Instructor's Handbook

Purpose of this Handbook

This guide is designed to accompany structured and guided ProFile training as provided by recognized learning institutions. It also serves as a companion document to the PowerPoint presentation files to be used by teaching professionals. This document is, therefore, focused in its scope and it is not intended as a self-study training guide.

Additional Resources

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

Professional Accounting Software

Tax Preparation & efiling Return Software

Professional Tax Software Training

Intuit profile

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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 (where applicable) 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 quickly 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 always 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

Chapter 1

All About Taxation

Learning Objectives

At this chapter's end students will understand:

- The history of taxation
- How tax dollars are raised and disbursed
- The role of the Canda Revenue Agency
- A taxpayer's filing options
- Taxpayer responsibilities
- How to get information to help you file a tax return
- How to access and use CRA electronic services

Additional Resources

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

[Professional Accounting Software]

[Tax Preparation & efiling Return Software]

[Professional Tax Software Training]

What are Taxes?

Taxes are mandatory payments made by individuals and corporations to government. Tax is levied upon various transactions that include income, property, and sales. Taxes are used to support the government, and the programs and services it provides.

Different levels of government collect tax. For example, in Canada individuals pay:

- federal taxes used for programs such as National Defence, Old Age Security, Canada child tax benefit, and transfers to provinces and territories
- provincial and territorial taxes used for services such as bridges and highways, education, hospitals, and wildlife conservation, and
- municipal taxes for services such as police, ambulance and fire services, libraries, parks and playgrounds, public transportation, and garbage and recycling collection

Without a tax system, government would not have the revenue it needs to provide key services. Citizens support the tax system by paying their fair share of taxes. In return, they benefit from the programs and services provided by the government.

How are your tax dollars spent?

Many of the benefits you enjoy today are made possible through taxes. The government collects taxes to pay for the facilities, services, and programs that it provides. Canada's tax system contributes to programs and disbursements that include:

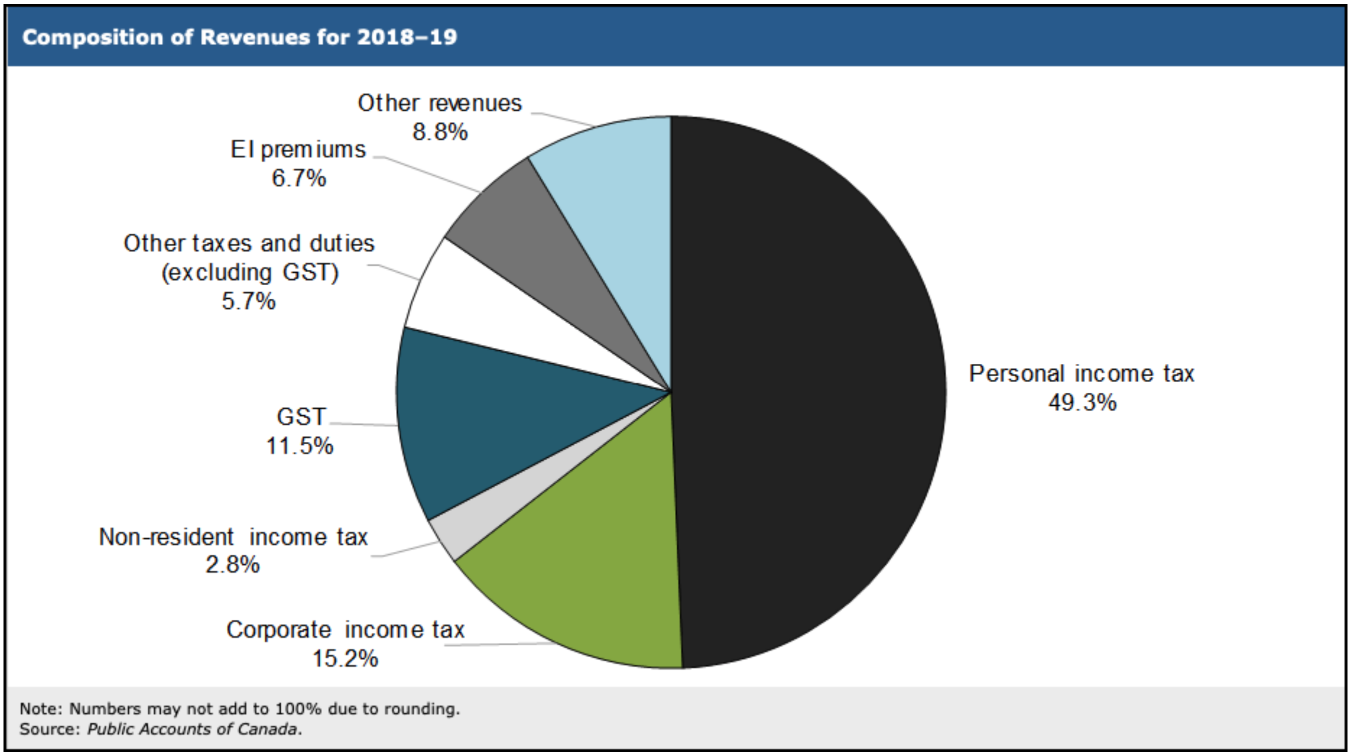
- roads
- public utilities
- education
- health care
- economic development
- cultural activities
- defence
- law enforcement, and
- other programs and services

Tax revenue also helps redistribute wealth to benefit lower-income families, students, seniors, and people with disabilities. Tax revenue funds social programs such as:

- old age security
- employment insurance
- Canada child benefit
- universal child care benefit, and
- working income tax benefit

The tax system also supports businesses and boosts the economy in other ways.

Here is the Canadian government's distribution of expenditures for the 2018-2019 fiscal year (most recent year on record).



More information on government expenditures for 2018-2019 is contained in the Annual Financial Report of the Government of Canada. https://www.fin.gc.ca/afr-rfa/2019/report-rapport-eng.asp#_Toc525903642

Characteristics of a tax system

Per the Government of Canada, a tax system is defined by these characteristics:

1. the source (who pays the tax)
2. the tax-base
3. the rates to be applied to the base
4. general exemptions and deductions
5. other measures, such as how tax is to be paid

Source:https://www.canada.ca/en/revenue-agency/services/tax/individuals/educational-programs/why-taxes/canada-tax-system.html

These characteristics determine how much revenue is produced, how fair the tax system is, and its ability to produce economic growth.

A tax system needs to benefit all, and it should be flexible, so the government can use it to achieve specific social and economic objectives. Finally, the process for administering the tax system has to be practical, efficient and fair.

In Canada, the federal government follows these guidelines when it develops new tax legislation:

- **Fairness** - the tax system needs to ensure that all taxpayers share the tax burden equally. People with similar financial circumstances should receive the same tax treatment. In other words, all high-income earners whether they are individuals or corporations, should pay their fair share of tax. Also, similar products should be subject to the same rate of sales tax
- **Stability** - the federal government needs a stable and dependable source of tax revenue, so it can manage the country's economy
- **Canadian priorities** - the tax system helps meet the national/provincial/territorial and economic needs that are priorities for most Canadians
- **Consultation** - the federal government is committed to consulting Canadians before making final legislative proposals for tax amendments

Canada's tax system has evolved over many years to accommodate the needs of an increasingly complex society. However, the guiding principle has always been the same: our elected Parliament must have ultimate control over tax legislation.

Canada's tax system is based on the self-assessment principle, which means that taxpayers complete their tax return each year to report their income and to calculate whether they owe tax or receive a refund. It is considered the most economical and efficient way to collect income tax.

