Learning about Taxes With Intuit ProFile
2018/19

Chapter 8: Advanced Features

Learning Objectives

At this chapter's conclusion, students will understand:

- The purpose of a file template
- How to attach ancillary documents to a T1
- How to pay CRA using T1 PAD

Additional Resources

This document provides numerous resources to accounting professionals. Refer to these sites to explore additional tutorials and training opportunities:

http://accountant.intuit.ca/professional-accounting/index.jsp

http://profile.intuit.ca/professional-tax-software/index.jsp

http://profile.intuit.ca/professional-tax-software/training.jsp

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Introduction

Intuit ProFile Tax software is reliable and easy-to-use, and it offers sophisticated features that help tax preparers experience a more productive tax season. The following paragraphs summarize the key components of Intuit ProFile Professional Tax software

ProFile T1 imports and converts data created by competing software products. Whether you carry files forward individually or in batches, you will find the process quick and convenient. Using ProFile`s WYSIWYG (what you see is what you get) forms, you can view and edit federal T1 and Québec TP1 forms in either French or English. You can also print all tax forms in either language at the click of a button.

ProFile T2 is designed for professional preparation of corporate tax returns in all provinces and territories. ProFile T2 includes:

- Federal T2 returns, including T2 RSI (for 2006-2009 and earlier) and Corporation Internet Filing
- Provincial corporate tax returns for Alberta (including AT1 RSI), for Ontario returns with taxation years ending prior to January 1, 2009 (including CT23 disk filing) and for Quebec (CO-17).
- Provincial capital tax returns for Manitoba, Saskatchewan and British Columbia

ProFile T3 prepares Trust income tax returns and supporting schedules, including T3 and T5 slips that the trust receives. Simply enter slip information on intuitive income-reporting screens and ProFile T3 automatically transfers the amounts to the appropriate forms. ProFile T3 also integrates business and rental income statements. In addition to T3 slips, the software allows you to prepare NR4 slips for non-resident taxpayers (including the NR4 summary).

ProFile FX (Forms Expert) gives you more than 80 of the most commonly-used CRA forms which supplement the form-sets in Intuit`s other tax applications. Here are a few highlights of ProFile FX:

- Customizable options help you complete and file the forms you need.
- Automatic form selection facilitates form printing.
- Audit and review features help pinpoint potential errors
- Forms flexibility lets you print facsimile forms on plain paper or directly onto pre-printed CRA forms. ProFile FX also prepares magnetic media files for T4, T4A, T5, T5018 and NR4 slips, as well as for the RL1, RL2, RL3 and RL4.
- Import identification from an existing ProFile T1 or T2 data file minimizes potential data entry errors.

Benefits of Using ProFile

ProFile is powerful, efficient and secure tax software that helps you get your work done fast and efficiently. Here's how you benefit by using Profile:

- With phone, email or in-product live chat support, you have year-round access to knowledgeable Canadian technical experts
- With its comprehensive set of forms and schedules, ProFile lets you handle just about every tax scenario in any jurisdiction, including Québec
- With a built-in auditor that runs up to 2,800 diagnostic checks of your tax returns, ProFile has your back
- Flexible Licensing means you can install ProFile on more than one personal computer without having to pay additional licensing fees
- Work with QuickBooks? So does ProFile! There's no need for manual data entry because you can now export data from QuickBooks directly into ProFile

Plus, with ProFile you enjoy a consistent level of advanced features that include:

- Customizable client correspondence
- Database queries and reporting
- Online tools to quickly and easily stay in touch with your clients

