transactions** and **Bank Reconciliation** process.
- **Data** — This designates the storage location for the client files. The default (and recommended) data path is \DrakeAccounting2018\Clients.

WARNING!

Do not change the location of the data path without the supervision of Drake Accounting Support. Call Drake Accounting Support at (828) 349-5908 for assistance.

- **Use Drake Hosted** — This feature is to be used in the Drake Hosted version of Drake Accounting only.
- **Hosted to Local Path** — Click the  button to the right of the text box. The **Choose Root Folder** pop-up window is displayed. Use the drop list to select the root drive of either the local machine or a network drive. Upload files for W2, 1099, and state wage reports will be created in the specified drive location.

Click **Save**.

IMPORTANT

Always click **Save** before exiting a dialog box or window or you will lose your changes.

Adjust Tax Form Printing

To adjust the printing alignment of data on pre-printed forms, complete the following procedure:

1. Go to **Firm > Adjust Tax Form Printing**.

NOTE

These adjustments are for pre-printed forms using the "Data Only" option and do not effect the printing of forms printed using the "Forms and Data" option.

2. Select a form to adjust W-2 Nelco BW24DOWN (Four Down), W-2 Nelco BW24UP (Four Up), W-2G, 1096, 1098-MORT, 1098-T, 1099-A, 1099-B, 1099-C, 1099-DIV, 1099-INT, 1099-MISC, 1099-PATR, 1099-R, or 1099-S. The form selected is displayed above the adjustment slides and the current settings for this form are displayed in the **Horizontal** and **Vertical** sections.
3. Move the horizontal and vertical slides in the direction of the adjustment as needed. Adjustments are in increments of a tenth of an inch. The maximum adjustment is one inch in any direction.
4. Click **Save** to save the form adjustment.
5. Select the next form to adjust or click **Exit**.


Paid Preparer Setup

Complete the **Paid Preparer Setup** screen to have the **Paid Preparers Use Only** section automatically prefill for the state tax forms and 94x series tax returns. This information is available for global use and is not client specific.

To enter preparer information, complete the following:

1. Go to **Firm > Paid Preparer Setup**.
2. Click **New** to enter a new preparer or click a preparer's name in the top section of the window to edit that preparer's information.

NOTE

Required fields are indicated with a . This information about the preparer must be entered.

3. For a new preparer, click **New**.
4. Enter the preparer information:
 - **Preparer Code** — Enter the preparer code. Preparer codes are alpha numeric and can be up to 20 characters long.
 - **Preparer Name** — Enter the name of the preparer that will be completing the 94x series tax returns.
 - **Title** — Enter the title of the preparer.
 - **Firm Name** — If the preparer works for a firm, enter the name of the firm. If the preparer is self-employed, enter the preparer's name.
 - **Address** — Enter the full address of the preparer.
 - **Zip Code** — Enter the preparer's Zip Code and the **City** and **State** autofill.
 - **Preparer PTIN** — Enter the preparer's PTIN (Preparer Tax Identification Number).
 - **Federal ID** — If the preparer works for a firm, enter the firm's EIN. Do not include dashes. The number is formatted when the screen is saved.
 - **Phone/ Fax** — Enter the phone / fax number for the preparer.
 - **Email** - Enter the email for the preparer.
 - **Self-Employed** — Select this option if the preparer is self-employed and doesn't work for a firm.
5. Enter the following in the **Third Party Designee** section:
 - **Allow Third Party Designee** — By selecting **Allow Third Party Designee**, you authorize the IRS to talk to the designee about 94x returns. The **Designee Name** and **PIN** fields become active when the **Allow** option is selected.
 - **Designee Name/Designee Phone** — Enter the designee's name and daytime phone number. If the phone number entered for the Third Party Designee is not in the U.S., select the **Foreign Number** checkbox.
 - **Designee PIN** — Enter a 5-digit self-selected numeric PIN for the **Third Party Designee**.
6. Enter the following in the **State information**:
 - **Maine License Number** - Enter the Maine License Number for the preparer if applicable.
 - **NYTPRIN** - Enter the NYTPRIN for the preparer if applicable.
7. Click **Save**. Click **New** to continue adding preparers.
8. Click **Exit** when you have finished adding or editing preparers.

Rates & Withholding Setup

Go to **Firm > Rates & Withholding** to update this information. Use the three tabs in this section to set federal rates and withholding (unemployment, social security, medicare, minimum wage, single and married withholding allowances and rates), state rates and withholding, and to update locality tax rates.

Federal Rates and Withholding Setup

The rates for the 940, Social Security, Medicare, and Minimum Wage on the **Federal Rates & Withholding** window are determined by the IRS and were accurate when the program shipped. If the government changes any of these rates during the year, these figures can be manually updated by going to **Firm > Rates & Withholding Setup > Federal Setup**, or Drake will update these figures as needed via a program update, or "patch". Click **Save** when editing is complete.

To enter or edit federal rates and withholding limit information:

1. Go to **Firm > Rates & Withholding Setup > Federal Setup**.

NOTE

To edit, select a **Bracket Low**, **Bracket High**, **Flat Amount**, or **Rate** and type the new amount. Click **Save** when editing is completed.

2. Edit the rates, wage base, and minimum wage as needed. The **Additional Employee Rate** and **Additional Employee Limit** fields are for additional Medicare information.
3. **Withholding Allowance** and **Additional amount for Non-Resident Alien** amounts are annualized amounts and are published in IRS Pub. 15.
4. The grid at the bottom of the screen is the annualized withholding chart. This also comes from IRS Pub. 15 and is the basis for the withholding calculations used in Drake Accounting.

To edit, select a **Bracket Low**, **Bracket High**, **Flat Amount**, or **Rate** and type the new amount.

5. Click **Save** when editing is completed.

State Rates and Withholding Setup

State payroll rates and limits are determined by each state's Department of Labor. State withholdings are included in the software and were accurate when the program shipped. If withholding amounts change, make the necessary changes in the **State Rates & Withholding Setup** window, or wait until the program is updated via a patch. These are the rates and limits in the state where the client is located. Enter and edit the rates by going to **Firm > Rates & Withholding Setup > State Setup**. Once entered, the rates roll forward each year and will need to be edited if they change. If using Drake Accounting for bookkeeping only, this information is not necessary.

Set the rates and withholding limits for all clients in a given state once by using the **Global Rates** option from the **Client** drop list. If a client uses different state rates and withholding limits than those entered as "Global Rates", select the client from the **Client** drop list and enter the client-specific state rates and withholding limits.

To enter or edit state rates and withholding limit information:

1. Go to **Firm > Rates & Withholding Setup > State Setup**.
2. Select a state from the **States** list.
3. Either select "Global Rates" from the **Client** drop list to enter state rates and limits that are not client-specific, or select a client from the **Client** drop list to enter client-specific rates and withholding limits.
4. Enter the appropriate rates and withholding limits:
 - **State Wage Base** — Used to determine taxable wages for unemployment (SUTA) tax due and state quarterly taxes due.
 - **State Unemployment Rate** — Used to determine state quarterly tax due. A rate of 1.25% should be entered as 0.0125.
 - **Assessment Due Rate** — Used to determine assessment taxes due for unemployment (SUTA) Form 940 and state quarterly tax and wage reports.
 - **Training Contribution Rate** — Enter the percentage rate to flow to your state. This is a tax charged by some states based on state guidelines relating to training enhancement contributions. Some state forms have the specific calculation information programmed into their forms.
 - **Surcharge Rate** — If the state charges an unemployment surcharge, enter the rate. A 5% tax rate should be entered as 0.05. Only South Dakota and Iowa charge an unemployment surcharge.
 - **State Disability Rate** — Enter the rate of the state disability deduction. An 8% tax rate should be entered as 0.08. Only CA, HI, NJ, NY, RI, and Puerto Rico have state disability withholding that is required to be paid by the employee.
 - **State Disability Wage Base** — Enter the maximum amount of wages subject to this tax.
 - **State Max SDI Amount** — Enter the maximum amount that can be withheld from the employee in one year.
 - **Credit Reduction Rate** — If the client is in a credit reduction state and wishes to track the credit reduction amount (percent of taxable FUTA wages) on the 940 tax deposit, enter the state's credit reduction rate. The rate is entered as a percent (1% should be entered as 0.01).

NOTE

All state s withholding amounts for each tab were accurate when Drake Accounting shipped. You should only need to edit the information contained in the grid if they are changed by the state or to enter client-specific amounts. To edit, select a **Bracket Low, Bracket High, Flat Amount, or Rate** and type the new amount. Click **Save** when editing is completed.

Locality Rates

This tab is used to maintain a database of municipality and school district tax rates. Locality taxes are county taxes and any other local tax that should be withheld from employees' checks and are determined by each locality or municipality. The locality rates in Drake Accounting were accurate when the program shipped. If the locality changes any of these rates during the year, you will need to manually edit the affected locality rates. Use this tab if a rate changes, or needs adding or deleting. Locality taxes only pertain to these states: AL, CO, DE, IN, KY, MD, MI, MO, NY, OH, OR, PA, and WV.


To **Edit Locality Tax Rates**:

1. Go to **Firm > Rates & Withholding Setup > Locality Setup**.
2. Select a state from the **State** drop list. This is the client's state of record for the client's Employer Identification Number (EIN). The grid fills with the locality tax information appropriate to the state selected.
3. **Locality Type Filter** — By default, all locality types for the selected state display. Select the **Locality Type** from the drop list to filter the displayed list.


Edit Locality Tax

If a locality tax changes, locate the affected row, click on the cell to edit, and type the updated information. Click on a column header to sort the displayed list. Click **Save** when editing is complete.

Add Locality Tax

To add a locality tax, click the **Add Locality Rate** icon (). Complete all of the fields regarding the new locality tax. If the tax is for Michigan, Indiana, or Ohio, enter the **Locality Code** also. A 2% tax rate should be entered into the **Rate** field as 0.02. Click **Save**.

Delete Locality

To delete an entry in the locality tax table, select it by clicking the line in the table, then click the delete icon (.

Direct Deposit Overview

To use the Direct Deposit feature, complete the following steps:

1. Establish your account with InterceptEFT. See ["Establishing Your Account with InterceptEFT"](#).
2. Complete the Direct Deposit setup. See ["Setup Direct Deposit"](#).
3. Identify which employees will receive their pay by direct deposit. Refer to the **Direct Deposit** tab information under ["Employee Setup Overview"](#) for direct deposit set up instructions.
4. Enter live payroll information that includes direct deposit employees. Print check stubs if you desire. See ["Payroll Processing Overview"](#) for more information.

5. Transmit the pay information to InterceptEFT. See ["Transmitting Direct Deposits"](#).

IMPORTANT

If you will be accepting credit card payments through Drake Accounting's Accounts Receivable module, you must have an account established with InterceptEFT and the **Firm > Direct Deposit Setup** screen must be completed. See ["Establishing Your Account with InterceptEFT"](#) for information about setting up your account with InterceptEFT.

Establishing Your Account with InterceptEFT

Drake has partnered with InterceptEFT to provide Direct Deposit services.

Contact InterceptEFT at 1-866-431-9926 to establish your direct deposit account. Drake has negotiated discount pricing with InterceptEFT for this service. When speaking to InterceptEFT, you must identify yourself as a Drake client in order to take advantage of this special pricing.

Direct Deposit Setup

Once you've sent your request for an account to InterceptEFT, they will send a packet of information to you regarding your account. All of the information required to complete the **Firm > Direct Deposit Setup** screen is included in that packet.

For an overview of the Direct Deposit setup and processing and uploading to InterceptEFT, see ["Direct Deposit Overview"](#).

IMPORTANT

If you will be accepting credit card payments through Drake Accounting's Accounts Receivable module, you must have an account established with InterceptEFT and the **Firm > Direct Deposit Setup** screen must be completed. See ["Establishing Your Account with InterceptEFT"](#) for information about setting up your account with InterceptEFT.

To complete the Direct Deposit setup, complete the following steps:

1. Go to **Firm > Direct Deposit Setup**.
2. Use the drop lists to select letters and numbers or carefully type the letters and numbers to match the Authentication Card received from InterceptEFT. Either tab from one field to the next or use your mouse to click in a field.

InterceptEFT sends new Authentication cards periodically. Enter the new letters and numbers each time you receive a new card.

3. Enter the **PIN**, **UserID**, and **Password** of the "Primary" InterceptEFT account. The password must be between 8 to 25 characters in length. The fields display asterisks. Reenter the primary **UserID** and **Password**.
4. If a second account has been established with InterceptEFT, enter the **PIN**, **UserID**, and **Password** of the "Secondary" account. The password must be between 8 to 25 characters in length. The fields display asterisks. Reenter the secondary **UserID** and **Password**.
5. Selecting the processing window from the **Processing Window** drop list that you have contracted with InterceptEFT to use: 3, 4, or 5 days.
6. The **Details** link presents an explanation of when Intercept must have the file based on the contracted processing window in order to avoid increased processing fees.
7. Click **Save**.

IMPORTANT

InterceptEFT is Drake's agent for Direct Deposit. You must call them (1-866-431-9926) and establish your account prior to using the Direct Deposit feature. Drake has established a special fee schedule with InterceptEFT for its clients. It is important that you identify yourself as a Drake client whenever you communicate with InterceptEFT.

See "[Direct Deposit Overview](#)" for the steps to use the Direct Deposit feature.

Portal Setup

Portal Setup allows the client to create an admin user account, set Sync Settings and Syncing priorities, and access the Drake Accounting Portal. Go to [Portal](#) for more information on the Drake Accounting Portal.

Email Setup

The email settings must be complete to send out Receivables invoices to clients' customers via email. This feature is only for sending emails, not receiving them. To configure email settings for Drake Accounting:

1. Go to **Firm > Email Setup**.

Email Setup window

2. Complete the following field information:
 - **Common Providers** — Select the email provider that you will use to send email through Drake Accounting. If your email provider is not listed, leave this field blank and manually enter the appropriate **Outgoing Server** information.
 - **Email Address** — Enter the email address you use to send email.
 - **Outgoing Server** — This field fills automatically based on the **Common Providers** selection. If no Common Provider is selected, manually enter the Outgoing Server information. You can get the **Outgoing Server** information from your Internet Service Provider (ISP).

NOTE

Yahoo is not supported for use with Drake Accounting email services.

- **User ID** — Enter the user name you use to log in to your email account.
- **Login Password** — Enter and reenter the password you use to log in to your email account.

NOTE

Drake cannot retrieve or reset your email login password. Contact your email provider for the password.

- **SMTP Port Number**— The port number defaults to 587. However, if your email provider requires an alternate number, you can use 25 as the port number.
3. Once the setup information is complete, click **Send Test**. A message is displayed saying that a test email has been sent to the email account entered.
 4. Click **OK**.
 5. Check your email inbox for an email telling you that Drake Accounting has been configured for SMTP email services. Once you receive this email, return to **Firm > Email Setup** and click **Save**.

Delete Account — Click **Delete Account** to delete a saved email setup.

Security Setup Overview

Use Security Setup to restrict access to various modules of Drake Accounting. The Administrator has full access to the Drake Accounting program and sets up all other users, including their login credentials, and specifies which modules all other users are restricted from accessing. By default, each user has full access to the program. The first user set up must be an Administrator.

NOTE

Setting up security in Drake Accounting is optional; however, without it there are no restrictions as to who can access the software or what they have access to. Client-level access control can be used simultaneously with or instead of program-level security. See the **Password** setup under the [“Contact Information Tab”](#) for information on setting up client-level security.

When program-level security is set up, users must correctly enter the user ID and password combination assigned by the Administrator to access Drake Accounting.

See the following sections for further security setup information:

- [Setting Up User IDs and Passwords](#)
- [User Changing Their Password](#)
- [Deleting a User ID](#)

Setting Up User IDs and Passwords

Administrators assign all user IDs and passwords.

IMPORTANT

See "[Security Setup Overview](#)" for an overview of the security features of Drake Accounting.

Once security is set up, it cannot be removed.

To set up user IDs and passwords:

1. Go to **Firm > Security Setup**

IMPORTANT

The first user that is set up is automatically an Administrator with access to the **Firm** node that cannot be removed. Once an Administrator user ID has been set up, all users must be assigned a user ID and password login in order to access Drake Accounting. Without a user ID and password, the user will not be able to access Drake Accounting.

2. Click **New**.
3. Create a **User ID** and **Password**. User IDs must be between 3 and 20 characters long, are not case sensitive, and cannot be changed once saved. Passwords must be between 8 and 20 characters long and are case sensitive. Reenter the password to confirm it.
4. Select the **Administrator** check box if this user should have Administrator privileges (not necessary for the first user set up).
5. Select the modules to the right to restrict the user's access to that module. With the exception of the **Firm** module, the user will not see their restricted modules in their tree view. Users that are restricted from the **Firm** module still see that module in the tree view with the only option being **Change Password**. Users have full access to unselected (unrestricted) modules.
6. Click **Save**.
7. Repeat steps 2 through 6 to add additional users as needed.

Administrator Changing a User Password

Both the Administrator and the user can change a user's password. Passwords cannot be recovered. If a password is forgotten or lost, the Administrator can go to the **Security Setup** window to change the user's password.

For an Administrator to change a user's password:

1. Go to **Firm > Security Setup**.
2. Select the user from the **Existing Users** box.
3. Enter and re-enter the new user password.
4. Click **Save**.

User Changing Their Password

Both the Administrator and the user can change a user's password. Passwords cannot be recovered. If a password is forgotten or lost, the Administrator can go to the **Security Setup** window to change the user's password.

For the user to change his or her own password:

1. Go to **Firm > Change Password**.
2. Enter the current password.
3. Enter, and re-enter the new password.
4. Click **Save**.

Deleting a User ID

The Administrator can delete a user ID and eliminate that user's access to Drake Accounting.

NOTE

All user IDs can be deleted including the Administrator ID, provided that the last user to be deleted is an Administrator with access to the **Firm** node.

To delete a User ID:

1. Go to **Firm > Security Setup**.
2. Select the user to be deleted from the **Existing Users** box.
3. Click **Delete**.
4. Click **Yes** to confirm that the user should be deleted.

NOTE

All users can be deleted, including Administrators, provided that the last Administrator to be deleted has access to the **Firm** node. Deleting all users removes security.

MICR Calibration

See ["MICR Check Setup - Overview"](#) for MICR check printing setup instructions.

Calibration is a two-step process that ensures the MICR information is printed at the correct width and intensity. If the bank rejects the MICR font printed, a new font must be selected.

NOTE

Please contact Drake Accounting Support for assistance.

To select a new MICR font, complete the following steps:

1. Go to **Firm > MICR Calibration**.
2. Click **Print** to print the calibration tool to the MICR printer selected in **Firm > Firm Information Setup**. Follow the instructions in the calibration tool to determine the correct MICR font for your system.
3. Once you determine the correct MICR font for your system, select it from the **Step 2** drop list.
4. Click **Save**.

MICR Check Setup - Overview

Magnetic Ink Character Recognition (MICR) was developed in 1956 for the banking industry and gives banks a secure and faster method of processing checks. It uses special characters and magnetic ink or toner on blank check stock to print the numbers and characters found on the bottom of checks — usually the check number, routing number, and account number. A laser printer that accepts MICR toner is required to print these checks. A document printed with MICR ink is read by passing it through a machine that first magnetizes the ink on the MICR line and then reads the magnetic signals. Each character gives off a magnetic signal unique and identifiable to that character.

Complete the following steps to set up MICR check printing using blank check stock. You may use any brand MICR check stock you wish with Drake Accounting. See ["MICR Check Stock"](#) for a list of supported Nelco MICR check stock.

1. Create a MICR check design (["MICR Check Designer"](#)). You can create as many designs as you need. The designs are not client-specific and can be used by as many clients as you want.
2. Specify the MICR printer that will be used (["Firm Information Setup"](#)). This selection is global and not client-specific.
3. Specify the MICR bank accounts to be used by the active client (["MICR Bank Accounts"](#)). This information is client-specific.
4. If the bank is rejecting your checks, you may need to use the MICR Calibration tool to select a different font (provided with Drake Accounting) to print your MICR checks. See ["MICR Calibration"](#) to calibrate the proper MICR font to use.

MICR Check Stock

See ["MICR Check Setup - Overview"](#) for an overview of the set up of MICR checks.

Use the following guidelines when purchasing MICR check stock for printing payroll checks:

- 8.5 x 11 sheet size.
- Each sheet divided into three sections — one check with two stubs.
- The check section can be at the top, center, or bottom of the sheet. It is recommended the check be in the bottom section. The checks would thus have a clean bottom edge (no perforations) to slide through the reader.
- The check should be 3.5 inches high. The two stubs do not have to be of equal size but should each be between 3.5 and 4.0 inches high.

["Nelco MICR Check Stock"](#) displays the Nelco brand MICR check stock item numbers supported by Drake Accounting.

NOTE

It is not required that you use Nelco brand MICR check stock. You may use any MICR check stock you wish.

Nelco MICR Check Stock

80135	80679	80770	L80523B14
80136	80680	80771	L90503xx
80137	80683	80774	LSR301xx
80138	80751	80775	LSR401Mxx
80139	80753	80776	LSR501xx
80140	80754	80777	LSR501Mxx
80231	80755	80778	LSR601xx
80233	80756	80779	LSR601Mxx
80234	80757	80780	LSR701BB14
80468	80758	80781	LSR801BB14
80479	80759	80784	LSRBLKxx
80520	80760	80787	LSRBLKMxx
80537	80761	80788	LSRMIDxx
80544	80762	80789	THERMOMxx
80546	80763	ESS601xx	WAVEBOTxx
80550	80764	ESSMARTx x	WAVEMIDxx
80593	80765	L70503xx	THERMOTxx
80594	80766	L80503xx	WAVETOPxx
80675	80767	L80503Mxx	
80677	80768	L80510B14	
80678	80769	L80513xx	

NOTE

Go to the [Nelco Products](#) website to purchase check stock.

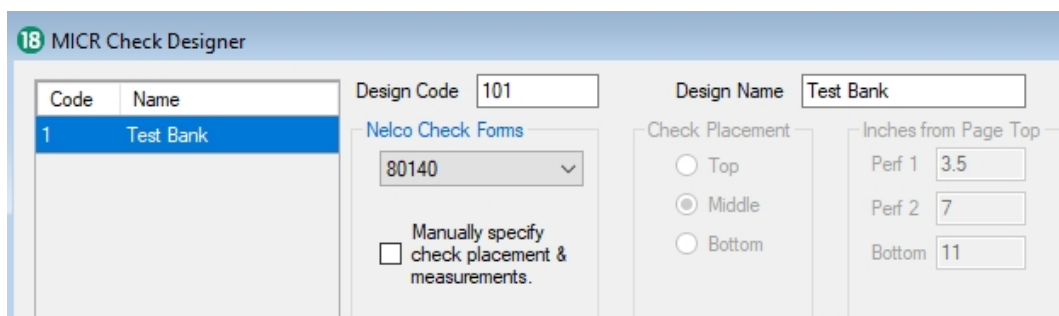
MICR Check Designer

See "[MICR Check Setup - Overview](#)" for an overview of the set up of MICR checks.

Complete the following steps to create a MICR check design that can be used by every client and every client bank account:

1. Go to **Firm > MICR Check Designer** to create a new MICR check design or customize the appearance of an existing MICR check design. Create one or more check designs. MICR check designs are available for use by all clients and are not client specific. Every design is available to every client and every MICR bank account.
2. Click **New** to beginning designing a new MICR check layout.

MICR Check Designer



- **Design Code** — Enter any positive whole number between 1 and 9999. This number should be unique for each design.
- **Design Name** — Enter a name for your design.
- **NELCO Check Forms/Manually specify check placement & measurements** — Either select a Nelco brand form from the drop list of supported blank check stock or select the **Manually specify check placement & measurements** check box if your check stock is not included in the drop list. See "[MICR Check Stock](#)" for a list of supported Nelco MICR check stock. When a check stock is selected from the drop list, that check's placement and measurements for printing automatically display. If you need to adjust these settings or are not using NELCO check stock, select the **Manually specify check placement & measurements** check box. The **Check Placement**, **Perf 1**, **Perf 2**, and **Bottom** settings become available for adjustment.

NOTE

NELCO check stock is not required to be used with Drake Accounting for printing MICR checks. If you use a different brand of MICR checks or your NELCO check stock is not included in the **NELCO Check Forms** drop list, select **Manually specify check placement & measurements**. Then measure your check stock from the top of the page to the 1st and 2nd perforation, and to the bottom of the page. Then edit the **Check Placement** and **Inches from Page Top** settings to match your check stock.

- **Check Placement** — Blank check stock comes in 8.5 X 11 inch sheets and is perforated with the "check" portion at the top, middle, or bottom, of the page. Select the appropriate option button.
- **Inches from Page Top** — Measure the following from the top of the check stock:
 - **Perf 1** — Measure from the top of the page to the first perforation and enter that measurement into the **Perf 1** field.
 - **Perf 2** — Measure from the top of the page to the second perforation and enter that measurement into the **Perf 2** field.
 - **Bottom** — Enter the measurement of the length of the page, from top to bottom and enter that into the **Bottom** field.

MICR Check Designer

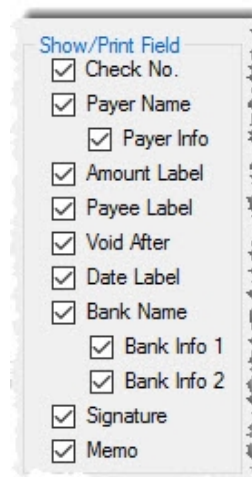
The screenshot displays the MICR Check Designer interface. It features several input fields and sections:

- Payer Name** and **Payer Info** fields.
- Check No.** and **Date** (01/01/2012) fields.
- Written Amount** and **Amount** (\$9,999.99) fields.
- Pay to the Order of** and **Payee Name** fields.
- Address1, Address2** and **City, State Zip** fields.
- Bank Name** and **Bank Info 1** / **Bank Info 2** fields.
- Memo** and **Authorized Signature** fields.
- Fractional Routing** and **Void After 180 Days** checkboxes.

 At the bottom, there is a MICR line with the text: ⑈ 1 2 3 4 5 6 ⑈ ⑈ 1 2 3 4 5 6 7 8 9 ⑈ ⑈ 1 2 3 4 5 6 7 8 9 0 ⑈ 1 2 3 4 5 6 7 ⑈

- **Show/Print Field** — By default, all fields and field labels print on MICR checks. Select the fields and field labels you want to remove by clearing the appropriate check boxes.

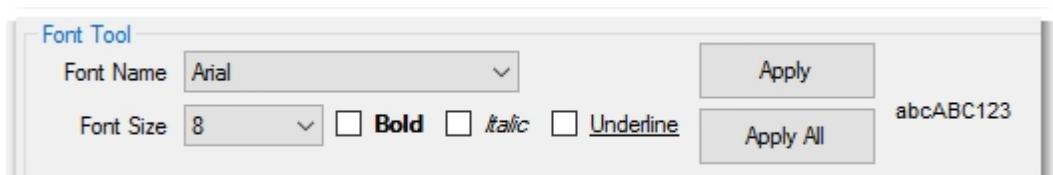
MICR Show/Print Field



3. The MICR Check Designer also shows a mock-up of a check including default fields with their locations and sizes. Move or resize the check's fields so that they print properly. Select a field by clicking it. The field name turns blue and resizing handles (eight small white squares) appear along the border. Rest your pointer over the resizing handles and the cursor changes to a double-headed arrow; this indicates the resizing mode. Click, hold down the mouse button, and drag the handle to resize the field. To move a field, rest your pointer anywhere over the field, click, hold, and drag the field to the desired position on the check.

The routing and account numbers are not accessible in the check designer. There are strict rules for the format and placement of these fields. Drake Accounting prints the information in the appropriate place when a check is printed. The information that goes in these fields (the account number and routing number) is entered in **Setup > MICR Bank Accounts** ("[MICR Bank Accounts](#)").

Font Tool



4. Use the **Font Tool** section at the bottom of the **MICR Check Designer** to set the font, font style, and font size of each field on the check. The current settings for the selected field appear on the left side of the **Font Tool**. To change a field's font, size, and style, select the field. The selected field's font attributes display on the left side of the **Font Tool**. Use the **Font Name** and **Font Size** drop lists and the **Bold**, **Italic**, and **Underline** check boxes to set the selected field's individual appearance. Click **Apply**.

Drake Accounting uses "True Type" fonts only.

NOTE

Use the **Defaults** button to revert to the default settings for your checks. Click **Save** after clicking **Defaults**. This is also a good way to return to the default settings if you have been trying to design your own checks and want to start again.

5. When satisfied with the design, click **Save**.

When a MICR payroll check is printed, the information flows from the fields in **MICR Bank Accounts** (see "[MICR Bank Accounts](#)"), **Employees > Employee Setup > Personal Information**. (see "[Personal Information Tab](#)"), and **Employees > Payroll > Live**.

NOTE

See "[Firm Information Setup](#)" to identify the printer where MICR checks will be printed.

See "[MICR Bank Accounts](#)" to specify the bank accounts that the client's MICR checks should be drawn from.

Editing a MICR Check Design

To edit an existing MICR check design:

1. Go to **Firm > MICR Check Designer**
2. Select one of the entries in the designs list (top left of the **MICR Check Designer** window) to access an existing design. Sort the order of the designs list by clicking the column header (**Code** or **Name**). A representation of the check is displayed. In addition, the fields describing check and stub placement become active.
3. Modify the design (see "[MICR Check Designer](#)").
4. Click the **Reset** button to revert to the previously saved version of an existing design.
5. Click the **Defaults** button to revert to the default settings for your checks.
6. Click **Delete** to remove a check layout.
7. Click **Save** when design modifications are complete.


Client Setup

Setting up a new client requires entering:

- Client information (company and contact information, type of business, accounting method, and payroll tax deposit frequency)
- 94x series tax return e-filing information
- Divisions
- Drake Documents options
- W-2 and 1099 printing setup options

Setting Up a New Client

To set up a client, complete the following steps:

1. To **Add** a new client in Drake Accounting, either go to **Client > Add**, or click the *Add a new client* icon () from the Drake Accounting **Home** screen.
2. For a new client, enter a code in the **Client Code** field. Client Codes are up to 12 alphanumeric characters (0 - 9, A - Z, and a - z) including underscores (_). Once the client information has been saved, the **Client Code** cannot be changed. Client codes cannot be reused for another client.
3. Complete information on the following tabs:
 - [Contact Information Tab](#)
 - [Business Information Tab](#)
 - [Divisions Tab](#)
 - [Drake Documents Options Tab](#)
 - [e-File Options Tab](#)
 - [Online Payment Tab](#)
 - [W-2/W-3/1099/1098 Setup Tab](#)
 - [Client Notes](#)
4. Click **Save & Exit** once all client information has been entered.

Contact Information Tab

(**Client > Add > Contact Information** and **Client > Edit > Contact Information**)

If adding a new client, go to **Client > Add** and complete the information on the tabs.

- **Client Code** — Enter up to twelve alpha/numeric characters (0 - 9, A - Z, and a - z) including underscores (_). Once the client information has been saved, the **Client Code** cannot be changed. Client codes cannot be reused for another client.

- **Password** — To create client based security, create a separate password for each client. Once a client password is saved, all users will be required to enter the assigned password to access that client's information. See "[Security Setup Overview](#)" for information on setting up access control for each user including the ability to restrict their access to each node in Drake Accounting.
- **Name, Trade Name, Country, Address, Phone, Fax** - Enter all contact information for the client.
- **Zip** - Enter the zip and the City and State autofill.
- **Contact Person** - Enter the client's primary contact person for tax, payroll, and accounting information
- **Contact Title** - Enter the contact person's title.
- **Email** - Enter the contact person's email address.
- **(Employer) EIN** — Enter the client's federal Employer Identification Number (EIN). If the client is a sole proprietor, use the **SSN** field instead of the **EIN** field.

NOTE

The **SSN** field is not available if there is an entry in the **(Employer) EIN** field. The **(Employer) EIN** field is not available if there is an entry in the **SSN** field.

- **State ID** — Enter the account number assigned by the state under which the employer must report income tax withholdings for employees.
- **State Unemployment ID** — Enter the account number assigned by the state under which the employer must report unemployment taxes.
- **SSN** — If the client is a sole proprietor, enter the owner's Social Security number. This would be used in place of an EIN.
- **State Tax Entity Code** — Enter the client's State Tax Entity Code (if applicable).
- **Seasonal Employer** — This information is used on both Form 941 and Form 941-SS.

NOTE

There may be additional fields displayed depending on the client's **State**. Make entries in these fields, if they are displayed.

Business Information Tab

(Client > Add > Business Information and
Client > Edit > Business Information)


- **Deposit Frequency** — Used to determine whether a Schedule B is generated when you prepare forms 94x. Select **Semi-Weekly** to produce a Schedule B with Form 941.
- Select **Monthly** to fill in Line 14 of both Form 941 and 941-SS. Refer to the instructions for Form 941 at www.irs.gov for IRS guidelines regarding the appropriate deposit frequency.
- **Business Type** — Select one from the drop list: sole proprietor, partnership, corporation, S-corporation, or Non-Profit. This information is used when setting up the field mapping to export to Drake Tax Software. See [Tax Form](#) in "[Adding Accounts to a Chart of Accounts](#)".
- **Accounting Method** — Select whether the client uses the Cash or the Accrual method of accounting. This should not be changed mid-year.
 - Under the "accrual method of accounting", income is counted when the sale occurs and expenses are counted when the goods or services are received.
 - Under the "cash method of accounting", income is not counted until the cash is actually received and expenses are not counted until they are actually paid.
- **Start of Year Date** — Set this date to the first day of the client's business year. For example, if the client's fiscal year begins April 1, the start-of-year date is 04/01/2018. Fiscal or calendar years are allowed. The **Start of Year Date** must be the first of a month. No other day in the month is valid. Update this date each year. See "[Date Fields](#)" for details on using date fields in Drake Accounting.
- **Company No Longer in Business** - Select this option if the client went out of business during 2018. When this option is selected, the Last Business Date field is activated where the client's last date in business in 2018 should be entered.
- **Employer Leave and Disability Plans**
 - Employer has Private Family Leave Insurance Plan** — Select this option if the client offers employees a private family leave insurance plan. When this option is selected, enter the employer's plan number. **Private Family Leave Insurance** should also be set up as a deduction (see "[Adding a Deduction](#)") with a **Withholding Code** of **FLIW**.
 - Employer has Private Disability Plan** — Select this option if the client offers employees a private disability insurance plan. When this option is selected, enter the employer's plan number. **Private Disability Plan** should also be set up as a deduction (see "[Adding a Deduction](#)") with a **Withholding Code** of **EPDW**.

Divisions Tab


(**Client > Add > Divisions** and **Client > Edit > Divisions**)

Divisions are used to divide company assets and expenses into sections. An unlimited number of divisions can be created. Divisions are used in employee setup, 1099 vendor setup, customer setup, journal entries, and general reporting.

To add a division:

1. Click the **Add a row** icon ()
2. Type a **Division Code**. Division Codes are alphanumeric and can be up to 20 characters long.
3. Type the appropriate **Division Title**.
4. Press Tab. Continue adding divisions as needed.
5. Click **Save** when adding and deleting of divisions is complete.

To delete a division:

1. Select the division to be deleted.
2. Click the delete icon ()
3. Click **Yes** to confirm the deletion.
4. Continue deleting divisions as needed
5. Click **Save** when adding and deleting of divisions is complete.

Drake Documents Options Tab

(**Client > Add > Drake Documents Options** and **Client > Edit > Drake Documents Options**)

Drake Documents (formerly called "Drake Document Manager" or "DDM") is installed when the Drake Tax software is installed. Drake Documents must be installed in order to use this option in Drake Accounting.

When Drake Documents is enabled in Drake Accounting, reports that generate as PDF files can be automatically saved to the client's Drake Accounting folder within the Drake Documents structure.

To set up Drake Documents in Drake Accounting, complete the **Drake Documents Options** tab.

1. Select the **Use Drake Documents** check box to use the Drake Documents Archive cabinet with Drake Accounting. Refer to Chapter 13, "Suite Products" of the *Drake Software User's Manual Tax Year 2017* for more information on these products.

Clear the **Use Drake Documents** check box to disable Drake Documents from Drake Accounting. This does not affect the use of Drake Documents with Drake Tax.

2. **Select Drake Documents Location** — When **Use Drake Documents** is selected in step 1 above, Drake Accounting displays all locations that it finds a Drake Documents folder. Select the location you wish to use for Drake Accounting client information. A selection is required in order to use Drake Documents, even if there is only one location listed.
3. **Override Client Destination Directory** — Select this check box to enable the option to specify a folder, other than the default folder, to be used for the client's Drake Documents files. Once this option has been selected, use the **Client Directory** drop list to select the folder to be used for this client.
4. **Save Documents to Drake Documents** — If **Automatically** is selected, files are written to the client's Drake Documents folder without you having to respond to a prompt. If the **Manually** option is selected, you will be required to respond to a prompt (Yes or No) before a file is written to the client's Drake Documents folder.

e-File Options Tab

(Client > Add > e-File Options and Client > Edit > e-File Options)

Use the **e-File Options** tab to set up e-filing of Forms W-2, 1099, and 94x tax returns.

- A. 94x File section
- B. PIN Application section
- C. W-2 File section
- D. 1099 File section
- E. State File section

94x File Section

Regardless of the type of 94x e-filer you will be for a particular client, Business Taxpayer, ERO, or Reporting Agent, a PIN (Personal Identification Number) is used to electronically sign the 94x tax return. See "[Types of 94x Series e-Filers](#)" below for a description of the three types of 94x e-filers.

NOTE

An EFIN is required to e-file tax returns. If you already have an EFIN, you must update the information on file with the IRS to be able to e-file 94x series tax returns. Log on to your IRS e-Services account to update this information.

Three types of 94x series e-filers:

Types of 94x Series e-Filers

Type	Description	PIN Used to Electronically Sign Tax 94x Return	Who is Responsible for the Contents of the Return?
ERO	e-files 94x returns for their customer. The ERO is providing the e-filing service and is <i>not</i> responsible for the contents of their customer's 94x returns.	Uses an 11-digit PIN made up of the ERO's EFIN and a 5-digit self-selected PIN that identifies the ERO. The same 11-digit PIN is used for each 94x return the ERO e-files. An additional 5-digit self-selected PIN for the ERO's customer is used to identify each individual customer to the IRS. See " ERO PIN Setup " for step-by-step setup instructions.	The ERO's customer
Reporting Agent	Electronically signs and e-files on behalf of the client	Uses same 5-digit PIN for all clients. See " Appendix E - Reporting Agent's PIN Application " for a detailed description of the Reporting Agent PIN application process and setup.	Reporting Agent
Business Taxpayer	e-files 94x returns for his or her own company. The Business Taxpayer is responsible for the contents of their 94x return.	10-digit PIN assigned by the IRS. See " Business Taxpayer PIN Application " for step-by-step setup instructions.	Business Taxpayer

Business Taxpayer PIN Application and Setup

See [Business Taxpayer PIN Application](#) for information on applying for a business taxpayer PIN and the business taxpayer PIN setup.

ERO PIN Setup

See [ERO PIN Setup](#) for information on the ERO PIN setup.

Reporting Agent PIN Application and Setup

See [Appendix E - Reoirtubg Agebt's PIN Application](#)

See [Reporting Agent PIN Setup](#)

Business Taxpayer PIN Application

A "Business Taxpayer" e-files 94x tax returns for his or her own company. The Business Taxpayer uses a 10-digit PIN assigned by the IRS to electronically sign their e-filed 94x tax returns. The Business Taxpayer is responsible for the contents of his or her company's 94x tax return.

NOTE

An EFIN is required to e-file tax returns. If you already have an EFIN, you must update the information on file with the IRS to be able to e-file 94x series tax returns. Log on to your IRS e-Services account to update this information. You need to do this only once.

To apply for a 10-digit Business Taxpayer's PIN :

Complete the Business Taxpayer 94x PIN Application

1. Go to **Client > Edit > e-File Options**.
2. Select the **e-File 94x** check box. Select this option if you will be e-filing 94x tax returns for the active client.
3. Select the **Transmit as Business Taxpayer** check box.
4. Enter the **Signature Name**. This is the name of the individual that will electronically "sign" the business taxpayer's 94x tax returns (typically the owner or an officer of the business).
5. Enter the **Authorized Signer SSN**, **Authorized Signer Name**, and **Authorized Signer Title**. This is the information for the signer of the Business Taxpayer PIN application. It could be the same person as the signer of the 94x returns, or someone else in the company.
6. Click **Create PIN Application File**.

PIN Application section

Next, transmit the PIN application to Drake:

1. Go to **e-Filings > 94x > Transmit 94x Forms and select PIN.**
2. Select the appropriate quarter from the **Select Quarter** drop list.
3. Click the box in the **Client Code** column of the application you wish to transmit.
4. Click **Transmit.**

NOTE

To view transmission results for the PIN application, go to
e-Filings > 94x > Transmit 94x Forms > View Results.

Once the application is accepted, the business taxpayer will receive a 10-digit PIN in the mail from the IRS within 10 days. Use this PIN when transmitting the 94x.

Complete e-filing setup for the Business Taxpayer

1. Select the appropriate business taxpayer client.
2. Go to **Client > Edit > e-File Options.**
3. Make sure the **Transmit as Business Taxpayer** option is selected and the name of the signer of the business's 94x returns is entered in the **Signature Name** field.
4. Enter the business's **Name Control for e-File.** This information is required and must match the name issued to the business by the IRS or the e-filed 94x return will be rejected. This name appears on all business's written communication from the IRS. If you are unsure what to put in the **Name Control for e-File** field, have an officer of the business call the IRS EIN verification line at (800) 829-4933.
5. Enter the 10-digit PIN the business taxpayer received from the IRS into the **Ten Digit Signature PIN** field.
6. Turn on 94x e-filing. Go to **Firm > Firm Information Setup** and make sure the **e-File 94x** check box is selected.

IMPORTANT

In order for the firm to e-file any of their clients' 94x tax returns, the **e-File Setup** section of the **Firm > Firm Information Setup** screen must also be completed.

ERO PIN Setup

An ERO electronically signs 94x tax returns for their customer using an 11-digit PIN made up of the ERO's EFIN and a 5-digit self-selected PIN. The same 11-digit PIN is used for each 94x return the ERO e-files. An additional 5-digit self-selected PIN for the customer is used to identify each individual customer to the IRS.

* EROs are not responsible for the content of their customer's 94x returns. The customer is responsible for the returns contents.

NOTE

An EFIN is required to e-file tax returns. If you already have an EFIN, you must update the information on file with the IRS to be able to e-file 94x series tax returns. Log on to your IRS e-Services account to update this information. You need to do this only once.

Step 1 — Set up an ERO PIN for a Customer

1. Make the customer the active client.
2. Go to **Client > Edit > e-File Options**.
3. Select the **e-File 94x** check box.
4. Select the **Transmit as ERO** check box.
5. Enter **Name Control for e-File**. This must match the name issued to the customer's company by the IRS or the company's 94x returns will be rejected. This name appears on all the client's mailing labels from the IRS. DO NOT GUESS AT THIS INFORMATION. If you are unsure what to put in the **Name Control for e-File** field, have an officer of the customer's company call the IRS EIN verification line at (800) 829-4933.
6. In the **Taxpayer 5 Digit PIN for e-File** field, the IRS says that the ERO's should enter their own self-selected five-digit PIN.
7. Enter the **Signature Name**. This is the name of the "signer" of the 94x tax returns and should be an officer of the customer's company.
8. Click **Save**.

Step 2 — Turn on 94x e-Filing

1. Go to **Firm > Firm Information Setup**
2. In the **e-File 94x** section of the screen, make sure the **e-File 94x** check box is selected.
3. Enter a self-selected five-digit PIN into the **ERO PIN** field. This same self-selected PIN will be used each time you e-file 94x returns as an ERO, so you only need to do this step once.

4. Enter the firm's **Business Name Control**. If you are unsure what to put here, have an officer of the firm contact the IRS EIN verification line at 800-829-4933. An incorrect Name Control will cause ALL of your e-filed 94x returns to reject. You only need to enter this once.
5. Click **Save**.

IMPORTANT

In order for the firm to e-file any of their clients' 94x tax returns, **e-File Setup** section of the **Firm > Firm Information Setup** screen must also be completed.

W-2 File Section

Complete the **W-2 File** section of the **e-File Options** tab of client setup if you will be e-filing this client's W-2 information to the Social Security Administration. This information is used to provide the necessary information on the **e-Filings > W-2 > Create File** screen (see "[Creating the W-2/W-3 Upload File](#)").

- **User ID Number** — Enter the 8-character user ID assigned to the employee who is attesting to the accuracy of the file. This user ID is assigned by the Social Security Administration when the employee registers to use the SSA's Business Services Online. To register, go to <http://www.ssa.gov/bso/bsowelcome.htm>.
- **Agent Indicator Code** — Select the appropriate agent indicator code.

NOTE

An "agent" is someone other than the employer used to pay the employer's taxes.

2678 Agent (Approved by IRS) — Select this option if you use an IRS-approved section 2678 agent to file returns and make deposits or payments of employment or other withholding taxes. Access the Form 2678 from www.irs.gov. When this option is selected, you must enter the **Agent EIN**.

Common Paymaster — A corporation that pays an employee for two or more related corporations at the same time is a common paymaster. When this option is selected, you must enter the **Agent EIN**.

3504 Agent — Select this option if using an employer-designated section 3504 agent. For information on this agent type, go to www.irs.gov. When this option is selected, you must enter the **Agent EIN**.

Other — Use if none of the others apply. The field is left blank in the EFW2.

- **Preparer Code** — Select the code that best describes the preparer of this client's W-2 transmission file.

W-2 Preparer Codes

A	Accounting Firm
L	Self-Prepared
S	Service Bureau
P	Parent Company
O	Other

1099 File Section

Complete the **1099 File** section of the **e-File Options** tab of client setup if you are a transfer or paying agent for the client and will be e-filing the client's 1099 information to the IRS. The information entered here flows to the **e-Filings > 1099/1096 > Create File** screen.

NOTE

An "agent" is someone other than the client used to pay the employer's taxes.

- **Agent Indicator** — Select the **Agent Indicator** option only if you (the preparer) are a trust company, bank or similar financial institution assigned by a corporation to: maintain records of investors and account balances and transactions, cancel and issue certificates, process investor mailings and deal with any associated problems (e.g. lost or stolen certificates).

When the **Agent Indicator** option is selected, the agent **Name** and **Address** fields are activated and require entry.

- **Payer Account Number** — Enter any number assigned by the payer to the payee that can be used by the IRS to distinguish between information returns.

State File

Under State File, select the **e-file State** checkbox to send state tax and wage forms electronically. Once this box has been checked, the State Employer Account Number and Remitter Number fields become available.

Enter the correct State Employer Account Number and Remitter Number if applicable.

State File

☒ e-File State

State Employer Account Number 123456789

Remitter Number 98765432

Online Payment Tab

(**Client > Add > Online Payment** and **Client > Edit > Online Payment**)

When the **Online Payment** tab is completed, Drake Accounting will include the bank account information in the 94x tax return e-filed to the IRS. The IRS will debit this bank account for the balance due amount.

Complete the **94x Online Payment Setup** tab of Client Setup to specify the bank account to be used for these payments.

NOTE

The bank account information is included with the 94x tax return transmission. Therefore, the **e-File Setup** section of the **Firm > Firm Information Setup** screen must also be completed and saved.

All fields are required.

- **Routing Transit Number** — Enter the routing number for this bank account.
- **Bank Account Number** — Enter the bank account number the funds should be withdrawn from when the 94x payment is made.
- **Payment From Check Account/Payment From Savings Account** — Select the type of account (checking or savings) identified by the **Bank Account Number**. Select only one.
- **Tax Preparer Day Time Phone Number** — Enter the tax preparer's daytime phone number. Enter numbers only.
- **Requested Payment Date** — This is the date the client is requesting the IRS directly debit the specified bank account. See ["Date Fields"](#) for details on using date fields in Drake Accounting.

W-2/W-3/1099/1098 Setup Tab

(**Client > Add > W-2/W-3/1099/1098 Setup** and **Client > Edit > W-2/W-3/1099/1098 Setup**)

Complete the **W2/W3/1099/1098 Setup** tab before preparing Forms W-2 and 1099.

W-2 Copy A and W3 Options

- **Use Standard W-2/W-3** — This is the default selection. When this option is selected, W-2 forms print two per page, one above the other. When this selection is made, all copies of the W-2 and the W-3 can be printed on plain paper when using a laser printer.
- **Use Barcoded W-2/W-3** — Select this option to have a 2D barcode printed at the top of the W-2 copy A and the W-3. If this option is selected, you must be printing using plain paper and a laser printer.

NOTES

At this time, neither the IRS nor the SSA mandates the use of barcoded forms.

Print the W-2 copy A and the W-3 using the **Forms and Data** option when using the 2D barcode option. Refer to ["Printing Forms W-2 and W-3"](#).

Nelco W-2

- **Use None** — Select this option if Nelco brand 4-up or 4-down W-2/W-3 forms are not being used. This is the default selection.
- **Use 4-up W-2** — Prints four W-2 forms print per page — two at the top and two at the bottom of the form. All are for the same employee. Must use Nelco form BW24UP when this option is selected.
- **Use 4-down W-2** — Prints four W-2 forms print per page, one above the other. All are for the same employee. Must use Nelco form BW24DWN when this option is selected.

NOTE

If no W-2 format selection is made, Form W-2 prints the standard 2-up (two per page, one above the other) format.

W-3 Information (Kind of Payer)

Select the form 94x for the employer (941, Military/941, 943, 944, CT-1, Household Employer, Medicare Government Employer, or Third Party Sick Pay).

1099 Information

- **Final 1096 Return** — Select this option if the client will not be required to file Forms 1098, 1099, or W-2G in the future, either on paper or electronically.
- **Mask ID on 1099/1098** — Select this option to have the SSN and TIN masked on all copies of the 1099 and 1098 except copy A. The IRS requires the full ID number to display on copy A. The masked ID number prints with an "X" in the first 5 positions (e.g. XXX-XX-1234).

W-3 Contact

- **Use Client Contact Information for paper form W-3 and E-Filing forms W-2/W-3** — When this option is selected, the Social Security Administration will contact the client if there is a problem with the e-filed W-2/W-3 transmission. Contact will be made using the client's email address entered on the **Client > Edit > Contact Information** tab. If this option is not selected, the Social Security Administration will contact the Firm using the email address on the **Firm > Firm Information Setup** screen.
- **Do not print date on signature line of W-3** — Select this option to prevent the date from printing on the signature line of the W-3.

W-3 Kind of Employer

Select the option that best describes the employer.

- **None Apply** — Select this option if none of the check boxes below apply to the employer.
- **501c non-government** — Select this option if the employer is a non-governmental tax-exempt section 501(c) organization.
- **State/Local non-501c** — Select this option if the employer is a state or local government or instrumentality that is not a tax-exempt section 501(c) organization.
- **State/Local 501c** — Select this option if the employer is a dual status state or local government or instrumentality that is also a tax-exempt section 501(c) organization.
- **Federal government** — Select this option if the employer is a Federal government entity or instrumentality.

Click **Save** and **Exit** when the client setup is complete.

NOTE

The first time a new client setup is saved, the create a Chart of Accounts function is displayed automatically. For information on creating a Chart of Accounts, see "[Chart of Accounts \(COA\) Setup](#)". If you'd rather set up a Chart of Accounts at a later time, go to **Accounting > Chart of Accounts** at that time.

Click the [NELCO](#) link to order Drake-compatible forms, envelopes, and tax office supplies from Nelco Solutions, a Drake business partner.

Notes

(**Client > Add > Notes** and **Client > Edit > Notes**)

Use **Client Specific Notes** to enter and save notes about each of your clients.

To enter client notes:

1. Go to **Client > Edit > Notes**.
2. Enter client notes as you would in a word processor.
3. Click **Save & Exit**.

Editing a Client Setup

Once a client has been set up and saved, you can edit that information.

To **Edit** an existing client, make the desired client the active client by selecting the client from the **Home** screen, then:

1. Go to **Client > Edit**.
2. Access the tab that you would like to edit:
 - [Contact Information Tab](#)
 - [Business Information Tab](#)
 - [Divisions Tab](#)
 - [Drake Documents Options Tab](#)
 - [e-File Options Tab](#)
 - [Online Payment Tab](#)
 - [W-2/W-3/1099/1098 Setup Tab](#)
 - [Client Notes](#)
3. Make the desired edits.
4. Click **Save & Exit** once the desired client information has been edited.

Backup Client

Create frequent backups of client files to a secure location for archival purposes.

The backup process makes a copy of client data and stores it in the folder d:


\DrakeAccounting2018\Backups where d: is the drive specified in the [Backup Path](#) specified under **Firm > Firm Information Setup**.

IMPORTANT

Make backups of client data at least once a week. Be sure to backup to a separate storage location, such as a “thumb” or “flash” drive, or some other media that can either be carried away from your office location or is permanently located away from your office (such as an online data backup provider). This ensures you can recover data should your office be damaged by fire, flood, or some other disaster.

NOTE

Quickly backup the current client to the default backup location from the **Client Selector** screen

by clicking the  icon beside the **Client Code** field.

To backup one or more clients, complete the following:

1. Go to **Client > Backup**. The **Backup Client(s)** dialog box is displayed.
2. The default Backup Path is set by going to **Firm > Firm Information Setup**. Upon installation of Drake Accounting, the backup path is \\DrakeAccounting2018\\Backups on the drive where Drake Accounting is installed. The current backup path is displayed in the bottom left of the **Backup File Selection** dialog box.

To select a different temporary backup path, click **Change Path** and select a folder from the **Browse For Folder** window. A new folder can be created by clicking the **Make New Folder** button. The backup files made during the current backup will be placed in the selected folder.

3. Click the boxes to select clients for backup from the **Client Code** column. Once a box is selected, a check displays in the box. Click the check box beside the **Client Code** column header to select all clients for backup.
4. Click **Backup**. A status window displays a list of the clients that were backed up once the backup is finished.
5. Click **Exit** to exit **Backup Client(s)**.

Backups are created with a date and time stamp added to the name. This prevents overwriting a previous backup and helps you identify the correct backup to restore.

NOTE

Drake Accounting uses Zip file compression to reduce the amount of disk space required for backup files.

Restore Client

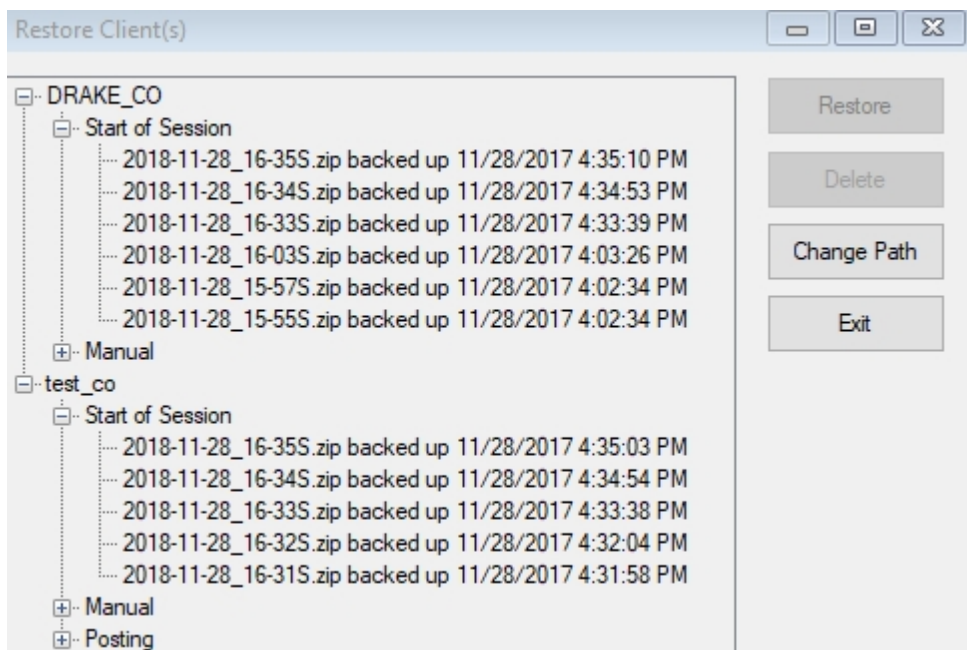
To restore a client backup, complete the following steps:

1. Go to **Client > Restore**. The **Restore Client(s)** dialog box opens with all clients in the current backup location listed.

IMPORTANT

The same version of Drake Accounting that was used to back up the client file must be used to restore the file.

Restore Client Files



2. If the backup file you wish to restore is not in the default backup location, click **Change Path** and navigate to the drive and folder where the backup file is located. For information on changing the default backup and restore file location, go to **Firm > Firm Information Setup > Backup Path**. The current path to the backup files is displayed in the bottom left of the **Restore** window.

3. Click the "+" sign beside the client that you'd like to restore. Various folders are used by Drake Accounting to assist in organizing backup files to make for easier retrieval.
4. Click the "+" sign beside the folder/category of backups.
5. The files that have been backed up for the selected client of the category selected are displayed.
6. Select a backup file to restore (or to delete).

NOTE

Drake Accounting uses a date and time stamp when client files are backed up. Use this information to determine the backup you d like to restore.

7. Click **Restore**.

NOTE

To delete a backup file, click **Delete** instead of **Restore**.

Delete Client

Client files can be deleted in Drake Accounting. Always make a backup of the client files before deleting the client. See ["Backup Client"](#).

To delete client files, complete the following steps:

1. Go to **Client > Delete**. The **Delete Client(s)** dialog box displays.

NOTE

The active client (the client currently open) is not displayed in the list of clients that can be deleted. To delete the currently open client you must change to another client, then proceed with the delete process.

2. Click to select a client from the list. Click the check box beside the **Client Code** column header to select all clients.
3. Click **Delete**.
4. When the **Confirmation Needed** window displays, click **Yes**. The client(s) selected for deletion is first backed up, then the client file is deleted.

Update Prior Year Clients

Bring forward all client setup information from the current year Client Write-Up program, the prior year Client Write-Up program, or the prior year Drake Accounting.

If **Update Prior Year** is run before closing the accounting year for the client in the prior year, the client's COA is copied into Drake Accounting with no balances. Drake Accounting continues to check if the **Year End Close GL** process has been run for the client in the prior year Drake Accounting version. If it has, you will be prompted to update your bookkeeping whenever you access the client's Chart of Accounts in Drake Accounting.

WARNING!


Once you have run **Update Prior Year Clients**, do not continue to enter payroll in the prior year CWU or Drake Accounting program.

Close all other instances of Client Write-Up and Drake Accounting before updating prior year clients. Only Drake Accounting 2018 should be running.

To update clients from a prior year, complete the following steps:

1. Go to **Client > Update Prior Year**.
2. Select the year from which to bring the client files forward, either **Current Year: 2018** or **Previous Year 2017**. All locations of Client Write-Up and Drake Accounting for the specified year are displayed.
3. Select the location of the client files to update to the Drake Accounting 2018 program by clicking the location under **Existing Data Paths**.
4. The client files in the selected location are displayed at the bottom of the dialog box. Select the individual client files by clicking the box beside each client you wish to convert or click the check box beside the **Client Code** column header to select all clients in the selected location.
5. Select the Accounting method that the clients will use once converted to Drake Accounting 2018, either **Cash or Accrual**.
6. Click **Update**.

NOTE

If the updated clients are not listed in the **Client Selector**, click the **Rebuild Client List** icon .

Export to Drake Tax

This feature exports information from Drake Accounting to the client's tax return in Drake Software. If a tax return for the client does not exist in Drake, information from the **Client > Edit** in Drake Accounting is used to create the tax return in Drake. If a tax return for this client exists in Drake, the EIN/SSN is used as the identifier for the client file and Drake Accounting exports to the existing tax return.

IMPORTANT

If a tax return was prepared in Drake for the client last year, the client's information must be brought forward from the previous year *before* exporting Drake Accounting data to Drake.

In Drake, go to **Last Year Data > Update Clients 2016 to 2017**. Enter the client's EIN or SSN, click **Add Client**, then follow the instructions.

Complete the following steps to select the client data to export:

1. Go to **Client > Edit > Business Information** tab, and verify that the business type has been selected from the **Business Type** field.
2. Go to **Accounting > Chart of Accounts**. Double-click a level **0** account number to export. Only Level **0** accounts are used for this option.
3. Use the **Tax Form** drop list to select the form for this action.
4. Use the **Tax Line** drop list to select the line on the tax form.
5. Use the **Tax Form Instance** field to specify which instance of the form specified in the **Tax Form** field should receive the exported account information.
6. Click **Save** and **Exit**. Follow this procedure for *each* account number exported.

Complete the following steps to export the client data:

1. Go to **Client > Export to Drake Tax**.
2. Use the **Export to** drop list to identify the location where Drake Tax Software is installed and the tax year.
3. Click **OK**. The export moves data from that account number in Drake Accounting to the form and line you have specified.

No worksheets or schedules are generated in the tax return, so these may need to be created to support the information imported. When multiple accounts in the Chart of Accounts are imported to the same form and line in the tax return, only totals are indicated on the return and overflow sheets are not generated.

Export to Drake *prior to* performing the Year End Close. Do not run the Year End Close from **Accounting > Year End Close** prior to exporting. When you close the year end, zeroes are exported to Drake for those account numbers higher than the Retained Earnings account.