An abridged history of tax

Many people assume that taxes are a recent development and that our ancestors did not have to pay them. This, however, is not the case.

History of taxes in the world

Tax as we know it today, existed in various forms in different societies throughout civilization. Kings, queens, chiefs, rulers, and people in authority were responsible for imposing and collecting taxes from the people they ruled. What was taxed, when it was taxed, and how much tax was imposed varied from society to society.

The French and Latin of the 13th century were credited with the first use of a word similar to tax. The French had *Taxer* and the Latin used *Taxare* to describe the following tasks: to estimate, to assess, or to access repeatedly.

Canadian taxation before Confederation

The colonial governments collected taxes and sent them to the two mother countries: England and France. The colonial governments usually collected revenue by charging customs duties. In 1650, Louis XIV of France imposed the first recorded tax in Canadian history—an export tax of 50% on beaver pelts and 10% on moose hides that were leaving his colonies.

In 1867 *The British North America Act* was passed, allowing the Canadian government to raise money by taxation. Over the next 50 years, the federal government used only indirect taxes such as customs duties and excise taxes to raise the money it needed. Direct taxation was only levied in the four Canadian provinces of Ontario, Quebec, Nova Scotia, and New Brunswick.

The Fathers of Confederation divided the governmental responsibilities of this new country between the federal and provincial governments. The most expensive areas of responsibility—railways, roads, bridges, and harbours – were the responsibility of the federal government. The provincial governments were responsible for education, health, and welfare.

Canadian taxation after Confederation

On August 4, 1914 Britain declared war on Germany and, as a British colony, Canada joined Britain in the Great War. The pressures of financing World War I soon brought major changes to the Canadian tax system.

In 1916 the Canadian government used a new method of direct taxation by imposing a corporation tax known as the business profit war tax. It affected corporations only if their profits were more than a certain percentage of their invested capital. Although this was not income tax as we know it today, it was a milestone in the history of Canadian taxation.

It was in 1917 that the federal government, led by Sir Robert L. Borden, introduced the *Income War Tax Act*. "I have placed no time limit upon this measure . . . a year or two after the war is over, the measure should be definitely reviewed," stated Sir Thomas White, Minister of Finance.

In July 1917, the federal government imposed a general tax on corporate and personal income that was collected by the Department of Finance.

Other key milestones in the Canadian tax system include:

1927 - The Department of National Revenue was created.

1952 - For the first time, the Department of National Revenue became involved in an area other than income tax when it began to collect old age security tax on personal and corporate income. The department assessed this tax under the *Old Age Security Act*.

January 1, 1991 - The federal government replaced the federal sales tax with the goods and services tax (GST).

May 2007 - The Government of Canada introduced the Taxpayer Bill of Rights, which outlines what a taxpayer can expect from the CRA.

Common Canadian taxes

In Canada, there are various taxes, tariffs, and duties. In this section, we will briefly explain the following common Canadian tax and salary deductions:

- income tax;
- employment insurance (EI) premiums;
- Canada Pension Plan (CPP) contributions;
- provincial sales taxes (PST); and
- goods and services tax/harmonized sales tax (GST/HST).

Source deductions

All individuals pay income tax to the federal, provincial, and territorial governments. The amount of income tax is based on the taxable income (total earnings minus allowable deductions) earned during the tax year.

Income tax is collected in various ways. The most common method, commonly called *Source Deductions,* sees employers deduct income tax from each employee's pay cheque and remit it directly to the Canada Revenue Agency on the employee's behalf.

If an employee did not have enough tax deducted through source deductions, she may have tax owing when she files her tax return. Individuals who regularly have a balance owing may have to pay their income taxes by instalments.

Employment insurance (EI) provides temporary financial assistance to unemployed Canadians who, through no fault of their own, have lost their job. EI, therefore, assists them while they look for work or upgrade their skills. Canadians who are sick, pregnant, or caring for a newborn or adopted child, as well as those who must care for a family member who is seriously ill with a significant risk of death, may also be assisted by EI.

Like income tax, EI premiums are deducted at source by an employer from an employee's wages. In addition to the amount deducted on an employee's pay cheque, employers also contribute to the EI pool, usually at a rate of 1.4 times the amount deducted from all employees.

The **Canada Pension Plan (CPP)** provides contributors with a stipulated amount when they lose income because of retirement, death, or disability. In the event of death, the plan provides benefits to the contributor's survivors. With very few exceptions, every employed person in Canada over the age of 18 pays into the Canada Pension Plan. CPP, as with income tax and employment insurance, is also deducted by an employer at source. In addition, employers also contribute to CPP at a rate equal to the amount deducted from all employees. For employees in Quebec, the employer deducts Quebec Pension Plan (QPP) contributions instead of CPP contributions.

Refunds

It can happen that an individual is entitled to a refund of the taxes that were deducted at source. Refunds can be triggered if an individual:

- had too much tax withheld during the year
- paid more tax instalments than necessary, or
- is entitled to claim more refundable tax credits than the total taxes paid. Examples of these credits include:
  - Canada Pension Plan (CPP) overpayment;
  - employment insurance (EI) overpayment;
  - working income tax benefit (WITB); and
  - provincial or territorial credits, which vary depending on the province or territory where you live.

In addition to getting a refund, individuals may also want to file an income tax return to receive certain credits and benefits paid throughout the year, or to report amounts that can reduce the amount of tax that must be paid in the future.

Other taxes

Provincial sales tax (PST) is a tax that most provinces levy on the sale of goods and services. PST is generally added to the sales price of an item being purchased. The items that are taxed and the tax rate vary from province to province.

Goods and services tax (**GST**) is a federal tax that is charged on the sale of most goods and services in Canada at a consistent rate of 5%. It is important to note that the federal government, though, does not tax essentials such as groceries, prescription drugs, residential rent, health care and dental care.

In some provinces, the GST is combined with the PST and the two are collected together at a combined rate. This is known as **harmonized sales tax (HST)**.

About the Canada Revenue Agency (CRA)

The CRA's mission is to administer tax, benefits and related programs, and to ensure compliance on behalf of governments across Canada, thereby contributing to the ongoing economic and social well-being of Canadians. It does this by:

- collecting taxes and administering tax laws for the federal government and most provinces and territories
- delivering credit and benefit programs to Canadians such as:
  - Canada child benefit (CCB)
  - goods and services tax/harmonized sales tax (GST/HST) credit, and
  - working income tax benefit (WITB)
- collecting Canada Pension Plan (CPP) contributions and employment insurance (EI) premiums, and
- administering Canada's international tax agreements with other countries

In carrying out its mission, the CRA affects the lives of many Canadians daily.

Getting information from the CRA

The CRA offers all its services, (including Internet, telephone, and correspondence services), to Canadians in both official languages.

CRA Web site

The CRA Web site https://www.canada.ca/en/services/taxes/income-tax.html is a valuable resource if you need tax information, or information on programs and services.

The best way to navigate the site is to start in the section for Individuals. Menus throughout this section offer information sorted by topic or client group (such as information for students or employees).

Forms and publications

CRA guides, forms, pamphlets, interpretation bulletins, information circulars, and other publications, provide details on tax topics and can help you to understand the tax system. To get forms and publications, go to https://www.canada.ca/en/revenue-agency/services/forms-publications.html or call **1-800-959-8281**.

If you are blind or partially sighted, you can get publications in braille, large print, e-text, or MP3 by going to www.cra.gc.ca/alternate. You can also get publications and personalized correspondence in these formats by calling **1-800-959-8281**.

