

UltraTax/1065

Walkthrough

Tax Year 2018

Invest a few hours of your time to experience the power of UltraTax/1065 — the tax preparation application that puts you in complete control of processing your tax returns.



ULTRATAX CS[®]
part of the
CS PROFESSIONAL SUITE[®]

Support: 800-968-0600
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Tax.ThomsonReuters.com/CS



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The image is a promotional graphic for UltraTax CS. It features a blue background with a large, light blue dollar sign on the right side. The text 'ULTRATAX CS' is prominently displayed in white, with 'part of the CS PROFESSIONAL SUITE' below it. At the bottom, there is a white bar containing contact information for support and sales, and the Thomson Reuters logo and name.

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GETTING STARTED

This walkthrough will provide you with a basic understanding of the design and functionality of UltraTax CS. Because this walkthrough is relatively brief, we cannot show you all of the application features and capabilities. However, after you complete the walkthrough, you will have a good understanding of the basic features of UltraTax CS and will be able to prepare tax returns with confidence and efficiency.

This walkthrough is most beneficial when you read the pages in sequence. If UltraTax CS does not perform as expected while you use this walkthrough, please call CS Support at **800.968.0600** and follow the prompts.

This chapter of the walkthrough describes the following:

- The UltraTax CS main window, including the menu, toolbar, and Home Page
- How to use the Help menu to learn more about UltraTax CS

About UltraTax CS

All UltraTax CS applications share common features and adhere to standard Windows® design conventions to improve user productivity. For example, UltraTax CS uses the same keyboard commands, menus, and application conventions as your Windows operating system.

Note: For the latest system requirements, please visit the [System requirements](#) page of our website. Note that our applications are designed for professional production work. Our system requirements are based on the assumption that professional accounting firms replace their computer hardware and operating systems approximately every three years. While our applications may operate on less powerful hardware and operating systems, we do not believe our applications will perform at a level suitable for production work in those environments. Of course, as processing speed and RAM increase, application performance will also improve. We recommend business class computers, which generally offer higher levels of performance than home models when running business applications.

The UltraTax CS main window

- ▶ After you have installed UltraTax CS, double-click the UltraTax CS  icon on the Windows desktop to start the application.

Note: To protect your data and comply with IRS requirements, the licensed version of UltraTax CS requires that each user log in to the application with a unique username and password. If you are using a licensed full version of UltraTax CS, a login prompt will appear immediately after launching the application.

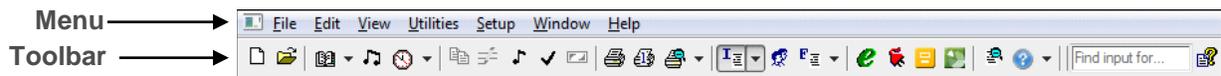
If the User Bulletin window opens when you open UltraTax CS, just click the Close  button to close this window. We will discuss user bulletins on page 7 of this walkthrough.

After you close the User Bulletin window, you will see the UltraTax CS menu and toolbar, which are the starting points for all activities in UltraTax CS.

Note: If your firm uses a master password, you may be restricted from accessing various UltraTax CS features.

UltraTax CS menu and toolbar

The toolbar is composed of buttons for the most common actions in UltraTax CS, such as creating a new client, accessing client properties, printing returns or other documents, and switching between form and input screen view. The UltraTax CS menu consists of menus from which you execute various commands. These menus are dynamic, so the commands that appear in the menus differ depending on whether a client's return is open and where you are in the application.



Each menu contains commands about a different area of UltraTax CS. For example, the File menu commands are used for client data operations, such as opening, closing, adding, backing up, or renaming client data. Please take a few minutes to browse the commands in each menu. You will use many of the commands later in this walkthrough.

UltraTax CS Home Page

The UltraTax CS Home Page provides links to frequently used functions and displays information about return status, application updates, and client status in UltraTax CS. By default, the Home Page displays  when you open UltraTax CS, and you can click the Home Page  button on the toolbar. To set up the Home Page to always appear when a return is not open, choose User Preferences from the Setup menu, click the Home Page tab, and select *When no other screens are visible* from the *Display the Home Page* field drop-down list.

To view each section of the Home Page, click the links in the left pane.

Alerts

The Alerts section provides notifications of important information about UltraTax CS. The section also contains any reminders that have been set up via the Client Status system.

Product News

The Product News section displays electronic filing information and other news about UltraTax CS applications.

Electronic Filing Live

The Electronic Filing Live section displays status information about returns that have been transmitted for electronic filing.

Note: You must have an active internet connection to view the live status of electronic files. To maintain an active connection, choose Utilities > CS Connect, click the Communication Setup button, click the *Direct (LAN) connection to internet* option, and mark the *Internet connection is always online* checkbox.

eSignature Status Live

The eSignature Status Live section displays a list of all eSignature documents that have been transmitted for electronic signing. This list includes the client ID, name, the originator at the firm who transmitted the eSignature (typically a preparer, reviewer, or other staff member), the associated entity type, the date of the transmission, and the current status of each document.

Bank Products

The Bank Products section contains status information about electronically filed returns that utilize bank products. The Bank Products section displays on the Home Page only if you mark the *Use Electronic Refund Disbursement Service* checkbox in the Bank Products dialog. To mark this checkbox, choose 1040 Individual from the Setup menu, click the Federal tab, and click the Bank Products button.

CS Connect Services

The CS Connect™ Services section displays updates that were downloaded and applied via CS Connect. To update CS Connect Background Services settings on the CS Connect tab of the System Configuration dialog via the UltraTax CS Home Page, click the CS Connect Services link and then click the Change link.

UltraTax CS Updates

The UltraTax CS Updates section contains information about application updates that are available for download. This link displays only if there are available updates.

Recent Activity

The Recent Activity section displays the most recent client returns your preparers, staff, and reviewers have accessed, along with the time spent in each client's record. You can use the Setup > User Preferences > Home Page tab to specify the number of clients displayed here.

Getting Started

Client Profiles

The Client Profiles section lists all client returns, including the client ID, entity, status, and complexity. In this section, you can open a client's return, search your client list by first or last name, update client contact information without opening the client's return, access return information, view return history (when applicable), view the status history of clients' returns, as well as add, edit, or view external client documents.

Product Releases

The Product Releases section shows which federal and state applications you have installed, which applications you are licensed for (or that you installed in the prior year) but have not yet installed, which are available to install, and which are not yet available to install.

Product Information

The Product Information section displays Platform information that applies to all products and information about all products for which you are licensed.

Data Locations

The Data Locations section displays all of the data locations you set up for your client data. You can expand each link to see how many clients are in each data location. To add data locations, choose System Configuration from the Setup menu, and click the Data Locations tab.

Firm Information

The Firm Information section provides information about network users who are currently using the application. You can review graphs that display current and prior-year clients by entity, view a breakdown by year and entity of how many clients each preparer, reviewer, or staff is assigned, and view computer hardware information for network users.

This section does not display by default. To display the Firm Information section on the Home Page, choose Security from the Setup menu, enter a password, and mark the *Display Firm tabs on the home page* checkbox. If you enabled advanced security, choose Setup > Security, enter your password and click Continue, click the Groups tab, click the Edit Group button, click the Administrative link in the Privilege column, set the Home Page privilege to *Allow*, and click OK twice.

Multimedia Presentations

The Multimedia Presentations section contains links to video presentations about items such as new features in UltraTax CS and PDF documents with information related to the videos.

Research on the Web

The Research on the Web section contains links to useful websites.

Support Center

The Support Center section lists Support operating hours and links to Support resources, the Help & How-To Center, the E-File Help Center, and the UltraTax CS Ideas Community forum.

Custom links

The left pane of the Home Page displays icons for any custom URLs or links to local or network files that you have set up. To add custom links, choose User Preferences from the Setup menu, click the Home Page tab, and click the Custom Links button.

Forms CS

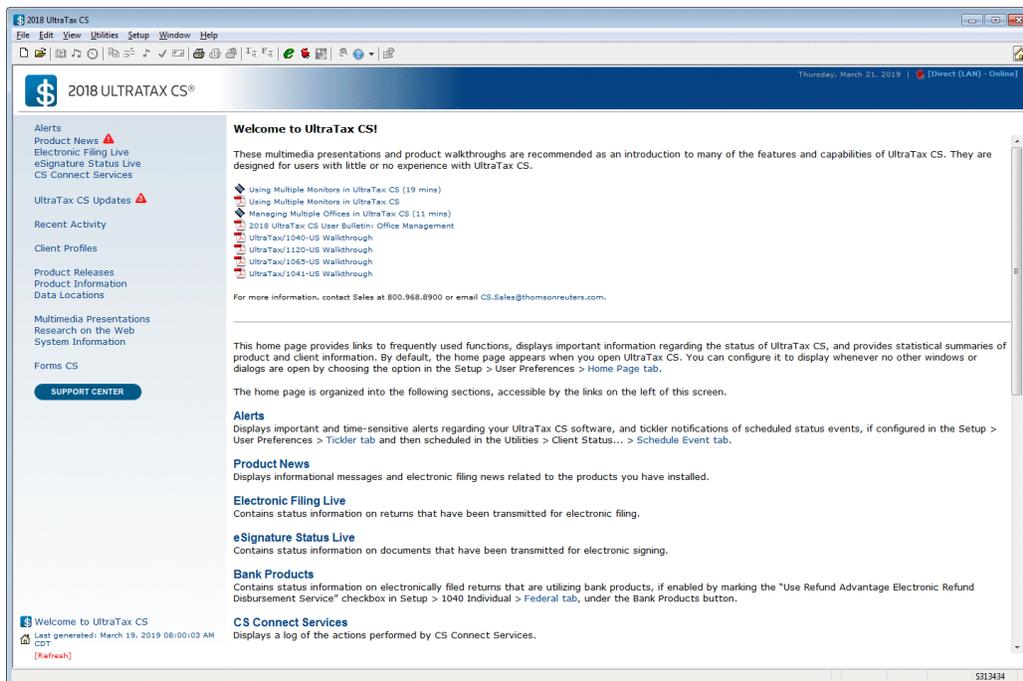
The Forms CS section contains links to the Forms CS website.

Support Center

The Support Center section lists Support operating hours and links to Support resources, the Help & How-To Center, the E-File Help Center, and the UltraTax CS Ideas Community forum.

Welcome to UltraTax CS

The Welcome to UltraTax CS section displays when you first open UltraTax CS after you install the application. This section provides descriptions of the information available via the Home Page navigation pane. When applicable, the section descriptions point you to the corresponding Home Page section or direct you to the appropriate tab in UltraTax CS.



For more information about using the UltraTax CS Home Page, choose Help & How-To Center from the Help menu, enter **Home Page** in the search field, press ENTER, and click “Using the UltraTax CS Home Page.”

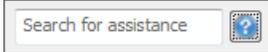
The UltraTax CS Help menu

The Help menu provides a variety of features and methods to acquaint yourself with UltraTax CS. The following sections describe some of the commands available from the Help menu.

Help & How-To Center

The Help & How-To Center provides one-stop access to the information you need while you use UltraTax CS. Use the search field in UltraTax CS to find details on new features, procedures for various tasks, answers to frequently asked questions, productivity and troubleshooting tips, alerts about timely issues, and more.

To access the Help & How-To Center, choose Help & How-To Center from the Help menu, press F1 from within an open client's return, or press CTRL+Y. Or you can search for articles from within UltraTax CS by

clicking the arrow next to the Help  button to enter your terms in the search  field. You can also choose Help > Alerts and Notices to view information about known issues, recent fixes, and answers to common questions.

For more information and examples of sample searches, see the [Finding answers to your UltraTax CS questions](#) article in the Help & How-To Center.

E-File Help Center

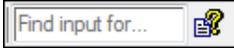
The E-File Help Center provides access to detailed information about e-filing your clients' returns. The center provides easy access to essential procedures such as applying to e-file, setting up UltraTax CS for e-filing, preparing e-files, transmitting and tracking e-files, and resolving errors.

UltraTax CS Ideas Community

The UltraTax CS Ideas Community provides a way for you to give feedback and suggestions directly to our development team. The scope, feasibility, and popularity of a suggestion based on votes from other UltraTax CS users will impact whether we implement that suggestion in a future release of UltraTax CS. For more information, see the [UltraTax CS Ideas Community](#) article in the Help & How-To Center.

Tax Subject Index

The Tax Subject Index provides a search feature to help you find the correct input screen for a specific category of tax data. The Tax Subject Index also displays a list of available tax forms and a list of tax form instructions (provided you have an active internet connection and Adobe Reader installed).

To access the Tax Subject Index, open a client's return and then click the Tax Subject Index  button on the UltraTax CS toolbar, or enter a search term in the *Find input for*  field and then press ENTER.

To search by keyword, click the *Tax Subjects* option in the Tax Subject Index dialog, enter one or more keywords for the subject you want, and click the Find button. After the Tax Subject Index locates the associated articles, double-click the subject you want, and the application will open the input screen where you should enter that category of data.

To view a list of all forms and their corresponding input screens for the current entity, click the *Forms* option. Double-click a form in the list to open the related input screen or tax form (for non-calculating forms).

To find tax form instructions on the internet, click the *Web Form Instructions* option and double-click the desired form instructions in the list. Also, to access entity-specific frequently asked questions from the Tax Subject Index, click the Frequently Asked Questions  [Frequently Asked Questions...](#) button.

Additional Resources

In addition to providing quick access to the Help & How-To Center, the Help menu includes an "Additional Resources" submenu from which you can access the following resources.

- **General Support Information** — Opens the Support section of our website. You can use the Support page to obtain information about releases and versions, search the Help & How-To Center, send questions to CS Product Support, and more.
- **Keyboard Help** — Opens a table of keyboard shortcuts. UltraTax CS provides many keyboard shortcuts for the most commonly used features in the application, such as opening a client's return and accessing our Help & How-To Center.
- **Frequently Asked Questions** — Opens a help article with links to frequently asked questions (FAQs) about UltraTax CS in general and about specific UltraTax CS applications.
- **Ask Support via Email** — Opens a form you can complete to submit a question to CS Product Support.

Bulletins

The Bulletins command opens a window that lists all of the user bulletins pertinent to the current-year applications for which you are licensed. User bulletins inform you of issues fixed in new releases, of changes made to the application, or of special issues such as state requirements for forms. You can either view the user bulletins on screen or print the desired bulletins from the User Bulletin window.

Note: You can also access current user bulletins for installed applications in the Product Information section of the UltraTax CS Home Page. Click the Product Information link on the UltraTax CS Home Page, click the appropriate application tab, and then click the link for the federal or state application. Click the User Bulletins link, then click the Current link to access a list of all of the current-tax-year user bulletins for the selected application.

On the Web

The On the Web command opens a sub-menu with commands to access various online resources.

- **CS Professional Suite Home Page** — Opens the main page of our website, where you can obtain general information about Thomson Reuters/Tax & Accounting and our applications.
- **Checkpoint** — Opens the Checkpoint® login dialog, which subscribers can use to log in to the Checkpoint online tax and research database service without closing UltraTax CS.

Getting Started

- **Quickfinder on ProView** — Opens the Thomson Reuters ProView™ login dialog, which subscribers can use to log in to Quickfinder®, a tax research and preparation resource, without closing UltraTax CS.

Note: The *Checkpoint* and *Quickfinder on ProView* commands only appear if these features are enabled by marking the corresponding checkboxes in the Setup > User Preferences > Research tab. You may not see the new menu commands until you close and re-open UltraTax CS.

- **Forms CS** — Opens the main page of the Forms CS website, where you can log in and purchase officially approved tax forms, document covers, and envelopes for your returns.
- **Adobe Reader** — Opens the Adobe website from which you can download and install the Adobe Reader.
- **IRS Home Page** — Opens the main page of the IRS website, where you can obtain information about the latest tax law changes and access various tax forms and publications.
- **IRS e-services** — Opens the e-services page of the IRS website. This page contains tools and resources to electronically conduct business with the IRS.

Getting Started

The Getting started command opens a sub-menu with commands to access a multimedia presentation and guide in PDF. These resources are designed to introduce new users to UltraTax CS and to provide information on application updates and new features.

Additional research resources

UltraTax CS provides additional research resources for tax research and return preparation.

- **RIA Form/Line Finder research integration** — UltraTax CS integrates with RIA Form/Line Finder research. To use this feature, click the Form View button on the toolbar to switch to form view, choose Web Research from the View menu, and choose RIA Form/Line Finder (or right-click, choose Web Research, and then choose RIA Form/Line Finder). You must subscribe to RIA Form/Line Finder and enable access to RIA Form/Line Finder in the Research tab; to do so, choose User Preferences from the Setup menu, and click the Research tab. You must be connected to the internet to use this feature.
- **PPC Deskbooks integration** — You can access PPC Deskbooks resources for additional tax information. You must have PPC Deskbooks installed to use this feature. To access PPC Deskbooks content from within UltraTax CS, click the PPC Deskbooks button in the appropriate input screen, and choose the desired article. You can also choose Web Research from the View menu, and then choose PPC Deskbook to open the PPC Reference Library application. You must subscribe to PPC Deskbooks and enable access to PPC Deskbooks in the Research tab; to do so, choose User Preferences from the Setup menu, and click the Research tab. You must be connected to the internet to use this feature.

- **Government instructions and publications** — UltraTax CS links to government form instructions and certain publications. To use this feature, click the Form View button on the toolbar to switch to form view, choose Web Research from the View menu, and then choose Government (or right-click, choose Web Research, and then choose Government). To access this feature from the UltraTax CS Help menu, choose On the Web from the Help menu, and choose either IRS Home Page or IRS e-services. You must be connected to the internet to use this feature.

SETTING UP AND EXPLORING ULTRATAX CS

In UltraTax CS, you can access all setup-related activities from a single, initial setup menu. This chapter shows you how to set up items that will remain the same for all of your clients and for all UltraTax CS users in your firm. From the same initial setup menu, you can set up firm and security information and preferences for transmittal letters.