Employee Payroll

Drake Accounting makes the distinction between "Employees" and "Vendors". Employees receive a W-2 at the end of the year and vendors may receive a 1099-MISC.

Setting Up Employee Payroll

To set up employee payroll, complete the following steps:

1. Assign account numbers to payroll processing features and enter federal, state, and local tax rate information. See ["Payroll Options and Accounts"](#).
2. Set default deductions and benefits offered to any employee. See ["Deductions and Benefits Setup"](#).
3. Enter information about the client's W-2 employees. See ["Employee Setup Overview"](#).

Employee Options

To set up general payroll settings and assign specific account numbers from the Chart of Accounts to payroll processing features, go to **Employees > Options**.

- [Payroll Options](#)
- [GL Account Numbers](#)

Payroll Options

Use the **Employees > Options > Payroll Options** tab to set up how overtime is stored, payroll posting options, automatic sick and vacation accrual options, and 401(k) matching options. None of the settings on the **Employees > Options** tab are required to process payroll. Select the options appropriate for the client.

This window is divided into the following set up sections:

- [Payroll Options](#)
- [Accrual Options](#)
- [Employer 401\(k\) Match Options](#)

Payroll Options

- **Suppress display of Terminated Employees** — When this option is selected, terminated employees are not included in the display on the **Employees > Add or Edit**, **Employees > Payroll > Live**, and **Employees > Payroll > ATF** screens.

- **Store all overtime pay separate from regular pay** — Select this option to have all overtime pay reflected as overtime. The default method for figuring overtime is to take the number of overtime hours and add that to **Regular Pay**, then add half the overtime rate to the **Overtime Premium**.

Example when this option is selected: Bob is paid \$10 per hour. Last week he worked 50 hours. **Regular Pay** shows \$400 (40 x \$10) and **Overtime Premium** shows \$150 (10 x \$10 x 1.5). His total pay for the week is \$550.

Example when this option is not selected: Bob worked the same 50 hours last week. **Regular Pay** shows \$500 ((40 x \$10) + (10 x \$10)) and **Overtime Premium** shows \$50 (5 x \$10). Again, his total pay for the week is \$550.

- **Suppress Check Stub Printing for Direct Deposit** — This option controls the default setting for the **No Stub** check box in **Live Payroll**. When this option is selected, check stubs do not print for Direct Deposit employees and it is not necessary to print stubs for direct deposit paycheck information to post to the journal.
- **Use DOL Rules to Calculate Payroll** — See the [U.S. Department of Labor](https://www.dhs.gov/e-verify/) website for information about this payroll calculation method.
- **Journal Type**
 - **Generate Accounting Transactions** — Select this option to have Drake Accounting automatically post payroll transactions to the journal.
 - Select how you want payroll transactions to be displayed in the journal. The **Post Detailed Payroll to Journal** option creates separate journal entries for each payroll transaction. The **Post Cumulative Payroll to Journal** option creates one set of cumulative journal entries for each payroll account when entering the journal screen. The **Post Combined Payroll to Journal** option creates one combined set of journal entries for all employees per pay period.

Accrual Options

- **Automatic Sick Hours** — Drake Accounting can track the number of sick hours earned and used per year and increment the **Sick Hrs Available** field for each employee in **Employees > Employee Setup > Payroll Options**. If you do not want Drake Accounting to automatically track sick hours, or you want to track sick hours earned manually, clear the check box. The **Sick Calculations** check box on the employee's **Employees > Employee Setup > Payroll Options** screen must also be selected for Drake Accounting to track sick hours automatically.
- **Automatic Vacation Hours** — Drake Accounting can track the number of vacation hours earned and used per year and increment the **Vac Hrs Available** field for each employee in **Employees > Employee Setup > Payroll Options**. If you do not want Drake Accounting to automatically track vacation hours, or you want to track vacation hours earned manually, clear the check box. The **Vacation Calculations** check box on the employee's **Employees > Employee Setup > Payroll Options** screen must also be selected for Drake Accounting to track vacation hours automatically.
- **Annual Sick Hours** — Enter the number of sick hours that may be earned in a year. This amount can be adjusted for each individual employee.

- **Annual Vacation Hours** —Enter the number of vacation hours that may be earned in a year. This amount can be adjusted for each individual employee.

Employer 401(k) Match Options

- **The Employer will Contribute ____ % of the Employee Contribution** — Enter the percentage of each employee's 401K contribution the employer is matching. If the employer is matching dollar for dollar, enter 100%. If the employer is not matching the employee's contributions, enter 0%.
- **Up to ____ % of Employee** — Enter the maximum percentage the employer will contribute to the employee's 401K.
Select either **Gross Wages** or **Net Wages** to indicate the employer's maximum 401K contribution percentage entered in **Up to ____ % of Employee** is a percentage of the employee's earnings before taxes and deductions are taken (gross wages) or after they are taken (net wages).
- **Deduction Limit** — This amount is determined by the IRS and was accurate when the program shipped. This figure must be manually updated if it is changed by the government.
- **Catch-Up Limit** — This is the amount of additional elective deferral contributions allowed by the government and was accurate when the program shipped.

Click **Save** or continue to "GL Account Numbers".

GL Account Numbers

The account information entered on the **Employees > Options > GL Account Numbers** tab is used to generate entries into the payroll journal from payroll entries.

IMPORTANT

This tab does not have to be set up if the bookkeeping feature is not being used.

The client Chart of Accounts must be created prior to entering account numbers. See "[Chart of Accounts \(COA\) Setup](#)".

NOTE

There must be a cash account and an expense account assigned from the Chart of Accounts. Without both accounts listed, the journal will be out of balance.

To enter payroll account information:

1. Go to **Employees > Options > GL Account Numbers**
2. Click the field to display a list of either postable expense or liability accounts from the Chart of Accounts. The **Select Account** window displays.
3. Select the desired account from the list. Click **Clear Selection** to remove a previously entered account.

Cash Accounts — This account is credited when a transaction is entered. This field *must* have an account number before the first payroll check is entered. The account number is required in order to post payroll transactions to the journal.

Expense Accounts — These accounts are debited when a transaction is entered. This field *must* have an account number before the first payroll check is entered, and is required in order to post payroll transactions to the journal.

- **Officer's Salary** — When an employee's **Pay Class (Employees > Employee Setup > Payroll Wages/Rates > Pay Class)** is **Officer Salary**, Drake Accounting uses the designated cash and expense accounts to post the officer's payroll amounts.
- **Employee Payroll** — Employee payroll amounts are posted to the designated cash and expense accounts when payroll is processed.

NOTE

Different **Officer's Salary** and **Employee Payroll** Cash and Expense accounts can be assigned for each employee by going to **Employees > Employee Setup > Payroll Options** (see "[Payroll Options Tab](#)"). If no accounts are assigned for an employee in the employee's setup section, the accounts assigned on the **G/L Account Numbers** tab are used when payroll transactions are posted to the journal.

- **Expense Account Numbers** — Select an expense account from the Chart of Accounts to track the employer expense paid to Social Security (FICA), Medicare, SUTA (state unemployment tax), and FUTA (federal unemployment tax). These accounts are debited when a transaction is entered.
- **Employer 401(k)** — The employer's contribution to a 401(k) plan is posted to the designated cash and expense accounts.
Liability Account Numbers — Use each field's drop list to select a liability account to be used to track the client's payroll Federal Withholding, State Withholding, Local Withholding, the employer's portion of Social Security and Medicare withholding, the employee's portion of Social Security and Medicare Withholding, and SUTA and FUTA liability accounts.

Click **Save**.

Deductions and Benefits Setup

Go to **Employees > Deductions & Benefits** to create a deductions and benefits database. All deductions and benefits beyond the standard deductions offered to any employee must first be set up on this screen. Once set up here, they can be assigned and customized for each individual employee by going to **Employees > Employee Setup**. The amounts entered in **Employees > Deductions & Benefits** (**Deductions** and **Benefits** tabs) become the default amounts on the **Deductions** and **Benefits** tabs of employee setup.

- [Adding a Deduction](#)
- [Adding a Benefit](#)
- [Editing a Deduction or Benefit](#)
- [Deleting a Deduction or Benefit](#)

Adding a Deduction


When adding or editing a deduction, enter a fixed dollar amount, a percentage, or nothing. There is no limit to the number of deductions that can be set up in Drake Accounting.

NOTES

All deductions must be set up here prior to being assigned to employees. The amounts entered during deductions setup are treated as the default amounts for each deduction and can be customized when assigning deductions to each individual employee.

Do not enter standard federal and state withholdings here.

To add a deduction, complete the following steps:

1. Go to **Employees > Deductions & Benefits**.
2. On the **Deductions** tab, click the **Add a row to deductions** icon (.
3. Complete the following field information:
 - **Name** — This is the name of the deduction as it should appear on the pay stub and payroll reports.
 - **Account** — Click the **Account** field to access the postable accounts list from the Chart of Accounts if the bookkeeping function is being used. Select the appropriate account number for the deduction. If you are not using the bookkeeping function, the account number information is not required. For more information on accounts, see "[Chart of Accounts \(COA\) Setup](#)".
 - **Amount** — This number corresponds either to a dollar amount or a decimal percentage rate that is assigned to the deduction. This amount can be edited on an individual basis by going to **Employees > Employee Setup**, and selecting the **Deductions** tab.

- **Ceiling** — Enter the maximum deduction that can be taken. When the employee reaches the ceiling amount for the year, Drake Accounting discontinues this deduction for that employee.
- **Based on** — Select **Dollars/Cents** and the entry in the **Amount** field is considered dollars and cents. If **Percent** is selected, the entry in the **Amount** field is considered a percentage and the deduction is calculated by multiplying gross pay by the **Amount**. If **Based on Hours** is selected, the deduction is calculated by multiplying the number in the **Hours Worked** field on the **Live Payroll** (or **ATF Payroll**) screen times the entry in the **Amount field**.
- **Deduct After Tax: Federal, Social Security, Medicare, State, Local** — Select the appropriate box if the deduction is taxable.
- **Exempt from: FUTA/SUTA/SDI/Garnish** — Select these boxes if the deduction is exempt from FUTA (federal unemployment tax), SUTA (state unemployment tax), state disability insurance, or wage garnishment.
- **W-2 Box 10** — Select this box to apply the deduction to box 10 on the W-2.
- **W-2 Box 14** — Select this box to apply the deduction to box 14 on the W-2. If the proper box is not selected, then the information does not flow to the W-2 correctly.
- **W-2 Box 12** — During W2 processing, this code indicates which letters to enter for the Box 12 code. Below is a list of codes used in Box 12.

W2 Box 12 Codes

A	Uncollected Social Security or RRTA tax on tips
B	Uncollected Medicare tax on tips
C	Taxable cost of group term life insurance over \$50,000
D	Elective deferrals to a §401(k) cash or deferred arrangement (including a SIMPLE 401(k) arrangement)
E	Elective deferrals to a §403(b) salary reduction plan
F	Elective deferrals to a §408(k)(6) salary reduction SEP
G	Elective deferrals and employer contributions (including nonelective deferrals) to any governmental or nongovernmental §457(b) deferred compensation plan
H	Elective deferrals to a 501(c) (18) (D) tax-exempt organization plan
J	Nontaxable sick pay (not included in lines 1, 3, or 5)
K	20% excise tax on excess golden parachute payments
L	Substantiated employee business expense reimbursements
M	Uncollected Social Security or RRTA tax on the taxable cost of group term life insurance over \$50,000 (for former employees)

N	Uncollected Medicare tax on taxable cost of group term life insurance over \$50,000 (for former employees)
P	Excludable moving expense reimbursements paid directly to the employee
Q	Nontaxable combat pay
R	Employer contributions to an Archer medical savings account (MSA)
S	Employee salary reduction contributions under a §408(p) SIMPLE
T	Adoption benefits
V	Income from the exercise of nonstatutory stock option(s)
W	Employer contributions to an employee's Health Savings Account (HSA)
Y	Deferrals under a §409A nonqualified deferred compensation plan
Z	Income under §409A on a nonqualified deferred compensation plan
AA	Designated Roth contributions to a §401(k) plan
BB	Designated Roth contributions under a §403(b) salary reduction agreement
DD	Cost of employer-sponsored health coverage
EE	Designated Roth contributions under a governmental §457(b) plan
FF	Permitted benefits under a qualified small employer health reimbursement arrangement

- **WH. Code** — Withholding codes dictate where data appears on the W-2.

W-2 Withholding Codes

NA	No withholding code applies
CP	Cafeteria Plan — W2 Box 14
FS	Family Services
GW	Garnishment of Wages
DI	Disability Insurance
401K	Identifies the deduction as the employee's 401K contribution
FLIW	Employee's contribution to a family leave insurance plan. When a deduction is set up using the FLIW withholding code, you should also select the Employer has Private Family Leave Insurance Plan check box and enter the plan number (Client > Edit > Business Information).
EPDW	Employee's contribution to a private disability insurance plan. When a deduction is set up using the EPDW withholding code, you should also select the Employer has Private Disability Plan check box and enter the plan number (Client > Edit > Business Information).
PERS	Employee's contribution to a public employees retirement system
MDSP	Maryland State Pickup Amount. This is a mandatory employee retirement deduction for all employees in Maryland that participate in the retirement system. This deduction is not subject to federal tax but is subject to Maryland state and local tax. If this withholding applies, also select the W2 Box 14 box.

- **Matching Benefit** — Select the benefit to be matched from the **Matching Benefit** drop list. When the **Force Matching** checkbox is selected, the deduction amount will match the benefit amount. If a deduction amount is entered, that amount is ignored when matching a benefit amount. The deduction amount will always equal the benefit amount even if the default benefit amount is edited on the **Employees > Employee Setup > Deductions** tab or during payroll processing. Clear the **Force Matching** checkbox and the deduction will no longer match the benefit.
4. Click **Save**. The deductions list shows the added deduction.

NOTE

Assign employee deductions and deduction amounts to each employee by going to **Employees > Employee Setup**, select the employee and click the **Deductions** tab. See ["Deductions Tab"](#).


Adding a Benefit

When adding or editing a benefit, enter a fixed dollar amount, a percentage, or nothing. There is no limit to the number of benefits that can be set up in Drake Accounting.

NOTES

All benefits being offered to employees must be set up here prior to assigning benefits to employees. The amounts entered during benefits setup are treated as the default amounts for each benefit and can be customized when assigning benefits to each individual employee.

To add a benefit, complete the following steps:

1. Go to **Employees > Deductions & Benefits** and select the **Benefits** tab.
2. Click the **Add a row** icon (.
3. Complete the following field information:
 - **Name** — Click the **Name** field and enter the name of the benefit as it should appear on the pay stub and payroll reports.
 - **Account** — Click the **Account** field to access the postable accounts list from the Chart of Accounts, if the bookkeeping function is used. Select the appropriate account number for the benefit. If you are not using the bookkeeping function, the account number information is not required. For information on setting up a Chart of Accounts, refer to ["Chart of Accounts \(COA\) Setup"](#).
 - **Amount** — This number corresponds to either a dollar amount or a decimal percentage that is assigned to the benefit. Percentage amounts must be entered as a decimal value of less than 1.0. This **Amount** can be edited on an individual basis by going to **Employees > Employee Setup**, and selecting the employee's **Benefits** tab.
 - **Ceiling** — Enter the maximum amount of this benefit that can be taken. When the employee reaches the ceiling amount for the year, Drake Accounting discontinues giving this benefit to that employee.

- **Based on** — Select **Dollars/Cents** and the entry in the **Amount** field is considered dollars and cents. If **Percent** is selected, the entry in the **Amount** field is considered a percentage and the benefit is calculated by multiplying gross pay by the **Amount**.
- **Based on Hours Worked** — When this option is selected, the benefit is calculated by multiplying the number in the **Hours Worked** field on the **Live Payroll** (or **ATF Payroll**) screen times the benefit **Amount**. **If this option is not selected, the benefit is calculated by multiplying gross pay times the benefit Amount.**
- Select the appropriate **Taxing and Income Options**:

Not taxed - Not Applied to Gross or Net Pay — The benefit is not taxed and the amount of the benefit is not included in either the employee's gross or net pay.

Not taxed - Apply to Net Pay Only — The benefit is not taxed but the amount of the benefit is included in the employee's net pay.

Taxed - Apply to Gross and Net Pay — The benefit is taxed based on the check box selections (**Federal, SS, Medicare, FUTA, State, Local, and SUTA**) and the benefit amount is included in the employee's gross and net pay.

NOTE

The benefit amount will not be added to the total federal wages if **Taxed - Apply to Gross and Net Pay** is selected.

Taxed - Not Applied to Gross or Net Pay — The benefit is taxed but the benefit amount is not included in either the employee's gross or net pay.

Taxed - Apply to Gross Only — The benefit is taxed based on the check box selections (**Federal, SS, Medicare, FUTA, State, Local, and SUTA**) and the benefit amount is included in the employee's gross but not net pay.

- **Benefit Subject To: Federal, Social Security, Medicare, State, Local, FUTA, and SUTA** — Select the appropriate box or boxes if the benefit is taxable.

- **Apply To** — Select the form and line where the benefit should be reported.
 - **941 Box 2** — Select this box to include the total paid by the employer for this benefit on Form 941 Box 2 (Wages, tips, and other compensation). This option is available only if the benefit is not taxed.
 - **940 Box 3** — Select this box to include the total paid by the employer for this benefit on Form 940 Box 3 (Total payments to all employees). This option is available only if the benefit is not taxed.
 - **W2 Box 01** — Select this box to add the amount of the benefit to the total federal wages in box 1 on the W-2.
 - **W-2 Box 10** — Select this box if the benefit is a dependent care benefit and the amount should be included in box 10 of the W-2.
 - **W-2 Box 14** — Select this box to assign the benefit to box 14 on the W-2. If the proper box is not selected, then the information does not flow to the W-2 correctly.
- **W-2 Box 12** — During W2 processing, this code indicates which letters to enter for the Box 12 code. Below is a list of codes used in Box 12.

W-2 Box 12 Codes

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F	Elective deferrals to a §408(k)(6) salary reduction SEP
G	Elective deferrals and employer contributions (including nonelective deferrals) to any governmental or nongovernmental §457(b) deferred compensation plan
H	Elective deferrals to a 501(c) (18) (D) tax-exempt organization plan
J	Nontaxable sick pay (not included in lines 1, 3, or 5)
K	20% excise tax on excess golden parachute payments
L	Substantiated employee business expense reimbursements
M	Uncollected Social Security or RRTA tax on the taxable cost of group term life insurance over \$50,000 (for former employees)
N	Uncollected Medicare tax on taxable cost of group term life insurance over \$50,000 (for former employees)
P	Excludable moving expense reimbursements paid directly to the

	employee
Q	Nontaxable combat pay
R	Employer contributions to an Archer medical savings account (MSA)
S	Employee salary reduction contributions under a §408(p) SIMPLE
T	Adoption benefits
V	Income from the exercise of nonstatutory stock option(s)
W	Employer contributions to an employee's Health Savings Account (HSA)
Y	Deferrals under a §409A nonqualified deferred compensation plan
Z	Income under §409A on a nonqualified deferred compensation plan
AA	Designated Roth contributions to a section 401(k) plan
BB	Designated Roth contributions under a section 403(b) salary reduction agreement
DD	Cost of employer-sponsored health coverage
EE	Designated Roth contributions under a governmental §457(b) plan
FF	Permitted benefits under a qualified small employer health reimbursement arrangement

4. Click **Save**. The benefits list shows the added benefit.


NOTE

Assign employee benefits and benefit amounts to each employee by going to **Employees > Employee Setup**, select the employee and click on the **Benefits** tab. See [“Benefits Tab”](#).

Editing a Deduction or Benefit

To edit a deduction or benefit, go to **Employees > Deductions & Benefits**, select either the **Deductions** or **Benefits** tab, and click the appropriate entry in the list. Edit the information and click **Save**. The list updates to show the changes.

Deleting a Deduction or Benefit

To delete a deduction or benefit, go to **Employees > Deductions & Benefits**, select either the **Deductions** or **Benefits** tab, and select the deduction or benefit to be deleted. Click the delete icon () and the deduction or benefit is deleted.

Employee Setup Overview

Select **Employees > Employee Setup** to add the client's W-2 employees or to edit the information of a saved employee. Employee information must be entered before any payroll information is produced for each employee. When the **Employees Setup** dialog box is open, employees are listed alphabetically by last name.

NOTE

The links under **Help > Web Links > Homeland Security** provide access to various U.S. Department of Homeland Security websites. These are intended to assist employers in determining the employment eligibility of their employees.

Adding an employee and editing an existing employee's setup is very similar. The primary difference is when setting up a new employee, you will need to assign that employee a unique **Employee Code**.

To add an employee:

1. Go to **Employees > Employee Setup** and click **New**.
2. Enter an **Employee Code**. Employee codes are alphanumeric and can be up to 20 characters long.

Use any scheme you wish to assign employee codes; however, we recommend that you use an employee code that is meaningful. For instance, instead of using the employee's SSN, you could use "JonesPaul." By using a meaningful code, lines on reports that refer to this employee are easily identifiable.

Complete information on the following tabs:

- [Personal Information Tab](#)
- [Payroll Wages/Rates Tab](#)
- [Payroll Options Tab](#)
- [Federal Tax Tab](#)
- [State Tax Tab](#)
- [Local Tax Tab](#)
- [Deductions Tab](#)
- [Benefits Tab](#)
- [Direct Deposit Tab](#)
- [Notes Tab](#)

Click **Save** after verifying the information on all tabs.

To edit an existing employee:

1. Go to **Employees > Employee Setup**.
2. Click an employee's name from the list of employees. The data fields for that employee activate and can be edited.
3. Edit as needed.
4. Click **Save** when editing is complete.

Personal Information Tab

Complete the **Personal Information** tab:

Employee Setup - Personal Information tab

Personal Information	Payroll Wages/Rates	Payroll Options	Federal Tax	State Tax	Local Tax	Deductions	Benefits	Direct Deposit	Notes
Employee Code	BSmith								
First Name	Bob				Federal ID	SSN	400-12-4343		
Middle Name					Date of Birth	<input checked="" type="checkbox"/> 12/28/1985			
Last Name	Smith	Suffix			Gender	Female			
Country	US - United States				Date of Hire	04/11/2010			
Address 1	321 Address				Division				
Address 2					Employment Status	Active			
City	Atlanta				Date LWOP Taken				
State	GA				Date Terminated or Date Suspended				
Zip	30303-				Employee is under 18	<input type="checkbox"/>			
Phone	() -								
Email									
NAICS/Class Code									
Enter the establishment ID to identify wages by worksite. This is only required if you file form BLS 3020.									

When setting up a new employee, Enter an **Employee Code**. Employee codes are alphanumeric and can be up to 20 characters long.

Use any scheme you wish to assign employee codes; however, we recommend that you use an employee code that is meaningful. For instance, instead of using the employee's SSN, you could use "JonesPaul." By using a meaningful code, lines on reports that refer to this employee are easily identifiable.

- **NAICS/Class Code** — Some states use the North American Industry Classification System (NAICS) to collect and analyze statistical data related to their economy. These codes identify the type, or class, of work the employee does. Enter the employee's NAICS code, if applicable. The employee's NAICS code displays on the **Live** and **ATF Payroll** screens and can be edited for each pay check.
- **Establishment ID to Identify wages by workstate** — This is required only if the client files Form BLS 3020.

IMPORTANT

There must also be an entry made in the NAICS/Class Code field. If an **Establishment ID** is entered and there is no entry in the **NAICS/Class Code** field, the **Establishment ID** is not saved.

- **Federal ID** (Required) — Enter the SSN, EIN, ITIN, or Other. The number is formatted based on the selection made from the drop list. The **OTH** selection is any information approved by the IRS instead of using an EIN, SSN, or ITIN.

NOTE

If an employee ID number is not available, employees can be added using nine zeros (000000000) as the ID number provided the ID type selected is **OTH**. This satisfies Federal W-2 requirements when no ID number is available.

- **Date of Birth** — Enter the employee's birth date. This date is used to figure eligibility of catch-up amounts for 401k contributions. See ["Date Fields"](#) for details on using date fields in Drake Accounting.
- **Gender** — This information is used for some state wage reports. Select **Male** or **Female**.
- **Date of Hire** — Enter the date the employee was hired.
- **Division** (Optional) — Select the division of which the employee is a member. Divisions are set up in **Client > Edit > Divisions**. (See ["Divisions Tab"](#).)

- **Employment Status** (Required) — Select the status of the employee.
 - **Active** — Regular employee
 - **Statutory** — Some workers are deemed to be employees by statute. An employer should indicate on the worker's Form W-2 that the worker is classified as a statutory employee. Statutory employees report their wages, income, and allowable expenses on Schedule C (or Schedule C-EZ), Form 1040. Statutory employees are not liable for self-employment tax because their employers must treat them as employees for Social Security tax purposes.

For an exempt organization, the most common statutory employees are its officers. In addition, while not as prevalent in an exempt organization, the following workers are also statutory employees:

- A full-time traveling or city salesperson who solicits orders from wholesalers, restaurants, or similar establishments on behalf of a principal. The merchandise sold must be for resale (such as food sold to a restaurant) or for supplies used in the buyer's business.

- A full-time life insurance agent whose principal business activity is selling life insurance and/or annuity contracts for one life insurance company.

- An agent-driver or commission-driver engaged in distributing meat, vegetables, bakery goods, beverages (other than milk), or laundry or dry cleaning services.

- A home worker performing work on material or goods furnished by the employer.

NOTE

The selection made in the **Status** field determines the availability of the employment information in the payroll function and the state wage report. Selecting **Hourly**, **Salary**, or **Statutory** makes the employee information available in the payroll function.

- **Terminated** — A terminated employee is one who has resigned or was let go by the company. Making this selection activates the **Date LWOP Taken** field. See "[Suppress display of Terminated Employees](#)" for information on hiding terminated employees during payroll processing.
- **Suspended Without Pay** — An employee with this status is considered to be on the company's payroll but does not receive a paycheck while suspended without pay. Payroll cannot be processed for an employee with this status. Making this selection activates the **Date LWOP Taken** field.
- **Suspended With Pay** — An employee with this status is typically barred from coming to work but still receives a paycheck. Payroll is still processed for an employee with this status. Making this selection activates the **Date LWOP Taken** field.

- **Leave Without Pay** — This is an temporary approved nonpay status. An employee with this status is considered to be on the company's but does not receive a paycheck while on leave without pay. Payroll cannot be processed for an employee with this status. Making this selection activates the **Date LWOP Taken** field.

Terminated, Suspended, and employees on **Leave Without Pay** can be deleted at the end of the calendar year once all reports, payroll filings, and W-2s/W-3s have been generated and mailed or electronically filed.

NOTE

Exception: If a business fiscal year covers any period other than Jan.1-Dec.31, employees that have been paid during the fiscal year cannot be deleted until the end of the fiscal year. If the employee has not received pay, he or she can be deleted at any time.

- **Date LWOP Taken/Date Terminated or Date Suspended** — This field is activated when either **Terminated, Suspended with Pay, Suspended without Pay**, or **Leave Without Pay** is selected in the **Status** field. See "[Date Fields](#)" for details on using date fields in Drake Accounting.
- **Employee is under 18** — Select this box if the employee is under the age of 18.

Payroll Wages/Rates Tab

Enter information about an employee's pay scale on the **Payroll Wages/Rates** tab.

- **Pay Class** (Required) — Select the employee's pay class.
 - **Hourly** — Employee is paid at an hourly rate.
 - **Hourly Exempt** — Employee is not paid at an hourly rate.
 - **Salary** — Employee is paid based on an annual salary.
 - **Officer Salary** — Employee is an officer of the company and is paid based on an annual salary.
 - **Commission** — Employee is paid a commission with no hourly wage or annual salary.
 - **Sick Pay** — Employee is receiving third party sick pay. When this status is selected, the **Date Sick Pay Started** and **% Sick Pay Paid by Employee** fields are activated.
 - **Salary Non-Exempt** — This is a salaried employee that is eligible to receive overtime pay.
 - **Pay Per Piece** — Employee is paid for each thing made or does and not for the amount of time worked. The employee is eligible for overtime pay.

- **Pay Frequency** (Required) — Select the appropriate option based on how often this employee is paid. This information determines the default value of **Regular Hours** for hourly employees in Live and ATF Payroll. It also determines how the employee's annual salary is divided and displayed in the **Salary** field when processing payroll. For instance, if **Weekly** is selected, the annual salary is divided by 52 in **Payroll**; if **BiWeekly** is selected, the annual salary is divided by 26. To enter a different pay amount each pay cycle for a salaried employee, remove a default by selecting **Zero** from the **Pay Frequency** list. Then enter 0.00 as the **Annual Salary**.
- **Annual Salary** — Enter the annual salary amount. The amount for the payroll check will be calculated based on the selection made in the **Pay Frequency** field. This field is only available if the **Pay Class** is either **Salary**, **Officer Salary**, or **Salary Non-Exempt**.
- **Default Hours Per Pay Period** — This is determined by the selection in the **Pay Frequency** field but can be edited as needed for individual employees.
- **Overtime Factor** — Enter the percentage of the hourly wage the employee receives for working overtime. The default value is time-and-a-half, entered as 1.5.
- **Holiday Factor** — Enter the percentage of the hourly wage the employee receives for working on a holiday. The default value of the holiday pay rate is double-time, entered as 2.0.
- **Pay Rate Per Piece** — If the employee is paid by production levels (piece work), enter the wage the employee receives for each piece produced.
- **Pay Per Piece PFD** — Enter the PFD (Personal needs, Fatigue, and Unavoidable delays) allowance, if appropriate, for this per piece employee. This field becomes available when the **Pay Class** is **Pay Per Piece** and **Use PFD with Piece Work** is selected on the **Payroll Options** tab.
- **Date of Pay Raise** — Enter the date the employee's pay raise became effective. This date is used to determine the correct amount of pay when a paycheck is generated prior to that date using the old amount or after that date using the increased amount.

NOTE


See "[Date Fields](#)" for details on using date fields in Drake Accounting.

- **Date Sick Pay Started** — Enter the date the employee began receiving third party sick pay. This field becomes active when **Sick Pay** is selected as the **Pay Class**.
- **Last Day of Month Worked** — Enter the date of the last day of the month the employee worked before becoming entitled to receive sick pay. This field becomes active when **Sick Pay** is selected as the **Pay Class**.
- **Print Regular Hours for Salaried Employees** — This option is available for salaried employees only. When this option is selected, the salaried employee's regular hours display in the **Regular Hours** field on the **Live** and **ATF Payroll** screens and the regular hours print on the employee's check stub.

- **Print Regular Hours on Check Stub** — This option is available for non-salaried employees only. When this option is selected, regular hours print on the employee's check stub.
- **% Sick Pay Paid by Employee** — Enter the percentage of sick pay paid by the employee.

Entering Pay Rates for Hourly Employees

Complete the following to enter pay rates for hourly employees:

1. Click the add row icon .
2. Enter the employee's regular hourly pay rate in the **Current Rate** field.
3. Enter the **Default Hours** for the pay rate.
4. Enter a job **Description** for the pay rate entered in step 2.
5. The **Old Rate** will change when the current rate amount is updated. There is not a way to manually edit this field.
6. Select the **Primary** check box to designate the pay rate to be used to calculate sick and vacation pay.
7. Continue adding pay rates and job descriptions as necessary for multiple pay rate employees.

NOTE

When processing payroll for multiple pay rate employees, you must enter the number of hours worked at each pay rate or job description.

Payroll Options Tab

Select the appropriate payroll options for this employee on the **Payroll Options** tab.

- **Tipped Employee** — Select this field if the employee receives tips. Select whether the employee receives tips directly or indirectly.
 - **Direct** tipped employees are any tipped employees who receive tips directly from customers, then turn over their tips to the employer. The tips are included in the employee's gross pay so that all taxes and withholdings can be deducted from the gross pay. The payroll check includes tips in the net pay.
 - **Indirect** tipped employees are tipped employees who do not ordinarily receive tips directly from customers, such as busboys, service bartenders, and cooks. The employee holds the tips and reports the tip amount to the employer. The employer includes the tip amount in the employee's gross pay so that taxes can be determined; however, the tips are not included in the employee's net pay amount since the employee kept the tips.
- **Seasonal/Agricultural Employee** — Select the appropriate check box if the employee is either a seasonal or an agricultural employee.

- **401k Status** — Select whether the employee's 401k account is **Active**, **Account Suspended**, or **Inactive**.
- **Use Employee's State for Box 15 on the W2** — Select to use the employee's state in box 15 for their W-2 instead of the employer's state.
- **Use Employees Taxable State for SDI calculation** — When this option is selected, the state selected on the **State Tax** tab ([Tax Table](#)) is used when calculating state disability insurance (SDI). When not selected, the employee's state of residence listed on the **Personal Information** tab is used.
- **Commissions Exempt from Overtime** — Select this option if the employee receives commissions that are exempt from being paid overtime, regardless of the number of hours worked.
- **Piece Work Exempt from Overtime** — Select this option if the employee receives compensation based on piece work and is exempt from being paid overtime.
- **Use PFD with Piece Work** — Select this option to activate the Personal needs, Fatigue, and Unavoidable delays allowance feature for this employee.
- **Sick and Vacation Hours**
 - **Sick Calculations** — Select this box to track sick hours available and used. This box must be selected and the sick hours **Accrual Options** set up under **Employees > Options > Payroll Options** in order to have Drake Accounting track sick hours available.
 - **Rollover Hours** — Select this check box if sick hours not used this year are available for use next year. The **Sick Hours Available** rolls over as the **Beginning Balance** into next year's Drake Accounting program.
 - **Beginning Balance** — Enter the current sick hours available including the rollover balance. This field is updated (if the **Rollover Hrs** box is selected) with the amount of **Sick Hours Available** into next year's Drake Accounting program.
 - **Sick Hours Per Year** — Enter the number of sick hours available in a year.
 - **Hours Required** — If sick hours accrue on a per-hours-worked basis, enter the number of hours the employee must work to earn one sick hour.
 - **Sick Hours Available** — Enter the current number of sick hours available. This balance calculated based on the formula (Beginning Balance + Earned Sick Hours) - Sick Hours Used.
 - **Sick Hours Used** — Enter the current number of sick hours used for the year. This balance is updated each time payroll (live or ATF) is run.
 - **Vacation Calculations** — Select this box to track vacation hours available and used.
 - **Rollover Hours** — Select this box if vacation hours not used this year are available for use next year. The **Vacation Hours Available** rolls over as the **Beginning Balance** into next year's Drake Accounting program.
 - **Beginning Balance** — Enter the current vacation hours available including the rollover balance. This field is updated (if the **Rollover Hrs** box was selected) with the amount of **Vacation Hours Available** into next year's Drake Accounting program.
 - **Vac Hours Per Year** — Enter the number of vacation hours available in a year.
 - **Hours Required** — If vacation hours accrue on a per-hours-worked basis, enter the number of hours the employee must work to earn one vacation hour.

- **Vac Hours Available** — Enter the current number of vacation hours available. This balance is calculated based on the formula (Beginning Balance + Earned Vacation Hours) - Vacation Hours Used.
- **Vac Hours Used** — Enter the current number of vacation hours used for the year. This balance is updated each time payroll (live or ATF) is run.

IMPORTANT

Employee checks or pay stubs must be printed in order for the **Sick Hours Available** and **Vac Hours Available** fields to be updated automatically when a live paycheck is printed.

Employee-Officer Expense/Cash Accounts**NOTES**

This section can be skipped if the bookkeeping feature is not being used.

The client Chart of Accounts must be created prior to entering account numbers. See [“Chart of Accounts \(COA\) Setup”](#).

Different **Employee** and **Officer's Salary** Cash and Expense accounts can be assigned for each employee. If no accounts are assigned for an employee on the employee's **Payroll Options** tab, the accounts assigned on the **Employees > Options, GL Account Numbers** tab are used when transactions are posted to the journal. Manual changes to the employee/officer cash and expense accounts override those set up on **Employees > Options > GL Account Numbers**.

The account information entered is used to generate entries into the payroll journal from employee payroll entries. Use each field's drop list to select postable accounts from the Chart of Accounts.

Employee/Officer Cash Account — This account is credited when a transaction is entered.

Employee/Officer Expense Account — This account is debited when a transaction is entered.

NOTE

Only use the Officer cash and expense accounts for employees with a **Pay Class** of **Officer Salary**. Use the Employee cash and expense accounts for all other pay classes.

Federal Tax Tab

Enter information about an employee's federal withholding on the **Federal Tax** tab.

Employee is...

- **Nonresident Alien** — Select this option and the employee is taxed at the higher nonresident alien rate.
- **Exempt from Federal WH** — Select this option if the employee is exempt from paying federal withholding.
- **Exempt from FUTA** — Select this option if the employee is exempt from paying federal unemployment tax.
- **Exempt from SS WH** — Select this option if the employee is exempt from paying Social Security withholding.
- **Exempt from Medicare WH** — Select this option if the employee is exempt from paying Medicare withholding.

Federal Withholding Options

- **Wage Calculation Method** — This option uses annualized payroll to access the "Tables for Percentage Method of Withholding (table 7)" to calculate the Federal withholding as described in IRS Pub 15 and is the default method for figuring the federal tax.
- **Fixed Percent Method** — This method uses a fixed percentage, which you select, to determine the federal tax, regardless of income. When the percentage method is selected, the **Federal Withholding Information** section changes to prompt for the actual withholding percent used.
- **Rounded** — Federal withholding amounts of 50 cents and more are rounded up to the next dollar. Amounts less than 50 cents are rounded down to give a whole dollar amount.

Federal Withholding Information

- **Filing Status, Exemptions, and Add'l WH** — These fields are available when the **Wage Calculation Method** is selected. Enter information from the employee's Form W-4.
- **WH Percent** — This field is available when the **Fixed Percent Method** is selected. Enter the percentage to be used to calculate the employee's federal withholdings in decimal format. (For instance, `.15` indicates 15%.)
- **Visa** — If the employee is using a work visa to qualify to work in the U.S., select the employee's visa type from the drop list.

State Tax Tab

Enter information about an employee's state withholding on the **State Tax** tab.

Tax Table —Select the employee's state for tax withholding purposes. Selecting a state here puts the same state in the **State Code** field when processing Live and ATF payroll.

Employee is...

- **Exempt from SUTA** — Select this option if the employee is exempt from paying state unemployment tax.
- **Exempt from State WH** — Select this option if the employee is exempt from paying state withholding.

State Withholding Options

- **Wage Calculation Method** — This option uses annualized payroll to calculate the State withholding as described in the publications for each state.
- **Fixed Percent Method** — This method uses a fixed percentage, which you select, to determine the state tax, regardless of income. When the percentage method is selected, the **Filing Status/Exemptions** section changes to prompt for the actual withholding percent used. Enter the fixed state tax percentage in the **WH Percent** field.
- **Rounded** — State withholding amounts of 50 cents and more will be rounded up to the next dollar. Amounts less than 50 cents will be rounded down to give a whole dollar amount.

Filing Status/Exemptions

Filing Status, Exemptions, and Add'l W/H — These fields are available when the **Wage Calculation Method** option is selected. Enter information from the employee's state W-4.

NOTE

When **MD** is selected in the **Tax Table** field, the **MD Resident** field displays below the **Additoinal WH** field. Options for the **MD Resident** field are: **Nonresident** (nonresident of Maryland), **Resident of MD, Employed in Delaware**, and **Oth. Nonreciprocal State**.

When **Resident of MD** is selected, make sure to select the appropriate locality for the selected employee on the **Local Tax** tab.

General Selections

After selecting the employee's state from the **Tax Table** list under the **State Tax** tab, fill in additional data as required by the selected state. If the state does not require additional withholding information, no additional data fields are displayed.

- **Blind** — If **Tax Table** is set to **IL**, **MA**, or **MS**, the **Blind** field is active. If the employee or spouse is blind, select the appropriate option in this field.
- **Over 65** — If **Tax Table** is set to **IL** or **MS**, the **Over 65** field is active. If the employee or spouse is over the age of 65, select the appropriate option in this field.
- **Wage Chart** — If **Tax Table** is set to **NJ**, the **Wage Chart** field is active. Select the appropriate wage chart letter for state withholding purposes.
- **% Gross Taxable Wages** — If **Tax Table** is set to **AZ**, the **% Gross Taxable Wages** field is active. If the employee is taxed based on a percentage of the federal tax, choose the applicable tax rate from the list.
- **Number of Dependents** — If the **Tax Table** field is set to **AL** or **MS**, this field becomes active. Enter the number of dependents the employee claims for state withholding purposes.
- **Est Deductions** — If the **Tax Table** field is set to **CA**, **LA**, **MS**, **NJ**, or **PR**, the **Est Deductions** field is active. If the employee qualifies for Estimated Deductions Reduction withholding, enter the amount of the deductions here.
- **Worksite ID** — If the **Tax Table** field is set to **CO**, **IN**, the **Worksite ID** field is active. Enter the employee's Worksite ID.
- **Dependents** — If the **Tax Table** field is set to **IN**, the **Dependents** field is active. Enter the number of dependents the employee claims for state withholding purposes.
- **Reporting Unit** — If the **Tax Table** field is set to **IA**, the **Reporting Unit** field is active. Enter the reporting unit number where the employee works.

Local Tax Tab

Use the **Local Tax** tab to assign the appropriate local taxes that should be withheld from the employee's check. The state selected in the **Tax Table** field on the employee's **State Tax** tab dictates which locality taxes display on the **Local Tax** tab.



Local Withholding Options

- **Use Gross Pay for Local Tax** — Select this option if the locality tax is based on the gross amount of the employee's pay check.
- **Use Adjusted Pay for Local Tax** — Select this option if the locality tax is based on the net amount of the employee's pay check.

Click a column header to sort the list on the left side of the screen.

To assign a locality tax to the employee:

1. Select the appropriate locality tax.


2. Click the right arrow (). The locality tax moves to the right column. The column on the right displays the locality taxes that will be withheld from the employees pay. To remove a locality tax from the employee's list, select the locality tax from the column on the right and click the left arrow ().
3. Click **Save** when editing is complete.

Deductions Tab

Assign payroll deductions for the employee on the **Deductions** tab. Before assigning deductions to an employee, first create the deductions through **Employees > Deductions & Benefits**. Once deductions are set up, they are available to be assigned to employees on the **Employees > Employee Setup > Deductions** tab with employee-specific amounts and ceilings.



Assign only the deductions applicable to each employee. Only the deductions assigned to that employee appear on their payroll screen and check stub. There is no limit to the number of deductions that can be assigned to each employee.

To assign a deduction to an employee:

1. Select a deduction to be assigned to the employee from the **Available Deduction Name** list on the left side of the window.
2. Click the  to assign the selected deduction to the employee. The deduction will move to the **Employee Deduction Name** list on the right side of the window with the default amount and ceiling amount displayed.
3. To personalize the amount and ceiling amount of the deduction for the selected employee, double-click the **Amount** or **Ceiling** amount, type in the new amount of this deduction for the employee, and press Enter.
 - **Ceiling** — This is the maximum amount of the selected deduction that can be taken by this employee. When the employee reaches the ceiling amount for the year, Drake Accounting discontinues taking this deduction from the employee's pay.
 - **Matching** — If a deduction has been set up to [match a benefit](#), the check box for that deduction will have a check. If the deduction was assigned to an employee prior to being set up as a matching deduction, set up the deduction to [match a benefit](#), then return to the employee setup, select the deduction, and press **F3**. The **Matching** check box is read only and cannot be selected on this screen.


NOTE

To reset edited amounts for a deduction to the default amounts, select the deduction on the right side of the screen and press **F3**.

Once deductions have been assigned to the employee, use the up arrow  and down arrow  to arrange the order that deductions are to be subtracted from the employees pay. This is valuable in cases of short pay weeks. This indicates which deductions are the most important when it is not in the best interest of the employee to use all deductions.

Removing a Deduction from an Employee

To unassign a deduction from an employee:


1. Select the deduction from the **Employee Deduction Name** list on the right side of the window that should not be deducted from the employee's pay.
2. Click the  and the deduction is moved back to the **Available Deduction Name** list on the left side of the window.

Benefits Tab

Assign payroll benefits for the employee on the **Benefits** tab. Before assigning benefits to an employee, first create the benefits through the **Employees > Deductions & Benefits**. Benefits set up in **Deductions & Benefits** are available to be assigned to employees on the **Employees > Employee Setup > Benefits** tab with employee-specific amounts and ceilings.

Assign only the benefits applicable to each employee. Only the benefits assigned to that employee appear on their payroll screen and check stub. There is no limit to the number of benefits that can be assigned to each employee.

To assign a benefit to an employee:


1. Select a benefit to be assigned to the employee from the **Available Benefit Name** list on the left side of the window.
2. Click the  to assign the selected benefit to the employee. The benefit will move to the **Employee Benefit Name** list on the right side of the window with the default amount and ceiling amount displayed.
3. To personalize the amount and ceiling amount of the benefit for the selected employee, double-click the **Amount** or **Ceiling** amount, type in the new amount of this benefit for the employee, and press **Enter**.
 - **Ceiling** — This is the maximum amount of the selected benefit that can be taken by this employee. When the employee reaches the ceiling amount for the year, Drake Accounting discontinues including this benefit in the employee's pay.

NOTE

To reset edited amounts for a benefit to the default amounts, select the benefit on the right side of the screen and press F3.

Removing a Benefit from an Employee

To unassign a benefit from an employee:

1. Select the benefit from the **Employee Benefit Name** list on the right side of the window that should not be included from the employee's pay.
2. Click the  and the benefit is moved back to the **Available Benefit Name** list on the left side of the window.

Direct Deposit Tab

Enter direct deposit information for the employee on the **Direct Deposit** tab.

IMPORTANT

InterceptEFT is Drake's agent for direct deposit. You must call them (1-866-431-9926) and establish your account prior to using the Direct Deposit feature. Drake has established a special fee schedule with InterceptEFT for its clients. It's important that you identify yourself as a Drake client whenever you communicate with InterceptEFT.

Direct Deposit Information

Direct Deposit Payroll Checks — Select the check box if payroll checks are to be deposited directly into the employee's bank account. The **Account Type** and **Checking Numbers** fields activate.

Account Type

Specify whether to deposit the pay into a **Checking** or **Savings** account, or both. Directly deposit payroll checks in up to two accounts for each employee. Checks can be split between any combination of checking and savings accounts including two checking or two savings accounts or one of each. These accounts can be at two different banks.

Enter Amount to Apply to Savings — Enter the dollar amount or a percent of the net pay amount to deposit into the second Direct Deposit account when the deposit is being split between two accounts. This amount can be edited for each pay check. If both **Checking** and **Savings** are selected as the **Account Type**, an entry in the **Apply to Savings** field is required. Then use the drop list to specify whether the amount to apply to savings is a flat dollars and cents amount or a percentage of the net pay amount.

Checking Numbers

- **Checking Routing Number** — Enter the routing number for the employee's bank account. Find the number on the bottom of the employee's personal checks to the left of the account number. Reenter the routing number in the **Retype Bank Routing Number** field.
- **Checking Account Number** — Enter the employee's checking account number for the direct deposit. If the deposit is to be split between two savings accounts, enter the first savings account information here. Reenter the account number in the **Retype Checking Account Number** field.

NOTE

If the direct deposit will be split between two accounts at the same bank, enter the bank routing number select the **Use Same Routing Number** check box. The Checking Routing Number will be automatically entered into the **Savings Routing Number** field.

Savings Numbers

- **Savings Routing Number** — Enter the routing number for the bank where the employee's savings account (or second checking account) is located. Reenter the routing number in the **Retype Bank Routing Number** field. If this account is at the same bank as the checking account used above, select **Use Same Routing Number** to fill the **Savings Routing Number** field with the same routing number used for the checking account.
- **Savings Account Number** — Enter the employee's savings account number for the direct deposit. If the deposit is to be split between two checking accounts, enter the second checking account information here. Reenter the account number in the **Retype Savings Account Number** field.

Notes Tab

Use the **Notes** tab to enter miscellaneous information about the employee. Type information about the employee directly into the field below the tabs.

Editing Payroll Setup

Make adjustments to state, company, and employee information by going to the following options under the **Employees** menu:

- Options ([Payroll Options](#))
- Deductions & Benefits ([Deductions and Benefits Setup](#))
- Adding and Editing Employees ([Employee Setup Overview](#))

Payroll Processing Overview

Use **Live Payroll** when employee paychecks will be printed and/or employees' pay will be direct deposited into their bank account. Use **ATF (After the Fact) Payroll** for bookkeeping purposes and when paychecks will not be printed and/or employees' pay will not be direct deposited.

NOTE

The methods of entering **Live** and **ATF** payroll are very much the same with very little exception. These exceptions are included in the description and field definitions as needed.

To enter payroll, complete the following steps:

1. Go to **Employees > Payroll** and select either **Live**, **ATF**, or **Batch**. When in Batch payroll, create a name for the batch and click **New**.
2. **Select an Employee** — Select the employee to enter pay information from the **Employees** list. All existing employees are listed alphabetically by last name. If necessary, sort the employee list by **Employee Code**, **Name**, or **SSN** by clicking the column header. Once the employee has been selected, the other fields activate and information fields fill with data based on the employee's setup (**Employees > Employee Setup**).
3. Verify the employee's hours, earnings, benefits, deductions, and withholding amounts and edit as necessary. The fields on the left side of the screen are available for direct editing based on each individual employee's setup.
4. Click **Save** once all the employee's information has been verified.

IMPORTANT

Drake Accounting does not recognize a check generated in **Live Payroll** as existing until it is printed. Once the check has been printed, it is recognized in the calculation of Payroll Filings, State Wage reports, and Payroll reports.

For details about printing employee paychecks, see ["Printing Employee Pay Checks"](#).

For information on transmitting employee direct deposits, see ["Transmitting Direct Deposits"](#).

See the following sections of the Live Payroll and ATF Payroll screens for more information:

- [Rates & Hours](#)
- [Check Dates, Hours, Tips, and Commissions](#)
- [Earnings](#)
- [Benefits](#)
- [Gross Pay and Earnings](#)
- [Withholdings](#)
- [Deductions](#)
- [Total Deductions and Net Pay](#)
- [Additional Payroll Options](#)
- [Deleting a Payroll Check](#)

Rates & Hours

The **Rates** and **Hours** fields are available when processing pay for hourly employees only. Edit the rate and hours as needed for this payroll cycle. Overtime (**OT**) hours are entered in this part of the screen also. Vacation hours, Holiday hours, and sick hours are entered in their own specific fields.

NOTE

Editing the pay rate or hours on the **Live Payroll** or **ATF Payroll** affects the current check only. Future checks for this employee use the information entered in the employee's setup.

- **Single Pay Rate Employees** — For an hourly employee with a single pay rate, the rate and its [default Hours](#) display. Edit the number of regular hours (**Hours**) and overtime hours (**OT**) worked as needed. The number of regular hours worked is displayed in the **Total Regular Hours** field and the total of all hours (including overtime) worked is displayed in the **Hours Worked** field.

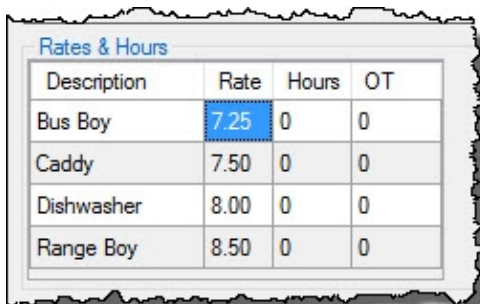
Payroll Processing - Pay Rate & Hours for Single Pay Rate Employee



Description	Rate	Hours	OT
Green's Keeper	10.00	40	0

- Multiple Pay Rate Employees** — For an hourly employee with multiple pay rates and job descriptions, the rates display with it's default rates for each rate. Edit the number of regular hours (**Hours**) and overtime hours (**OT**) worked for each pay rate as needed. The total of all multiple pay rate hours worked (including overtime) is displayed in the **Hours Worked** field.

Pay Rate & Hours for Multiple Pay Rate Employee



Description	Rate	Hours	OT
Bus Boy	7.25	0	0
Caddy	7.50	0	0
Dishwasher	8.00	0	0
Range Boy	8.50	0	0

Check Dates, Hours, Tips, and Commissions

- Pay Period Ending** — This defaults to the current computer date. Use the calendar drop list to change the date. The date entered will be used for all subsequent checks until either a different date is entered or you exit the **Live Payroll** screen.

NOTE

See ["Date Fields"](#) for details on using date fields in Drake Accounting.

- **Check Date** — The check date should correspond to the date on the check issued to the employee and determines the quarter to post the pay check when generating Form 941.
 - **Live Payroll** — This field is available only when processing payroll for employees that receive their pay by direct deposit, not when preparing live payroll for employees that receive printed paychecks. For employees receiving printed paychecks, the check date is entered when checks are printed. The **Check Date** is required when an employee receives his or her pay via direct deposit and the **No Stub** option is selected. If the **No Stub** option is not selected for a direct deposit employee, the **Check Date** can be entered either during payroll processing or when the stub is printed. Click the drop list to enter the date using the calendar function or click the box on the left side of the field to enter today's date.
 - **ATF Payroll** — The **Check Date** is required when entering ATF payroll, regardless if entering checks or direct deposit information.

IMPORTANT

Direct Deposit transmissions on Friday, Saturday, or Sunday are processed by InterceptEFT the following Monday. InterceptEFT does not accept direct deposit check dates that fall on weekends or holidays. See ["Appendix D - InterceptEFT Holidays"](#) for the Holiday Processing Calendar.

- **Check Number:**
 - **Live Payroll** — This field is only available when preparing live payroll for employees that receive their pay via direct deposit and the **No Stub** option is selected. In all other scenarios, the check number is entered when checks or stubs are printed.
 - **ATF Payroll** — The check number is an optional entry for ATF payroll and should correspond to the number on the check that was issued to the employee. This field is not available for direct deposit employees.
- **Total Hours** — For hourly employees, this is a calculated field that displays the total of the regular hours displayed in the **Rates & Hours** section of the **Live Payroll** screen. For salaried employees, this field displays the number of [Default Hours Per Pay Period](#).
- **Hours Worked** — The amount in this field is calculated by adding **Total Hours** plus **Overtime Hours**. The amount in this field is used to calculate the employee's deduction or benefit if [Based on Hours](#) was specified to be used in the calculation when the deduction or benefit was set up.
- **Salary** — This calculated field is available only when the employee's Payclass is **Salary**, **Officer Salary**, or **Salary Non-Exempt**. Override the employee's salary for the current pay cycle only on the **Live Payroll** dialog box. Enter the corrected amount and the regular pay, earnings, and deductions adjust automatically.

- **Overtime Hours** — The number of overtime hours worked that was entered in the **Rates & Hours** section flows to this field. The multiplier used to calculate the overtime rate is based on the information entered in **Employees > Employee Setup > Payroll Wages/Rates**, the **Overtime Factor** field. The default overtime calculation adds the amount of the time in **Regular Pay** under **Earnings**. The "half" is entered in **Overtime Premium** under **Earnings**. See [Store all overtime pay separate from regular pay](#) for an alternate way of calculating the overtime premium.
- **Vacation Hours** — Enter the number of vacation hours used during the pay period. The amount is calculated based on the information entered in **Employees > Employee Setup > Payroll Wages/Rates**.
- **Holiday Hours** — Enter the number of holiday hours used during the pay period. The multiplier used to calculate Holiday pay is based on the information entered in **Holiday Factor** on the **Payroll Wages/Rates** tab of **Employees > Employee Setup**.
- **Sick Hours** — Enter the number of sick hours used during the pay period.
- **Direct Tips** — Enter the amount of direct tips received by the employee that is not included in regular pay. Direct tips are included in the calculation of gross pay and are automatically have deductions taken from this amount. The amount is calculated based on the selections of Tipped Directly in the Employee Setup (**Employee > Employee Setup > Payroll Options tab > Tipped Employee Fields**).
- **Indirect Tips** — Enter the amount of indirect tips received by the employee that is not included in regular pay. Indirect tips are included in the calculation of gross pay and automatically have deductions taken from this amount. The amount is calculated based on the selections of Tipped Indirectly in the Employee Setup (**Employee > Employee Setup > Payroll Options tab > Tipped Employee Fields**).
- **Allocated Tips** — Allocated tips only apply to large food or beverage establishments. These are a) located in the 50 states or D.C., b) are where tipping of food or beverage employees by customers is customary, and c) where the employer normally employed more than 10 employees on a typical business day during the preceding calendar year. That is, if more than 80 employee hours were worked in the establishment on an average day, including all employees of the operation. The food or beverage operation is not considered a large food or beverage establishment if tipping is not customary.

Large food or beverage establishments must report tips received by their employees. Owners are required to ensure that the total tip income over a pay period is at least 8% of the establishment's gross receipts from food and drink. If the reported tip income falls short of the 8%, employers must reimburse the difference between 8% of overall receipts and actual tip income. This reimbursement is referred to as "allocated tips". Allocated tips are reported in box 8 of Form W-2 and are not included in box 1.
- **Commissions** — Enter the amount to show on the pay stub as commissions. The amount of commissions is added to the regular pay and withholdings calculated accordingly.
- **3rd Party Sick Pay** — Enter the amount of 3rd party sick pay the employee received during the pay period. This field is only available when the **Pay Class** field on **Employees > Employee Setup > Payroll Wages/Rates** is set to **Sick Pay**. Employees cannot receive regular pay and 3rd party sick pay at the same time.

- **No. of Pieces** — For employees paid based on piece work. Enter the number of pieces for which the employee will be paid. The amount is calculated based on the information entered in **Employees > Employee Setup > Payroll Wages/Rates**, the **Pay Per Piece** field. The amount of pay per piece is added to the regular pay and withholdings calculated accordingly.
- **NAICS/Class Code** — If a NAICS code was entered for the selected employee during employee setup, that code displays. Edit the code for this pay check as needed. For information on setting up employees' codes, see [NAICS/Class Code](#).
- **State Code** — This is determined by the state selected in **Tax Table** in **Employees > Employee Setup > State Tax**.

Earnings

Payroll Processing - Earnings

Earnings	
Regular Pay	176.00
Overtime Premium	11.00
Vacation Pay	22.00
Holiday Pay	0.00
Sick Pay	44.00

NOTE

To edit amounts in the **Earnings** column, double-click the amount and enter the new amount. Any changes made to the default earning amounts when entering live payroll are considered one-time only adjustments and affect the current check only. The next time a check is processed for the employee, Drake Accounting will use the amounts from the **Employees > Employee Setup**.

- **Regular Pay** — The amount in this field is based on the information entered in **Employees > Employee Setup > Payroll Wages/Rates**. Edit the **Regular Pay** amount by either changing the number of hours in the **Rates & Hours** box on the left of the dialog box or by editing the **Regular Pay** field. The amount of **Regular Pay** when the field is edited directly. Press Enter for this information and payroll amounts to be updated.
- **Overtime Premium** — The amount in this field is based on the information entered in **Employees > Employee Setup > Payroll Wages/Rates**. Edit the **Overtime Premium** amount by either changing the number of **Overtime Hours** on the left of the dialog box or by editing the **Overtime Premium** field directly. Press Enter for this information and the payroll amounts to be updated.

NOTES

The **Overtime Premium** calculates based on the selection made under **Employees > Employee Setup > Payroll Wages/Rates**. See [Store all overtime pay separate from regular pay](#).

The **Overtime Premium** for a multiple pay rate employee uses the pay rate selected in **Employees > Employee Setup > Payroll Wages/Rates**.

- **Vacation Pay, Holiday Pay, and Sick Pay** — The amount in these fields are based on information entered in **Employees > Employee Setup, Payroll Wages/Rates** tab. Edit the **Vacation Pay, Holiday Pay, and Sick Pay** amounts by either changing the number of vacation, holiday, and sick hours on the left of the dialog box or by editing the **Vacation Pay, Holiday Pay, and Sick Pay** fields directly. Press Enter for this information and the payroll amounts to be updated.

To edit **Earnings** amounts, double-click the amount and enter the new amount. Adjusted amounts are indicated in **red**. Any changes made to the default earnings amounts when entering live payroll are considered one-time only adjustments and affect the current check only. The next time a check is processed for the employee, Drake Accounting will use the amounts from the **Employee Setup**.

Benefits

The benefits previously assigned to the selected employee on **Employees > Employee Setup > Benefits** display in the **Benefit** list. The amounts are based on the information entered on that same tab.

To edit **Benefit** amounts, select the amount and enter the new amount. Adjusted amounts are indicated in **red**. Any changes made to the default benefit amounts when entering live payroll are considered one-time only adjustments and affect the current check only. The next time a check is processed for the employee, Drake Accounting will use the amounts from the **Employee Setup**. Press Enter for the benefit and payroll amounts to be updated.

NOTE

Only benefits assigned to an employee display in this dialog box and print on the pay stub. If needed, use the scroll bar to the right to see all benefits.

Gross Pay and Earnings

- **Non-Gross Earnings** (Cannot be edited directly) — This is the total of the benefits that are configured to not apply to gross. To change the amount, edit the appropriate benefit amount.
- **Gross Earnings** (Cannot be edited directly) — This is the total of **Regular Pay** + the **Overtime Premium** + **Vacation Pay** + **Holiday Pay** + **Sick Pay**. To change the amount displayed in this field, either edit the appropriate hours or edit the appropriate line in the **Earnings** box. Benefits that are not set to **Apply to Gross** are not included in this amount.
- **Additional Gross Pay** — An amount added to this field is added to the gross pay produced from the information in **Earnings**. The standard calculations for withholdings are applied to this amount.
- **Gross Pay** (Cannot be edited directly) — This is a calculated field generated by adding **Non-Gross Earnings** + **Gross Earnings** + **Additional Gross Pay** + **Direct Tips** + **Indirect Tips**.