Chapter 8: Advanced Features

File Template

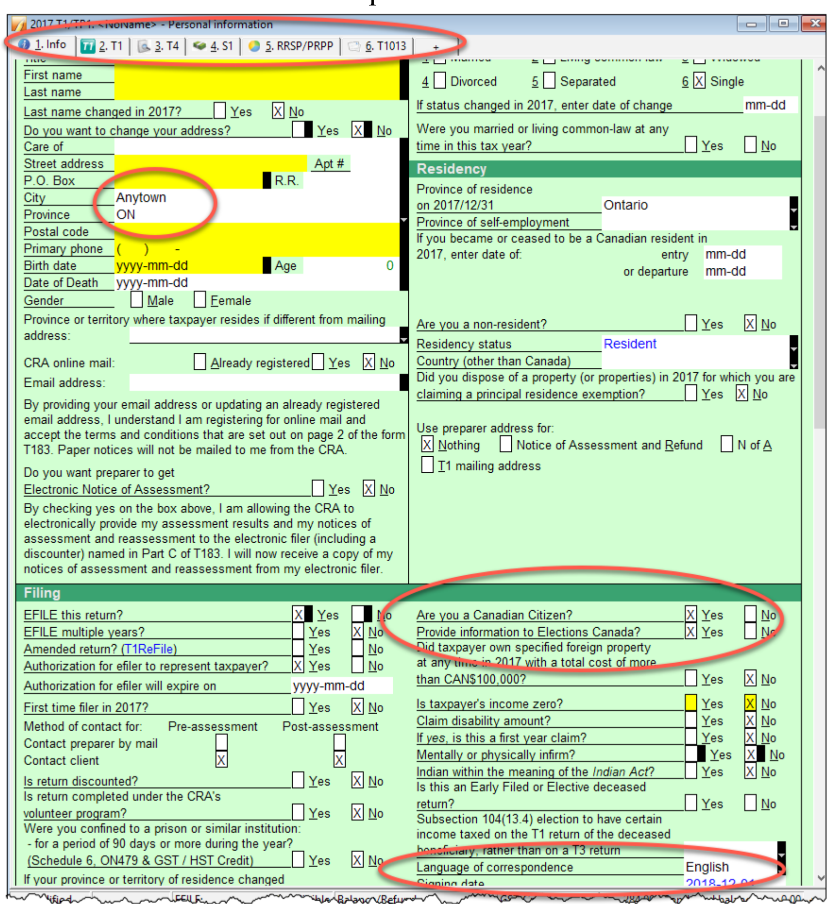
If you find that you are constantly checking the same boxes on ProFile’s Info page (for example, the Elections Canada question), or if you find that most of your clients live in the same city or province, you can set up a file template that automatically fills in those fields for you. This capability is called a file template and, once you’ve set it up, Profile uses the settings in the file template to automatically fill in the fields of any new tax return.

In addition to pre-filling fields, you can also set the forms (and the sequence of forms) you want ProFile to open when you create a new file. You can create a separate file template for each ProFile module.

Note: When you carry forward prior-year files, information from the previous year will always overwrite any file template data.

To create a file template:

- Create a new tax return.
- Enter data into any field on any form. The example below has data for City and Province, as well as Canadian Resident, Elections Canada, and Language fields
- Open any forms that you want ProFile to open automatically when you create a new client file that is based on this file template


1. Info | 2. T1 | 3. T4 | 4. S1 | 5. RRSP/PRPP | 6. T1013

First name
Last name
Last name changed in 2017? Yes [X] No
Do you want to change your address? Yes [X] No
Care of
Street address — Apt #
P.O. Box — R.R.
City: Anytown
Province: ON
Postal code
Primary phone ( ) -
Birth date: yyyy-mm-dd — Age 0
Date of Death: yyyy-mm-dd
Gender: Male / Female
Province or territory where taxpayer resides if different from mailing address:
CRA online mail: Already registered / Yes / [X] No
Email address:
By providing your email address or updating an already registered email address, I understand I am registering for online mail and accept the terms and conditions that are set out on page 2 of the form T183. Paper notices will not be mailed to me from the CRA.
Do you want preparer to get Electronic Notice of Assessment? Yes [X] No
By checking yes on the box above, I am allowing the CRA to electronically provide my assessment results and my notices of assessment and reassessment to the electronic filer (including a discounter) named in Part C of T183. I will now receive a copy of my notices of assessment and reassessment from my electronic filer.

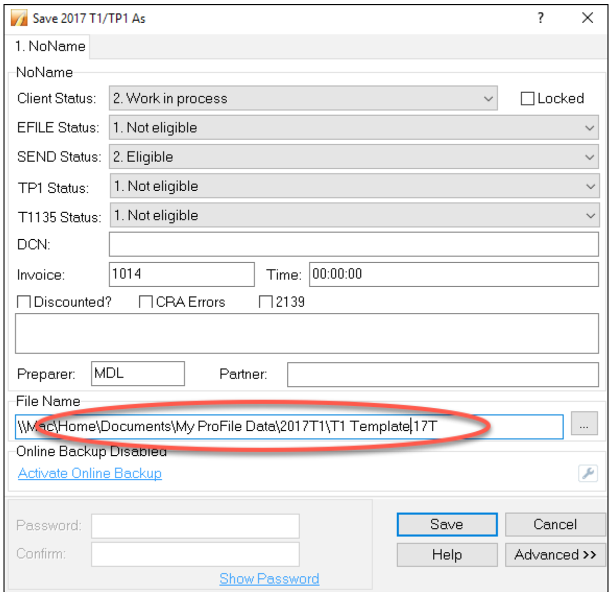
4 Divorced — 5 Separated — 6 [X] Single
If status changed in 2017, enter date of change: mm-dd
Were you married or living common-law at any time in this tax year? Yes / No