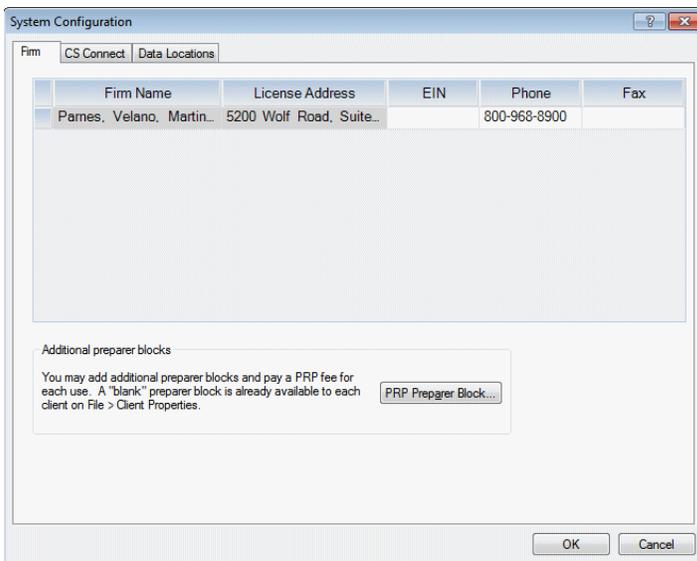
Entering firm and preparer information

ACTIONS

Begin at the UltraTax CS menu.

1. From the Setup menu, choose System Configuration. The System Configuration dialog opens to the Firm tab.

Note that we have set up a sample firm for this walkthrough. If you have already purchased and installed a license for the full UltraTax CS application, your firm information is listed here.



Firm Name	License Address	EIN	Phone	Fax
Parnes, Velano, Martin...	5200 Wolf Road, Suite...		800-968-8900	

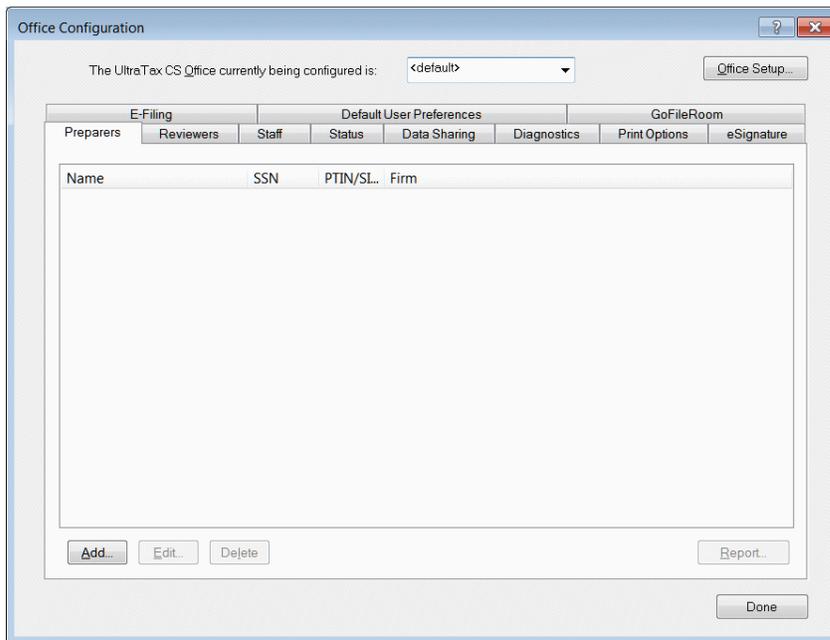
Additional preparer blocks
You may add additional preparer blocks and pay a PRP fee for each use. A "blank" preparer block is already available to each client on File > Client Properties.

OK Cancel

2. Enter your employer ID number in the *EIN* field.

Setting Up and Exploring UltraTax CS

- Click OK to close the System Configuration dialog.
- Now, let's add you as a preparer.
- From the Setup menu, choose Office Configuration. The Office Configuration dialog opens to the Preparers tab.



- Click the Add button to open the Preparer Information dialog.

- Enter your Social Security number in the *Preparer SSN* field.

8. Press TAB to move to the *PTIN/SIDN* field and enter your PTIN or SIDN.
9. Press TAB to move to the *Preparer name* field and enter your name.
10. Mark the *Self-employed* checkbox if all preparers are self-employed.
11. Click OK to add the information to the list in the Preparers tab.
12. Click Done to close the Office Configuration dialog and to return to the UltraTax CS Home Page.

Reviewing the tax return collation

The next setup task is to review the default tax return collation.

ACTIONS

You are at the UltraTax CS menu.

1. From the Setup menu, choose 1065 Partnership to open the 1065 Product Information dialog.

Note: Each state application that you have installed has a tab, as shown in the following illustration. (The Federal tab is currently selected.) Notice that the interest rates in effect as of the latest release date are entered in the rate fields. You can enter or adjust interest rates as needed.

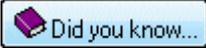
The screenshot shows the '1065 Product Information' dialog box. At the top, there are tabs for different states: Federal, Alaska, Alabama, Arkansas, Arizona, California, Colorado, Connecticut, and District of Columbia. The 'Federal' tab is active. Below the tabs, the dialog is organized into several sections:

- Interest rates:** This section is divided into three columns for the years 2018, 2019, and 2020. Each column has four rows representing different periods: 01/01 - 03/31, 04/01 - 06/30, 07/01 - 09/30, and 10/01 - 12/31. Interest rate values are entered in the 2018 and 2019 columns (e.g., 5.00 and 6.00), while the 2020 columns are currently empty.
- Note:** A note below the interest rates states: 'Changing these rates will affect all UltraTax federal products.'
- Document format:** This section contains three radio button options:
 - Separate pages for Transmittal Letter and federal and state Filing Instructions
 - Separate Transmittal Letter, but combine federal and state Filing Instructions
 - Combine Transmittal Letter and Filing Instructions in letter format
- Additional information:** This section has two buttons: 'New Client Options...' and 'Other Return Options...'. The text indicates that adding new clients initializes the first set of options, and the settings apply to both new and existing clients.
- Documents:** This section contains five buttons: 'Letters & Emails', 'Filing Instructions', 'Invoice' (with a dropdown arrow), 'Tax Elections', and 'Slipsheets'.
- Collation:** This section contains two buttons: 'Input Screens' (with a dropdown arrow) and 'Tax Return...'.
- Other:** This section contains two buttons: 'Watch Fields...' and 'Client Complexity...'.

At the bottom of the dialog, there are 'OK' and 'Cancel' buttons.

2. In the Collation group box, click the Tax Return button to open the Return Collation dialog.

Let's take a moment to review the features in this dialog.

- **Focus options** — Use the options in the Focus group box to control the return items displayed in the Return items list. Although some items appear as a single item in each collation list (government, client, and preparer), you can customize those items.
To do so, click the applicable option in the Focus group box in the Return Collation dialog.
- **Find what field** — Enter a search term in this field then click the Find button or press ENTER to locate a specific item in the return items list. The Find button changes to the Next button after the first instance of the search item is located. Click Next or press ENTER to continue your search in the Return items list to locate other instances of the specified search term.
- **Government / Client / Preparer tabs** — For each copy of a client's return, you can specify the collation order, print conditions, and whether to print an item on paper. You can also determine whether to print items in the government or preparer copies on paper when filing electronically or when printing to FileCabinet CS®.
- **Return items list** — This list contains descriptions of the printable items in the return and the current print condition for each item. You can select a single item or multiple items at the same time and change the collation properties. Click the Government, Client, or Preparer tab to change the collation properties of the same items for other copies of the return. Click the Did you know  button for more information on this feature.
- **Print conditions group box** — For each item in each copy of the return, you can print the item when the item is required, or you can suppress the item from printing. You can enable certain items that are not required to always print when data is present.
- **When filing electronically group box** — You can print the return on paper when filing electronically or include an item as a second attachment when the client copy of the tax return is delivered via email, as a PDF file, or via the NetClient CS® web portal.
- **Move Up / Move Down buttons** — To change the collation order, highlight an item in the list and click these buttons to change the item's position in the sequence.
- **Restore Default button** — Click this button to restore the collation of each copy of the return to the UltraTax CS default or to the prior-year collation.

Note: By default, the return collation is set to follow IRS guidelines on forms that should print with the return, and we strongly recommend that you use the default Government collation. While you can customize the Client and Preparer collations, you do not normally need to make these changes.

3. We will not change the order of the forms for this walkthrough, so click Cancel to close the dialog.

Entering invoice pricing

UltraTax CS provides many invoice options so you can customize your client invoices. You can print an invoice without a detailed form listing, print a detailed form listing with only one price, print a detailed list

with a specific price per form, or force a total invoice amount. In addition, you can create custom invoice prices on a per-client basis when you do not want to use the standard invoice. Invoice pricing from the prior-year UltraTax CS automatically transfers to the current-year application when you proforma, so you need to update only prices that have changed. UltraTax CS provides a predefined template for client invoices so you can use proportional fonts and borders, copy text from files in other applications such as Microsoft® Word® or WordPad, or insert your logo or letterhead as a scanned (bitmap) file. UltraTax CS generates the invoice based on the items selected to print in the client copy of the tax return. The application automatically saves a backup copy of the default invoice so that you can start over if you do not like your changes.

In the following example, you will enter information in the detail price listing.

ACTIONS

You are at the 1065 Product Information dialog.

1. Click the Invoice button and select Pricing from the drop-down list. The Invoice Pricing dialog opens. You can choose the forms to appear on the invoice and set prices for the forms in this dialog.

Enter text to search for a specific form.

Enter form and per-item prices in these columns.

Include the form on the invoice by marking the form's checkbox.

Form	Form Price	Item Price
<input type="checkbox"/> Bank Account Verification		
<input checked="" type="checkbox"/> Tax Return Summary		
<input type="checkbox"/> FinCEN Form 114a (Authorization to e-file FBARs)		
<input type="checkbox"/> FinCEN Form 114 (Report of Foreign Bank Account)		
<input type="checkbox"/> Form 2848 (Power of Attorney)		
<input type="checkbox"/> Form 3115 (IRS) (Change in Accounting Method)		
<input type="checkbox"/> Form 4506 (Request for Copy of Tax Return)		
<input type="checkbox"/> Form 4506-T (Request for Transcript Return)		
<input type="checkbox"/> Form 8716 (IRS) (Tax Year Other than Required)		
<input type="checkbox"/> Form 8752 (Required Payment Section 7519)		
<input type="checkbox"/> Form 7004 - Form 8804 Copy		
<input type="checkbox"/> Form 8804 (Annual Withholding Tax)		
<input type="checkbox"/> Form 8805 (IRS) (Foreign Partner Info Stmt)		
<input type="checkbox"/> Schedule A (8804) (Pen Undpymt Est Sec 1446 Tax)		
<input type="checkbox"/> Form 8805 Worksheet (Sec 1446 Withholding Comp)		
<input type="checkbox"/> Form 8813 (Withholding Tax Pmt Vouchers)		
<input type="checkbox"/> Form 8821 (Tax Information Authorization)		
<input type="checkbox"/> Form 8822-B (Change of Address - Business)		
<input type="checkbox"/> Form 8832 (IRS) (Entity Classification Election)		
<input type="checkbox"/> Form 8886 (OTSA) (Reportable Trans Disclosure)		
<input type="checkbox"/> Form 8886 (OTSA) Reportable Transaction Worksheet		

Print a report at any time to see all current prices.

Now, let's enter a couple of sample prices.

Setting Up and Exploring UltraTax CS

2. Enter **Form 1065** in the *Find what* field, then click the Find / Next button twice.
3. Mark the *Form 1065 (Return of Partnership Income)* checkbox. Once you mark the checkbox for an item, the *Form Price* field is enabled.
4. In the *Form Price* field, enter **5,000**, and press TAB. The invoice now lists \$5,000 as the price for Form 1065.
5. Delete the text in the *Find what* field, enter **Form 4562**, and click the Find button.
6. Mark the *Form 4562 (Depreciation and Amortization)* checkbox.
7. In the *Form Price* field, enter **50**, and press TAB.
8. In the *Item Price* field, enter **25**, and press TAB. When you process returns, the invoice will show the greater of \$25 per item or \$50 for Form 4562.

	Form	Form Price	Item Price
<input type="checkbox"/>	Schedule K-1 (1065-B) (IRS) (Partner's Share of Income)		
<input type="checkbox"/>	Schedule K-1 (1065-B). (Ptrshp Copy) (Partner's Share of Income)		
<input type="checkbox"/>	Schedule K-1 (8865), Page 1 (Partner's Share of Frgn Inc)		
<input type="checkbox"/>	Schedule K-1 (8865), Page 2 (Partner's Share of Frgn Inc)		
<input type="checkbox"/>	Schedule M-3 (Net Inc (Loss) Reconciliation)		
<input type="checkbox"/>	Schedule O (8865) (Transfer Prop to Frgn Ptrshp)		
<input type="checkbox"/>	Schedule P (8865) (Chg of Int in Foreign Ptrshp)		
<input type="checkbox"/>	Form T (Forest Activities Schedule)		
<input type="checkbox"/>	Form 3468 (Investment Credit)		
<input type="checkbox"/>	Form 4136 (Federal Fuel Tax Credit)		
<input type="checkbox"/>	Form 4255 (Investment Credit Recapture)		
<input checked="" type="checkbox"/>	Form 4562 (Depreciation and Amortization)	50.00	25.00
<input type="checkbox"/>	Form 4684 (Casualties and Thefts)		
<input type="checkbox"/>	Form 4797 (Sales of Business Property)		
<input type="checkbox"/>	Form 5471 (Ret US Persons Foreign Corps)		
<input type="checkbox"/>	Form 5471, Schedule I Worksheet (Summary Shr Income Frgn Co..		
<input type="checkbox"/>	Form 5884 (Work Opportunity Credit)		
<input type="checkbox"/>	Form 5884-A (Credit Disaster Area Employers)		
<input type="checkbox"/>	Form 6252 (Installment Sales)		
<input type="checkbox"/>	Form 6478 (Biofuel Producer Credit)		
<input type="checkbox"/>	Form 6765 (Credit for Increasing Research)		

9. Delete the text in the *Find what* field, enter **Rent and Royalty Worksheet**, then click the Find button.
10. Mark the *Rent and Royalty Worksheet* checkbox. "No Charge" appears in the *Form Price* field. UltraTax CS will print "No Charge" on the invoice when the Rent and Royalty Worksheet is completed.
Note: If you click the Increase All button, the Increase Invoice Amounts dialog opens. You can increase all invoice prices by an amount or a set percentage. In addition, you can apply a dollar amount to all invoice items that are currently set as "No Charge" items.
11. Click Done.
12. Click OK to close the 1065 Product Information dialog and to return to the UltraTax CS Home Page.

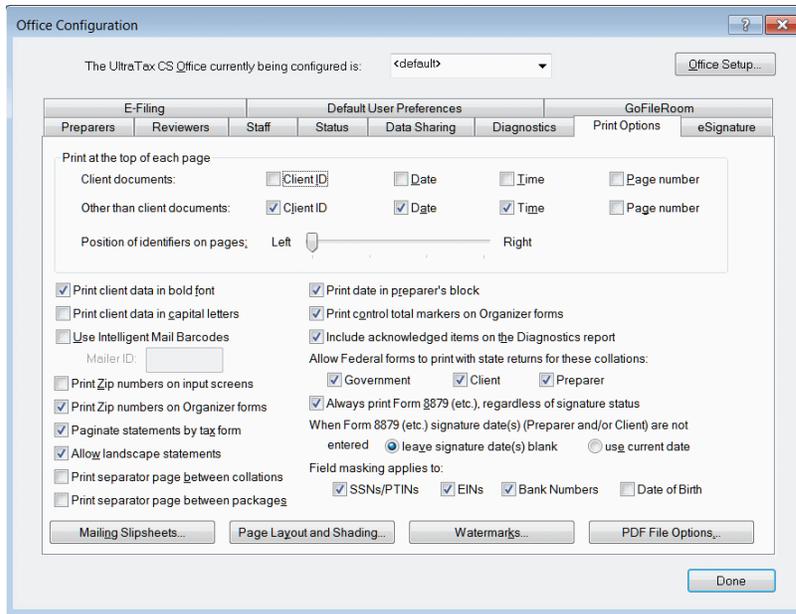
Notes

- You can preview the invoice at any time by right-clicking in any input screen or form and choosing View/Customize Invoice from the context menu. Click the Close button when you are finished previewing the invoice. The Custom Invoice Amounts dialog opens, which allows you to make changes to invoice amounts. Click Done to return to the input screen.
- To print the invoice price list to view and adjust prices before you print invoices, click the Print button in the Invoice Pricing dialog. Although the invoice prices defined in this dialog apply to all clients, you can customize the pricing for a specific client's invoice. To change an amount for a specific client, open the client's return, choose View/Customize Invoice from the View menu, and click Close to close the invoice preview; the Custom Invoice Amounts dialog opens. Note that other options are available in Screen Letter, such as forcing a total invoice amount and applying a discount to the invoice.
- You can show a list of forms on the invoice with or without prices and print "No Charge" when there is no charge for a particular form. To access these options, choose 1065 Partnership from the Setup menu, click the Invoice button, select Text & Format Options from the drop-down list, and then click the Options button.
- To set up separate prices for state items and print those prices on a combined federal and state invoice, click the appropriate state tab in the 1065 Product Information dialog, and then click the Invoice Pricing button.

Customizing the print options

You can set print options that apply to all clients. Although you do not need to change any of these options for this walkthrough, let's look at the options available.

1. Depending on your configuration, do one of the following:
 - If your security configuration allows individual users to set their own print options, choose User Preferences from the Setup menu, and click the Print Options tab.
 - If you are using the evaluation version of UltraTax CS or if your security configuration is set to use firm-wide print options, choose Office Configuration from the Setup menu, enter the master password (if necessary), and click the Print Options tab.



In the Print Options tab, you can do the following:

- Print selected information at the top of each page, such as the client ID, date, time, and page number. You can also set the position of these items on the page. Note that this information does not print on certain state forms, per state guidelines.
- Print statements in one continuous batch or paginate the statements based on corresponding forms.
- Print client data in bold font or capital letters or print bar codes on mailing slipsheets by opening the Mailing Slipsheets dialog.
- Define print options, such as the appearance of the printed output and page layout.
- Create or edit watermarks for use on government, preparer, or client return collations. Depending on your security configuration, click either the Watermarks tab or the Watermarks button.
- Choose to include federal forms when printing state returns for the Government, Client, and/or Preparer collations.
- Choose to mask the SSNs/PTINs, EINs, bank numbers, or dates of birth in the printed client and preparer copies of the return.