Examples of CRA programs

Here are some examples of the programs administered by the Canada Revenue Agency (CRA):

Goods and services tax/harmonized sales tax (GST/HST) credit

You are eligible for the GST/HST credit if you are considered a Canadian resident for income tax purposes. You must also meet **one** of the following criteria:

- you are at least 19 years old
- you have a spouse or common-law partner
- you are a parent and live with your child

For more information on the GST/HST credit, consult CRA's guide: https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/rc4210.html

Canada child benefit (CCB)

Administered by CRA, the Canada Child Benefit is a tax-free monthly payment made to eligible families to help the cost of raising children under the age of 18 years of age. For more information, consult the table below or visit CRA's website: https://www.canada.ca/en/revenue-agency/services/child-family-benefits.html

- **Find out if you are eligible for benefits and credits**

	Married or common-law with children under 18 years old	**Single with children under 18 years old**	**Married or common-law with no children**	**Single and 19 or older with no children**
Canada child benefit	Yes	Yes	No	No
Goods and services tax/harmonized sales tax (GST/HST) credit	Yes	Yes	Yes	Yes
Provincial and territorial benefits and credits	Yes	Yes	Yes	Yes

Tuition amounts

The tuition, education, and textbook amount is a non-refundable tax credit available to students to reduce the amount of income tax they must pay.

If you do not have to pay tax, you can carry forward or transfer all or part of your unused tuition, education, and textbook amounts. To carry forward the credit to use in a future year, you must file a tax return and attach a completed Schedule 11.

Registered retirement savings plans (RRSPs)

Money that you contribute to an RRSP can be used to reduce the amount of tax you have to pay.

The amount of RRSP contributions that you can deduct on your tax return is determined by your RRSP deduction limit. This is often called your "contribution room".

The RRSP deduction limit is calculated based on the income you report on your tax return and on the carry-forward of unused amounts from previous years.

You may want to file a tax return to begin building up your RRSP contribution room and have a greater deduction limit available for use in future years.

CRA electronic services

The CRA's electronic services are quick, easy and secure, and they allow you to view, change and manage your personal tax information. Some of the most widely used services are:

Child and family benefits calculators – Estimate the amount of CCB, GST/HST credit and other provincial and territorial benefits that you may be entitled to receive.

Direct deposit – You can have your income tax refund, CCB, and GST/HST credit deposited directly into your accont at your financial institution in Canada.

Electronic payments – Make your payment online using the CRA's My Payment service or using your financial institution's telephone or Internet banking services.

My Account – This is a secure, convenient, and time-saving way to access and manage your tax and benefit information online, seven days a week. If you are not registered with My Account but need information right away, use Quick Access to get fast, easy, and secure access to some of your information.

Tax Information Phone Service (TIPS) – For personal and general tax information by telephone, use the automated service, TIPS, by calling **1-800-267-6999**.

How the CRA gets information

The CRA not only gets information from your tax return, but from other sources as well. Other individuals and organizations have a responsibility to report payments and send deductions to the CRA. They include:

- employers
- financial institutions
- other organizations that pay interest or dividends; and
- those making payments to non-residents of Canada.

Compliance with tax laws

The CRA is responsible for collecting taxes owed and for discouraging tax avoidance. To do this, CRA may carry out a more detailed post review after your tax return has been assessed.

Review of your tax return

Each year, the CRA conducts several review activities that promote awareness of, and compliance with, the laws it administers. These reviews are an important part of maintaining the integrity of and Canadians' confidence in the Canadian tax system.

Three of CRA review programs are the:

- Pre-assessment review program
- Processing review program, and
- Matching program

Under these programs, CRA compares the information on a tax return to that provided by employers or financial institutions. By reviewing the deductions and credits on the return, CRA ensure that various income amounts have been correctly reported.

If the CRA makes changes to your return after a notice of assessment has been sent, they will send you a notice of reassessment that explains any changes.

Filing a Tax Return

If you earned income during the year you have to complete an income tax return and send it to the CRA. Generally, income tax returns are due by April 30, and the CRA begins processing returns in mid-February.

The *Income Tax and Benefit* return is the form you use to report income and to apply for benefits such as the Canada child tax benefit (CCTB), the goods and services tax / harmonized sales tax (GST/HST) credit, and the working income tax benefit (WITB).

The *T1 General*, *Income Tax and Benefit Return* covers all tax situations. It is available by going to https://www.canada.ca/en/revenue-agency/services/forms-publications.html

Filing options

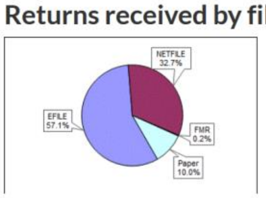
The CRA encourages all Canadians to file their taxes electronically. Electronic filing helps to reduce costs, achieve greater accuracy and faster processing, and it also is environmentally friendly. The CRA's electronic tax-filing services are known as NETFILE and EFILE.

NETFILE is a fast, easy and secure service that allows you to send your return directly to the CRA from mid-February to the end of November using the Internet. Internet-filed returns must be prepared using one of the commercial tax preparation software packages or Web applications certified by the CRA to meet its system requirements. Intuit's TurboTax is an example of a CRA-approved software package.

EFILE is an automated system that allows registered electronic tax-filing service providers (professional accountants and tax preparers) to send income tax information to the CRA electronically. To use this service, an individual must take her documents to a tax preparation service provider who will prepare the electronic return, using software such as Intuit's ProFile, and send it to CRA under its EFILE system.

The table below illustrates the filing method for tax returns received by CRA between February and November 2020.

Returns received by filing method



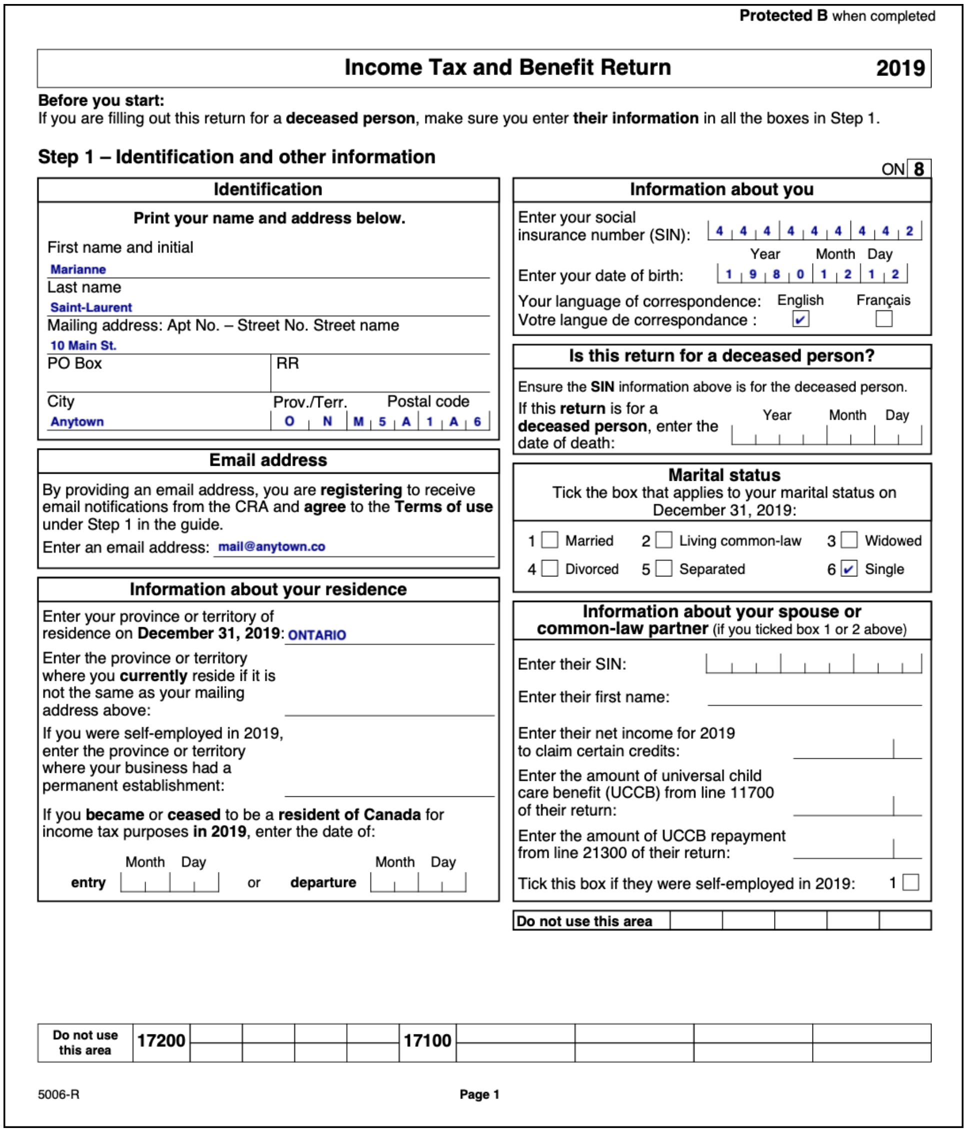
Returns received from February 10, 2020 to November 8, 2020