Residency
Province of residence on 2017/12/31: Ontario
Province of self-employment
If you became or ceased to be a Canadian resident in 2017, enter date of: entry mm-dd; or departure mm-dd
Are you a non-resident? Yes [X] No
Residency status: Resident
Country (other than Canada)
Did you dispose of a property (or properties) in 2017 for which you are claiming a principal residence exemption? Yes [X] No
Use preparer address for: [X] Nothing / Notice of Assessment and Refund / N of A / T1 mailing address

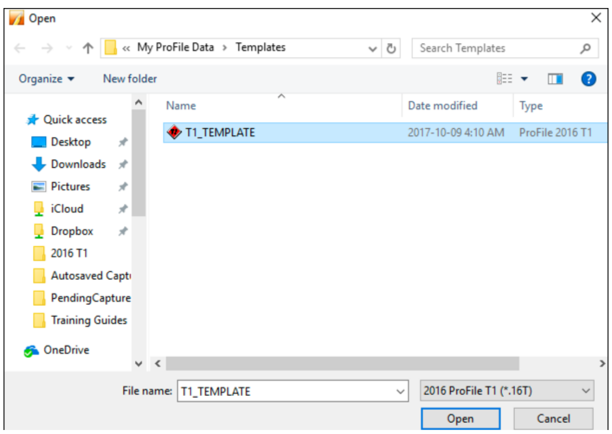
Filing
EFILE this return? [X] Yes / No
EFILE multiple years? Yes [X] No
Amended return? (T1ReFile) Yes / No
Authorization for efiler to represent taxpayer? [X] Yes / No
Authorization for efiler will expire on: yyyy-mm-dd
First time filer in 2017? Yes [X] No
Method of contact for: Pre-assessment / Post-assessment
Contact preparer by mail
Contact client [X] [X]
Is return discounted? Yes [X] No
Is return completed under the CRA's volunteer program? Yes [X] No
Were you confined to a prison or similar institution: - for a period of 90 days or more during the year? (Schedule 6, ON479 & GST / HST Credit) Yes [X] No
If your province or territory of residence changed

Are you a Canadian Citizen? [X] Yes / No
Provide information to Elections Canada? [X] Yes / No
Did taxpayer own specified foreign property at any time in 2017 with a total cost of more than CAN$100,000? Yes [X] No
Is taxpayer's income zero? Yes [X] No
Claim disability amount? Yes [X] No
If yes, is this a first year claim? Yes [X] No
Mentally or physically infirm? Yes [X] No
Indian within the meaning of the *Indian Act*? Yes [X] No
Is this an Early Filed or Elective deceased return? Yes / No
Subsection 104(13.4) election to have certain income taxed on the T1 return of the deceased beneficiary, rather than on a T3 return
Language of correspondence: English
Signing date

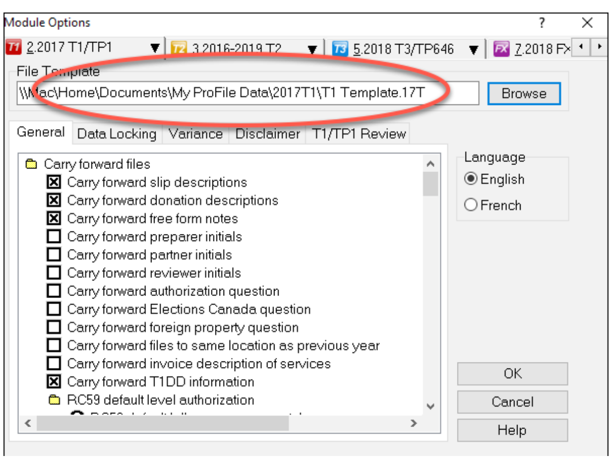
- Save the file. Name it something like *T1_Template*



- Go to the *Options* menu and select *Module*
- Click the *Browse* button beside the File Template field, search and select the *T1_Template* file on your hard drive



- Click *OK*



- ProFile will use the default settings in this template file whenever you create a new file of the same type.
- If you want to share the template with other users on a network, save the template into a shared server folder.
- In Client Explorer, files will display by client name or SIN. On a template, both these fields are blank. When you look for your template on the Client Explorer, the template file appears as *NoName*.
- Select the *NoName* file in the database client list. Below it, you will see the file name you assigned, such as *T1 Template*, in the file details area.
- Open the template when you need to modify the defaults for all your new clients.