Note: Many of the options discussed above are firm-wide options, but preparers can change some print options, such as watermarks and selecting particular pages, to print for specific clients. Printing a return for most clients is straightforward; all you need to do is click the Print button on the toolbar and determine whether you want to print a preview or a final copy of the return.

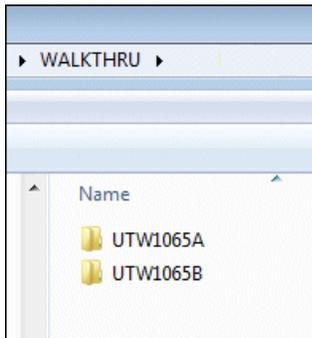
2. We will not change options for this walkthrough, so click Done to close the dialog.

UltraTax CS sample data

Two sample 1065 clients are included with UltraTax CS for use with this walkthrough. Client UTW1065A or UTW1065B will be used for partnership processing in the “Preparing Your First 1065 Return” chapter later in this walkthrough.

Depending on how you installed UltraTax CS, you may need to download the sample data from our Help & How-To Center before you can restore it.

To determine if the sample data has been installed on your computer, navigate to C:\WINCSI\UT18\WALKTHRU and confirm that the UTW1065A and UTW1065B folders shown in the following image are present.



Notes

- If you installed UltraTax CS in a folder other than C:\WINCSI, navigate to that folder. For example, if you installed the program in D:\WINAPPS\WINCSI\UT18, you should navigate to D:\WINAPPS\WINCSI\UT18\WALKTHRU.
- If you access UltraTax CS through the Virtual Office CS® or SaaS (Software as a Service) environment, you can download and restore the sample data as outlined in the following sections.

If the sample data has been installed, you can proceed to the “Restoring sample client data” section on page 20.

Downloading the sample data

If you don't have the sample data folder, or if you are running a network installation of UltraTax CS and someone in your firm has already completed the walkthrough, complete the following steps to download the ZIP file from the Help & How-To Center and extract its content to your local drive.

ACTIONS

1. Click [this link](#) to open your default internet browser and download the ZIP file. Depending on your browser or internet security settings, you may receive a prompt to open, run, or save the installation file, or to show the file in its current folder. Choose to save the ZIP file or to show it in its current folder.
2. If the file is not already visible in an open folder, navigate to the location to which you saved the ZIP file (by default, most browsers save files to your Downloads folder).

Notes

- If you are missing some of the folders in the location listed above, create the folders as necessary by right-clicking and choosing New from the context menu and then selecting Folder.
 - If you installed UltraTax CS in a folder other than C:\WINCSI, navigate to that folder. For example, if you installed the application in D:\WINAPPS\WINCSI\UT18, you should navigate to D:\WINAPPS\WINCSI\UT18\WALKTHRU.
 - If you run UltraTax CS in the Virtual Office CS or SaaS environment, browse to a temporary location on your C:\ drive.
3. Extract the ZIP file to C:\WINCSI\UT18\WALKTHRU.

Restoring sample client data

In the following steps, you will use the Restore command to retrieve the data for these clients from the C:\WINCSI\UT18\WALKTHRU folder on your hard drive.

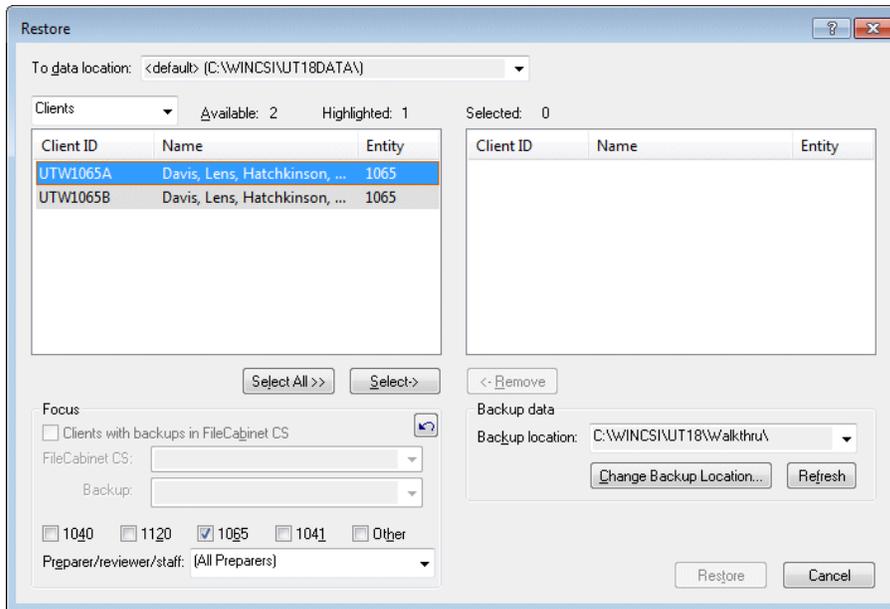
Notes

- If you are a current UltraTax CS user or you are not the first person to complete this walkthrough when you evaluate the trial version of UltraTax CS, you must restore the sample data as described in the following procedure.
- If you are evaluating the trial version of UltraTax CS and you are the first person in your office to complete this walkthrough, you do not need to restore the sample data. However, you may want to read through the rest of this section to familiarize yourself with the process for restoring data.
- If you access UltraTax CS through Virtual Office CS®, you will restore the sample data from Y:\UT18\WALKTHRU.

ACTIONS

You are at the UltraTax CS Home Page.

1. From the File menu, choose Restore to open the Restore dialog.



2. UltraTax CS defaults to looking for client data in the location used when client data was last restored. Do one of the following:
 - If the Clients Not Found dialog opens, UltraTax CS cannot find client data in this location. Please proceed to step 3.
 - If UltraTax CS finds client data in this location, the Restore dialog opens. If not already selected, select Clients from the drop-down list in the upper-left corner of the dialog. Please proceed to step 5.
3. If necessary, click the Change Backup Location button and navigate to C:\WINCSI\UT18\WALKTHRU, where C is the drive on which you installed UltraTax CS.

Note: If you access UltraTax CS through Virtual Office CS, navigate to Y:\UT18\WALKTHRU.
4. If you installed UltraTax CS in a folder other than C:\WINCSI\UT18, navigate to that folder now.
5. Click OK after you choose the appropriate folder.
6. Double-click clients UTW1065A and UTW1065B to move the clients to the pane on the right.
7. Click the Restore button. If UltraTax CS prompts you to overwrite existing client data, click the Yes To All button.
8. The Abort button changes to the Done button when the restore process is complete. Click Done when available. Clients UTW1065A and UTW1065B are now available for use in 2018 UltraTax CS.

Note: When you restore just one client, that client's return opens automatically.

Navigating in UltraTax CS

In UltraTax CS, there are many methods for navigating through the application, so you can use the method most comfortable for you. For example, you can use keyboard shortcuts to activate commands or use the mouse to click toolbar buttons. You can also use a combination of the mouse and keyboard commands. For example, you can press CTRL+O to open the Open Client dialog and then double-click the desired client ID to open that client's return.



In this walkthrough, you will use all of these methods. In some instances, we will show you two or three ways to complete the same task. Although we use a particular method to provide you with instructions, you can determine the method you prefer to enter data and use the application.

The following table describes how to find information about menus, toolbars, keyboard shortcuts, and function key shortcuts in UltraTax CS.

Navigation method	To find more information...
Menus and toolbars	For information on various menus and toolbars in UltraTax CS, click the arrow next to the Help button on the toolbar, enter Menus and toolbars in UltraTax CS in the search field, and press ENTER. In the search results page that opens, click "Menus and toolbars in UltraTax CS."
Keyboard shortcuts	For a list of common keyboard shortcuts used in UltraTax CS, choose Additional Resources from the Help menu, and then choose Keyboard Help. For detailed information about specific groups of keyboard shortcuts, click the arrow next to the Help button on the toolbar, enter Keyboard shortcuts in the search field, and press ENTER. In the search results page that opens, click the appropriate links to view articles that cover keyboard shortcuts used in various parts of UltraTax CS.
Function keys	For a list of function keys used in UltraTax CS, click the arrow next to the Help button on the toolbar, enter Function keys in the search field, and press ENTER. In the search results page that opens, click "UltraTax CS function keys."

PREPARING YOUR FIRST 1065 RETURN

The first two chapters of this walkthrough provided an overview and some basic setup tasks to process your first return. This chapter shows you how to use common features, how to use UltraTax CS to prepare a tax return for a partnership client, and how to preview and print the return.

Opening a client's return

To begin processing the partnership return, open the client's return using the following procedure. Because this walkthrough is designed to show you many of the concepts and conventions of UltraTax CS, several of the exercises require you to enter information that would normally be proforma'd from year to year. However, some client information has been proforma'd.

Note: To add a client to the application, choose New Client from the File menu.

ACTIONS

You are at the UltraTax CS Home Page.

1. From the File menu, choose Open Client.

Note: From this point forward, we use the convention "Choose [Menu name] > [Command name]" to instruct you to choose a command from a menu. For example, step 1 above would be "Choose File > Open Client."

Preparing Your First 1065 Return

- If you have Accounting CS™ installed on your computer, highlight UTW1065A in the list, or enter **UTW1065A** in the field above the Client ID column.

The screenshot shows the 'Open Client UTW1065A' dialog box. At the top, the 'Data location' is set to '<default> (C:\WinCSI\UT17DATA\)' and the search field contains 'UTW1065A'. Below this is a table with the following data:

Client ID	Name	Entity	Complex
UTW1065A	Davis, Lens, Hatchkinson, & Rauh PT	1065	178
UTW1065B	Davis, Lens, Hatchkinson, & Rauh PT	1065	178

Below the table, there are filter options: 'Focus' with checkboxes for 1040, 1120, 1065, 1041, and Other; 'Preparer/reviewer/staff' set to '(All Preparers)'; 'Fiscal year end' set to '(All Months)'; and an 'Event' dropdown set to 'All clients, regardless of status'. At the bottom are 'Open', 'Cancel', and 'Detail >>' buttons.

If you do not have Accounting CS installed, highlight UTW1065B, or enter **UTW1065B** in the field above the Client ID column.

This is the client ID used for the partnership return you will process. Note that you can use up to 11 letters and/or numbers to create a unique client ID.

Note: If the walkthrough client ID does not appear in the Open Client dialog, confirm that the 1065 checkbox is marked in the Focus group box. If the client ID still does not appear, you may need to restore the data by following the procedures in “UltraTax CS sample data” on page **Error! Bookmark not defined.**

- Click the Open button. If the Add Selected State dialog opens, click No.

Note: From the File menu, if you choose New Client or Client Properties and click the Add State(s) button, UltraTax CS lists all state products, whether or not they are currently installed. After you select state applications for the client’s return, any state or city products that have not been previously installed are automatically installed when you click OK. When you add a previously uninstalled state application to a client’s return, UltraTax CS automatically installs the most current version of the application, including any previously released updates.

Now, let’s enter additional tax return information for the partnership client.

Entering data for the return

You currently have the client UTW1065A or UTW1065B open and are in Screen 1065. When you add a 1065 client, this will be the first input screen displayed. (See the overview illustration on the following page.) Next, you will learn about some of the UltraTax CS data-entry features.

With UltraTax CS, you can enter tax data in the application via the input screens and immediately review the results in screen images of the tax forms. When you process returns with UltraTax CS, you can enter information in input screens in any order you choose.

For each UltraTax CS application, related functions and activities are grouped in folders according to the type of tax data you enter in the input screens. The folders are always listed in the folders block on the left side of the screen in a logical processing order. The general information screens are first, the organizer screens next, the electronic filing screen next, the ordinary income screens next, the Schedule K screens, and so on.

In addition, the folder names describe the information you enter in the input screens in that folder. For example, the Income & Deductions folder in UltraTax/1065 contains the input screens in which you enter income, deductions, sales, like-kind exchanges, and asset information.

To enter information for different areas of the return, click the desired folder. (We will also show you keyboard methods for opening folders.) The tabs at the top of the window show the input screens available in the current folder. The example on the next page shows Screen 1065 in the General folder. Also available in this folder are Screens Contact, Bank, OthInfo, OthAsset, CltOptns, Letter, Consent, and Info. To view any screen, press F12 or click the screen's tab. If you hover your mouse pointer over a tab without clicking the tab, you can read a description of that input screen.

When you open a return for a 1065 client, the initial screen looks similar to the following illustration. (The input screen that appears when you open a client depends on the input screen last opened for that client.) The input screen window has many components, which are described in the following illustration.

Preparing Your First 1065 Return

The input screen overview button opens the help article for the current screen.

Federal or state buttons. If the open return has a state attached, the state button appears below the federal button.

Lines on a folder indicate that the folder contains data.

A dot in an input screen tab indicates data is present.

Buttons for viewing input screens, Partner Data Entry, forms, or a return summary.

Tabs showing input screens available in the current folder.

Buttons showing the different sections available in the current input screen.

Buttons to open the two most recently-viewed tax returns will appear here.

The folders block is used to select input screen folders.

Folder description.

Data type of the current field (Number, Date, Alpha, and so on).

The screenshot shows the UltraTax/1065 interface with a left-hand 'Folders' block containing categories like General, Organizer, and Schedule K. The main area displays 'Partnership Information' with fields for EIN, Name, Address, and Business code. Annotations with arrows point to various UI elements, including state selection buttons (US, CA, NY), tabs (1065, Contact, Bank, etc.), and specific data fields like 'EIN' and 'Business code'.

The folders block lists the folders available for a particular application (1065, 1040, federal, state, and so on). Use the folders block to choose a folder to enter data. For example, to enter capital gain or loss information, click the Schedule D folder. Later in this walkthrough, you will see several examples of how to use the folders block.

The folders listed in the folders block change if you switch from a federal application to a state application or vice versa. The list also changes if you view forms rather than input screens. (The process of changing from input screens to forms while you review the sample return is explained later in this walkthrough.)

The input screen sections are indicated by bold headings. For example, the cursor is currently in the Partnership Information section. Note that the Ptrship Info button near the top of the input screen is active, which indicates the cursor is in that section.

The status bar at the bottom of the window displays input screen information, which changes based on the current activity and the location of the cursor.

Notes

- You can customize the visibility and order of federal or state input screens in each folder. To do so for the current entity, choose Setup > 1065 Partnership, click the Federal or state-specific tab, click the Input Screens button in the Collation group box, and choose Data Entry Display. In the Data Entry Display dialog, select a folder or one or more input screens in a folder and use the Move Up and Move Down buttons to change the order. You can also use the options in the Display conditions group box to limit the appearance of input screens and folders by whether the screens or folders contain data.
- Note that you cannot alter the order of some related input screens. Custom display settings will proforma when possible, but folder and input screen settings that changed significantly may not proforma.

Entering partnership data

Now that you are familiar with the parts of a data-entry window in UltraTax CS, let's enter data for the sample client using the folders concept. To illustrate this concept, we will add some balance sheet items.

ACTIONS

You are at Screen 1065 in the General folder.

1. Press ESC to move the focus to the folders block.

Note: The term "focus" refers to the portion of the window that is currently active and responds to keyboard input. For example, when the focus is on the folders block, the ↑ and ↓ keys move among folders. When the focus is on an input screen, the ↑ and ↓ keys move among fields.

2. Press ESC to move the focus to the folders block.
3. Press ↓ until the Balance Sheet folder is highlighted.
4. Press ENTER to move to the input screen. Once you choose a folder, you can press ENTER to move to the first input screen in that folder.
5. Press ↓ to move to the Other current assets field in the Beginning of Year column.
6. Enter 2,557 and press ENTER.

Preparing Your First 1065 Return

Notes

- UltraTax CS uses colors to signify the type of data associated with a field. Data you enter in an input screen appears in black. Data proforma'd from the prior year, imported from Accounting CS, or that UltraTax CS calculates appears in blue. Data entered in a force field appears in red.
- The Windows convention for moving from field to field is the TAB key. UltraTax CS accepts either TAB or ENTER to move to the next field. For the remainder of this walkthrough, you will use the ENTER key.
- Notice the Statement dialog  button next to the *Other current assets* field. This button indicates there is a statement dialog where you can enter additional detail for the current field. You can click this button (or press E if the cursor is in the field) to open the statement dialog.
- Notice that the Statement dialog  button next to the *Other investments* field is red and underscored. This indicates the statement dialog contains data that was restored when you restored the client data.

7. Press PAGE DOWN to move to the Liabilities and Partners' Capital section in Screen L.

8. Press ↓ to move to the Other liabilities field in the Beginning of Year column.

Note: For existing clients, the balance sheet items you just entered would be proforma'd and would not need to be entered. The purpose of this exercise is to show you how to navigate in UltraTax CS.

9. Enter 9,239 and press ENTER.

10. Press F1 or click the Input screen overview  button to view helpful information about the screen in which you are working. This information is available for each input screen in UltraTax CS.

11. Close the help window and to return to Screen L.

Opening Partner Data Entry

Now that you have some experience with data entry, you will learn how to prepare a partnership return. Let's open Partner Data Entry for the partnership client.

ACTIONS

You are at Screen L in the Balance Sheet folder.

- ▶ Click the Partner Information  button (or choose View > Partner Information) to open Partner Data Entry.

Take a minute to review the following illustration.

Use these buttons to add, insert, or delete a partner and to change the order of the partners.

Partner Data Entry consists of four windows that provide information about the partners, profit sharing, loss sharing, ownership of capital, and transfers of partners' capital. Click the buttons to open the appropriate window.

In the Partner tab, enter information (such as the partner's name, address, and type) that is used to complete the federal and state returns.

In the Federal tab, enter information for Schedules B-1 and M-3, Form 8805, section 108(i), and the Partner Basis Worksheet.

Any states attached to the client appear here. Enter state-specific information in these tabs.

You can enter all partner information in the following four windows in Partner Data Entry.