Withholdings

Payroll Processing - Withholdings

Withholdings	
Federal WH	60.45
Social Security	38.96
Medicare	9.11
State WH	58.81

- **Federal WH** — Federal withholding is based on the information entered in **Firm > Rates & Withholding Setup > Federal Setup** and in **Employees > Employee Setup > Federal Tax**.
- **Social Security** — Social Security withholding is based on the information entered in **Firm > Rates & Withholding Setup > Federal Setup**.
- **Medicare** — Medicare withholding is based on the information entered in **Firm > Rates & Withholding Setup > Federal Setup**.
- **State WH** — State withholding is based on the information entered in **Employees > Employee Setup > State Tax**.

NOTE

Federal withholding, state withholding, Medicare, and Social Security can be affected by the information in **Employees > Deductions & Benefits** and **Employees > Employee Setup > Deductions**.

- To edit **Withholding** amounts, select the amount and enter the new amount. Adjusted amounts are indicated in **red**. Any changes made to the default withholding amounts when entering live payroll are considered one-time only adjustments and affect the current check only. The next time a check is processed for the employee, Drake Accounting will use the amounts from the **Employee Setup**.

Deductions

Only the deductions previously assigned to the selected employee on the **Employees > Employee Setup**, the **Deductions** tab and the **Employees > Employee Setup, Local Tax** tab display in the **Deductions** list. The amounts are based on the information entered on those tabs. Use the scroll bar to the right of the **Deductions** box if there are more deductions to see for the employee.

Payroll Processing - Deductions

#	Deduction	Amount
1	401K	7.50
2	Health Insurance	15.00
3	HSA	10.00
4	Shirt Clean	3.50

Total Deductions	184.10
Additional Net Pay	0.00

Net Pay	420.90
Direct Deposit Applied to Savings	0.00

To edit amounts in the **Deductions** column, select the amount and enter the new amount. Adjusted amounts are indicated in **red**. Any changes made to the default deduction amounts when entering live payroll are considered one-time only adjustments and affect the current check only. The next time a check is processed for the employee, Drake Accounting will use the amounts from the **Employee Setup**.

If a deduction has been "matched" with a benefit, you cannot edit the deduction amount. Editing the "matched" benefit amount automatically changes the deduction amount to mirror the benefit amount. See [Match to Benefit Number](#) for more information.

NOTE

Only deductions assigned to an employee display in this dialog box and print on the pay stub. If needed, use the scroll bar to the right to see all deductions.

Total Deductions and Net Pay

- **Total Deductions** (Cannot be edited directly) — This is a calculated field based on the entries made in **Deductions**. Make changes to this field by changing the appropriate deductions lines.
- **Additional Net Pay** — Enter any amounts added to an employee's paycheck not subject to withholdings. This amount is associated with the expense account entered in **Employees > Employee Setup, Payroll Options** tab, the **Expense Account** field (if the bookkeeping function is used).
- **Net Pay** (Cannot be edited directly) — This is a calculated field based on the information from **Earnings** and **Deductions** sections. Make changes by changing the appropriate earnings and deductions fields.
- **Direct Deposit Applied to Savings** — This field is active when a Direct Deposit employee is splitting their pay between two accounts. The field displays the amount entered in **Employees > Employee Setup, Direct Deposit** tab, the **Enter Amount to Apply to Savings** field. Edit the amount in this field as desired. The edited amount affects the current check only.
- **Memo** — Enter the memo that will display at the bottom of the employee's check.

Additional Payroll Options

- **Check Exempt from FUTA** — Select this option if the pay amount for this pay check should not be added to payroll for FUTA purposes.
- **Mark Printed** — This field indicates whether the paycheck should be printed for the employee.

- **Live Payroll** — When **Mark Printed** is selected, Drake Accounting recognizes this particular check as having been printed even, though it has been entered in **Live Payroll**. The check will not appear as a check to be printed under **Employees > Check Print**. This field changes to the **No Stub** option for direct deposit employees.
- **ATF Payroll** — The **Mark Printed** field is permanently selected for non-direct deposit employees and cannot be edited. ATF checks do not appear as checks to be printed under **Employees > Check Print**. This field changes to the **No Stub** option for direct deposit employees.
- **No Stub** — This option is available only for employees receiving their pay by direct deposit.
 - **Live Payroll** — When selected, this option indicates that no check stub should be printed for the selected direct deposit pay and a **Check Date** must be entered on the **Live Payroll** screen. When this option is selected, no print record displays in **Employees > Check Print**, the pay information automatically posts to the journal. This field changes to the **Mark Printed** option for employees not set up for direct deposit.
 - **ATF Payroll** — The **No Stub** field is permanently selected for direct deposit employees and cannot be edited. ATF stubs do not appear as stubs to be printed under **Employees > Check Print** but can be printed by selecting **Reprint checks** (see ["Reprinting Payroll Checks"](#)). The pay information automatically posts to the journal when the pay information is saved. The **No Stub** field changes to the **Mark Printed** option for non-direct deposit employees.
- **Test Direct Deposit** — Select this option to create a "test check" Direct Deposit file for the selected employee that can be transmitted to InterceptEFT. InterceptEFT does not require that you transmit a test check. When this option is selected, all amounts on the check change to zeros. A test transmission file is created when the test check is saved. Create a separate test transmission file for each employee. See ["Transmitting Direct Deposits"](#) for information on transmitting to InterceptEFT.

NOTE

No information moves to the journal for a test check when the bookkeeping feature is being used.

- **Reset** — The **Reset** button clears the payroll information from the dialog box.

Editing a Payroll Check

To edit a payroll check, complete the following steps:

1. From **Employees > Payroll** and select either **Live**, **ATF**, or **Batch**. In **Batch Payroll**, click **Edit** and select the batch that needs editing.
2. Select an employee from the **Employees** list.

3. Select a check to edit from the **Previous Checks - Click to edit** list at the top right of the window. The **Pay Period Ending Date**, **Check Date**, **Check Number**, and net **Amount** are displayed to aid in identifying the check to edit. The bottom part of the screen fills with the saved amounts.
4. Make the necessary edits and click **Save**.

NOTE

All fields that can normally be edited in live payroll can be edited if the check has not been printed. If the check has been printed, only the **Check Date** and **Pay Period Ending Date** can be edited.

While in **Edit** mode, click **New** to enter a new check for the selected employee.

Any adjustments to 941s already processed need to be made again. If a posted check is edited, make adjustments to the journal to accommodate the edits.

Deleting a Payroll Check

Deleting a payroll check removes the payroll check from the payroll reports. All checks can be deleted whether or not they've been printed. To delete a live payroll check, complete the following steps:

1. From **Employees > Payroll** and select either **Live**, **ATF**, or **Batch**. In **Batch Payroll**, click **Edit** and select the batch.
2. Select an employee from the **Employees** list.
3. Select a check to delete from the **Previous Checks - Click to edit** list. The **Pay Period End** date, **Check Date**, **Check #**, and check **Amount** are displayed to aid in identifying the check to delete.
4. Click **Delete**.

If a 941 or state wage report that has been processed is affected by this deletion, manual adjustments must be made to the reports. Deleting a check using this function removes the information from the payroll reports and makes adjusting entries to the journal. Manual adjustments are required if the deletion affects previously closed periods.

Printing Employee Pay Checks

Go to **Employees > Check Print** to print payroll checks. Payroll checks can be reprinted if needed. See ["Reprinting Payroll Checks"](#) for information on reprinting payroll checks. Refer to ["Check & Stub Options"](#) prior to printing Payables checks for the first time. Payables checks print using either pre-printed check stock or MICR technology. Refer to ["MICR Check Setup - Overview"](#) for a full explanation.

IMPORTANT

Place the check stock in the printer before starting this process.

To print payroll checks, complete the following steps:

1. Go to **Employees > Check Print**.
2. Select the type of check stock being used: **Blank MICR** or **Preprinted**.
3. **MICR Options** (not available if **Preprinted** was selected under **Type of Check Stock**):
 - **MICR Banks** — Select the bank from which these checks should be drawn. The **Starting Check Number** field populates based on the **Next Check #** field in **Setup > MICR Bank Accounts**. Edit the **Starting Check Number** to include leading zeroes (e.g. 002001) to meet bank field length requirements. The bank information must be entered in **Setup > MICR Bank Accounts** to use this function.
 - **MICR Printer** — Drake Accounting automatically selects the printer specified as the default MICR printer in **Firm > Firm Information Setup**. Use the **Printer** list to temporarily override the default MICR printer selection. Verify the selected printer has the proper ink for MICR printing. Change the default MICR printer in the **MICR Printer** field in **Firm > Firm Information Setup**.
4. **Select Print Options** — Use this feature to print multiple copies of payroll checks.
 - **Checks & Stubs** — Prints the check and stub on check stock.
 - **Stubs Only** — Prints a copy of the stub only (no check) on plain paper.

NOTE

When **Preview checks before printing** is selected, a separate file is created for each output selected. At least one output selection is required.

5. Enter a **Check Date**. By default, this is the current computer date. Change the date that prints on the check as needed. Once the date is set, it prints on all checks printed during this session.


IMPORTANT

The **Check Date** determines the quarter to which the payroll is posted for both federal and state payroll filing reports. It is important to enter the correct **Check Date**. Entering the wrong date results in incorrect information being placed on the 94x tax deposit.

6. Enter the **Starting Check Number**. If **Blank MICR** is selected under **Type of Check Stock**, the **Starting Check Number** field populates based on the **Next Check #** field in **Setup > MICR Bank Accounts**. Edit the check number as needed to match your next check. If using pre-printed check stock, verify that the number in the **Starting Check Number** field matches the number on the first check placed in the printer. *Always* verify this information before printing. If more than one check is selected to be printed, the check numbers automatically advance for each check.
7. **Type of Payment** — Select the **Type of Payment**. Choose to display paper pay checks or unprinted direct deposit pay stubs.

NOTE

Consider printing direct deposit pay stubs first, then paper checks.

8. **Electronic Signature** — If an electronic signature has been set up (see ["Electronic Signatures"](#)), select the desired signature from the drop list.
9. Select the checks to print. Live payroll checks and direct deposit pay stubs that are available to print are displayed with a box next to the employee name. Select the box next to the employee names to indicate those checks or stubs to print. Click the box next to the **Name** column header to select to print all of the selected **Type of Payment**. Click the desired column header to arrange the checks to print in order of employee name, SSN/EIN, pay period ending date, or net pay amount. Checks can be printed individually or in groups.
10. Optional: To view payroll checks on your computer screen prior to printing, select the **Preview checks before printing** check box. To print checks from the preview screen, select the printer icon ().
11. Click **Print**. If you are using MICR blank check stock, the Windows printer dialog box does not open. Change the MICR printer on the **Print Checks** dialog box. If you are not using MICR blank check stock, the Windows printer dialog box opens and provides the opportunity to change the printer used during this print session.

NOTE

Once checks have been printed, they can be reprinted by going to **Employees > Check Print** and selecting the **Reprint Checks** check box. See ["Reprinting Payroll Checks"](#).

See ["Additional Check Print Options"](#) for information on the **Test Print Only** and **Check Setup** buttons.

See ["Check Alignment"](#) to change the alignment of information printed on pre-printed payroll and vendor checks.

Additional Check Print Options

MICR Test — Sends a test check to the selected MICR printer. Use this option to test check alignment. Printing test checks does not mark the check as printed and can still be printed from the **Print Checks** screen.

Test Print Only — Select this option to send the selected check to the printer as a test. Use this option to test check alignment. Printing test checks does not mark the check as printed and can still be printed from the **Print Checks** screen.

Check Setup — Displays the **Setup > Check and Stub Options** screen. When check stub setup is complete, Drake Accounting returns to the **Print Checks** screen. See ["Check & Stub Options"](#) for more information on setting up checks.

Reprinting Payroll Checks

Previously printed live payroll checks and payroll checks entered ATF may be reprinted as many times as needed.

NOTES

Place the check stock in the printer before starting this process.

The journal entry for a previously printed check is not effected when a check is reprinted. The new check number and check date will not be listed in the journal. Drake Accounting does not keep track of the check stock for you.

To reprint checks, complete the following steps:

1. Go to **Employees > Payroll > Check Print** and select the **Reprint Checks** option on the right side of the screen. The **Reprint Checks** screen is displayed listing all payroll checks that have previously been printed (including those entered as ATF payroll).
2. Select the **Type of Check Stock: Blank MICR** or **Preprinted**. If printing MICR checks, select the bank the check(s) should be drawn on.
3. Select the **Print Options**, the **Check Date**, the **Starting Check Number**, **Type of Payment**, and the **Electronic Signature** to be used (if applicable).

<h2 style="color: green; margin: 0;">NOTES</h2>	<p>If printing preprinted checks, make sure the Starting Check Number matches the next check to be printed.</p> <p>If printing MICR checks, once the MICR Bank is selected, the Starting Check Number field populates with the Next Check # in Setup > MICR Bank Accounts. Edit the Starting Check Number as needed.</p>
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4. Click the box next to the employee names to indicate the checks or stubs to be reprinted.
5. Click **Print**.

Check Alignment

Due to multiple options of operating systems, printers, and check formats, minor adjustments may be required to make checks print properly. Use the check alignment feature to change the alignment of information printed on pre-printed payroll and vendor checks. Fields on the lower half of the window with a box around it can be adjusted to match pre-printed checks.

It is recommended that you make a copy of a check and print a test check to make sure the information matches and is positioned properly. This prevents wasting check stock.

Complete the following to adjust the pre-printed payroll or payables check alignment:

1. Go to either **Employees > Check Alignment** or **Payables > Check Alignment**.

Check Alignment

2. The check format selected in **Setup > Check & Stub Options > Payroll** (or **Setup > Check & Stub Options > Payables**) is shown at the top of the **Check Alignment** window as the selected check format. Selecting and saving a different check format on the **Check Alignment** window also changes the selection under **Check & Stub Options**.
3. **Show/Print Field** — By default, the **Check Number**, **Memo**, and **Signature** fields display on the **Check Alignment** screen and print on the check. Clear the check boxes to hide and not print these fields.
4. On the bottom half of the window, select an editable field (field with a box around it) that you wish to adjust.
5. Hold the mouse button down while dragging the field to the desired position and to resize the field.
6. Release the mouse button to place the field in the new position on the check.
7. Use the **Font Tool** to change the font and font sizes of fields on the check:
 - Select an editable field (field with a box around it)
 - Select a font and font size for the selected field.
 - Select **Bold**, **Italic**, or **Underline** as desired.
 - Click **Apply** to apply the font changes to the selected field or click **Apply All** to apply the changes to all editable fields.
8. Click **Save** to save all changes.

Click **Default** to restore all the fields on the check to their default font and location.

Transmitting Direct Deposits

Once live payroll or live vendor invoices have been entered for direct deposit employees and vendors and their pay stubs have been printed, transmit the pay information to InterceptEFT.

IMPORTANT

An Internet connection is required to transmit Direct Deposit information to InterceptEFT. If you use a dial-up connection to access the Internet, you must first connect to the Internet before transmitting Direct Deposit information. See ["Direct Deposit Overview"](#) for details on setting up to use Direct Deposit.

To transmit direct deposit pay information, complete the following:

1. Go to **Employees > Transmit Direct Deposit** or **Payables > Transmit Direct Deposit**.
2. Enter the date range of paychecks or vendor checks to be transmitted in the **Beginning Date** and **Ending Date** fields. These fields default to today's date. Direct Deposit pay records with a **Check Date** within that date range display. Previously transmitted pay records are indicated with a "T" in the **Transmitted** column. Select **Hide Transmitted Records** to display only the pay records not previously transmitted from within the specified check date range.
3. If two accounts have been established with InterceptEFT, select which account should be used for this transmission - either the **Primary User ID and Password** (default) or the **Secondary User ID and Password**. See ["Setup Direct Deposit"](#).
4. Select **Hide Transmitted Records** to have previously transmitted direct deposit records hidden. Clear the check box to have these records display.
5. When **Auto Display Report of Transmitted Records** is selected, a printable report of the Direct Deposit records that transmitted displays automatically. If you do not want this report to display, clear the check box.
6. Select the check box to the left of the **Transmitted** column header to select all records or select the box next to the employee or vendor code to indicate the pay records to transmit to InterceptEFT. Arrange the pay records in order by clicking one of the column headers. Pay records can be transmitted individually or in groups.
7. Click **Transmit**. The InterceptEFT website is displayed where you can complete the transmission. InterceptEFT does not accept check dates that fall on weekends or holidays. To change the invalid check dates, see ["Editing a Payroll Check"](#).

Click the **Request Reports** link to access InterceptEFT's website Available Reports selection window.

Click the **ACH Processing Calendar** link to see the dates that InterceptEFT will not process transactions. If any of the checks selected have a check date that falls on a weekend or holiday, a warning displays stopping the process. To change the invalid check dates, see "[Editing a Payroll Check](#)".

The **Reset** button clears all entries in the **Select Employees/Vendors** section of the screen.

Calculating 94x Series Tax Deposits

Drake Accounting calculates tax deposits for Forms 940, 941, 941-SS, 943, 944, and 945.

NOTE

It is recommended that the 94x tax deposit information is entered and verified. However, this step is not required in order to generate a 94x tax return.

To calculate and print a 94x series tax deposit, complete the following steps:

1. Go to **Employees > Tax Deposit** and select the type of 94x deposit.
2. Enter the **Beginning Check Date** and **Ending Check Date** that the tax deposit calculation will include.
3. Enter the date the deposit will be paid in the **Payment Date** field.

IMPORTANT

It is important to enter the correct **Beginning Check Date**, **Ending Check Date**, and **Payment Date** on the 94x tax deposits. Entering the wrong dates results in incorrect information on the 94x.

4. Select the tax liability "as of" date.
 - **Use Beginning Period Date** — The liability amount on the first day of the period prints.
 - **Use Ending Period Date** — The liability amount on the last day of the period prints.
 - **Use Payment Date** — The liability amount on the date entered as the **Payment Date** prints.

5. Click **Calculate**. This fills the fields on the **94x Tax Deposit Calculation** portion of the dialog box. The calculations are based on the payroll information entered for both Live and ATF payroll within the check date range entered. Live checks must be printed and direct deposit paychecks must have a check date to be included in the calculation.
6. Make any adjustments needed so that the total matches the **Amount Deposited**.

IMPORTANT

Be careful when adjusting calculations that effect prior quarter transactions.

This deposit information can be included in the 94x tax return by selecting **Tax Deposits** from the **Source** drop list when preparing the 94x tax return (**Employees > Federal Forms**).

7. Click **Save** when the information is correct. The calculations fill the bottom portion of the box. Click the desired line in the grid at the bottom of the screen to fill the fields in the top of the screen.
 - To print a deposit record, select the saved record from the bottom of the window and click **Print**.
 - To delete a deposit record, select the saved record from the bottom of the window and click **Delete**.
 - With the deposit information displayed in the top part of the window, click **Reset** and the data entry fields clear.

Editing the 94x Tax Deposit

To edit the 94x tax deposit information after it has been saved:

1. Go to **Employees > Tax Deposit** and select the type of 94x deposit.
2. Select the deposit to edit from the saved deposit records at the bottom of the window. The **94x Tax Deposit Calculation** area fills so the information can be edited and saved. This replaces the previous calculation.

IMPORTANT

Make sure calculations do not cross over the quarter change.

3. Make any necessary edits and click **Save**.

Producing 94x Series Tax Returns

Payroll tax returns are current tax year calculations of the client's tax liabilities based on payroll generated in Drake Accounting. Use the 2018 Drake Accounting program to generate 2018 94x series tax returns.

NOTES

To generate 94x tax returns “on the fly” (without having to set up employees or enter payroll information), see [“94x Series Tax Returns On the Fly”](#).

When Drake Accounting is set up to e-file 94x series tax returns, saving the return generates the e-file and a printable copy for your records. If Drake Accounting is not set up to e-file 94x series tax returns, only the printable copy is generated. See [“Firm Information Setup”](#) and [“e-File Options Tab”](#) for information on setting up 94x e-filing.




To produce a 94x tax return:

1. Go to **Employees > Federal Forms**.
2. With **Forms 94x** selected as the **Form Type**, select the desired 94x tax return from the **Form** drop list.
3. Use the **Source** drop list to select to use either tax deposit information or payroll information. Select **Tax Deposits** if tax deposit information has been entered into Drake Accounting for the entire period covered by the 94x return and you wish to bring that information into the return. Select **Payroll** if tax deposit information wasn't entered for the period or is incomplete for the period. If **Payroll** is selected, you will need to enter deposit information onto the form.
4. Use the **Quarter** drop list to select the quarter that the 94x tax return is for, if applicable.

NOTES

Schedule B of the 941 and 941-SS tax returns displays when the **Deposit Frequency** is set to **Semi-Weekly** but prints only when the **Total Taxes After Adjustments** for the quarter is at least \$2,500. To force printing of Schedule B when the **Total Taxes After Adjustments** amount is less than \$2,500, select **Print Sch B if return is less than \$2,500** below the **Form Type** field when producing the 941 tax return.

Override Calculated Data — Drake Accounting displays 94x returns with both calculated and non-calculated data fields. Select this option to allow you to overwrite both types of data fields. When this check box is cleared, calculated fields are grayed out.

5. Once all selections have been made, the return is displayed. Use the page tabs at the top left of the displayed form to navigate to the various pages of the return. Use the   buttons to zoom in and out.
6. Select the preparer of the return from the **Preparer's Name** drop list of the **Paid preparer's use only** section of the return (if appropriate). Preparers display in the list once they've been entered in **Firm > 94x Preparer Setup** (see "[Setup 94x Preparer](#)").
7. All fields that are not calculated fields (greyed out) can be edited. Verify the information and edit as needed.
8. Click **Save/Print** to save and display the return in PDF format. Then click the  to print the return. If you do not wish to print the return at this time, click **Save** instead. If you wish to print the return at a later date, see "[Review Reports](#)".

Once the tax return is saved, it can be transmitted to the IRS by going to **e-Filings > 94x > Transmit 94x Forms**, selecting the type of 94x tax return to transmit, then selecting the specific return. Only the 94x tax returns that are approved for e-filing are listed. See "[Forms 941, 940, 944, 941SS, 943, & 945](#)" for instructions on transmitting 94x tax returns to the IRS.

To e-file 94x series tax returns after completing the steps above, go to **e-Filings > 94x > Transmit 94x Forms**. See "[Forms 941, 940, 944, 941SS, 943, & 945](#)".

IMPORTANT

The IRS uses the amount on the **Balance Due** line of 94x tax returns when debiting the bank accounts specified for making electronic payments for these returns. If using Drake Accounting's online payment feature, it is very important to verify the **Balance Due** amount on the 94x tax return prior to e-filing the return. See "[Online Payment Tab](#)" for information on setting up this feature.

Form 940 and 940-PR

- Form 940 is the employer's annual federal unemployment (FUTA) tax return.
- Form 940-PR is the Puerto Rico employer's annual federal unemployment (FUTA) tax return.

Both forms can be e-filed.

Form 941 and 941-PR

- Form 941 is the employer's quarterly federal tax return.
- Form 941-PR is the Puerto Rico employer's quarterly federal tax return.

To generate the Schedule B portion of the 941, select the deposit frequency as **Semi-Weekly** in **Client > Edit, Business Information** tab. When the Schedule B opens, the boxes identifying the report quarter are not selected but are correctly selected when the report is saved.

NOTE

Schedule B of the 941 and 941-SS tax returns displays when the **Deposit Frequency** is set to **Semi-Weekly** but prints only when the **Total Taxes After Adjustments** for the quarter is at least \$2,500. To force printing of Schedule B when the **Total Taxes After Adjustments** amount is less than \$2,500, select **Print Sch B if return is less than \$2,500** when producing the 941 tax return (["Producing 94x Series Tax Returns"](#)).

Both forms can be e-filed.

Form 941-X

Form 941-X is used to correct errors on a Form 941 or 941-SS that was previously filed. You may use Form 941-X even though you filed the original return on magnetic media or electronically. Do not send the 941-X in with a 941 or 941-SS.

This form cannot be e-filed.

Form 943 and 943-PR

- Form 943 is the employer's annual federal tax return for agricultural employees and should be used if wages were paid to a farm worker and were subject to Social Security and Medicare taxes or federal income tax withholding.
- Form 943-PR is the Puerto Rico employer's annual federal tax return for agricultural employees and should be used if wages were paid to a farm worker and were subject to Social Security and Medicare taxes or federal income tax withholding.

To generate the 943-A part of the 943, select the deposit frequency as **Semi-Weekly** in **Setup > Client Information, Business Information** tab. Enter tax liability and not deposits on the 943-A.

Both forms can be e-filed.

Form 943-X

Form 943-X is used to correct errors on a Form 943 that was previously filed. Do not send the 943-X in with a 943.

This form cannot be e-filed.

Form 944 and 944-SP

- Form 944 is the employer's annual tax return designed for smaller employers whose annual liability for Social Security, Medicare, and withheld federal income taxes is \$1,000 or less. This form is only for clients notified by the IRS to use Form 944 in place of the 941 quarterly report. You must use this form if you were contacted. If you choose to dispute the use of this form and continue filing the 941 quarterly report, contact the IRS first at (800) 829-0115.
- Form 944_SP is the Puerto Rico employer's annual tax return designed for smaller employers whose annual liability for Social Security, Medicare, and withheld federal income taxes is \$1,000 or less. This form is only for clients notified by the IRS to use Form 944 in place of the 941 quarterly report. You must use this form if you were contacted. If you choose to dispute the use of this form and continue filing the 941 quarterly report, contact the IRS first at (800) 829-0115.

Both forms can be e-filed.

Form 944-X

Form 944-X is used to correct errors on a Form 944 or 944-SS that was previously filed. Do not send the 944-X in with a 944 or 944-SS.

This form cannot be e-filed.

Form 945

Form 945 is used to report withheld federal income tax from nonpayroll payments.

This form can be e-filed.

Form 945-X

Form 945-X is used to correct errors on a Form 945 that was previously filed. Do not send the 945-X in with a 945.

This form cannot be e-filed.

Which 94x Tax Return to Use?

Refer to the table below to determine which 94x tax return to file.

Which 94x Tax Return to Use

Form	Form Use	E-Filable?
940	Form 940 is the employer's annual federal unemployment (FUTA) tax return.	Yes
940-PR	Form 940-PR is the Puerto Rico employer's annual federal unemployment (FUTA) tax return.	Yes
941	Form 941 is the employer's quarterly federal tax return.	Yes
941-PR	Form 941-PR is the Puerto Rico employer's quarterly federal tax return.	Yes
941-SS	Form 941-SS is the employer's quarterly federal tax return for American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands.	Yes
941-X	Form 941-X is used to correct errors on a Form 941 or 941-SS that was previously filed. You may use Form 941-X even though you filed the original return on magnetic media or electronically. Do not send the 941-X in with a 941 or 941-SS.	No
943	Form 943 is the employer's annual federal tax return for agricultural employees and should be used if wages were paid to a farm worker and were subject to Social Security and Medicare taxes or federal income tax withholding.	Yes
943-PR	Form 943-PR is the Puerto Rico employer's annual federal tax return for agricultural employees and should be used if wages were paid to a farm worker and were subject to Social Security and Medicare taxes or federal income tax withholding.	Yes
943-X	Form 943-X is used to correct errors on a Form 943 that was previously filed. Do not send the 943-X in with a 943.	No
944	Form 944 is the employer's annual tax return designed for smaller employers whose annual liability for Social Security, Medicare, and withheld federal income taxes is \$1,000 or less. This form is only for clients notified by the IRS to use Form 944 in place of the 941 quarterly report. You must use this form if you were contacted. If you choose to dispute the use of this form and continue filing the 941 quarterly report, contact the IRS first at (800) 829-0115.	Yes
944-SP	Form 944 is the Puerto Rico employer's annual tax return designed for smaller employers whose annual liability for Social Security, Medicare, and withheld federal income taxes is \$1,000 or less. This form is only for clients notified by the IRS to use Form 944 in place of the 941 quarterly report. You must use this form if you were contacted. If you choose to dispute the use of this form and continue filing the 941	Yes

	quarterly report, contact the IRS first at (800) 829-0115.	
944-X	Form 944-X is used to correct errors on a Form 944 or 944-SS that was previously filed. Do not send the 944-X in with a 944 or 944-SS.	No
945	<p>Form 945 is used to report withheld federal income tax from nonpayroll payments. Nonpayroll payments include:</p> <ul style="list-style-type: none"> • Pensions • Military retirement • Gambling winnings • Indian gaming profits • Voluntary withholding on certain government payments • Backup withholding <p>All federal income tax withholding reported on Forms 1099 and W-2G must be reported on Form 945. Do not report federal income tax withholding from wages on Form 945.</p>	Yes
945-X	Form 945-X is used to correct errors on a Form 945 that was previously filed. Do not send the 945-X in with a 945.	No

Processing Forms W-2 and W-3

Drake Accounting produces forms W-2 for employees based on earnings throughout a year. The employee must be set up and at least one payroll check printed and dated in 2018 or an ATF check recorded with a check date in 2018. Only payments made with a check date in 2018 are included in the employee's 2018 W-2.

NOTE

To generate and print W-2s and W-3s “on the fly” (for clients who keep their own books and for those you’ve not entered their payroll into Drake Accounting), see [“Forms W-2 On the Fly”](#).

W-2 information must be “processed” before being saved/printed or uploaded to the Social Security Administration. “Processing” prepares the W-2s to be printed and automatically generates the W-3.

NOTES

Prior to processing W-2s, all live employee pay checks must be printed and ATF employee pay checks created in the correct year.

If you will be uploading W-2 information to the Social Security Administration, after processing the W-2, go to **e-Filings > W-2 > Create File** to generate the upload file. See [“Creating the W-2/W-3 Upload File”](#).

To process W-2s, complete the following steps:

1. Go to **Employees > Federal Forms**.
2. Select **Forms W-2/W-3** from the **Form Type** drop list. The W-2 process screen is displayed.
3. Process W-2s either for all employees at once (default) or individually.
 - Select the check box to the left of the **Name** column header to process forms W-2 for all employees.
 - Clear the check box to the left of the **Name** column header, then select the individual employees to process forms W-2 for just those select employees.
4. Click **Process**.

NOTE

If you wish to print forms W-2 or W-3 at this time, proceed to the next step. If not, click **Save**.

To print at a later time, go to **Tools > Review Reports** and select **Display Federal Reports (PDF)** from the drop list.

5. Select the employees you wish to print their W-2 by either:
 - Selecting the employee from the **Find Employee** droplist, or
 - Clearing the check box to the left of the **Name** column header, then double-clicking the employees you wish to print their W-2.
 - To print forms W-2 for select employees, clear the check box to the left of the **Name** column header, then select the employees you wish to print.
6. To print form W-3, select **Print W-3** at the left of the window:
 - **Control Number** (optional) — A control number is a unique number assigned by an employer to identify individual W-2 wage and tax statements. Enter a control number if desired.
 - **Establishment Number** (optional) — This number may be used by the employer to identify separate business establishments or locations within the company for internal tracking purposes. Enter an establishment number if desired.
 - **Electronic Signature** — If an electronic signature has been set up (see [“Electronic Signatures”](#)), select the desired signature from the drop list that should be used to sign the W-3. If electronic signatures have not been set up to be used with tax forms, the **Electronic Signature** drop list will be empty.

7. Select the W-2 copies to print from the **Print Options** section:
- **SSA - Copy A** — This option prints a copy of the W-2 for the Social Security Administration.
 - **Other Copies All** — Use this option to select to print all copies other than copy A.
 - **Other** — This option selects all copies to be printed, including copy A. Clear any check boxes for copies you do not wish to print.

NOTE

All W-2s and W-3s can be printed on plain paper using a laser printer. Drake Accounting does not support printing standard forms W-2, W-3, barcoded forms W-2, or W-3 on red line forms. The only red line forms Drake Accounting supports printing is Data-Only (non 4DWN/4UP) forms. All others must be printed to plain paper using a laser printer. Refer to ["Adjust Tax Form Printing"](#) for information on adjusting printing alignment if using one of these Nelco forms.

8. Either click **Save/Print** to save processed forms W-2 and display them on your computer monitor in a PDF window or click **Save** to save the processed forms for printing at a later time. If the **Print W-3** check box is selected when you click **Save/Print**, the W-3 displays in a separate PDF window.

IMPORTANT

You must click either **Save/Print** or **Save** to update the W-3.

Click the  icon to print from the PDF window.

See ["Editing Forms W-2 and W-3"](#) and ["Printing Forms W-2 and W-3"](#).

NOTES

Reprocessing forms W-2 that have previously been processed and edited results in the edits being overwritten.

If you will be uploading W-2 information to the Social Security Administration, after processing the W-2, go to **e-Filings > W2 > Create File** to generate the upload file. See ["Creating the W-2/W-3 Upload File"](#).

Editing Forms W-2 and W-3

Forms W-2 must be processed before they can be edited.

NOTES

If the processed forms W-2 are visible on your computer monitor, proceed to step 4 below.

If the processed forms W-2 are not visible on your computer monitor, you must process again before you can edit a W-2.

A saved W-3 can be edited without forms W-2 being reprocessed. Please use care when editing a W-3 as it is important that the W-3 reflect the information being filed on forms W-2.

To edit a W-2, complete the following steps:

1. Go to **Employees > Federal Forms**.
2. Select **Forms W-2/W-3** from the **Form Type** drop list.
3. Select the employees, or select all, to reprocess their W-2 and click **Process**. This step is not necessary if the processed forms W-2 are being displayed on your monitor.

If editing a saved W-3, select **W-3** from the **Form** drop list and make your edits directly in the W-3 fields.

4. Select an employee's W-2 to edit by either double-clicking the employee in the employee list, using the **Find Employee** drop list, or paging through the processed W-2s using the W-2 page tabs.
5. Make necessary edits directly in the appropriate fields.

NOTE

If you wish to print forms W-2 or W-3 at this time, proceed to the next step. If not, click **Save**.

To print at a later time, go to **Tools > Review Reports** and select **Display Federal Reports (PDF)** from the drop list.

6. Select the employees from the list on the left side of the window you wish to print their W-2 by either:
 - Selecting the check box to the left of the **FirstName** column header to select all employees, or
 - Clearing the check box to the left of the **FirstName** column header, then selecting the employees you wish to print their W-2.
7. To print form W-3, select **Print W-3** at the bottom left of the window:
 - **Control Number** (optional) — A control number is a unique number assigned by an employer to identify individual W-2 wage and tax statements. Enter a control number if desired.

- **Establishment Number** (optional) — This number may be used by the employer to identify separate business establishments or locations within the company for internal tracking purposes. Enter an establishment number if desired.
 - **Electronic Signature** — If an electronic signature has been set up (see [“Electronic Signatures”](#)), select the desired signature from the drop list that should be used to sign the W-3. If electronic signatures have not been set up to be used with tax forms, the **Electronic Signature** drop list will be empty.
8. Select the W-2 copies to print from the **Print Options** section:
- **SSA - Copy A** — This option prints a copy of the W-2 for the Social Security Administration.
 - **Other Copies All** — Use this option to select to print all copies other than copy A.
 - **Other** — This option selects all copies to be printed, including copy A. Clear any check boxes for copies you do not wish to print.
9. Either click **Save/Print** to save processed forms W-2 and display them on your computer monitor in a PDF window or click **Save** to save the processed forms and not view and print at this time. The edited forms W-2 are saved and an updated W-3 is generated. If the **Print W-3** check box is selected when you click **Save/Print**, the W-3 displays in a separate PDF window.

NOTES

You must click either **Save/Print** or **Save** in order for the W-3 to be updated.

Reprocessing forms W-2 that have previously been processed and edited results in the edits being overwritten.

Click the  icon to print from the PDF window.

Printing Forms W-2 and W-3

TIP

Refer to [“Forms W-2 On the Fly”](#) if you wish to print W-2s without using *any* of Drake Accounting's payroll functions (live or ATF).

NOTE

Previously saved forms W-2 and W-3 can be printed at any time by going to **Tools > Review Reports** and selecting **Display Federal Reports (PDF)** from the drop list. Saved files are date and time stamped with filenames starting with "W2" and "W3".

W-2s print "2 Up" by default, one above the other. This means information for two employees prints on the same page. If printing a single W-2, there will be a blank form where the second employee's information would normally print. Drake Accounting can also print W-2s in either a "4-Up" or "4-Down" format. See ["W-2/W-3/1099/1098 Setup Tab"](#) to make these selections.

Forms W-2 must be displayed on your computer monitor in order to be printed. In order to display on your monitor, forms W-2 may need to be reprocessed.

NOTE

Reprocessing forms W-2 that have previously been processed and edited results in the edits being overwritten.


To print forms W-2 and W-3:

1. Go to **Employees > Federal Forms**.
2. Select **Forms W-2/W-3** from the **Form Type** drop list and select either the W-2 or the W-3 in the **Form** droplist.
3. Click **Process**. This step is not necessary if the processed forms W-2 are being displayed on your monitor.
4. Select the employees from the list on the left side of the window you wish to print their W-2 by either:
 - Selecting the check box to the left of the **First Name** column header to select all employees.
 - Clearing the check box to the left of the **First Name** column header, then selecting the employees you wish to print their W-2.
5. To print form W-3, choose W-2 from the **Form** drop list and select **Print W-3** under **W-3 Print Options**.
 - **Control Number** (optional) — A control number is a unique number assigned by an employer to identify individual W-2 wage and tax statements. Enter a control number if desired.
 - **Establishment Number** (optional) — This number may be used by the employer to identify separate business establishments or locations within the company for internal tracking purposes. Enter an establishment number if desired.

- **Electronic Signature** — If an electronic signature has been set up (see ["Electronic Signatures"](#)), select the desired signature from the drop list that should be used to sign the W-3. If electronic signatures have not been set up to be used with tax forms, the **Electronic Signature** drop list will be empty.
6. Select the W-2 copies to print from the **Print Options** section:
- **SSA - Copy A** — This option prints a copy of the W-2 for the Social Security Administration.
 - **Other Copies All** — Use this option to select to print all copies other than copy A.
 - **Other** — This option selects all copies to be printed, including copy A. Clear any check boxes for copies you do not wish to print.

NOTE

All W-2s and W-3s can be printed on plain paper using a laser printer. Drake Accounting does not support printing standard forms W-2, W-3, barcoded forms W-2, or W-3 on red line forms. The only red line forms Drake Accounting supports printing is the Nelco 4-up W-2 (BW24UP) and the Nelco 4-down W-2 (BW24DWN). All others must be printed to plain paper using a laser printer. Refer to ["Adjust Tax Form Printing"](#) for information on adjusting printing alignment if using one of these Nelco forms.

7. Either click **Save/Print** to save processed forms W-2 and display them on your computer monitor in a PDF window or click **Save** to save the processed forms for printing at a later time. If the **Print W-3** check box is selected when you click **Save/Print**, the W-3 displays in a separate PDF window.
8. Click the  icon to print from the PDF window.

See ["Uploading Forms W-2 and W-3"](#) to upload the W-2/W-3 information.

Processing Forms W-2c and W-3c

Form W-2c is used to correct errors on Form W-2. Corrections reported on Form W-2c may require you to file Form 941c, Supporting Statement to Correct Information. Do not use Form W-2c to report back pay or to correct Form W-2G, Certain Gambling Winnings. Form W-3c is required to be filed with Form W-2c and is automatically produced in the background when Forms W-2c are processed.

NOTE

The original W-2 must have been processed and saved in order to create or edit a W-2c for that employee or the W-3c.

To create a W-2c, complete the following:

1. Go to **Employees > Federal Forms**.
2. Select **Forms W-2c/W-3c** from the **Form Type** drop list.
3. Select the employees from the list on the left side of the window that need their W-2 corrected.
4. Click **Process**.
5. Select an employee's W-2 by either double-clicking the employee or using the **Find Employee** drop list at the top of the window. You can also page through the processed forms using the page tabs.
6. Make necessary changes directly in the appropriate fields.
7. Click **Save** to edit another W-2c. Repeat steps 5-7 until all forms W-2c have been edited.
8. Select **W-3c** from the **Form** drop list to edit form W-3c.

NOTE

If you wish to print forms W-2c or W-3c at this time, proceed to the next step. If not, click **Save**.

To print at a later time, go to **Tools > Review Reports** and select **Display Federal Reports (PDF)** from the drop list.

9. Either click **Save/Print** to save forms W-2c and display them on your computer monitor in a PDF window or click **Save** to save the processed forms and not view and print at this time. The edited forms W-2c are saved and an updated W-3c is generated. If the **Print W-3c** check box is selected when you click **Save/Print**, the W-3c displays in a separate PDF window.

NOTE

All forms W-2c and W-3c can be printed on plain paper using a laser printer. Drake Accounting does not support printing standard forms W-2c, W-3c, barcoded forms W-2c, or W-3c on red line forms.

Click the  icon to print from the PDF window.

Printing Forms W-2c and W-3c

All forms W-2c and W-3c can be printed on plain paper using a laser printer. Drake Accounting does not support printing standard forms W-2c, W-3c, barcoded forms W-2c, or W-3c on red line forms.

NOTE

Previously saved forms W-2c and W-3c can be printed at any time by going to **Tools > Review Reports** and selecting **Display Federal Reports (PDF)** from the drop list. Saved files are date and time stamped with filenames starting with "W2C" and "W3C".


Forms W-2c must be displayed on your computer monitor in order to be printed. In order to display on your monitor, forms W-2c must be processed.

To print forms W-2c and W-3c:

1. Go to **Employees > Federal Forms**.
2. Select **Forms W-2c/W-3c** from the **Form Type** drop list.
3. Click **Process** then make the necessary edits directly in the appropriate fields
4. Check the box beside the employee(s) whose W-2c you wish to print.
5. To print form W-3c, select **Print W-3c** below **W-3c Print Options**.
 - **Version Corrected** — Choose the corrected version for the form.
 - **Electronic Signature** — If an electronic signature has been set up (see ["Electronic Signatures"](#)), select the desired signature from the drop list that should be used to sign the W-3c. If electronic signatures have not been set up to be used with tax forms, the **Electronic Signature** drop list will be empty.
6. Select the W-2c copies to print from the **Print Options** section:
 - **SSA - Copy A** — This option prints a copy of the W-2c for the Social Security Administration.
 - **Other Copies All** — Use this option to select to print all copies other than copy A.
 - **Other** — This option selects all copies including copy A. Clear any check boxes as needed.

NOTE

All forms W-2c and W-3c can be printed on plain paper using a laser printer. Drake Accounting does not support printing standard forms W-2c, W-3c, barcoded forms W-2c, or W-3c on red line forms.

7. Either click **Save/Print** to save forms W-2c and display them on your computer monitor in a PDF window or click **Save** to save the processed forms and not view and print at this time. The edited forms W-2c are saved and an updated W-3c is generated. If the **Print W-3c** check box is selected when you click **Save/Print**, the W-3c displays in a separate PDF window.
8. Click the  icon to print from the PDF window.


NOTE

Forms W-2c and W-3c cannot be e-filed and must be paper filed.

State Tax & Wage Forms

These reports are the state wage reports. Reports are generated for the current year only.

To create a state tax and wage report:

1. Go to **Employees > State Tax & Wage Forms**.
2. Select the state for the report from the **State** drop list at the top of the window.
3. Select the appropriate form from the **Form** field.
4. Select the desired **Frequency**, if applicable.
5. Edit the information as needed. A worksheet version of the form is displayed. Information in the white data entry fields can be edited.
6. Once the information is verified, click **Save/Print** to view the final report in PDF format or click **Save** to save without displaying the PDF.
7. If **Save/Print** was selected in step 6, click the  icon to print from the PDF window.

If **Save** was selected in step 6, go to **Tools > Review Reports** and select **Display State Reports (PDF)** to view and print the saved forms at any time.

Drake Accounting does not electronically file state wage reports. If additional state information is needed, please contact Drake Accounting Support at (828) 349-5908.

Portal

The Drake Accounting Portal is a web-based service designed to have employers perform some of the more time consuming and labor intensive parts of payroll processing. By having the employer perform these redundant and time consuming tasks, the firm has more time for the more analytical and profitable tasks on behalf of the employer.

Both the Firm and employer must have internet access to use the Portal. All users have access to the portals at no additional cost.

Portal Overview

The Drake Accounting Portal lets your client send employee information to a Drake website that you can access with Drake Accounting to update your client's current information. This includes time card information from which checks can be written using Drake Accounting. If you update employee information in Drake Accounting, you can also pass it back to the client through the web site to ensure both you and your client are always in sync.

Employers can maintain their own employee information such as name, address, and pay rate. Each payroll cycle, employers enter hours worked and vacation or sick time pay. Once the payroll information is processed, the firm prints the checks, runs payroll reports, makes the 94x tax deposit and files the 94x tax return on behalf of the employer.

Portal Users

There are three types of Portals users:

- **Admin** — This is the Drake Accounting user responsible for the overall administration of the Portal including activating the Portal and maintaining Firm and Employer user IDs and passwords. The Admin user can perform all Portals functions.
- **Firm** — This is an employee of the accounting firm and has full Portals capabilities with the exception of managing portals users and activating the Portal.
- **Employer** — This is a client of the accounting firm (preferably the employee that handles payroll). This user has the same functionality as the Firm user but is restricted to viewing employee/vendor and payroll details of their company.

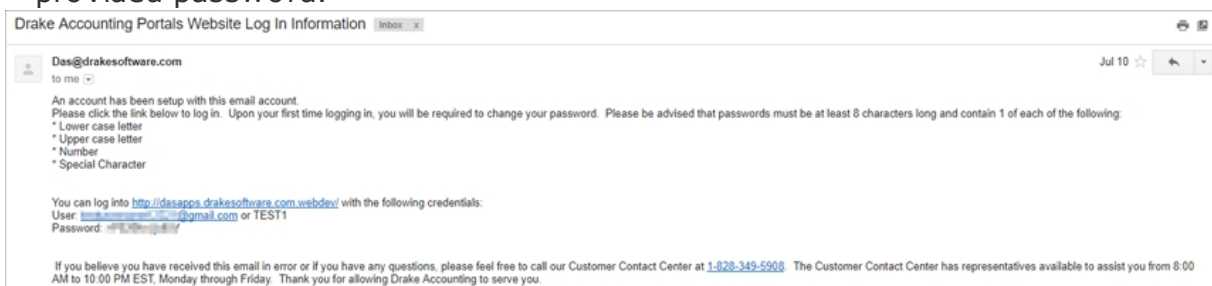
Creating Admin Portal Login

Drake Accounting allows all users to have access to the portals at no additional cost. To access the portal, you must first create an admin account.

1. Go to **Firm > Portal Setup**. Select **Create User**.
2. Create a Login name, First and Last name, and enter the email address.

3. Once you have entered all of the required information, the validation icons disappear.

4. Click **Submit** once you are finished creating a portal user.
5. You will receive an email about logging into the portal with a temporary provided password.



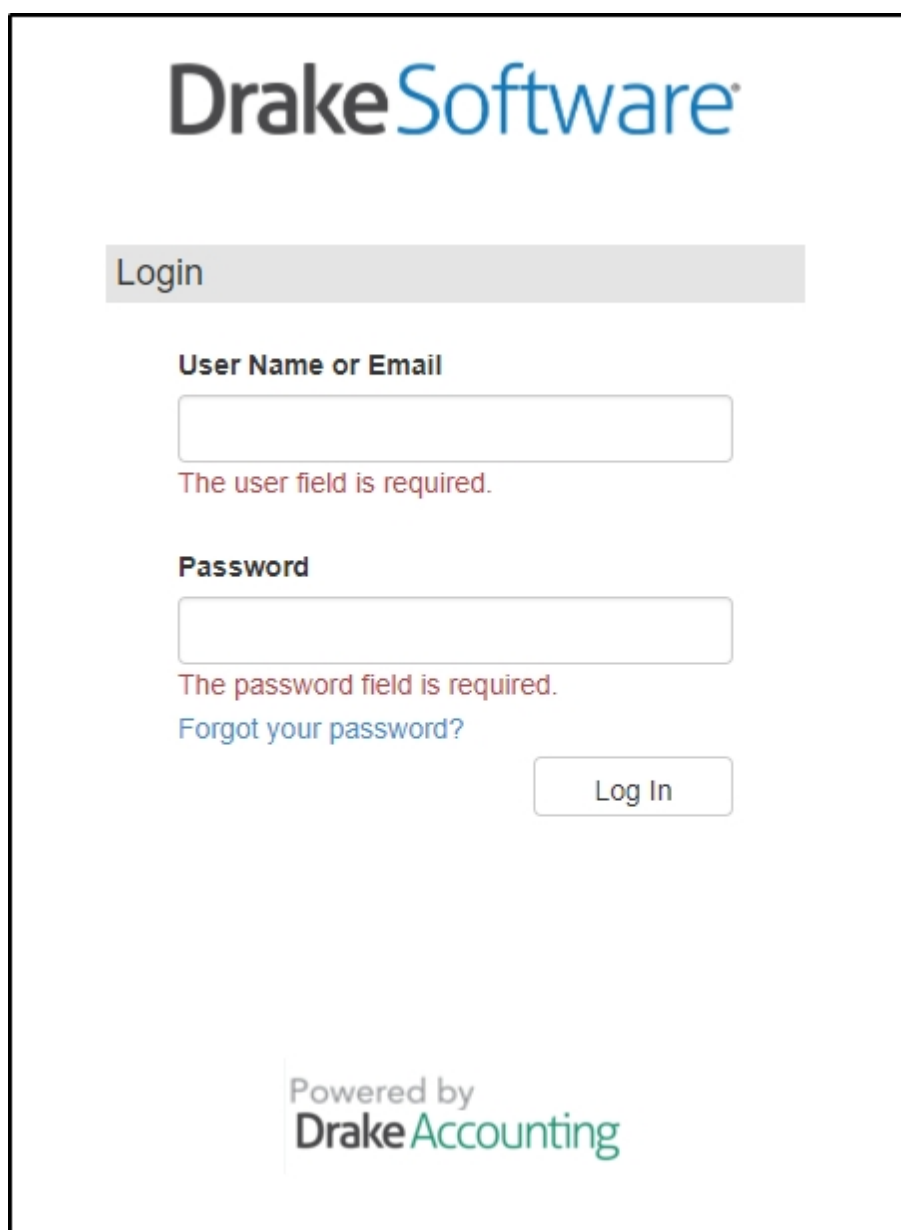
6. Click on the link provided and enter the Username and Password credentials. You must change the password once you are logged into the portal.

Logging in to the Portal

To access the Portal, employers must first access the Internet and point their Internet web browser . It is recommended that all users set up a bookmark in their internet browser to access this URL. You can access the portal by going to :

- **Firm > Portal Setup > Access Portal**
- **Employees > Portal Batch > Access Portal**
- **Help > Web Links > Access Portal**

This will bring you to the login page for the Drake Accounting Portal.



DrakeSoftware

Login

User Name or Email

The user field is required.

Password

The password field is required.

[Forgot your password?](#)

Log In

Powered by
Drake Accounting

Sign in with your username or email along with your password.

Changing the Active Client

At the top-left corner of the portal, select the drop list for the **Active Client**. Select the client you wish to change to the active client.

The screenshot shows the Drake Software portal interface. At the top, there is a green header bar with the text "Active Client: 1 TEST". Below this, a dropdown menu is open, displaying a list of client codes: 123135, 123A, 1301035, 213232, 2Comma, 4444 (highlighted in blue), 522, 5263, 54, and 777777. On the left side of the portal, there is a green sidebar with the Drake Software logo and two buttons: "Client Setup" and "Employee".

Once they have been selected, the portal will then switch over to the new active client's credentials.

Adding Portal Users

Create User logins for staff at your accounting firm ("firm users") and for clients ("employer users") from the **User** screen. The **User Setup** screen is only visible by the administrative user.

Select the Active Client to create users.

The screenshot shows the "User Setup" screen. At the top, there is a title "User Setup". Below it is a table with three columns: "Login Name", "First Name", and "Last Name". The table contains the following data:

Login Name	First Name	Last Name
Admin	Admin	Admin
Guest	Guest	Guest
TestUser	TestUser	Test
TestAdmin	TestAdmin	Test
TestCompany	TestCompany	TestCompany

Below the table are four buttons: "New", "Save", "Delete", and "Reset". Below these buttons is a "New User" form. The form has the following fields:

- Login Name:
- First Name:
- Last Name:
- Email:
- Firm:
- Client Code:
- Role: ☐ Client
- Last Password Changed: None
- Last Login Date: None
- ☒ Enabled

1. Go to **User > User Setup**.
2. Click **New**.
3. Enter the user's name and email. If the user is working for a separate firm, make the appropriate selection. Choose which Client Code will be worked on by that user. If the user is a client, select **Client** in the Role box.

Editing Portal Users

1. Click **User> User Setup**
2. Select the user which will show in the **Edit User** tab.
3. Select the user to edit.
4. Make necessary adjustments to the user's name, email, etc.
5. Click **Save**.

NOTE

If a firm user forgets their Portals password, the administrator can reset the password to the default password. To reset the password, select the firm user then select the check box under their **Portal User ID**. Click **Save**. The next time the user logs in to the portal, they'll use the default password and be prompted to create a new password.

Deleting Portal Users

1. Click **User> User Setup**
2. Select the user which will show in the **Edit User** tab.
3. Select the user which needs to be deleted.
4. Click **Delete**.

Adding Employees

To add an employee, go to **Employee > Employee Setup**.

1. From the list of **Employers**, select the **Active Client**.
2. Go to **Employee > Employee Setup**.
3. Click **New**.
4. Complete the demographic and payroll information for the new employee.
5. Click **Save**. Click **Reset** to close without saving the changes.

Editing Employee Info

To edit an employee, complete the following:

1. Go to **Employees > Employee Setup**
2. From the list of employees, select the employee to edit. The Employee Edit window below displays with the employee's demographic and payroll information.
3. Edit the appropriate information for the employee. All fields may be edited.
4. Click **Save** when finished editing.

Click **Reset** to close this window without saving. Drake Accounting is updated to reflect these changes the next time a sync is run for this employer.

Entering Employee Payroll Information

To create a batch payroll, complete the following:

1. Go to **Employee > Batch Payroll**.
2. Click **Create Batch**.
3. Create a **Batch Name** and select a **Pay Period Ending Date**.
4. Click **Create**.

Add/Edit Batch Payroll

vo

Employee Code	Name	Regular Hours	Hours Worked	OT Hours	PTO Hours	Total Tips	Salary	Commission	No. of Pieces	Add. Gross	Add. Net
1_employee	Smith, Bob	40.00	40.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3_employee	Test, Joe	40.00	40.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Edit Check

Total Regular Hours :	Hours Worked:	Salary:	Overtime Hours :
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Vacation Hours :	Holiday Hours:	Sick Hours:	No. of Pieces:
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Direct Tips:	Indirect Tips:	Allocated Tips:	Commission:
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Third Party Sick Pay:	Additional Gross:	Additional Net:	<input type="checkbox"/> FUTA Exempt
<input type="text"/>	<input type="text"/>	<input type="text"/>	

To enter batch payroll information, complete the following:

1. Select the employee on the **Add/Edit Batch Payroll** screen.
2. Make any necessary adjustments to the employee's check in the **Edit Check** window.
3. Click **Save** after making changes for each employee.
4. Click **Approve** once the timecard looks correct.

Approving Employee Time Cards

Before the payroll batch can be processed for a **Payroll Period End** date, it must be selected and approved. Select the appropriate **Pay Period End** date. Once all employee's pay records have been updated, click **Approve**. Since payroll records cannot be changed once they are approved, you must confirm the approval. Click **OK**.

IMPORTANT

Once timecards have been approved, they are available to be downloaded (synced) and processed by the accounting firm.

Once the accounting firm has downloaded the "approved" batch, the information displays on the **Batch Payroll** screen.

Batch Payroll Reports

Go to **Employee > Batch Status** to review the batch payrolls that have been created.

Active Client: 1 TEST

DrakeSoftware

Batch Payroll Status

Client Setup
Employee
File Transfer
User
Forms

Created
Created
Approved
Processed

- **Created** status is when the batch was created.
- **Approved** status is when the batch has been approved and is ready to be processed within the software once the portal has been synced.
- **Processed** status when the batch is processed within Drake Accounting under **Employees > Payroll > Portal Batch** and click **Process** if the payroll is ready to be printed on checks.

Select the report type and then the batch payroll for the client from the drop list to the right.

Batch Payroll Status

Created ▼

VO ▼

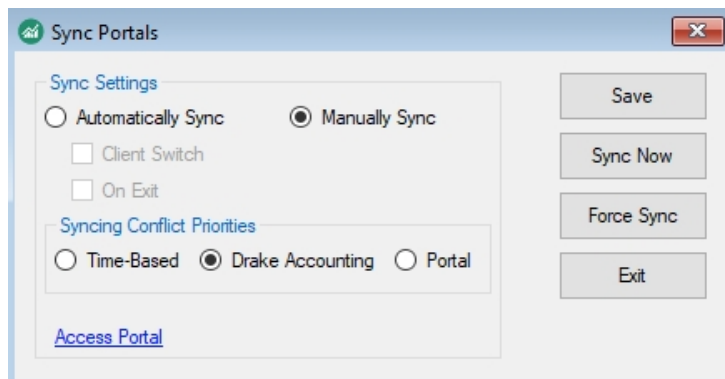
Export to Spreadsheet

Employee Code ↑	Name	Reg Hours	Hrs Worked	OT Hours	PTO Hours	Total Tips	Salary	Commission	3rd Sick Pay	No. of Pieces	Add. Gross	Add. Net
1_employee	Smith, Bob	40.00	40.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3_employee	Test, Joe	40.00	40.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Click **Export to Spreadsheet** if you wish to export the payroll information to a spreadsheet.

Syncing Drake Accounting and Portals

Drake Accounting and Portals must be kept synchronized so no one is seeing old information. Because Drake Accounting is the hub of all payroll activity, those using Drake Accounting must accept or invoke this synchronization (or “sync”).



To manually sync records, complete the following:

1. Make the client you want to sync to Portals the active client.
2. Go to **Firm > Portal Setup**.
3. Make sure **Maually Sync** is selected.
4. Select a **Syncing Conflict Priority**.
5. Click **Sync Now**.
6. A message will display saying "The syncing process has successfully finished."
7. Click **OK**.

To automatically sync records, complete the following:

1. Make the client you want to sync to Portals the active client.
2. Go to **Firm > Portal Setup**.
3. Select **Automatically Sync**
4. Choose to either have Drake Accounting automatically sync on **Client Switch** or **On Exit**.
5. Select a **Syncing Conflict Priority**
6. Click **Save**.

Syncing Conflict priorities

- **Time-based**- The window will sync either Drake Accounting or the Portal depending on which application was used last.
- **Drake Accounting** - Drake Accounting will be synced first.
- **Portal** - The Portal will be synced first.

Additional options on Portal Setup

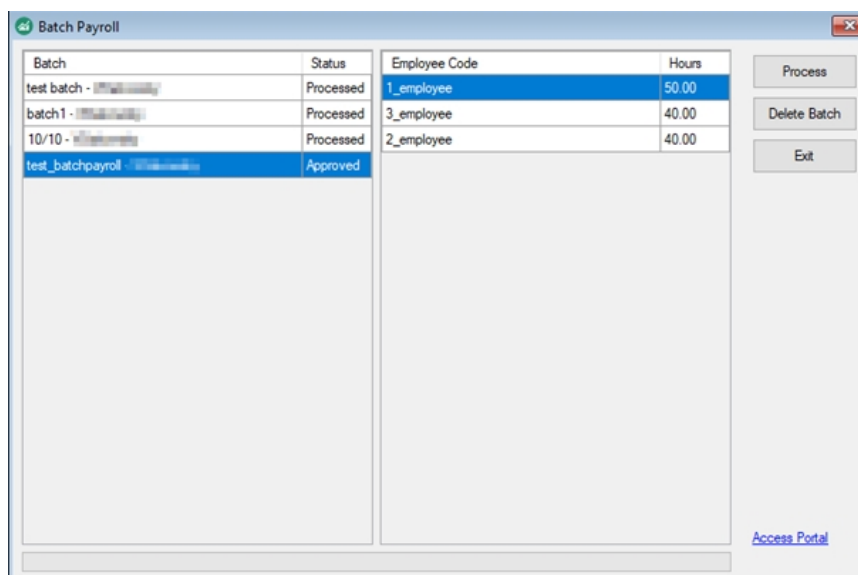
- **Save** will save the Sync settings and conflict priority that is selected on the Portal Setup screen.
- **Sync Now** will sync the current Active Client.
- **Force Sync** will override all portal data with Drake Accounting's data.
- **Exit** will exit Portal Setup.

Access Portal is a link that will go straight to the Portal.

Viewing Processed Payroll

Once the accounting firm has processed payroll in Drake Accounting, paycheck information has to be processed once it has been synced.

Go to **Employees > Payroll > Portal Batch**.



The list of batches will produce on the left side of the screen. The status will show it is approved.

1. Select that batch. To the right it will show the list of employee codes and the hours for that employee.
2. Click **Process**.
3. Then the batch on the left will change the status to **Processed**.