HYPERDOCS

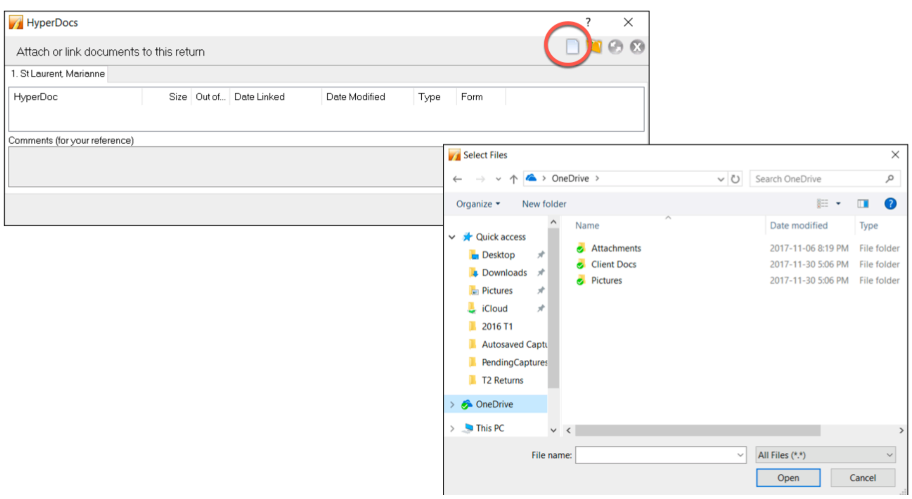
It may happen that you'd like to attach or link an electronic document to a tax file. For example, you may want to attach a PDF of a CRA document such as a tax ruling or an interpretation bulletin. Or you may want to link to an image file itemizing details of charitable donations or medical receipts. With ProFile's HyperDocs, you can do exactly that. In other words, HyperDocs lets you attach multiple documents, in any format, to a form or field of a T1 return.

It's important to note that any HyperDocs document attached to a tax file will be stored for internal purposes only. This means that no HyperDocs attachment will ever get transmitted to CRA.

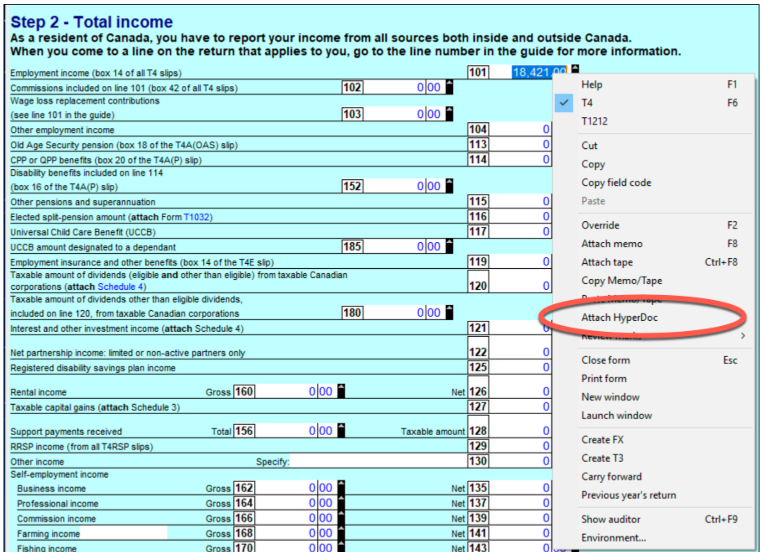
Adding a HyperDocs document

You can choose to attach a HyperDocs to a tax file, or to a specific form or line in a tax file.

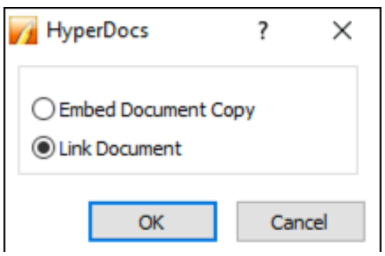
- To add a new HyperDocs document to the tax file itself, go to *File* > *HyperDocs* and click the *Add* icon (circled in the image below)
- A window will open letting you select the file you wish to add



- To attach a HyperDocs to a specific field on a client form, right-click on the field and select *Attach HyperDocs*



- After you select the file, ProFile asks whether to embed or link your document

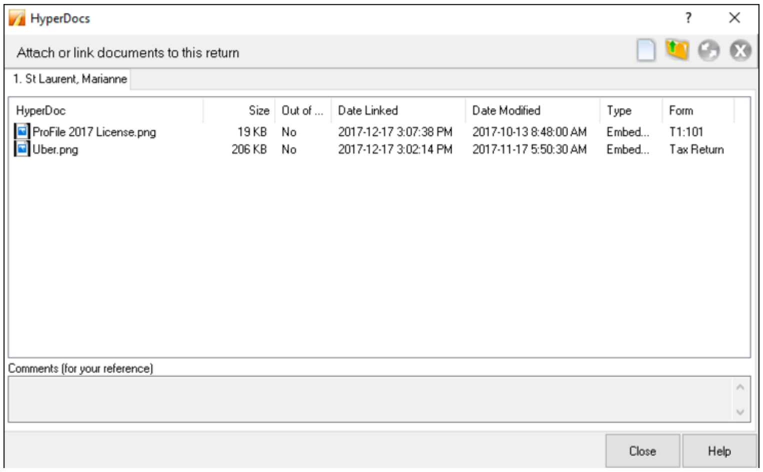


- Embedded documents open as read-only and cannot be edited in ProFile
- Linked documents open from the source, so you can edit them directly in ProFile, and your changes will be saved to the source document on your computer