- **Partner Information window** — Contains the names, addresses, and general federal and state information about each partner.
- **Allocations window** — Contains profit-sharing percentages, loss-sharing percentages, ownership of capital percentages, beginning capital, special allocations, and custom allocations.
- **Changes of Ownership window** — Contains profit-sharing, loss-sharing, and ownership of capital percentages of each ownership period during the tax year.
- **Transfers of Capital window** — Contains all transfers of partners' capital during the tax year.

Entering partner information

We will now enter partner information for the partnership client.

ACTIONS

You are at the Partner Information window.

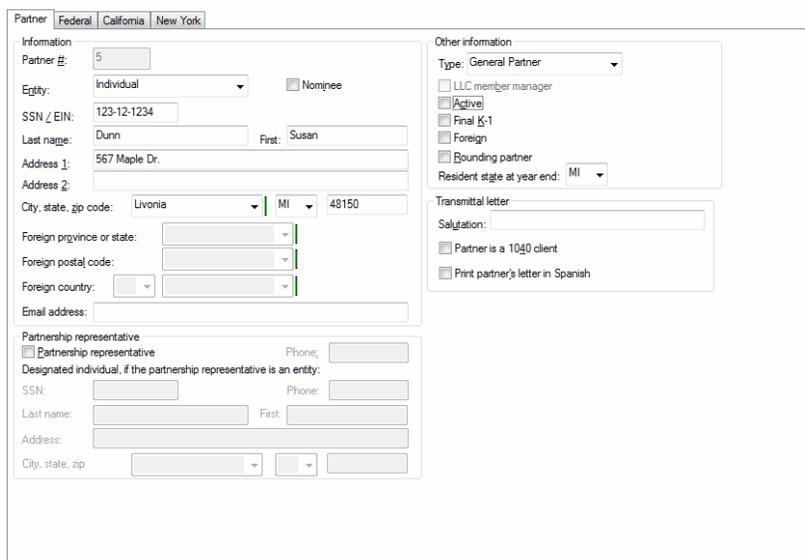
1. Click the Add Partner  button (or press CTRL+A) to add a new partner.

Note: If this partner was not an individual, you could use the *Entity* drop-down list to select the type of partner for Schedule K-1.

2. Because the partner we will add is an individual, press ENTER twice to move to the SSN / EIN field.
3. In the SSN / EIN field, enter 123121234, and press ENTER. UltraTax CS automatically hyphenates the Social Security number.
4. Enter Dunn in the Last name field, and press ENTER.
5. Enter Susan in the First field, and press ENTER.
6. Enter 567 Maple Dr. in the Address 1 field, and press ENTER twice.
7. Enter Livonia in the City field, and press ENTER.

Note: The *Resident state at year end* field automatically defaults to the state you entered in the *State* field. The *Resident state at year end* field is used to process state, city, and other returns. If the resident state is different from the partner's address state, enter the appropriate resident state in the *Resident state at year end* field.

8. Enter MI in the State field, and press ENTER.
9. Enter 48150 in the Zip code field, and press ENTER three times. Press F4 to open the drop-down list for the Type field, enter G to select General Partner, and then press ENTER.



Partner Information window showing fields for Partner #, Entity, SSN/EIN, Last name, First, Address 1, Address 2, City, state, zip code, Foreign province or state, Foreign postal code, Foreign country, Email address, Partnership representative, Designated individual, SSN, Last name, First, Address, City, state, zip, Other information (Type, LLC member manager, Active, Final K-1, Foreign, Bounding partner, Resident state at year end), and Transmittal letter (Salutation, Partner is a 1040 client, Print partner's letter in Spanish).

Now that you have entered the partner's general information, let's enter change of ownership information to account for this new partner's share.

ACTIONS

You are in the Partner Information window in Partner Data Entry.

1. Click the Changes of Ownership button.
2. Click the Add Date  button or press CTRL+A, enter 0415, and press ENTER. UltraTax CS adds a column for that date and displays the percentage from the previous column for each partner.
3. In the Profit 4/15/18 column for William Davis, enter 45, and press ENTER.
4. In the Profit 4/15/18 column for Catherine Lens, enter 20, and press ENTER.
5. In the Profit 4/15/18 column for Michael Hatchkinson, enter 9, and press ENTER.
6. In the Profit 4/15/18 column for Joseph Rauh, enter 16, and press ENTER.
7. In the Profit 4/15/18 column for Susan Dunn, enter 10, and press ENTER.
8. The Loss and Ownership Capital columns default to the same information entered in the Profit column. If necessary, you would enter different percentages in these columns.
9. Choose File > Print Reports, click the Prorated percentage computation option in the Print what group box, mark the Continuous checkbox, and click the Preview button. Notice that the Partner Prorated Percentage Computation report now displays two sets of dates for each partner.
10. Click the Next Page  button. Because Susan Dunn is a new partner, she has no percentages for the first set of dates.
11. Click Close to close the preview window.
12. Click the Allocations button. The profit, loss, and ownership capital percentages are entered in red, which indicates percentages have been entered in the Changes of Ownership window.
Note: To enter transfers of partners' capital, click the Transfers of Capital button.
13. Choose File > Exit to close Partner Data Entry and to return to Screen L.

Importing general ledger data from Accounting CS

Note: The following sections demonstrate the integration between Accounting CS™ and UltraTax CS. **You must have both UltraTax CS and Accounting CS installed to complete the following sections.** If you do not have Accounting CS installed, skip to “Entering depreciation data” on page 36.

For this walkthrough, we will simulate a data import from Accounting CS, which is part of the CS Professional Suite Accounting Products, to UltraTax CS. You can also import balances from Workpapers CS™.

UltraTax CS can examine the general ledger balances in the client write-up files, summarize those balances as needed, apply whole-dollar rounding, and then import relevant amounts to the corresponding input screens according to the tax code.

You can assign tax codes in Accounting CS throughout the year so that you are ready to import balances for the return during tax season. You need to assign tax codes to general ledger accounts only once, even if the IRS changes line numbers on forms. If you already maintain a client’s general ledger information in Accounting CS, using this feature saves you time when you prepare a client’s return. If you use Accounting CS, you can import the current client’s pre-existing general ledger information before you manually enter data for that client in UltraTax CS.

Restoring sample data into Accounting CS

In this exercise, we will restore some sample data into Accounting CS and then import that data into UltraTax CS.

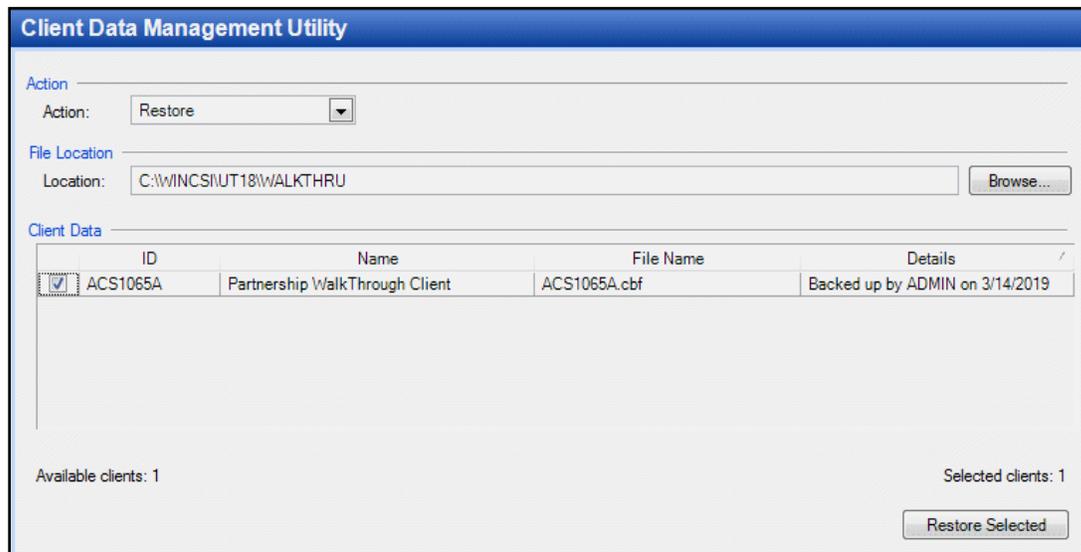
ACTIONS

1. Double-click the Accounting CS  icon on your desktop or choose Start > All Programs > CS Professional Suite > Accounting CS.
2. If the Login to Accounting CS dialog opens, enter your staff ID and password, and then click OK.
3. Choose File > Client Data Management Utility dialog.
4. From the Action drop-down list, choose Restore.
5. In the Location field, navigate to C:\WINCSI\UT18\WALKTHRU if C:\ is the drive on which you installed UltraTax CS.

Notes

- If you installed UltraTax CS in a different location when you installed the evaluation application, replace C:\WINCSI in the path above with the location to which you installed UltraTax CS. For example, if you installed UltraTax CS in F:\WINAPPS\WINCSI, you should navigate to F:\WINAPPS\WINCSI\UT18\WALKTHRU.
- If you access UltraTax CS through Virtual Office CS, you will restore the sample data from Y:\UT18\WALKTHRU.

6. Click OK to close the Browse For Folder dialog.
7. In the Client Data section, mark the checkbox for client ACS1065A.



8. Click the Restore Selected button. The Restore Status dialog opens, showing the progress of the restore process. Wait for the process to complete successfully.
9. Click OK to acknowledge the message and open a diagnostic report.
10. Click Close to close the diagnostic report.
11. Choose File > Exit to close Accounting CS.

Verifying the location of Accounting CS and the data files

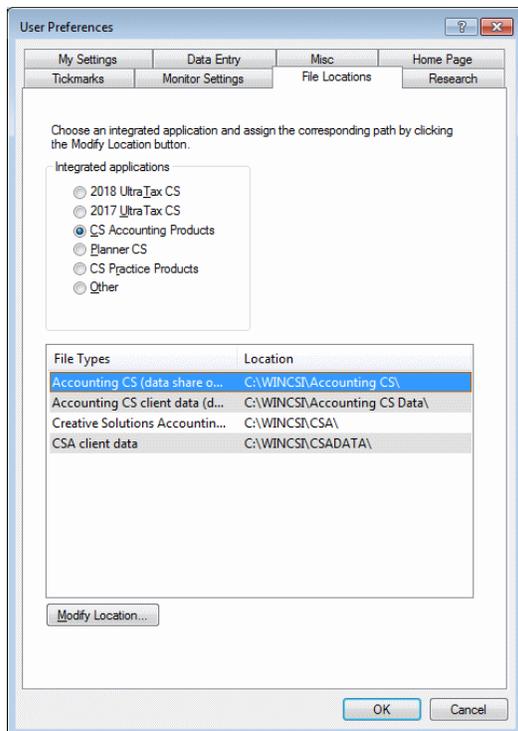
Before you import data from Accounting CS into UltraTax CS for the first time, you need to verify the drive and path where UltraTax CS looks for Accounting CS and the data files. In the following exercise, you will set up the file locations in UltraTax CS.

ACTIONS

In UltraTax CS, you are at the bottom of Screen L in the Balance Sheet folder.

1. Choose Setup > User Preferences.
2. In the User Preferences dialog, click the File Locations tab.
3. Click the CS Accounting Products option.
4. Highlight Accounting CS in the File Types list. If Accounting CS is installed in a location different from the one listed in the File Types list, click the Modify Location button, navigate to the appropriate location, and click OK.

Preparing Your First 1065 Return



5. Click OK to close the User Preferences dialog.

Importing Accounting CS data into client UTW1065A

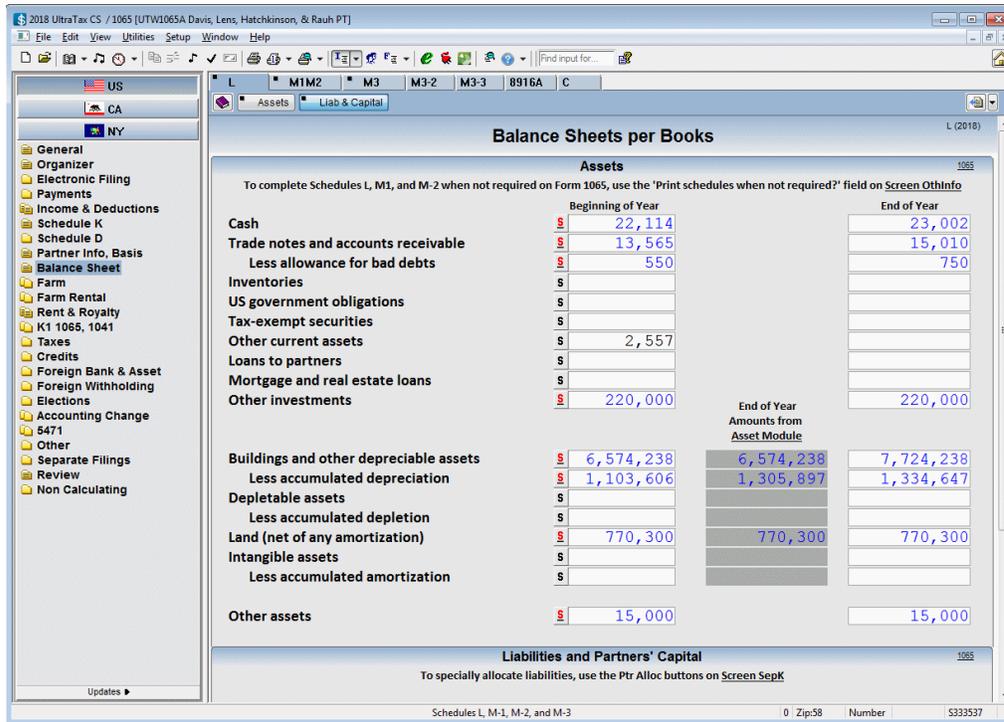
Now that you have restored the data in Accounting CS, you are ready to import the Accounting CS data into UltraTax CS. For client UTW1065A, you will import data for Form 1065, Page 1; Schedules K, L, M-1, and M-2; and rents and royalties. You can also import partnership data for Schedule M-3, Forms 1125-A and 8916-A, farms (Schedule F), and farm rentals. If you do not import general ledger data from Accounting CS or another general ledger application, you would enter this data in the UltraTax CS input screens.

ACTIONS

You are at the bottom of Screen L in the Balance Sheet folder.

1. Press PAGE UP to move to the top of the input screen. Notice that the beginning-of-year balance sheet numbers have already been completed in Screen L. This demonstrates how the proforma process imports the end-of-year numbers from the previous tax year to the *Beginning of Year* fields for the current tax year.
2. Next, you will retrieve general ledger data from Accounting CS to import the end-of-year amounts from Accounting CS to Screen L.
3. Choose Utilities > Accounting CS (Import).
4. Highlight client ACS1065A, and click the Select button.
5. Click the Import button to import the Accounting CS data into UltraTax CS.

- The Abort button changes to the Done button when the import is complete. Click Done when available. Notice that the end-of-year balance sheet amounts have been imported from Accounting CS.



Importing sheet general ledger data

UltraTax CS automatically performs many functions when you import general ledger information.

- During the general ledger data import process, UltraTax CS rounds the general ledger amounts to the nearest whole dollar, imports all general ledger data, creates statement dialogs, and transfers the amounts and descriptions from the general ledger application to the appropriate statement dialogs.
- When you import general ledger information, UltraTax CS imports the appropriate year's general ledger balances. Therefore, you can close out a client's year before you process the tax return and process the new year with the general ledger application, if necessary. If you close out a client's year in your general ledger application and then import the information, UltraTax CS automatically imports the client's prior-year data rather than the recently entered current-year data.
- UltraTax CS uses tax codes to import data from Accounting CS, Workpapers CS, Fiducial® Advantage, Dillner's FCAS™, CaseWare Working Papers, Client Ledger System™, Accountant's Relief®, Universal Business Computing Company, and ProSystem fx® Engagement.

For more information about importing data from other applications into UltraTax CS, click the arrow next to the Help button on the toolbar, enter **General ledger balances** in the search field, and press ENTER. In the search results page that opens, click "Retrieving general ledger balances into UltraTax CS."

Entering depreciation data

When you enter asset information in the UltraTax CS asset module, the application calculates and automatically transfers depreciation information to the appropriate forms and schedules. For data-entry purposes, you can sort assets by description, group, or asset number, as well as scroll back and forth through your client's assets. With Fixed Assets CS®, you can print asset reports sorted by description, group, location, or asset type. If you are not licensed for Fixed Assets CS, UltraTax CS includes a Federal Asset Report when you preview or print the return. For this exercise, you will enter asset information in the UltraTax CS asset module.

ACTIONS

You are at Screen L in the Balance Sheet folder.

1. In the folders block, click the Rent & Royalty folder to open the first unit of this multiple-unit input screen.

Note: A client can have one or more of some input screens, such as a 1065 client's Screen Rent. Such input screens are called multiple-unit input screens and are identified by a unit number, so you can easily distinguish between multiple units. For the partnership client, the folders block lists six branches off of the main Rent & Royalty folder. These represent the six copies (or units) of this multiple-unit input screen.

2. On the far right, click the Asset tab to open the Asset List window, which is the first of two windows that comprise the asset module. One asset, numbered 300 and named Land, was restored as part of the sample data.
3. Highlight the asset, right-click in the Rent / Royalty Asset List window and then choose Add Asset. UltraTax CS opens a blank record in the Asset Detail dialog, the second of the windows that comprise the asset module. Notice that the Asset # field already contains the next available number and the fields in the Depreciation tab are not yet enabled.

4. Enter Building in the Description field, and press ENTER.

5. Enter 0101 in the Date in service field, and press ENTER five times to move the cursor to the Depreciation tab. Some of the fields in the Depreciation tab are now enabled.
6. Enter 1,150,000 in the Cost/Basis field in the Tax column, and press ENTER.
7. Press F4 to open the drop-down list for the Method field, select MACRS, and press ENTER.
8. Press F4 to open the drop-down list for the Life field, scroll down and highlight 39.0, and press ENTER.

Note: Notice the blue amounts in the *Current Deprec* fields. As you enter data in the other fields, the amounts UltraTax CS calculates for the *Current Deprec* fields are displayed in blue. This temporary color highlights the calculated values so you can see how the data you enter affects the depreciation calculations. When you return to this asset later, the calculated amounts will be displayed in black.