Select **Delete Batch** to delete the batch.

Click **Exit** to leave the Batch Payroll window.

Once the batch payroll is processed, go to **Employees > Check Print** to print out the payroll checks for each employee.

Transferring files to Drake

To upload backup files to Drake's servers when Support requests this information for problem resolution:

1. Log in to Portals.
2. Click the **File Transfer** from the left menu.
3. Select the **Browse** button in the **Upload File** box.
4. Locate the file to upload and either double-click on it or click **Open**.

NOTE

Only files with .ZIP, .TXT, .PDF, .CSV, or .RPT extensions can be uploaded to Drake's servers.

5. Click **Upload**.

To download files from Drake's servers:

1. Log in to Portals.
2. Click the **File Transfer** from the left menu.
3. Use the drop list in the **Download File** box to select the file to download.
4. Click **Download**.

Accounting

Drake Accounting's bookkeeping program provides an accurate, up-to-date snapshot of the financial condition of the client's business. This is accomplished by automating payroll and accounts payable posting to the general ledger. Numerous financial reports are available and this financial information can be exported directly into the Drake Tax software reducing the chance for data entry errors.

NOTE

See "[Chart of Accounts \(COA\) Setup](#)" for information on how to set up a Chart of Accounts in Drake Accounting.

Accounting Options

Use accounting options to tailor your interaction with Drake Accounting when making manual entries to the journal. To access accounting options, go to **Accounting > Options**. Click **Save** when all **Accounting Options** selections have been made.

- [Journal Screen Options](#)
- [Journal Screen Column Options](#)

Journal Screen Options

- **Insert Debit/Credit Decimal Automatically** — This option automatically inserts a decimal two digits from the right (creating cents) entered in the debit and credit fields. For instance, enter 15025 and when you tab out of the field, the entry becomes 150.25. Enter 100 and the entry becomes 1.00.

To enable this option, go to **Accounting > Options** and select **Insert Debit/Credit Decimal Automatically**.

- **Prefill Adjusting Entry Amounts Automatically** — Drake Accounting automatically fills the **Date**, **Amount**, **Division**, and the debit or credit amount for offsetting manual journal entries. When this option is selected, the amount in both the debit and credit amounts for a journal entry will mirror each other. In other words, they will be equal.

NOTE

If you wish to enter transactions into the journal screen with multiple debit entries and a single offsetting credit entry, this option cannot be selected.

To disable this option, go to **Accounting > Options**. Verify **Prefill Adjusting Entry Amounts Automatically** is not selected.

- **Detailed Description** — When this option is selected, the **Description** field on the **Enter Transactions** screen expands to allow up to a 100 character description for each transaction line. Transactions automatically posted to the journal (i.e. payroll, Payables, and Receivables entries) will have a more detailed description.
- **Tab Between Fields Using Enter Key** — when this option is selected, using the enter key will tab through the different fields under the Accounting module.
- **Display Account Name In Front** — When this option is selected, the account name will show before the account number to allow searching by the name of the account.

Journal Screen Column Options

This tab allows the user to reduce the amount of columns that may be unnecessary in the journal entry screen.

Check to hide any of the following columns when pressing tab in the journal entry screen:

- Entity
- Description
- Reference
- Division

18 Accounting Options

Journal Screen Options Journal Screen Column Options

Check to hide the following columns when pressing tab in the journal entry screen

☐ Hide Entity

☐ Hide Description

☐ Hide Reference

☐ Hide Division

Save

Exit

Chart of Accounts (COA) Setup

NOTE

A Chart of Accounts must be created to use the bookkeeping function but is not required if Drake Accounting is being used only for payroll.

The Chart of Accounts, or COA, is an organized list of the names and numbers of the accounts in the general ledger. By entering and categorizing all financial information, you'll know the current state of the business. You can export this information to the Drake Software tax program, making tax preparation much easier. You can use a pre-formatted COA, customize a COA, or import a COA used in another client account. You can create a master account with a customized COA with all the accounts you need, import it, then adjust for the current client as needed.

NOTE

Drake Accounting keeps 10 years of Chart of Accounts history starting when you started using Drake Accounting, unless you brought the client over from Client Write-Up. In that case, the 10 years started when you began using the Chart of Accounts in Client Write-Up. By keeping this history, you can make a correcting entry to the journal for a prior year and all balances are updated automatically from that point forward. Reports reflect the updated balances.

- [Creating a Chart of Accounts](#)
- [Adding Accounts to a Chart of Accounts](#)
- [Editing an Account](#)
- [Deleting an Account](#)

Creating a Chart of Accounts

If a Chart of Accounts is not created when a new client is first created, it can be done at any time.

To create a Chart of Accounts for a client, complete the following steps:

1. Go to **Accounting > Chart of Accounts**.
2. Select the method to create the Chart of Accounts. There are three options when creating a COA:

- **Templates** — Templates are provided for the basic business types: 1040 (sole proprietor), 1065 (partnership), 1120 (C corporation), 1120S (S corporation), 990 (tax-exempt), and Faith Based. Each of the templates is set to the basic types of accounts for these businesses. The accounts are assigned numbers and have no beginning balances. Choose this option, select the business type, and click **Next**. The Chart of Accounts for the selected business type is displayed.
 - **Copy Existing Client Chart of Accounts** — Use the Chart of Accounts from a client that already exists. The copy method can save you time if you have multiple clients using the same or very similar Chart of Accounts. Only the account numbers and descriptions are imported — not the account balances. When you select the copy option and click **Next**, a list of all clients with a Chart of Accounts in Drake Accounting displays. Select the client whose COA you wish to copy and click **Next**. The copied Chart of Accounts displays with all accounts having a zero balance.
 - **Customize** — Create your own Chart of Accounts from scratch. Use this method if you wish to duplicate a client's Chart of Accounts that is either unique or not similar to any of the templates provided. This is the most time- and labor-intensive method. We recommend you create a client file to use as a master. You can then import this file as often as you need using the **Copy Existing Client Chart of Accounts** to create new client files. Use GAAP (Generally Accepted Accounting Principles) guidelines when creating a customized Chart of Accounts. Choose this option and click **Next**. See ["Adding Accounts to a Chart of Accounts"](#).
3. If **Templates** was selected as the method in step 2, select the template to be used (1040, 1065, 1120, 1120S, 990, or Faith Based). If **Copy Existing Client Chart of Accounts** was selected in step 2, select the Drake Accounting client to import. If **Customize** was selected, the Chart of Accounts displays with just the columns and rows ready for account creation.
 4. If the **Accounting Method** was not selected when the client was initially set up (see ["Business Information Tab"](#)), select whether the client uses the Cash or the Accrual method of accounting. This cannot be changed mid-year.
 5. To select the capital account to be designated as the **Retained Earnings Account**, double-click the account and set the **Sub Type** field to **Retained Earnings**. Only accounts with an **Account Type** of "Capital" may be designated as the **Retained Earnings Account**. Do not change this information once data has been entered in **Accounting > Transactions**.

NOTE


To make adjustments to accounts, including beginning balances, see ["Editing an Account"](#).

Adding Accounts to a Chart of Accounts

NOTE

Accounts can be added to the Chart of Accounts from any field in Drake Accounting that is requesting for an account number.

To add a new account to the Chart of Accounts, complete the following:

1. Go to **Accounting > Chart of Accounts**.
2. Click . The **Add/Edit/Delete Account** dialog box opens. Enter account information.

Add Account

Add Account

Account Number ⓘ

Name ⓘ

Type ⓘ

Sub Type

Level ☒ Postable Account ☐ Account Group Level

Current Balance Debit Credit

Yearly Budget

Cash Flow Classification ☐ Operating ☐ Investing ☐ Financing ☐ Cash ☒ N/A

Tax Return Information (used when exporting to Drake Tax Software)

Tax Form

Tax Line

Tax Form Instance

Setup Balances (Double-click a row to set a balance)

	Debit	Credit	Budget
Start of Year	0.00	0.00	0.00
January	0.00	0.00	0.00
February	0.00	0.00	0.00
March	0.00	0.00	0.00
April	0.00	0.00	0.00
May	0.00	0.00	0.00
June	0.00	0.00	0.00
July	0.00	0.00	0.00
August	0.00	0.00	0.00
September	0.00	0.00	0.00
October	0.00	0.00	0.00
November	0.00	0.00	0.00
December	0.00	0.00	0.00

Buttons: Save, Delete, Exit

- **Account Number** — The account number determines how the transaction is assigned.
- **Name** — The reports generated by Drake Accounting use this name.
- **Type** — Choose the correct account type from the drop list. This choice affects the calculation of transactions entered in the journal to generate financial reports. Always follow the GAAP.
- **Sub Type** — Use this field to further refine the type of account. Current liability accounts with a **Sub Type** of "Credit Card" are included in the bank reconciliation.
- **Level** — Accounts are either "postable" (level 0) or "account group level," also known as "nested." Postable accounts are used when entering transactions. Nested accounts are used for reporting purposes only.

WARNING!

Use caution when changing the account level. Improper changes can cause inaccurate results in the Chart of Accounts.

- **Level - Postable Account** — Select this option for level 0 accounts. Only level 0 account information can be exported to the client's tax return in Drake Software.
- **Level - Account Group Level** — Select this option if the account is a nested account, then use the list to assign the level (1-9).

See "[Understanding Account Levels](#)" for further explanation of account levels.

- **Current Balance** (debit and credit entries) — This is required to properly set up the Chart of Accounts. Level 0 accounts are the only accounts for which a **Current Balance** can be entered. Enter an amount either in the **Debit** balance or the **Credit** balance fields - not both. The **Debit** and **Credit** fields can be edited during the creation of the COA. These fields are updated automatically when a **Post Transactions** process is performed.

NOTE

Current Balance fields become inactive and can not be edited once a transaction is entered into the journal for this account or a **Post Transactions** process is performed.

- **Yearly Budget** — Enter the amount budgeted for the account. This information is available for financial management.

- **Cash Flow Classification** — Designate in which section of a cash flow statement the account should appear (Operating, Investing, or Financing). Only accounts with one of these designations appear in a Cash Flow report.
- **Tax Form** — Designate the tax form on which this field should appear. This information assists in exporting information to the client's tax return in Drake Software. If a tax return for the client does not exist in Drake, information from **Setup > Client Information** is used to create the tax return in Drake. If a tax return for this client exists in Drake, the EIN/SSN is used as the identifier for the client file and the file is exported to the existing tax return. For more information about exporting to Drake, see ["Export to Drake Tax"](#).
- **Tax Line** — Specify the line in the **Tax Form** list appropriate for this account. Selecting an export form activates the **Tax Line** drop list.
- **Tax Form Instance** — Specify which instance of the tax form specified in the **Tax Form** field the account information should be exported. For instance, if the tax return has two Schedule Cs, specify to export to Schedule C "1" or "2".
- **Setup Balances** (optional) — Entering monthly account balances when first starting to use Drake Accounting and its bookkeeping features is a great way to ensure accurate reporting for all accounts. By entering Start of Year and monthly closing balances for each account, a start-of-year balance sheet will reflect the year-to-date data. You can also run monthly reports for months entered.

Enter either a debit balance or a credit balance for each account.

The **Start of Year** and **January** through **December** fields are automatically updated when transactions are entered and the **Post Transactions** process is performed.

IMPORTANT

Use **Setup Balances** only if you are starting to use Drake Accounting in the middle of the year and want to bring forward individual monthly account balances from your existing accounting system. In order to take advantage of this feature, you must enter balances for each account and each month of this fiscal year through the last full month. For instance, if you are starting to use Drake Accounting in July, enter monthly balances for January through June. When this information is entered correctly, prior period and year-to-date reporting is available.

- **Start of Year** — Enter start of year balances from balance sheet accounts only. Double-click under **Debit** to enter a debit balance and under **Credit** to enter a credit balance. Income statement accounts are always zero at the start of the year and therefore do not require entry. If starting to use Drake Accounting in January, an entry should be made for the **Current Balance** but not for the **Start of Year**.

- **January** through **December** — Enter the monthly account balance from January through the last full month in the existing accounting system.

For example, you start using Drake Accounting in February and the current balance of the checking account is \$40,000. Assuming you started the year with \$50,000 in the checking account, you would set the **Start of Year** balance to \$50,000 and the **January** balance to -\$10,000 to show that you spent \$10,000 in January and now have a current balance of \$40,000. This should match the **Debit** balance amount of \$40,000 you've entered in the **Current Balance** field.

NOTE

Setup Balances fields become inactive and can not be edited once a transaction is entered into the journal or the **Post Transactions** process is performed.

3. Click **Save** after the information for each account has been entered.

NOTE

Drake Accounting can only be used as a double-entry bookkeeping system. The balance must be 0.00 before saving the Chart of Accounts.

The **Current Balance** of the Chart of Accounts is displayed at the lower right of the **Chart of Accounts** dialog box. When the COA is "in balance," this displays 0.00.

TIP

Complete the Chart of Accounts before entering transactions in **Accounting > Transactions**.

Understanding Account Levels

Levels in the Chart of Accounts define both "postable" accounts and those that are created for reporting purposes only. Journal entries can be made only to postable, or Level 0 accounts. Only level 0 accounts are displayed when an account field is selected throughout Drake Accounting. All account levels display on the Chart of Accounts screen.

Account levels 1 through 9 define how financial statements are subdivided into logical sections. They are used only for defining report sections. No transactions can be posted to these accounts. This allows a high degree of customization of financial statements and reporting.

Levels are designed to be used in matched pairs. Think of these groupings as bookends on a bookshelf. There can be several books between the bookends, but you cannot have one bookend without a corresponding bookend on the other end of the books. The first instance of an account level – the “starting instance” – provides the “Section Header.” The second instance – the “ending instance” – marks the end of the section and tells the program to total the section. The name of this account provides text for the “section total.” Level 0 accounts are assigned to the section based on their account number. Those with account numbers between the starting instance of a sublevel and ending instance of a sublevel account are totalled with the total appearing in the ending instance of that sublevel account.

NOTE

Level 0, postable accounts, do not need to appear in pairs. Use as many postable accounts in a subsection as is necessary.

Nesting Levels

It is possible to “nest” levels. For instance, there can be a Level 2 subsection within a Level 1 section. Up to 9 levels can be nested.

The following example shows how to set up nested sections.

Example of Nested Levels

758	1	Insurance
758.1	2	Building Insurance
758.12	0	Building Ins - 123 East Main St...
758.13	0	Building Ins - 425 Elm Street
758.14	0	Building Ins - 1927 Oak Circle
758.19	2	Total Building Insurance
758.2	2	Auto Insurance
758.21	0	Auto Ins - 2015 Ford F150 Truck
758.22	0	Auto Ins - 2012 Dodge Van #1
758.23	0	Auto Ins - 2013 Dodge Van #2
758.29	2	Total Auto Insurance
758.9	1	Total Insurance

In “Example of Nested Levels”, the first level 1 category begins with account 758 - Insurance and ends with account 758.9 - Total Insurance. Account 758.9 indicates to Drake Accounting to total everything between the first level 1 account and the second level 1 account.

This example results in a section on the P&L report that looks like this:

		Year To Date
GROSS PROFIT:		0.00
EXPENSES		
Level 1	Insurance	
	Building Insurance	Level 2
	Building Ins - 123 East Main	Level 0 135.00
	Building Ins - 425 Elm Street	Level 0 189.00
	End Building Insurance	Level 2 324.00
	Auto Insurance	Level 2
	Auto Ins - 2002 Dodge Van #1	Level 0 104.50
	Auto Ins - 2003 Dodge Van #2	Level 0 137.65
	End Auto Insurance	Level 2 242.15
	End Insurance	566.15
TOTAL EXPENSES:		566.15
NET PROFIT (LOSS):		(566.15)

NOTE

The level labels in the example above are not part of the report. They are there to show that sub-level accounts (not "Postable" or level 0 accounts) must appear in pairs.

COA Samples

When creating a COA, the level selected enables you to generate a detailed breakdown of accounts later. Use only level 0 accounts when entering transactions.

In this example, multiple checking accounts are included in a total of checking accounts for reporting purposes.


1. Set up a "Beginning Account" for your grouping of checking accounts. This is a level 1 Account. (Level 1-9 accounts are for reporting purposes only.)
2. Set up each of your checking accounts: account number, account name, account type, and level 0. This enables entry of transactions for each checking account.
3. Set up an ending account that will show the total of all checking accounts. Use level 1. (You must always have a beginning and ending level 1.)

Use multiple levels within level 1 to create a nesting of accounts. In the next example, the accounts associated with "Cash" include "Petty Cash," "Checking," "Savings," etc.

This example results in a section on the balance sheet that looks similar to this:

Cash			
	Petty Cash	500.00	
	Checking Account	13,500.00	
	Savings Account	4,500.00	
Total Cash Available			18,500.00

Editing an Account



To modify an existing account, go to **Accounting > Chart of Accounts**. Either select the account and click  or double-click the account from the list. Edit the desired fields and click **Save**.

NOTE

All information in the Chart of Accounts can be changed until any transaction has been posted to any account. Once a transaction has been posted to an account, only the **Account Number**, **Name**, **Yearly Budget**, **Tax Form**, **Tax Line**, and **Tax Form Instance** fields can be edited.

Deleting an Account

An account in the COA can be deleted only if there has been no monetary transaction for the account. To delete an existing account:

1. Go to **Accounting > Chart of Accounts**.
2. Either select the account and click  or select the account, click , then click **Delete**. A message box is displayed, confirming the account should be deleted.
3. Click **Yes** from the confirmation window to permanently delete the account. Click **No** to return to the **Chart of Accounts** dialog box without deleting the account.

IMPORTANT

Accounts that have current activity cannot be deleted.

Deleting the Chart of Accounts

Use the **Delete All** button when setting up the Chart of Accounts and you wish to restart the COA setup from scratch. All account information is removed. This option is available only before entering transactions and before performing the **Post Transactions** process.

Transactions

The **Transactions** menu includes **Unposted** and **Posted** nodes which display unposted and posted transactions.

Unposted

The Unposted screen under **Accounting > Transactions** shows all of the transactions in the journal that have not been posted yet.


Entering Journal Transactions

There are two methods of bringing transactions into the general journal: manual entry of transactions directly into the **Unposted Transactions** screen (**Accounting > Transactions > Unposted**), and by automatically bringing payroll, payables, and receivables transaction information to the general journal (**Employees > Options**, **Payables > Options**, and **Receivables > Options**). A Chart of Accounts must be set up before transactions can be entered. (See ["Chart of Accounts \(COA\) Setup"](#)).

Manual Entry of Journal Transactions

General ledger transactions are entered in the journal. Drake Accounting uses the double-entry system of bookkeeping.

To enter journal transactions:

1. Go to **Accounting > Transactions**.
2. Click the Add icon () to add a transaction or press Insert on your keyboard.

NOTE

If the **Prefill Offsetting Entry Amounts Automatically** option is selected, two transaction lines are created when the ☀ icon is selected; one for the debit transaction and one for the offsetting credit entry. If you wish to enter transactions into the journal screen with multiple debit entries and a single offsetting credit entry, you will need to turn off the **Prefill Offsetting Entry Amounts Automatically** option (see "[Accounting Options](#)").

3. Select the journal to use for this transaction from the **Journal** drop list.

Journals

GJ	General Journal
CD	Cash Disbursements
CR	Cash Receipts
PAY	Payroll
BUD	Budget

NOTE

Drake Accounting keeps ten years of Chart of Accounts history starting with the year you started using Drake Accounting. This means that when a correcting entry is made to the journal for a prior year, all balances are updated automatically from that point forward. Reports reflect the updated balances.


4. Complete all necessary fields for the transaction.
 - **Date** (Required) — The date of the transaction defaults to today's date. To edit the displayed date of the transaction, double-click the displayed date then click the ▼ to access the calendar function. See "[Date Fields](#)" for details on using date fields in Drake Accounting. The date selected is used until it is changed or until the **Enter Transactions** dialog box is exited. After exiting **Enter Transactions**, the date returns to today's date when the dialog box is next opened.
 - **Entity Code** (optional) — To associate this transaction with a particular employee, AP vendor, or AR customer, double-click the **Entity Code** field and select the appropriate option to associate the transaction with an Employee, Vendor, or Customer.

Next, select the appropriate employee, AP vendor, or AR customer code.

- **Employees** — When the **Employees** option is selected, employees entered in **Employees > Employee Setup** are displayed. Select the employee associated with this transaction.
- **Vendors** — When the **Vendors** option is selected, vendors entered in **Payables > Vendor Setup** are displayed. Select the vendor associated with this transaction.
- **Customers** — When the **Customers** option is selected, accounts receivable customers entered in **Receivables > Customer Setup** are displayed. Select the customer associated with this transaction.
- **Account** (Required) — Click the **Account** field to display the **Select Account** window. Select the appropriate account for this transaction from the list of level 0 (postable) accounts.
- **Debit** — If this transaction is a debit, enter the amount.
- **Credit** — If this transaction is a credit, enter the amount.

IMPORTANT

You *must* enter an amount in either the **Debit** or **Credit** field. *Do not* enter an amount in both fields for one transaction.

- **Description** (Optional) — Enter the description for this transaction. If you have previously entered descriptions, Drake Accounting attempts to fill the field with one of these descriptions as each character is typed. When the desired entry is displayed, press Tab or use the mouse to advance to the next data entry field.
 - **Reference** (Optional) — This alphanumeric field can be used however you like. If entering check information directly into the **Enter Transactions** screen, you may want to use the **Reference** field for check numbers.
 - **Division** (Optional) — Select the division associated with this transaction. The drop list displays the list of divisions created in **Client > Edit > Divisions**. See ["Divisions Tab"](#) for division setup.
5. Click the Add icon () to continue adding transactions.

NOTE

If the **Prefill Offsetting Entry Amounts Automatically** option is selected on the **Accounting > Options** screen, do not click the Add icon to access the offsetting transaction line. Instead, press tab at the end of the initial entry transaction line.

6. Once all journal entries have been made, verify the information. Use the [Status of Months section](#) section on the right side of the screen to help keep the journal in balance. Click **Save**.

IMPORTANT

It is important to save your journal entries before exiting the **Enter Transactions** window. Saving writes your entries and changes to the transaction database. The entries are not written to the transaction database if you exit without saving.

Status of Months**Status of Months**

Status of Months

☐ Balanced January
☐ Balanced February
☐ No entries March
☐ No entries April
☐ No entries May
☐ No entries June
☐ No entries July
☐ No entries August
☐ No entries September
☐ No entries October
☐ No entries November
☐ No entries December
☒ Show All

Totals

Debits:	\$4,653.68
Credits:	(\$4,653.68)
Balance:	\$0.00

This section on the right side of the **Enter Transactions** screen shows the current balance (Debits - Credits) of journal entries. Select a month to display the transactions entered for that month and that month's balance information or select **Show All** to display all transactions entered and the balance information for all transactions currently in the journal. Monthly statuses displayed are "Balanced", "Not Balanced", or "No entries".

Use the **Status of Months** section to aid in maintaining a journal that is in balance.

See also:

- [Editing a Journal Entry](#)
- [Deleting a Journal Entry](#)



Editing a Journal Entry

To edit a journal entry, complete the following:

1. Go to **Accounting > Transactions > Unposted**.
2. Click the journal entry to be edited. Double-click the **Date** and **Entity Code** fields to edit those entries. Click once to access the other fields.
3. Make the changes as needed. The balancing transaction(s) may also require editing.
4. Click **Save**.

Deleting a Journal Entry

To delete a journal entry, complete the following:

1. Go to **Accounting > Transactions > Unposted**.
2. Select the check box beside each transaction to be deleted and click  or press **Delete** on your keyboard, or to delete all transactions, select the check box to the left of the word "Journal" at the top left of the **Enter Transactions** window and click .
3. Click **Yes** to confirm the deletion.
4. Click **Save**.

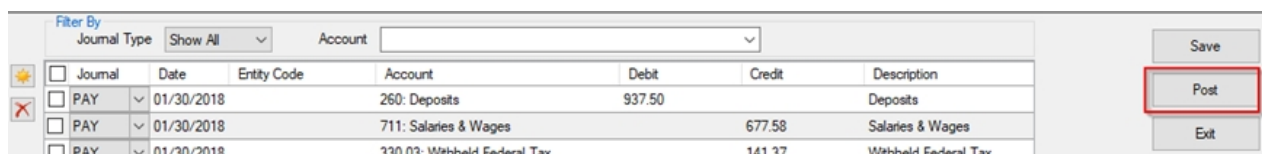
Posting Transactions

The posting process posts the current transactions to the Chart of Accounts. Before running this process, be sure that:

- Transactions are in balance.
- All transactions have valid account numbers.

To post transactions to the GL:

1. Go to **Accounting > Transactions**. Select **Post** to the right of the screen.



Journal Type	Date	Entity Code	Account	Debit	Credit	Description
<input type="checkbox"/> Journal						
<input type="checkbox"/> PAY	01/30/2018		260: Deposits	937.50		Deposits
<input type="checkbox"/> PAY	01/30/2018		711: Salaries & Wages		677.58	Salaries & Wages
<input type="checkbox"/> PAY	01/30/2018		330.03: Withheld Federal Tax		141.37	Withheld Federal Tax

2. Click **Post**. The **Select Posting Dates** dialog box is displayed.
3. Select the transactions to be posted to the general ledger by:
 - entering a start and end date of transactions to post.
 - selecting a month to post. Selecting the month automatically selects that entire month.
 - selecting to post all previously unposted transactions, disregarding the transaction date.
 - selecting to post all previously unposted transactions that use last year's date.

4. Click the **Interim Reports** button to display the following reports on your computer screen:

- Trial Balance Worksheet
- Interim Profit and Loss Report
- Interim Profit and Loss Activity Report
- Interim Balance Sheet

Use these reports to check for accuracy. Reports can be printed by clicking the



icon.

5. If the information on the Interim Reports is correct, click **OK**. A message reviewing the posting date option selected in step 3 above and the date to display on reports is displayed.
6. Click **Yes** to continue with the post.

Drake Accounting:

- Backs up the active client's files.
 - Posts transactions to the General Ledger for the selected accounting period.
 - Posted transactions are removed from the **Enter Transactions** screen.
7. Click **OK**.

IMPORTANT

The **Post Transactions** process must be run prior to running the **Year End Close**. Some reports require that transactions be posted prior to running the report. Refer to each report's description for posting requirements ("[Report Details](#)").

Posted

The Posted screen shows all of the transactions that have been posted under **Accounting > Transactions > Unposted**.

Filter By		Journal Type		Show All		Account	
Journal	Date	Entity Code	Account	Debit	Credit	Description	
<input type="checkbox"/> PAY	03/03/2018		775: Promotion		20.00	Promotion	
<input type="checkbox"/> PAY	03/03/2018		330.04: Withheld State Tax	1,145.00			
<input type="checkbox"/> PAY	03/15/2018		330.04: Withheld State Tax		842.13		
<input type="checkbox"/> PAY	03/15/2018		330.03: Withheld Federal Tax		140.55	Withheld Federal Tax	
<input type="checkbox"/> PAY	03/15/2018		330.04: Withheld State Tax		54.73	Withheld State Tax	
<input type="checkbox"/> PAY	03/20/2018		330.02: Withheld FICA	16.60		Withheld FICA	

Status of Months

☐ No Entries Jar

☐ No Entries Fel

☐ Not Balanced

This screen can filter the posted transactions by journal type and/or the listed account. Although the transactions have been posted, the transactions can still be edited and deleted if a transaction was posted by mistake.

Status of months will show whether or not each month is in balance. If a month is out of balance, the month will be red. If the month is in balance, the month will be green. The totals debits and credits will show at the bottom and give a total balance. Select a month and all of the entries for that month will show in the middle of the screen.

Click **Save** once all of the posted transactions look correct.



Editing a Posted Journal Entry

To edit a journal entry, complete the following:

1. Go to **Accounting > Transactions > Posted**.
2. Click the journal entry to be edited. Double-click the **Date** and **Entity Code** fields to edit those entries. Click once to access the other fields.
3. Make the changes as needed. The balancing transaction(s) may also require editing.
4. Click **Save**.

Deleting a Posted Journal Entry

To delete a journal entry, complete the following:

1. Go to **Accounting > Transactions > Posted**.
2. Select the check box beside each transaction to be deleted and click  or press **Delete** on your keyboard, or to delete all transactions, select the check box to the left of the word "Journal" at the top left of the **Enter Transactions** window and click .
3. Click **Yes** to confirm the deletion.
4. Click **Save**.

Year End Close

The **Year End Close** process zeros out all income, cost of goods sold, and expense accounts and posts net income to the retained earnings account. Run the **Year End Close** after the final period of the year has been posted. Include all adjustments in the final period as Drake Accounting does not offer a 13th adjustment period.

NOTES

You must perform the **Post Transactions** process (**Accounting > Transactions** then click **Post**), print all Forms W-2, W-3, 1099, and 1096, and export to the Drake Tax software program prior to performing the **Year End Close**. The information required for the export is not available after closing the year. See ["Export to Drake Tax"](#).

The **Year End Close** must be performed in order to bring the Chart of Accounts into the following year's Drake Accounting program.

You should backup the client information before closing the year.

To post the year-end close to the GL:

1. Go to **Accounting > Year End Close**.
2. Enter the year to close. Drake Accounting backs up the active client's files prior to closing the year.
3. Click **OK**.

Drake Accounting prepares the files for the new year.

NOTE

All accounts with a number higher than the [designated retained earnings account](#) are zeroed out and the net income posts to the retained earnings account.

See ["Special Considerations for Fiscal Year Clients"](#) for information on the year end closing process for fiscal year clients.

Special Considerations for Fiscal Year Clients

Using Drake Accounting for a client that is on a fiscal accounting year is very similar to the way you use Drake Accounting for a client on a calendar year, except when it comes to closing out the year.

To identify a client as a fiscal year client in Drake Accounting, go to **Setup > Client Information** and on the **Business Information** tab, set the [Start of Year Date](#) to something other than January 1.

The following scenario is used to explain using a fiscal year client in Drake Accounting:

- The client's fiscal accounting year is from August 1, 2018 to July 31, 2019. Use the appropriate dates for your client's fiscal year.
- You process AP, AR, and payroll for this client and are keeping their books (a Chart of Accounts is set up in Drake Accounting for this client).

In Drake Accounting 2018

1. Enter transactions for August 1, 2018 through December 31, 2019.
2. Next, post transactions to the GL. Go to **Accounting > Transactions**. Click **Post**.
3. **DO NOT CLOSE THE YEAR IN DRAKE ACCOUNTING 2017 AT THIS TIME.**
4. **DO NOT WORK IN THIS CLIENT IN DRAKE ACCOUNTING 2017 AGAIN.**

In Drake Accounting 2019

1. After installing Drake Accounting 2019, bring the client forward from Drake Accounting 2018 to Drake Accounting 2019. In Drake Accounting 2019, go to **Client > Update Prior Year**.
2. Make that client the active client and open their Chart of Accounts (go to **Accounting > Chart of Accounts**).
You must answer **YES** to the question, "Do you want to update the bookkeeping for this client?" This completes the process of bringing account balance information and payroll transaction information forward into Drake Accounting 2019 for this client.
3. Continue using Drake Accounting 2018 for this client's accounting work
4. **At the end of their fiscal year** (July 31, 2019), close the client's fiscal year in Drake Accounting 2018:
 - Post all transactions to the GL (**Accounting > Transactions**. Click **Post**)
 - Close the year (go to **Accounting > Year End Close**).
5. Continue entering transactions in Drake Accounting 2019 for fiscal year 2019 – 2020.

Bank Reconciliation

The bank reconciliation in Drake Accounting can be performed in two ways:

By importing a bank statement directly from the bank, or
By using a printed bank statement.

NOTE

Before beginning a bank reconciliation, make sure you have either downloaded a bank statement from the bank or have a bank statement in hand.

To reconcile a bank statement, complete the following:

1. Go to **Accounting > Bank Reconciliation**. The **Bank Reconciliation** dialog box is displayed.

Bank Reconciliation window


2. Select an account to reconcile from the **Account** drop list. Only postable **Current Asset** accounts from the Chart of Accounts are listed.
3. In the **Statement Date** field, enter the last date to be included in the bank reconciliation. This should be the ending date of the bank statement.
4. Enter the **Starting Balance**. Once a bank reconciliation has been completed, this month's **Ending Balance** becomes next month's **Starting Balance**. The first time a new company performs a bank reconciliation, "0.00" is an acceptable entry.
5. Enter the **Ending Balance** shown on the bank statement.
6. Click **Load Trans**. All unreconciled transactions for the selected account through the **Statement Date** are displayed on the left side of the window (**Book Report**). Sort the transactions listed by clicking on the column headers.


The **Date**, **Check Number** (or reference number), **Description**, and **Amount** flow from the transaction journal. Credit amounts are displayed as negative numbers and are contained within parenthesis. Debit amounts are displayed as positive numbers with no parenthesis.

Select one of the following methods to reconcile your bank statement:


- Go to "Paper Reconciliation" if you have a printed bank statement in hand.
- Go to "Importing a Bank Statement" if you have downloaded a .CSV file of your bank statement from your bank.

Bank Reconciliation with printed bank statements

1. To begin reconciling the account, select a transaction from the bank statement and click on that same transaction located in the **Book Report** listing on the left side of the window.
2. To show that the selected transaction has cleared, click the  icon. The transaction will be displayed in both the left window with a **Type** of "Cleared" and in the right window (**Bank Report**). The numbers below the left and right windows are updated to reflect the amount cleared.

3. Continue selecting transactions on the left and clicking the  icon until all transactions on the bank statement that have cleared show a **Type** of "Cleared" in the left window and are listed in the **Bank Report** window.

NOTE

If you mistakenly include a transaction in the **Bank Report**, select the transaction and click the  icon. The transaction is removed from the **Bank Report** and will require a **Type** be assigned.

4. Assign a **Type** to all other transactions in the **Book Report** that have not cleared.

NOTE

All transactions displayed on the **Book Report** must be assigned a **Type** before the bank reconciliation can be finished. Choose from:

In Transit — A deposit that is not included on this bank statement.

Outstanding — A transaction that is not included on this bank statement.

Void — Drake Accounting will ignore this transaction for this bank reconciliation and it will not be included in future bank reconciliations.

Finishing the Bank Reconciliation

1. If necessary, click **Journal Entry** to add transactions. Use manual journal entries to enter bank initiated items, such as interest and penalties, or to make any other corrections. For instance, a check appears on the bank statement but is not displayed on the **Bank Reconciliation** screen. See "[Manual Entry of Journal Transactions](#)" for details on making manual journal entries. Remember that all manual entries to the journal must have an offsetting entry. To be included in this reconciliation, the transaction date must be not later than the **Statement Date**. Once manual journal entries have been saved, you are returned to the **Bank Reconciliation** screen and the manual journal entry is included in the **Book Report**.

NOTE

The account is reconciled when the **Calculated Unreconciled Balance** equals "0.00" and the **Adjusted Book Balance** and **Adjusted Bank Balance** are equal to each other.

2. Under **Print Options**, select to display an **Unreconciled** report showing only the transactions that have not cleared or a **Reconciled** report showing just the transactions that have cleared, or select to display both reports when the reconciliation has been finished. Select **Print Before Finalize** if you wish to print out the reconciliation before finalizing it.
3. Once the reconciliation process is complete, click **Finish**. A reconciliation report opens that can be saved or printed. You must **Finish** reconciling an account before you begin a new reconciliation of that same account.

NOTE

Once a bank reconciliation using a given **Account** and **Statement Date** has been finished, that same **Account** and **Statement Date** combination cannot be reconciled again.

If the bank reconciliation is only partially completed and can not be finished due to various reasons, exit the screen.

A popup message about the partial reconciliation will display. Click **Save Partial**.

Active Reconciliation



There is an active reconciliation in progress.

Would you like to Finish or Save a Partial Reconciliation before leaving?

Finish

Save Partial

Do Not Save

Cancel

Importing a Bank Statement

Drake Accounting provides the option of performing a bank reconciliation using a downloaded .CSV file provided by your bank.

NOTE


The following instructions assume you have already downloaded and saved your bank statement from the bank and that the downloaded file is in .CSV format. Contact your bank for assistance in downloading your bank statement.

Prior to importing a bank statement into Drake Accounting as part of the Bank Reconciliation, you must first complete the following on the **Accounting > Bank Reconciliation** screen:

Select the **Account** to reconcile, enter the **Statement Date**, and the **Starting** and **Ending Balance**. Then click **Load Trans**.

Once the transactions are listed on the left side (**Book Report**) of the **Bank Reconciliation** screen, you are ready to import the downloaded bank statement into Drake Accounting.


To import your bank statement into Drake Accounting, complete the following:

1. Click the **Import Bank** button. The **Reconciliation Import** window is displayed.
2. Click the  icon, navigate to the location of the downloaded and saved .CSV file, select the file, and click **Open**. The **Reconciliation Import** window is displayed showing the first few records of the .CSV import file.

Reconciliation Import

18 Reconciliation Import ✕

File Import

C:\Users\...\Desktop\transactions.CSV 


Import **Exit**

Date	Check Number	Description	Amount/Deposit	Withdrawal
Date	Check Numbr	Description	Amount	N/A
01/04/2018	1001	ADJUSTMENT	\$90.74	
01/04/2018		AMAZON	(\$16.54)	
...		
01/11/2018		CARD PURCHASE	(\$64.04)	
01/11/2018		SHOPPING	(\$43.92)	

Please select the header or value that matches the name.

3. Drake Accounting makes a best guess as to the type of data in each column. Use each column's drop list to correct any data types that may be labeled incorrectly.
4. Click **Import**. The contents of the import file are displayed on the right side (**Bank Report**) of the window.
5. To reconcile transactions, use the **Book ID** drop list to the right of each transaction on the **Bank Report** and select the same number to match the **Row ID** displayed to the left of the matching transaction on the **Book Report** side. The **Type** for the transaction on the **Book Report** changes to "Cleared". The numbers below the **Book Report** and the **Bank Report** are updated to reflect the amount cleared.

NOTE

The  icon is displayed for informational purposes. Please read the pop-up message and decide how you think it should be handled.


Match Book ID to Row ID

Row ID	Date	Check Number	Description	Amount	Type
100	01/20/2018		Cash	55,000.00	Cleared
101	01/20/2018			50,000.00	Cleared
102	01/20/2018			(50,000.00)	Cleared
103	01/20/2018			(55,000.00)	Cleared
R1	01/04/2018		CHECK CARD P...	(102.16)	Cleared
R2	01/04/2018		CHECK CARD P...	(3.22)	Cleared
R3	01/04/2018		Insurance Paym...	(47.12)	Cleared
R4	01/04/2018		CHECK CARD ...	(13.47)	Cleared
R5	01/04/2018		WALGREENS	(17.14)	Cleared

Date	Check Number	Description	Amount	Book ID
01/04/2018		ADJUSTMENT	90.74	100
01/04/2018	1001	AMAZON MKTP...	(16.54)	103
01/04/2018		WALGREENS	(17.14)	R5
01/04/2018		CHECK CARD P...	(3.22)	R2
01/04/2018		Insurance Paym...	(47.12)	R3
01/04/2018		CHECK CARD ...	(13.47)	R4
01/04/2018		CHECK CARD P...	(102.16)	R1
01/04/2018		DOLLAR STORE	(8.88)	
01/04/2018		CHECK CARD P...	(25.81)	

6. Continue matching **Book IDs** with the corresponding transaction **Row ID** until all transactions listed on the **Bank Report** are assigned a **Book ID**.

NOTE

If you have transactions that are being displayed on the right side of the window (under **Bank Report**) that are not part of this bank reconciliation, perhaps because they were included in a previous bank reconciliation in another software program, select the transaction, click the  to move the transaction to the left side of the window (under **Book Report**). Then select the transaction and change the **Type** to **Cleared**.

7. Assign a **Type** to all other transactions in the **Book Report** that have not cleared.

NOTE

All transactions displayed on the **Book Report** must be assigned a **Type** before the bank reconciliation can be finished. Choose from:

In Transit — A deposit that is not included on this bank statement.

Outstanding — A transaction that is not included on this bank statement.

Void — Drake Accounting will ignore this transaction for this bank reconciliation and it will not be included in future bank reconciliations.

To complete the bank reconciliation process, go to ["Finishing the Bank Reconciliation"](#).

Update Prior Year Accounting

Use this function to bring multiple client's prior year Chart of Accounts balances forward from a client whose year was recently closed.

NOTE

The client's information must have been updated from the prior year program for the client to be eligible for this function.

Scenario

You've been keeping books in Drake Accounting 2017 for ABC Company, Initech, and Initrode. In January 2018, you need to bring these companies forward into Drake Accounting 2018 in order to process their January 2018 payroll. This is in spite of the fact that you are not ready to close their accounting year 2017.

1. In Drake Accounting 2017, post all transactions to the GL (see ["Posting Transactions"](#)). You don't close the 2017 year because you are not ready to.
2. In Drake Accounting 2018, bring the client forward (see ["Update Prior Year Clients"](#)). The client's Chart of Accounts structure is copied into Drake Accounting 2018 without balances.
3. Enter transactions as necessary in Drake Accounting 2017 in preparation for closing the year.

4. Once you are ready to close the year for the client in Drake Accounting 2017, first post all transactions to the GL (see "[Posting Transactions](#)") and perform the Year End Close (see "[Year End Close](#)").
5. In Drake Accounting 2018, go to **Accounting > Update Prior Year** and select the clients to bring their account balance information forward.
6. Click **Update**.

NOTE

If you prefer, you can bring client's Chart of Account account balance information forward one client at a time into Drake Accounting 2018. Instead of step #5 above, make the desired client the active client in Drake Accounting 2018, then go to **Accounting > Chart of Accounts**. You will be asked if you want to bring the account information forward. Click **Yes**.

Accounts Payable

Use Drake Account's Accounts Payable module to enter vendor invoices, print (and reprint) live vendor checks, and enter after the fact (ATF) vendor invoice information for bookkeeping purposes. Vendors may receive a 1099-MISC at the end of the year.

Setting Up Accounts Payable

To set up Accounts Payable, complete the following steps:

1. Select the applicable bookkeeping options and assign default account numbers for Accounts Payable transactions. See ["Payables Options and Accounts"](#).
2. Set up vendors prior to entering vendor invoices. See ["Adding and Editing Vendors"](#).
3. Set up check stock to print vendor checks. See ["Check & Stub Options"](#).

Once vendor checks and vendors have been set up, entering and printing vendor checks is a three-step process:

1. Entering invoice information (see ["Entering Payables Invoices"](#))
2. Scheduling the invoice for payment (see ["Scheduling and Recording Payments"](#))
3. Printing the check (see ["Printing Vendor Checks"](#))

NOTE

Skip steps 1 and 2 above and go straight to printing checks by using the Check Writer. See ["Check Writer"](#) for more information.

Payables Options and Accounts

To set up general payables settings and assign specific account numbers from the Chart of Accounts to payables features, go to **Payables > Options**.

- [General Options](#)
- [GL Account Numbers](#)

General Options

Use this tab (**Payables > Options > General Options**) to define how Payables transactions are posted to the journal, what is used as the invoice description, and the direct deposit stub printing options.

1. Select the applicable bookkeeping options for Payables transactions:
 - **Generate Accounting Transactions** — When this option is selected, Payables transactions automatically post to the transaction journal and the Chart of Accounts when the **Post Transactions** process is performed. This option requires a Chart of Accounts.

IMPORTANT

The **Generate Accounting Transactions** selection is required to have Accounts Payable transactions post to the transaction journal.

- Select to post accounts payable transactions to either the General Journal (GJ) or the Cash Disbursements (CD) journal.
 - **Autofill Invoice Description with** — When this option is selected, the **Description** field of an Accounts Payable invoice includes either the **Vendor Code**, **Vendor Name**, or **Client Account** automatically, depending on the selection made. This is also the **Description** displayed on the **Enter Transactions** screen and any reports that include transaction level information.
 - **Default excess amounts from Journal to** — Use this option to specify where non-defaulted payments that should be included on the vendor's 1099 should flow on the 1099-MISC. This tells Drake Accounting where to place the totals on the 1099-MISC for vendors that are set up without a default 1099 field specified on **Payables > Vendor Setup > Personal Information**, the **Default** field. The **Non-1099 Expense Account Number** field (**Payables > Options > GL Account Numbers**) is used for expenses that should not be included on the vendor's 1099.
 - **Suppress Check Stub Printing for Direct Deposit** — When this option is selected, check stubs do not print for Direct Deposit payables transactions and it is not necessary to print stubs for direct deposit check information to post to the journal.
 - **Suppress Display of Terminated Vendors** — When this option is selected, terminated vendors are not included in the display on the **Payables > Vendor Setup** and **Payables > Payments** screens.
2. Click **Save**.

GL Account Numbers

The account information entered on the **Payables > Options > GL Account Numbers** tab is used to generate entries into the transaction journal.

IMPORTANT

This tab does not have to be set up if the bookkeeping feature is not being used.

The client Chart of Accounts must be created prior to entering account numbers. See ["Chart of Accounts \(COA\) Setup"](#).

Payables Options - GL Account Numbers

General Options		GL Account Numbers	
Cash Account Number		Withholding Account Numbers	
<input type="text"/>		Federal WH	<input type="text"/>
		State WH	<input type="text"/>
Non-1099 Expense Account Number			
<input type="text"/>			
1099 Expense Account Numbers			
Rents	<input type="text"/>		
Royalties	<input type="text"/>		
Other Income	<input type="text"/>		
Fishing boat proceeds	<input type="text"/>		
Medical and health care payments	<input type="text"/>		
Nonemployee compensation	<input type="text"/>		
Sub. payments in lieu of dividends or interest	<input type="text"/>		
Crop insurance proceeds	<input type="text"/>		
Excess golden parachute payments	<input type="text"/>		
Gross proceeds paid to attorney	<input type="text"/>		
Section 409A deferrals	<input type="text"/>		
Section 409A income	<input type="text"/>		

1. On the **GL Account Numbers** tab, choose an account.

Payables Select Account

Select Account		
Number	Name	Type
776	Rents & Leases	Expense
778	Repairs & Maintenance	Expense
782	Supplies	Expense
786.12	Taxes - Payroll	Expense
786.13	Taxes - Property	Expense
786.14	Taxes - Sales	Expense
786.2	Taxes - Other	Expense
787	FICA - Employer	Expense

2. Select an account from the list to assign to the selected field. Click **Clear Selection** to remove a previously entered account.

NOTE

If no accounts are assigned under the **GL Account Numbers** tab, they must be set up for each vendor individually. See ["GLAccounts"](#) to set up vendor-specific GL accounts.

- **Non-1099 Expense Account Number** — This account can be used to track vendor expenses that are not to be included on a 1099-MISC.
 - **1099 Expense Account Numbers** — Expense fields from the 1099-MISC are listed. Click a 1099 field and select an expense account for each 1099 field that you will be using for Payables payments. There must be an account number assigned for a field before a vendor check is written using that field.
3. Click **Save**.

Vendor Setup

Select **Vendors > Vendor Setup** to add vendors or to edit the information of a saved vendor. Vendor information must be entered before printing vendor checks.

Adding and Editing Vendors

Typically, a vendor is anyone from whom the client makes regular purchases of goods or services, for whom an invoice is needed.

Adding a vendor and editing an existing vendor's setup is very similar. The primary difference is when setting up a new vendor, you will need to assign that vendor a unique **Vendor Code**.

To add a vendor:

1. Go to **Payables > Vendor Setup** and click **New**.
2. Complete information on the following tabs:
 - [Personal Information](#)
 - [GL Accounts](#)
 - [Direct Deposit](#)
 - [Notes](#)
3. Click **Save** after verifying the information on all tabs.

To edit an existing vendor:

1. Go to **Payables > Vendor Setup**.
2. Click a vendor's name or vendor code from the list of vendors. The data fields for that vendor activate and can be edited.
3. Click **Save** when editing is complete.

Personal Information

There are three types of vendors that can be set up in Drake Accounting:

- A vendor that does not require a 1099-MISC at the end of the year (select **Do NOT generate a 1099** when setting up this type of vendor)
- A vendor that requires a 1099-MISC at the end of the year (do not select **Do NOT generate a 1099** when setting up this type of vendor)

To add a vendor:

1. Go to **Payables > Vendor Setup** and click **New**.

NOTE

To edit a vendor's setup information, go to **Payables > Vendor Setup** and select the desired vendor from the list of vendors. Once all edits have been made, click **Save**.

Vendor Setup - Personal Information

2. Complete the following fields:

- Enter a code in the **Vendor Code** field. Vendor codes are alphanumeric and can be up to 20 characters long.
Use vendor codes that are meaningful. For instance, instead of using the vendor's ID number, you could use "ABC_Office_Supply". By using a meaningful code, transaction information for this vendor is easily identifiable.
- **Company Name** — Vendor's company name. This field cannot be left blank if the **First Name** field is not used.
- **First Name** and **Last Name** — Name associated with the vendor. These fields are not required if **Use Company Name on 1099** is selected.

NOTE

At least one of these fields must have an entry:
Company Name, First Name, or Last Name.

- **Federal ID** (Required) — This is the federal tax ID associated with the vendor's company or the owner. Enter the SSN, EIN, ITIN, or Other. The number is formatted based on the selection made. The **OTH** selection is any information approved by the IRS instead of using an SSN, EIN, or ITIN. This field is required in order to generate a 1099.

- **Address** (Required) — Enter the address as it should appear on the vendor's 1099.
- **Country, Phone** (Optional fields) — Enter the appropriate vendor information.
- **Zip** (Required) — Enter the vendor's zip code. This field is formatted after information is typed. The **City** and **State** fields autofill with information from the zip code database.
- Enter the 1099 Options information:
 - **Do NOT generate a 1099** — Select this option and a 1099-MISC will not be generated for this vendor. You might use this option for vendors that you use on a regular basis but will not receive a 1099 (e.g. the electric company, the phone company, etc).
 - **Default** (Required) — Using the drop list, select the line from the 1099-MISC to use as the default payment type for the vendor. A different line can be selected on each payment made to the vendor. This field is not available if **Do NOT generate a 1099** is selected.
 - **Name Code 1099 e-File** (Optional*) — This 4-character code is used to identify the payee and must match the code issued to the vendor by the IRS. It appears on all letters from the IRS to the vendor. If the vendor doesn't know what it is, they can call the EIN verification line at (800) 829-4933.

NOTE

* If the vendor doesn't have a **Name Code**, doesn't know what it is, or you will not be e-filing 1099s for this vendor, leave this field blank. The e-filed 1099 will not be rejected if left blank.

- **Use Company Name on 1099** (Optional) — Select this option to have the vendor's company name printed on their 1099-MISC.
 - **Add "Doing Business As" to the 1099-MISC** (Optional) — Select this option to have the vendor's "Doing Business As" name printed on the 1099-Misc. Next, enter the Doing Business As name as it should appear on the 1099-Misc.
- **Division** (Optional) — Select the division the vendor should be associated with. See ["Divisions Tab"](#) for information on setting up divisions.
 - **Start Date** (Optional) — Enter the vendor's hire date. See ["Date Fields"](#) for details on using date fields in Drake Accounting.
 - **Status** — Set the vendor's status to either **Active** or **Terminated**. Terminated vendors are not listed on the **Payables > Invoices** screen. Vendors are **Active** by default.
 - **Client Account** (Optional) — Enter the account number that the vendor assigns to the client.
3. Click **Save** once the information has been verified. An unlimited number of vendors can be set up.

GL Accounts

Different cash, withholding, and expense accounts can be assigned for each vendor. The entries on the **Payables > Vendor Setup > GL Accounts** screen override the accounts setup on **Payables > Options > GL Account Numbers** tab. If no accounts are assigned for a vendor on the vendor's **GL Accounts** tab, the accounts assigned on the **Payables > Options > GL Account Numbers** tab are used when Payables transactions are posted to the journal.

Use each field's drop list to select postable accounts from the Chart of Accounts.

NOTE

If a client that is set up to use the Cash method of accounting selects **Do NOT generate a 1099** on the **Vendor Setup > Personal Information** tab, only the **Cash Account Number** and **Non-1099 Expense Account Number** fields are displayed on the **GL Accounts** tab. If the client is set up to use the Accrual method of accounting, the **Liability Account Number** field also is displayed.

Direct Deposit

Enter direct deposit information for the vendor on the **Direct Deposit** tab.

IMPORTANT

InterceptEFT is Drake's agent for direct deposit. You must call them (1-866-431-9926) and establish your account prior to using the Direct Deposit feature. Drake has established a special fee schedule with InterceptEFT for its clients. It's important that you identify yourself as a Drake client whenever you communicate with InterceptEFT.

Direct Deposit Information

Direct Deposit Checks — Select the check box if vendor checks are to be deposited directly into the vendor's bank account. The **Account Type** fields activate.

Account Type

Specify whether to deposit the payment into a **Checking** or **Savings** account, or both. Directly deposit vendor checks in up to two accounts for each vendor. Checks can be split between any combination of checking and savings accounts including two checking or two savings accounts or one of each. These accounts can be at two different banks.

- **Apply to Savings** — Enter the dollar amount or percentage of a payment to deposit into the second Direct Deposit account when the deposit is being split between two accounts. This amount can be edited for each vendor check. If both **Checking** and **Savings** are selected as the **Account Type**, an entry in the **Enter Amount to Apply to Savings** field is required.

Checking Numbers

- **Checking Routing Number** — Enter the routing number for the vendor's bank account. Find this number on the bottom of the vendor's current checks to the left of the account number. Reenter the routing number in the **Retype Bank Routing Number** field.
- **Checking Account Number** — Enter the vendor's checking account number for the direct deposit. If the deposit is to be split between two savings accounts, enter the first savings account information here. Reenter the account number in the **Retype Checking Account Number** field.

NOTE

If the direct deposit will be split between two accounts at the same bank, enter the bank routing number select the **Use Same Routing Number** check box. The Checking Routing Number will be automatically entered into the **Savings Routing Number** field.

Savings Numbers

- **Savings Routing Number** — Enter the routing number for the bank where the vendor's savings account (or second checking account) is located. Reenter the routing number in the **Retype Bank Routing Number** field. If this account is at the same bank as the checking account used above, select **Use Same Routing Number** to fill the **Savings Routing Number** field with the same routing number used for the checking account.
- **Savings Account Number** — Enter the vendor's savings account number for the direct deposit. If the deposit is to be split between two checking accounts, enter the second checking account information here. Reenter the account number in the **Retype Savings Account Number** field.

Notes

Use the **Notes** tab to enter miscellaneous information about the vendor. Type information about the vendor directly into the field below the tabs.

Entering and Editing Payables Invoices - Overview

Entering a payables invoice and editing a saved payables invoice is very similar.

IMPORTANT

A vendor receives a "Live" payment when they receive payment by printed check or direct deposit. A vendor's payment is "ATF", or After-the-Fact, either when the invoice has been paid and is being entered into Drake Accounting for reporting purposes or is being paid by any other method other than printed check or direct deposit.

To enter a new Payables invoice:

1. Go to **Payables > Invoices**. The **Invoices** dialog box is displayed.
2. **Select a Vendor** from the vendor list. Scroll to see the full list of vendors. If the desired vendor is not listed, the vendor must be added before the invoice can be entered. See ["Adding and Editing Vendors"](#).
3. Click **New** to enter a new invoice.
4. Enter and verify the invoice information. See ["Entering Payables Invoices"](#).
5. Click **Save**.

To edit a saved Payables invoice:

1. Go to **Payables > Invoices**. The **Invoices** dialog box is displayed.
2. **Select a Vendor** from the Vendor list. The selected vendor's saved invoices, both paid and not paid in full, are listed at the top right of the window. Select **Suppress Paid Invoices** to display just unpaid invoices for the selected vendor. Select **Show Void Invoices** to display invoices for the selected vendor that have been voided.
3. Edit the invoice as needed.
4. Click **Save** when editing is complete.

See ["Deleting a Scheduled Payment"](#) for information on deleting checks prior to being printed.

See ["Voiding an Invoice"](#) for information on voiding an invoice.

See ["Printing Vendor Checks"](#) for details about printing vendor checks.

See ["Transmitting Direct Deposits"](#) for information on transmitting direct deposits.

Entering Payables Invoices

To enter a new Payables invoice:

1. Go to **Payables > Invoices**. The **Invoices** dialog box is displayed.
2. **Select a Vendor** from the Vendor list.
3. Click **New** to enter a new invoice.
4. Complete the invoice information.
 - **Amount Due** — Enter the total amount due for the invoice. If the amount due is a whole dollar amount, it is not required that you enter ".00".
 - **Invoice Date** — Use the drop list to enter the date of the invoice.
 - **Due Date** — Use the drop list to enter the date the invoice is due.
 - **Description** (Optional) — Enter a description for the transaction. This field can be set to autofill with either the vendor code, vendor name, or client account by going to **Payables > Options > General Options** and selecting the **Autofill Invoice Descriptions with** check box.
 - **Invoice Number** (Optional) — Enter the number on the vendor's invoice or any other identifier.
 - **Purchase Order** (Optional) — If this invoice is to be paid using a purchase order, enter the PO number.
 - **Status** (Optional) — Use the drop list to select the status of this invoice.

NOTE

Drake Accounting sets the **Status** field for most of the options in the drop list automatically. You wouldn't normally need to set the **Status** manually.

Schedule Live Payment

This section is activated for live invoices (the **ATF** box is not selected). Use this section to schedule the first payment (or payment in full) for the invoice.

Complete the following fields to schedule a live payment on the **Invoices** screen:

Pmt Amt — Enter the amount that is being scheduled for payment.

Schedule — Enter the date the payment is being scheduled to be made. The scheduled payment will display on the **Print Checks** window (**Payables > Check Print**) on the day the payment is scheduled.

NOTE

If a payment in full is not scheduled when the invoice is entered, go to **Payables > Payments** to schedule additional payments.

See ["Printing Vendor Checks"](#) for information on printing this check.

ATF Payment

This section is activated when the **ATF** box is selected designating the invoice as an After the Fact transaction. ATF payments can be recorded either in the **ATF Payment** section or by going to **Payables > Payments**. (See ["Printing Vendor Checks"](#).)

Complete the following fields to record an ATF payment on the **Invoices** screen:

- **Pmt Amt** — Enter the amount of the ATF payment. If there is an outstanding balance after the ATF payment is recorded, the invoice shows as partially paid and additional ATF payments can be recorded by going to **Payables > Payments**.
- **Pmt Date** — Enter the date the ATF payment was made.
- **Pmt Type** — Select the method used to make the ATF payment. **Check** is the default method of payment for ATF payments.
- **Check No** — This field is available only when the **Pmt Type** is **Check**. The **Check No** is a required entry for ATF payments made by check. Enter the check number used to make the ATF payment.

Delete — Click to delete a saved invoice with no scheduled live payments, no printed live payment checks, and no recorded (ATF) payments. Invoices with a scheduled live payment, a printed live payment check, or a recorded ATF payment cannot be deleted but can be voided.

NOTE

Invoices that have been paid (or partially paid) cannot be deleted; however, they can be voided. See ["Voiding Payments"](#).

Suppress Paid Invoices— Select this option to suppress paid invoices.

Show Void Invoices— Select this option to view voided invoices.

Preview Invoice on Save — Select this option before clicking **Save** to see the invoice on your monitor (and print) when you click **Save**. This option remains on until it is turned off.

5. If no adjustments are needed in the **Accounting Transactions** section, click **Save** once all invoice information has been entered.

Once it is saved, select a vendor and click **New** to enter another invoice.

See "[Accounting Transactions Information](#)" for information on recording information to the transaction journal.

Accounting Transactions Information

Enter transaction information in the **Accounting Transactions** section of the **Invoices** screen as the amounts should be listed in the transaction journal.

Transaction information is automatically written to the **Accounting Transactions** section of the **Invoices** screen in the following instances:


- A cash client with an ATF Payables payment recorded on the **Invoices** screen. Transaction information of a live payment for a cash client is automatically written to the **Payables > Payments > Accounting Transactions** tab after the payment has been made and is not automatically written to the **Invoices** screen.
- An accrual client with either a Live or an ATF Payables invoice entered. For a live invoice, just the invoice transactions are automatically written to the **Accounting Transactions** section. After a check has been printed, the payment transactions are recorded under **Payables > Payments > Accounting Transactions**. For an ATF invoice, both the invoice and payment transactions are automatically entered on the **Accounting Transactions** section of the **Invoices** screen.

You may want to make entries or edit the information in the **Accounting Transactions** section of the **Invoices** screen if you wish to split the invoice between multiple expense accounts or use a different account for an invoice than previously set up as the default under **Payable > Vendor Setup > GL Accounts** (see "[GL Accounts](#)").

NOTE

Transaction information for cash clients with a Live Payables invoice is automatically written to the transaction journal once the check is printed and is based on the entries made on the **Payables > Vendor Setup > GL Accounts** tab (see "[GL Accounts](#)"). To use different accounts for an invoice than was set up for the vendor, manually enter transaction information on **Payables > Invoices (Accounting Transactions)**. You will also need to make manual entries on the **Accounting Transactions** section of the **Invoices** screen if a different 1099 field should be used for this invoice than was assigned to the vendor.