Filing method	Number of returns	Percentage of total
EFILE	17,305,680	57.1%
NETFILE	9,931,286	32.7%
File my Return (FMR)	69,555	0.2%
Total - electronic	**27,306,521**	**90.0%**
Paper	3,026,180	10.0%
Total - all methods	**30,332,701**	**100%**

Filing a Tax Return

Using CRA's *T1 General, Income Tax and Return* form, individual taxpayers can prepare their own tax return and mail it to their CRA tax centre. Because it is a manual process, calculating the correct amounts on the tax return can be a complex process, and the probability of omissions and errors is very high.

Here is the first page of CRA's *T1 General, Income Tax and Return* as it would appear if it were hand-written. We will explore this form in more detail in Chapter 4.



Protected B when completed

Income Tax and Benefit Return **2019**

Before you start:
If you are filling out this return for a **deceased person**, make sure you enter **their information** in all the boxes in Step 1.

Step 1 – Identification and other information

ON 8

Identification

Print your name and address below.

First name and initial: Marianne

Last name: Saint-Laurent

Mailing address: Apt No. – Street No. Street name: 10 Main St.

PO Box | RR

City: Anytown | Prov./Terr.: ON | Postal code: M5A 1A6

Email address

By providing an email address, you are **registering** to receive email notifications from the CRA and **agree** to the **Terms of use** under Step 1 in the guide.

Enter an email address: mail@anytown.co

Information about your residence

Enter your province or territory of residence on **December 31, 2019**: ONTARIO

Enter the province or territory where you **currently** reside if it is not the same as your mailing address above:

If you were self-employed in 2019, enter the province or territory where your business had a permanent establishment:

If you **became** or **ceased** to be a **resident of Canada** for income tax purposes **in 2019**, enter the date of:

entry Month Day or **departure** Month Day

Information about you

Enter your social insurance number (SIN): 444 444 442

Enter your date of birth: Year 1980 Month 12 Day 12

Your language of correspondence: English ✔ Français
Votre langue de correspondance :

Is this return for a deceased person?

Ensure the **SIN** information above is for the deceased person.

If this **return** is for a **deceased person**, enter the date of death: Year Month Day

Marital status

Tick the box that applies to your marital status on December 31, 2019:

1 Married 2 Living common-law 3 Widowed
4 Divorced 5 Separated 6 ✔ Single

Information about your spouse or common-law partner (if you ticked box 1 or 2 above)

Enter their SIN:

Enter their first name:

Enter their net income for 2019 to claim certain credits:

Enter the amount of universal child care benefit (UCCB) from line 11700 of their return:

Enter the amount of UCCB repayment from line 21300 of their return:

Tick this box if they were self-employed in 2019: 1

Do not use this area

Do not use this area **17200** **17100**

5006-R **Page 1**

After you file

It usually takes about four to six weeks to process paper returns and two weeks to process returns filed using NETFILE and EFILE.

After the CRA processes a tax return, the agency will send you a notice of assessment showing any changes or corrections made (such as identifying and correcting a math error). The notice will indicate that you either are entitled to a refund or that you have a balance owing.

If you overpaid your taxes during the tax year, the CRA will issue a refund cheque attached to your notice of assessment, or it will directly deposit the funds into your account at a financial institution in Canada.

On the other hand, if you have a balance owing because you paid less taxes than you should have, and you did not attach the payment to your return when it was filed, the notice of assessment will contain instructions on how to pay the balance owing to avoid any interest charges.

Taxpayer Roles and Responsibilities

As a taxpayer, you have certain obligations. You are responsible for:

- filing an income tax and benefit return by the deadline
- paying the correct amount of tax
- giving the CRA the necessary information to assess your return
- giving the CRA up-to-date information, in order to receive accurate benefits, and to avoid unnecessary delays in sending the benefits, and
- getting help when necessary

Self-assessment

Earlier in this chapter, we learned that Canada has a self-assessment tax system. This means that taxpayers complete their tax return to report their annual income and to calculate whether they owe tax or are entitled to receive a refund.

Under the self-assessment system, Canadian residents and non-residents with Canadian income are responsible for making sure they have paid their taxes according to the *Income Tax Act* (the Act). Income and deductions are listed on the income tax and benefit return so both the taxpayer and the CRA can calculate the taxes the taxpayer has to pay.

In this way, taxpayers can check to make sure they are receiving fair and equal treatment under the Act. At the same time, the CRA can properly administer the tax laws.

Chapter 1 Quiz

Question 1: True or False: Taxes are a new concept and have only been collected since 1950

Correct answer is False

Question 2: The tax revenue collected by the government is used to:

A. Transfer funds amongst the provinces
B. Pay interest on the public debt
C. Pay for programs such as national defence
D. All the above

Correct answer is D

Question 3: True or False: Goods and services tax (GST) is applied to all goods and services sold in Canada

Correct answer is False

Question 4: True or False: If you are 18 years old or over and working, you may have to make contributions to the Canada Pension Plan

Correct answer is True

Question 5: True or False: 90% of tax returns are electronically filed with CRA

Correct answer is True

Question 6: True or False: If you do not owe income tax, you do not have to file a tax return

Correct answer is False

Question 7: The various types of taxes include which of the following?