Managing attached documents via HyperDocs

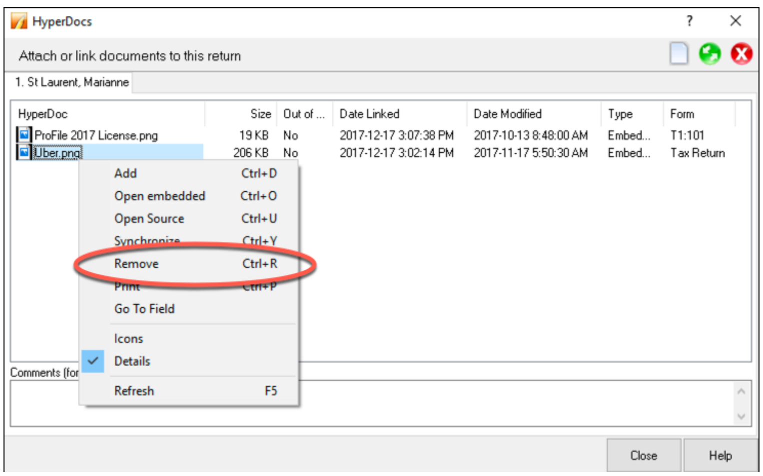
Whether you add a HyperDocs to the tax file in general or to a specific area of the tax file, you will find all attached documents in the HyperDocs window. To view all attached documents:

- Go to *File > HyperDocs*
- All attached documents appear in the HyperDocs window along with any comments that you entered. The HyperDocs window also lists key information that includes:
- The date the document was attached and/or modified
- The process you chose to attach the file (linked or embedded)
- And the form to which the document was attached



Removing a HyperDocs document

- To remove a HyperDocs document, right-click on the document in the HyperDocs window and choose *Remove*



Deleted forms

If you delete a form that had HyperDocs attached to it, the HyperDocs will also be deleted. Deleting a HyperDocs document will only remove the link or embedded document from ProFile - it will not affect the source file stored on your computer.

Opening attached documents

From the HyperDocs window, double click on the document. If the document is linked, ProFile opens it from its source and saves any changes you make directly to the source file stored on your computer. If the document is embedded, ProFile opens a read-only version.

You can keep HyperDocs documents open while you continue working in ProFile.

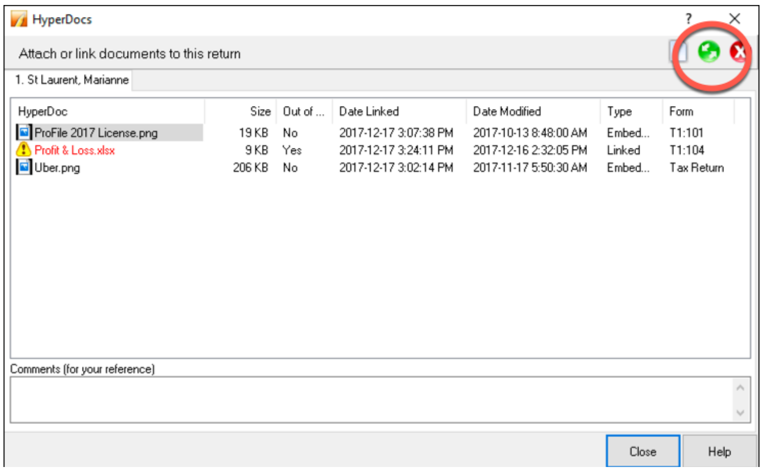
Synchronizing out-of-date documents via HyperDocs

If you alter a linked document outside of ProFile, you may need to synchronize the document so that ProFile has the latest version of the file.

- Because embedded documents open as read-only, to make changes to an embedded file, you must edit the source file and synchronize it in ProFile
- You can edit linked documents directly in ProFile, as they open from the source and your changes are saved to the source file

Any out-of-date, or unsynchronized, documents are displayed in red in the HyperDocs window along with an exclamation point icon.