To enter transaction information on the **Accounting Transactions** tab:

1. Click the add entry icon () , or to edit an existing transaction line, first click the field to be edited.
2. Select the appropriate **Account** for this transaction.
3. Enter a **Description** for the transaction line.
4. Enter either a debit amount or a credit amount. **Do not enter both a debit and a credit amount on the same line.**
5. If this transaction should be included in the vendor's 1099, select the appropriate 1099-MISC line using the **1099** drop list.
6. Input the date of the transaction.
7. **Applies To** — This field provides a way to keep track of which entries are payments and which are invoices and is useful when deleting and voiding invoices and voiding payments.
 - For accrual clients, this field defaults to "Invoice" when an invoice is entered. If an ATF payment is added on the **Invoices** screen, the **Accounting Transactions** grid populates with the appropriate debit/credit entry for a payment and the **Applies To** field is set to "Payment". If a manual entry is added, set the **Applies To** field for the entry to the appropriate option.
 - For cash clients, the **Applies To** field will be set to "Payment" when an ATF invoice is entered. If manual entries are made in the **Accounting Transactions** section of the **Invoices** screen, again the **Applies To** field will be set to "Payment". When the invoice is saved, ATF "Payments" are moved to the **Accounting Transactions** section of the **Payments** screen.
8. **Reference** (Optional) — This alphanumeric field can be used however you like.
9. Continue adding debit and credit lines as needed until the **Total** at the bottom of the window is "0.00."
10. Click **Save** once all invoice information has been entered. Select **Preview Invoice on Save** before clicking **Save** to see the invoice on your monitor (and print) when you click **Save**. This option remains on until it is turned off.

Once it is saved, select a vendor and click **New** to enter another invoice.

Deleting an Invoice

Only saved invoices with no scheduled live payments, no printed live payment checks, and no recorded (ATF) payments can be deleted. Invoices with a scheduled live payment, a printed live payment check, or a recorded ATF payment can be voided.

NOTE

Invoices that have been paid (or partially paid) cannot be deleted; however, they can be voided. See [“Voiding an Invoice”](#).

To delete an invoice:

1. Go to **Payables > Invoices**.
2. Select the vendor.
3. Locate and click the invoice to be deleted.
4. Click **Delete**. Click **Yes** to confirm the deletion.

Voiding an Invoice

Invoices with a scheduled live payment, a printed live payment check, or a recorded ATF payment cannot be deleted but they can be voided. Voiding an invoice will make reversing entries in the journal, if applicable.

To void an invoice:

1. Go to **Payables > Invoices**.
2. Select the vendor.
3. Locate and click the invoice to be voided.
4. Select **Void** from the **Status** drop list. Click **Save**.

Scheduling and Recording Payments

Vendor checks must be scheduled for payment before they can be printed. Live payments can be scheduled either when an invoice is entered or after the invoice has been entered and saved. Pay invoices by making payments in full or partial payments.

To schedule a live payment or record an ATF payment:

1. Go to **Payables > Payments**.
2. Select the vendor to pay. Click the **Vendor Name** and **Vendor Code** column headers to sort the vendor list in ascending or descending order by the selected header.
3. Before scheduling a payment, you must first locate the invoice you wish to pay by filtering the invoices of the selected vendor. Filters take effect when they are selected.

Payables Invoice Balance and Status Information

Invoice Number	Balance	Status	Due Date
123	450.00	Partially Paid	02/01/2018
234	1000.00	Unpaid	02/10/2018
567	550.00	Unpaid	01/30/2018

NOTE

The **Balance** displayed is the current outstanding balance of the invoice. As partial payments are made, the **Balance** is reduced and the **Status** displays "Partial". When the invoice is paid in full, the **Balance** displays "0.00" and the **Status** displays "Paid".

The invoice balance is updated either when a live payment has been made (checks must be printed) or an ATF payment has been recorded and saved. If the invoice is not paid in full, the **Invoice Status** displays **Partial** and additional payments will need to be made to pay the invoice in full. For live payments of both cash and accrual clients, the check must be printed before the **Invoice Status** changes to **Paid** or **Partial**.

Use the **Payment Filters** section to narrow your search:

- From the **Payment Type** drop list, select to display **Live**, **ATF**, or **All** invoices for the selected vendor. You can also select to include **Voided Payments** in your filtered list.
 - Next, select the **Invoice Status** you wish to display. Select **Void**, **Waiting on Bill**, **Disputed**, **Not Received**, **Unpaid**, **Partially Paid**, **Paid/Overpaid**, or **Other**. Select any combination of these to display the exact list of invoices desired.
4. Select an invoice from the filtered list in the upper right part of the window. Payments previously scheduled or paid for the selected invoice, if there are any, display below the list of vendors.
 5. Click **New** to schedule a new payment for the selected invoice.

Complete information on the following tabs:

- [Payment Info Tab](#)
- [Accounting Transactions Tab](#)

Payment Info Tab

Complete the following payment information:

- **Payment Type** — If the **Payment Type** is **Check**, a picture of the check is displayed . If the **Payment Type** is not **Check**, the payment is considered to be ATF and a picture of check is not displayed. If **Check** and **ATF** is selected, you must also enter the **Check Number** on the mock-up of the check.
- **Payment Date** — Select the payment date. If the **Payment Type** is **Check**, the **Payment Date** is used to determine the day the payment will display on the **Print Checks** window (**Payables > Check Print**).
- **Payment Amount** — Enter the amount of the payment. If the **Payment Type** is **Check**, the **Payment Amount** is displayed on the mock-up of the check.
- **Transaction Number** (optional) — If the **Payment Type** is **Electronic**, enter the transaction number.
- **Memo** (optional) — If the **Payment Type** is **Check**, you can enter the **Memo** you want to display on the printed check.
- **Electronic Signature** — If the **Payment Type** is **Check** and an electronic signature has been set up (see "[Electronic Signatures](#)"), select the desired signature from the drop list in the mock-up of the check.

See "[Deleting a Scheduled Payment](#)" for information on deleting a scheduled payment prior to printing the check.

See "[Voiding Payments](#)" for information on voiding individual payments that have been made.

Accounting Transactions Tab

Enter transaction information on this tab as the amounts should be listed in the transaction journal. You may want to make entries or edit the information on the **Accounting Transactions** tab if you wish to split the invoice between multiple expense accounts or use a different account for an invoice then previously set up as the default under **Vendor Setup**, "[GL Accounts](#)".


Transaction information is automatically written to this tab in the following instances:

- Cash client with an ATF Payables payment recorded on the **Invoices** screen
- Cash client with an ATF payment recorded on the **Payments** screen
- Accrual client with either a Live or an ATF Payables payment recorded. For a live payment, the check must first be printed before the payment transactions are automatically recorded under **Payables > Payments > Accounting Transactions**. For an ATF payment, the payment transactions are automatically entered on the **Accounting Transactions** tab of the **Payments** screen when the payment amount is entered.

NOTE

To use different accounts for payment transactions for an accrual client than was set up for the vendor, manually enter transaction information on the **Payables > Payments > Accounting Transactions** tab. You will also need to make manual entries on the **Accounting Transactions** tab if a different 1099 field should be used for this invoice than was assigned to the vendor.

To enter transaction information on the **Accounting Transactions** tab:

1. Select the vendor.
2. Select the invoice at the top right of the window.
3. Select the payment or click **New** to record a new payment.
4. Click the add entry icon () , or to edit an existing transaction line, click the field to be edited.
5. Select the appropriate account for this transaction.
6. Enter either a debit amount or a credit amount. **Do not enter both a debit and a credit amount on the same line.**
7. If this transaction should be included in the vendor's 1099, select the appropriate 1099-MISC line using the **1099** drop list.
8. Input the date of the transaction.
9. **Applies To** — This field provides a way to keep track of which entries are payments and which are invoices and is useful when deleting and voiding invoices and voiding payments.
 - For accrual clients, this field defaults to "Payment" when an invoice is paid; whether it is entered as an ATF invoice or a live invoice that's been paid. If a manual entry is added, set the **Applies To** field for the entry to the appropriate option.
 - For cash clients, the **Applies To** field will be set to "Payment" when an ATF invoice is entered and the "Payment" information is moved to the **Accounting Transaction** section of the **Payments** screen. If manual entries are made in the **Accounting Transactions** section of the **Payments** screen, again the **Applies To** field will be set to "Payment".
10. **Reference** (Optional) — This alphanumeric field can be used however you like.
11. Continue adding debit and credit lines as needed until the **Total** at the bottom of the window is "0.00."
12. Click **Save**.

Deleting a Scheduled Payment

To delete a scheduled payment prior to printing the check, complete the following steps:

NOTE

Only unprinted live check payments can be deleted. Live checks that have been printed and ATF payments can be voided.

1. Go to **Payables > Payments**.
2. Select the vendor.
3. Locate and select the invoice with the payment to delete by filtering the invoices.
4. Click the payment you wish to delete.
5. Click **Void**. Click **Yes** to confirm the deletion.

Voiding Payments

To void a payment:

1. Go to **Payables > Payments**.
2. Select the appropriate vendor.
3. Locate and select the invoice with the payment to void by filtering the invoices.
4. Click the payment you wish to void.
5. Click **Void**. Click **Yes** to confirm the void.

Printing Vendor Checks

Once live payments have been scheduled, they can be printed by going to **Payables > Check Print**. Refer to ["Check & Stub Options"](#) prior to printing Payables checks for the first time. Payables checks print using either pre-printed check stock or MICR technology. Refer to ["MICR Check Setup - Overview"](#) for a full explanation.

NOTE

Place the check stock in the printer before starting this process.

To print vendor checks, complete the following steps:

1. Go to **Payables > Check Print**.

Print Vendor Checks

18 Print Checks

Type of Check Stock

☐ Blank MICR

☒ Preprinted

Select Print Options

☒ Checks & Stubs

☐ Stubs Only

Check Info

Check Date: 01/25/2018

Starting Check Number: 1002

Electronic Signature: [Dropdown]

MICR Bank

Code	Name

Printer: Microsoft Print to PDF

Type of Payment

☒ Paper Check

☒ Direct Deposit

☐ Test print only

<input type="checkbox"/>	Name	SSN/EIN	Payment Date	Net Pay
<input checked="" type="checkbox"/>	Test Vendor	12-3123123	1/28/2018	1000.00

☐ Reprint checks

☐ Preview checks before printing

Selected to Print

Amount: 1000.00

Count: 1

Note: Be sure you have loaded the appropriate check stock in your printer.

2. Select the type of check stock being used: **Blank MICR** or **Preprinted**.
3. **MICR Options** (not available if **Preprinted** was selected under **Type of Check Stock**):
 - **MICR Bank** — Select the bank from which these checks should be drawn. The **Starting Check Number** field populates based on the **Next Check #** field in **Setup > MICR Bank Accounts**. Edit the **Starting Check Number** to include leading zeroes (e.g. 002001) to meet bank field length requirements. The bank information must be entered in **Setup > MICR Bank Accounts** to use this function.
 - **MICR Printer** — Drake Accounting automatically selects the printer specified as the default MICR printer in **Firm > Firm Information Setup**. Use the **Printer** list to temporarily override the default MICR printer selection. Verify the selected laser printer has the proper toner for MICR printing. Change the default MICR printer in the **MICR Printer** field in **Firm > Firm Information Setup**.
4. **Select All Output Desired** — Use this feature to print multiple copies of vendor checks.
 - **Checks & Stubs** — Prints the check and stub on check stock.
 - **Stubs Only** — Prints a copy of the stub only (no check) on plain paper.

NOTE

When **Preview checks before printing** is selected, a separate file is created for each output selected. At least one output selection is required.

5. Enter a **Check Date**. By default, this is the current computer date. The **Check Date** is used to determine the checks to display as "ready to print" in the bottom section of the **Print Checks** window. Changing the **Check Date** changes the list of checks that are ready to print. If a check is scheduled to be paid in the future based on the **Check Date** entered, that check will not be listed in the bottom section of the window. The **Check Date** is the date that prints on all checks printed during this session.
6. **Starting Check Number** — If **Blank MICR** is selected under **Type of Check Stock**, the **Starting Check Number** field populates based on the **Next Check #** field in **Setup > MICR Bank Accounts**. Edit the check number as needed to match your next check. If using pre-printed check stock, verify that the number in the **Starting Check Number** field matches the number on the first check placed in the printer. *Always* verify this information before printing. If more than one check is selected to be printed, the check numbers automatically advance for each check.
7. **Type of Payment** — Select the **Type of Payment**. Choose to display paper vendor checks and/or unprinted direct deposit vendor payment stubs.

NOTE

Consider printing direct deposit pay stubs first, then paper checks.

8. **Electronic Signature** — If an electronic signature has been set up (see ["Electronic Signatures"](#)), select the desired signature from the drop list.
9. The list at the bottom of the screen displays checks scheduled for payment on the date shown in the **Check Date** field or are past due based on that date. These dates were assigned either when the invoice was entered or on the **Payables > Payments** screen. To display a different list of checks scheduled for print, edit the **Check Date** field. If a check is not listed, it may not have been entered as a live check.


NOTE

“Live” checks are those with a payment type of **Check**. Direct Deposit is considered a live check. All other payment types are “ATF” and will not be listed on the **Print Checks** screen.

Select checks to print by clicking the box next to the desired checks or clicking the box next to the **Name** column header to print all checks.

NOTE

Select **Test print only** to test check alignment. Test checks print with a “Non-negotiable” watermark and no transactions are written to the transaction journal. The **Test print only** check box clears after a test print has been performed and you can then print the actual checks.

10. Optional: To view payables checks on your computer screen prior to printing, select the **Preview checks before printing** check box. Once selected, the option remains in effect until the check box is cleared. To print checks from the preview screen, select the Printer icon ().
11. Click **Print**. If you are using MICR blank check stock, the Windows printer dialog box does not open. Change the MICR printer on the **Print Checks** dialog box. If you are not using MICR blank check stock, the Windows printer dialog box opens and provides the opportunity to change the printer used during this print session.

NOTE

Once checks have been printed, they can be reprinted by going to **Payables > Check Print** and selecting **Reprint Checks**. See [“Reprinting Vendor Checks”](#).

See [“Additional Check Print Options”](#) for information on the **Test Print Only** and **Check Setup** buttons.

See [“Check Alignment”](#) to change the alignment of information printed on pre-printed payroll and vendor checks.

Additional Check Print Options

Test Print Only — Select this option to send the selected check to the printer as a test. Use this option to test check alignment. Printing test checks does not mark the check as printed and can still be printed from the **Print Checks** screen.

Check Setup — Displays the **Setup > Check and Stub Options** screen. When check stub setup is complete, Drake Accounting returns to the **Print Checks** screen. See "[Check & Stub Options](#)" for more information on setting up checks.

Reprinting Vendor Checks

Previously printed vendor checks and ATF vendor checks with a **Payment Type** of "Check" are listed on the **Reprint Checks** screen and can be reprinted as many times as necessary.

NOTES

Place the check stock in the printer before starting this process.

The journal entry for a previously printed check is not effected when a check is reprinted. The new check number and check date will not be listed in the journal. Drake Accounting does not keep track of the check stock for you.

To reprint vendor checks, complete the following steps:

1. Go to **Payables > Check Print** and select the **Reprint Checks** option on the right side of the screen. The **Reprint Checks** screen is displayed listing all Payables checks that have previously been printed (including those entered as ATF Payables with a **Payment Type** of "Check").
2. Select the **Type of Check Stock: Blank MICR** or **Preprinted**. If printing MICR checks, select the bank the check(s) should be drawn on.
3. Select the **Print Options**, the **Check Date**, the **Starting Check Number**, **Type of Payment**, and the **Electronic Signature** to be used (if applicable).

NOTES

If printing preprinted checks, make sure the **Starting Check Number** matches the next check to be printed.

If printing MICR checks, once the **MICR Bank** is selected, the **Starting Check Number** field populates with the **Next Check #** in **Setup > MICR Bank Accounts**. Edit the **Starting Check Number** as needed.

4. The list at the bottom of the screen displays vendor checks previously printed and invoices processed as ATF vendor checks with a **Payment Type** of "Check". Click the box next to the vendor name to indicate the checks or stubs to be reprinted.
5. Click **Print**.

See ["Voiding Vendor Checks"](#) for information on voiding a vendor check that has been printed.

Voiding Vendor Checks

Vendor checks that were previously printed can be voided. Voiding a vendor check reverses the transaction from the journal automatically. If Drake Accounting can't find the original transaction to reverse, a message appears, indicating that a manual reversal of the transaction in the journal is required. See ["Entering Journal Transactions"](#) for instructions on making manual entries to the journal.

To void a check, complete the following steps:

1. Go to **Payables > Check Print** and select the **Reprint Checks** check box.
2. Locate the check to void. Click a column header to sort the list of checks.
3. Select the box beside the check to be voided.
4. Click **Void**. Reversing entries are automatically made in the journal with a **Description** of "Reversing".


Check Writer

Use Check Writer to quickly print Vendor checks on the fly without having to schedule the payment. You can also print non-payroll checks to employees using Check Writer. Checks printed using Check Writer are printed one at a time and not in a batch. The vendor must be set up in Drake Accounting before you can print a check to that vendor. See ["Adding and Editing Vendors"](#) for information on setting up vendors.

To write a check using Check Writer, complete the following steps:

1. Go to **Payables > Check Writer**.

Check Writer

- At the top of the window, select to print to either **MICR** or **Preprinted** check stock. If **MICR** is selected, select the bank from which the check should be drawn in the **MICR Bank** area.
- Enter **Invoice**, **PO**, and **Description** information (all optional). Click  to go to the **Invoices** input screen and enter detailed invoice information. This information is optional to print a check but required to print an invoice. See ["Entering and Editing Payables Invoices - Overview"](#).

Complete the information on the following tabs:

- [Check Face Tab](#)
- [Accounting Transactions Tab](#)

Check Face Tab

On the **Check Face** tab:


1. Select the **Vendor** from the **Pay to** field drop list. If the desired vendor is not listed, the vendor must be set up (see ["Adding and Editing Vendors"](#)). Select **Show Employees** to include the client's employees in the **Pay to** drop list. The address section of the check fills with information from the vendor (or employee) setup information.
2. If **Preprinted** is selected as the **Type of Check** in the top section of the window, enter the check number and verify that the number entered matches the number on the first check placed in the printer. If **MICR** is selected as the **Type of Check**, the **Check No** field auto-populates with the next check number based on the **MICR Bank Accounts** setup (see ["MICR Bank Accounts"](#)).
3. Enter the **Date** to print on the check.
4. Enter the check amount. If using the Payables General Accounting Transactions option for this client (see ["General Options"](#)), the **Cash** and **Expense Accounts** on the **Accounting Transactions** tab automatically fill.
5. Enter a **Memo** to print on the check. This field is optional.
6. Select the signature to use if using an electronic signature (see ["Electronic Signatures"](#)).

Accounting Transactions Tab

Transaction information is automatically written to this tab after entering the check amount on the Check Writer **Check Face** tab. The Payables **General Accounting Transactions** option for this client (see ["General Options"](#)) must be set up and the **GL Account Numbers** defined (see ["GL Account Numbers"](#)). If writing a Check Writer check to an employee, the **Non-1099 Expense Account Number** must be defined, also on the ["GL Account Numbers"](#) tab.

Enter transaction information on the **Accounting Transactions** tab as the amounts should be listed in the transaction journal. You may want to make entries or edit the information on the **Accounting Transactions** tab if you wish to split the invoice between multiple expense accounts or use a different account for a check than previously set up as the default under **Vendor Setup**, ["GL Accounts"](#).

Printing the Check Writer Check

1. To view checks on your computer screen prior to printing, select the **Print Preview** check box. Once selected, the option remains in effect until the check box is cleared. Select the Printer icon () on the preview screen to print checks.

2. With all check information verified and the **Total** at the bottom right of the **Accounting Transactions** tab displaying "0.00", click **Print**. The check prints (or displays if the **Print Preview** option was selected) and the invoice and transactions are generated. The **Print** button is no longer available preventing you from printing the check twice.

To reprint a vendor check, see ["Reprinting Vendor Checks"](#).

Payables Check Alignment

See ["Check Alignment"](#).

Payables Transmit Direct Deposit

See ["Transmitting Direct Deposits"](#).

Processing 1099-MISC

Drake Accounting produces Form 1099-MISC for vendors based on payments throughout the year. The vendor must be set up and have at least one check printed and dated in 2018 or an ATF check recorded with a check date in 2018. Only payments made with a check date in 2018 are included in the vendor's 2018 1099.

NOTE

To generate and print 1099s and 1096s "on the fly" (for clients who keep their own books and for those you've not entered vendor payments into Drake Accounting), see ["Forms 1099 and 1098 On the Fly"](#).

Forms 1099-MISC must be "processed" before they can be printed or uploaded to the IRS. "Processing" prepares the 1099s to be printed and automatically generates the 1096.

NOTES

Prior to processing 1099s, all live vendor checks must be printed and ATF vendor checks created in the correct year.

If you will be uploading 1099 information to the IRS, after processing the 1099, go to **e-Filings > 1099/1098 > Create File** to generate the upload file. See ["Creating the 1099/1096/1098 Upload File"](#).

To process 1099-MISC forms, complete the following:

1. Go to **Payables > 1099-MISC**. The 1099-MISC process screen is displayed.
2. Process 1099s either for all vendors at once (default) or individually.
 - Select the check box to the left of the **Name** column header to process forms 1099 for all vendors.
 - Clear the check box to the left of the **Name** column header, then select the individual vendors to process forms 1099 for just those select vendors.
3. Click **Process**. The processed forms 1099 are displayed one to a page.

NOTE

If you wish to print forms 1099-MISC or 1096 at this time, proceed to the next step. If not, click **Save**.

To print at a later time, go to **Tools > Review Reports** and select **Display Federal Reports (PDF)** from the drop list.

4. Select the vendors from the list on the left side of the window you wish to print their 1099 by either:
 - Selecting the check box to the left of the **Name** column header to select all vendors.
 - Clearing the check box to the left of the **Name** column header, then selecting the vendors you wish to print their 1099-MISC.
5. To print form 1096, select **Print 1096** at the left of the window:
 - **Electronic Signature** — If an electronic signature has been set up (see ["Electronic Signatures"](#)), select the desired signature from the drop list that should be used to sign the 1096. If electronic signatures have not been set up to be used with tax forms, the **Electronic Signature** drop list will be empty.
6. Select the 1099 copies to print from the **Print Options** section:
 - **Copy A** — This option prints a copy of the 1099-MISC for the IRS.
 - **Other Copies All** — Use this option to select to print all copies other than copy A.
 - **Other** — This option selects all copies to be printed, including copy A. Clear any check boxes for copies you do not wish to print.

NOTE

Copy A and the 1096 must be printed on the preprinted red line forms. The other copies can be printed on plain paper if you are using a laser printer. Refer to ["Adjust Tax Form Printing"](#) for information on adjusting printing alignment for the preprinted forms.

7. Either click **Save/Print** to save processed forms 1099-MISC and display them on your computer monitor in a PDF window or click **Save** to save the processed forms for printing at a later time. If the **Print 1096** check box is selected when you click **Save/Print**, the 1096 displays in a separate PDF window.

IMPORTANT

You must click either **Save/Print** or **Save** in order for the 1096 to be updated.

8. Click the  icon to print from the PDF window.

NOTE

There is an option to suppress 1099s with compensation less than \$600.

See ["Editing Forms 1099"](#) and ["Printing Forms 1099 and 1096"](#).

Editing Forms 1099

Forms 1099 must be processed before they can be edited.

NOTES

If the processed forms 1099 are visible on your computer monitor, proceed to step 3 below.

If the processed forms 1099 are not visible on your computer monitor, you must process again before you can edit a 1099.

To edit a 1099, complete the following steps:

1. Go to **Payables > 1099-MISC**.
2. Select the vendors, or select all, to reprocess their 1099-MISC and click **Process**. This step is not necessary if the processed forms 1099-MISC are being displayed on your monitor.

3. Select a vendor's 1099-MISC to edit by either double-clicking the vendor in the vendor list, using the **Find Vendor** drop list, or paging through the processed 1099s using the 1099 page tabs.
4. Make necessary edits directly in the appropriate fields. Select the **VOID** and **CORRECTED** check boxes on individual processed forms 1099-MISC as needed.

NOTE

If you wish to print forms 1099-MISC or 1096 at this time, proceed to the next step. If not, click **Save**.

To print at a later time, go to **Tools > Review Reports** and select **Display Federal Reports (PDF)** from the drop list.

5. Select the vendors from the list on the left side of the window you wish to print their 1099-MISC by either:
 - Selecting the check box to the left of the **Name** column header to select all vendors.
 - Clearing the check box to the left of the **Name** column header, then selecting the vendors you wish to print their 1099-MISC.
6. To print form 1096, select **Print 1096** at the bottom left of the window:
 - **Electronic Signature** — If an electronic signature has been set up (see ["Electronic Signatures"](#)), select the desired signature from the drop list that should be used to sign the 1096. If electronic signatures have not been set up to be used with tax forms, the **Electronic Signature** drop list will be empty.
7. Select the 1099 copies to print from the **Print Options** section:
 - **Copy A** — This option prints a copy of the 1099-MISC for the IRS.
 - **Other Copies All** — Use this option to select to print all copies other than copy A.
 - **Other** — This option selects all copies to be printed, including copy A. Clear any check boxes for copies you do not wish to print.

NOTE


Copy A and the 1096 must be printed on the preprinted red line forms. The other copies can be printed on plain paper if you are using a laser printer. Refer to ["Adjust Tax Form Printing"](#) for information on adjusting printing alignment for the preprinted forms.

8. Either click **Save/Print** to save processed forms 1099-MISC and display them on your computer monitor in a PDF window or click **Save** to save the processed forms for printing at a later time. If the **Print 1096** check box is selected when you click **Save/Print**, the 1096 displays in a separate PDF window.

NOTES

You must click either **Save/Print** or **Save** in order for the 1096 to be updated.

Reprocessing forms 1099-MISC that have previously been processed and edited results in the edits being overwritten.

9. Click the  icon to print from the PDF window.

See ["Printing Forms 1099 and 1096"](#).

Printing Forms 1099 and 1096

TIP

Refer to ["Forms 1099 and 1098 On the Fly"](#) if you wish to print 1099s without using *any* of Drake Accounting's Payables functions (live or ATF).

NOTE

Previously saved forms 1099-MISC and 1096 can be printed at any time by going to **Tools > Review Reports** and selecting **Display Federal Reports (PDF)** from the drop list. Saved files are date and time stamped.

1099s print "2 Up." This means information for two vendors print on the same page, one above the other. If printing for a single 1099, there will be a blank form where the second vendor's information would normally print.

Forms 1099-MISC must be displayed on your computer monitor in order to be printed. In order to display on your monitor, forms 1099-MISC may need to be reprocessed.

NOTE


Reprocessing forms 1099-MISC that have previously been processed and edited results in the edits being overwritten.

To print forms 1099-MISC and 1096:

1. Go to **Payables > 1099-MISC**.
2. Click **Process**. This step is not necessary if the processed forms 1099-MISC are being displayed on your monitor.
3. Select the vendors from the list on the left side of the window you wish to print their 1099-MISC by either:
 - Selecting the check box to the left of the **Name** column header to select all vendors.
 - Clearing the check box to the left of the **Name** column header, then selecting the vendors you wish to print their 1099-MISC.
4. To print form 1096, select **Print 1096** at the bottom left of the window.
5. **Electronic Signature** — If an electronic signature has been set up (see ["Electronic Signatures"](#)), select the desired signature from the drop list that should be used to sign the W-3. If electronic signatures have not been set up to be used with tax forms, the **Electronic Signature** drop list will be empty.
6. Select the 1099 copies to print from the **Print Options** section:
 - **Copy A** — This option prints a copy of the 1099 for the IRS.
 - **Other Copies All** — Use this option to select to print all copies other than copy A.
 - **Other** — This option selects all copies to be printed, including copy A.
 Clear any check boxes as needed.

TIP

The 1099-MISC IRS Copy A and 1096 must be printed on the red and white pre-printed forms. All other copies can be printed on plain paper using a laser printer. Refer to ["Adjust Tax Form Printing"](#) for more information.

7. Either click **Save/Print** to save processed forms 1099-MISC and display them on your computer monitor in a PDF window or click **Save** to save the processed forms for printing at a later time. If the **Print 1096** check box is selected when you click **Save/Print**, the 1096 displays in a separate PDF window.
8. Click the  icon to print from the PDF window.

Order the red and white preprinted 1099 forms from an office supply company or the IRS. Call (800) TAX FORMS.

See ["Uploading Forms 1099, 1096, and 1098"](#) to upload the 1099/1096 information.

Accounts Receivable

Use Drake Accounting's Accounts Receivable module to invoice customers and generate monthly statements. Define individual customer credit limits, payment terms, discounts, and penalties, and easily apply a single payment to multiple invoices. Many receivables reports are available, including past due and aged receivables reports.

Setting Up Accounts Receivable

Before entering invoice information, complete the following set up information:

1. Enter receivables options (see ["General Options Tab"](#)).
2. Enter state, county, and city specific sales tax information (see ["Sales Tax Setup"](#)).
3. Customer set up (see ["Adding and Editing Customers"](#)).
4. Define the accounts that will be debited and credited for the various types of transactions. This step is not required if not using the bookkeeping feature (see ["Receivables GL Account Setup"](#)).
5. Invoice item set up (see ["Invoice Item Setup"](#)).

Receivables Options

There are many options available when setting up Accounts Receivable. You can set up the auto invoice numbering feature, service charge amounts, short and long dunning messages, payment terms, and customer status classification messages.

Complete information on the following tabs:

- [General Options Tab](#)
- [Dunning Messages Tab](#)
- [Payment Terms Tab](#)
- [Customer Status Tab](#)

General Options Tab

To enter accounts receivable options, complete the following steps:

1. Go to **Receivables > Options > General Options**.
2. Complete the following fields:
 - **Generate Accounting Transactions** — When this option is selected, Accounts Receivable transactions automatically post to the transaction journal. A Chart of Accounts and Accounts Receivable General Ledger accounts must be set up prior to making this selection. If this option is not selected, you can still make invoices and payments. However, invoices and payments will not post to the journal.

IMPORTANT

The **Generate Accounting Transactions** selection is required to have Accounts Receivable transactions post to the transaction journal. When this option is selected, you must also setup the ["Receivables GL Account Setup"](#). The GL account setup is where all transaction types are associated with accounts in the Chart of Accounts.

- **Journal Type** — Select to post accounts receivable transactions to either the General Journal (GJ) or the Cash Receipts (CR) journal.
- **Auto Invoice Numbering** — Select this option to have Drake Accounting auto-increment the invoice number when a new invoice is entered. This option is recommended since invoices must be entered using a unique number.
 - **Starting Invoice Number** — Specify the starting invoice number to use when **Auto Invoice Numbering** is selected. This number must be between 1 and 99999999.
 - **Ending Invoice Number** — Specify the highest invoice number to use when **Auto Invoice Numbering** is selected. This number must be between 1 and 99999999.
 - **Invoice Reset Number** — This is the number that the invoice number automatically resets to once the **Ending Invoice Number** is reached. This number must be between 1 and 99999999.
- **Service Charge** (optional) — A service charge may be assessed on all invoices, invoices for a specific customer type, or no service charge assessed on any invoices.

Setting up a Service Charge:

1. Select an **Account Type** (None, Regular, Balance Forward, Temporary, or All) from the drop list that the service charge should apply to. Each customer is assigned an **Account Type** on the **Receivables > Customer Setup** screen.
 2. **Code 1 through Code 4** — Enter a fixed dollar amount to be added to each invoice for the **Account Type** selected. Each customer is assigned a **Service Charge** level (**Code 1 through Code 4**) on the **Receivables > Customer Setup** screen.
- **Dunning Messages** (optional) — Select this option to use extended dunning messages (375 characters max.) instead of **Standard Dunning Messages** (40 characters max.). These "payment of debt" messages appear on the monthly statement for each aging period past due (1-30 days, 31-60 days, 61-90 days, 91-120 days, and over 120 days). If **Extended Dunning Messages** are selected, the **Dunning Messages** tab activates and the **Standard Dunning Messages** fields become inactive. See ["Dunning Messages Tab"](#).

Dunning Messages Tab

Fields on the **Dunning Messages** tab become active when the **Extended Dunning Messages** field on the **General Options** tab under **Receivables > Options** is selected. Use this format when greater detail is needed for dunning messages. Extended dunning messages appear on monthly statements. The message that appears on the statement is based on the number of days an invoice is past due.

To enter extended dunning messages of up to 375 characters in length:

1. Go to **Receivables > Options > Dunning Messages**.
2. Enter an extended dunning message for each aging period.
3. Click **Save** when all extended dunning messages have been entered.

Payment Terms Tab

Up to five payment terms and discounts for early payment can be set up in Drake Accounting. Once these terms have been set up, you can identify the terms that apply to each customer in **Customer Setup**. Go to **Receivables > Customer Setup**, select the customer, and on the **Customer Info** tab, select the desired terms from the **Terms** drop list field. Terms specific to the customer appear on their invoices.

To set up terms, complete the following:

1. Go to **Receivables > Options > Payment Terms**.
2. Complete the following fields:
 - **Description** (required) — For Terms codes 1-5, enter a description for the term (e.g. 5/10 Net 30).
 - **Discount Percent** (optional) — For all codes, enter the percentage of discount to be applied to an invoice when the invoice is paid in full within the number of days specified in the **Discount Days** field.
 - **Discount Days** (optional) — For all codes, enter the number of days after the invoice date that a customer will receive the early payment discount specified in the **Discount Percent** field.
 - **Due Days** (required) — For all codes, enter the number of days after the invoice date that an invoice must be paid in full before it is considered delinquent. This value must be equal to or larger than the number in the **Discount Days** field.
3. Click **Save**.

Customer Status Tab

Designate a customer status and corresponding message to appear in the **Status** field on the **Receivables > Invoices** screen when a customer is selected from the **Customer** drop list. When a customer has a status of **Active**, no message displays. This message does not print on customer statements or invoices.

To associate status messages with customer statuses:

1. Go to **Receivables > Options > Customer Status**.
2. On line 1, select a status of **None**, **Warning**, **Hold**, **Inactive**, or **Notify** from the **Status** drop list.
3. Enter a message (max. 100 characters) in the **Status Message** field for line 1.
4. Repeat steps 2 and 3 for lines 2 through 8.
5. Click **Save**.

NOTE

Assign a status to a customer by going to **Receivables > Customer Setup**.

Sales Tax Setup

Enter state-, county-, and city-specific sales tax information. Create a sales tax record for each state in which you do business. If you do business in various counties within a state, a unique sales tax record is required for each county. This also is true for unique city tax rates.

Example — You do business in the cities of Highlands and Franklin, both in Macon County, North Carolina. You should create two sales tax records, both showing North Carolina and the appropriate state sales **Tax Rate** and Macon County with the appropriate county **Tax Rate**. The **City Names** will show the two different cities and the city **Tax Rate** should be entered - even if the rate is the same for both cities. To locate the correct sales tax record while going through the rest of the module, make sure to give good descriptions for each sales tax record that has been created.

NOTE

When the sales tax information is entered, run the **Sales Tax Summary** report to calculate the amount of sales tax owed each entity in which you do business. Go to **Receivables > Crystal Reports > Sales Tax Summary** to run this report.

To enter sales tax records, complete the following:

1. Go to **Receivables > Sales Tax Setup** and click **New**.
2. Enter a **Sales Tax Code**. Sales tax codes are alphanumeric and can be up to 20 characters long. Once these codes are saved, these can be used in **Customer Setup** (to assign a default for each customer) and when **Entering/Updating Invoices**.
3. Select the check boxes that are appropriate for the sales tax code being entered.
 - **Sales Tax Exempt** — The selected entity does not charge sales tax. The sales tax information is removed from the record.
 - **Tax Code Inactive** — Select **Tax Code Inactive** when it should not be used. **Inactive** codes do not appear as a choice when entering or updating invoices.
 - **Shipping Tax Exempt** — The selected entity does not charge sales tax on shipping charges.
4. Enter information for the recording of sales tax. When entering multiple records for a state or county, repeat the appropriate higher-level information.
 - **Name** — Enter a name for the sales tax.
 - **Tax Rate** — Enter the tax rate as a decimal. A tax rate of 6% should be entered as 0.06.
 - **Maximum Taxable** — If there is a maximum amount that is subject to this county's or city's sales tax, enter that amount.

IMPORTANT

While the **Name** and **Tax Rate** for a State or County does not have to be entered for the City tax information to be used, it is recommended that all preceding entities be given names, even if the rates (or maximums) remain zero.

5. **Save** each record before entering the next.

Delete — To delete a previously saved sales tax record, click the **State Name** or **Tax Code** of the record to delete. The information for that sales tax record displays in the **Sales Tax Information** section. Click **Delete** then click **Yes** to confirm.

Reset — Click **Reset** to revert to the last saved sales tax information for this sales tax record.

Customer Setup

Select **Receivables > Customer Setup** to enter information about Accounts Receivable customers. Receivables customer information must be entered for a customer before any invoice information can be entered for that customer.

See ["Adding and Editing Customers"](#) for customer setup instructions.

Adding and Editing Customers

Adding an customer and eediting an existing customer's setup is very similar. The primary difference is when setting up a new customer, you will need to assign that customer a unique **Customer Code**.

To add a customer:

1. Go to **Receivables > Customer Setup** and click **New**.
2. Enter a **Customer Code** (required). Customer codes are alphanumeric and can be up to 20 characters long.

Complete information on the following tabs:

- [Customer Information Tab](#)
 - [Balance Beginning & Forward Tab](#)
 - [Shipping Address Tab](#)
 - [Notes Tab](#)
3. Click **Save** after verifying the information on all tabs.

To edit an existing customer:

1. Go to **Receivables > Customer Setup**.
2. Click a customer name from the list of customers. The data fields for that customer activate and can be edited.
3. Edit as needed.
4. Click **Save** when editing is complete.

Customer Information Tab

Go to **Receivables > Customer Setup** and complete the **Customer Information** tab:

Receivables - Customer Information tab

- **Customer Code** — Enter a code for the customer.
- **Customer Name/First Name** and **Last Name** (required) — Enter the customer's company name in the **Customer Name** field, their first and last name, or both.
- **Address 1** (required) — Enter the customer's billing address. Their shipping address can be entered on the Shipping Address tab.
- **Zip** (required) — Enter the customer's zip code. This field is formatted after information is typed. The **City** and **State** fields autofill with information from the zip code database.
- **Phone** (optional) — Enter the phone number for the customer.
- **Contact** (optional) — Enter the name of the customer's contact person.
- **Email** (optional) — Enter the email for the customer.
- **Web Address** (optional) — Enter the web address for the customer if applicable.
- **Discount Percent** (optional) — Enter the **Discount Percent** (a decimal value less than 1.00) to designate the percentage of discount to be applied to this customer's invoices. This discount can be used instead of, or in addition to quantity discounts. (.25 = 25% discount).

- **Credit Limit** (optional) — The **Credit Limit** is the maximum dollar amount of outstanding receivables the customer is allowed at one time. If **Check Credit Limit** (check box) was selected on the **Receivables > Options, General Options** tab, a warning displays when an invoice is entered that will cause the customer's credit limit to be exceeded.
- **Price Code** (required) — Select a default **Price Code** for this customer. Select a different **Price Code**, or **Price Level**, for each invoice item entered on the customer's invoices. Pricing levels are set for each invoice item by going to **Receivables > Invoice Item Setup**, the **Item Information** tab. While you are selecting to use an overall pricing level for all purchases made by this customer, line item pricing is available when entering invoice information.
- **Account Type** (required) — Select the **Account Type** as it applies to customer credit.
 - **Regular & Temporary** types do not track aging balances. Both imply the customer is not operating "on credit" (does not have a credit account). The intent of **Regular** is to indicate regularly active customers without credit and **Temporary** indicates those customers who do not regularly place orders.
 - **Balance Forward** — A balance forward customer is one that is entered into Drake Accounting with an outstanding balance. If selected, the aging balances on the **Balance Beginning & Forward** tab are activated to track the credit and aging balances for the customer.
- **Terms** (required) — Select the payment terms for this customer. Options in the drop list are set up on the **Receivables > Options > Payment Terms** screen.
- **Sales Tax Code** (optional) — Select the appropriate sales tax code for this customer using the drop list. Sales tax codes are set up on the **Receivables > Sales Tax Setup** screen.
- **Tax Exempt Number** (optional) — Enter the customer's sales tax exempt number, if they have one. This number prints on invoices and monthly statements.
- **Service Charge** (optional) — If using a service charge, select the service charge **Code** and amount from the drop list. Service charge codes and amounts are set up on the **Receivables > Options, General Options** tab.
- **Invoice Type** (optional) — Professional Invoice is the default type of invoice and is the type used when no **Invoice Type** is selected for the customer. Select a different type of invoice for the customer if the Professional Invoice is not appropriate for this customer. Select either **Product**, **Service**, or **Professional**. A different invoice type can be selected when an invoice is entered for the customer. Also, the invoice type can be used as a filter when selecting invoices to print.
- **Division** (optional) — Select the division of which the customer is a member. Divisions are set up in **Client > Edit > Divisions**. (See ["Divisions Tab"](#).)
- **Ship Via** (optional) — Enter the preferred method of shipping to this customer. If entered, this is the default method used on each invoice for this customer.
- **Status** (required) — Set the **Status** to be displayed when entering an invoice for this customer. Valid statuses are: **Active** - This is the status for regular customers and no message displays. The other statuses are: **Warning**, **Hold**, **Inactive**, **Notify**, and **None**. When a customer is selected on the **Receivables > Invoices** screen, this status along with the message that was associated with this status on the **Receivables > Options, Customer Status** tab is displayed.

- **Salesperson** (optional) — If a salesperson is assigned to the customer, select the sales person from the drop list. Employees set up under **Employees > Employee Setup** are in the list. Click the **Show Vendors** check box to include vendors set up under **Payables > Vendor Setup** in the **Salesperson** drop list.
- **Dunning Notices** (optional) — Select this check box to have dunning messages included on this customer's monthly statements. Dunning messages are set up on the **Receivables > Options, General Options** tab and the **Dunning Messages** tab.
- **Email Invoices** (optional) — When this option is selected, the invoice is emailed to the customer when a new invoice for this customer is saved. The customer's email address must be entered in their customer setup and email must be set up under **Firm > Email Setup**. See ["Email Setup"](#).

Customer Snapshot

Information on the top right corner of the **Customer Setup** screen is for informational purposes only. Drake Accounting automatically updates these fields as transactions are entered. **This section of the screen is read only and not available for you to make manual entries.**

Debit

- **Last Date** — The **Debit - Last Date** is the date of the last debit transaction for this customer. Drake Accounting updates this date each time a debit transaction is entered for this customer.
- **Last Amount** — The **Debit - Last Amount** is the amount of the last debit transaction for this customer. Drake Accounting updates this amount each time a debit transaction is entered for this customer.
- **YTD Amount** — The **Debit - YTD Amount** is the total of all debit transactions entered for this customer during the current year. This field automatically fills with the amount in the **Amount Owed** field on the **Balance Beginning & Forward** tab. Drake Accounting updates this amount as transactions are entered.

Credit

- **Last Date** — The **Credit - Last Date** is the date of the last credit transaction for this customer. Drake Accounting updates this date each time a credit transaction is entered for this customer.
- **Last Amount** — The **Credit - Last Amount** is the amount of the last credit transaction for this customer. Drake Accounting updates this date each time a credit transaction is entered for this customer.
- **YTD Amount** — The **Credit - YTD Amount** is the total of all credit transactions entered for this customer during the current year. Drake Accounting updates this amount as transactions are entered.

Payments

- **Last Date** — The **Payments - Last Date** is the date the last payment was received from this customer.
- **Last Amount** — The **Payments - Last Amount** is the amount of the last payment received from this customer.

- **YTD Amount** — The total dollar amount of all payments received from this customer during the current year.

Service Charges

- **Last Date** — The last date a service charge was applied to this customer.
- **Last Amount** — The amount of the last service charge applied to this customer.
- **YTD Amount** — The total dollar amount of service charges applied to this customer during the current year.
- **Balance** — This is a calculated field of the customer's current balance.

Balance Beginning & Forward Tab

All of the information on the **Receivables > Customer Setup, Balance Beginning & Forward** tab is calculated by Drake Accounting. Manual entries cannot be made on this tab. **Do not make any entries on this tab.**

Beginning Balances

- **Beginning Balance Date** — This is the date associated with the **Amount Owed**.
- **Amount Owed** — This is the amount owed by this customer.

Balance Forward Aging

- **Current** — The total of all invoices for the current month.
- **Aging Periods (1-30, 31-60, 61-90, 91-120, Over 120 Days)** — These fields reflect the balance forward amounts outstanding for the given number of days past the due date of the customer's invoices.
- **Balance Forward** — The total of the past due invoice amounts (1 through 120+ days).
- **Balance Current** — The amount owed but not due.

Shipping Address Tab

Go to **Receivables > Customer Setup, Shipping Address** tab and enter the customer's shipping information (**Contact, Address, Phone Number, and Sales Tax Code**).

If the **Shipping Address** for this customer is the same as the address entered on the **Customer Information** tab, select the **Use Contact Address** check box.

Notes Tab

Use the **Receivables > Customer Setup, Notes** tab to enter miscellaneous information about the customer. Type information about the customer directly into the field below the tabs.

Receivables GL Account Setup

NOTE

If you are not using the Drake Accounting bookkeeping feature, proceed to ["Invoice Item Setup"](#).

Once Generate Accounting Transactions has been checked and a journal type has been chosen under Receivables > Options, the General Ledger account needs to be set up.

All transaction types that will be used must be assigned a debit and a credit account in order to keep the Chart of Accounts in balance.

IMPORTANT

Set up of the client Chart of Accounts is required prior to associating receivables transaction types with debit and credit accounts. See ["Chart of Accounts \(COA\) Setup"](#).

The **Generate Accounting Transactions** option on the **Receivables > Options > General Options** screen (["Receivables Options"](#)) must also be enabled to use this feature. If that option is not enabled, a very limited list of transaction types are created automatically and you can still enter receivables transactions.

There must be at least one selection for a transaction type in order to get the full functionality of Accounts Receivable.

There needs to be:

- A Sales type (SA, SN, SS, BB) chosen to create an invoice in AR Invoices
- A Reverse sales type (RE, RN, RS,RBB) chosen to reverse an invoice in AR Invoices
- A Payments type (PA, PPA, RPAY, RPPA) to make a payment in Payments or in Invoices on the fly
- A Write off type (BD, RBD) to write off a payment in AR Payments
- A Credit type (CR, RC, AD, RAD,) to issue a credit to an account in AR Payments
- A Early payment type (EP, REP) if you want to grant an early payment discount in AR Payments
- A Penalized type (PN, RPN) to assess a penalty in AR Payments
- A Service Charge type (SC, RSC) to make a service charge in AR Payments

To assign debit and credit accounts to transaction types, complete the following:

1. Go to **Receivables > GL Account Setup** and click the  icon.

GL Account Setup

Transaction Type	GL Account Description	Debit Account	Credit Account	
SN - Sale(Non - Stocked)	Non Stocked	221: Equipment	100.99: Total Cash Available	Save
PA - Payment	Payment	100.01: Petty Cash	330.01: FICA - Employer's Part	Reset
CR - Credit	Credit	130: Accounts Receivable	330.01: FICA - Employer's Part	Exit
RPAY - Reverse Payment	Reverse Payment	100.99: Total Cash Available	340: Insurance W/H	
RPPA - Reverse Partial Payment	Reverse Partial Payment	100.02: Checking Account	330.02: Withheld FICA	
BB - Beginning Balance	Beginning Balance	603: Retail Sales - Category 3	245: Less Accumulated Depreciation	
RCR - Reverse Credit	Give the money back	330.2: Sales & Use Tax Payable	330.05: State Unemployment Tax	
RS - Return(Service)	Return	100.03: Savings Account	130: Accounts Receivable	

2. Select a **Transaction Type** from the drop list.

NOTE


A **Transaction Type** can be used as many times as needed for specificity, provided the **GL Account Description** is unique.

3. Enter a **GL Account Description** for the transaction type being created.
4. Select the desired account from the **Debit Account** and **Credit Account** drop lists.

NOTE

Make sure to assign debit and credit accounts for the **Transaction Types** of **Penalty**, **Service Charge**, and **Shipping Charge** if these are to be applied.

- Once the accounts have been set up, click **Save**. The grid is updated with the new account information.

Delete — To delete a previously saved transaction type and debit/credit account combination, select the line in the grid to be deleted and click the **Delete**  icon. Then click **Save** when entries are completed.

Reset — Click **Reset** to revert to the last saved transaction type and debit/credit account combination.

Invoice Item Setup

Before invoices can be entered, at least one invoice item must be set up in Drake Accounting.

To set up new invoice items:

- Go to **Receivables > Invoice Item Setup**.
- Click **New**.
- Complete information on the following tabs:
 - [Item Information Tab](#)
 - [Quantity Pricing Tab](#) (use if more than 5 quantity prices are needed for an item)
- Click **Save**.

To edit a previously saved invoice item:

- Go to **Receivables > Invoice Item Setup**.
- Click on the item in the grid to be edited.
- Make the desired edits on both the **Item Information** and **Quantity Pricing** tabs.
- Click **Save** once all edits have been made.

Reset

The **Reset** button clears the item information from the dialog box and reverts to the information previously saved.

Delete

To delete an item, select the item in the **Item** grid, then click **Delete**. Click **Yes** to confirm the deletion.

Item Information Tab

Enter the following information about each item:

- **Item** (required) — Enter a unique item code. Item codes are alphanumeric and can be up to 20 characters long. Do not use spaces or any special characters.
- **Description** (either a **Description** or an **Extended Description** is required) — Enter an item description of up to 40 characters. This description is displayed on the **Invoices** screen when an extended description is not used.
- **Extended Description** (check box) — Select when more than a 40-character description is needed. When selected, the **Extended Description** text box becomes active. Enter a description not to exceed 200 characters in the **Extended Description** text box.
- **Type** (required) — Select whether this item is a **Service** or a **Product**.
- **Tax Status** — Select the **Tax Exempt** check box if the item is non-taxable.
- **Current Cost** — Enter the company's cost for this item.
- **Pricing** — Enter either the single item price ("**Amount**") of the item, or the **Percent Above Current Cost** of the item. Eleven pricing levels are available.

For **Prices A – E**, select either **Amount** or **Percent**.

- **Amount** – The actual amount charged for a single item.
- **Percent Above Current Cost** – The percentage (0 – 0.99999) of the **Current Cost** to add to the **Current Cost** that will be charged per item. Enter as a decimal; must be less than one. If **Current Cost** is \$0.00 and **Percent** pricing is used, the item price displays \$0.00 on the invoice. **Current Cost** must be entered in order to use the **Percent Above Current Cost** pricing option. Percent pricing is available for prices A - E only.

NOTE

Prices A – E can be assigned either an **Amount** price or a **Percent Above Current Cost** price; however, a single price (A – E) cannot use both **Amount** and **Percent** pricing. For example, **Price A** could use **Amount** pricing and **Price B** could use **Percent** pricing.

Quantity Pricing Tab

Use the Quantity Pricing tab if more than five bulk prices are needed – The dollar amount charged for multiple items (bulk pricing).

Quantity Pricing — Select the **Quantity Pricing** tab for bulk pricing setup. For **Prices F – P** on the **Quantity Pricing** tab, enter the **Quantity** and **Price**.

- **Quantity** — The actual quantity (per each) in bulk
- **Price** — The actual dollar amount charged for the corresponding bulk quantity

Entering Invoices

To enter invoice information, complete the following steps:

1. Go to **Receivables > Invoices**. The **Invoices** dialog box is displayed.
2. Select the customer for the invoice from the customer list in the top left of the window and click **New**. Many of the fields on the **Invoices** dialog box autofill with information previously set up for the selected customer.

IMPORTANT

Editing the prefilled fields on the **Invoices** dialog box effects this invoice only. To make permanent edits to this information, refer to the appropriate Receivables set up screens.

3. Complete the field information:
 - **Invoice Number** (required) — The next **Invoice Number** displays if the option to auto-increment this number was selected during set up (**Receivables > Options > General Options > Auto Invoice Numbering**). If **Auto Invoice Numbering** was not selected, enter an invoice number. If you manually enter an invoice number and **Auto Invoice Numbering** is turned on, the next invoice will auto-increment to the next invoice number greater than the one you entered. Do not enter a previously used invoice number.
 - **Invoice Date** (required) — The **Invoice Date** defaults to today's date and is used in the calculation of aging information. Edit the **Invoice Date** as needed.
 - **Terms** — The payment terms flow from the customer's setup. You may select a different term for this invoice. Terms are set up by going to the [Payment Terms Tab](#).
 - **Transaction Type** (required) — Select a **Transaction Type** from the drop list that identifies the majority of items on this invoice. Once a transaction type is selected and the invoice is saved, the same transaction type is used for the next new invoice entered (until the **Invoices** window is exited).

NOTE

Throughout the Receivables module, if the **Transaction** or **Transaction Type** field drop list does not include an appropriate transaction type, go to "[Receivables GL Account Setup](#)" and add the needed transaction type. If the option to **Generate Accounting Transactions** is not selected ("[Receivables Options](#)"), you will need to use the transaction types provided and not be able to add additional transaction types.

- **Invoice Type** (required) — The **Invoice Type** flows from the customer's setup. Change the **Invoice Type** if appropriate for this invoice.
- **Status** — Set the Status to be displayed when entering an invoice for a customer.
- **Sales Tax** — The **Tax Code** field fills based on the tax code selected during the customer setup. The **State, County, and City** sales tax rates associated with the selected **Tax Code** is displayed. Select a different **Tax Code** as needed for the invoice. Edit individual **State, County, or City** tax rates as needed by entering a decimal value less than one (0.05 equals a 5% sales tax rate).

NOTE

At least one invoice line item must be entered prior to entering the **Payment Received** amount (see "[Invoice Line Items Tab](#)").

- **Payment** — If a payment is received when the sale is made, select the **Payment Type**, enter the payment amount in the **Payment Received** field, and select the **Transaction** type. Select the **Transaction** type based on the majority of items sold on the invoice.

If the **Payment Type** is "Check", enter the **Check Number** (if known).

If the **Payment Type** is "Credit/Debit Card", select **Credit/Debit Card**.

- **Return Transaction Type** — Select a Return Transaction Type if applicable.
- **Return Date** — When a **Return Transaction Type** is selected, the Return Date must be entered. When the invoice is saved, Drake Accounting makes a reversing entry in the journal.
- **Credit Limit** — With this option selected and an invoice is saved, Drake Accounting checks a customer's outstanding balance plus the amount of the invoice just saved against the credit limit set for the client. A popup message displays if the credit limit is exceeded.
- **Amount Owed** — This is the total amount owed by the selected customer including all invoices, penalties, and service charges.

NOTES

To accept credit card payments in the Accounts Receivable module, you must have an account established with InterceptEFT and the **Firm > Direct Deposit Setup** screen must be completed. See [“Establishing Your Account with InterceptEFT”](#) for information about setting up your account with InterceptEFT.

Full or partial payments can be entered. If a partial or no payment is entered on the **Invoices** screen, make additional payments by going to **Receivables > Apply Payments** (see [“Applying Receivables Payments”](#)).

Payment information entered during invoice data entry is displayed on the **Payments** screen (**Receivables > Apply Payments**) once the invoice is saved.

Invoice Line Items Tab

The **Invoice Line Items** section of the **Invoice** screen has different fields for Product Invoices and Service/Professional Invoices.


Service & Professional Invoice Line Item Fields

Product Code	Price Code	Price	Quantity	Description	Discount Rate	Amount

Product Invoice Line Item Fields



Product Code	Price Code	Quantity	Unit Price	Discount Rate	Extended Price	Tax

Add one or more line items to an invoice by completing these steps:

1. Click the  icon.
2. Double-click the cell below **Product Code** and select the item or service to include in the invoice from the **Product Code** window.
3. All field values can be edited except the **Extended Price** (product invoice), and **Tax** (product invoice). Input is required for the **Quantity**.

NOTE

It is important to tab through the end of each invoice line item so that totals, tax, and discounts can be calculated correctly.

4. Click the  to continue adding line items to the invoice. To delete a line item, select the item and click the  icon.
5. Click **Save** once invoice entry has been completed, or continue to the **Sold To/Shipping Information** tab ("[Sold To/Shipping Information Tab](#)") if any shipping or billing information needs editing for this invoice.

Sold To/Shipping Information Tab

The information on this tab flows from the Customer's Setup (**Shipping Address** tab) and should not normally need editing.

Complete the following fields:

- **Sold To** — Edit any of the customer billing information as needed for this invoice. If the information previously set up is appropriate for this invoice, no edits are needed.
 - **Ship To** — Edit the customer shipping information as needed for this invoice. If the information previously set up is appropriate for this invoice, no edits are needed.
 - **Ship Date** — Select the date the order is scheduled to ship to the customer. The current date is the default shipping date. If another date is displayed and you want the **Ship Date** to be today's date, clear the **Ship Date** check box and re-select the check box.
 - **Ship Via** (Optional) — The shipping method flows from the **Ship Via** field in the customer's setup. (**Receivables > Customer Setup > Customer Information**). Change the shipping method as needed for this invoice.
 - **Order Taken By** (Optional) — Use the drop list to select the person that took this order. Click the **Show Vendors** check box to include vendors set up under **Payables > Vendor Setup** in the **Order Taken By** drop list.
1. Edit any of the "Sold To" and "Ship To" contact information as needed.
 2. Once all items for this invoice have been entered, you can print the current invoice by clicking **Print** (optional), then click **Save**.

To view invoices on your computer screen prior to printing, select the **Print/Preview Invoice on Save** check box. Once selected, the option remains in effect until the check box is cleared.

See "[Batch Printing Invoices](#)" for instructions on batch printing invoices.



Batch Printing Invoices

To batch print invoices, go to **Receivables > Crystal Reports > Invoices**. You can also print a single invoice from **Receivables > Crystal Reports > Invoices**. See ["Invoices"](#) for details on batch printing Receivables invoices.

Updating Invoices

Update invoices to change any of the information on a saved invoice.

To update a saved invoice, complete the following:

1. Go to **Receivables > Invoices**.
2. Select the customer for the invoice from the customer list
3. Select the invoice to edit. Details of the selected invoice are displayed.
4. Edit the information as needed.
5. To edit a line item, on the **Invoice Line Items** tab, select the field to edit in the grid at the bottom of the window and make changes as needed. All field values can be edited except the **Extended Price** (product invoice), and **Tax** (product invoice).
6. Invoice line items can also be added and deleted. To add a line item, click the  icon and enter the item information. To delete a line item, select the item to delete and click the  icon.
7. Click **Save**.

Taking Returns

Before taking a return on an invoice that a payment has been made on, you should refund *all* money paid on the invoice. See ["Processing Credits"](#) for information on giving refunds.

NOTE

Do not process a return on an invoice if a partial refund has been processed.

To take a return, complete the following:

1. Go to **Receivables > Invoices**.
2. Select the customer for return.
3. Select the invoice with the item to return.
4. Select the **Return Transaction Type**. You must take a return for an entire invoice rather than line items from an invoice.
5. Enter the **Return Date**. When the invoice is saved, Drake Accounting makes a reversing entry in the journal.

NOTE

Deleting the returned invoice item from the invoice is optional.

- Click **Save**. A reversal of the invoice transaction is automatically made to the journal (provided the **Generate Accounting Transactions** option is enabled).

Reset — Click **Reset** to revert to the last saved invoice information.

Deleting Invoices

NOTE

See [“Processing Credits”](#) if a payment has been made on the invoice to be deleted.

To delete a saved invoice, complete the following:

- Go to **Receivables > Invoices**.
- Select the customer for the invoice you wish to delete.
- Select the Invoice to delete.
- Click **Delete**. Click **OK** to confirm the deletion. If the bookkeeping feature is being used, Drake Accounting makes a reversing entry for the entire invoice in the journal.

A invoice can not be deleted if a payment for that invoice has already been processed.

Applying Receivables Payments

Apply Accounts Receivable payments to a single outstanding invoice or multiple invoices.

To apply payments and credits, complete the following:

- Go to **Receivables > Apply Payments**.

2. Select the customer from the customer list.
3. Click on the invoice that the payment should be applied toward.

NOTES

To assist in locating the invoice to pay, select either the **All Invoices**, **Open Invoices**, or **Date Range** (and enter the invoice date range) option to filter the invoices that are displayed for the selected customer.

Payments are applied toward a specified invoice and not as a general payment to count toward the customer's outstanding balance.


AR Payments Screen - Select Customer and Invoice

Name	Customer Code	Available Credit	0.00
Customer Name	code		
		Address	123 address Atlanta GA, 30303
		Contact	Phone

Invoice Number	Due Date	Invoice Total	Early Pay Discount Percent	Balance
1001	01/01/2018	1500.00	0.00	1500.00
1002	01/10/2018	1350.00	0.00	1350.00
1550	02/10/2018	750.00	0.00	750.00

NOTE

The amount in the **Invoice Total** column is the full amount of the invoice. The amount in the **Balance** column is equal to the **Invoice Total** less any payments and credits, plus service charges and penalties.

4. Click the  in the **Transactions** section of the **Payments** window (bottom left).
5. Enter the payment date using the **Transaction Date** drop list.
6. Enter the amount of the payment in the **Payment Received** field.
7. Select the payment method from the **Payment Type** drop list. If the **Payment Type** is **Check**, enter the **Check Number** (if known). If the **Payment Type** is **Credit/Debit Card**, select Credit/Debit Card.
8. Select the **Transaction Type** for the payment using the **Payment** drop list.