A. Income tax
B. Provincial sales tax
C. Federal sales tax
D. All the above

Correct answer is D

Question 8: True or False: The term *Source Deductions* is used to describe amounts that employers deduct from their employees' pay cheques

Correct answer is True

Question 9: True or False: The Canada Revenue Agency is responsible for making all the tax laws in Canada

Answer is FALSE: CRA administers the tax laws proposed by the Department of Finance and passed by Parliament

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Question 10: As a taxpayer, your role and responsibilities include:

A. Filing an income tax return
B. Giving CRA the necessary information so that it can accurately assess your tax return
C. Use a self-assessment method to report and remit the correct amount of tax
D. All the above

Correct answer is D

Chapter 2

Installation & Set Up

Learning Objectives

At this chapter's end students will understand:

- How to install and activate ProFile
- How to manage ProFile licenses
- How to set up EFILE credentials
- How to use ProFile's Options menu

Additional Resources

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

Professional Accounting Software

Tax Preparation & efiling Return Software

Professional Tax Software Training

Chapter 2 Installation and Set-Up

A Proper Setup

With its multifaceted installation options and its depth of features, it is important to fully grasp the various ways you can install and set up ProFile. The options discussed in this chapter range from a set-up for a one-person tax office to a large-scale set-up for a team of tax preparers. No matter the scenario, the objective remains the same: maximizing efficiency and understanding the needs of the tax preparer(s) who will be using ProFile.

Before diving into the various installation options, it is important to note the following specifications and system requirements:

ProFile Specifications

- Internet connectivity is required for activation, licensing, auto-update and additional functionality such as EFILE
- Network/workstation install UNC path is not supported
- .NET 4.5.2 installation & registration are required
- Apple products are not supported

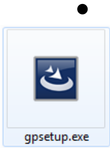
System Requirements

- Processor: 1GHz or faster processor
- OS: Windows 10™ (recommended), Windows 8.1 ™
- Memory: 4 GB or higher
- Hard Drive: 3 GB for installation
- Printer: Windows compatible
- Display: 1024 X 768 minimum resolution; 16 bit or higher colour
- Internet: IE 11 or higher and high-speed connection
- Other: eReview feature requires a MAPI email client and a PDF reader application (for example: Adobe PDF Reader®), Microsoft .NET framework 4.5.2

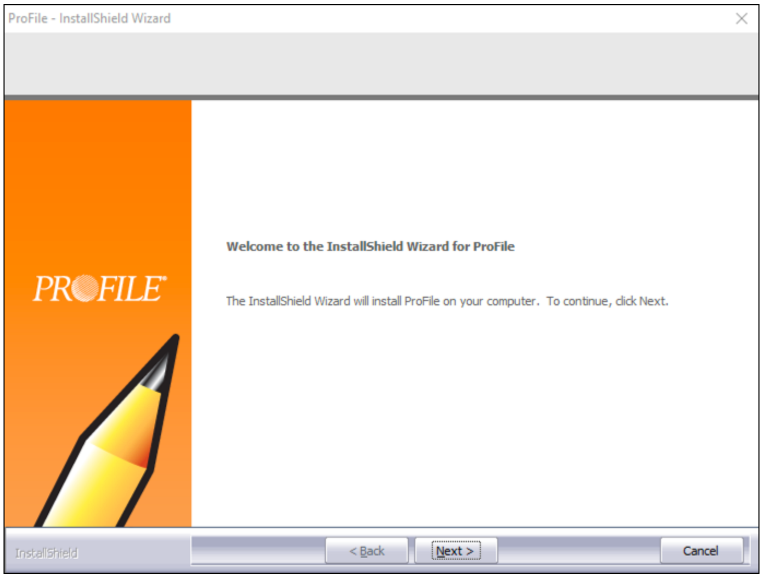
SINGLE-USER INSTALLATION

This sequence of instructions explains how to install ProFile on the local (C:\) drive of your personal computer:

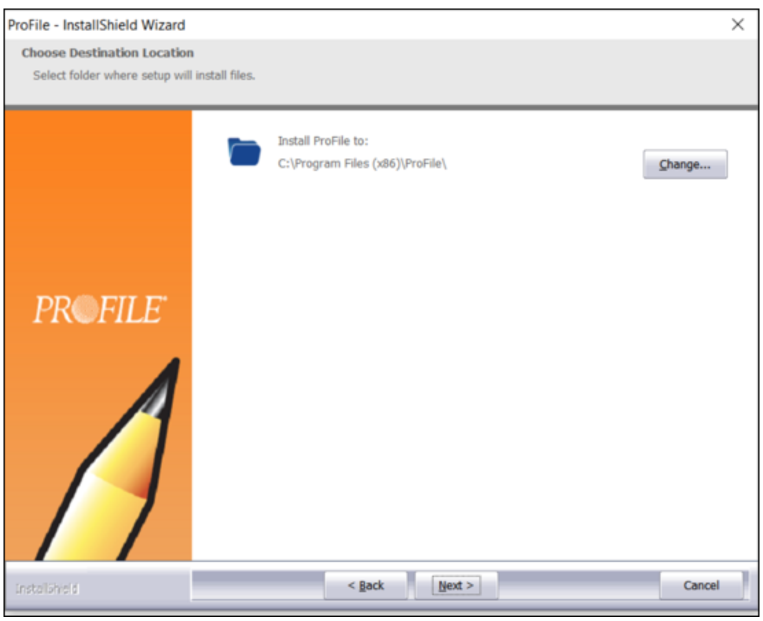
- Start by visiting ProFile's website (profile.intuit.ca) and download the gpsetup.exe file



- Double click *gpsetup.exe* and follow the installation prompts



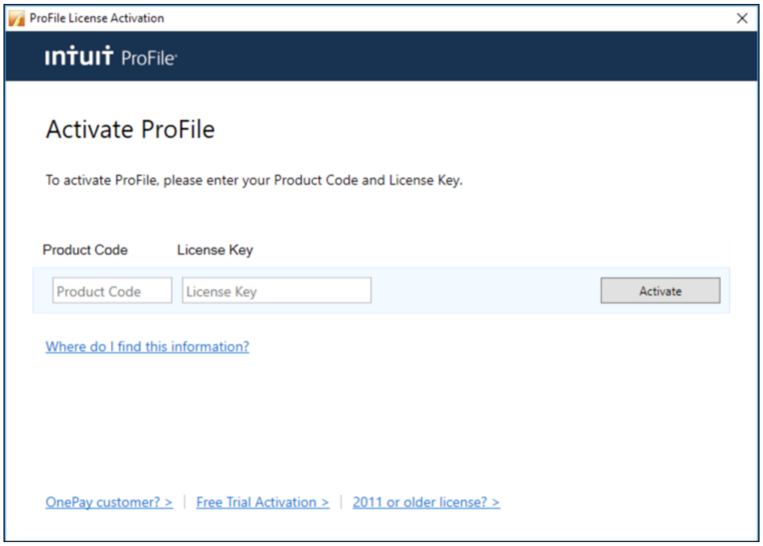
- During installation, make sure that you choose the Program Files folder of your local drive (usually drive C:\) as the file destination
- Follow the prompts to complete the installation



ProFile activation

Once installed, activate ProFile by entering your license information.

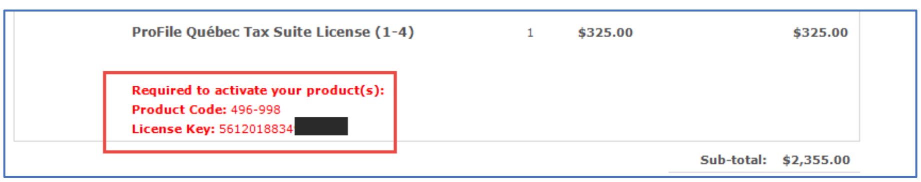
- Launch ProFile
- In the window that opens, enter your software Product Code and License Key



Finding your licensing information

Read on if you're not sure where to find the licensing information required for the window above.