- To synchronize an out-of-date file, right click the document and select *Synchronize*



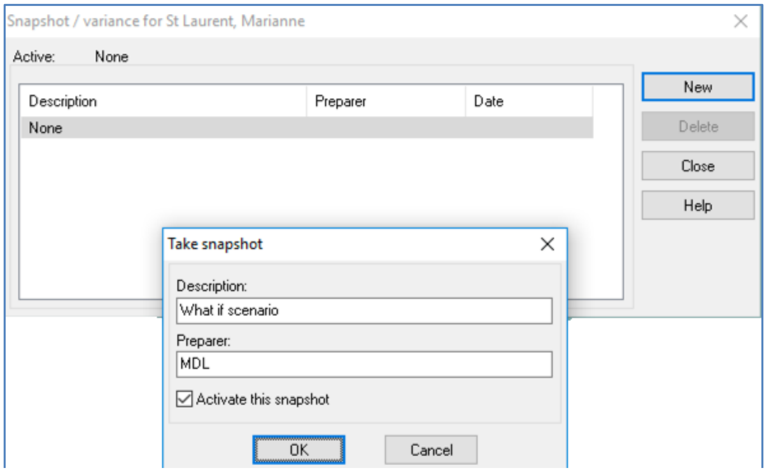
- Once ProFile has synchronized the document, the exclamation point will disappear, and any red lettering will revert to black font

VARIANCE AND SNAPSHOT

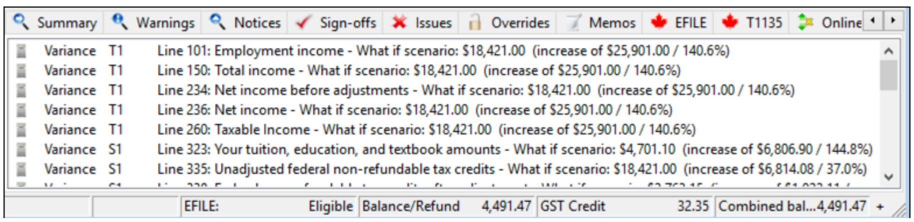
Variance is a feature that you use to highlight significant changes on a tax return. Variance lets you experiment with different scenarios and quickly identify the impact of those change. Variance is only calculated for fields with CRA line numbers. So, not all fields (for example on worksheets) will be included in the variance comparison. You activate the variance feature by taking a snapshot of the tax return.

To take a snapshot of your current return

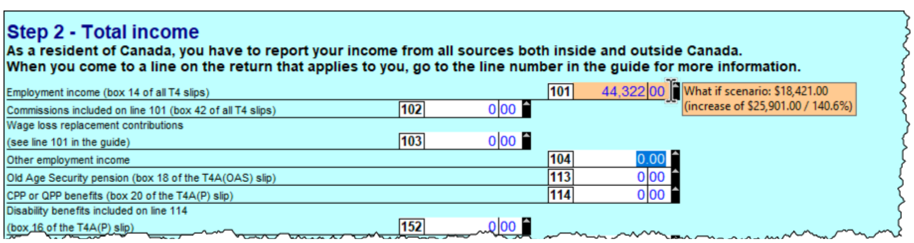
- From the Audit menu, select *Snapshot/variance* and click the *New* button. This will take a picture of the current contents of the tax return
- Give the snapshot a name that will remind you of the purpose of the scenario
- Select the *Activate this snapshot* option to have ProFile compare any changes you make in the file to this snapshot and click *OK*



- As you make changes in the file, you can see the variance analysis on the *Variance* tab of the Active Auditor



- And you can also view the changes in 'fly-over' messages when your cursor is over a yellow variance field



Shelf-life of a snapshot

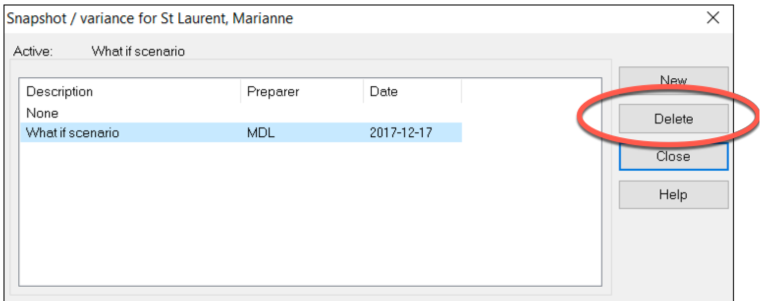
Snapshots may have a short self-life. For example, you may have created a snapshot last week using a client RRSP contribution of $5,000. This week you may want to evaluate the impact of reducing that contribution to $3,000.

However, if you also added a new T3 slip since taking the first snapshot, variance will detect the impact of both the T3 and the RRSP. To best use variance, make sure you carefully manage which data fields you've changed since taking a snapshot.