Accounts Receivable - Entering Payments

Write Off <input type="checkbox"/> Write Off Write Off Amount: 1,500.00 Invoice Total: 1,500.00 Transaction: <input type="text"/>			
Early Payment Discount <input type="checkbox"/> Apply Discount Discount Amount: Transaction: <input type="text"/>			
Transaction Date: 02/23/2018		Transactions	
Payment Received: 1000	Payment Type: Check	Payment: PA Payment	
Check Number: 1005	Service Charge: <input type="text"/>	Service Charge: <input type="text"/>	
Penalty: <input type="text"/>	Credit: <input type="text"/>	Penalty: <input type="text"/>	
Note: <input type="text"/>		Credit: <input type="text"/>	

9. Click **Save**.


Credit Card Payment

The **Credit Card Payment** window is displayed when the **Credit Card Payment** link on either the **Payments** window or the **Invoices** window is selected. Most of the credit/debit card information that is displayed is based on entry on other screens in the program. Edit the information on the **Credit Card Payment** screen as needed and click **Submit Payment** to send the payment request transmission to InterceptEFT.

Making an Adjustment


Adjusting entries can be made to correct an incorrectly entered payment, credit, or just about anything else regarding an invoice. This option will not work with bad debts.

To make an adjusting entry, complete the following:

1. Go to **Receivables > Apply Payments**.
2. Select the customer from the customer list.
3. Click on the invoice that the adjustment should be applied on.
4. Click the  in the **Transactions** section of the **Payments** window (bottom left).
5. Enter the refund date using the **Transaction Date** drop list.
6. Enter the amount in the **Credit** field.
7. Select the transaction code from the **Credit** drop list.
8. Enter a note regarding the credit (optional).
9. Click **Save**.

Processing Credits

To process a credit for a payment made on a receivables invoice, complete the following:

1. Go to **Receivables > Apply Payments**.
2. Select the customer from the customer list.
3. Click on the invoice that the refund or credit should be applied on.
4. Click the  in the **Transactions** section of the **Payments** window (bottom left).
5. Enter the refund date using the **Transaction Date** drop list.
6. Enter the amount in the **Credit** field.
7. Select the transaction code from the **Credit** drop list.
8. Enter a note regarding the credit (optional).
9. Click **Save**.


Writing Off Bad Debt

There may be times when all of the unpaid portion of an outstanding invoice may need to be written off.

NOTE

Drake Accounting assumes the write off amount is the full amount of the selected invoice's outstanding balance.

To make a write-off entry, complete the following:


1. Go to **Receivables > Apply Payments**.
2. Select the customer from the **Customer** list.
3. Select the invoice to write off.
4. Click the  in the **Transactions** section of the **Payments** window.
5. Select the **Write Off** check box. The invoice total and the amount of the write off are displayed beside the **Write Off** check box.
6. Select the transaction type from the **Transaction** drop list.
7. Enter the date of the write-off using the **Transaction Date** field.
8. Click **Save**. The amount of the write-off is deducted from the **Invoice Balance** and the customer's **Total Amount Owed**.

Reversing and Correcting a Payment


How you go about correcting a payment depends on if you are using the bookkeeping option (the **General Accounting Transactions** option is select under **Receivables > Options > General Options**). Correct payments from individual customer invoices.

Correcting a payment when the bookkeeping option is being used requires two separate transactions: one to reverse a prior payment and one to enter the corrected payment amount.

To correct a payment amount, complete the following:

1. Go to **Receivables > Apply Payments**.
2. Select the customer from the **Customer** list.
3. Select the invoice with the payment to reverse or correct.
4. Click the  in the **Transactions** section.

NOTE

If you are not using the bookkeeping option, you can delete the payment that is incorrect in the **Transactions** section by selecting the payment and clicking . Then enter the correct payment information.

5. Enter the **Transaction Date**.
6. Enter the amount of the payment to reverse in the **Payment Received** field.
7. Select the appropriate reversing transaction type from the **Payment** drop list to the right of the **Payment Received** field.
8. Select the **Payment Type**.
9. Click **Save**. The amount of the reversed payment is added back to the **Invoice Balance** and the customer's **Total Amount Owed**.
10. Next, enter the correct payment information. See ["Applying Receivables Payments"](#).


Entering Service Charges and Penalties

Add and remove service charges and penalties to individual customer invoices.

NOTE

Service Charge and Penalty transactions write automatically to the journal when the Drake Accounting bookkeeping is used.


To enter service charges and penalties, complete the following:

1. Go to **Receivables > Apply Payments**.
2. Select the customer from the **Customer** list.
3. Select the invoice with the service charge or penalty to be reversed.
4. Click the  in the **Transactions** section.
5. Enter the date of the service charge or penalty using the **Transaction Date** field.
6. Enter the amount of the service charge in the **Service Charge** field and select the transaction code from the **Service Charge** drop list. Enter the amount of the penalty in the **Penalty** field and select the transaction code from the **Penalty** drop list.
7. Enter a note for informational purposes (optional).
8. Click **Save**.

Reversing Service Charges and Penalties

Reverse service charges and penalties line items from individual customer invoices.

To reverse a service charge or penalty from an invoice, complete the following:

1. Go to **Receivables > Apply Payments**.
2. Select the customer from the **Customer** list.
3. Select the invoice with the service charge or penalty to be reversed.
4. Click the  in the **Transactions** section.
5. Enter the date of the reversal using the **Transaction Date** field.
6. Enter the amount of the service charge to reverse in the **Service Charge** field and select the reversing transaction code from the **Service Charge** drop list. Enter the amount of the penalty to reverse in the **Penalty** field and select the reversing transaction code from the **Penalty** drop list.
7. Select the appropriate transaction type from the **Refund/Credit** drop list.
8. Click **Save**.


Tools

This section reviews the following:

- The various tools and file maintenance utilities available on the **Tools** menu.
- Details on additional utilities and tools in Drake Accounting.

Installing Program Updates

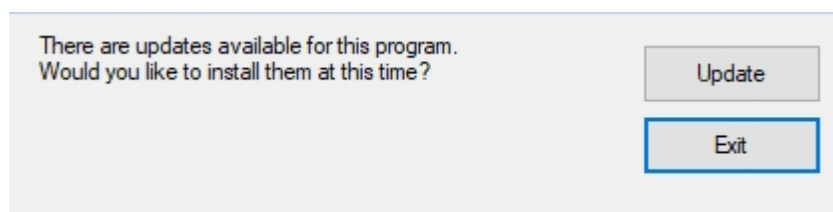
Drake Accounting looks for updates each time the program is started. If updates are found, they are downloaded and installed. Use the **Install Program Updates** function to manually update the Drake Accounting program files on your computer.

	<p>An Internet connection is required for this option.</p> <p>If you are on a network, everyone on the network must be out of the program to install an update.</p>
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Complete the following steps to download and install updates:

1. Go to **Tools > Install Program Updates**. The **Install Program Updates** window displays. If the program is up-to-date, you will receive a message indicating that the latest updates have been installed.

Install Program Updates



2. If there are updates available, click **Update**. Updates are downloaded and installed into your Drake Accounting program. If no updates were found, click **Exit**.

Printing Blank Forms

Blank forms can be viewed and printed in Drake Accounting. Some forms are supplied for informational purposes only. Not all forms available for viewing and printing are approved for filing purposes.

To view and/or print blank forms, go to **Tools > Print Blank Forms**. The **Print Blank Forms** window is displayed.

Print Blank Forms

Type of form to print

☒ Federal ☐ State

Forms W-2/W-3

W-2

Print

Exit

22222 Void ☐ Employee's social security number For Official Use Only
OMB No. 1545-0048

1 Wages, tips, other compensation 2 Federal income tax withheld

3 Social security wages 4 Social security tax withheld

5 Medicare wages and tips 6 Medicare tax withheld

7 Social security tips 8 Allocated tips

9

10 Dependent care benefits

11 Nonqualified plans 12a See instructions for box 12

12b

12c

12d

13a Health, dental, vision, etc. 13b Health, dental, vision, etc. 13c Health, dental, vision, etc. 13d Health, dental, vision, etc.

14 Other

15

16 State wages, tips, etc. 17 State income tax 18 Local wages, tips, etc. 19 Local income tax 20 Locality name

Form W-2 Wage & Tax Statement 2016 0000/1024 Department of the Treasury - Internal Revenue Service

Copy A For Social Security Administration - Send this entire page with Form W-3 to the Social Security Administration; photocopies are not acceptable.

Do Not Cut, Fold, or Staple Forms on This Page

22222 Void ☐ Employee's social security number For Official Use Only
OMB No. 1545-0048

1 Wages, tips, other compensation 2 Federal income tax withheld

3 Social security wages 4 Social security tax withheld

5 Medicare wages and tips 6 Medicare tax withheld

7 Social security tips 8 Allocated tips

9

10 Dependent care benefits

11 Nonqualified plans 12a See instructions for box 12

12b

12c

12d

13a Health, dental, vision, etc. 13b Health, dental, vision, etc. 13c Health, dental, vision, etc. 13d Health, dental, vision, etc.

14 Other

15

16 State wages, tips, etc. 17 State income tax 18 Local wages, tips, etc. 19 Local income tax 20 Locality name

Form W-2 Wage & Tax Statement 2016 0000/1024 Department of the Treasury - Internal Revenue Service

Copy A For Social Security Administration - Send this entire page with Form W-3 to the Social Security Administration; photocopies are not acceptable.

- Step 1 - Select the type of form to print, either **State** or **Federal** forms.
- Step 2 - The contents of the #2 drop list is dependent on the selection in step #1. For **State** forms, select the state from the drop list. For **Federal** forms, select the form category (Forms 1099/1098, Forms 94x, Forms W-2/W-3, or Forms W-2c/W-3c).
- Step 3 - Select the desired state or federal form. The form selected is displayed below the selection fields.
- Click **Print**.

Drake Documents

NOTE

Drake Documents is installed with the Drake Tax program.

Use Drake Documents to create an organizational file structure for storing electronic documents such as Drake Accounting client files and PDF copies of tax returns.

Drake Documents is organized as a three-level system. Think of it as a virtual filing cabinet with drawers and folders in the drawers: Level 1 is the cabinet; Level 2 is the drawer; Level 3 is the folder. Folders may also have subfolders. The actual documents reside in the folders and subfolders.

To access Drake Documents from Drake Accounting, go to **Tools > Drake Documents**.

Documentation for Drake Documents can be found in the *Drake Software User's Manual Tax Year 2016*. To access the *Drake Software User's Manual*, go to the Drake Support website (<http://www.Support.DrakeSoftware.com>), and under **Training Tools** select **Manuals**.

Printing Mailing Labels

Print batch or single mailing labels using either label sheets or a strip label printer. The mailing label option is designed to print to a dedicated label maker using 3 1/2 X 1 1/8 inch labels on rolls. This function will not work with label sheets used in an ordinary printer.

Batch print mailing labels for your clients' employees, vendors, or Receivables customers. You can also print single mailing labels by typing an address not already entered in Drake Accounting.

- [Printing Single Mailing Labels](#)
- [Printing Mailing Labels from Drake Accounting Lists](#)

Printing Single Mailing Labels

Single mailing labels can be printed to individuals not already entered into Drake Accounting.

To print single mailing labels:

1. Go to **Tools > Print Mailing Labels**.
2. Select the label from the **Label Type** drop list.
3. Type the label information in the **Label Preview** area.
4. Click **Print Single**.

Printing Mailing Labels from Drake Accounting Lists

Print all or selected labels from a clients list of employees, vendors, or Receivables customers. All of these lists can be sorted.

To print mailing labels from an existing list in Drake Accounting:

1. Go to **Tools > Print Mailing Labels**.
2. Select the group (Employees, Vendors, or Customers) from the **Choose a category** field. The specified list using the active client's information displays.
3. Click the **Code** or **Name** column header to sort the list.
4. Select the labels to print.
 - To select all in the list, click the box beside the **Code** column header.
 - Select individual labels to print by clicking the box to the left of the employee, vendor, or customer code.
 - Select all but a few labels to print from a list by clicking the box beside the **Code** column header, then clearing the check box for those you do not want to print.
5. Select the label stock being used from the **Label Type** field.
6. Click **Print Single** or **Print Multiple**.

Review Reports

This option displays the reports that have been generated by Drake Accounting and enables you to reprint a previously produced report.

To review a previously produced Drake Accounting report, complete the following steps:

1. Go to **Tools > Review Reports**.
2. From the drop list at the top left, filter reports by general report subject area:
 - Firm Level Reports
 - Printed/Exported OTF (on-the-fly) Files
 - Client Level Reports
 - Release Notes (shows specific information about each update of the Drake Accounting program that has been downloaded and installed).
 - State Reports
 - Federal Reports
3. Click a column to sort the list in ascending or descending order by Report ID or Date Time stamp.
4. Click **View** to review the report on your monitor.

Delete — Delete saved reports by selecting the report and click **Delete**.

Spreadsheet Export and Import

Use this utility to import and export employee, vendor, and customer information to and from Drake Accounting. Select the information to export. The information exports to a .CSV file type. The import file must also be a .CSV file type.

Spreadsheet Exports

Use this function to export the setup information of the active client's employees, Payables vendors, and Receivables customers. The information exports to a .CSV file, which can be opened in a spreadsheet program and imported into most all database programs.


NOTE

Transactional information is can be exported.

To export from Drake Accounting:

1. Make the client whose information you wish to export the active client.
2. Go to **Tools > Spreadsheets > Export**.

Spreadsheet Export


3. Select to export **Employees, Vendors, or Customers** setup information.
4. Select the individual field information to export or select the check box beside "Properties To Export" to export all field information.
5. Select the  to define the file name and location where you wish to export the information.

6. Once the file name and folder have been specified, click **Save**.
7. Click **Export**.
8. Click **OK**.

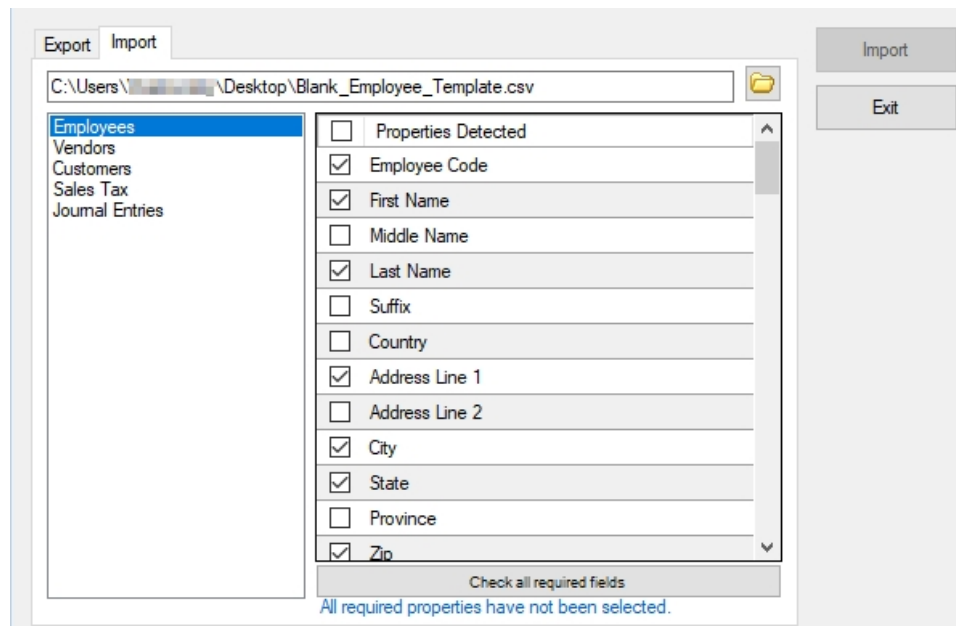
Spreadsheet Imports

Use this function to import setup information to the active client's employee, vendor, or customer setup. The import file must be a .CSV file type.

To import in to Drake Accounting:

1. Make the client who you wish to import information into the active client.
2. Go to **Tools > Spreadsheets > Import**.
3. Select to import **Employees, Vendors, or Customers** setup information.
4. Select the  and navigate to the .CSV file containing the information you wish to import.

Spreadsheet Import



5. Select the individual field information to import or select the check box beside "Properties Detected" to import all field information available in the import file.

NOTE

There are fields that are required to be imported. There will be a note below the field list to let you know if a required field has not been selected. Use the **Check all required fields** button located below the list of field names to select all the required fields, then you can select as many other fields as you wish to import. Alternatively, select the box beside "Properties Detected" to select all fields in the import file.

6. Click **Import**. The **Spreadsheet Data Preview** window is displayed.
7. Edit the import information as needed making sure the data being imported is correct, then select the specific employees, vendors, or customers to import. Select the check box at the top left of the window to import all records.
8. Click **Import**.

Export Blank Template

Use this function to export just the field names in Employee, Vendor, and Customer setup.

To export field names:

1. Go to **Tools > Spreadsheets > Export**
2. Select to export **Employees, Vendors, or Customers** setup information.
3. Select **Export Blank Template** located below the list of field names. Default fields are selected to be exported. Select more fields and clear the check boxes of fields you do not wish to export. Click the check box beside **Properties To Export** to export all field names.
4. Select the  and define the file name and location where you wish to export the field names.
5. Once the file name and folder have been specified, click **Save**.
6. Click **Export**.
7. Click **OK**.

Client Transfer Utility

Use the Client Transfer Utility when a Drake Accounting customer service representative requests you to send a file to Drake in order to troubleshoot an issue you are having with Drake Accounting. The Support person will walk you through the necessary steps to upload the file to Drake.

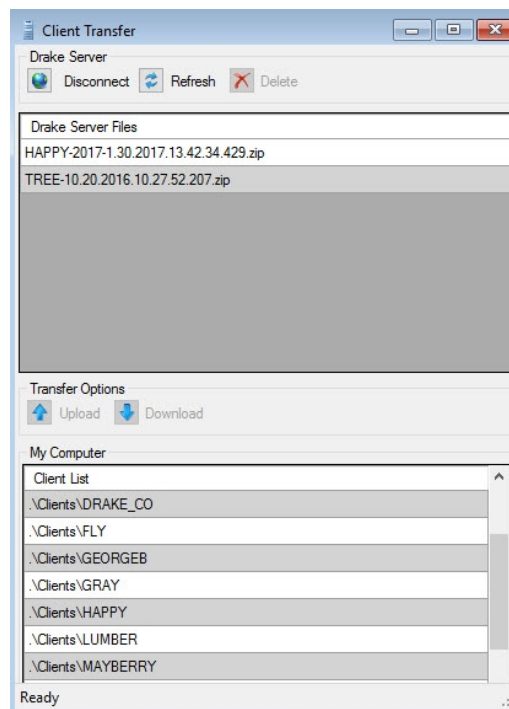
- [Uploading Files to Drake Using the Client Transfer Utility](#)
- [Downloading Client Files Using the Client Transfer Utility](#)


Uploading Files to Drake Using the Client Transfer Utility

To upload a client file to Drake using the Client Transfer Utility:

1. Go to **Tools > Client Transfer**.

Client Transfer Utility




2. The **Client Transfer** window displays with all clients found in the location selected in the lower portion of the window and client files residing on the Drake Server in the upper portion of the screen. (Happy and Tree in the example above).
3. To upload a client file to Drake, select a client from the lower portion of the **Client Transfer** window and click  **Upload**. Once uploaded, the list at the upper portion of the screen is updated to include the newly uploaded file.

Downloading Client Files Using the Client Transfer Utility

In cases where Drake Accounting Support has repaired a client file, use the Client Transfer Utility to download the repaired file directly into Drake Accounting.

To download a client file from Drake using the Client Transfer Utility:

1. Go to **Tools > Client Transfer**.
2. Select a client from the upper portion of the **Client Transfer** window.
3. Click  **Download**. If the client already exists in your current Drake Accounting installation, a warning message displays asking if you would like to overwrite the existing client data, replacing it with the updated information from the Drake Server. Click **Yes** to overwrite the existing client data.
4. Once a client file has been downloaded, you can delete the file from the Drake Server by selecting the client file from the upper portion of the Client Transfer window and clicking **Delete**.

e-Filings

Forms 940, 941, 941SS, 944, 943, 945, W-2, W-3, 1099, 1096, and 1098 can be filed electronically using Drake Accounting.

NOTE

The procedure for e-filing forms created on the fly is the same as for forms not created on the fly.

Forms 941, 940, 943, 944, & 945

To e-file 94x tax returns, there are three basic steps:

1. Preparation
2. e-File
3. Viewing the results

Before e-Filing 94x Returns

NOTE

An Electronic Filer Identification Number (EFIN) application must be filed or amended to allow the e-filing of the 94x forms. A five- or 10-digit PIN and password are required to e-file these forms. To apply for a 5-digit Reporting Agent's e-filing PIN, see ["Appendix E - Reporting Agent's PIN Application"](#). For information on applying for a 10-digit Business Taxpayer PIN, go to ["Business Taxpayer PIN Application"](#).

Before you e-file 94x tax returns, complete the following procedure:

1. Run payroll (live payroll with printed checks or ATF payroll). See ["Payroll Processing Overview"](#).
2. Create tax deposits (**Employees > Tax Deposit > 94x.**) (See ["Calculating 94x Series Tax Deposits"](#).)

NOTE

It is not required to enter tax deposit information in **Employees > Tax Deposit > 94x** in order to e-file the 94x tax return. If you wish to include 94x tax deposit information when calculating a 94x tax return, make sure the **Frequency** is set to "Tax Deposits" and the tax deposit to include is selected from the **Tax Deposit Selector** drop list.

3. Go to **Employees > Federal Forms** and select the desired 94x form. (See ["Producing 94x Series Tax Returns"](#).) Once the file is generated, click **Save**. This generates the electronic transmission file and places an entry on **e-Filings > 94x > Transmit 94x Forms**.

NOTE

Please review ["Online Payment Tab"](#) before attempting to e-file 94x forms the first time.

e-Filing 94x Returns

e-Filing 94x returns is very similar to e-filing your regular Form 1040 or 1120 tax returns. After you e-file the 94x return, you should receive an acknowledgement.

The steps for e-filing 94x forms is:

- [Transmit 94x Tax Returns](#)
- [View 94x Acks](#)

Transmit 94x Tax Returns

To e-file 94x forms, complete the following steps:

1. Go to **e-Filings > 94x > Transmit 94x Forms** and select the desired form to e-file. The **94x e-Filing** dialog box is opened with that form selected.

NOTE

The IRS will reject any early 94x e-filings. If you attempt to transmit these returns prior to the end of the period for which the return is reporting, Drake Accounting will not allow the transmission and a message will be displayed stating the earliest date the return can be e-filed.

2. Use the **Select Quarter** drop list to filter the 94x upload files that are displayed.
3. Check the box beside the file to select one or more files to transmit under **Client Code**. Click the box to the left of the Client Code column header if you wish to transmit all files.
4. Click **View Details** to see the contents of the transmission file.
5. Click **Transmit**. While the returns are transmitting, a progress bar is displayed. If an Internet connection is not established, the software places the files back on this dialog box, indicating the connection must be established and the transmission attempted again.

NOTES

Drake Accounting automatically includes the bank account information in the 94x tax return e-filed to the IRS when the **Client > Edit > Online Payment** tab is setup. The IRS will use this bank account information to debit the account for the balance due amount. See ["Online Payment Tab"](#) for information on setting up this feature.

All transmissions of 94x series tax returns to and from the IRS flow through Drake's servers.

Forms 940 and 943 are annual reports, available all year but filed only once at the end of the year or 4th quarter.

View 94x Acks

To view transmission results:

1. Go to **e-Filings > 94x > View Results**. Status information for all tax returns (940, 941, 941-SS, 943, 944, and 945) and PIN applications with the date and time transmitted is displayed.
2. To filter the information displayed, select:
 - The type of 94x return acknowledgement to view
 - A specific quarter or **All Quarters** to view.
 - A **Status Type** of **All**, **Accepted**, **Rejected**, or **Pending**. When **Accepted** is selected, only the returns that have been accepted are displayed. When **Rejected** is selected, only the rejected returns are displayed. **Pending** indicates that Drake has received the transmission and there is not yet an IRS acknowledgement.
 - Click **Drake Status** to get the results of transmissions to Drake.
 - Click **IRS Status** to get the results of transmissions to the IRS.
3. Click **Get Acks**.

4. Click a column header to sort the transmission list.
5. To look at a specific acknowledgement, double-click a specific line or click the line and select **View Details**. When you view a **REJ** acknowledgement, the system shows the rejections report with an explanation of the rejection.
6. To delete acknowledgements, select the ack then click **Delete**.

Alternate Method to View 94x Acks

Another way to get status information for 94x transmissions is to use Drake's Online EF database. This feature provides "real time" information that can, at times, be more accurate and reliable than the information provided when using Drake Accounting's **View Results** option.

To view this information on Drake's Support website:

1. In Drake Accounting, go to **Help > Web Links > Drake Support**.
2. Log in using your EFIN and Drake password.
3. Go to **My Account > EF Database**.
4. Go to **Tools > 94x Report**.
5. Select the appropriate **Return Type** and **Date Range**. This uses the acknowledgement date and not the return date.
6. Select the **Status** to display or select "All" to include all statuses.
7. Click **Run Report**.

Uploading Forms W-2 and W-3

NOTES

See ["Appendix F - Preparing to e-File Forms W-2"](#) for details on registering to use the Social Security Administration's website and downloading and installing the AccuWage error checking software.

Uploading Forms W-2 and W-3 to the Social Security Administration is a three-step process:

1. [Creating the W-2/W-3 Upload File](#)
 - [Creating the State W-2 Upload File](#)
2. [Reviewing the W-2 Upload File with AccuWage](#)
3. [Transmitting the W-2 Upload File](#)

NOTE

Prior to creating the W-2/W-3 upload file, Forms W-2 must first be processed. Processing Forms W-2 generates Forms W-2 and the W-3 at the same time. To process Forms W-2, go to **Employees > Federal Forms** and select **Forms W-2/W-3** as the **Form Type** (see [“Processing Forms W-2 and W-3”](#)).

Creating the W-2/W-3 Upload File

Use **Create File** to generate the file containing W-2 and W-3 information that is transmitted to the Social Security Administration.

NOTE

Forms W-2 must be “processed” prior to creating the W-2/W-3 upload file. See [“Processing Forms W-2 and W-3”](#) for information on processing regular W-2 information.

To create the transmission file, complete the following steps:

1. Go to **e-Filings > W-2 > Create File**. Set the e-filing options here for the PIN, agent indicator code, EIN information and preparer, employment, and tax jurisdiction codes. A file can also be resubmitted here.

NOTE

Most of this window automatically fills with the information entered on the **Client > Edit > e-File Options** tab. If the information displayed is correct and complete, simply select the type of W-2 being transmitted (regular Employee W-2 or On the Fly W-2) and skip to step 5 below.

2. On the right side of the screen, select whether you are preparing to e-file **Employee W-2** or **On the Fly W-2**. **Employee W-2** indicates that payroll has been entered either live or ATF (after-the-fact). **On the Fly W-2** indicates you are uploading W-2 information for clients taht you've not entered their payroll into Drake Accounting, either live or after-the-fact.

3. Complete the **General Information** section:

- **User ID Number** — Enter the 8-character user ID assigned to the employee who is attesting to the accuracy of the file. This user ID is assigned by the Social Security Administration when the employee registers to sue the SSA's Business Services Online. To register, go to <http://www.ssa.gov/bso/bsowelcome.htm>.
- **File is being resubmitted** — Select this check box if the W-2 file is being resubmitted after being notified by the Social Security Administration that there was a problem with a previous upload file. When this field is selected, the **Resubmit Wage File Identifier** field becomes active. Enter the wage file identifier displayed on the notice received from the SSA.
- **Preparer Code** — Select the code that best describes the preparer of this client transmission file.

W-2 Preparer Codes

A	Accounting Firm
L	Self-Prepared
S	Service Bureau
P	Parent Company
O	Other

4. Complete the **Employer Record Information** section:

- **Agent Indicator Code** — Select the appropriate agent indicator code.

NOTE

An “agent” is someone other than the employer used to pay the employer's taxes.

2678 Agent (Approved by IRS) — Select this option if you use an IRS-approved section 2678 agent to file returns and make deposits or payments of employment or other withholding taxes. Access the Form 2678 from www.IRS.gov. When this option is selected, you must enter the **Agent EIN**.

Common Paymaster — A corporation that pays an employee for two or more related corporations at the same time is a common paymaster. When this option is selected, you must enter the **Agent EIN**.

3504 Agent — Select this option if using an employer-designated section 3504 agent. For information on this agent type, go to www.IRS.gov. When this option is selected, you must enter the **Agent EIN**.

Other — Select this option if none of the others apply. Verify the **Employer EIN** is correct.

Terminating Business — Making this selection indicates that this is the last year that Forms W-2 are to be filed under this EIN.

5. Review all entries, click **Create File**. The upload file name and location is displayed.

NOTE

Make note of the location where the transmission file is created. This information is needed in order to test the file with AccuWage and to transmit the file to the Social Security Administration.

If a message displays stating that no Forms W-2 have been processed for the year, go to **Employees > Federal Forms**. See ["Processing Forms W-2 and W-3"](#) for more information.

6. Once the transmission file has been created, proceed to ["Reviewing the W-2 Upload File with AccuWage"](#) to identify possible errors in the file. Then go to **e-Filings > W-2 > Transmit File** to upload the information to the Social Security Administration.

NOTES

Once the W-2 upload file has been created, the next step is to review the upload file for errors using AccuWage. See ["Reviewing the W-2 Upload File with AccuWage"](#).

For information on creating the W-2 upload file for states, see ["Creating the State W-2 Upload File"](#).

Creating the State W-2 Upload File

When the W-2 upload file is created, some state Forms W-2 are created automatically in the background. The state W-2 that is created is determined by the state entered on the **Client > Edit > Contact Information** window.

Drake Accounting does **NOT** create state Forms W-2 for the following states: Alaska, California, Florida, Nevada, South Dakota, Tennessee, Texas, Washington, and Wyoming.

State W-2 upload files are created in the d:
\DrakeAccountingYYYY\Clients\client code\st folder, where

- "d" is the drive where Drake Accounting is installed
- "client code" is the code used to identify the client when the client was created
"st" is the two-letter state abbreviation.

Example: Drake Accounting is installed on drive C:; the client code is "Arnolds", which is located in Wisconsin. The state W-2 upload file is created in the C:
\DrakeAccounting2018\Clients\Arnolds\WI folder.

-Example for W-2s created through payroll within the Employees module

: \DrakeAccounting2018\Clients\Arnolds\KY\W2Report_KY_Arnolds.txt

-Example for state W-2s created in On the Fly module

: \DrakeAccounting2018\Clients\Arnolds\KY\W2Report_KY_OTF_Arnolds.txt

Reviewing the W-2 Upload File with AccuWage

Use the Social Security Administration's AccuWage program to identify most of the common format errors in wage submissions. This program will help to reduce submission rejections. Even if no errors are identified by AccuWage, a submission could still be rejected due to other errors.

For AccuWage Online, it requires that an up-to-date version of Java be installed on your computer. Go to www.java.com for the latest Java download.

You can use an online version of the AccuWage program. See [AccuWage Online Help Guide](#) for instructions on using the online version of AccuWage.

For more information about AccuWage Online, go to www.ssa.gov/employer/accuwage/index.html.

Transmitting the W-2 Upload File

NOTE

An Internet connection is required to transmit W-2 and W-3 information to the Social Security Administration.

1. Go to **e-Filings > W2 > Transmit File**.
2. If the upload file has been tested using the AccuWage program, select **W-2 files have been tested using AccuWage**, then **Click here to link to the Social Security Website**. If the **W-2 files have been tested using AccuWage** checkbox has not been selected, a question is displayed stating the importance of testing W2 files with AccuWage and presenting the chance to download and install AccuWage.

If the upload file has not been tested with AccuWage and you wish to download and install the AccuWage program, select **Click here to link to the AccuWage Website**.

NOTE

See "[Reviewing the W-2 Upload File with AccuWage](#)" for information on reviewing the W-2 upload file using the Social Security Administration's AccuWage software. This step is recommended as it can prevent many common rejects.

3. Once the Business Services Online website is displayed, click **Log In**.
4. Enter your **User ID** and **Password**.
5. Click **I have read & agree to these terms** at the bottom of the screen.
6. Click **Log In**.
7. Click **Report Wages To Social Security**.
8. Click **I Accept**.
9. Click the **Upload Formatted Wage File** tab.
10. Click **Submit/Resubmit a Formatted Wage File**.
11. Click **Continue** at the bottom right of the screen.
12. Make sure **New W-2s/W-3s for Tax Year 2018 or previous tax year (EFW2)** is selected and click **Continue** at the bottom right of the screen.
13. Click **Browse** to specify the file in Drake Accounting to upload to the SSA.
14. Once the file displays in the **Select File** field, click **Submit**.

Uploading Forms 1099, 1096, and 1098

NOTE

See "[Appendix G - Preparing to e-File Forms 1099](#)" for details on getting a Transmitter Control Code and registering to use the IRS's FIRE website.

Uploading Forms 1099, 1096, and 1098 to the IRS is a two-step process:

1. [Creating the 1099/1096/1098 Upload File](#)
2. [Transmit 1099](#)

NOTE

Prior to creating the 1099/1096/1098 upload file, Forms 1099 must first be processed. Complete 1099 Processing (**Payables > 1099-Misc.**). See ["Processing 1099-MISC"](#).

Creating the 1099/1096/1098 Upload File

Use the **Create File** function to generate the file containing the 1099, 1096, 1098 information that is uploaded to the IRS. To create the upload file, complete the following steps:

1. Go to **e-Filings > 1099/1098 > Create File** to enter information necessary to create the upload file.

Create 1099 Upload File

18 Federal 1099/1098 Create File

Payment Year: TCC: ! Create File

File Indicator

☒ Original File ☐ Replacement File ☐ Test File Exit

Payer Information

☐ Last Year Filing the 1099 ☐ Combined Federal/State Program

Check the Transfer Agent only if you are a trust company, bank, or similar financial institution assigned by a corporation to maintain records of investors, account balances and transactions, to cancel and issue certificates, to process investor mailings and to deal with any associated problems (i.e. lost or stolen certificates).

☐ Transfer Agent Indicator

Transfer Agent Name:

Transfer Agent Address:

City: State: Zip:

Payer Account Number

☐ Indicates Sales of \$5,000 or more for all 1099 forms being reported

Payer Account Number for Payee: !

File Creation Information

The file Name is:

The file is located in:

Default values for several of the fields are stored in Client's e-File Options Tab under Client Setup.

File Type

Vendor: ☒ 1099-MISC

On The Fly

☐ 1099-A ☐ 1099-B ☐ 1099-C ☐ 1099-DIV ☐ 1099-INT ☐ 1099-MISC ☐ 1099-PATR ☐ 1099-R ☐ 1099-S ☐ 1098-MORT ☐ W-2G ☐ 1098-T

IMPORTANT

All Forms 1099 must be processed prior to creating the 1099 upload file. See ["Processing 1099-MISC"](#) for information on processing and printing Forms 1099 and 1096.

2. On the right side of the window, select to create an upload file for a regular 1099-MISC or for Forms 1099 and 1098 created **On the Fly** (1099-A, 1099-B, 1099-C, 1099-DIV, 1099-INT, 1099-MISC, 1099-PATR, 1099-R, 1099-S, 1098-MORT, W2-G, or 1098-T).
3. Select the appropriate **File Indicator** of file to create.
 - **Original File** — Select this option if the information entered is the original data.
 - **Replacement File** — Select this option if the file is to replace a file that the IRS has informed you in writing cannot be processed or the IRS FIRE system indicated a file status of "Bad."
 - **Test File** — If you plan to use the option to file the Combined Federal & State 1099-MISC, first select the test file option. This transmits the test file required by the IRS after you receive the [TCC](#).

NOTE

Use the **Test File** option between November 1 and February 15 only.

Once the test file is received and approved, the IRS mails an acceptance letter. Once the IRS approves the form, you can transmit the 1099-MISC. After a test file is approved by the IRS, return to **e-Filings > 1099/1098 > Create File** before transmitting an actual 1099. Click **Original File** in the **File Indicator** section.

4. In the **Payer Information** section, select if appropriate:
 - **Last Year Filing the 1099** — Select the box if this is the last year this payer will file returns electronically, magnetically, or on paper.
 - **Combined Federal/State Program** — Select this box when you receive approval.

NOTE

If your state participates in the federal/state 1099 program but accepts modified instead of standard Forms 1099, Drake Accounting e-files the federal 1099 only and not the state 1099. Do not transmit a test file and do not check the **Combined Federal/State Program** box. If your state does not participate in the federal/state 1099 program, you do not need to transmit a test file. Do not check the **Combined Federal/State Program** box.

- **Transfer Agent Indicator** — Select the **Transfer Agent Indicator** option only if you (the preparer) are a trust company, bank or similar financial institution assigned by a corporation to: maintain records of investors and account balances and transactions, cancel and issue certificates, process investor mailings and deal with any associated problems (e.g lost or stolen certificates).

When the **Transfer Agent Indicator** option is selected, the **Transfer Agent Name** and **Address** fields are activated and require entry. If this information was entered on the **Client > Edit > e-File Options** tab, the fields in this section automatically fill and not entry should be required. If the fields are blank and you are filing as a transfer agent, enter the name and address of the transfer (or paying) agent.
- 5. Complete the **Payer Account Number** section:
 - **Indicates Sales of \$5000 or more for all 1099s being reported** — Select this box to indicate sales of \$5,000 or more of consumer products to a person on a buy-sell, deposit-commission, or any other commission basis for resale anywhere other than a permanent retail establishment.
 - **Payer Account Number for Payee** (required) — Enter any number assigned by the payer to the payee that can be used by the IRS to distinguish between information returns. This information was entered on the **Client > Edit > e-File Options** tab and may be automatically filled. If not, enter an account number.
- 6. Click **Create File**. The upload file name and location displays. This information is needed to transmit the file to the IRS's FIRE (Filing Information Returns Electronically) website.

If a message displays stating that no Forms 1099 have been processed for the year, go to **Payables > Process 1099 Misc**. See "[Processing 1099-MISC](#)" for more information.
- 7. Click **Exit**.

Once the upload file has been created, proceed to **e-Filings > 1099/1098 > Transmit File** ("[Transmit 1099](#)") to access the IRS's FIRE (Filing Information Returns Electronically) website and upload the information.

Filing a 1099 Extension

The 1099 extension file must be created before it can be filed (either paper or e-file). See ["Create a 1099 Extension File"](#) for information on creating the 1099 extension file.

Create a 1099 Extension File

To create an upload file for an extension of time to file a 1099, complete the following steps:

1. Go to **e-Filings > 1099/1098 > Create Extension File**.
2. Enter the **Control Code**. This is a five-character alphanumeric Transmitter Control Code (TCC) assigned by the IRS/ECC-MTB. A Transmitter Control Code must be obtained to file data with this program. Submit Form 4419 to the IRS to obtain a TCC. See [Appendix G - Preparing to e-File Forms 1099](#) for information on applying for a Transmitter Control Code.
3. Complete the **Payer Information** section:
 - **TIN** — Enter a nine-digit Taxpayer Identification Number assigned to the taxpayer. A number that is all zeros, ones, twos, etc., results in an invalid TIN.
 - **Name** — Enter the name of the payer whose TIN has been entered. If additional room is need for the name, use the **Name-Cont** field.
 - **Recipient Request Indicator** — Select this box if the extension request is to furnish statements to the recipients of the information return.
 - **Address** — Enter the address of the payer. The street address should include number, street, apartment or suite number, or PO box if mail is not delivered to a street address.
 - **City** — Enter the city, town, or post office of the payer.
 - **State** — Enter the two-character state code.
 - **Zip** — Enter the nine-digit ZIP code assigned by the U.S. Postal Service. If only the first five digits are known, then use the five-digit ZIP code.
4. Click **Create File**.

Refer to ["Transmit 1099"](#) for instructions on transmitting the extension request information to the IRS.

Transmit 1099

To transmit Forms 1099 and 1099 extension requests:

1. Go to **e-Filings > 1099/1098 > Transmit File**.
2. Click the **IRS Fire** link to access the IRS FIRE website and upload Forms 1099 and 1099 extension requests.

Click the **IRS Test** link to access the IRS FIRE test website. Use this to send a test file for a state that you have not previously uploaded to the IRS.

3. Once connected to the FIRE website, click **Log On**.
4. Enter your **User ID** and **Password** (the password is case sensitive).
5. Click **Click here to continue**.
6. Click **Send Information Returns**.
7. Enter your **TCC** and **TIN**.
8. Click **Submit**.
9. Click **Accept**.
10. Click either **Original File** or **Correction File**
11. **Click Submit**.
12. Enter your 10-digit PIN and click **Submit**.
13. Click **Browse** to locate the file and open it.
14. Click **Upload**.

TIP

Refer to [“Appendix C - IRS “FIRE” Website”](#) for tips on connecting to the IRS s FIRE website.

On the Fly Forms

Create, save, process, print, and e-file Forms W-2, W-2c, 1099 (MISC, DIV, INT, R, PATR, S, A, B, C, and W-2G), 1098-MORT, 1098-T, and 94x series tax returns "on the fly", eliminating nearly all of the employee and vendor setup and without having to enter specific transactional information. Most state forms can be created and printed on the fly as well. None of the information entered on the fly is reflected in bookkeeping.

IMPORTANT

Before entering information "on the fly", make sure the appropriate client is selected as the active client.

Preparing to Create Forms "On the Fly"

It is important that you are creating "on the fly" forms under the correct client, or employer. Creating Forms W-2 and 1099 on the fly under the wrong client results in an incorrect W-3 and 1096 for that client. If you don't have the correct client already set up in Drake Accounting, you need to create the client. If you created "on the fly" forms in Drake Accounting last year, you can bring forward your "on the fly" clients from last year's Drake Accounting. Once the desired client exists in Drake Accounting 2018, make that client the active client.

Creating an "On the Fly" Client

The minimum set up for creating an "on the fly" client is:

1. Go to **Client > New**.
2. Complete the **Contact Information**, the **Business Information**, and the **W2/W3/1099/1098 Setup** tabs. For information on entering information on these tabs, see ["Contact Information Tab"](#), ["Business Information Tab"](#), and ["W-2/W-3/1099/1098 Setup Tab"](#).
3. Click **Save**.
4. When the Chart of Accounts setup displays, click **Cancel**.

IMPORTANT

The client must exist in the current software before bringing the "On The Fly" information forward. If the client does not exist in the current Drake Accounting program but does exist in last year's Drake Accounting or Client Write-Up software, go to **Client > Update Prior Year** to bring the client forward into this year's program. See ["Update Prior Year Clients"](#) for information on bringing the client forward. Once the client has been brought into Drake Accounting 2018, go to **On the Fly > Update Prior Year** to bring the on the fly information forward.

Update Prior Year On the Fly

Use this feature to bring forward all client setup, employee, and vendor information that was entered "on the fly" in last year's Drake Accounting or Client Write-Up program.

IMPORTANT

The client must exist in the current Drake Accounting program before bringing the "on the fly" information forward. If the client exists in last year's Drake Accounting or Client Write-Up software, go to **Client > Update Prior Year** (["Update Prior Year Clients"](#)) to bring the client forward into this year's program.

To update "On The Fly" Drake Accounting clients from last year's Drake Accounting or Client Write-Up program, complete the following steps:

1. Once the "On The Fly" client has been brought into this year's Drake Accounting, go to **On the Fly > Update Prior Year**.
2. Use the **Available Installation For Year** drop list to specify that you will be updating on the fly information from a **Prior Year** or **Current Year** installation of Drake Accounting or Client Write-Up. All data paths of prior year or current year installations are listed.
3. Select the location of the client files to convert to the 2018 program by clicking the location under **Existing Data Paths**.
4. The client files entered "On The Fly" in the selected location are displayed at the bottom of the dialog box. Select individual client files by clicking the box to the left of the **Client Code** column, or click the box to the left of the **Client Code** column header to select all clients in the selected location.
5. On the right side of the window, select the forms to bring into the current program or select **All** to bring all forms for the selected clients forward.

6. Click **Update**.

State Forms On the Fly

Drake Accounting offers forms from most states to be completed "On The Fly."

To enter information for states On The Fly:

1. Make the appropriate client the active client. If the client doesn't exist in the current Drake Accounting program, either create a new client (see ["Creating an 'On the Fly' Client"](#)) or bring the prior year on-the-fly client forward from the prior year program (see ["Update Prior Year On the Fly"](#)).
2. Go to **On the Fly > State**.
3. Select the desired state from the **State** drop list.
4. Select the desired form from the **Form** drop list.
5. Select the frequency from the **Frequency** drop list.
6. Enter all appropriate information directly on the form. Required information is indicated by the 🟡 icon.
7. Once all information has been entered, click **Save/Print** or **Save**.

Forms W-2 On the Fly

This feature enables you to create and print Forms W-2 and W-3 for clients who keep their own books and for those you've not entered their payroll into Drake Accounting, either live or after-the-fact. Use Drake Accounting to print these forms or upload them to the Social Security Administration. See ["Uploading Forms W-2 and W-3"](#) for W-2 upload instructions.

NOTE

Follow these steps to produce Forms W-2 and W-3 On The Fly:

Make the appropriate client the active client. You may need to create a new client (["Creating an 'On the Fly' Client"](#)) or bring the on the fly client forward from the prior year Drake Accounting program (["Update Prior Year On the Fly"](#)).

Enter W-2 information (**On the Fly > W-2**).

Print W-2 and W-3 on the fly forms.


Upload W-2 and W-3 information to the Social Security Administration (["Uploading Forms W-2 and W-3"](#)).

To enter W-2 information "On The Fly", complete the following steps:

1. Make the appropriate client the active client. If the client doesn't exist in the current Drake Accounting program, either create a new client (see ["Creating an On the Fly Client"](#)) or bring the prior year On The Fly client forward from the prior year program (see ["Update Prior Year On the Fly"](#)).

IMPORTANT

Creating Forms W-2 "On The Fly" under the wrong client results in an incorrect W-3 for that client.

2. Go to **On the Fly > Federal Forms**. Select Forms **W-2/W-3** and the specific form.
3. For employees not listed, click **Create**, enter an **Employee Code**, and all required employee data. Employee codes are alphanumeric and can be up to 20 characters long. Enter all appropriate information. Required information is indicated by the  icon.

NOTE

Do not use dashes (-) or slashes (/) when entering phone numbers, ZIP codes, or ID numbers. These fields are formatted after information is entered.

- If the desired employee is listed, click the employee's name and verify the **Employee Data** on the left side of the window.
4. Complete the **W-2 Wage and Tax Statement** screen. Some of the withholding fields on the right side of the screen are calculated based on the income entered. Edit the calculated amounts to reflect actual withholding amounts.
 5. Click **Save** after each employee's information has been entered.
 6. Once all on-the-fly employee information has been entered, you must process the forms before they can be printed or e-filed.

Other On-the-Fly Options

Delete — To delete a previously entered "on the fly" W-2 employee, select the employee to delete from the **Name** and **Code** list. Click **Delete**.

Reset — To clear the information entered without saving.

Void — To mark the W-2 as voided when printed or e-filed.

Corrected — To mark the W-2 as corrected when printed or e-filed.

Editing an On the Fly W-2

To edit a W-2 created "On The Fly", complete the following steps:

1. Make the appropriate client the active client.
2. Go to **On the Fly > W-2**.
3. Select an employee to edit.
4. Make necessary changes directly in the appropriate fields.
5. Click **Save**.

Forms 1099 and 1098 On the Fly

This feature enables you to create and print Forms 1099, 1098, and 1096 for clients who keep their own books and for those who have not entered their vendor checks into Drake Accounting, either live or after-the-fact. Use Drake Accounting to print these forms or upload them to the IRS. See ["Uploading Forms 1099, 1096, and 1098"](#) for 1099 upload instructions.

Use Drake Accounting to produce the following Forms 1099 "On The Fly":

Forms 1099, 1098, and W-2G On the Fly

Form	Title
1098-MORT	Mortgage Interest Statement
1098-T	Tuition Statement
1099-A	Acquisition or Abandonment of Secured Property
1099-B	Proceeds From Broker and Barter Exchange Transactions
1099-C	Cancellation of Debt
1099-DIV	Dividends and Distributions
1099-INT	Interest Income
1099-MISC	Miscellaneous Income
1099-PATR	Taxable Distributions Received From Cooperatives
1099-R	Distributions from Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
1099-S	Proceeds from Real Estate Transactions
W-2G	Certain Gambling Winnings

NOTE

Follow these steps to produce Forms 1099 and 1096 on the fly:

Make the appropriate client the active client. You may need to create a new client ("[Creating an "On the Fly" Client](#)") or bring the on the fly client forward from the prior year Drake Accounting program ("[Update Prior Year On the Fly](#)").

Enter 1099 information (**On the Fly** and select the desired 1099 form).

Process the forms.

Print 1099 and 1096 on the fly forms.


Upload 1099 and 1096 information to the IRS using their FIRE system ("[Uploading Forms 1099, 1096, and 1098](#)").

To enter 1099 and 1098 information "on the fly", complete the following steps:

1. Make the appropriate client the active client. If the client doesn't exist in the current Drake Accounting program, either create a new client (see "[Creating an "On the Fly" Client](#)") or bring the prior year On The Fly client forward from the prior year program (see "[Update Prior Year On the Fly](#)").

IMPORTANT

Creating Forms 1099 "On The Fly" under the wrong client results in an incorrect 1096 for that client.

2. Go to **On the Fly** and select the appropriate form.
3. For individuals not list, click **New**, enter a code in the **Payer/Recipient/Debtor/Contractor/Employee/Winner Code** field (whichever is appropriate for the form selected). These codes are alphanumeric and can be up to 20 characters long. Enter all appropriate information. Required information is indicated by the  icon.

NOTE

Do not use dashes (-) or slashes (/) when entering phone numbers, ZIP codes, or ID numbers. These fields are formatted after information is entered.

- If the desired individual is listed, click the individual's name and verify the date on the left side of the window.
4. Complete the screen. For more detail on completing the form, go to www.irs.gov and search for the form.

NOTE

The term "Name Code" in Drake Accounting is equivalent to what the IRS refers to as the "Name Control".

5. Click **Save** after each person's information has been entered.
6. Once all On The Fly information has been entered, you must process the forms before they can be printed or e-filed.

Other On The Fly Options

- **Delete** — To delete a previously entered "on the fly" 1099 individual, select the individual to delete from the **Name** and **Code** list. Click **Delete**.
- **Reset** — To clear the information entered without saving.
- **Void** — To mark the 1099 as voided when printed or e-filed.
- **Corrected** — To mark the 1099 as corrected when printed or e-filed.

Editing an On the Fly 1099

To edit a 1099 created "On The Fly", complete the following steps:

1. Make the appropriate client the active client.
2. Go to **On the Fly** and select the desire 1099 type.
3. Select an individual to edit.
4. Make necessary changes directly in the appropriate fields.
5. Click **Save**.

94x Series Tax Returns On the Fly

This feature enables you to create, save, and print 94x series tax returns "On The Fly", eliminating employee setup and entry of payroll information. Use this to create 94x tax returns when you have not entered payroll information into Drake Accounting. Once created and saved, use Drake Accounting to print and even e-file these forms to the IRS. See "[e-Filing 94x Returns](#)" for upload instructions.

Use Drake Accounting to produce the following 94x series tax returns "On The Fly":

94x Series Tax Returns On the Fly

Form	Form Use	E-Filable?
940	Form 940 is the employer's annual federal unemployment (FUTA) tax return.	Yes
940-PR	Form 940-PR is the Puerto Rico employer's annual federal unemployment (FUTA) tax return.	Yes
941	Form 941 is the employer's quarterly federal tax return.	Yes
941-PR	Form 941-PR is the Puerto Rico employer's quarterly federal tax return.	Yes
941-SS	Form 941-SS is the employer's quarterly federal tax return for American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands.	Yes
941-X	Form 941-X is used to correct errors on a Form 941 or 941-SS that was previously filed. You may use Form 941-X even though you filed the original return on magnetic media or electronically. Do not send the 941-X in with a 941 or 941-SS.	No
943	Form 943 is the employer's annual federal tax return for agricultural employees and should be used if wages were paid to a farm worker and were subject to Social Security and Medicare taxes or federal income tax withholding.	Yes
943-PR	Form 943-PR is the Puerto Rico employer's annual federal tax return for agricultural employees and should be used if wages were paid to a farm worker and were subject to Social Security and Medicare taxes or federal income tax withholding.	Yes
943-X	Form 943-X is used to correct errors on a Form 943 that was previously filed. Do not send the 943-X in with a 943.	No
944	Form 944 is the employer's annual tax return designed for smaller employers whose annual liability for Social Security, Medicare, and withheld federal income taxes is \$1,000 or less. This form is only for clients notified by the IRS to use Form 944 in place of the 941 quarterly report. You must use this form if you were contacted. If you choose to dispute the use of this form and continue filing the 941 quarterly report, contact the IRS first at (800) 829-0115.	Yes
944-SP	Form 944 is the Puerto Rico employer's annual tax return designed for smaller employers whose annual liability for Social Security, Medicare, and withheld federal income taxes is \$1,000 or less. This form is only for clients notified by the IRS to use Form 944 in place of the 941 quarterly report. You must use this form if you were contacted. If you choose to dispute the use of this form and continue filing the 941 quarterly report, contact the IRS first at (800) 829-0115.	Yes

944-X	Form 944-X is used to correct errors on a Form 944 or 944-SS that was previously filed. Do not send the 944-X in with a 944 or 944-SS.	No
945	Form 945 is used to report withheld federal income tax from nonpayroll payments. Nonpayroll payments include: <ul style="list-style-type: none"> • Pensions • Military retirement • Gambling winnings • Indian gaming profits • Voluntary withholding on certain government payments • Backup withholding All federal income tax withholding reported on Forms 1099 and W-2G must be reported on Form 945. Do not report federal income tax withholding from wages on Form 945.	Yes
945-X	Form 945-X is used to correct errors on a Form 945 that was previously filed. Do not send the 945-X in with a 945.	No

NOTE

Follow these steps to produce Forms 94x tax returns On The Fly:




1. Make the appropriate client the active client. You may need to create a new client or bring the On The Fly client forward from the prior year Drake Accounting program (["Update Prior Year Clients"](#)).
2. Enter 94x return information (**On the Fly > 94x Forms**).
3. Print 94x tax returns On The Fly.
4. (Optional) e-File the 94x return to the IRS (["e-Filing 94x Returns"](#)).

To enter 94x tax return information "on the fly", complete the following steps:

1. Make the appropriate client the active client. If the client doesn't exist in the current Drake Accounting program, either:
2. Create a new client by going to Client > Add and completing the Contact Information (see ["Contact Information Tab"](#)), Business Information (see ["Business Information Tab"](#)), and W-2/W-3/1099/1098 Setup (see ["W-2/W-3/1099/1098 Setup Tab"](#)) tabs, or
3. Bring the prior year On The Fly client forward from the prior year program (see ["Update Prior Year Clients"](#)).

NOTE

If the 94x series tax return created "On The Fly" is going to be e-filed, the client must be set up in Drake Accounting for e-filing before creating the 94x series tax return. Set up the client for 94x e-Filing by going to **Client > Edit > e-File Options** ("[e-File Options Tab](#)").

4. Go to **On the Fly > 94x Forms**.
5. Select the desired 94x tax return from the **Form** drop list.
6. Use the **Quarter** drop list to select the quarter that the 94x tax return is for, if applicable.
7. Complete the 94x tax return by entering the appropriate information. There are calculated fields that may not be available for editing.
8. Select the preparer of the return from the **Preparer's Name** drop list of the **Paid preparer's use only** section of the return (if appropriate). Preparers display in the list once they've been entered in **Firm > Preparer Setup** (see "[Preparer Setup](#)").
9. Use the page tabs at the top left of the displayed form to navigate to the various pages of the return. Use the   buttons to zoom in and out.
10. Click **Save/Print** to save and display the return in PDF format. Then click the  to print the return. If you do not wish to print the return at this time, click **Save** instead. If you wish to print the return at a later date, see "[Review Reports](#)".

Once the tax return is saved, it can be transmitted to the IRS by going to **e-Filings > 94x > Transmit 94x Forms**, selecting the type of 94x tax return to transmit, then selecting the specific return. Only the 94x tax returns that are approved for e-Filing are listed. See "[Forms 941, 940, 944, 941SS, 943, & 945](#)" for instructions on transmitting 94x tax returns to the IRS.

To e-File 94x series tax returns after completing the steps above, go to **e-Filings > 94x > Transmit 94x Forms**. See "[Forms 941, 940, 944, 941SS, 943, & 945](#)".

IMPORTANT

The IRS uses the amount on the **Balance Due** line of 94x tax returns when debiting the bank accounts specified for making electronic payments for these returns. If using Drake Accounting's online payment feature, it is very important to verify the **Balance Due** amount on the 94x tax return prior to e-filing the return. See "[Online Payment Tab](#)" for information on setting up this feature.

Setup

This section reviews the following:

- Setting up MICR bank accounts specific to the active client. (["MICR Bank Accounts"](#))
- Specifying the client's payroll and accounts payable check and stub options. (["Check & Stub Options"](#))
- Setting up the ["Electronic Signatures"](#) option.

MICR Bank Accounts

Drake Accounting uses MICR bank account information when printing a MICR check. Set up as many accounts as is needed for each client.

IMPORTANT

You are entering MICR bank account information for the active client. Therefore, it is important that the appropriate client is made the active client prior to entering bank account information.

At least one MICR check design must be set up before entering MICR bank account information. See ["MICR Check Designer"](#) for information on creating a MICR check design.

To add a MICR bank account, complete the following procedure:

1. Go to **Setup > MICR Bank Accounts**.
2. Complete the following field information:
 - **Bank Code** (Required) — Select a number (maximum of eight digits) and enter it in the text box. This number should be unique for each bank and not used anywhere else in Drake Accounting, including client codes, employee codes, contractor codes, or vendor codes. Click **New**. If you print checks on more than one bank account, enter a unique bank code and bank information for each bank account within each client. The bank code must be unique within each client.
 - **Bank Name** (Required) — Select the bank from which this check will be drawn. Press **Enter** to add another line of information within a field. Press **Tab** to advance to the next field.
 - **Bank Info 1** and **Bank Info 2** (Optional) — Enter information pertaining to the bank (address, phone, etc.). Press **Enter** to add another line of information within a field. Press **Tab** to advance to the next field.
 - **Bank Account** (Required) — Enter the account number against which the checks are drawn. This is a MICR encoded field. Include all formatting (spaces, dashes, special characters, etc).
 - **Bank Routing** (Required) — Enter the routing number for this bank account. This is a MICR encoded field. If you don't know the routing number, find it on the bottom of a pre-printed check — the nine-digit number to the left of the account number.
 - **Fractional Routing** (Required) — This is the fractional information assigned to this bank account. Identify the fractional routing on a previously printed check for this account — it is usually in small print and consists of two parts divided by a slash. Hence the term "fractional." It sometimes spans more than one line. If you cannot find it, your bank can supply your fractional routing number. Be sure to verify the number. Press **Enter** to add another line of information within a field. Press **Tab** to advance to the next field.
 - **Next Check #** (Required field) — Enter the number of the next check to print for this bank account.
 - **Digits** — Some banks require the check number printed on the MICR line to be a specific number of digits. If your bank has this requirement, enter the number of digits required for the check number. Zeros will pad the beginning of the check number to give the required number of digits.
 - **Check Design** (Required) — Use the drop list to select the MICR check design to be used for this client's checks.
 - **MICR Line Style** — Select to print the MICR line in the **Business (wide)** check format or the **Personal Check (narrow)** format.
 - **Payer Name** (Required) — Enter the name of the employer who issues checks. Press **Enter** to add another line of information within a field. Press **Tab** to advance to the next field.
 - **Payer Info** (Optional) — Enter the payer's address, phone number, etc. Press **Enter** to add another line of information within a field. Press **Tab** to advance to the next field.

Security

- **Minimum Amount** — Enter the minimum dollar amount allowed on a check. A 0.00 in this field means zero is the minimum amount. Negative numbers are not allowed in this field.
 - **Maximum Amount** — Enter the maximum dollar amount allowed on a check. A 0.00 in this field means there are no restrictions.
 - **Void After Days** — Enter the number of days until a check becomes stale. Once the number of days entered has passed, the check is considered void. A 0 in this field means there are no restrictions. The **Void After Days** information does not print on the check.
 - **Signatures Lines** — Select to print one, two, or no signature lines.
3. When bank information is complete, click **Save**.

Reset — Click **Reset** to revert to the last saved version of the MICR bank setup information.

Check & Stub Options

Use this option to select the check stock and to select items to print on the check and check stubs for both payroll and payables checks. Check setup for preprinted payroll and payables checks is under **Setup > Check & Stub Options**.

- [Payroll Check Setup](#)
- [Payroll Stub Options](#)
- [Payables Check Setup](#)
- [Payables Stub Options](#)

Payroll Check Setup

Drake Accounting supports the printing of payroll checks on preprinted and MICR check stock.

PrePrinted Payroll Check Setup

Complete the following options if you are printing payroll checks on preprinted check stock:

1. Go to **Setup > Check & Stub Options > Payroll**.
2. Select the applicable preprinted check format. When a check format is selected, the program sets check items to print. Routing and account numbers should be pre-printed on the bottom of the check. Go to **Employees > Check Alignment** to adjust settings if printing is misaligned.