- After purchasing ProFile, you will receive an emailed receipt containing the product information to be entered in this window
- If you purchased ProFile through Intuit's Web Store, you will find the codes at the very bottom of the receipt

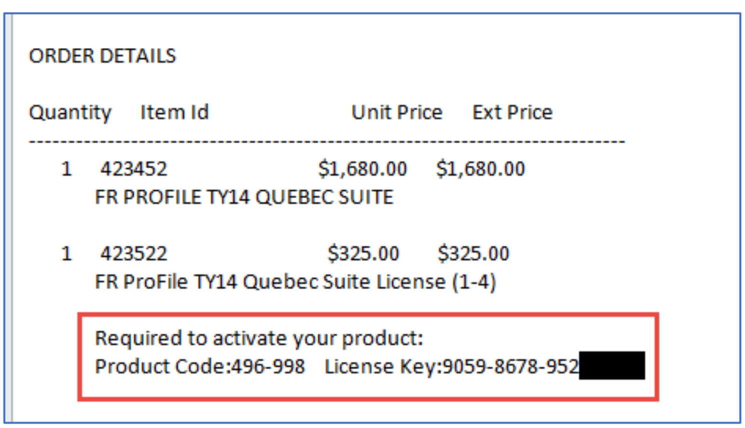


ProFile Québec Tax Suite License (1-4)	1	$325.00	$325.00

Required to activate your product(s):
Product Code: 496-998
License Key: 5612018834[redacted]

Sub-total: **$2,355.00**

If you placed your order by telephone, the codes will appear in the Order Details section

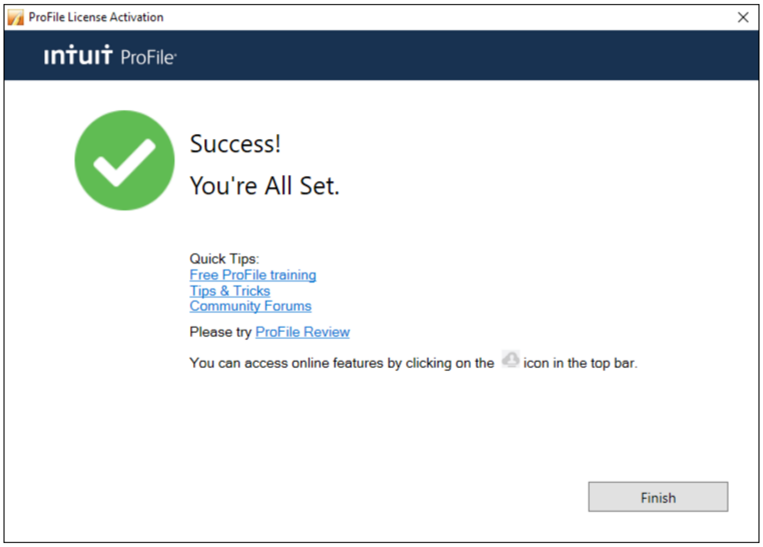


ORDER DETAILS

Quantity	Item Id	Unit Price	Ext Price
1	423452 FR PROFILE TY14 QUEBEC SUITE	$1,680.00	$1,680.00
1	423522 FR ProFile TY14 Quebec Suite License (1-4)	$325.00	$325.00

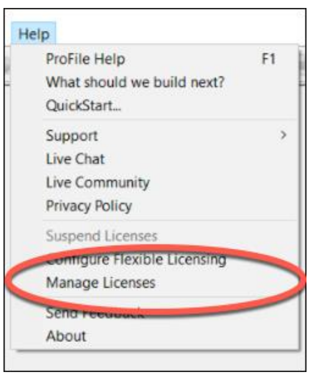
Required to activate your product:
Product Code:496-998 License Key:9059-8678-952[redacted]

- After entering the license and activating the software, a green checkmark will appear indicating that the product is ready to go.

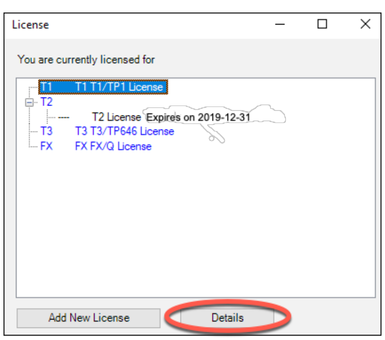


Managing Your Licences

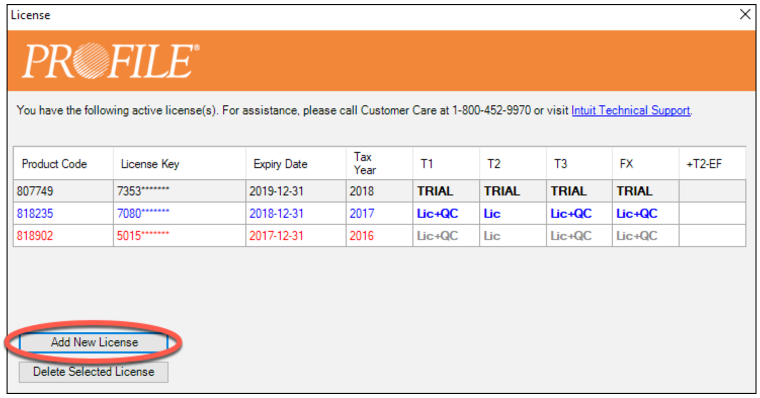
- Keeping track of your ProFile licenses is an easy yet important part of the installation and set-up process. Start by clicking *Help > Manage Licenses*



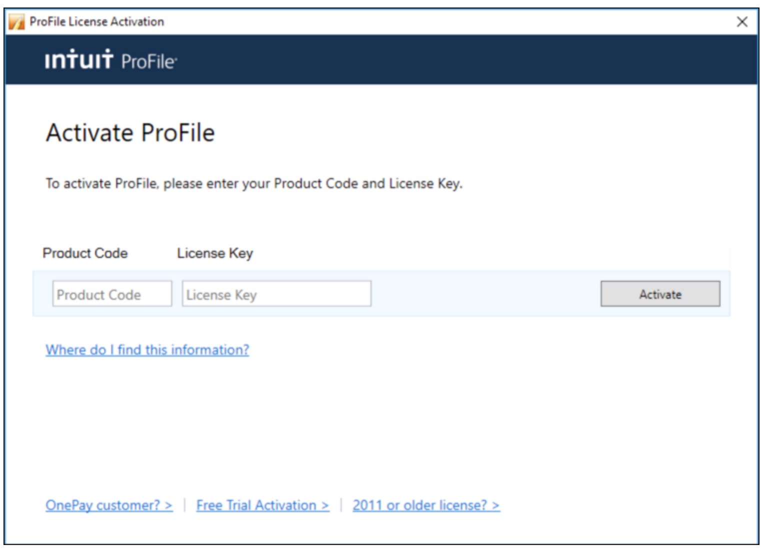
- Click on *Details*



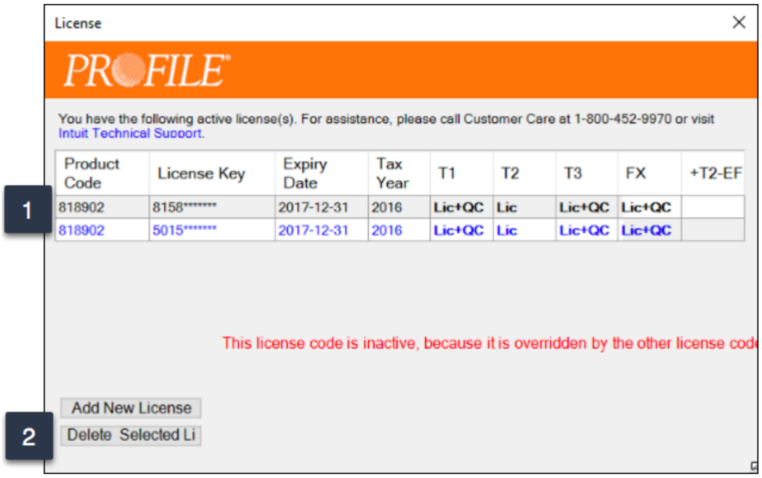
- If you purchased additional licenses or modules (T2, T3, etc.) click on *Add New License*