Deleting a snapshot

If you change other data in the return, like adding income from a forgotten contract job, you will need to delete your original snapshot and create a new one, reflecting the extra income, before comparing that scenario to current data.

- On the Snapshot Variance dialog (go to the *Audit* menu and select *Snapshot/variance*, select a snapshot that you no longer need and click the *Delete* button to remove that snapshot.

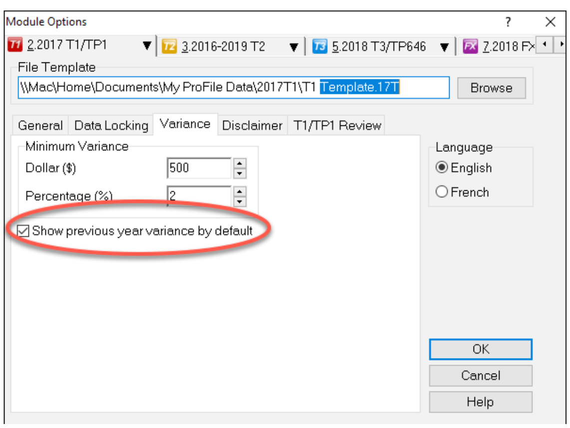


Previous year variance

ProFile includes several features to help you identify and analyze variances between two tax scenarios. If you carry forward information from a previous year's return, you can use these variance features to find out how much a field changed in comparison to the previous year.

To turn on previous year variance:

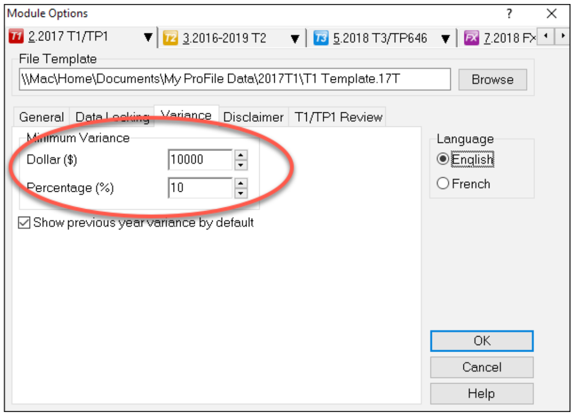
- Go to the Options menu and select Module
- Click a module tab, for example, *2017T1*
- Click the *Variance* tab.
- Select the *Show previous year variance by default checkbox*
- Click *OK*



When you carry forward a return and there is a difference between the previous and current year amounts, ProFile highlights the changed fields with an orange background. Move your cursor over the field to see the message associated with that field.

Variance thresholds

You can set variance thresholds to meet your own requirements. Go to the *Options* > *Module* and click the *Variance* tab.
Set a minimum dollar value or percentage of change that will trigger a variance calculation. If you set both a dollar and a percentage amount, ProFile calculates a variance only when the amount differs by more than the dollar value and the minimum percentage.

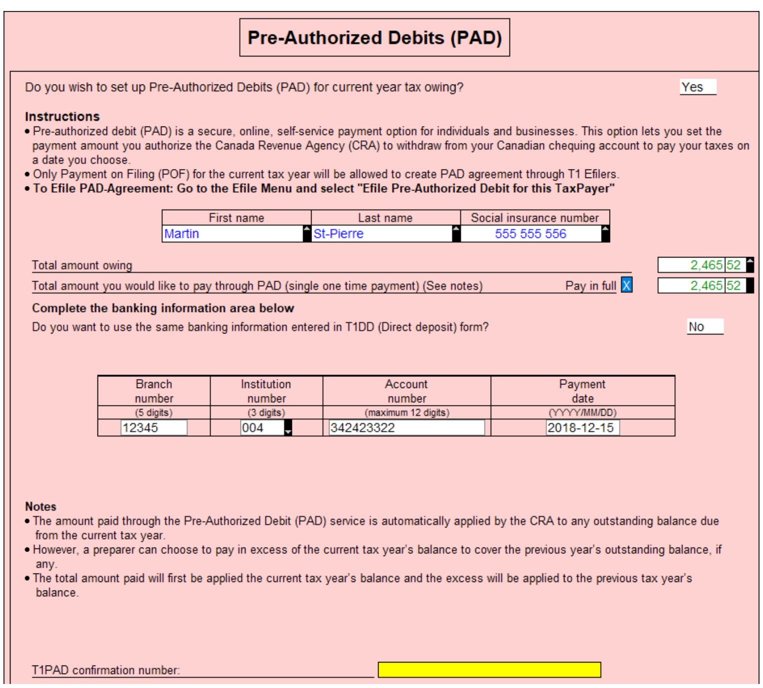


T1 PAD

Pre-authorized debit (PAD) is a secure, online, self-service payment option for individuals and businesses. This option lets you set the payment amount you authorize CRA to withdraw from a Canadian chequing account to pay taxes on a date, or multiple dates.
Due to the processes that must take place between the CRA and the financial institution, the selected payment date must be at least five business-days from the date your PAD agreement is created or managed.