NOTE

To produce a check stub with more detail, select **Use Alt Stub**. Alternate stub format stock can only be used for payroll checks.

Drake Accounting supports the following preprinted Nelco brand check stock for payroll checks:

Supported Preprinted NELCO Checks for Payroll

Top Check Formats	Middle Check Formats	Bottom Check Formats
L1514HB	L1037HB	L1331HB
L1513HB	L80929HB	L1015HB
	L89417HB	

NOTES

You can use any check stock you want to print checks using Drake Accounting. If you are not using one of the check stocks listed in the table above, select the NELCO brand check stock from the table that most closely resembles what you are using. Then go to **Employees > Check Alignment** to adjust the check alignment to match the check stock you are using. See "[Check Alignment](#)".

TIP

Click the [Nelco](#) link to purchase NELCO check stock.

3. Select the applicable preprinted payroll check options:
 - Print the Company Name and Address on the check
 - Print the Trade Name and Address on the check
 - Print the Payee Address on the check.

MICR Check Payroll Options

You may select the following option if printing payroll checks on MICR check stock:

- Print Payee Address on Check

See "[MICR Check Designer](#)") for information on setting up MICR checks.

4. Click **Save**.

Payroll Stub Options

Select from the following options to customize what is printed on payroll checks (preprinted and MICR checks):

- Print Check Number on Stub
- Print Company Name and Address on Stub
- Print Trade Name and Address on Stub
- Print Employer EIN on Stub
- Print Payee SSN on Stub
- Mask all but last four SSN Digits
- Print Payee Number in Lieu of SSN
- Print Vacation / Sick / Holiday Time on Stub
- Print Vacation / Sick Balance on Stub
- Print Employee Pay Rates on Alt Stub
- Print Pay Period Date Range on Stub
- Print Regular Hours for Salaried Employees on Stub
- Print Regular Hours on Stub
- Alt Stub for Middle Check - Comprehensive
- Alt Stub for Middle Check - Locality Taxes

Click **Save**.

Payables Check Setup

Complete the following options if you are printing payables checks:

1. Go to **Setup > Check & Stub Options > Payables**.
2. Select the applicable preprinted check format on the right side of the screen.

Drake Accounting supports the following preprinted Nelco brand check stock for payables checks:

Preprinted NELCO Payables Check Stock

Top Check Formats	Middle Check Formats	Bottom Check Formats
L1514HB	L1037HB	L1331HB
L1513HB	L80929HB	L1015HB
	L89417HB	

NOTE

You can use any check stock you want to print checks using Drake Accounting. If you are not using one of the check stocks listed in the table above, select the NELCO brand check stock from the table that most closely resembles what you are using. Then go to **Payables > Check Alignment** to adjust the check alignment to match the check stock you are using. See ["Check Alignment"](#).

3. Select the applicable preprinted accounts payable check options:
 - ☐ Print Payee Address on Check

MICR Check Payables Options

You may select the following option if printing payables checks on MICR check stock:

- ☐ Print Payee Address on Check

See ["MICR Check Designer"](#) for information on setting up MICR checks.

4. Click **Save**.

Payables Stub Options

Go to **Setup > Check & Stub Options > Payables Stub** and select from the following options to customize what is printed on payables check stubs using either preprinted or MICR check stock):

- Print Company Name on Stub
- Print Trade Name on Stub
- Print Bank Name and Account on Stub

Click **Save**.

Electronic Signatures

Within Drake Accounting, you have the option to use your own signature on different documents. Your signature can be uploaded from a separate file or you can select to use a Signature Pad to capture your signature. Signatures are specific to the active client. Set up as many signatures as you require for each client.

To set up Drake Accounting to use an electronic signature:

1. Go to **Setup > Electronic Signatures**.
2. If a signature pad is not connected to the computer, a warning screen is displayed explaining that no compatible signature pad device was detected. Click **OK** to proceed to the electronic signature setup.



NOTE

Use either Wacom or Topaz signature pads when setting up electronic signatures in Drake Accounting.

If no signature pad is connected to your computer, you can upload a saved signature image. The signature file must be either a ".png", a ".bmp", or a ".jpg" file type to be available to upload as a signature image.

3. Click **New** and enter the name of the signer in the **Written Name** field.
4. Select the modules to use the electronic signature (Payroll, AP, Tax Forms, and Reports) from the **Use For** field.
5. Select to either upload the signature from a file or to use the signature from a signature pad.

To upload the signature from a file — Select **From File.**

To upload a file, click the folder icon () and browse for the signature file. Once the path to the signature file is displayed next to the folder icon, use the cropping tool () to open the signature file in a graphics program and crop the image.

To use the signature from a signature pad — Do not select **From File**. The **Signature Pad** option is not available if a signature pad was not detected. Next, create the signature on the pad and click **Save**.

When printing checks, tax forms, and reports, select the signature to display on the check.

Other Electronic Signature Options

Do Not Update Image — This option is automatically selected once an electronic signature image has been saved. You can edit the **Use For** and **Written Name** options, but not the image itself.

Delete — To delete a previously saved electronic signature, select the signature and click **Delete**.

Reconnect Pad — If your signature pad is not recognized when you go to **Setup > Electronic Signatures**, verify that it is properly connected and click **Reconnect Pad**. This feature prevents you from having to close and reopen the **Electronic Signatures** screen.

Reset — Click **Reset** to exit the current signature setup without saving and without exiting the **Electronic Signatures** screen.

Reports

Drake Accounting uses **Crystal Reports®** to generate the reports offered throughout the software. This provides tremendous flexibility of form and content for the reports.

Before running reports, it might be helpful to review the following information:

- [Running Reports](#)
- [The Crystal Reports® Window](#)
- [Report Details](#)

Report Groups

The following report groups are available in Drake Accounting:

Report Groups

Report	Description
Firm Reports	Firm reports summarize each client's contact and business information.
Employees Reports	Employee reports generate a variety of reports pertaining to employees and payroll.
General Ledger Reports	The general ledger report produces a statement that displays the balances of all accounts.
Profit & Loss (P&L) Reports	The P&L reports produce reports of the company's profits and losses. The reports can be customized by division, month, period, or time, and formatted in multi- or single-column. These reports can be printed in the normal Drake Accounting report format or to an Excel worksheet.
Payables Reports	Accounts Payable reports show vendors, outstanding balances, and due dates and amounts for outstanding invoices.
Balance Sheet Reports	The balance sheet report produces a statement listing the debit and credit balances of the current client. From the Reports dialog box, select which type of balance sheet to create. These reports can be printed in the normal Drake Accounting report format or to an Excel worksheet.
Receivables Reports	Accounts Receivable reports show customers, invoices, customer statements, aging reports, and sales tax records.

Interim Reports	Interim reports display information that was entered for the current month or period. Use these reports to review the calculations and verify accuracy of the entries. Once the month or period has been posted, corrections to that journal cannot be made. Review all interim information before running the post transactions process. Even if the Enter Transactions dialog box (Accounting > Transactions) shows a 0.00 balance, there could still be data entry errors that cause reports to be incorrect. Use the interim reports to locate data entry errors.
Budget Reports	Accounts that have been set up in the Chart of Accounts with an annual budget amount entered are used to report budget versus actual amounts.
Chart of Accounts Reports	Chart of Accounts reports list the Account Number, Level, Account Name, and Account Type. The Chart of Accounts Trial Balance lists the Account Number, Account Name, and corresponding debits and credits.
Transaction Listings Reports	The transactions listings statement can be created based on journal code or actual order that transactions took place.
Year to Date Reports	Reports on the general ledger and journal transactions since the last post. The journal transaction report can be displayed based on a single journal code or by the entirety of the journal.
Cash Flow Reports	The Cash Flow reports show a company's cash flow on a cash basis.

Running Reports

To run Drake Accounting reports:

1. Select **Crystal Reports®** from the tree menu under the desired subject category (e.g. **Employees, Accounting, Payables**, etc). A list of available reports specific to the report group selected displays. Use the **Report Group** drop list to select a different report group.
2. Select a report from the **Reports for Selected Group** list.
3. You may be presented with report options regarding the report sort method, report type, month, division, date range, etc. Make the desired selections.

NOTE

Select **Mask SSN/Fed ID** to have Social Security Numbers and EINs appear in Accounts Payable, Employee, and Firm reports with an “*” in the first five positions of the ID number. This option remains selected until the check box is cleared.

4. Once you've made your selections, click **Run Report**. The report displays on your computer monitor.

Reports

The Crystal Reports® Window

Use the **Crystal Reports®** window icons and features to take maximum advantage of this very powerful report generator.

The following icons can be found in the top left of Drake Accounting report windows:





Crystal Reports® Window Icons




1.  — Click the **Export Report** icon then select the file format and location to export the report. Select from the following file formats:

Report Export File Formats

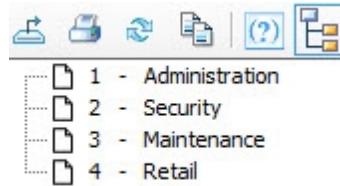
Crystal Reports (*.rpt)
 PDF (*.pdf)
 Character Separated Values (CSV) (*.csv)
 Microsoft Excel (97-2003) (*.xls)
 Microsoft Excel (97-2003) Data-Only (*.xls)
 Microsoft Excel Workbook Data-Only (*.xlsx)
 Microsoft Word (97-2003) (*.doc)
 Microsoft Word (97-2003) - Editable (*.rtf)
 Rich Text Format (RTF) (*.rtf)
 XML (*.xml)

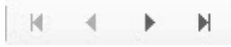



2.  — Select the **Print Report** icon then select the printer, number of copies, pages to print, and layout.
3.  — The **Refresh** icon is not currently used with Drake Accounting.
4.  — Click the **Copy** icon to copy selected text into your computer's memory so you can paste the text into another program, such as MS Word or Excel.
5.  — The **Reports Help** icon is not currently used with Drake Accounting.

6.  — Click the **Toggle Group Tree** icon to display subdivisions of the report based on the **Sort Method** selected when the report was run. Then click on a subdivision to jump to that section of the report. These subdivisions display at the top left of the report window beneath the report icons.


In this example, the report is sorted by **Division** and the **Toggle Group Tree** icon has been selected. Click "4 - Retail" to jump to that part of the report.

Toggle Group Tree Example







7.  — Use these controls to move forward and back through the report a page at a time or to jump to the last page or the first page of the report.
8.  — This shows that page 2 of a 3 page report is currently being displayed.
9.  — Use the **Find Text** icon when you want to search for specific text within the report.
10.  — The **Zoom** icon allows you to view more or less of the report on the screen at one time.

Additional Report Window Features

- You can also double-click the sort field in the report and a new tab is created to display just the information about that sort field. For instance, in an Employee report, double-click the name *Smith, John* or his *Federal ID number* and a separate tab displays the part of the report about John Smith.
- Some reports provide the ability to change the sort options for one or more columns after the report has been run. These columns display .

Sorting Report Example

Client Name 	Client Code 	Business Type	ID Number
---	---	---------------	-----------

Click the  to sort the report on that column in ascending order. Click the  to sort the report on that column in descending order.

- An **S** on a report indicates a subtotal.
- A single line indicates the total of an account type.
- A double line indicates the total of multiple account types. (For example, Total Assets or Total Liabilities).

- A number within parenthesis () indicates a negative number.

Report Details

Review the following details for each report to determine which reports suit your specific office needs.

- [Running Reports](#)
- [The Crystal Reports® Window](#)

To view information about a report, select a report group from the list below, then scroll to find the information about a specific report.

- [Firm Reports](#)
- [Employees Reports](#)
- [General Ledger Reports](#)
- [Profit & Loss \(P&L\) Reports](#)
- [Payables Reports](#)
- [Balance Sheet Reports](#)
- [Receivables Reports](#)
- [Interim Reports](#)
- [Budget Reports](#)
- [Chart of Accounts Reports](#)
- [Transaction Listings Reports](#)
- [Year to Date Reports](#)
- [Cash Flow Reports](#)

Firm Reports

NOTE

Select **Mask Federal ID** to have Federal ID numbers appear as **-***. This option remains selected until the check box is cleared.

Firm reports available include:

- [Client Summary](#)
- [Client Detail](#)

Client Summary

This report lists the following information from the clients that have been set up:

Client Name	Client Code	Business Type	ID Number
234	123	Sole Proprietor (1040)	**_***
Arnold's Drive-In	ARNOLDS	S-Corporation (1120S)	**_***
Bookkeeping By David	BBD	S-Corporation (1120S)	**_***
Test COA	COATest	S-Corporation (1120S)	**_***
Drake & Company	DRAKE_CO	Sole Proprietor (1040)	**_***
McFly Hoverboard Sales	FLY	S-Corporation (1120S)	**_***

The information comes from **Client > Edit > Contact Information** and **Client > Edit > Business Information**.

To run the report, go to **Firm > Crystal Reports > Client Summary**. The Federal ID can be masked.

Client Detail

This report summarized each client's contact and business information. Select to include information about all clients or any combination of clients.

The report uses the following format:

Name: Another Test Company	Phone 1: 828-524-8020	Deposit Freq: Monthly
Code: 321	Phone 2: --	Seasonal: False
Trade Name:	Fax: --	Start of Year: 01/01/2018
Address 1: 123 road	EIN: *****8821	SSN:
Address 2:	Unemp ID:	State ID:
City: Franklin	Bus Type: Sole Proprietor (1040)	
State: NC	Email:	
Zip: 28734		
Activity: Employees	Customers	Vendors
1	0	0

To run the report, go to **Firm > Crystal Reports > Client Detail**. Select to include all clients or select specific clients to include in the report.

Employees Reports

Employee reports generate a variety of reports regarding employees and payroll.

Employee reports available include:

- [Check Register](#)
- [Consolidated Check Register](#)
- [Employee List](#)
- [Employee Detailed List](#)
- [Payroll Journal](#)
- [Payroll Journal Expanded](#)
- [Payroll Report](#)
- [Payroll Report Expanded](#)
- [Tax Liability Report](#)
- [Withholding Report](#)
- [Withholding Summary](#)
- [Hours Report](#)
- [Sick/ Vacation Hours Report](#)
- [FUTA Journal](#)
- [SUTA Journal](#)
- [401K Report](#)
- [Deleted Checks](#)
- [Healthcare Eligibility Listing](#)

Check Register

The report displays a check register for employee payroll checks using a specified date range.

The report uses the following format:

Check Number	Check Date	Payee	Check Amount
	01/01/2018	Test, Joe (Active - Hourly)	391.17
1066	01/14/2018	Smith, Bob (Active - Hourly)	469.73
	01/25/2018	Smith, Bob (Active - Hourly)	469.73
	02/22/2018	Smith, Bob (Active - Hourly)	469.73
	03/25/2018	Smith, Bob (Active - Hourly)	469.73
	01/10/2018	Doe, Jane (Active - Hourly)	310.42
1002	02/10/2018	Doe, Jane (Active - Hourly)	310.42
1060	03/25/2018	Doe, Jane (Active - Hourly)	310.42
1005	11/22/2018	Doe, Jane (Active - Hourly)	310.42
Total			3,511.77

To run the report, go to **Employees > Crystal Reports > Check Register**.

Consolidated Check Register

The report displays individual printed check information for employees and vendors using the specified date range. An employee total, a vendor total, and a grand total of both groups combined displays.

The report uses the following format:

Check Number	Check Date	Payee - Employee	Amount
	01/01/2018	Joe Test	391.17
	01/10/2018	Jane O Doe	310.42
	01/25/2018	Bob Smith	469.73
	02/22/2018	Bob Smith	469.73
	03/25/2018	Bob Smith	469.73
1002	02/10/2018	Jane O Doe	310.42
1005	11/22/2018	Jane O Doe	310.42
1060	03/25/2018	Jane O Doe	310.42
1066	01/14/2018	Bob Smith	469.73
Employee Total			3,511.77
Check Count: 9			Grand Total 3,511.77

To run the report, go to

Employees > Crystal Reports > Consolidated Check Register and specify the report date range to include.

Employee List

The report displays basic information about each employee for the current client. Use this report for employee verification.

The following information is included in the report:

Code Address	Federal ID	Name	City	Division State	Phone	Zip	Status
1_employee 123	828-28-2828	Smith, Bob	White River Junction	VT	(828)282-8288	05001	Active
2_employee 234	123-12-3123	Doe, Jane	Atlanta	GA	(234)234-2342	30303	Active
3_employee 23	454-54-5454	Test, Joe	Franklin	NC		28734	Active
Employee Count				3			

To run the report, go to **Employees > Crystal Reports > Employee List**. The SSN/Federal ID can be masked.

Employee Detailed List

The report displays detailed information about each employee for the current client. Select to show information about all or selected employees.

The report uses the following format:

Sort Options:		Employee Code	Employee Name	Employer EIN: 123123123
Code:	BSmith		Smith, Bob	Fed ID: 343-43-4343
Status:	Active-Hourly		321 Address	DOB: 12/28/1985
Pay Period:	Weekly		Atlanta GA30303	Hired: 04/11/2010
Salary:	0.00			Gender: Male
Tip Status:	Indirect			

	State: GA	Federal		Earnings by Quarter
Status:	Single	Single	Piece: 0.0000	1: \$3,802.50
Exemptions:	0	0	OverTime: 1.50	2: \$0.00
Add w/h:	\$ 0.00	\$ 0.00	Holiday: 2.00	3: \$0.00
Exempt SS:	No		Cash Account	4: \$0.00
Exempt Medicare:	No		Expense Account:	YTD: \$3,802.50

Pay Rate	Description
15.00	description

To run the report, go to **Employees > Crystal Reports > Employee Detailed List**. Select the employees to include in the report.

Payroll Journal

The report is based on the date checks were written. The report prints totals for the date range specified and YTD for all employees.

The report uses the following format:

Check Number	Date	Gross Earnings	Soc. Sec.	Medicare	Federal	State	Local	Tips	Benefit+ Deduction	Net Pay
<i>Doe, Jane - 2_employee</i>		<i>Federal ID: 123-12-3123</i>								
	01/10/2018	400.00	24.80	5.80	44.40	14.58	0.00	0.00	0.00	310.42
1002	02/10/2018	400.00	24.80	5.80	44.40	14.58	0.00	0.00	0.00	310.42
1060	03/25/2018	400.00	24.80	5.80	44.40	14.58	0.00	0.00	0.00	310.42
1005	11/22/2018	400.00	24.80	5.80	44.40	14.58	0.00	0.00	0.00	310.42
Employee Totals										
	Date Range	1,600.00	99.20	23.20	177.60	58.32	0.00	0.00	0.00	1,241.68
	YTD	1,600.00	99.20	23.20	177.60	58.32	0.00	0.00	0.00	1,241.68

To run the report, go to **Employees > Crystal Reports > Payroll Journal**. Select to sort the report by **Employee Name**, **Employee Code**, or **Division**, then select to include all or a single employee, and the check date range. The SSN/Federal ID can be masked.

Payroll Journal Expanded

The report is based on the date checks were written and is similar to the Payroll Journal report, however the expanded version provides more detail. The report prints totals for the date range specified and YTD for all employees.

The report uses the following format:

Check Number	Date	Medicare Soc. Sec.	State Federal	Total Local	Tips	Sick Pay OverTime	Holiday Vacation	Benefits Deductions	Commissions # of Pieces	Gross Earnings Net Pay
<i>Doe, Jane - 2_employee</i>		<i>Federal ID: 123-12-3123</i>								
	01/10/2018	5.80	14.58			0.00	0.00	0.00	0.00	400.00
		24.80	44.40	0.00	0.00	0.00	0.00	0.00	0.00	310.42
1002	02/10/2018	5.80	14.58			0.00	0.00	0.00	0.00	400.00
		24.80	44.40	0.00	0.00	0.00	0.00	0.00	0.00	310.42
1060	03/25/2018	5.80	14.58			0.00	0.00	0.00	0.00	400.00
		24.80	44.40	0.00	0.00	0.00	0.00	0.00	0.00	310.42
1005	11/22/2018	5.80	14.58			0.00	0.00	0.00	0.00	400.00
		24.80	44.40	0.00	0.00	0.00	0.00	0.00	0.00	310.42
Date Range		23.20	58.32			0.00	0.00	0.00	0.00	1,600.00
		99.20	177.60	0.00	0.00	0.00	0.00	0.00	0.00	1,241.68
YTD		23.20	58.32			0.00	0.00	0.00	0.00	1,600.00
		99.20	177.60	0.00	0.00	0.00	0.00	0.00	0.00	1,241.68

To run the report, go to

Employees > Crystal Reports > Payroll Journal Expanded. Select to sort the report by **Employee Name**, **Employee Code**, or **Division**, then select to include all or a single employee, and the check date range. The SSN/Federal ID can be masked.

Payroll Report

The report is based on the pay period ending date entered on the check rather than the check date. Totals for all employees is included in the "All Employees" reports.

There are three report types to choose from:

- Full Payroll for All Employees
- Unpaid Payroll for All Employees (use this report to verify live payroll prior to printing checks)
- Full Payroll for Selected Employee

The report uses the following format:

Check Number	Pay Period Date	Reg Hrs	OT Hrs	Tips	Gross Earnings	Soc. Sec.	Medicare	Federal	State	Deduct	Benefit	Net Pay
<i>Doe, Jane - 2_employee</i>												
	01/10/2018	40.00	0.00	0.00	400.00	24.80	5.80	44.40	14.58	0.00	0.00	310.42
1002	02/10/2018	40.00	0.00	0.00	400.00	24.80	5.80	44.40	14.58	0.00	0.00	310.42
1060	03/25/2018	40.00	0.00	0.00	400.00	24.80	5.80	44.40	14.58	0.00	0.00	310.42
1005	11/22/2018	40.00	0.00	0.00	400.00	24.80	5.80	44.40	14.58	0.00	0.00	310.42
Totals for: Doe, Jane - 2_employee												
Check Count		160.00	0.00	0.00	1,600.00	99.20	23.20	177.60	58.32	0.00	0.00	1,241.68

To run the report, go to **Employees > Crystal Reports > Payroll Report.** Select to sort the report by the **Employee Name**, **Employee Code**, **Division**, or **Date**. Then select a report type: **Full Payroll for All Employees**, **Unpaid Payroll for All Employees**, or **Full Payroll for Selected Employee**. Select the pay period ending date range to include.

Payroll Report Expanded

The report is based on the pay period ending date entered on the check rather than the check date. Totals for all employees is included in the "All Employees" reports.

There are three report types to choose from:

- Full Payroll for All Employees
- Unpaid Payroll for All Employees (use this report to verify live payroll prior to printing checks)
- Full Payroll for Selected Employee

The report uses the following format:

Pay Period	Check Number	Reg. Hrs. OT Hrs.	Medicare Soc. Sec.	Sick Pay OverTime	State WH Fed WH	Local Tips	Holiday Vacation	Benefits Deductions	Commissions Piece	Gross Pay Net Pay
<i>Doe, Jane - 2_employee</i>										
11/22/2018	1005	40.00	5.80	0.00	14.58	0.00	0.00	0.00	0.00	400.00
		0.00	24.80	0.00	44.40	0.00	0.00	0.00	0.00	310.42
01/10/2018		40.00	5.80	0.00	14.58	0.00	0.00	0.00	0.00	400.00
		0.00	24.80	0.00	44.40	0.00	0.00	0.00	0.00	310.42
02/10/2018	1002	40.00	5.80	0.00	14.58	0.00	0.00	0.00	0.00	400.00
		0.00	24.80	0.00	44.40	0.00	0.00	0.00	0.00	310.42
03/25/2018	1060	40.00	5.80	0.00	14.58	0.00	0.00	0.00	0.00	400.00
		0.00	24.80	0.00	44.40	0.00	0.00	0.00	0.00	310.42
Totals for: Doe, Jane - 2_employee										
Check Count: 4		160.00	23.20	0.00	58.32	0.00	0.00	0.00	0.00	1,600.00
		0.00	99.20	0.00	177.60	0.00	0.00	0.00	0.00	1,241.68

To run the report, go to

Employees > Crystal Reports > Payroll Report Expanded. Select to sort the report by the **Employee Name, Employee Code, Division, or Date.** Then select a report type: **Full Payroll for All Employees, Unpaid Payroll for All Employees, or Full Payroll for Selected Employee.** Select the pay period ending date range to include.

Payroll Summary Report

The report is based on the pay period ending date entered on the check rather than the check date. Totals for all employees is included in the "All Employees" reports.

There are three report types to choose from:

- Full Payroll for All Employees
- Unpaid Payroll for All Employees (use this report to verify live payroll prior to printing checks)
- Full Payroll for Selected Employee

The report uses the following format:

Check Number	Date	Gross Earnings	Soc. Sec.	Medicare	Federal	State	Local	Tips	Benefit+ Deduction	Net Pay
<i>Doe, Jane - 2_employee</i>										
					<i>Federal ID: 123-12-3123</i>					
	01/10/2018	400.00	24.80	5.80	44.40	14.58	0.00	0.00	0.00	310.42
1002	02/10/2018	400.00	24.80	5.80	44.40	14.58	0.00	0.00	0.00	310.42
1060	03/25/2018	400.00	24.80	5.80	44.40	14.58	0.00	0.00	0.00	310.42
1005	11/22/2018	400.00	24.80	5.80	44.40	14.58	0.00	0.00	0.00	310.42
Employee Totals										
Date Range		1,600.00	99.20	23.20	177.60	58.32	0.00	0.00	0.00	1,241.68
YTD		1,600.00	99.20	23.20	177.60	58.32	0.00	0.00	0.00	1,241.68

To run the report, go to **Employees > Crystal Reports > Payroll Summary Report**. Select to sort the report by the **Employee Name, Employee Code, Division, or Date**. Select the Check Date Range period ending date range to include.

Tax Liability Report

The report displays the federal and state tax liability for the employer. See the sample below for a report details.

The report uses the following format:

Tax Description	Gross Wages	Taxable Wages	Tax Withheld	Percent	Tax Liability
Federal Taxes					
FUTA	14,078.28	12,579.02		0.6	75.47
940 Total					75.47
Federal Income Tax	14,078.28	12,579.04	1,041.00		1,041.00
Social Security Wages	14,078.28	12,218.28	814.56	12.4	1,515.07
Social Security Tips	920.00	920.00		12.4	114.08
Medicare Wages & Tips	14,078.28	13,138.28	190.48	2.9	381.01
Wages Subject to Additional Medicare WH	0.00				
941 Total			2,046.04		3,051.16
State Taxes					
State Income Tax	14,078.28	12,579.04	468.00		468.00
State Unemployment Tax	14,078.28	14,078.28		0	
State Total			468.00		468.00
Total Tax Liability					3,594.63

To run the report, go to **Employees > Crystal Reports > Tax Liability Report**. Select whether to use check dates or pay period ending dates for the report's date range.

Withholding Report

The report displays actual deductions or benefits for each employee on a per check basis. The employee's total benefit or deduction amount shows and is totalled for all employees. The SSN/Federal ID can be masked.

NOTE

The report does not include federal, state, Medicare, or Social Security withholding amounts.

The report uses the following format:

<i>Smith, Bob - BSmith Federal ID: 343-43-4343</i>			
01/03/2018	Health Insurance	90.75	
01/13/2018	401K	10.00	
	Health Insurance	0.00	
	HSA	10.00	
	Shirt Clean	3.50	
02/05/2018	401K	7.50	
	Health Insurance	15.00	
	HSA	10.00	
	Shirt Clean	3.50	
Employee Total		150.25	

To run the report, go to **Employees > Crystal Reports > Withholding Report**. Select to sort the report by **Employee Name**, **Employee Code**, or **Date**, then select a report type: **Benefits** or **Deductions**. Next, select the date type (check date or pay period end date), and the date range to include.

Withholding Summary

The report displays a summary of deductions or benefits for each employee for the specified check date or pay period end date range. The employee's total benefit or deduction amount shows and is totalled for all employees. The SSN/Federal ID can be masked.

NOTE

The report does not include federal, state, Medicare, or Social Security withholding amounts.

The report uses the following format:

	Description	Total
<i>Pole, Lou - LPOLE</i>		
	401K - Empl	88.55
	HSA	80.00
	Life Ins	12.00
	Shirt Clean	10.00
Employee Total		190.55

To run the report, go to **Employees > Crystal Reports > Withholding Summary**. Select to sort by **Employee Name**, **Employee Code**, or **Date**, then choose a report type: **Benefits** or **Deductions**. Next, select the date type (check date or pay period end date), and the date range to include.

Hours Report

The report is based on the hours worked information from live and ATF payroll. The SSN/Federal ID can be masked.

NOTE

OT Pay displays either the full overtime pay or just the overtime premium depending upon the selection in **Employees > Options**.

If **Store all Overtime Pay Separate from Regular Pay** is selected, all overtime pay displays under **OT Pay** on the Hours Report.

If **Store all Overtime Pay Separate from Regular Pay** is not selected, only the OT premium displays under **OT Pay** on the Hours Report.

The report uses the following format:

Check Date	Reg Hrs		OT Hrs	Vac Hrs	Hol Hrs	Sick Hrs	Req Pay
		<i>Multirate Breakdown</i>	OT Pay	Vac Pay	Hol Pay	Sick Pay	Gross Pay
Smith, Bob - BSmith							
01/03/2018	40.00		0.00	0.00	0.00	0.00	600.00
			0.00	0.00	0.00	0.00	605.00
		<i>Hours Rate description</i>					
	40.00	\$15.00					
01/13/2018	40.00		10.00	0.00	0.00	0.00	750.00
			75.00	0.00	0.00	0.00	830.00
		<i>Hours Rate description</i>					
	40.00	\$15.00					
01/30/2018	40.00		15.00	0.00	0.00	0.00	825.00
			112.50	0.00	0.00	0.00	937.50
		<i>Hours Rate description</i>					
	40.00	\$15.00					
02/04/2018	40.00		10.00	0.00	0.00	0.00	750.00
			75.00	0.00	0.00	0.00	825.00
		<i>Hours Rate description</i>					
	40.00	\$15.00					
02/05/2018	40.00		0.00	0.00	0.00	0.00	600.00
			0.00	0.00	0.00	0.00	605.00
		<i>Hours Rate description</i>					
	40.00	\$15.00					
Employee Totals	200.00		35.00	0.00	0.00	0.00	3,525.00
			262.50	0.00	0.00	0.00	3,802.50

To run the report, go to **Employees > Crystal Reports > Hours Report**. Select to sort by **Employee Name**, **Employee Code**, or **Date**. Then select to include all employees or a single employee, the date type (check date or pay period end date), and the date range.

Sick/ Vacation Hours Report

The report displays the employee's sick and vacation hours beginning balance, annual sick and vacation hours that may be earned, the number of hours the employee is required to work to earn one sick and one vacation hour, current sick and vacation hours available, and the number of sick and vacation hours used for the year. The report is based on YTD information. The client's Federal ID can be masked.

The report uses the following format:

Employee Code	Employee Name	Sick Hours	Vacation Hours
COAKEY	Oakey, Carrie		
Federal ID:			
	Beginning Balance	8.00	32.00
	Hours Per Year	40.00	80.00
	Hours Required	32.00	8.50
	Hours Available	12.77	72.55
	Hours Used	6.00	0.00

To run the report, go to

Employees > Crystal Reports > Sick/Vacation Hours Report. Select to display sick and vacation hour information for all employees or for an individual.

FUTA Journal

The report displays each employee's federal unemployment (FUTA) tax withholding on either a per check basis or just the summary of the withholding for the specified date range and year-to-date. A total for all employees is included as well as the same information being broken down by quarter and a grand total of all quarters. The SSN/Federal ID can be masked.

The report uses the following format:

FUTA Journal Report - Full Listing

Check Number	Check Date	Subject Wages	Taxable Wages	FUTA Tax	Credit Reduction
Smith, Bob - BSmith Federal ID: 343-43-4343					
1100	01/03/2018	605.00	605.00	3.60	
1006	01/13/2018	830.00	830.00	4.95	
1001	01/30/2018	937.50	937.50	5.63	
1002	02/04/2018	825.00	825.00	4.95	
1003	02/05/2018	605.00	605.00	3.60	
1010	02/12/2018	2,105.00	2105.00	12.60	
Employee Totals					
	Date Range	5,907.50	5,907.50	35.33	0.00
	YTD	5,907.50	5,907.50	35.45	0.00

FUTA Journal Report - Quarterly Summary

Quarterly Summary	Count	Subject Wages	Taxable Wages	FUTA Tax	Credit Reduction
Quarter 1	6	5,907.50	5,907.50	35.45	
Quarter 2	0	0.00	0.00	0.00	
Quarter 3	0	0.00	0.00	0.00	
Quarter 4	0	0.00	0.00	0.00	
Grand Totals	6	5,907.50	5,907.50	35.45	0.00

To run the report, go to **Employees > Crystal Reports > FUTA Journal**. Select to sort by **Employee Name** or **Employee Code**. Then select to display a full listing or a summary and the date range to be included.

SUTA Journal

The report displays each employee's state unemployment (SUTA) tax withholding on either a per check basis or just the summary of the withholding for the specified date range and year-to-date. A total for all employees is included as well as the same information being broken down by quarter and a grand total of all quarters. The SSN/Federal ID can be masked.

The report uses the following format:

SUTA Journal Report - Full Listing

Check Number	Check Date	Subject Wages	Taxable Wages	SUTA Tax
<i>Oakey, Carrie - COAKEY Federal ID: XXX-XX-1080</i>				
1234	02/22/2017	866.70	866.70	52.00
2212	03/10/2017	926.70	926.70	55.60
Employee Totals	Date Range	1,793.40	1,793.40	107.60
	YTD	3,526.80	3,526.80	208.60

SUTA Journal Report - Quarterly Summary

Quarterly Summary	Count	Subject Wages	Taxable Wages	SUTA Tax
Quarter 1	8	8,289.36	8,289.36	497.35
Quarter 2	0	0.00	0.00	0.00
Quarter 3	0	0.00	0.00	0.00
Quarter 4	0	0.00	0.00	0.00
Grand Totals	8	8,289.36	8,289.36	497.35

To run the report, go to **Employees > Crystal Reports > SUTA Journal**. Select to sort by **Employee Name** or **Employee Code**. Then select to display a full listing or a summary and the date range to be included.

401K Report

The report displays the amount of the employee's 401K contribution and the employer's matching contribution. The report includes the employee's totals and the grand totals for the specified date range.

The report includes the following information:

Period End Date	Check No.	Employee401k	Employer Match
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To run the report, go to **Employees > Crystal Reports > 401K Report**. Select to sort the report by **Employee Name**, **Employee Code**, **Division** or **Date**, then select to include all employees or a single employee, and the date range.

Deleted Checks

The report displays employee payroll check information for checks that have been deleted within a specified check date range. Information for the date range and YTD, totals for each employee, and totals for all employees is included. The SSN/Federal ID can be masked.

The report includes the following information:

Check Number	Check Date	Date Check Deleted	Gross Earnings	Net Pay
<i>Doe, Jane O - 2_employee Federal ID: 123-12-3123</i>				
1002	01/28/2018	11/22/2017	400.00	305.42
Employee Totals		Date Range	400.00	305.42

To run the report, go to **Employees > Crystal Reports > Deleted Checks**. Sort the report by **Employee Name**, **Employee Code**, or **Division**, then select to include all or a single employee, and the check date range.

Healthcare Eligibility Listing

The report displays information for employees that have an **Employment Status** of **Active** and have been active for at least 90 days. Each employee's **Date of Hire** must be correctly entered (**Employees > Employee Setup > Personal Information**) for the listing to be correct. The total number of eligible employees is also included. The SSN/Federal ID can be masked.

The report uses the following format:

Code	Federal ID	Name	Phone	Status	Hire Date
1_employee	828-28-2828	Smith, Bob	(828)282-8288	Active	06/28/2011
2_employee	123-12-3123	Doe, Jane O	(234)234-2342	Active	10/12/2017
3_employee	454-54-5454	Test, Joe		Active	01/04/2001

To run the report, go to

Employees > Crystal Reports > Healthcare Eligibility Listing.

General Ledger Reports

The General Ledger reports are a complete set of all accounts used by a business to create the record of all debits and credits that are made to each account.

General Ledger reports available include:

- [General Ledger](#)
- [General Ledger — Alternate Format](#)
- [Selected Account General Ledger](#)
- [Selected Account General Ledger — Alternate Format](#)
- [Monthly General Ledger](#)
- [Monthly General Ledger — Alternate Format](#)
- [Selected Account Monthly General Ledger](#)
- [Selected Account Monthly General Ledger — Alternate Format](#)
- [General Ledger By Date](#)
- [General Ledger By Date — Alternate Format](#)

General Ledger

The report shows each account's balance and adds and subtracts the unposted transactions from the transactions journal to calculate the account ending balance. Accounts without any transaction activity are excluded from the report.

NOTE

Accounts that are not affected by the current month transactions show the beginning and ending balance as the same figure. Accounts that are affected by the current month transactions show the beginning balance, the transaction, and the ending balance for the account.

The report uses the following format:

ID	Date	Journal	Reference	Description	Debit	Credit
260	Deposits				937.50	
13	02/04/2018	PAY		Deposits	825.00	
	Ending Balance				1,762.50	
330.01	FICA - Employer's Part					71.72
19	02/04/2018	PAY		FICA - Employer's Part		11.96
21	02/04/2018	PAY		FICA - Employer's Part		51.15
	Ending Balance					134.83
330.02	Withheld FICA					71.72
17	02/04/2018	PAY		Withheld FICA		11.96
18	02/04/2018	PAY		Withheld FICA		51.15
	Ending Balance					134.83

To run the report, go to **Accounting > Crystal Reports > General Ledger**.

General Ledger Alternate Format

The report displays the same information as the General Ledger report, but in a different format. The report shows each account's beginning balance and adds and subtracts the unposted transactions from the transactions journal to calculate the account ending balance. Accounts without any transaction activity are excluded from the report.

The report uses the following format:

ID	Date	Journal	Reference	Description	Beginning Balance	Transaction	Ending Balance
260	Deposits				0.00		
13	02/04/2018	PAY		Deposits		825.00	
	Deposits ending balance						825.00
330.01	FICA - Employer's Part				0.00		
19	02/04/2018	PAY		FICA - Employer's Part		(11.96)	
21	02/04/2018	PAY		FICA - Employer's Part		(51.15)	
	FICA - Employer's Part ending balance						(63.11)

To run the report, go to **Accounting > Crystal Reports > General Ledger** and select the **Alternate Format** check box.

Selected Account General Ledger

After selecting the individual accounts you wish to report on, the report shows each account's balance that has been posted to the general ledger and adds and subtracts the unposted transactions from the transactions journal to calculate the account ending balance. Accounts without any transaction activity are excluded from the report. Select the check box to the left of the Account column header to include all accounts in the report.

The report uses the following format:

ID	Date	Journal	Reference	Description	Debit	Credit
260				Deposits	937.50	
13	02/04/2018	PAY		Deposits	825.00	
				Deposits ending balance		1,762.50
330.01				FICA - Employer's Part		71.72
19	02/04/2018	PAY		FICA - Employer's Part		11.96
21	02/04/2018	PAY		FICA - Employer's Part		51.15
				FICA - Employer's Part ending balance		134.83
330.02				Withheld FICA		71.72
17	02/04/2018	PAY		Withheld FICA		11.96
18	02/04/2018	PAY		Withheld FICA		51.15
				Withheld FICA ending balance		134.83

To run the report, go to

Accounting > Crystal Reports > Selected Account General Ledger.

Selected Account General Ledger Alternate Format

The report displays the same information as the Selected Account General Ledger report, but in a different format. After selecting the individual accounts you wish to report on, the report shows each account's balance that has been posted to the general ledger and adds and subtracts the unposted transactions from the transactions journal to calculate the account ending balance. Accounts without any transaction activity are excluded from the report. Select the check box to the left of the Account column header to include all accounts in the report.

The report uses the following format:

ID	Date	Journal	Reference	Description	Beginning Balance	Transaction	Ending Balance
260				Deposits	0.00		
13	02/04/2018	PAY		Deposits		825.00	
				Deposits ending balance			825.00
330.01				FICA - Employer's Part	0.00		
19	02/04/2018	PAY		FICA - Employer's Part		(11.96)	
21	02/04/2018	PAY		FICA - Employer's Part		(51.15)	
				FICA - Employer's Part ending balance			(63.11)
330.02				Withheld FICA	0.00		
17	02/04/2018	PAY		Withheld FICA		(11.96)	
18	02/04/2018	PAY		Withheld FICA		(51.15)	
				Withheld FICA ending balance			(63.11)

To run the report, go to

Accounting > Crystal Reports > Selected Account General Ledger and select the **Alternate Format** check box.

Monthly General Ledger

The report displays individual account starting and ending balances and transactions entered for the month selected.

NOTE

Transactions for the month being reported must be posted prior to running this report. See ["Posting Transactions"](#).

The report uses the following format:

ID	Date	Journal	Reference	Description	Debit	Credit
260				Deposits	0.00	
1	01/30/2018	PAY		Deposits	937.50	
				Deposits ending balance		937.50
330.01				FICA - Employer's Part	0.00	
7	01/30/2018	PAY		FICA - Employer's Part		13.59
9	01/30/2018	PAY		FICA - Employer's Part		58.13
				FICA - Employer's Part ending balance		71.72
330.02				Withheld FICA	0.00	
5	01/30/2018	PAY		Withheld FICA		13.59
6	01/30/2018	PAY		Withheld FICA		58.13
				Withheld FICA ending balance		71.72

To run the report, go to

Accounting > Crystal Reports > Monthly General Ledger and select the month to report on.

Monthly General Ledger Alternate Format

The report displays the same information as the Monthly General Ledger report but in a different format. The report displays individual account starting and ending balances and transactions entered for the month selected.

NOTE

Transactions for the month being reported must be posted prior to running this report. See ["Posting Transactions"](#).

The report uses the following format:

ID	Date	Journal Reference	Description	Beginning Balance	Transactions	Ending Balance
260	Deposits			0.00		
1	01/30/2018	PAY	Deposits		937.50	
Deposits ending balance						937.50
330.01	FICA - Employer's Part			0.00		
7	01/30/2018	PAY	FICA - Employer's Part		(13.59)	
9	01/30/2018	PAY	FICA - Employer's Part		(58.13)	
FICA - Employer's Part ending balance						(71.72)
330.02	Withheld FICA			0.00		
5	01/30/2018	PAY	Withheld FICA		(13.59)	
6	01/30/2018	PAY	Withheld FICA		(58.13)	
Withheld FICA ending balance						(71.72)
330.03	Withheld Federal Tax			0.00		
3	01/30/2018	PAY	Withheld Federal Tax		(141.37)	
Withheld Federal Tax ending balance						(141.37)

To run the report, go to

Accounting > Crystal Reports > Monthly General Ledger, select the month to report on, and select the **Alternate Format** check box.

Selected Account Monthly General Ledger

The report displays information regarding a specific account and month.

NOTE

Transactions for the month being reported must be posted prior to running this report. See ["Posting Transactions"](#).

The report uses the following format:

ID	Date	Journal Reference	Description	Debit	Credit
100.02	Checking Account			31,500.00	
364	01/01/2017	GJ Ck 1598	Pool Cleaning		75.00
244	01/02/2017	PAY	Checking Account		417.00
262	01/02/2017	PAY	Checking Account		210.39
278	01/02/2017	PAY	Checking Account		410.85
296	01/02/2017	PAY	Checking Account		270.55
314	01/02/2017	PAY	Checking Account		486.73
331	01/02/2017	PAY	Checking Account		196.71
347	01/17/2017	PAY	Checking Account		417.00
367	01/18/2017	GJ			50.00
371	01/18/2017	GJ			600.00
373	01/24/2017	PAY 1234	Checking Account		417.00
391	01/24/2017	PAY 11234	Checking Account		306.22
407	01/24/2017	PAY 111	Checking Account		410.85
425	01/24/2017	PAY	Checking Account		270.55
443	01/24/2017	PAY	Checking Account		486.73
460	01/24/2017	PAY	Checking Account		279.77
Checking Account ending balance				26,194.65	

To run the report, go to

Accounting > Crystal Reports > Selected Account Monthly General Ledger, select the account and the month to report on.

Selected Account Monthly General Ledger Alternate Format

The report displays the same information as the Selected Account Monthly General Ledger report but in a different format. The report displays information regarding a specific account and month.

NOTE

Transactions for the month being reported must be posted prior to running this report. See ["Posting Transactions"](#).

The report uses the following format:

ID	Date	Journal	Reference	Description	Beginning Balance	Transaction	Ending Balance
100.02	Checking Account				31,500.00		
364	01/01/2017	GJ	Ck 1598	Pool Cleaning		(75.00)	
244	01/02/2017	PAY		Checking Account		(417.00)	
262	01/02/2017	PAY		Checking Account		(210.39)	
278	01/02/2017	PAY		Checking Account		(410.85)	
296	01/02/2017	PAY		Checking Account		(270.55)	
314	01/02/2017	PAY		Checking Account		(486.73)	
331	01/02/2017	PAY		Checking Account		(196.71)	
347	01/17/2017	PAY		Checking Account		(417.00)	
367	01/18/2017	GJ				(50.00)	
371	01/18/2017	GJ				(600.00)	
373	01/24/2017	PAY	1234	Checking Account		(417.00)	
391	01/24/2017	PAY	11234	Checking Account		(306.22)	
407	01/24/2017	PAY	111	Checking Account		(410.85)	
425	01/24/2017	PAY		Checking Account		(270.55)	
443	01/24/2017	PAY		Checking Account		(486.73)	
460	01/24/2017	PAY		Checking Account		(279.77)	
Checking Account ending balance							26,194.65

To run the report, go to

Accounting > Crystal Reports > Selected Account Monthly General Ledger, select the account and the month to report on, then select the **Alternate Format** check box.

General Ledger By Date

After selecting the individual accounts you wish to report on, the report displays all transactions for those accounts using a transaction date range. The account ending balance is the account balance as of the specified ending date (including the transactions listed on the report). Select the check box to the left of the Account column header to include all accounts in the report.

NOTE

Transactions for the time period being reported must be posted prior to running this report. See ["Posting Transactions"](#).

The report uses the following format:

ID	Date	Journal	References	Description	Debit	Credit
100.02		Checking Account			31,500.00	
364	01/01/2017	GJ	Ck 1598	Pool Cleaning		75.00
244	01/02/2017	PAY		Checking Account		417.00
262	01/02/2017	PAY		Checking Account		210.39
278	01/02/2017	PAY		Checking Account		410.85
296	01/02/2017	PAY		Checking Account		270.55
314	01/02/2017	PAY		Checking Account		486.73
331	01/02/2017	PAY		Checking Account		196.71
347	01/17/2017	PAY		Checking Account		417.00
Checking Account ending balance:					29,015.77	

To run the report, go to

Accounting > Crystal Reports > General Ledger By Date, select the accounts to report on, then select the starting and ending transaction date range.

General Ledger By Date Alternate Format

The report displays the same information as the General Ledger by Date report but in a different format. After selecting the individual accounts you wish to report on, the report displays all transactions for those accounts using a transaction date range. The account ending balance is the account balance as of the specified ending date (including the transactions listed on the report). Select the check box to the left of the Account column header to include all accounts in the report.

NOTE

Transactions for the time period being reported must be posted prior to running this report. See ["Posting Transactions"](#).

The report uses the following format:

ID	Date	Journal	References	Description	Beginning Balance	Transaction	Ending Balance
100.02		Checking Account			31,500.00		
364	01/01/2017	GJ	Ck 1598	Pool Cleaning		(75.00)	
244	01/02/2017	PAY		Checking Account		(417.00)	
262	01/02/2017	PAY		Checking Account		(210.39)	
278	01/02/2017	PAY		Checking Account		(410.85)	
296	01/02/2017	PAY		Checking Account		(270.55)	
314	01/02/2017	PAY		Checking Account		(486.73)	
331	01/02/2017	PAY		Checking Account		(196.71)	
347	01/17/2017	PAY		Checking Account		(417.00)	
Checking Account ending balance:							29,015.77

To run the report, go to

Accounting > Crystal Reports > General Ledger By Date, select the accounts to report on, select the starting and ending transaction date range, then select the **Alternate Format** check box.

Profit & Loss (P&L) Reports

Profit and loss reports are based on income and expense entries.

General Ledger reports available include:

- [P&L By Date](#)
- [1 Column P&L \(Year to Date\)](#)
- [2 Column P&L \(Year to Date\)](#)
- [2 Column Monthly vs. YTD P&L](#)
- [Multi-Column Monthly P&L](#)
- [1 Column Divisional P&L](#)
- [1 Column Divisional P&L By Date](#)
- [Multi-Column Divisional P&L](#)
- [Monthly Prior Year Comparison](#)
- [Multi-Column Prior Year Comparison](#)

P&L By Date

The report displays the balance of the income and expense accounts (listed by account name) with transactions entered during the specified date range. Total income, total expense, and net profit or loss are displayed along with each account's percentage of gross income over the date range. Balances reflect only posted transactions for the specified date range.

NOTE

Transactions for the time period being reported must be posted prior to running this report. See ["Posting Transactions"](#).

To run the report, go to **Accounting > Crystal Reports > Profit and Loss > P&L By Date** and select the date range.

1 Column P&L (Year to Date)

The report displays the balance of the income and expense accounts (listed by account name) for the specified date range. Total income, total expense, gross profit, and net profit or loss are displayed along with each account's percentage of gross income over the date range. Balances reflect only posted transactions for the specified date range.

NOTE

Transactions for the time period being reported must be posted prior to running this report. See ["Posting Transactions"](#).

To run the report, go to **Accounting > Crystal Reports > Profit and Loss > 1 Column P&L (Year to Date)**.

2 Column P&L (Year to Date)

The report displays the balance of the income and expense accounts (listed by account name) for both year-to-date (current) and the specified month. Total income, total expense, gross profit, and net profit or loss are displayed along with each account's percentage of gross income year-to-date and for the specified month. Balances reflect only posted transactions.

NOTE

Transactions for the time period being reported must be posted prior to running this report. See ["Posting Transactions"](#).

To run the report, go to **Accounting > Crystal Reports > Profit and Loss > 2 Column P&L (Year to Date)** and select the month to report on.

2 Column Monthly vs. YTD P&L

The report displays the balance of the income and expense accounts (listed by account name) for both YTD and for the specified month. Total income, total expense, gross profit, and net profit or loss are displayed along with each account's percentage of gross income year-to-date and for the specified month. Balances reflect only posted transactions.

NOTE

Transactions for the time period being reported must be posted prior to running this report. See ["Posting Transactions"](#).

To run the report, go to **Accounting > Crystal Reports > Profit and Loss > 2 Column Monthly vs. YTD P&L** and select the month to report on.

Multi-Column Monthly P&L

The report displays a month-to-month break down of account balances for expense, cost of goods, and expense accounts with transactions posted for any of the selected months. Total income, total cost of goods, gross profit, total expense, and net profit or loss for each month is also displayed.

The month selected is the first month of the report. The report defaults to showing information for 6 consecutive months (maximum) beginning with the month selected. To reduce the number of months being reported, clear check boxes beginning with the last month currently selected.

NOTE

Transactions for the time period being reported must be posted prior to running this report. See ["Posting Transactions"](#).

The report uses the following format:

	January	February
Income		
Hotel Sales	0.00	1,975.00
Spa Sales	0.00	1,790.00
Golf Sales	5,450.00	3,750.00
Sales Tax Collected	0.00	0.00
Commissions Earned	0.00	0.00
Interest Income	0.00	0.00
Returns & Allowances	0.00	0.00
Restaurant Sales	0.00	7,200.00
Total Income	5,450.00	(14,715.00)
Cost of Goods		

To run the report, go to

Accounting > Crystal Reports > Profit & Loss > Multi-Column Monthly P&L
and select the starting month to report on.

1 Column Divisional P&L

The report displays the gross and net profit amounts and percentages based on the transactions that have been identified with the division number.

NOTE

Refer to the ["Divisions Tab"](#) in client setup for information on setting up divisions. Divisions must be set up before generating transaction data in order to be reflected in divisional reports.

To run the report, go to **Accounting > Crystal Reports > Profit and Loss > 1 Column Divisional P&L**.

1 Column Divisional P&L By Date

The report displays gross profit and expense amounts and percentage of change over the date range for a specified division. Total expenses and net profit (or loss) is also shown.

NOTE

Refer to the [“Divisions Tab”](#) in client setup for information on setting up divisions. Divisions must be set up before generating transaction data in order to be reflected in divisional reports.

To run the report, go to **Accounting > Crystal Reports > Profit and Loss > 1 Column Divisional P&L By Date**.

Multi-Column Divisional P&L

The report is a multi-divisional profit and loss report. Select the Division and Number of Divisions to include in the report. Included is the gross profit and net profit (or loss) of the selected divisions.

NOTE

The division selected appears as the first division on the report. The number of divisions chosen indicates how many consecutive divisions are to be included in the report. The number of divisions includes the division initially selected. (For example, select Division 3 and the number of divisions to include is 4. The report will include divisions 3, 4, 5, and 6.).

To run the report, go to **Accounting > Crystal Reports > Profit & Loss > Multi-Column Divisional P&L**.

Monthly Prior Year Comparison

The report displays the balance of the income and expense accounts (listed by account name) for the current and prior year of the specified month. Total income, total expense, gross profit, and net profit or loss are displayed along with each account's percentage of change year-to-date and for the specified month.

NOTE

Transactions for the time period being reported must be posted prior to running this report. See ["Posting Transactions"](#).

To run the report, go to

Accounting > Crystal Reports > Profit & Loss > Monthly Prior Year Comparison and select the month to compare.

Multi-Column Prior Year Comparison

To run the report, go to **Accounting > Crystal Reports > Profit and Loss > Multi-Column Prior Year Comparison**.

Payables Reports

Payables reports provide information about the client's vendors, open invoices, cash requirements, and payments.

General Ledger reports available include:

- [Vendor Listing](#)
- [Open Invoices](#)
- [Cash Requirements](#)
- [Live Check Register](#)
- [Vendor Payments Register](#)

Vendor Listing

This report displays basic information about each vendor for the current client.

The report uses the following format:

Sort Options:	Name	Vendor Code	Permanent/Temporary
Company Name: Test Vendor			
Name:		Vendor Code: Code	
Address 1: Address 1		Federal ID: 59-5959595	
Address 2:		Phone:	
City: Franklin		Expense Acct: 320	
State: NC	Zip: 28734	Cash Acct: 100.01	
Country: United States		1099 Default: Other Income	
		Generate 1099: Yes	

To run the report, go to **Payables > Crystal Reports > Vendor Listing** and select the type of vendor.

Open Invoices

This report displays information about each vendor's open invoices that are due within the date range specified. Open invoices are those entered in Drake Accounting that are not paid in full and could be partially paid or not paid at all. The net invoice amount, the vendor's total number of open invoices with the invoices totaled, and the grand total of all open invoices for all vendors (amount, payments, and outstanding balance) is displayed.

The report includes the following information:

Invoice ID	Invoice No.	Invoice Date	Amount	Due Date	Status	Payments	Balance
<i>Test Vendor</i>	<i>code</i>						
3	567	01/25/2018	550.00	01/30/2018	Unpaid	0.00	550.00
1	123	01/01/2018	1,100.00	02/01/2018	Partially Paid	650.00	450.00
2	234	01/10/2018	1,000.00	02/10/2018	Unpaid	0.00	1,000.00
Vendor Totals	3		2,650.00			650.00	2,000.00
Grand Totals			2,650.00			650.00	2,000.00

To run the report, go to **Payables > Crystal Reports > Open Invoices** and enter the starting and ending due date range.

Cash Requirements

This report displays the breakdown by client and by individual invoice of the amount required to pay each open invoice.

The report uses the following format:

Invoice ID	Invoice No.	Invoice Date	Invoice Amount	Balance Due	Daily Total	Required To Date
Due 01/10/2018						
Test Vendor		Code				
1	12345	01/01/2018	1,000.00	500.00		
					\$500.00	\$500.00

Individual invoice due date, vendor name, and vendor code is also included.

To run the report, go to **Payables > Crystal Reports > Cash Requirements**.

Live Check Register

The report displays the check register for vendor checks printed based on a starting and ending date range. The total count for valid checks written, voids, and the total amount for valid checks written is included. Voided checks are included in the report but you can select to omit them from the report.

The report uses the following format:

Void	Check Number	Check Date	Payee	Check Amount
	645	02/06/2017	Elizabeth Dole	612.00
	684	02/06/2017	Elizabeth Dole	84.00
	69545	02/06/2017	Lucy Ball	25.00
*	666545	02/06/2017	Lucy Ball	25.00
Valid Checks Written 3		Voids 1	Total Amount for Valid Checks	\$721.00

To run the report, go to **Payables > Crystal Reports > Live Check Register**.

Vendor Payments Register

The report displays the payments that have been made to vendors for all payment types during the specified date range.

The report uses the following format:

ATF	Check No. / Payment Type	Payment Date	Payee	Payment Amount	Invoice ID	Invoice No.
*	Cash	01/05/2018	Test Vendor	500.00	1	12345
				Count	Amount	
Live Pmts				0	0.00	
ATF Cash				1	500.00	
ATF Check				0	0.00	
ATF Credit Card				0	0.00	
ATF Electronic				0	0.00	
ATF Other				0	0.00	
Totals				1	\$500.00	

To run the report, go to

Payables > Crystal Reports > Vendor Payments Register and enter the date range to report on.

Vendor Summary

This report displays summarized information about each vendor for the current client.

The report uses the following format:

Invoice No.	Invoice Date	Amount	Due Date	Payments	Balance
<i>Test Vendor</i>	<i>Code</i>				
12345	01/01/2018	1,000.00	01/10/2018	500.00	500.00
1222	01/01/2018	8,000.00	02/15/2018	0.00	8,000.00
Grand Totals		9,000.00		500.00	8,500.00

To run the report, go to **Payables > Crystal Reports > Vendor Summary** and select the type of vendor.

Balance Sheet Reports

Balance sheet reports provide a variety of formats for the balance sheets.

Balance Sheet reports available include:

- [Prior Month Comparison](#)
- [Year-to-Date \(All Posted Transactions\)](#)
- [Start Of Year Comparison](#)
- [Monthly](#)
- [Date Range](#)
- [Three Year Balance Sheet](#)

Prior Month Comparison

After selecting a month, the report displays the closing balances of accounts with activity for the selected month, the prior month, and the difference. Total assets, liabilities, and capital are also displayed.

NOTE

Transactions for the time period being reported must be posted prior to running this report. See ["Posting Transactions"](#).

The report uses the following format:

	January 2017	Differences	February 2017
Assets			
Current Asset			
Checking Account	(5,305.35)	(26,003.15)	(31,308.50)
Total Current Asset	(5,305.35)	(26,003.15)	(31,308.50)
Other Asset			
Deposits	5,450.00	2,540.00	7,990.00
Total Other Asset	5,450.00	2,540.00	7,990.00
Total Assets	144.65	(23,463.15)	(23,318.50)
Liabilities			
Current Liability			

To run the report, go to

Accounting > Crystal Reports > Balance Sheets > Prior Month Comparison.

Year-to-Date (All Posted Transactions)

The report displays the balances for assets, liabilities, and capital accounts for transactions posted to the general ledger since the start of the year.

NOTE

Transactions for the time period being reported must be posted prior to running this report. See ["Posting Transactions"](#).

The report uses the following format:

	January 31, 2018	Totals
ASSETS		
CURRENT ASSET		
Cash		
Total Cash Available		0.00 S
TOTAL CURRENT ASSET		0.00
OTHER ASSET		
Deposits	937.50	
TOTAL OTHER ASSET		937.50
TOTAL ASSETS		937.50
LIABILITIES		

To run the report, go to

Accounting > Crystal Reports > Balance Sheets > Year-to-Date (All Posted Transactions) and select the date to display on the report.

Start Of Year Comparison

The report displays the start of year balance, the current balance, and the difference between the two for asset, liability, and capital accounts for transactions posted to the general ledger. Total assets, liabilities, and capital are also displayed.

NOTE

Transactions for the time period being reported must be posted prior to running this report. See ["Posting Transactions"](#).

The report uses the following format:

	Start of Year	Difference	February 28, 2017
ASSETS			
Current Asset			
Checking Account	31,500.00	(43,414.98)	(11,914.98)
Current Asset Totals:	31,500.00	(43,414.98)	(11,914.98)
Other Asset			
Deposits	0.00	13,440.00	13,440.00
Other Asset Totals:	0.00	13,440.00	13,440.00
ASSETS Totals:	31,500.00	(29,974.98)	1,525.02
LIABILITIES			

To run the report, go to

Accounting > Crystal Reports > Balance Sheets > Start of Year Comparison.

Monthly

The report displays the balances for asset, liability, and capital accounts through the end of the month selected. Only transactions posted to the general ledger are included in the account totals.

NOTE

Transactions for the time period being reported must be posted prior to running this report. See ["Posting Transactions"](#).

The report uses the following format:

	January	Totals
ASSETS		
Cash		
Total Cash Available		0.00 S
OTHER ASSETS		
Deposits	937.50	
TOTAL OTHER ASSETS:		937.50
TOTAL ASSETS:		937.50

To run the report, go to **Accounting > Crystal Reports > Balance Sheets > Monthly** and select the month and year to use for the "as of" date.

Date Range

This report displays balances for asset, liability, and capital accounts using transactions that have not been posted to the general ledger for a specified date range.