9. Click the Method field in the Book column.
10. Click the arrow to the right of the Method field to open the drop-down list, scroll down and click Straight Line, and press ENTER.
11. Enter 40 in the *Life* field of the Book column, and press ENTER.

	Tax	Book	MI	AMT	CA	ACE	CA AMT
Cost/Basis	1,150,000.00	1,150,000.00	1,150,000.00	1,150,000.00	1,150,000.00	1,150,000.00	1,150,000.00
Method	MACRS	Straight Line	MACRS	MACRS	MACRS	MACRS	MACRS
Life	39.0	40.00	39.0	39.0	39.0	39.0	39.0
ADS Life							
Sec 179 Expense							
Salvage Value							
Credit/Amount							
Prior Depreciation							
Current Deprec	28,258.55	28,750.00	28,258.55	28,258.55	28,258.55	28,258.55	28,258.55
Total Depreciation	28,258.55	28,750.00	28,258.55	28,258.55	28,258.55	28,258.55	28,258.55
Net Book Value	1,121,741.45	1,121,250.00	1,121,741.45	1,121,741.45	1,121,741.45	1,121,741.45	1,121,741.45

12. In the upper left corner of the window, choose Tasks > Display Calculation (or press CTRL+I) to open the Display Calculation dialog. This dialog shows you how the depreciation was calculated for each treatment chosen using the Treatment tabs at the top of the dialog.

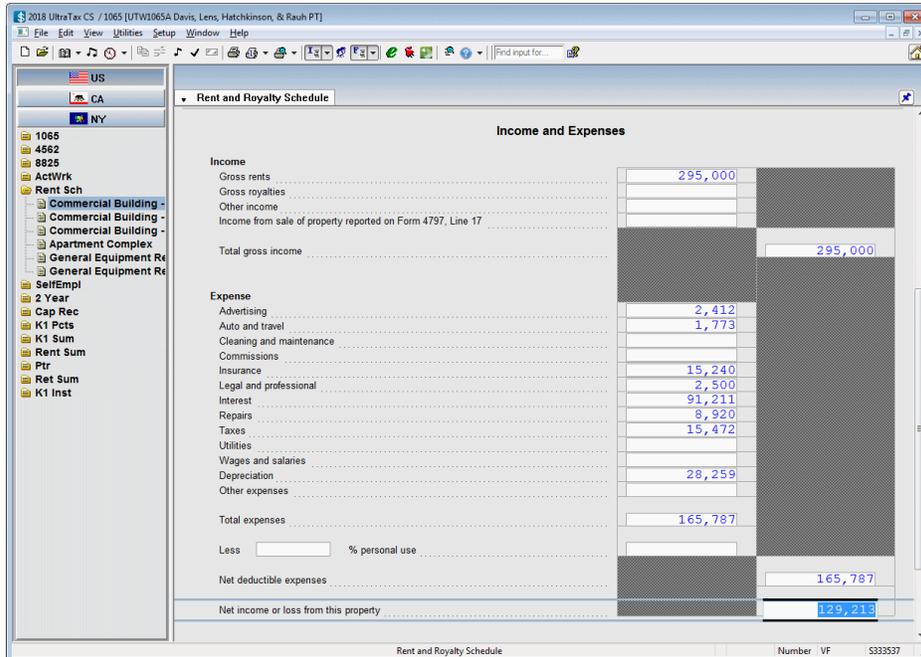
Note: The AMT and ACE columns are automatically calculated and displayed. You have the option to have UltraTax CS automatically calculate the state column. Choose Setup > Treatments to select various options. Only assets entered after you select these options will calculate in the manner you specify.

13. Click Close to close the Display Calculation dialog.

Preparing Your First 1065 Return

- In the upper-right corner of the window, click Done to close the Asset Detail dialog and to return to the Asset List window.
- Click the Rent tab.
- Click the Form View  button (or right-click and choose Switch to Form) to view the Rent and Royalty Schedule.

Note: The form view feature allows you to view how the data you enter in an input screen affects the return. For more detailed information, please see “Viewing forms” on page 46.



Income and Expenses	
Income	
Gross rents	295,000
Gross royalties	
Other income	
Income from sale of property reported on Form 4797, Line 17	
Total gross income	295,000
Expense	
Advertising	2,412
Auto and travel	1,773
Cleaning and maintenance	
Commissions	
Insurance	15,240
Legal and professional	2,500
Interest	91,211
Repairs	8,920
Taxes	15,472
Utilities	
Wages and salaries	
Depreciation	28,259
Other expenses	
Total expenses	165,787
Less <input type="text"/> % personal use	
Net deductible expenses	165,787
Net income or loss from this property	129,213

Notice the depreciation amount that transferred from the asset module. Because this is a rental real estate property, this data also transfers to Form 8825.

- Press CTRL+I to return to input screen view.

Entering special allocations

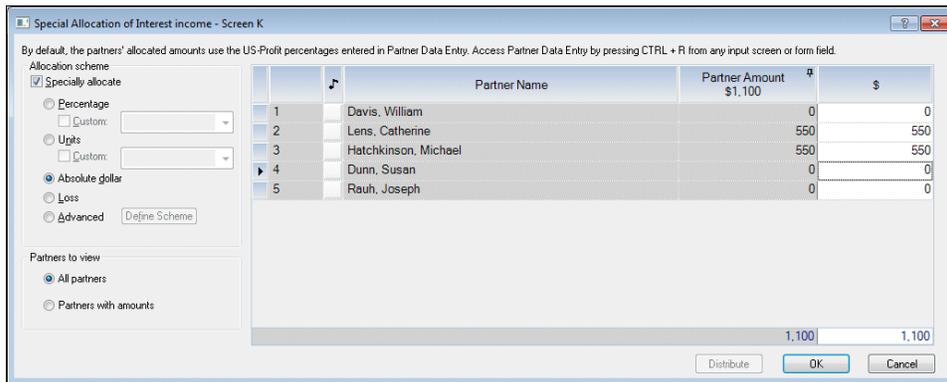
UltraTax CS automatically allocates items to partners based on profit / loss percentages. However, for situations when the default allocation is inappropriate, UltraTax CS offers a valuable feature that enables you to specially allocate items to the partners. When you specially allocate an item, UltraTax CS allocates the amount to the partners according to the allocation scheme you define for that item. The resulting allocated amounts transfer to the partners' Schedules K-1.

ACTIONS

You are at Screen Rent in the Rent & Royalty folder.

Note: Notice the Ptr Alloc  buttons next to the fields. You can click this button to directly allocate the amount in the corresponding field to the various partners. The button appears in blue when the amount **has not** been specially allocated and in red when the amount **has** been specially allocated. Depending on the field, the Ptr Alloc button may be in a statement dialog.

1. In the folders block, click the Schedule K folder.
2. Click the Ptr Alloc button next to the *Interest income* field. The Special Allocation of Interest income dialog opens.
3. Mark the *Specially allocate* checkbox.
4. Click the *Absolute dollar* option to allocate the interest income using this method.
5. In the \$ column for Catherine Lens, enter **550**, and press ENTER.
6. In the \$ column for Michael Hatchkinson, enter **550**, and press ENTER.



7. Click OK to close the Special Allocation of Interest income dialog. Note that the Ptr Alloc button is red, which indicates the amount has been specially allocated.

In Partner Data Entry

Alternatively, you can specially allocate an item in Partner Data Entry.

1. Click the Partner Information  button (or press CTRL+R). UltraTax CS opens the Partner Information window in Partner Data Entry.
2. Click the Allocations button.
3. Expand Schedule K under Federal in the Allocation list on the left side of the Allocations window, and then expand Screen K.

Notes

- The folders in the Allocation list correlate directly with the input screen folders. Click the items in the Allocation list to navigate to the allocation information for a specific application, folder, screen, or field. Items listed in bold font indicate that an amount has already been specially allocated.
- The Allocation list displays all existing federal and state amounts that can be allocated to the partners, based on data entry from the federal and state input screens.

4. Click Ordinary dividends.
5. Mark the *Specially allocate Ordinary dividends* checkbox (or press F6).

Preparing Your First 1065 Return

6. Click the *Percentage* option to allocate the ordinary dividends using this method.
7. In the % column for Catherine Lens, enter **50**, and press ENTER.
8. In the % column for Michael Hatchkinson, enter **50**, and press ENTER.
9. Click Done in the upper right corner to close Partner Data Entry. Notice that the Ptr Alloc button in the *Dividends: Ordinary* field in Screen K is red, which indicates the amount has been specially allocated.

Schedules K and K-1

Now, let's see how the special allocations you entered affect Schedules K and K-1.

1. Choose View > Form to view the government form. Notice that the amounts in the Schedule K, lines 5 and 6a fields reflect the total interest income and ordinary dividend amounts.
2. Click the Ptr folder in the folders block (near the bottom). UltraTax CS opens the Schedule K-1 for the first partner, William Davis. Notice that there is no amount in William Davis's boxes 5 and 6a. This is because no interest income or ordinary dividends were specially allocated to him.
3. Click the Schedule K-1 tab to open a drop-down list of all of the partners for this client.



4. Click Catherine Lens to open her Schedule K-1. Notice that Catherine Lens's boxes 5 and 6a contain her share of the specially allocated interest income and ordinary dividends. If you check, you will see that Michael Hatchkinson's Schedule K-1 contains his share of the specially allocated items.
5. Press CTRL+I to return to input screen view.

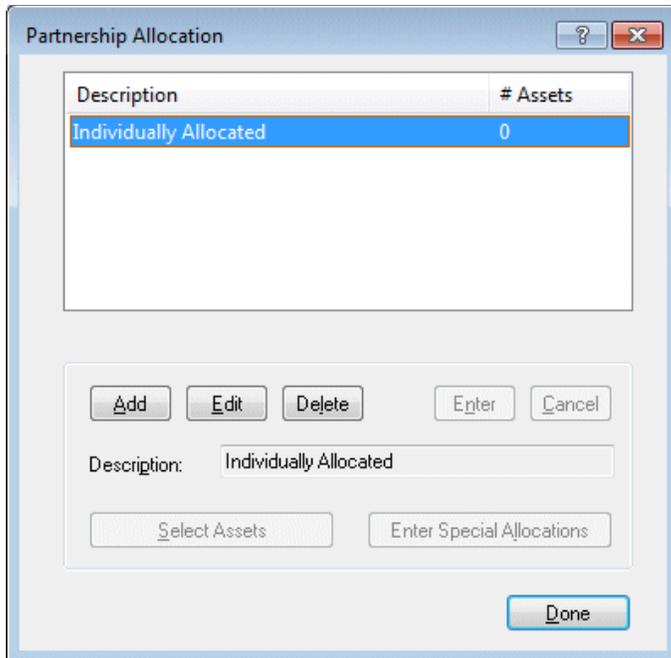
Entering depreciation special allocations

Now that you have specially allocated input screen items, you are ready to perform the special allocation of depreciation for an asset.

ACTIONS

You are at Screen K in the Schedule K folder.

1. In the folders block, click the Rent & Royalty folder to open the first unit of this multiple-unit input screen.
2. Click the Asset tab to open the asset module's Asset List window.
3. Choose Setup > 1065 Allocation to open the Partnership Allocation dialog.



The Individually Allocated allocation group is the group into which you will include all assets you want to individually allocate to the partners.

Note: You can also assign two or more assets to a special allocation group and then specially allocate to the partners the total depreciation of the group. To do this, click the Add button (rather than the Edit button), enter a description for the group, and then continue following the steps detailed in this exercise.

4. Click the Edit button to enable the buttons at the bottom of this dialog.
5. Click the Select Assets button to open the Select Assets - Individually Allocated dialog, where you can choose the assets that belong to the Individually Allocated allocation group. The Building asset you added in the previous exercise appears in the Assets available to select pane on the left.
6. Highlight the **Building** asset and then click the Select button to move this asset to the Assets selected pane on the right.
7. Click OK to return to the Partnership Allocation dialog. Notice how the list now indicates there is one asset in the Individually Allocated group.
8. Click the Enter Special Allocations button to open the Select Individually Allocated Asset dialog.
9. Click the Continue button. The Depreciation Allocation of Building dialog opens.

Preparing Your First 1065 Return

	Partner Name	Partner Amount \$28,259	% US Depr \$28,259	% US AMT Adj \$0
1	Davis, William	0	0.000000	0.000000
2	Lens, Catherine	0	0.000000	0.000000
3	Hatchkinson, Michael	0	0.000000	0.000000
4	Rauh, Joseph	0	0.000000	0.000000
5	Dunn, Susan	0	0.000000	0.000000

- Click the field for Catherine Lens in the *% US Depr* column, enter **50**, and press ENTER.
- Click the field for Michael Hatchkinson in the *% US Depr* column, enter **50**, and press ENTER.

	Partner Name	Partner Amount \$0	% US Depr \$28,259	% US AMT Adj \$0
1	Davis, William	0	0.000000	0.000000
2	Lens, Catherine	0	50.000000	0.000000
3	Hatchkinson, Michael	0	50.000000	0.000000
4	Rauh, Joseph	0	0.000000	0.000000
5	Dunn, Susan	0	0.000000	0.000000

- Click the field for Catherine Lens in the *% CA Depr* column and then click the *US: Depr – Building* option on the far left. Notice that Catherine Lens and Michael Hatchkinson have been allocated their share of the specially allocated depreciation. Also notice that the other partners' amounts are zero, because no depreciation was specially allocated to them.
- Click the field for Catherine Lens in the *% CA AMT Adj* column, enter **50**, and click the *US: AMT – Building* option on the left. Notice that Catherine Lens and Michael Hatchkinson have been allocated their share of the specially allocated depreciation. Also notice that the other partners' amounts are zero, because no depreciation was specially allocated to them.

	Partner Name	Partner Amount \$0	% CA Depr \$28,259	% CA AMT Adj \$0
1	Davis, William	00	0.000000	0.000000
2	Lens, Catherine	00	50.000000	0.000000
3	Hatchkinson, Michael	00	50.000000	0.000000
4	Rauh, Joseph	00	0.000000	0.000000
5	Dunn, Susan	00	0.000000	0.000000
		00	100.000000	0

14. Click OK to close the dialog, and then click Done to close the Partnership Allocation dialog.
15. Click the Rent tab to return to Screen Rent.
16. Choose View > Form to view the government form. Notice that the depreciation amount has been removed from the Rent and Royalty Schedule.

Note: The allocated depreciation is now reported on Schedule K, Other deductions. To include specially allocated depreciation with the associated activity for a client, mark the *Include allocated depreciation with associated activity* checkbox in Screen CltOpts.

17. Click the 1065 folder in the folders block, and then click the P4 tab. The specially allocated depreciation amount now appears on Schedule K, line 13d, Other deductions.
18. Click the Ptr folder in the folders block. UltraTax CS opens the Schedule K-1 for the first partner, William Davis.
19. Press PAGE DOWN and notice that William Davis's box 13, Other deductions is blank. No amount is entered because no depreciation was specially allocated to him.
20. Click the Schedule K-1 tab to open the drop-down list of all partners for this client.
21. Click Catherine Lens to open her Schedule K-1.
22. Press PAGE DOWN and notice that Catherine Lens's box 13, Other deductions code W* contains her share of the specially allocated depreciation. If you check, you will see that Michael Hatchkinson's Schedule K-1, box 13 contains his share of the specially allocated depreciation.

Using the Tax Subject Index to locate the appropriate screen

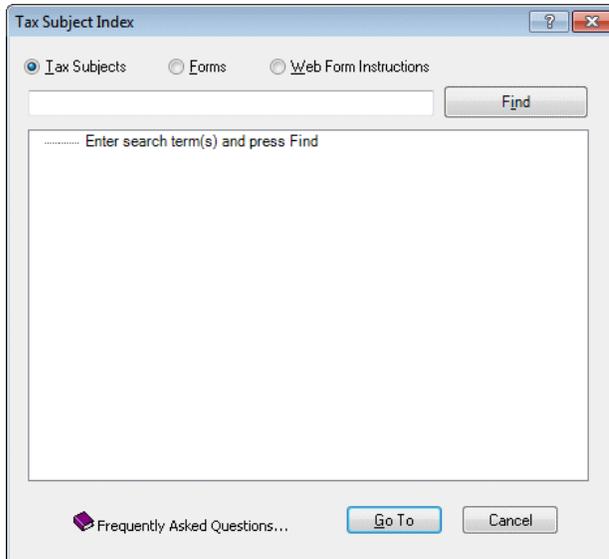
You can open the Tax Subject Index from both the toolbar and the Help menu when a client's return is open. The Tax Subject Index lists tax subject search results and forms, along with the corresponding input screen data-entry locations. You can use the Tax Subject Index to determine the appropriate location for data entry and to view government form instructions on the internet. (Note that you need Adobe Reader and an active internet connection to view form instructions on a taxing authority's website.)

Preparing Your First 1065 Return

ACTIONS

You are at Catherine Lens's Schedule K-1 in the Ptr folder.

1. Click the Tax Subject Index  button (or press CTRL+H) to open the Tax Subject Index dialog.



In this dialog, you can enter a word or phrase that describes the particular item you want to find.

2. With the *Tax Subjects* option selected, enter **health**, and then click Find. UltraTax CS searches all input screen headings and input screen fields for the keywords you entered.
3. Highlight the K-2: Schedule K - Deductions: Other health insurance line, and click Go To. UltraTax CS opens the appropriate input screen and tab section to enter other health care insurance as follows: Deductions section in Screen K-2. (For this walkthrough, you do not need to enter any data.)

Choosing transmittal letters, filing instructions, and invoices

UltraTax CS provides federal transmittal letters, filing instructions, and invoices that are ready to use. You need to enter only basic information for each client, or you can customize the client documents.

- The transmittal letter includes a list of returns prepared for the client. If you prefer not to include this information, choose Setup > 1065 Partnership, click the Other Return Options button, click the Client Documents tab, and clear the *Include list of returns in transmittal letter* checkbox in the Client Documents group box.
- You can customize client documents for each client or for all clients of an entity type as follows:
 - Use your firm's letterhead when you print transmittal letters.
 - Create multiple partnership transmittal letters.
 - Choose from nine available borders, numerous predefined custom paragraphs, and a variety of special fonts.
 - Insert your firm's logo into any client document.