A PAD agreement can only be done online. Here's how to do it in ProFile:

- Use Form Explorer to Open *T1PAD*
- Type *Yes* to set up PAD
- Click the *Pay in full* checkbox
- If you are already set up for Direct Deposit and you want to pay from that account, enter YES. Otherwise enter NO and enter the bank transit info



Pre-Authorized Debits (PAD)

Do you wish to set up Pre-Authorized Debits (PAD) for current year tax owing? Yes

Instructions
- Pre-authorized debit (PAD) is a secure, online, self-service payment option for individuals and businesses. This option lets you set the payment amount you authorize the Canada Revenue Agency (CRA) to withdraw from your Canadian chequing account to pay your taxes on a date you choose.
- Only Payment on Filing (POF) for the current tax year will be allowed to create PAD agreement through T1 Efilers.
- **To Efile PAD-Agreement: Go to the Efile Menu and select "Efile Pre-Authorized Debit for this TaxPayer"**

First name	Last name	Social insurance number
Martin	St-Pierre	555 555 556

Total amount owing 2,465 52

Total amount you would like to pay through PAD (single one time payment) (See notes) Pay in full X 2,465 52

Complete the banking information area below

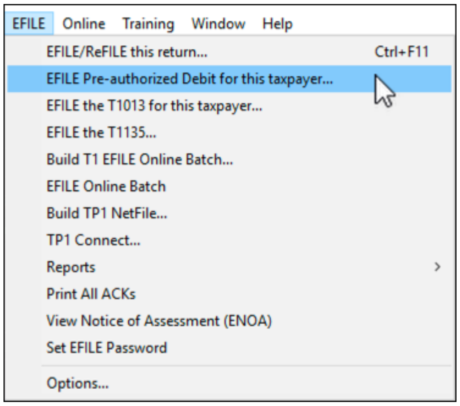
Do you want to use the same banking information entered in T1DD (Direct deposit) form? No

Branch number (5 digits)	Institution number (3 digits)	Account number (maximum 12 digits)	Payment date (YYYY/MM/DD)
12345	004	342423322	2018-12-15

Notes
- The amount paid through the Pre-Authorized Debit (PAD) service is automatically applied by the CRA to any outstanding balance due from the current tax year.
- However, a preparer can choose to pay in excess of the current tax year's balance to cover the previous year's outstanding balance, if any.
- The total amount paid will first be applied the current tax year's balance and the excess will be applied to the previous tax year's balance.

T1PAD confirmation number:

- Go to EFILE and select *EFILE Pre-Authorized Debit for this Taxpayer*
- Once EFILED, ProFile will record the T1PAD confirmation number in the yellow field above, and on the INFO form as well



Chapter 8 Quiz

Question 1: A file template is used to:

A. Ensure that all data is recorded properly
B. Create returns for various family members
C. Pre-select the fields and forms ProFile will set up on a new tax return
D. Verify the accuracy of the tax amounts

Question 2: True or False: A different file template can be set up for each ProFile module

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Question 3: HyperDocs is designed to:

A. Link or embed an electronic file to a tax return
B. Add audit messages to a tax file
C. Link an amount on a tax return to the relevant information on CRA's website
D. Create a hyperlink that can be emailed to a client

Question 4: True or False: You can use HyperDocs to send documents such as donations receipts to CRA

Question 5: True or False: HyperDocs lets you attach a document to either the tax return itself or to a line on the return

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Question 6: You synchronize a Hyperdocs file by clicking:

A. On the *Synchronize* command in the File menu
B. The source document in Windows Explorer
C. On the green *Synchronize* icon in the HyperDocs window
D. You cannot, in fact, synchronize a HyperDocs file

Question 7: True or False: Once you attach a HyperDocs file to a tax return, you cannot remove it

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Question 8: True or False: Profile uses a Snapshot to EFILE the tax return to CRA

Question 9: Select one reason you would use ProFile's *Variance* feature:

A. To compare the difference between two spouses' T1 files
B. To highlight significant changes between the prior and current year's T1 files
C. To track the last time you opened a T1 file
D. To make sure all tax preparers are using the same version of the tax file

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Question 10: CRA's T1 Pad is used to

A. Send an electronic payment to CRA
B. Keep track of all amounts already paid to CRA
C. Ensure that all client notes are saved in a notepad
D. Modify a file that you EFILED with CRA