- Enter the new Product Code and License Key



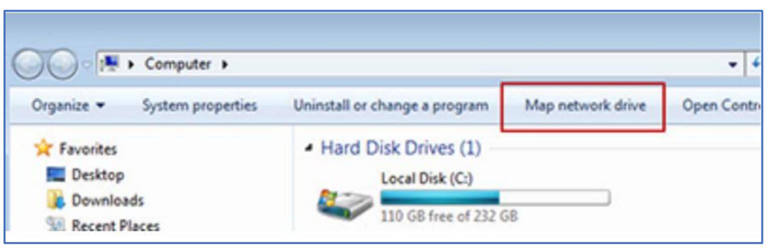
- To remove licenses—those that are old or outdated, for example—return to the License window, select the license to remove 1
- Click on *Delete Selected License* 2



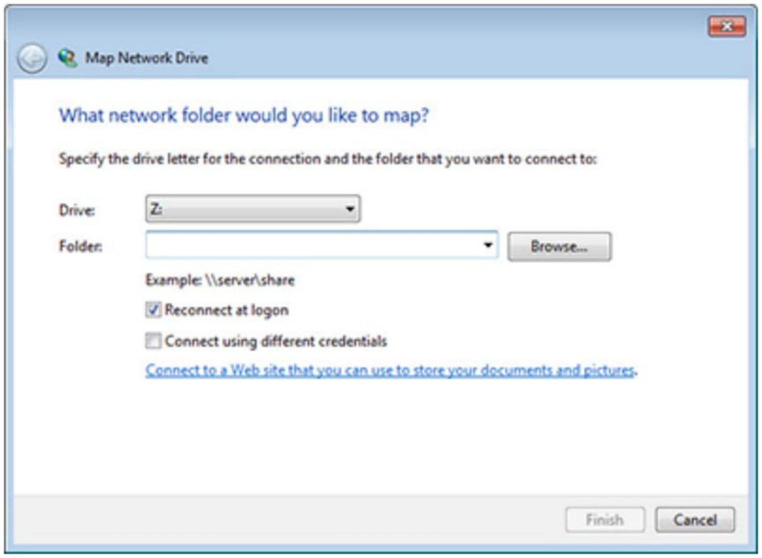
PROFILE WORKSTATION INSTALLATION

In a network environment, where an office has multiple tax preparers, you may not want to install ProFile on each individual computer. In other words, you'll want a workstation installation. Here's how to do it:

- Ensure that your network is properly setup and configured. You may require an IT professional or Network Administrator for guidance on how to best proceed with this setup
- Perform a full installation of ProFile on the server and restart the server
- From the workstation, map the drive in which ProFile was installed by following these steps:
- Click on *Computer*, then choose *Map network drive*



- Enter the address of the server by browsing to the target location (example: G:\my-server)



- In the mapped network folder where ProFile was installed, right-click on *Workstation Install* and select *Run as administrator*
- Follow the installation wizard
- When completed, a *ProFile Workstation* icon will appear on the workstation's desktop

Configuring Your Workstation Licenses

There are two ways to configure workstation licenses. The first method is to configure the license codes for all users. Modify the startup.ini file that is installed on your network server where ProFile is installed. The startup.ini file has the following format:

- [License]
- ProductCode=
- Code=
- Name=

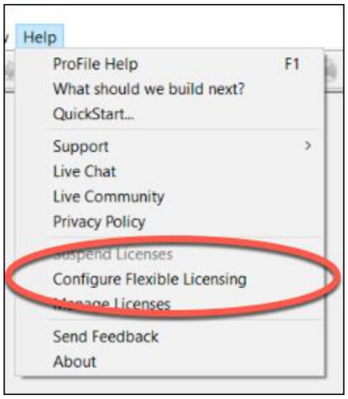
To have a common code used by all client computers, enter the ProFile product code after **ProductCode=** and enter the license key after **Code=**

- The second method is used when your system administrator wants to limit individual users to specific modules.
- Under this method every user has their own access code (instead of everyone using the same centralized code). It is recommended to leave the startup.init file in the location where ProFile is installed
- After you update the registry and complete the installation process, you are now configured to use ProFile. To run ProFile next time, double-click the *ProFile* icon that was created on your desktop or select *ProFile* from the Start menu.

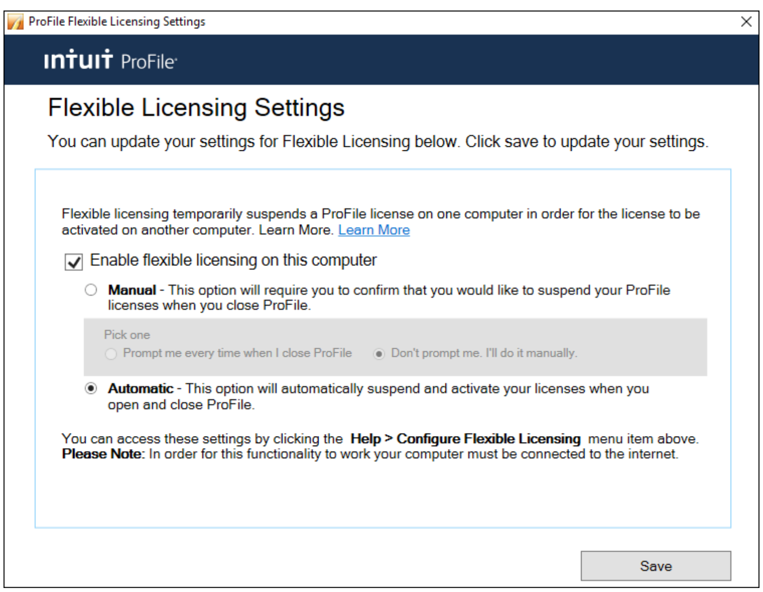
PROFILE FLEXIBLE LICENSING

If you have multiple computers and need to access ProFile from any one of them, then Flexible Licensing is for you. Flexible Licensing temporarily suspends a ProFile license on one computer and activates that same license on another computer. With Flexible Licensing, there's no need to constantly delete the license on one machine and then enter it manually on another machine.