- With the invoicing feature, you can itemize the fee for each form prepared or include just one total amount for all services rendered. You can also apply a dollar or percent discount against the calculated invoice.
- Each UltraTax CS state application includes preassembled state filing instructions.

ACTIONS

You are at Screen K-2 in the Schedule K folder.

1. Click the General folder.
2. Click the Letter tab to open Screen Letter.

3. Click the *Salutation* field, and enter **Mr. Davis**.
4. Press PAGE DOWN to move to the Invoices section in the screen.
5. Click the *Prior payments received* field, enter **1,500**, and press ENTER.

The transmittal letter, filing instructions, and invoice will print with the return. The return letter will now be addressed to Mr. Davis and the invoice will reflect a prior payment of \$1,500.

This completes data entry for the client. Let's view the information you just entered.

Viewing forms

As you enter client data in an input screen, you can view how the data affects the return. UltraTax CS automatically calculates the data when you view a form or return summary or when you print or preview the return. (If desired, you can disable automatic calculations to speed up data entry by choosing View > Data Entry mode.) To view forms, do one of the following:

- Choose View > Form.
- Press CTRL+F.
- Click the Form View  button on the toolbar.
- Right-click and choose Switch to Form.

Notes

- With the form view feature, you can also locate input screens in which you need to enter data. To locate an input screen, place the cursor in the appropriate line of the government form, then click the Input Screen Data Entry  button or choose View > Input Screen. UltraTax CS opens the input screen in which the data should be entered.
- While in form view, you can use the form navigation buttons, such as , at the top of the main window to move quickly through information that applies to the current client. Use the form navigation buttons to view how information transfers between different forms in the tax return, and click the applicable button to move directly to a particular form, schedule, or worksheet. The current form is displayed in the center. The forms, schedules, and worksheets to the right of the main form pass information to the current form.
- When you use multiple monitors to display UltraTax CS input screens in one monitor and to display forms in another monitor, you can choose to view how the information you enter transfers from an input screen to a corresponding form. For each form that you open, to choose to have the form link or not link to the open input screen, click the pushpin button in form view. When the form is linked to corresponding input screens, the pushpin  button is active. When the form is not linked to corresponding input screens, the pushpin  button is inactive.
- Click the form links in the upper-right corner of data entry sections.

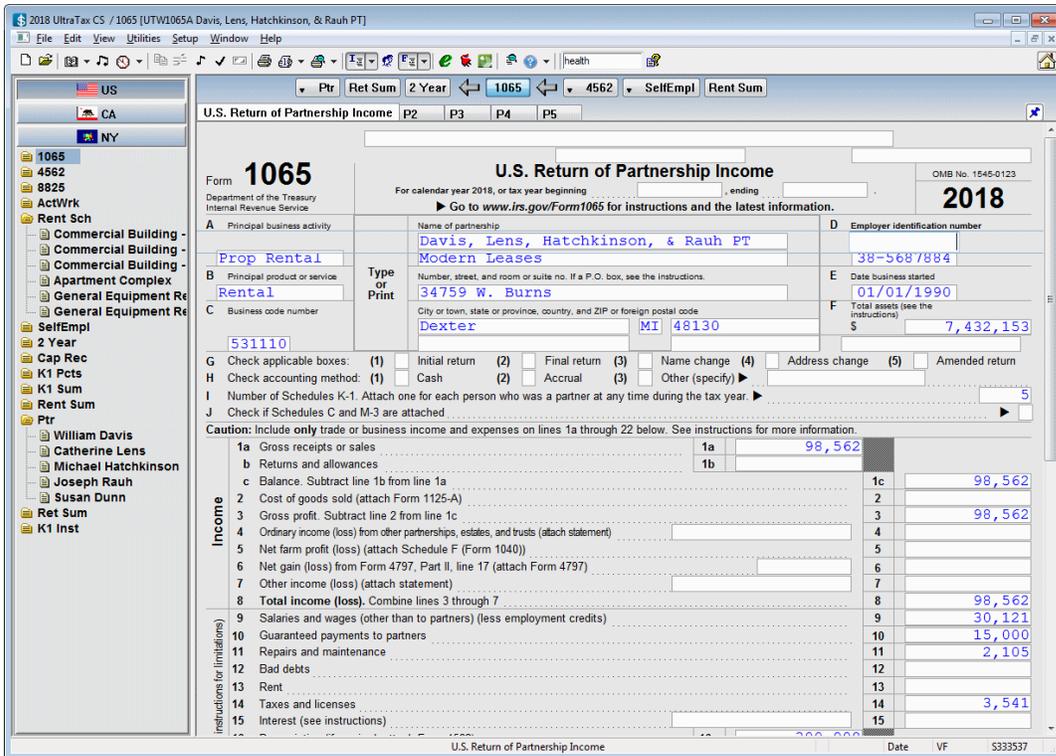
Let's see some examples of the auto-calculation feature.

ACTIONS

You are at Screen Letter in the General folder.

1. Press F12 three times to move to Screen 1065.
2. Click the Form View  button, or press CTRL+F.

UltraTax CS calculates the return to provide you with the complete detail of Form 1065, Page 1. Note that form folders appear in the folders block, rather than input screen folders.



The screenshot displays the UltraTax CS software interface for the 2018 U.S. Return of Partnership Income (Form 1065). The main window title is "2018 UltraTax CS / 1065 [UTW1065A Davis, Lens, Hatchkinson, & Rauh PT]". The interface includes a menu bar (File, Edit, View, Utilities, Setup, Window, Help) and a toolbar with various icons. A folder tree on the left side shows the current structure, including folders for "1065", "4562", "8825", "ActWrk", "Rent Sch", "SelfEmpl", "2 Year", "Cap Rec", "K1 Pcts", "K1 Sum", "Rent Sum", "Ptr", and "K1 Inst".

The main form area is titled "U.S. Return of Partnership Income" and "Form 1065". It includes the following information:

- Form 1065**: U.S. Return of Partnership Income. OMB No. 1545-0123. 2018.
- Department of the Treasury**, Internal Revenue Service.
- Name of partnership**: Davis, Lens, Hatchkinson, & Rauh PT
- Employer identification number**: 38-5687884
- Principal business activity**: Prop Rental
- Principal product or service**: Rental
- Number, street, and room or suite no. if a P.O. box, see the instructions**: 34759 W. Burns
- City or town, state or province, county, and ZIP or foreign postal code**: Dexter, MI 48130
- Date business started**: 01/01/1990
- Total assets (see the instructions)**: \$ 7,432,153
- Business code number**: 531110

Below the form information, there are several checkboxes for reporting options:

- G** Check applicable boxes: (1) Initial return, (2) Final return, (3) Name change, (4) Address change, (5) Amended return.
- H** Check accounting method: (1) Cash, (2) Accrual, (3) Other (specify).
- I** Number of Schedules K-1: 5
- J** Check if Schedules C and M-3 are attached.

A caution note states: "Caution: Include only trade or business income and expenses on lines 1a through 22 below. See instructions for more information."

The main table for line items is as follows:

Line	Description	Amount
1a	Gross receipts or sales	98,562
1b	Returns and allowances	
1c	Balance. Subtract line 1b from line 1a	98,562
2	Cost of goods sold (attach Form 1125-A)	
3	Gross profit. Subtract line 2 from line 1c	98,562
4	Ordinary income (loss) from other partnerships, estates, and trusts (attach statement)	
5	Net farm profit (loss) (attach Schedule F (Form 1040))	
6	Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)	
7	Other income (loss) (attach statement)	
8	Total income (loss) . Combine lines 3 through 7	98,562
9	Salaries and wages (other than to partners) (less employment credits)	30,121
10	Guaranteed payments to partners	15,000
11	Repairs and maintenance	2,105
12	Bad debts	
13	Rent	
14	Taxes and licenses	3,541
15	Interest (see instructions)	

The bottom of the screen shows the text "U.S. Return of Partnership Income" and "Date VF S333537".

3. Click the P4 tab. Press the arrow or PAGE UP and PAGE DOWN keys to scroll through the form to review Schedule K.

Preparing Your First 1065 Return

4. Click the P5 tab. Press the arrow or PAGE UP and PAGE DOWN keys to review Schedule L. Note that the beginning-of-tax-year amounts are automatically transferred from the previous year's End of tax year column during the proforma process. If you import data from Accounting CS, the end-of-tax-year amounts will import from the client's general ledger.
5. Press PAGE DOWN to review Schedule M-1. UltraTax CS automatically transfers the following items to Schedule M-1 for a partnership.
 - Differences between book and tax expenses for depreciation
 - Differences between book and tax expenses for amortization
 - Differences between book and tax expenses for start-up expenses and organization costs
 - Differences between book and tax Form 4797 gain (loss)
 - The nondeductible portion of meal expenses from Screens 4835-2, F-2, Inc, and Rent
 - Guaranteed payments from Screens 4835-2, F-2, SepK, K-2, Inc, OGWell, and Rent
 - Pensions and IRAs considered guaranteed payments to partners
 - Tax-exempt interest
 - Credit adjustment not on books for Forms 5884, 6478, 6765, 8820, 8826, 8844, 8845, 8846, 8864, 8881, 8882, 8932, and 8941
 - The nondeductible portion of conservation expenses from Screens 4835-2 and F-2
 - Differences between book and tax section 108(i) deferred cancellation of debt income
 - Differences between book and tax section 108(i) deferred original issue discount deductions
 - Leased auto inclusion
 - Personal use of rental expenses
 - Nondeductible entertainment
 - Nondeductible expenses subject to 2%

Entering apportionment information

You can enter apportionment data in the Apportionment Information window, which is a central location for multi-state tax returns. UltraTax CS combines the amounts you enter and uses the amounts on each state's apportionment forms.

ACTIONS

You are at Form 1065, P5 in the 1065 folder.

1. Choose View > Apportionment (or press CTRL+B) to open the Apportionment Information window. The following illustration describes the window and features.

The Property, Payroll, and Sales tabs are the main spreadsheets. Enter most of your data in these tabs.

These spreadsheet columns represent each state attached to the return.

The Other column is used to enter out-of-country or nontaxable jurisdiction amounts.

The Federal Amount column shows information from the federal return.

The Property Component column lists the components used for each factor.

Enter additional state apportionment information in the appropriate state tab.

Click this button to enter additional, alternate, or city apportionment information.

The Everywhere / (Override) column displays the totals of the states and Other columns and completes the everywhere amount on the state's apportionment forms.

Property Component	California	New York	Other	Everywhere/ (Override)	Federal Amount
Buildings - BOY	6,000,238	574,000		6,574,238	6,574,238
Buildings - EOY	7,150,238	574,000		7,724,238	7,724,238
Less: Accumulated Depreciation - BOY	1,003,585	100,021		1,103,606	1,103,606
Less: Accumulated Depreciation - EOY	1,140,441	194,206		1,334,647	1,334,647
Leasehold Improvements - BOY					
Leasehold Improvements - EOY					
Less: Accumulated Depreciation - BOY					
Less: Accumulated Depreciation - EOY					
Machinery - BOY					
Property Amount:		500,886		6,705,411	6,700,411

Enter all of the apportionment information for your return in the Apportionment Information window; you will enter most of your data in the Payroll, Property, and Sales tabs. If additional apportionment information is required, enter this information in the separate tabs for each state. UltraTax CS proformas information transferred from year to year, including the beginning-of-year information in the Property tab and certain items in the state tabs.

Preparing Your First 1065 Return

Notes

- UltraTax CS includes tables that show you how the application combines factor components into the state and city apportionment returns. To view these tables in PDF format, refer to the Apportionment Form Combination Tables: UltraTax/1065 PDF.
 - UltraTax CS uses the white fields in the state columns and the corresponding Everywhere / (Override) column to complete the state's apportionment form.
 - Shaded fields are not used on the state's apportionment form. The amounts you enter in the shaded fields accumulate in the Everywhere / (Override) column, which UltraTax CS uses as the everywhere amount on the apportionment forms for other states that require that component's information.
 - Column totals are provided for informational purposes only. UltraTax CS calculates the amounts entered in the white fields in the same manner as calculated for the apportionment form.
2. Click the Payroll tab at the top of the Apportionment Information window.
 3. Enter **24,635** in the *Salaries and Wages* field for California.
 4. Press CTRL+→ to move to the *New York* column, enter **5,486**, and then press ENTER. Notice that the amounts entered in the California and New York columns sum to \$30,121 in the Everywhere / (Override) column. UltraTax CS uses the Everywhere / (Override) amount on the state apportionment forms to complete the everywhere information.

Payroll Component	California	New York	Other	Everywhere/ (Override)	Federal Amount
Salaries and Wages	24,635	5,486		30,121	30,121
Cost of Goods Sold Salaries and Wages					
Payroll Amount:		5,486		30,121	30,121

California | **New York**

General Information

Yonkers

Yonkers apportionment is equal to New York apportionment

Does not do business in Yonkers

New York City

New York City apportionment is equal to New York apportionment

Does not do business in New York City

MTA

MTA apportionment is equal to New York apportionment

Does not do business in MTA

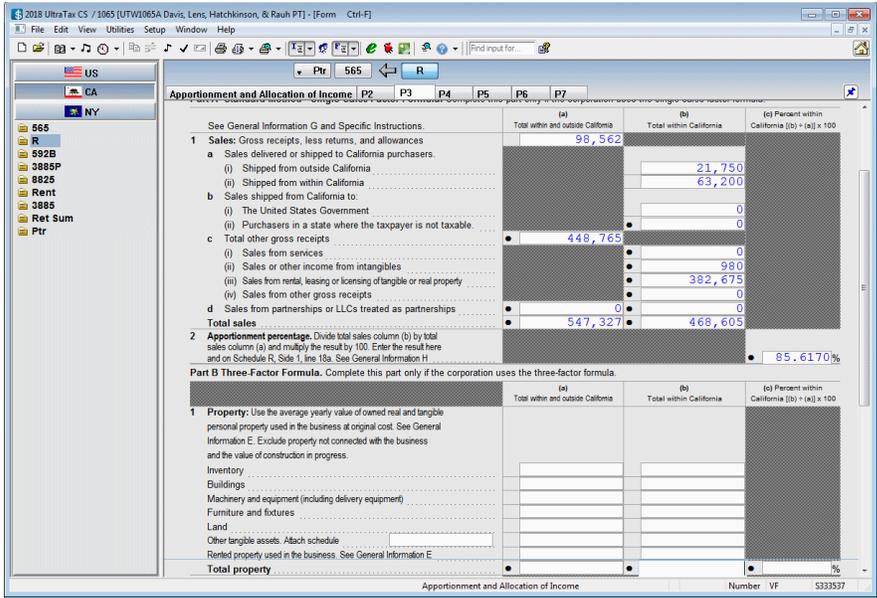
5. Click the Property tab to view the *Less: Accumulated Depreciation - BOY* field located just below the *Buildings - EOY* field. Notice that the New York column has a white background, which indicates the New York return uses this amount to calculate the apportionment return. The California column is shaded, which indicates any amount entered in this field will not be used in the apportionment calculation in the California return but will be included in the everywhere amount in the New York return.

6. Press PAGE DOWN to view the *Other Property/Assets - BOY* field for the California column. This field has a statement dialog for entering detailed information for a factor's component. UltraTax CS uses the information you enter in this statement dialog's Everywhere column on that state's form and ignores the amount in the Apportionment Spreadsheet's Everywhere / (Override) column for that state.
7. California apportionment requires that you answer a series of questions. To enter this information, click the Schedule R-2 button in the California tab. The Schedule R-2 dialog opens and displays the items you need to complete. For this walkthrough, all of the appropriate information has been entered for you in the statement dialogs attached to the first two fields.

Note: All of the items in this dialog will be proforma'd from year to year.

8. Click Done (or press ALT+D) to close the Schedule R-2 dialog.
9. Click the New York tab, and then click the City Information button to open the City Information dialog. This spreadsheet is similar to the main Apportionment Spreadsheet used for the states. UltraTax CS uses the amounts entered in the New York City column on the New York City apportionment form. The Everywhere amounts on the New York City apportionment form will transfer from the Everywhere / (Override) column of the main Apportionment Spreadsheet.
10. Click Done to close the City Information dialog.
11. Click Done in the upper-right corner to exit the Apportionment Information window.
12. Click the CA  button in the folders block, then click the R folder to open California Schedule R, Page 1.
13. Click the P3 tab. The apportionment information you entered in the Apportionment Information window is displayed on this form.

Preparing Your First 1065 Return



14. Click the P4 tab. Note that information entered in the Schedule R-2 dialog is displayed on Schedule R-2.

15. Click the NY  button in the folders block to open New York Form IT-204, Page 1.

16. Click the P8 tab, and press PAGE DOWN. You will see the New York apportionment information you entered in the Apportionment Information window.

17. Click the NYC204 folder in the folders block, and then click the P5 tab. Press PAGE DOWN to see the information entered in the City Information dialog in the New York tab.

18. Click the US  button in the folders block to return to Form 1065, Page 1.

Reviewing and checking the return

You may want to regularly review key amounts on the return and confirm that the return is completed as expected. To help you with the review process, UltraTax CS provides a return summary, diagnostic summary, and the ability to add tickmarks and notes.

Reviewing the Return Summary

Let's take a look at the Return Summary feature.

ACTIONS

You are at Form 1065, Page 1 in the 1065 folder.

1. Choose View > Return Summary (or press CTRL+Q) to open the Return Summary. You can open this summary from any input screen or form.
2. Take a minute to review the return summary calculations of the data you entered.