The report uses the following format:

LIABILITY		
CURRENT LIABILITY		
FICA - Employer's Part	523.07	
Withheld FICA	523.07	
Withheld Federal Tax	1,100.97	
Withheld State Tax	343.47	
Health Insurance WH	40.00	
TOTAL CURRENT LIABILITY	2,530.58	
TOTAL LIABILITY	2,530.58	
CAPITAL		

To run the report, go to **Accounting > Crystal Reports > Balance Sheets > Date Range**.

Three Year Balance Sheet

To run the report, go to
Accounting > Crystal Reports > Balance Sheets > Three Year Balance Sheet.

Receivables Reports

Receivables reports provide information about the client's customers, allow for batch printing of invoices and customer statements, past due reports, aging reports, and sales tax reports.

Receivables reports available include:

- [Customer List](#)
- [Invoices](#)
- [Customer Statements](#)
- [Past Due Report](#)
- [Aged Receivables Report](#)
- [Sales Tax Record List](#)
- [Sales Tax Summary](#)

Customer List

The report displays detailed information about each customer or for an individual customer of the current client. This includes their status, billing and shipping addresses, discount rate, credit limit, debit and credit year-to-date amounts, and their current balance. Sort the report by **Customer Name**, **Customer Code**, or **Balance**.

The report uses the following format:

Sort Options:			
Customer Name	Customer Code	Balance	
Code: code		Name: Customer Name	
Credit Limit: 0.00		Account Type: None	
Address 1: 123 address		Ship Address 1	
Address 2:		Ship Address 2	
City: Atlanta		Ship City:	
State: GA		Ship State:	Ship Zip:
Zip Code: 30303		Ship Phone:	
Phone1:		Ship Via:	
Phone2:		Ship Sales Tax Code: None	
Sales Tax Code: None		Ship Contact:	
Contact:		Sale Person:	
Email Address:		Web Address:	
Discount Rate: 0.0000		Payments YTD Amount	Balance
Debit YTD Amount	Credit YTD Amount		
1,500	0	0	1,500

To run the report, go to **Receivables > Crystal Reports > Customer List**, select to list all or a single customer's information. If **Single** is selected, highlight the desired customer to report on, then click **Run Report**.

Invoices

Use this report to batch print invoices. Select to display either **Product Invoices** or **Service/Professional Invoices**. Next, select the invoices to print. Click the box to the left of the **Number** column header to print all invoices of the selected invoice type or click the individual boxes to the left of each invoice number to print specific invoices.

Bill To			
Customer Name			
123 address			
Atlanta	GA	30303	

Description	Amount
item	1,500.00
item	1,500.00
item	1,500.00
item	1,500.00

To run the report, go to **Receivables > Crystal Reports > Invoices**.

Customer Statements

Use this report to batch print customer statements.

The report uses the following format:

Customer ID: code					Starting Balance:		0.00
Invoice No.	Date	Reference	Trans Type	Debits	Credits	Cumulative Balance	
1001	01/01/2018	Invoice	SA	1,500.00		1,500.00	
1001	01/01/2018	Invoice	SA	1,500.00		3,000.00	
1001	01/22/2018	Invoice	SA	1,500.00		4,500.00	
1001	01/22/2018	Invoice	SA	1,567.50		6,067.50	
1550	02/10/2018	Invoice	SA	750.00		6,817.50	
Totals				6,817.50	0.00	6,817.50	
Statement Summary as of 11/30/2018							
Current				0.00			
Past Due 1 - 30 Days				0.00			
Past Due 31 - 60 Days				0.00			
Past Due 61 - 90 Days				0.00			
Past Due 91 - 120 Days				0.00			
Past Due Over 120 Days				6,817.50			
Balance Forward				6,817.50			

To run the report, go to

Receivables > Crystal Reports > Customer Statements. Select the customer(s) you wish to print statements for and the date range to be covered by the printed statement.

Past Due Report

This is a past due aging report for all customers with an outstanding balance. Select the cutoff date for the report. The amount past due for each client 1-30 days, 31-60 days, 61-90 days, 91-120 days, and over 120 days as well as the total for all clients for these aging periods.

NOTE

Only customers with an outstanding balance are included on this report.

The report includes the following information:

Customer Code	Customer Name	Days Past Due:	1-30 Days	31-60 Days	61-90 Days	91-120 Days	Over 120 Days	Total
code	Customer Name							

To run the report, go to **Receivables > Crystal Reports > Past Due Report** and select the cutoff date for the report.

Aged Receivables Report

This report lists every invoice with a balance due by customer and includes the amount current and overdue. The number of invoices past due are counted and totaled by aging periods. Totals of all invoices past due by aging period are included.

The report uses the following format:

Customer Code		Customer Name							
code	Customer Name				Days Overdue				
Invoice No.	Invoice Date	Due Date	Current Amt	Amt Overdue	1-30	31-60	61-90	91-120	121+
1001	01/01/2018	01/01/2018		3,000.00					x
1001	01/22/2018	01/22/2018		1,500.00					x
Totals			0.00	4,500.00					
2 Invoice(s) Past Due Over 120 Days				4,500.00					

To run the report, go to

Receivables > Crystal Reports > Aged Receivables Report and select the report cutoff date.

Sales Tax Record List

The report displays detailed information about each sales tax record set up at **Receivables > Sales Tax Setup**.

The report uses the following format:

Code	State/County/City	Tax Rate	Sales Tax Exempt	Freight Tax Exempt	Maximum Taxable
NC	North Carolina	0.04500	No	No	
	Macon	0.00200			4,000.00
	Franklin	0.00400			2,000.00

To run the report, go to

Receivables > Crystal Reports > Sales Tax Record List.

Sales Tax Summary

This report displays detailed information about the amount of sales tax charged customers during a specified date range. This report is useful in determining the amount of sales tax to pay each state, county, and city. Totals for each column and total sales tax are included. Include information about selected tax codes or all tax codes.

The following information is included in the report:

State Name	County Name	City Name	Sales Tax	Taxable Sales	Non-Taxable Sales	Taxable Shipping Charge	Non-Taxable Shipping Charge	Total Sales
North Carolina			67.50	1,500.00	0.00	0.00	0.00	1,500.00
			0.00	1,500.00	0.00	0.00	0.00	1,500.00
			0.00	1,500.00	0.00	0.00	0.00	1,500.00
Totals for: North Carolina - NC			67.50	1,500.00	0.00	0.00	0.00	1,500.00

To run the report, go to **Receivables > Crystal Reports > Sales Tax Summary**.

Interim Reports

Interim reports display the information that was entered for the current month or period. Use these reports to review the calculations and verify accuracy of the entries.

Interim reports available include:

- [Interim Balance Sheet](#)
- [Interim Profit And Loss](#)
- [Trial Balance Worksheet \(Start of Year\)](#)
- [Trial Balance Worksheet \(Prior Period\)](#)
- [Profit And Loss Activity Report](#)

Interim Balance Sheet

This report is also optionally available when running the **Post Transactions** process.

The report displays the accounts with current transactions. Current asset and liability accounts along with their totals and the total of the capital accounts are shown. The figure for the total liabilities and capital is included.

The report uses the following format:

	Previous Balance	Transactions	Current Balance
ASSETS			
Current Asset			
Petty Cash	0.00	(7,618.41)	(7,618.41)
Checking Account	0.00	(500.00)	(500.00)
Total Current Asset	0.00	(8,118.41)	(8,118.41)
Fixed Asset			
Land	0.00	9.73	9.73
Equipment	0.00	7,500.00	7,500.00
Total Fixed Asset	0.00	7,509.73	7,509.73
TOTAL ASSETS	0.00	(608.68)	(608.68)
LIABILITIES			

To run the report, go to

Accounting > Crystal Reports > Interim Reports > Interim Balance Sheet
and enter a "For the period ending" date.

NOTE

The accounts included in this report are listed by account name and not account number. Accounts with activity year-to-date are displayed even if there was no activity for the account in the current month.

Interim Profit And Loss

This report is also optionally available when running the **Post Transactions** process.

The report displays the income and expense activity, the total income and expense, and the net profit or loss.

The report uses the following format:

	Previous Mo. YTD	%	Year To Date	%
Income				
Hotel Sales	1,975.00	9.79 %	14,640.00	34.69 %
Spa Sales	1,790.00	8.88 %	3,440.00	8.15 %
Golf Sales	9,200.00	45.62 %	12,650.00	29.97 %
Restaurant Sales	7,200.00	35.71 %	11,475.00	27.19 %
Total Income	20,165.00	100.00 %	42,205.00	100.00 %
Gross Profit	20,165.00	100.00 %	42,205.00	100.00 %
Expense				

To run the report, go to

Accounting > Crystal Reports > Interim Reports > Interim Profit and Loss
and select a report date.

NOTE

The accounts included in this report are listed by account name and not account number.

Trial Balance Worksheet (Start of Year)

This report is also optionally available when running the **Post Transactions** process.

The report displays all account balances since the beginning of the year. The bottom of the report shows the total of all accounts for the start of year, changes, and current for all accounts and the total of all P&L accounts.

Use the "Adjustments" and "Ending" columns to identify where correcting transactions may need to be made. Print the report and write the adjustment amounts and ending balances on the report. Make correcting transactions at **Accounting > Transactions**.

The report displays the following information:

For Period Ending 11/22/2018						
Account	Account Name	Start of Year	Changes	Current	Adjustments	Ending
100.000000	Cash	0.00	0.00	0.00		
100.010000	Petty Cash	0.00	(7,618.41)	(7,618.41)		
100.020000	Checking Account	0.00	(500.00)	(500.00)		
100.030000	Savings Account	0.00	0.00	0.00		

To run the report, go to

Accounting > Crystal Reports > Interim Reports > Trial Balance Worksheet (Start of Year) and select a report date.

Trial Balance Worksheet (Prior Period)

This report is very similar to the Trial Balance Worksheet (Start of Year) report except it shows starting balances using the selected month rather than the start of year.

The report displays all account balances beginning with the selected month. The bottom of the report shows the total of all accounts for the selected month, changes, and current for all accounts and the total of all P&L accounts.

Use the "Adjustments" and "Ending" columns to identify where correcting transactions may need to be made. Print the report and write the adjustment amounts and ending balances on the report. Make correcting transactions at **Accounting > Transactions**.

The report displays the following information:

Account	Account Name	January	Changes	Current	Adjustments	Ending
100.000000	Cash	1,234.00	(1,234.00)	0.00		
100.010000	Petty Cash	0.00	(2,718.41)	(2,718.41)		
100.020000	Checking Account	0.00	(500.00)	(500.00)		

To run the report, go to

Accounting > Crystal Reports > Interim Reports > Trial Balance Worksheet (Prior Period) and select the prior month desired.

Profit And Loss Activity Report

This report is also optionally available when running the **Post Transactions** process.

The report shows the current profit and loss activity. This includes unposted transactions. Gross profit and total expenses are calculated to produce the final net profit or loss figures.

The report uses the following format:

	For the month of January, 2018		Year To Date	%
	Current Transactions			
Expense				
Salaries & Wages	(1,597.95)	(2,275.53)	0.00	%
Insurance	75.18	146.90	0.00	%
Miscellaneous	(18.00)	(18.00)	0.00	%
Total Expense	(1,540.77)	(2,146.63)	0.00	%
Net Profit (Loss)	1,540.77	2,146.63	0.00	%

To run the report, go to

Accounting > Crystal Reports > Interim Reports > Profit and Loss Activity Report and select a report date.

Budget Reports

Budget reports display profit and loss information comparing the budget amount entered for each account versus the actual amounts

Budget reports available include:

- [Budget vs. Actual](#)
- [Prorated Budget vs. Actual](#)

Budget vs. Actual

This report is a comparison of the actual profit and loss of income and expense accounts versus the amount set as the yearly budget. Only accounts with an annual budget entered in the Chart of Accounts are included. Total income, total expense, gross profit, and net profit or loss are also included.

NOTE

Transactions must be posted prior to running this report. See ["Posting Transactions"](#).

The report uses the following format:

	Actual	Budget	Difference
Income			
Hotel Sales	1,975.00	40,000.00	(38,025.00)
Spa Sales	1,790.00	5,600.00	(3,810.00)
Golf Sales	9,200.00	35,000.00	(25,800.00)
Restaurant Sales	7,200.00	12,000.00	(4,800.00)
Total Income	20,165.00	92,600.00	(72,435.00)
Gross Profit	20,165.00	92,600.00	(72,435.00)
Expense			
Salaries & Wages	12,020.94	15,000.00	(2,979.06)
Contract Labor	29,940.00	15,000.00	14,940.00

To run the report, go to

Payables > Crystal Reports > Budget Reports > Budget vs. Actual and select a report date.

Prorated Budget vs. Actual

This report is a comparison of the actual profit and loss of income and expense accounts versus the prorated budget amount of the yearly budget as entered in the Chart of Accounts.

NOTE

The prorated budget amount is displayed on the report under the **Budget** column and is equal to 1/12th of the **Yearly Budget** amount entered in the Chart of Accounts multiplied by the number of months included in the report.

Example: The "Rents and Leases" account has a yearly budget of \$40,000. For this example, we'll select to compare actual vs. budget through the month of September, the 9th month of the year. To figure the prorated budget amount, use this calculation:

$$(\$40,000 \div 12) \times 9 = \$30,000$$

$\$40,000 \div 12 = \$3,333.33$. This is the prorated budget for one month.

$$\$3,333.33 \times 9 \text{ (September)} = \$30,000.$$

Only accounts with an annual budget entered in the Chart of Accounts are included. Total income, total expense, gross profit, and net profit or loss are also included.

NOTE

Transactions must be posted prior to running this report. See ["Posting Transactions"](#).

The report uses the following format:

	Actual	Budget	Difference
Income			
Hotel Sales	1,975.00	30,000.00	(28,025.00)
Spa Sales	1,790.00	4,200.00	(2,410.00)
Golf Sales	9,200.00	26,250.00	(17,050.00)
Restaurant Sales	7,200.00	9,000.00	(1,800.00)
Total Income	20,165.00	69,450.00	(49,285.00)
Gross Profit	20,165.00	69,450.00	(49,285.00)
Expense			

To run the report, go to

Payables > Crystal Reports > Budget Reports > Prorated Budget vs. Actual, select a report date and the month to report on.

Chart of Accounts Reports

The Chart of Accounts reports include two listings of the Chart of Accounts: one with and one without starting balances. Two versions of the trial balance are also included.

Chart of Accounts reports available include:

- [Chart of Accounts Listing](#)
- [Chart of Accounts Listing — No Beginning Balances](#)
- [Trial Balance — Current](#)
- [Trial Balance By Date](#)

Chart of Accounts Listing

This report lists the following information from the Chart of Accounts:

Account Number	Level	Account Name	Type	Starting Balance
100.0000	1	Cash	Current Asset	\$0.00
100.0100	0	Petty Cash	Current Asset	\$0.00
100.0300	0	Savings Account	Current Asset	\$0.00
100.9900	1	Total Cash Available	Current Asset	\$0.00
130.0000	0	Accounts Receivable	Current Asset	\$0.00
160.0000	0	Inventory	Current Asset	\$0.00
205.0000	0	Land	Fixed Asset	\$0.00
210.0000	0	Buildings	Fixed Asset	\$0.00

To run the report, go to

Accounting > Crystal Reports > Chart of Accounts Listing.**NOTE**

Starting account balances, not current balances, are displayed in this report.

Chart of Accounts Listing - No Beginning Balances

This report is the same report as the **Chart of Accounts Listing** report except that no starting balances are displayed.

This report lists the following information from the Chart of Accounts:

Account Number	Level	Account Name	Type
100.0000	1	Cash	Current Asset
100.0100	0	Petty Cash	Current Asset
100.0300	0	Savings Account	Current Asset
100.9900	1	Total Cash Available	Current Asset
130.0000	0	Accounts Receivable	Current Asset
160.0000	0	Inventory	Current Asset
205.0000	0	Land	Fixed Asset

To run the report, go to

Accounting > Crystal Reports > Chart of Accounts Listing - No Beginning Balances.

Trial Balance Current

The report displays the current trial balance. Total debit and credit amounts are also included.

The report uses the following format:

Account #	Account Name	Debit	Credit
100.010000	Petty Cash	400.00	
100.020000	Checking Account		11,914.98
100.030000	Savings Account	18,000.00	
130.000000	Accounts Receivable	0.00	
160.000000	Inventory	0.00	
205.000000	Land	0.00	
210.000000	Buildings	0.00	
220.000000	Furniture & Fixtures	0.00	
221.000000	Equipment	0.00	
240.000000	Autos & Trucks	0.00	
245.000000	Less Accumulated Depreciation	0.00	
255.000000	Goodwill	0.00	
260.000000	Deposits	13,440.00	
265.000000	Other Assets	0.00	

To run the report, go to **Accounting > Crystal Reports > Trial Balance - Current** and select a report date.

Trial Balance By Date

The report displays the current balance of each level zero account in the Chart of Accounts based on the **As of** date (**Report Date**) entered. The total debit and credit amounts are also included.

The report uses the following format:

Account #	Account Name	Debit	Credit
245.000000	Less Accumulated Depreciation	0.00	
255.000000	Goodwill	0.00	
260.000000	Deposits	13,440.00	
265.000000	Other Assets	0.00	
320.000000	Accounts Payable	0.00	
330.000000	Accrued Expenses	0.00	
330.010000	FICA - Employer's Part		1,342.76
330.020000	Withheld FICA		1,342.76
330.030000	Withheld Federal Tax		1,590.93
330.040000	Withheld State Tax		597.00
330.050000	State Unemployment Tax		1,082.00
330.060000	Federal Unemployment Tax		112.32
330.200000	Sales & Use Tax Payable	0.00	

To run the report, go to **Accounting > Crystal Reports > Trial Balance By Date** and select a report date.

Transaction Listings Reports

Transaction Listing reports are based on transactions for periods that have been entered in **Accounting > Transactions**.

Transaction Listing reports available include:

- [Journal Code Transaction Listing](#)
- [Transaction Listing](#)
- [Monthly Transaction Listing](#)
- [Transaction Listing By Date](#)
- [Transaction Listing By Reconciled Type](#)

Journal Code Transaction Listing

The report generates a list of unposted transactions through the selected report date for the journal selected. The total debit and credit amounts of the listed transactions are also included.

The report uses the following format:

Number	Date	Division	Description	Reference	Account No.	Debit	Credit
25	01/03/2018		Deposits		260.0000	605.00	
54	01/13/2018		Deposits		260.0000	830.00	
84	01/29/2018		Deposits		260.0000	930.00	
31	01/03/2018		FICA - Employer's Part		330.0100		8.77
33	01/03/2018		FICA - Employer's Part		330.0100		37.51

To run the report, go to

Accounting > Crystal Reports > Transaction Listings > Journal Code — Transaction Listing, select the Journal to report on (GJ - General Journal, CD - Cash Disbursement, CR - Cash Receipts, PAY - Payroll, or BUD - Budget), and the report date.

Transaction Listing

The report displays unposted transactions for all journals through the report date selected. You have the option to display the report in wide screen view. The total debit and credit amounts of the listed transactions are also included.

The report uses the following format:

Trans No.	Date	Journal	Div	Description	Reference	Acct No.	Debit	Credit
25	01/03/2018	PAY		Deposits		260.0000	605.00	
26	01/03/2018	PAY		Salaries & Wages		711.0000		365.94
27	01/03/2018	PAY		Withheld Federal Tax		330.0300		75.15
28	01/03/2018	PAY		Withheld State Tax		330.0400		26.88
29	01/03/2018	PAY		Withheld FICA		330.0200		8.77
30	01/03/2018	PAY		Withheld FICA		330.0200		37.51
31	01/03/2018	PAY		FICA - Employer's Part		330.0100		8.77

To run the report, go to

Accounting > Crystal Reports > Transaction Listings > Transaction Listing, select the report date and if the report should be displayed in wide format.

Monthly Transaction Listing

The report displays transactions for all journals for the selected month. The total debit and credit amounts of the listed transactions are also included.

The report uses the following format:

Trans No.	Date	Journal	Div	Description	Reference	Acct No.	Debit	Credit
1	01/30/2018	PAY		Deposits		260.0000	937.50	
2	01/30/2018	PAY		Salaries & Wages		711.0000		677.58
3	01/30/2018	PAY		Withheld Federal Tax		330.0300		141.37
4	01/30/2018	PAY		Withheld State Tax		330.0400		46.83
5	01/30/2018	PAY		Withheld FICA		330.0200		13.59
6	01/30/2018	PAY		Withheld FICA		330.0200		58.13
7	01/30/2018	PAY		FICA - Employer's Part		330.0100		13.59

To run the report, go to

Accounting > Crystal Reports > Transaction Listings > Monthly Transaction Listing and select the month to report on.

Transaction Listing By Date

The report displays transactions for all journals for the selected date range. The total debit and credit amounts of the listed transactions are also included.

The report uses the following format:

Trans No.	Date	Journal	Div	Description	Reference	Acct No.	Debit	Credit
1	01/30/2018	PAY		Deposits		260.0000	937.50	
2	01/30/2018	PAY		Salaries & Wages		711.0000		677.58
3	01/30/2018	PAY		Withheld Federal Tax		330.0300		141.37
4	01/30/2018	PAY		Withheld State Tax		330.0400		46.83
5	01/30/2018	PAY		Withheld FICA		330.0200		13.59
6	01/30/2018	PAY		Withheld FICA		330.0200		58.13
7	01/30/2018	PAY		FICA - Employer's Part		330.0100		13.59
8	01/30/2018	PAY		Insurance		758.0000	13.59	
9	01/30/2018	PAY		FICA - Employer's Part		330.0100		58.13
10	01/30/2018	PAY		Insurance		758.0000	58.13	
11	01/30/2018	PAY		Federal Unemployment Tax		330.0600		5.63
12	01/30/2018	PAY		Federal Unemployment Tax		330.0600	5.63	
13	02/04/2018	PAY		Deposits		260.0000	825.00	

To run the report, go to

Accounting > Crystal Reports > Transaction Listings > Transaction Listing By Date and select the date range of unposted transactions to include in the report.

Transaction Listing By Reconciled Type

The report displays transactions for the selected reconciled type (Cleared, Outstanding, In Transit, or Void). A Bank Reconciliation must be run prior to running this report.

To run the report, go to

Accounting > Crystal Reports > Transaction Listings > Transaction Listing by Reconciled Type and select to display any combination of **Cleared**, **Outstanding**, **In Transit**, or **Voided** transactions.

Year to Date Reports

The Year to Date reports are based on the transactions that have been entered year-to-date.

Year to Date reports available include:

- [YTD General Ledger](#)
- [YTD General Ledger — ALT Format](#)

- [YTD Journal Code — Transaction Listing](#)
- [YTD Transaction Listing](#)
- [Single Account YTD General Ledger](#)
- [Single Account YTD General Ledger — ALT Format](#)

YTD General Ledger

This report generates a year-to-date general ledger with each account, the account name, account transactions, and current account balance listed.

The following information is included:

ID	Date	Journal	Reference	Description	Beginning Balance	Transaction	Ending Balance
100.000000		Cash			0.00		
25	01/03/2018	PAY		Deposits		605.00	
31	01/03/2018	PAY		FICA - Employer's Part		(8.77)	
33	01/03/2018	PAY		FICA - Employer's Part		(37.51)	
29	01/03/2018	PAY		Withheld FICA		(8.77)	
30	01/03/2018	PAY		Withheld FICA		(37.51)	
27	01/03/2018	PAY		Withheld Federal Tax		(75.15)	

To run the report, go to **Accounting > Crystal Reports > Year to Date > YTD General Ledger** and select a report date.

YTD General Ledger ALT Format

The report is an alternate format for the year-to-date general ledger report. This includes the transaction number, date, journal, reference, description, beginning balance, transaction, and ending balance. Transactions are grouped by account number.

NOTE

The beginning balance displayed is the amount entered in the Chart of Accounts beginning debits and credits.

To run the report, go to **Accounting > Crystal Reports > Year to Date > YTD General Ledger-ALT Format**.

YTD Journal Code Transaction Listing

The report is based on the journal selected from the Select a Journal Code list box. The journal choices are: GJ — General Journal, CD — Cash Disbursements, CR —

Cash Receipts, PAY — Payroll, and BUD — Budget. Included is the transaction number, date, division, description, reference, account number, debit, and credit.

NOTE

There are no totals on this report.

To run the report, go to **Accounting > Crystal Reports > Year to Date > YTD Journal Code — Transaction Listing**.

YTD Transaction Listing

The report lists all transactions that have been entered.

NOTE

The information is listed in order of transaction number.

To run the report, go to **Accounting > Crystal Reports > Year to Date > YTD Transaction Listing**.

Single Account YTD General Ledger

This report displays a transaction listing for a selected account. The account starting and ending balance is also listed.

The report uses the following format:

ID	Date	Journal	References	Description	Debit	Credit
260.000000	Deposits				0.00	
25	01/03/2018	PAY		Deposits	605.00	
13	02/04/2018	PAY		Deposits	825.00	
38	02/05/2018	PAY		Deposits	605.00	
54	01/13/2018	PAY		Deposits	830.00	
69	02/12/2018	PAY		Deposits	2,105.00	
84	01/29/2018	PAY		Deposits	930.00	
1	01/30/2018	PAY		Deposits	937.50	

To run the report, go to **Accounting > Crystal Reports > Year to Date > Single Account YTD General Ledger**, select the account to report on and the report date.

Single Account YTD General Ledger ALT Format

This report displays a transaction listing for a selected account, like the Single Account YTD General Ledger report, but in an alternate format.

The report uses the following format:

ID	Date	Journal	References	Description	Beginning Balance	Transaction	Ending Balance
260.000000	Deposits				0.00		
25	01/03/2018	PAY		Deposits		605.00	
13	02/04/2018	PAY		Deposits		825.00	
38	02/05/2018	PAY		Deposits		605.00	
54	01/13/2018	PAY		Deposits		830.00	
69	02/12/2018	PAY		Deposits		2,105.00	
84	01/29/2018	PAY		Deposits		930.00	
1	01/30/2018	PAY		Deposits		937.50	

To run the report, go to **Accounting > Crystal Reports > Year to Date > Single Account YTD General Ledger - ALT Format**, select the account to report on and the report date.

Cash Flow Reports

Accounts designated in the Chart of Accounts with a **Cash Flow Classification** of **Operating, Investing, Financing**, or **Cash** appear in the Cash Flow report. Accounts with a **Cash Flow Classification** of **N/A** (no classification) do not appear on the Cash Flow report. For information on assigning a cash flow classification to accounts, see [Cash Flow Classification](#).

Cash Flow Classification reports available include:

[Cash Flow By Date](#)

Cash Flow By Date

This report uses the Indirect method. It starts with Net Income for the selected period and makes adjustments for all accrual based accounting transactions, such as Accounts Payable and Accounts Receivable, to report a company's cash flow on a cash basis.

This report displays Cash Flow From and Net Cash Provided by Operating, Investing, and Financing activities. The Net Increase (or Decrease) in cash is also displayed along with the cash at the beginning and end of the period.

To run the report, go to

Accounting > Crystal Reports > Cash Flow > Cash Flow By Date.

Appendix

The following appendices cover the topics:

- [Appendix A - e-Filing 1099-MISC FAQ](#)
- [Appendix B - W-2/W-3 PIN Application FAQ](#)
- [Appendix C - IRS "FIRE" Website](#)
- [Appendix D - InterceptEFT Holidays](#)
- [Appendix E - Reporting Agent's PIN Application](#)
- [Appendix F - Preparing to e-File Forms W-2](#)
- [Appendix G - Preparing to e-File Forms 1099](#)
- [Appendix H - e-Filing Quick Reference](#)
- [Appendix I - Imported Data Fields](#)

Appendix A - e-Filing 1099-MISC FAQ

Q. Do I need anything other than Drake Accounting to upload 1099-MISC files?

A. Yes. Fill out Form 4419 and mail it to the IRS at least 45 days before the due date of the return.

Q. What do I receive from the IRS once I'm approved to electronically file the 1099-Misc?

A. The IRS sends you a TCC (Transmitter Control Code). If you don't receive a reply within 45 days, call the IRS's Martinsburg Computing Center toll free at (866) 455-7438 between 8:30 am and 4:30 pm ET.

Q. Can I transmit a 1099-MISC while I am waiting for the TCC?

A. No. You can't transmit until after you have received the TCC from the IRS.

Q. Can I submit Form 4419 without a signature?

A. No. The IRS does not issue the TCC without a valid signature.

Q. Are there other forms that I need that are associated with electronically filing the 1099-MISC?

A. Yes, Forms 8809, 8508, and 6847.

Form 8809 — This is the application to transmit an extension for the 1099-MISC filing. This form must be filed by the due date of the 1099-MISC.

Form 8508 — This requests a waiver from filing informational returns electronically. It must be filed at least 45 days prior to the due date of the returns for which you are requesting a waiver. If you do not file and do not have an approved waiver on record, a penalty of \$50 per return can be levied.

Appendix B - W-2/W-3 PIN Application FAQ

Q. Is a PIN required before submitting an electronic Form W-2 or W-3?

A. The Social Security Administration has recently changed the PIN requirement. PINs have been replaced with simply setting up a login ID and Password to their Business Services Online website.

Go to <https://www.ssa.gov/bso/bsowelcome.htm> and click **Register**. Follow the directions to complete the registration.

Appendix C - IRS "FIRE" Website

The FIRE (Filing Information Returns Electronically) system is set up for financial institutions and others to file Information Return Forms 1042-S, 1098, 1099, 5498, 8027, or W-2G. An Information Return is a tax document used to report certain types of payments made by financial institutions and others who make payments as a part of their trade or business as required by Internal Revenue Code regulations.

(From IRS Publication 1220, Sec 8, pages 186 - 189)

Connecting to the FIRE system

- Go to <http://fire.irs.gov> to connect to the FIRE system.
- Filers should turn off their popup-blocking software before transmitting their files.
- Before connecting, have your Transmitter Control Code (TCC) and EIN available.
- Your browser must support SSL 128-bit encryption.
- Your browser must be set to receive "cookies." Cookies are used to preserve your User ID status.

First time connection to the FIRE system

(If you have logged on previously, skip to "[Subsequent connections to the FIRE system](#)".)

1. Click **Create New Account**.
2. Fill out the registration form and click **Submit**.
3. Enter your **User ID** (most users log on with their first and last name).
4. Enter and verify your **Password** (the password is user assigned and must be eight alphanumeric characters, containing at least one uppercase, one lowercase and one numeric character). FIRE may require you to change the password once a year.
5. Click **Create**.
6. If you receive the message, **Account Created**, click **OK**.
7. Enter and verify your 10-digit self-assigned **PIN** (Personal Identification Number).
8. Click **Submit**.

9. If you receive the message, **Your PIN has been successfully created!**, click **OK**.
10. Read the bulletins and click **Start the FIRE application**.

Subsequent connections to the FIRE system

1. Click **Log On**.
2. Enter your **User ID**. (Most users log on with their first and last name.)
3. Enter your **Password**. (The password is user-assigned and is case sensitive.)

Uploading your file to the FIRE system (complete these steps from Menu Options)

1. Click **Send Information Returns**.
2. Enter your **TCC**.
3. Enter your **EIN**.
4. Click **Submit**.
5. The system displays the company name, address, city, state, ZIP code, phone number, contact, and e-mail address. This information is used to contact or send correspondence (if necessary) regarding this transmission. Update as appropriate and click **Accept**.
6. Click one of the following:
 - **Original File**
 - **Correction File**
 - **Test File**
 - **Replacement File** (if you select this option, select one of the following):
 - **New FIRE Replacement** (file was originally transmitted on this system). Click the file to be replaced.
 - **Magnetic Media Replacement**. Enter the alphabetic character from Form 9267, Media Tracking Slip, that was sent with the request for replacement file. Click **Submit**.
7. Enter your 10-digit **PIN**.
8. Click **Submit**.
9. Click **Browse** to locate the file and open it.
10. Click **Upload**.

When the upload is complete, the name of the file uploaded and total bytes received is displayed.

If you have more files to upload for that TCC, click **File Another**.

If you have no more files to upload, click **Main Menu**.

NOTE

It is your responsibility to check the acceptability of your file. Check back into the system in 1-2 business days using the **Check File Status** option.

Checking the file status

1. At the main menu, click **Check File Status**.
 - Enter your **TCC**.
 - Enter your **EIN**.
 - Click **Search**.
2. If **Results** indicate:
 - **Good, Not Released** and you agree with the **Count of Payees**, you are finished with this file. The file will automatically be released after 10 calendar days unless you contact the IRS within this time frame.
 - **Good, Released** — File has been released to our mainline processing.
 - **Bad** — Correct the errors and timely resubmit the file as a "replacement."
 - **Not yet processed** — File has been received but the IRS does not have results available yet. Please check back in a few days.
3. Click the desired file for a detailed report of your transmission.
4. When you are finished, click on **Main Menu**.
 - Click **Log Out**.
 - Close your Web browser.

Common Problems and Questions Associated with e-Filing

.01 Refer to Part A, Sec. 16, for common format errors associated with electronic/magnetic files.

.02 The following are the major errors associated with electronic filing.

Non-format Errors

- Transmitter does not check the FIRE system to determine file acceptability. The results of your file transfer are posted to the FIRE system within two business days. It is your responsibility to verify file acceptability and, if the file contains errors, get an online listing of the errors. Date received and number of payee records are also displayed. If the file is good but you do not want the file processed, you must contact IRS/ECC-MTB within 10 calendar days from the transmission of your file.
- Incorrect file is not replaced timely. If your file is bad, correct the file and resubmit as a replacement.

- Transmitter compresses several files into one. Compress only one file at a time. For example, if you have 10 uncompressed files to send, compress each file separately and send 10 separate compressed files.
- Transmitter sends a file and **CHECK FILE STATUS** indicates that the file is good, but the transmitter wants to send a replacement or correction file to replace the original/correction/replacement file. Once a file has been transmitted, you can not send a replacement file unless Check File Status indicates the file is bad (1-2 business days after file was transmitted). If you do not want the IRS to process the file, you must first contact the IRS toll-free (866) 455-7438 to see if this is possible.
- Transmitter sends an original file that is good, and then sends a correction file for the entire file even though there are only a few changes. The correction file, containing the proper coding, should contain only the records needing correction, not the entire file.
- File is formatted as EBCDIC. All files submitted electronically must be in standard ASCII code.
- Transmitter has one TCC number, but is filing for multiple companies. When sending the file electronically, enter the EIN of the company assigned to the TCC. When you upload the file, it contains the EINs for the other companies that you are filing for. This is the information that is passed forward.
If the transmitter sent the wrong file, call the IRS as soon as possible toll free at (866) 455-7438. The IRS may be able to stop the file before it has been processed. Please do not send a replacement for a file that is marked as a good file.

Appendix D - InterceptEFT Holidays

Direct Deposit transmissions on Friday, Saturday, or Sunday are processed by InterceptEFT the following Monday. InterceptEFT does not process any Direct Deposit transactions that fall on the following holidays:

Holiday Processing Calendar

Holiday	2017	2018	2019
New Year's Day	Mon, Jan 2**	Mon, Jan 1	Tues, Jan 1
Martin Luther King Jr. Day	Mon, Jan 16	Mon, Jan 15	Mon, Jan 21
President's Day	Mon, Feb 20	Mon, Feb 19	Mon, Feb 18
Memorial Day	Mon, May 29	Mon, May 28	Mon, May 27
Independence Day	Tues, July 4	Wed, July 4	Thur, July 4
Labor Day	Mon, Sept 4	Mon, Sept 3	Mon, Sept 2
Columbus Day	Mon, Oct 9	Mon, Oct 8	Mon, Oct 14
Veteran's Day	Sat, Nov 11*	Mon, Nov 12**	Mon, Nov 11
Thanksgiving Day	Thur, Nov 23	Thur, Nov 22	Thur, Nov 28
Christmas Day	Mon, Dec 25	Tues, Dec 25	Wed, Dec 25

* For holidays falling on Saturday, Federal Reserve offices will be open the preceding Friday.

** For holidays falling on Sunday, all Federal Reserve offices will be closed the following Monday.

Appendix E - Reporting Agent's PIN Application

A reporting agent is an accounting service, franchiser, bank, or person who complies with IRS Revenue Procedures 96-17 and is authorized to electronically sign and file a Form 940/941 on behalf of a taxpayer. This authorization is begun with the submission of Form 8655, either by the client or the reporting agent. There must be a Form 8655 signed by the client for each of the reporting agent's clients. Reporting agents sign all the electronic returns they file with a single 5-digit PIN signature.

IMPORTANT

The reporting agent must have an EFIN before submitting Form 8655. If you already have an EFIN, you still must update the information to be able to e-file 94x series tax returns. Log on to your IRS e-Services account to update this information.

If a Reporting Agent gives tax advice, they must also have a PTIN (Preparer Tax Identification Number). If they do not offer tax advice, a PTIN is not required. Refer to the IRS website for more information about PTIN requirements.

If you apply to be a Reporting Agent, you can complete and sign a Form 8655, include your company on the Reporting Agent's List, and use your 5-digit Reporting Agent's PIN to e-file 94x series tax returns for your own company.

To complete the 8655:

1. Download Form 8655 from the IRS website (<http://www.irs.gov/pub/irs-pdf/f8655.pdf>) or from the main menu of Drake Accounting, go to **Tools > Print Blank Forms**, select the **Federal 94x series**, and double-click **Form 8655**. Click the print icon. Print and fill out one Form 8655 for each client for whom the reporting agent will file.
2. Have each client sign a Form 8655.
3. Create a **Reporting Agent's List**. This is required to accompany Forms 8655 and is a list of clients included in a batch being submitted for e-filing approval. See "[Reporting Agent's List](#)" below for a sample of this document.

Reporting Agent's List

REPORTING AGENT'S LIST		DATE OF LIST _____
Reporting Agent's Name _____		
Reporting Agent's Street Address _____		
Reporting Agent's City, State, ZIP _____		
Reporting Agent's Employer Identification Number _____		
List Type (Additions or Deletions) _____		
Name of Reporting Agent's Contact Person _____		
Phone Number of Reporting Agent's Contact Person _____		
Client Account Number (optional)	Employer Identification Number	Name Control (IRS Supplied)
Taxpayer Name and Address		
10035	*12-00000XX	Taxpayer One 1 First St Firsttown, NY 10001
10037	*32-0000XXX	Taxpayer Two 2 Second St Secondtown, NY 20002
12345	*52-000XXXX	Taxpayer Three 3 Third St
<p>* Employer Identification Numbers must be listed in ascending numerical order.</p> <p>NOTE: The items listed under Client Account Number, Employer Identification Number, Name Control, and Taxpayer Name and Address are fictitious examples. The actual information for the taxpayer's Forms 8655 being submitted with the Reporting Agent's List should be entered. Only one copy of the Reporting Agent's List should be submitted, along with the Forms 8655, to:</p> <p>Internal Revenue Service Accounts Management Service Center MS 6748; RAF Team 1973 N. Rulon White Blvd. Ogden, UT 84404</p> <p>or fax Forms 8655 and paper Reporting Agent Lists to the RAF Team at (801) 620-4142.</p> <p>(from IRS Publication 1474)</p>		

4. Fax (IRS preferred) or mail the signed Form 8655s and the Reporting Agent's List to the IRS. The fax number for the IRS has changed. The 8655 form has not been updated with the new fax number.

IRS Fax: (855) 214 - 7523

Internal Revenue Service
Accounts Management Service Center
MS 6748 RAF Team
1973 North Rulon White Blvd.
Ogden, UT 84404

Call the IRS at (801) 620-3852 to check the status of Form 8655 applications and for any other questions regarding the Reporting Agent application process.

In approximately two weeks, reporting agents receive a mailed notification of acceptance from the IRS and, in a separate mailing, a five-digit signature PIN.

Completing the Reporting Agent Setup

To complete the 94x e-Filing setup for the client:

1. Make the appropriate client the active client
2. Go to **Client > Edit > e-File Options**
3. Select the **e-File 94x** check box
4. Select the **Transmit as Reporting Agent** check box

IMPORTANT

Do not select **Transmit as Reporting Agent** until you have received a letter from the IRS listing the client as approved for the 94x e-Filing program. The client's 94x tax return will be rejected if you e-file their return as a Reporting Agent before they are approved by the IRS.

5. Enter the client's **Name Control for e-File**. The IRS should fax the Reporting Agent's List back to you with the client's **Name Control for e-File** written beside each client listed.

NOTE

Do not make an entry in the **Taxpayer 5 Digit PIN for e-File**, **Ten Digit Signature PIN**, and **Signature Name** fields when **Transmit as Reporting Agent** is selected.

6. Click **Save**.

To complete the 94x e-filing setup for the firm:

1. Go to **Firm > Firm Information Setup**.

IMPORTANT

In order for the firm to e-file any of their clients' 94x tax returns, the "**e-File Setup**" section of the **Firm > Firm Information Setup** screen must also be completed.

2. Make sure the **e-File 94x** check box is selected.
3. Enter the five-digit PIN you received from the IRS into the **Reporting Agent PIN** text box. You only need to enter this once.
4. Enter the firm's **Business Name Control** (if not previously entered). If you are unsure what to put here, have an officer of the firm contact the IRS EIN verification line at 800-829-4933. An incorrect Name Control will cause ALL of your e-Filed 94x returns to reject. You only need to enter this once.
5. Click **Save** and **Exit**.

Appendix F - Preparing to e-File Forms W-2

Before uploading W-2 and W-3 information to the Social Security Administration, you must:

1. Register to use the Social Security Administration's Business Services Online website, and
2. Download the AccuWage 2018 software

Registering with the Social Security Administration

When you register to use the the SSA's website, you will get a login ID and password. You will also need to establish which of the SSA's services you will be using.

1. In Drake Accounting, go to **e-Filings > W2 > Transmit File**.
2. Select the **W2 files have been tested using AccuWage 2018** option.
3. Click **Open Web Site**. The Social Security Administration's Business Services Online website (<http://www.socialsecurity.gov/bso/bsowelcome.htm>) displays.
4. Click **Register**. Enter your registration information. Once you've entered your information, you will be prompted to select the services you will be using.
5. From the **Main Menu** on the left side of the screen, go to **Manage Services**.
6. Select **Request New Services**.
7. Select **SSA Services Suite for Employers**.

NOTE

An e-Filing Quick Reference sheet is provided for your convenience. Use this form to write down the various User IDs, passwords, etc. associated with e-filing. See [Appendix H - e-Filing Quick Reference](#) to access this form.

Downloading the AccuWage2018 software

The Social Security Administration provides the AccuWage program so that you may check your W-2 upload files for errors that could cause a reject. AccuWage is a free download.

NOTES

Using the AccuWage is not required but strongly recommended.

Java must be installed in order to run AccuWage. If Java needs to be installed on your computer, go to <http://www.java.com> to download and install this free program.

1. Point your Internet browser to <http://www.ssa.gov/employer/accuwage/index.html>.
2. Click **Download AccuWage – 2018 Tax Year** on the right side of the screen.
3. Click **Run**.

Appendix G - Preparing to e-File Forms 1099

Before uploading 1099 and 1096 information to the IRS, you must:

1. Get a Transmitter Control Code (TCC), and
2. Register on the IRS's FIRE web site.

Getting a Transmitter Control Code

1. Go to <http://www.irs.gov/pub/irs-pdf/f4419.pdf>
2. Complete Form 4419.

NOTE

Select only the first box below line 7 unless the others are absolutely necessary. If you select more than the first box, the IRS will call you to verify your selection. This will cause your application to be delayed.

3. Fax the completed form to 877-477-0572.
4. Check on the status of the 4419 application (and receive the 5-character TCC over the phone, call toll free: 866-455-7438 (option 4). You will also receive a letter from the IRS with your TCC.
5. In Drake Accounting, go to **Firm > Firm Information Setup** and enter the TCC.
6. Click **Save**.

NOTE

Only one Transmitter Control Code is required to e-file all of your clients Forms 1099.

Register to use the IRS's "FIRE" Website

1. Go to <https://fire.irs.gov/firev1r/default.aspx>.
2. Click **Create New Account** on the left side of the screen.
3. Complete and submit the application.
4. Create a **User ID** and **Password**.
5. Create a 10-digit Personal Identification Number (PIN).

NOTE

An E-Filing Quick Reference sheet is provided for your convenience. Use this form to write down the various User IDs, passwords, etc. associated with e-filing. See [Appendix H - e-Filing Quick Reference](#) to access this form.

Appendix H - e-Filing Quick Reference

EFIN: _____

Drake Password: _____

Drake Account #: _____

W-2 Information

SSA website User ID: _____

SSA website Password: _____

1099 Information

TCC: _____

IRS FIRE website User ID: _____

IRS FIRE website Password: _____

94x Information

Your business's taxpayer PIN: _____

Your Reporting Agent PIN: _____

Alternate way to check 94x IRS Acks:

1. From Drake Accounting, go to **Help > Drake Support Web Site**
2. Go to **My Account > EF Database**
3. Click **Tools**
4. Click **Run 94x Report**

To download this form from the Drake Support website, click on the following link:
[e-Filing Quick Reference Sheet.](#)

Appendix I - Imported Data Fields

[QuickBooks Import Fields](#)

[Sage 50 Import Fields](#)

[Intuit EasyACCT Import Fields](#)

The following fields can be imported into Drake Accounting from **QuickBooks®**.

QuickBooks Import Fields

Employees	Customers	Chart of Accounts	Vendors
Employee Code	Customer Code	Account #	Vendor Code
First Name	Customer Name	Account Key (based on type)	Company Name
Middle Name (Initial)	Phone	Name	First Name
Last Name	Phone 2	Type	Last Name
Address 1	City	Current Balance	City
City	State	REA Flag (not visible)	State
State	Zip		Zip
Zip	Shipping City		Phone
State Tax Table	Shipping State		EIN/SSN Indicator
Phone	Shipping Zip		EIN/SSN
Status Code (Active or Terminated)	Email		Do Not Generate a 1099
	Shipping Contact		Email
	Account Type (Depends on QB Value)		
	Credit limit		
	User Defined 1		
	User Defined 2		
	User Defined 3		
	User Defined 4		
	Status Code (Active or Blank)		

The following fields can be imported into Drake Accounting from **Sage 50®**.

Sage 50 Import Fields

Employees	Customers	Chart of Accounts	Vendors
Employee Code	Customer Code	*Account #	Vendor Code
First Name	Customer Name	Account Key (based on type)	Company Name
Middle Name (Initial)	Contact	Name	First Name
Last Name	Address 1	Type	Last Name
Status Code (Active or Terminated)	Address 2	Current Balance	Address 1
Address 1	City		Address 2
Address 2	State		City
City	Zip		State
State	Shipping Address 1		Zip
Zip	Shipping Address 2		Country
State Tax Table	Shipping City		Phone
EIN/SSN Indicator	Shipping State		EIN/SSN
EIN/SSN	Shipping Zip		Do Not Generate a 1099
Phone	Phone		Email
Email	Phone 2		
Federal Exemptions	Email		
Federal Additional W/H	Shipp Via		
State Exemptions	Discount Percent		
State Additional W/H	Credit limit		
Date Hired	Sales Person (as Employee Code)		
Date of Pay Raise	Web Address		
Date Terminated or Date of Suspension	Status Code (Active or Blank)		
Pay Rate 1			
Pay Rate 2			
Pay Rate 3			
Pay Rate 4			
Birth Date			

* Account # will have the "-" and everything past it removed and any non-unique Account #s will be given a unique account # slightly different from their original one.

The following fields can be imported into Drake Accounting from **EasyACCT®**.

Intuit EasyACCT Import Fields

Employees	Chart of Accounts	Vendors
Employee Code	*Account #	Vendor Code
First Name	Account Key (based on type)	Company Name
Middle Name (Initial)	Name	Address 1
Last Name	Type	Address 2
Address 1	Sub Type (for some types)	City
Address 2	Starting Debit/Credit	State
City	Starting Budget	Zip
State		Phone
Zip		Email
State Tax Table		EIN/SSN Indicator
EIN/SSN Indicator		EIN/SSN
EIN/SSN		
Phone		
Birth Date		
Date Hired		
Date Terminated or Suspended		
Date of Pay Raise		
Pay Class (Hourly or Salary)		
Pay Period		
Pay Rate 1		
Pay Rate 2		
Pay Rate 3		
Federal Exemptions		
Federal Additional W/H		
State Exemptions		
State Additional W/H		
Direct Deposit Payroll Checks		
Checking Account Type		
Savings Account Type		
Bank Routing Number		
Checking Account Number		
Savings Account Number		
Over 65 (hidden)		
Under 18		

Glossary

- **Account** — A detailed record of a particular asset, liability, owners' equity, revenue, or expense.
- **Account Type**—Designates an account in the chart of accounts as an asset account, a liability account, expense account, capital account, income account, etc.
- **AccuWage**—This is free software from the Social Security Administration (SSA). The software checks W-2 (Wage and Tax Statement) and W-2c (Corrected Wage and Tax Statement) reports for errors before you send them to the SSA. To use the software, go to <http://www.ssa.gov/employer/accuwage/>.
- **ACK** — IRS acknowledges each transmission of electronic return data. There are two types of ACK files, the Transmission ACK File and the Validation ACK File. Transmission ACK File is generated if there is a problem in the basic formatting of the entire file. Validation ACK File is generated when there is a problem within the return.
- **Acknowledgement** — See ACK.
- **Additional Net Pay** — Amounts added to an employee's paycheck not subject to withholdings.
- **Advance Earned Income Credit (AEIC)** — An employee who expects to be eligible for the earned income credit (EIC) and expects to have a qualifying child is entitled to receive EIC payments with his or her pay during the year. To get these payments, the employee must provide to you a properly completed Form W-5, Earned Income Credit Advance Payment Certificate, using either the paper form or an approved electronic format. You are required to make advance EIC payments to employees who give you a completed and signed Form W-5.
- **After-the-Fact Payroll** — Payroll information is entered for reporting purposes only and no checks are printed.
- **ATF Payroll** — See After-the-Fact Payroll.
- **Balance** — Either equality between the totals of the credit and debit sides of an account or the difference between the totals of the credit and debit sides of an account.
- **Balance Sheet** — A summary of all the accounts of a business, it provides a snapshot of the business at a given point in time. A balance sheet is usually prepared at the end of each financial year. The term implies that the combined balance of assets equals the liabilities and equity.
- **Beginning Balance** — The amount on hand at the start of an accounting period.
- **Benefits** — Employer provided "non-cash" taxable compensation or fringe benefits.
- **Cash Account** — The general ledger account that reports currency, coins, undeposited checks, and the checking accounts of a company
- **Chart of Accounts** — A listing of the accounts available in the accounting system in which to record entries. The Chart of Accounts consists of balance sheet accounts (assets, liabilities, stockholders' equity) and income statement accounts (revenues, expenses, gains, losses). It can be expanded and tailored to reflect the specific operations of a company.

- **Close** — Refers to procedures at the end of an accounting period. Since an income statement reports the net income for a single accounting period and shows the expenses and revenues only for that period, closing clears current period balances but maintains year to date.
- **COA** — See Chart of Accounts.
- **Common Paymaster** — An entity that pays an employee for two or more related corporations at the same time.
- **Credit** — To enter an amount on the right side of an account. Generally, these types of accounts are increased with a credit: Gains, Income, Revenues, Liabilities, and Stockholders' (Owner's) Equity.
- **Debit** — To enter an amount on the left side of an account. Generally, these types of accounts are increased with a debit: Dividends (draws), Expenses, Assets, and Losses.
- **Deduction** — An expense incurred by a taxpayer that is subtracted from gross income and results in a lower overall taxable income.
- **Double Entry System of Bookkeeping** — Every business transaction is recorded into at least two accounts. For each debit there is an offsetting credit.
- **Earned Income Credit (EIC)** — See EIC.
- **EFIN (Electronic Filing Identification Number)** — Required to electronically file tax returns and other tax related documents, an EFIN is acquired by submitting an online application and mailing a signed and completed fingerprint card to the IRS.
- **EIC** — A refundable credit for workers who meet certain requirements and file a tax return. Persons with or without a qualifying child may claim the EIC. To qualify for the credit, income must be earned.
- **EIN** — Employer Identification Number. This is required to file the various employment tax returns. You may obtain an EIN by completing Form SS-4, Application for Employer Identification Number, and mail or fax it to the IRS for processing.
- **Electronic Filing Identification Number** — See EFIN.
- **Electronic Return Originator** — See ERO.
- **Employer Identification Number** — See EIN.
- **Ending Balance** — The amount in an account at the end of an accounting period as a result of operations during the period.
- **ERO** — Individuals who have passed the suitability checks by the Internal Revenue Service and have subsequently been accepted into the electronic filing program. EROs are required to use their clients' 10-digit Personal Identification Numbers (PIN) when electronically filing the Form 940 series for the client. This PIN serves as an electronic signature for the return.
- **Exemption** — A subtraction from income in computing taxable income. Also, the number used when calculating income tax withholding.
- **Expense Account** — An expense represents an event in which an asset is used or a liability is incurred. Expenses decrease the owner's equity. Examples of expense accounts are wage expense, supply expense, rent expense, and advertising expense.
- **FICA** — Federal Insurance Contribution Act. FICA indicates the payroll taxes for both Social Security and Medicare.

- **FIRE System** — “FIRE” refers to the Filing Information Returns Electronically system at <http://fire.irs.gov>. The following information returns can be filed electronically: Forms 1042-S, 1098, 1099, 5498, 8027, W-2G, and QWF (Questionable Forms W-4). To participate in the FIRE system, submit Form 4419 to request authorization to file Information Returns with the IRS. Once you are approved, a five-character alphanumeric Transmitter Control Code (TCC) is assigned. If you already have a TCC for magnetic media filing, you need not reapply.
- **Form 1096** — This form is used to transmit paper Form 1099-MISC to the IRS. Do not use Form 1096 to transmit electronically or magnetically.
- **Form 1099-MISC** — File this form for each person to whom the employer has paid during the year: at least \$10 in royalties or broker payments in lieu of dividends or tax-exempt interest; at least \$600 in rents, services (including parts and materials), prizes and awards, other income payments, medical and health care payments, crop insurance proceeds, cash payments for fish (or other aquatic life) the employer purchases from anyone engaged in the trade or business of catching fish, or, generally, the cash paid from a notional principal contract to an individual, partnership, or estate; any fishing boat proceeds; or gross proceeds to an attorney. In addition, use this form to report direct sales of at least \$5,000 of consumer products to a buyer for resale anywhere other than a permanent retail establishment. You must also file this form for each person from whom the employer has withheld any federal income tax under the backup withholding rules regardless of the amount of the payment.
- **Form 940** — Use this form to report annual Federal Unemployment Tax Act (FUTA) tax.
- **Form 941** — Use this form to report: payroll taxes (withheld federal income tax and both employee and employer shares of Social Security and Medicare taxes) for the quarter; current quarter's adjustments to Social Security and Medicare taxes for fractions of cents, sick pay, tips, and group-term life insurance; and prior quarters' adjustments to payroll taxes (attach Form 941c).
- **Form 941C** — Use Form 941C to provide background information and certifications supporting prior period adjustments to income, Social Security, and Medicare taxes reported on Forms 941, 941-M, 941-SS, 943, 944, 944(SP), 944-SS, or 945. File it with the tax return on which the adjustment is being claimed. Do not use Form 941C as a supporting statement for current period adjustments (for example, adjustment for uncollected employee share of Social Security and Medicare taxes on tips). No supporting statement is required for the fractions-of-cents, group term life insurance, and third-party sick pay adjustments.
- **Form 941-SS** — Use this form to report the employer's quarterly federal Social Security and Medicare taxes for workers in American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands.
- **Form 943** — Use this form to report federal income tax withheld and employer and employee Social Security and Medicare taxes on wages paid to farm workers.

- **Form 944** — This form is designed so the small employers (those whose annual liability for Social Security, Medicare, and withheld federal income taxes is \$1,000 or less) will file and pay these taxes only once a year instead of every quarter. Use Form 944 to report: payroll taxes (withheld federal income tax and both employee and employer shares of Social Security and Medicare taxes) for the year; current year's adjustments to Social Security and Medicare taxes for fractions of cents, sick pay, tips, and group-term life insurance; and prior years' adjustments to payroll taxes (attach Form 941c). File this form if the IRS has notified you to file Form 944 to report: wages you have paid, tips your employees have received, both the employer's and the employee's share of Social Security and Medicare taxes; and Advance earned income tax credit (EIC) payments. You must file a Form 944 for each year even if you have no taxes to report unless the IRS notifies you that your filing requirement has been changed to Form 941 (or you filed a final return).
- **Form 944-SS** — This form is designed so the small employers (those whose annual liability for Social Security and Medicare taxes is \$1,000 or less) in American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands will have to file and pay these taxes only once a year instead of every quarter. File this form if the IRS has notified you to file Form 944-SS to report: wages you have paid, tips your employees have received, and both the employer's and the employee's share of Social Security and Medicare taxes. You must file a Form 944-SS for each year even if you have no taxes to report unless the IRS notifies you that your filing requirement has been changed to Form 941-SS (or you filed a final return).
- **FUTA** — Federal Unemployment Tax. Together with state unemployment systems, FUTA tax provides payments of unemployment compensation to workers who have lost their jobs. Most employers pay both federal and state unemployment taxes. Only the employer pays FUTA tax.
- **GAAP (Generally Accepted Accounting Principles)** — These are general rules and concepts that govern the field of accounting and form the groundwork on which more detailed, complicated, and legalistic accounting rules are based. GAAP enables us to assume that there is consistency from year to year in the methods used to prepare a company's financial statements. And although variations may exist, we can make reasonably confident conclusions when comparing one company to another.
- **General Ledger** — The part of the accounting system containing the balance sheet and income statement accounts used for recording transactions.
- **Generally Accepted Accounting Principles** — See GAAP.
- **Gross** — The total amount of income or expense before deductions or adjustments. For example, gross pay is the amount before withholding deductions or gross purchases before discounts.
- **ITIN** — An Individual Taxpayer Identification Number (ITIN) is a tax processing number issued by the Internal Revenue Service. The IRS issues ITINs to individuals who are required to have a U.S. taxpayer identification number but who do not have, and are not eligible to obtain, a Social Security number (SSN) from the Social Security Administration (SSA). ITINs are issued regardless of immigration status because both resident and nonresident aliens may have U.S. tax return and payment responsibilities under the Internal Revenue Code.
- **Journal** — Where transactions are recorded and appear in order by date.

- **Journal Entry** — The entry made in a journal containing the date, the account name, amount to be debited, the account name and amount to be credited. Each journal entry must have the dollars of debits equal to the dollars of credits.
- **Live Payroll** — Payroll information is entered and employee paychecks are printed.
- **MICR** — Magnetic Ink Character Recognition. A character recognition system developed for the banking industry that gives banks a secure and faster method of processing checks. It uses special characters and magnetic ink or toner on blank check stock to print the numbers and characters found on the bottom of checks. A document printed with MICR ink is read by passing through a machine that will first magnetize the ink on the MICR line, and then read the magnetic signals. Each character gives off a magnetic signal unique and identifiable to that character.
- **MMREF** — Magnetic Media Reporting and Electronic Filing. Electronic reporting specifications for Form W-2 set by the Social Security Administration.
- **Net Pay** — Gross wages or gross salaries minus withholdings for payroll taxes and other items such as insurance, union dues, United Way, etc. Also referred to as "take home pay".
- **Post** — The transferring of entries from the journals to be summarized in the general ledger.
- **Postable Account** — Level 0 accounts. Journal entries can only be made to postable accounts. Other level accounts are summary accounts.
- **Reporting Agent** — An accounting service, franchiser, bank or other person who complies with IRS Revenue Procedures 96-17 and is authorized to electronically sign and file a Form 940/941 on behalf of a taxpayer. This authorization is granted through submission of Form 8655, either by the client or the reporting agent. There must be a Form 8655 signed by the client for each of the reporting agent's clients. Reporting agents sign all of the electronic returns they file with a single PIN signature.
- **Retained Earnings** — An equity account that reports the net income of a business from its inception until the balance sheet date minus the dividends declared from its inception to the date of the balance sheet. The earnings have been "retained" for use in the business.
- **SSN** — Social Security Number
- **Taxpayer Identification Number (TIN)** — An identification number used by the Internal Revenue Service. It can be a SSN (Social Security Number), EIN (Employer Identification Number), ITIN (Individual Identification Number), ATIN (taxpayer identification number for pending U.S. adoptions) or PTIN (Preparer Taxpayer Identification Number).
- **TIN** — See Taxpayer Identification Number
- **Transfer Agent** — The agent authorized by a corporation to maintain the official record of each registered shareholder's name, address, number of shares purchased or sold, and their balances.
- **Trial Balance** — A listing of the accounts in the general ledger with the account balances listed in the appropriate debit or credit column as of a specified date. A trial balance is usually prepared at the end of an accounting period and is used to determine if additional adjustments are required to any of the balances. The total of the amounts in the debit column must equal the total of the amounts in the credit column.

- **W-2** — Employers must file Form W-2 for wages paid to each employee from whom income, Social Security, or Medicare tax was withheld or income tax would have been withheld if the employee had claimed no more than one withholding allowance or had not claimed exception from withholding on Form W-4.
- **W-3** — Anyone required to file Form W-2 must file Form W-3 to transmit Copy A of Forms W-2.
- **Withholding (W/H)** — The term associated with payroll deductions from an employees' gross wages or gross salary.

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