Form 1065 Return Summary
 For calendar year 2018, or tax year beginning . and ending .
 Davis, Lens, Hatchkinson, & Rauh PT 38-5687884
 Modern Leases

Ordinary Business Income (Loss)		Tax and Payment	
Total income	98,562	Total balance due	
Total deductions	(59,027)	Payments	()
Ordinary Business Income (Loss)	39,535	Amount owed	()
		Overpayment	()
Analysis of Net Income (Loss), Line 1		Form 8804 - Foreign Partner Withholding	
Ordinary business income (loss)	39,535	Total number of foreign partners	()
Net rental real estate income (loss)	434,493	Effectively connected taxable income	()
Other net rental income (loss)	13,170	Total withholding tax	()
Guaranteed payments	81,500	Payments	()
Interest income	1,100	Estimated tax penalty	()
Dividends	16,049	Overpayment allocated to partners	()
Royalties	()	Withholding Tax Due (Overpaid)	0
Net short-term capital gain (loss)	()		
Net long-term capital gain (loss)	()		
Net section 1231 gain (loss)	()		
Other income (loss)	()		
Section 179 deduction	()		
Contributions	()		
Investment interest expense	()		
Section 59(e)(2) expenditures	()		
Other deductions	()		
Total foreign taxes paid / accrued	()		
Analysis of Net Income (Loss), Line 1	557,588		

Critical

- AMT - Building item total does not equal 100.000000%; out of balance by 100.000000%; review allocation
- Missing the preparer's PTIN for Page 1; select the preparer in File > Client Properties
- Screen QBL Specify if the activity qualifies as a trade or business for section 199A for Income & Deduction...
- Screen QBL Specify if the activity qualifies as a trade or business for section 199A for Rent & Royalty unit 1
- Screen QBL Specify if the activity qualifies as a trade or business for section 199A for Rent & Royalty unit 2
- Screen QBL Specify if the activity qualifies as a trade or business for section 199A for Rent & Royalty unit 3

FBI

- Proration method is being used to determine the partners' distributable share amounts
- Enter state apportionment information in View > Apportionment
- Screen 1065, Accounting method for Form 1065, Page 1, Item H has not been entered
- Screen OthInfo, One or more questions for Schedule B have not been answered; review data entry
- Screen Contact, Partnership representative data entry is incomplete; Name, a valid SSN/EIN, a valid US ad...
- Screen K1Misc, Capital account accounting method has not been entered

Return Summary 1065 Date VQ 5333537

3. Choose View > Form or press CTRL+F to return to form view.

Reviewing diagnostic messages

UltraTax CS includes a diagnostic feature that provides feedback about the return you are processing. Let's review the diagnostic messages for the partnership return.

Preparing Your First 1065 Return

ACTIONS

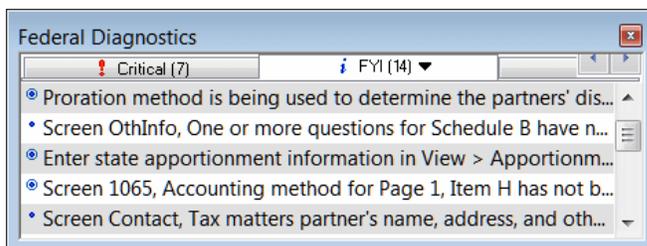
You are at Form 1065, Page 1 in the 1065 folder.

1. Press CTRL+D (or click the Diagnostics  button) to open the Federal Diagnostics window. You can open this window from any input screen or form.

UltraTax CS displays a list of critical and FYI diagnostic messages for the federal return, pending form approval information, a list of watch fields, and a list of customized to-do items. If the *Display the Client Complexity factor* checkbox is marked in the Setup > User Preferences > Misc tab, you can also view the client complexity values for the tax forms and schedules in the open client's return. If desired, you can click and drag a border to resize the Federal Diagnostics window so you can see all of the relevant information.

Notes

- You can customize the list of FYI diagnostic messages reported by UltraTax CS (and suppress those messages that aren't relevant to your firm) via the Setup > Office Configuration > Diagnostics tab. You can also use this tab to print an FYI Diagnostics report which lists all FYI diagnostic messages for the selected product and indicates whether they are currently set to display in the Diagnostic view.
 - You can set presentation options to view diagnostic messages in the Display Settings tab. You can display diagnostic messages in a floating window with horizontal tabs or vertical lists or as a right, bottom, or top pane. To open the Display Settings dialog, do one of the following: choose Window > Display Settings, or right-click in input screen or form view and choose Display Settings. In addition, you can choose to display diagnostic messages on the Return Summary form. To do so, choose Setup > User Preferences, click the Misc tab, and mark or clear the Display diagnostics on the Return Summary form checkbox.
 - You can add a watch field while in form view. Right-click the field where you want to add the watch field, and choose Watch Field. Also, to delete watch fields, modify watch field descriptions, and customize the watch list order, choose Setup > 1065 Partnership, and click the Watch Fields button.
 - You can also view the approval status of forms for the current return in the Federal Diagnostics window. If the current return contains forms that have not yet been finalized, the Federal Diagnostics window displays a Forms Approval tab. All forms calculated in the current return that are pending approval will be listed in the tab. Forms that are already approved or do not require approval will not be listed.
 - All fields in which you have overridden the calculated amounts are listed in the Overrides tab in the Federal Diagnostics window.
2. Click the FYI tab, and then click the "Screen 1065, Accounting method for Page 1, Item H has not been entered" diagnostic message.



UltraTax CS opens Screen 1065 with the cursor in the *Accounting method* field. You can now correct the cause of the diagnostic message.

3. Press F4 to open the *Accounting method* drop-down list.
4. Select Accrual and press ENTER. UltraTax CS automatically updates the list of diagnostic messages after you complete an item.
5. Click the Diagnostics  button (or press CTRL+D) to close the Federal Diagnostics window.

Attaching tickmarks and notes

You can attach tickmarks and two types of notes to a client's return to assist with your review of the return.

- **Tickmarks** are check marks you can enter next to a field in any form or input screen. Tickmarks next to various items in a client's return help with your review of the return. You can display tickmarks in four colors; create custom tickmarks that display as a letter, number, or punctuation mark; add descriptions for each tickmark color; and customize how you use tickmarks. There are many variations of tickmarks, and how tickmarks display depends on many factors, including whether the information changed after a tickmark was added. You can enter tickmarks on input screens, forms, and most statement dialogs. Note that tickmarks do not appear on printed forms. To customize how you use tickmarks, choose Setup > User Preferences, and click the Tickmarks tab. For more information about tickmarks, click the arrow next to the Help button on the toolbar, enter **Tickmarks** in the search field, and press ENTER. In the search results page that opens, click "Entering tickmarks."
- **Client notes** are notes to yourself or to another reviewer about the client or the client's return. To attach one note of any length per client, choose Edit > Client Note. Client notes are shared among UltraTax CS, FileCabinet CS, Fixed Assets CS, and Practice CS®, if licensed, via data sharing. Client notes print with the Review Notes report if you selected that report to print in the Return Collation dialog (to open, choose Setup > 1065 Partnership, and click the Tax Return button).
- **Field notes** are notes you can attach to a field in any input screen or form. When you attach a note to a field, a musical note displays next to that field. You can choose from among four colors for the musical note. Note that field notes do not appear on printed forms.

Let's look at an example of tickmarks and field notes.

Preparing Your First 1065 Return

ACTIONS

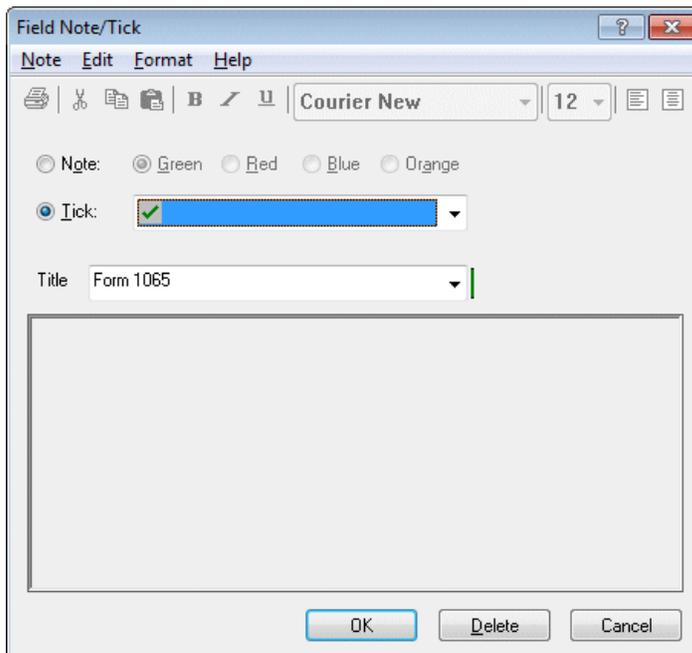
You are at Screen 1065 in the General folder.

1. Right-click and choose Switch to Form to open Form 1065.
2. Click the P5 tab.
3. Press PAGE DOWN or scroll to the Schedule M-1 section.
4. Double-click the *Net income (loss) per books* field. UltraTax CS displays a green tickmark to the left of the field.

Now, let's change the color of the tickmark.

5. Click the Tickmark  button on the toolbar to open the Field Note/Tick dialog.

Use this dialog to add a tickmark or a note to any form field. Note that the *Tick* option is already selected, and that green is the default color.



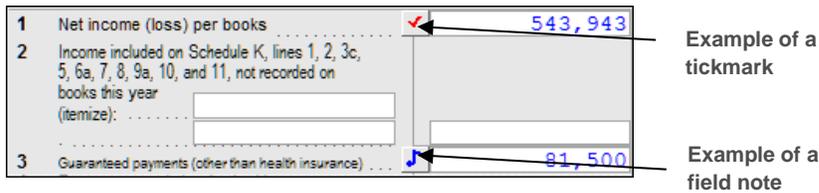
Click the drop-down arrow, select the red tickmark, and click OK. UltraTax CS displays a red tickmark next to the *Net income (loss) per books* field.

Note: You can customize the order in which tickmarks display next to a field so that you can quickly add tickmarks as you work in a client's return. To assign a rotation for tickmarks, choose Setup > User Preferences, and click the Tickmarks tab.

Now, let's add a note to a field.

6. Click the Schedule M-1, line 3, Guaranteed payments (other than health insurance) field.
7. Click the Field Note  button on the toolbar.
8. Enter **Verify how much each partner received.**
9. Click the *Blue* option next to the *Note* option, and then click OK.

UltraTax CS displays a blue musical note next to the field. You or another reviewer can return to this field later; click the musical note to open the Field Note/Tick dialog; read the note; and, if appropriate, edit or delete it.



Note: You can choose to view information about current-year tickmarks and field notes by clicking the arrow next to the Tickmark or Field Note toolbar button. When you click a tickmark or field note in the drop-down list for either button, UltraTax CS opens the input screen or form where the note or tickmark is located and opens the Field Note / Tick dialog with the information associated with the note or tickmark.

Now, let's preview and print the client's return.

Previewing and printing the return

You can choose File > Preview (or click the Print Preview  button on the toolbar) to view the pages of the return before you print. From this window, you can print all of the pages (or individual pages) of the return as the pages are shown in the preview.

Note: To preview just the government, client, or preparer copy, click the arrow to the right of the Print Preview  button and select the copy you would like to preview from the drop-down list.

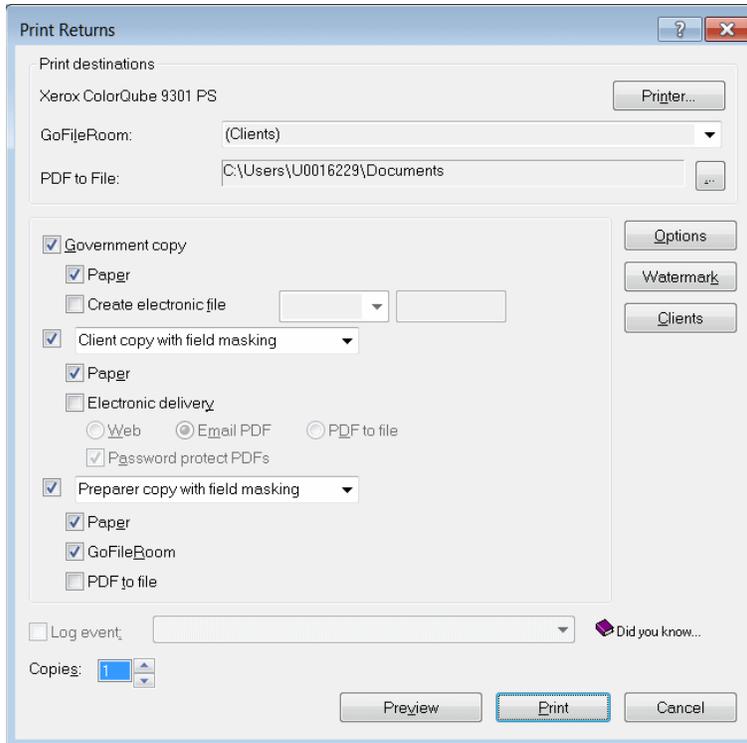
Preparing Your First 1065 Return

In this exercise, you will preview and print the open return using the Print Returns command. You will learn how to print the three different collations: one each for the government, client, and preparer copies you learned about in the “Setting Up and Exploring UltraTax CS” chapter starting on page 11. In addition, you will learn how to print a batch of returns for multiple clients.

ACTIONS

You are at Form 1065, Page 5 in the 1065 folder.

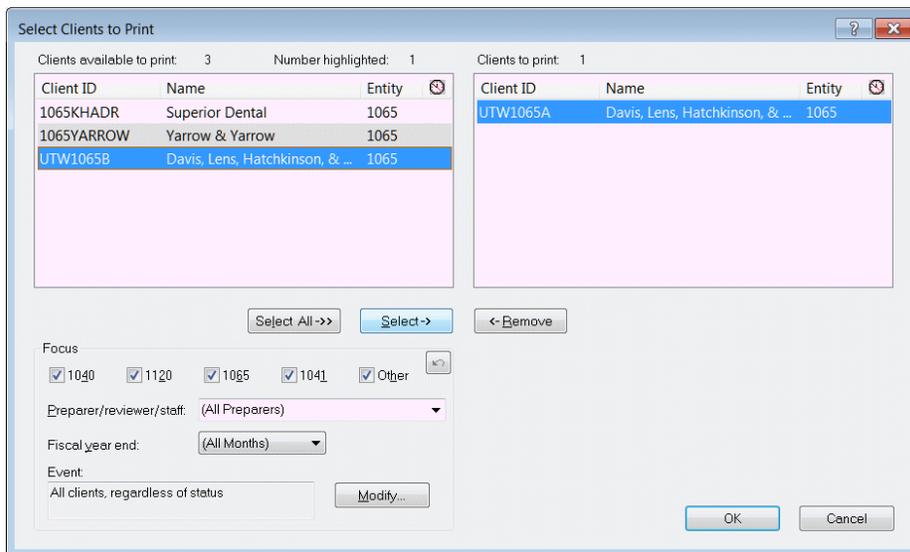
1. Choose File > Print Returns to open the Print Returns dialog.



Notes

- If you have FileCabinet CS or GoFileRoom® installed, or you've licensed Onvio™ Documents and enabled integration between Onvio and UltraTax CS, you can print to the printer and either FileCabinet CS, GoFileRoom, or Onvio Documents. If you have questions about FileCabinet CS, GoFileRoom, or Onvio Documents, or would like more details, see the [UltraTax CS integration with other applications](#) article in the Help & How-To Center or contact your CS account representative.
- By default, the installation program for the evaluation application marks the checkbox to install FileCabinet CS. If you cleared the *FileCabinet CS* checkbox, you did not install FileCabinet CS.
- If you have not licensed and installed FileCabinet CS or GoFileRoom, or you have not licensed Onvio Documents and enabled integration between Onvio and UltraTax CS, a simplified version of FileCabinet CS, called File Drawer, is installed automatically. You can then print and electronically store UltraTax CS returns, extensions, and input screens, which you can access directly through UltraTax CS via the Drawer button under the federal and state buttons in data entry. Documents printed to File Drawer will be available in FileCabinet CS if you purchase FileCabinet CS at a later date.
- UltraTax CS uses your default Windows printer, but you can click the Printer  button to select a different printer.

2. Press ALT+C to open the Select Clients to Print dialog. All clients who meet the criteria set in the Focus group box at the bottom of this dialog are listed in the Clients available to print pane on the left.



Note: Unless you specify otherwise, UltraTax CS defaults to printing a return for the open client. Click the Select and Remove buttons to select additional clients whose returns you want to print. To exclude clients from the list of available clients to print, choose options in the Focus group box.

3. Because you want to print only the current client's return, click OK to accept the default setting and to return to the Print Returns dialog.
4. To print only the preparer copy, clear the *Government copy* and *Client copy* checkboxes, if marked.

Preparing Your First 1065 Return

Before you print the return, let's review the available print options. Typically, you do not need to open the Print Options dialog unless you want to change the default settings. These are options for all clients that you can override on a client-by-client basis.

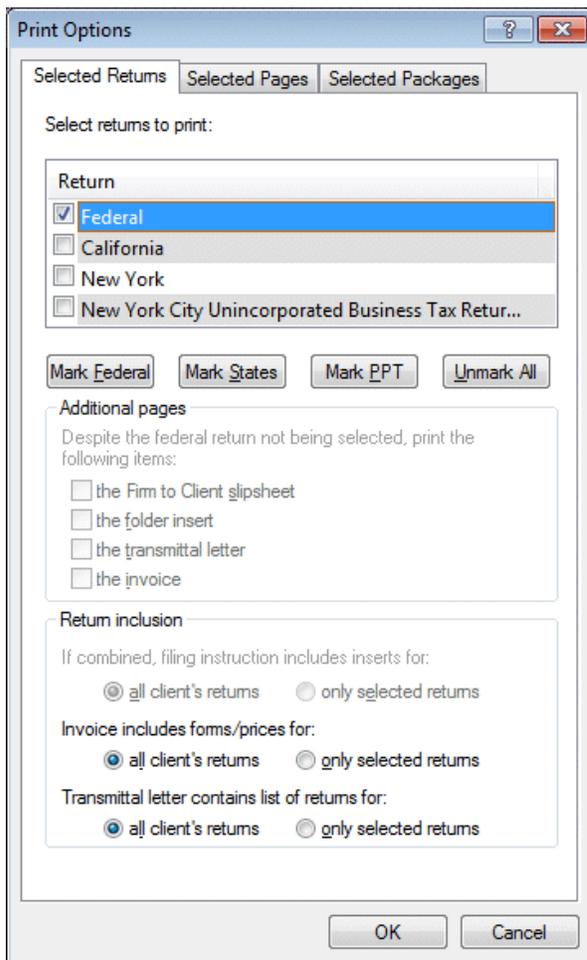
Note: For most clients, you do not need to change these options. Printing a return is usually straightforward and automatic. Just click the Print button on the toolbar, and mark the *Government copy*, *Client copy*, or *Preparer copy* checkbox.

Now, let's set up this partnership client for printing.

ACTIONS

You are at the Print Returns dialog.

1. Click the Options button to open the Print Options dialog. UltraTax CS may take a few moments to calculate the list of forms to print.
2. In the Selected Returns tab, clear the state-specific checkboxes and leave the *Federal* checkbox marked to print only a federal return.

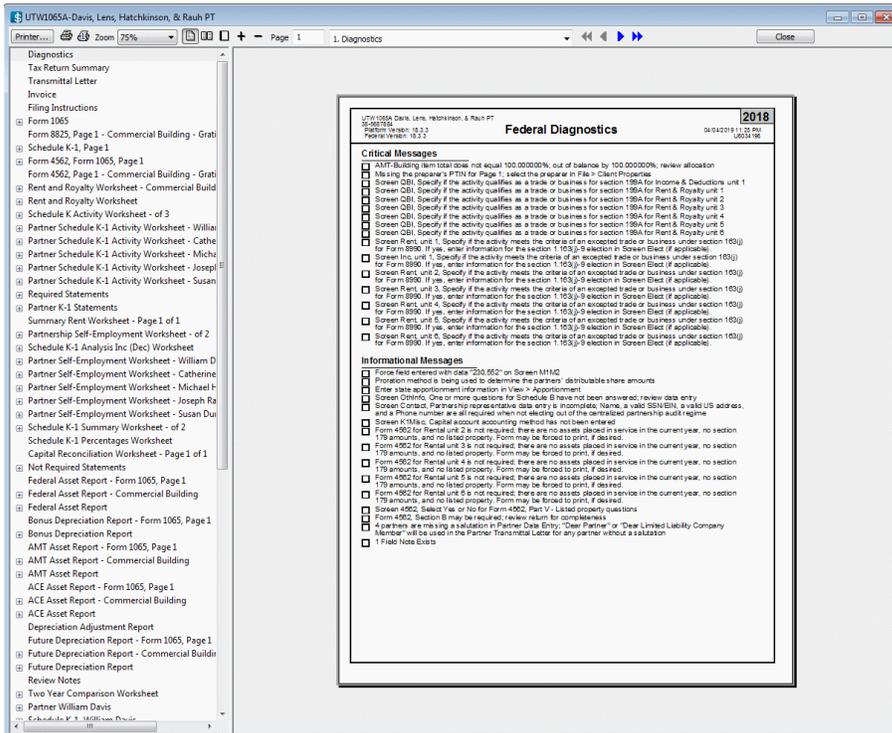


- Click OK to close the Print Options dialog.

Note: You can select the forms and schedules you want to print for the client in the Selected Pages tab in the Print Options dialog. However, you cannot select options in **both** the Selected Returns and Selected Pages tabs. When options in either tab are selected, the options in the other tab are not available.

- In the Print Returns dialog, click the Preview button to preview the return before you print the return. UltraTax CS will take a few moments to calculate and display the return on the screen. You will see a dialog that indicates the printing status while UltraTax CS calculates the return.

UltraTax CS automatically calculates and collates the return and displays the first page of the return. For this partnership return, Federal Diagnostics is the first page.



Previewing the return is different from viewing the forms, because previewing prepares the return for immediate printing. In other words, you can print the return without calculating the return again.

- If necessary, click the Show tree button in the toolbar to open the left pane.
- There are multiple ways to navigate through the tax return preview. You can do one of the following:

- Click the  button until the invoice displays.
- Click the Invoice link in the left pane.
- Press F4 or click the arrow to the right of the field to open the drop-down list.

Navigate to and view the Invoice. Note that the invoice shows charges for Forms 1065 and 4562, No Charge for the Rent and Royalty Worksheet, and the \$1,500 prior payment received that you entered earlier in this walkthrough.

Preparing Your First 1065 Return

7. Use one of the methods described in step 6 to navigate to Form 1065, Page 4 to view Schedule K. Notice that the amount on line 4, Guaranteed payments is \$81,500.
8. Navigate to and view Schedule K-1, Page 1 - Michael Hatchkinson. Note that the amount on box 4, Guaranteed payments is \$7,567.

Notes

- You can use the Print one page  button or the Print all button to print either a single page or the entire return, respectively. When you preview a return, you can print only one copy of the return. To print multiple copies or to print other collations, you must choose File > Print Returns.
- You can also use the Print Returns dialog to print returns for multiple clients in the same batch, print returns for only certain clients, print returns for clients with different entity types in the same batch, exclude returns from the print list, and more.

9. Click the Print all  button to print the entire return.
10. Click Close to return to the form.

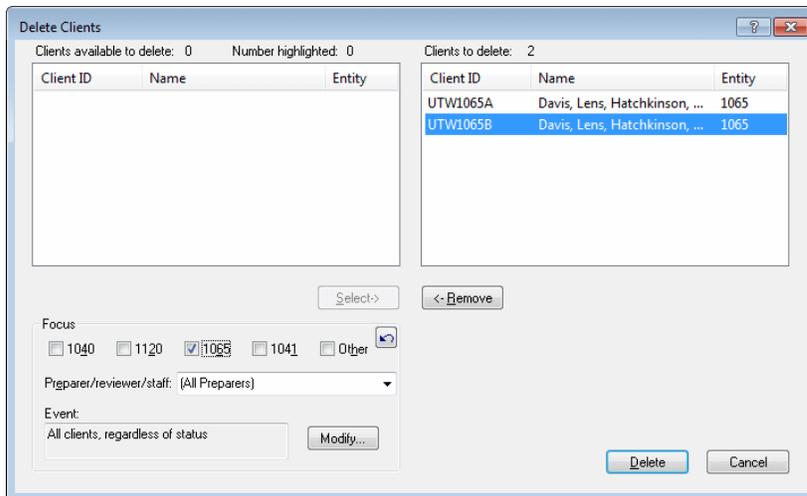
Deleting the partnership sample client

Before you proceed to the next chapter, let's delete the partnership client so others in your firm can use this walkthrough to learn about UltraTax CS.

ACTIONS

You are at Form 1065, Page 5.

1. Choose File > Delete to open the Delete Clients dialog.
2. The open client is already listed in the Clients to delete pane on the right. Select the unopened sample client (UTW1065A or UTW1065B) in the Clients available to delete pane on the left, and click the Select button.



- Click the Delete button to delete partnership clients UTW1065A and UTW1065B.

Note: Always use caution when you work in this dialog. Before you delete any client, verify that the selected client should actually be deleted. When you delete client files in UltraTax CS, the files are permanently deleted and cannot be recovered.

- When prompted for confirmation, click OK or press ENTER.
- Choose Setup > 1065 Partnership.
- Click the Invoice button and then select Pricing from the drop-down list.
- In the Invoice Pricing dialog, clear the *Form 1065 (Return of Partnership Income)*, *Form 4562 (Depreciation and Amortization)*, and *Rent and Royalty Worksheet* checkboxes.
- Click Done to return to the 1065 Product Information dialog.
- Click OK to close the dialog.



IMPORTING GENERAL LEDGER BALANCES INTO ULTRATAX CS FOR YOUR OWN CLIENT

UltraTax CS operates effectively as a standalone application without an external general ledger application. However, you can significantly reduce the time required to process business returns if you use UltraTax CS together with Accounting CS, Workpapers CS, Onvio Workpapers, or with another general ledger application, such as Fiducial Advantage or CaseWare Working Papers. UltraTax CS automatically imports clients' general ledger balances to the appropriate tax return lines with whole-dollar rounding.

UltraTax CS can use tax codes to import data from Accounting CS, Workpapers CS, Fiducial Advantage, Dillner's FCAS, CaseWare Working Papers, Client Ledger System, Accountant's Relief, Universal Business Computing Company, and ProSystem fx Engagement.

In this example, we will show you how to import general ledger balances from Accounting CS into UltraTax CS using one of your current Accounting CS partnership clients. We will also show you how to assign and/or edit tax codes within UltraTax CS.

Notes

- You must be licensed for both UltraTax CS and Accounting CS to complete this section. If you are not licensed for Accounting CS or you do not have Accounting CS installed, see the [UltraTax CS integration with other applications](#) article in the Help & How-To Center learn about the benefits of using our integrated applications. For information about obtaining a trial version of Accounting CS, please contact your CS account representative at 800.968.8900.
- For information about retrieving general ledger balances, click the arrow next to the Help button on the toolbar, enter **General ledger balances** in the search field, and press ENTER. In the search results page that opens, click "Retrieving general ledger balances into UltraTax CS."

Choosing a partnership test client

Review your client list and choose one of your own Accounting CS clients for whom you want to prepare a tax return. In this section, we want to demonstrate how UltraTax CS and Accounting CS integration works; therefore, we suggest you choose a partnership client that does not have departmental or location

Importing General Ledger Balances into UltraTax CS for Your Own Client

breakdowns. Accounting CS can handle these entities, but for our first look at integration, we will perform a simple import.

Because we will use one of your real clients, use your standard backup procedure to make a backup copy of your Accounting CS data before you proceed.

Adding the Accounting CS test client to UltraTax CS

Use the following procedure to add the Accounting CS test client to UltraTax CS.

ACTIONS

1. If UltraTax CS is not open, double-click the UltraTax CS icon on the Windows desktop.
2. Choose File > New Client.

The screenshot shows the 'New Client' dialog box. At the top, the 'Data location' is set to '<default> (C:\WINCSI\UT18DATA\'. Below this, there are fields for 'Client ID:', 'Preparer:', 'Reviewer:', and 'Staff:'. The 'Preparer block:' is set to 'Per License Agreement' and the 'Preparer address block:' is populated with 'Parnes, Velano, Martinez & Co. 5200 Wolf Road, Suite 110 Albany, NY 12205'. The 'Federal' tab is selected, and the '1065 Partnership' option is chosen. The 'EIN / SSN:' and 'PRP code:' fields are empty. At the bottom, there are buttons for 'Add State(s)', 'Delete State', 'Advanced Properties...', 'OK', and 'Cancel'.

3. In the *Client ID* field, enter the same client ID that you used for this client in Accounting CS. Note that client IDs do not have to be identical.
4. Click the 1065 option in the Federal tab, and select Partnership from the drop-down list.
5. Click the *EIN / SSN* field, and enter the Employer Identification Number (EIN) for the client.
6. Click OK. UltraTax CS opens the first input screen for this client, Screen 1065. Note that demographic data, such as the client's name and address, is shared automatically if the Accounting CS client has

Importing General Ledger Balances into UltraTax CS for Your Own Client

the same EIN as the UltraTax/1065 client. If the UltraTax/1065 and Accounting CS clients have different EINs, you will need to enter the name of the client in the *Name* field.

7. If you use a fiscal-year client, change the date in the *Tax year ending* field, and then press ENTER.

Note: We did not set up any state information for the Accounting CS test client. However, information transfers from the federal return to state tax returns just as the information transfers from Accounting CS to the federal tax return.

Viewing the tax code PDF

You can view or print tax code diagrams and other useful documents in PDF.

ACTIONS

1. Click the Home Page  button on the toolbar to open the UltraTax CS Home Page.
2. Click the Product Information link, and then click the 1065 tab.
3. Click the Federal link, and then click the Product guides link.
4. Click the [UltraTax/1065 Tax Code Diagrams](#) link to view the PDF. (Note that you need Adobe Reader installed.)
5. To view the forms, click the form name in the Bookmarks pane.

Importing balances from Accounting CS and setting up tax codes

Use the following procedure to import balances from Accounting CS.

ACTIONS

You are in the Adobe Reader.

1. Choose File > Exit to close the Adobe Reader.
2. Click the client ID button on the toolbar to return to Screen 1065 in the General folder.
3. Choose Utilities > Accounting CS (Import). Note that because UltraTax CS located the data for your client, this client automatically appears in the Clients to transfer pane on the right.

Note: You must set up tax codes in the Chart of Accounts or Enter Trial Balance screens in Accounting CS.

Importing General Ledger Balances into UltraTax CS for Your Own Client

Accounting CS and the UltraTax CS federal applications use tax codes to import general ledger account balances to the proper lines on the respective tax forms. When you use the Accounting CS (Import) command in UltraTax CS, the balances are imported from Accounting CS and entered in the appropriate UltraTax CS input screens. If tax codes are not set up, UltraTax CS cannot import general ledger balances from Accounting CS. If multiple accounts have the same tax code, the accounts are listed separately in a statement dialog or the total displays in the input screens.

To help you assign the correct tax codes, use the “Viewing the tax code PDF” procedure on page 67 to view or print the Tax Code diagrams in the [Tax Code Diagrams: UltraTax/1065](#) PDF.

Form 1065, Page 1 Tax Code Numbers

	1a Gross receipts or sales	1a	100		
	b Returns and allowances	1b	101		
	c Balance. Subtract line 1b from line 1a			1c	
Income	2 Cost of goods sold (attach Form 1125-A)			2	
	3 Gross profit. Subtract line 2 from line 1c			3	
	4 Ordinary income (loss) from other partnerships, estates, and trusts (attach statement)			4	
	5 Net farm profit (loss) (attach Schedule F (Form 1040))			5	
	6 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)			6	
	7 Other income (loss) (attach statement)			7	103
	8 Total income (loss). Combine lines 3 through 7			8	
	9 Salaries and wages (other than to partners) (less employment credits)			9	200
10 Guaranteed payments to partners			10	201	
11 Repairs and maintenance			11	202	
12 Bad debts			12	203	
13 Rent			13	204	
14 Taxes and licenses			14	205	
15 Interest			15	206	
Deductions <small>(see the instructions for limitations)</small>	16a Depreciation (if required, attach Form 4562)	16a	*		
	b Less depreciation reported on Form 1125-A and elsewhere on return	16b		16c	
	17 Depletion (Do not deduct oil and gas depletion.)			17	208
	18 Retirement plans, etc.			18	209 & 104
	19 Employee benefit programs			19	210
	20 Other deductions (attach statement)			20	**
	21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20			21	
	22 Ordinary business income (loss). Subtract line 21 from line 8			22	

- Click the Import button.

Notes

- There are two unique tax codes for memo type accounts. An account with tax code 88888 will not transfer to UltraTax CS but will appear as an audit trail in the Accounting CS Tax Code Report. An account with tax code 99999 will not transfer to UltraTax CS and will not appear in the Tax Code Report in Accounting CS.
- UltraTax CS imports the Accounting CS client’s tax year-end general ledger balances based on the UltraTax CS year end. Therefore, you can advance the Accounting CS client past the UltraTax CS client year end, and UltraTax CS will import the prior-year general ledger balances. If the Accounting CS client’s tax year end has not been advanced to the UltraTax CS year end, then UltraTax CS will prompt you about whether to use general ledger balances for the current or prior year.
- When the Accounting CS balances are imported into UltraTax CS, those balances are rounded according to the specifications entered in the *Write-Up Retrieval: Maximum amount for Schedule L rounding* field in the Setup > 1065 Partnership > Federal tab > Other Returns Options dialog. The Accounts Payable account balance will first be adjusted by any rounding difference. If there is a zero balance in Accounts Payable, the Cash account will then be adjusted.

Importing General Ledger Balances into UltraTax CS for Your Own Client

5. The Abort button changes to the Done button when the import is complete. Click Done when available.
6. Click the Income & Deductions folder. Note that revenues and expenses now display in Screen Inc.
7. Press ESC to move the focus to the folders block.
8. Press the ↓ key four times to choose the Balance Sheet folder.
9. Press ENTER to move the focus to the input screens. Note that all of your Accounting CS client's balance sheet amounts have been automatically imported into the tax return. Because you just added the client, you will see only ending balances. However, if you had proforma'd the client, beginning balances would appear as well.
10. Choose File > Close Client.



LEARNING MORE ABOUT ULTRATAX CS

We encourage you to use this walkthrough to explore the many features, options, and capabilities of UltraTax CS. To learn more about using UltraTax CS to process a return, as well as additional features, choose Help > On the Web > CS Professional Suite Home Page. Click Products & Services, choose Tax & Asset Management and then UltraTax CS to view the UltraTax CS Overview. For more information, contact your CS account representative.

New features and changes for UltraTax CS this year

To view the latest features and changes available in UltraTax CS, choose Help > Help & How-To Center and click the [What's new in UltraTax CS](#) link in the box on the right side of the screen. For more detailed information regarding application releases and updates, changes to the application, and any other relevant or special issues regarding our applications, access the user bulletins from within the application, choose Help > Bulletins. To search for information within current-year user bulletins, choose Help > Help & How-To Center, and then click the link to the user bulletins in the Alerts and notices section of the box on the right side of the article.

Application security

UltraTax CS (as well as other CS Professional Suite applications) includes security measures that meet IRS requirements to help safeguard taxpayer and tax preparer information. These requirements include a unique username and strong password for each user, as well as a timeout period that will require users to log back in to the application after 30 minutes of inactivity. For more information about our security measures, see the [CS Professional Suite application security overview](#) in the Help & How-To Center.

Integration with other applications

UltraTax CS integrates with the entire CS Professional Suite (Accounting CS, Workpapers CS, Fixed Assets CS, and Practice CS), as well as OnBalance™, and Onvio Documents, Workpapers, and Client Center. With our applications, you do not need to run time-consuming data conversion applications. For more information, see the [UltraTax CS integration with other applications](#) article in the Help & How-To Center.

Support and training

We are committed to supporting your firm with excellent staff and services.

- Our support staff provides answers to your questions via chat, email, or phone. See the [Contact Information](#) page on our website for more information.
- We offer a variety of training and consulting options, so you can choose the appropriate training and assistance for your firm. See the [Training & Consulting](#) page on our website for more information.
- The [Tax & Accounting Community](#) enables our customers from across the globe to share information immediately and to help one another save time, effort, and money.
- Our annual users' conference provides a means to earn CPE credit, get hands-on training, learn about technology updates, be inspired by nationally-recognized experts, and communicate directly with our staff and your colleagues.