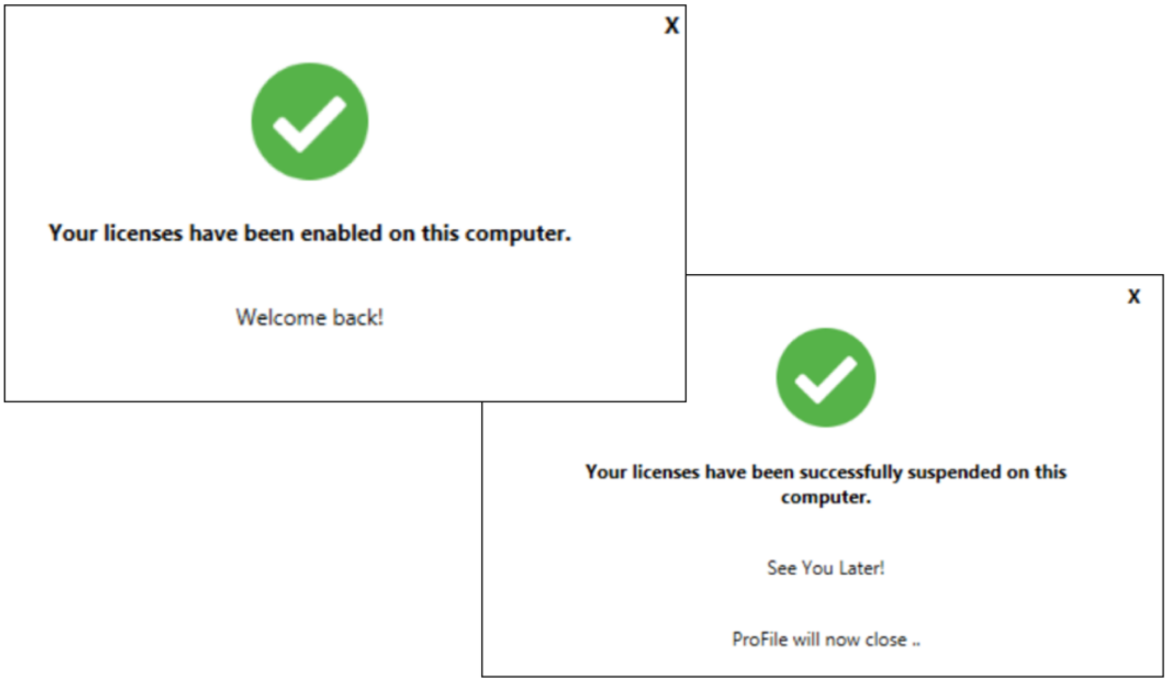
- To enable this feature, click the *Help* menu and then select *Configure Flexible Licensing*



- Click *Enable flexible licensing on this computer* then select the mode of your choice. You can choose a *Manual* mode that requires you to confirm you would like to suspend the license on a given computer, or you can choose an *Automatic* mode that will suspend and activate the licenses for you. We recommend choosing *Automatic* mode
- After choosing your option, click *Save*



- In automatic mode, ProFile will confirm your computer's license status whenever you log in and out of the application



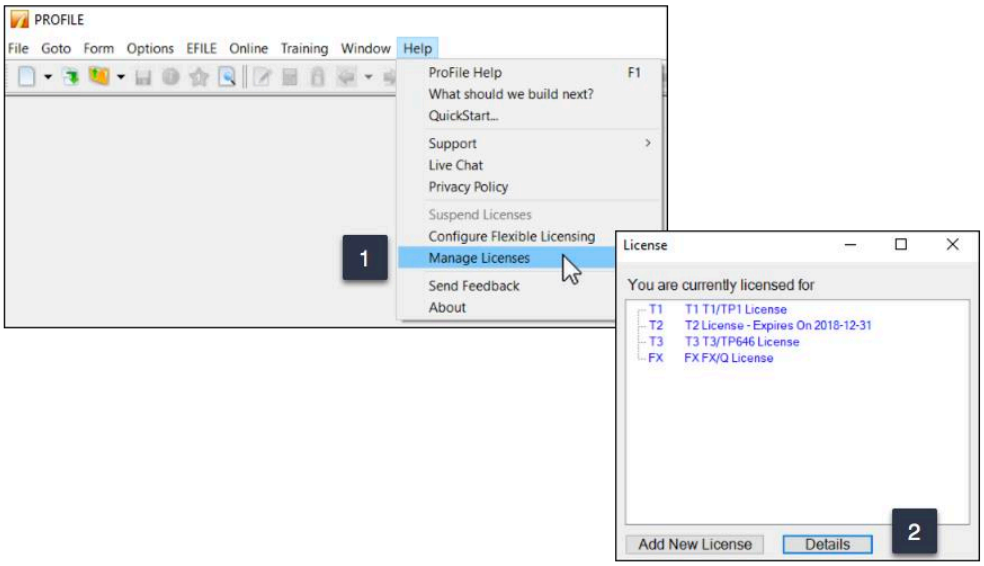
Maximum license warnings

When activating a ProFile license, you may see this warning: *ProFile has been activated the maximum number of times permitted for this license.* This message appears either because a license is being used more times than there are *units* available for use, or because it was not removed from an older machine before being transferred to a new one.

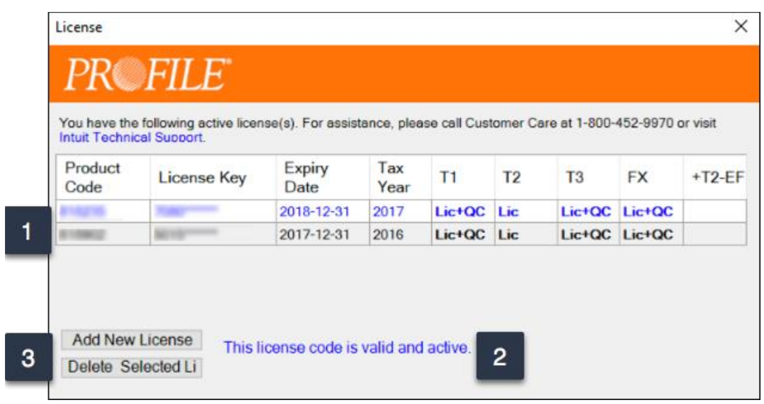
What's a unit? If you purchased one license, you will receive an extra license unit for an unforeseen situation that may trigger the need to reactivate your license. This means you have two units available. If you then try to activate your license on more than two computers, you will receive the "Maximum activation error" message described above.

To correct this issue, try deleting a license from an unused computer before activating it on a new machine.

- On the old machine, open ProFile and click *Help > Manage License* [1]
- Click on *Details* [2]



- Click the license you'd like to delete. ProFile displays a message that the license is valid and active [1]
- So that you can enter it on the new machine, make note of this license [2]
- Click on *Delete selected license* to deactivate ProFile on the old machine [3]
- You can now activate the license on your new computer



A Basic Setup

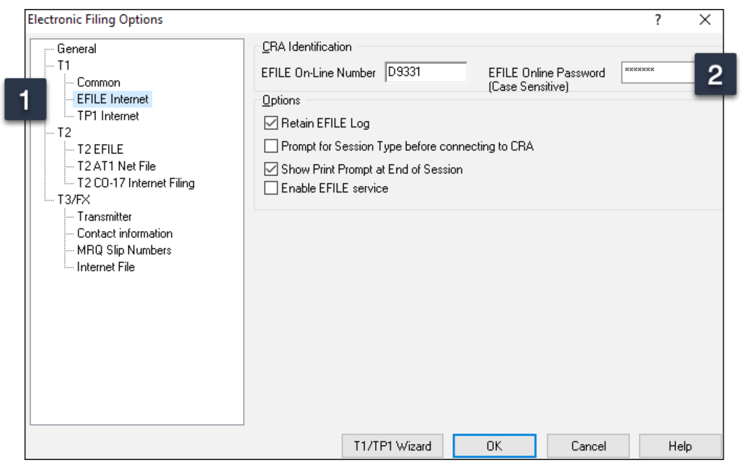
In this section, you will learn how to quickly set up the minimum number of options that are required to get ProFile up and running. Once these options are enabled, you can immediately begin working in ProFile.

Later in this chapter, we will describe how to delve into more advanced and more sophisticated options.

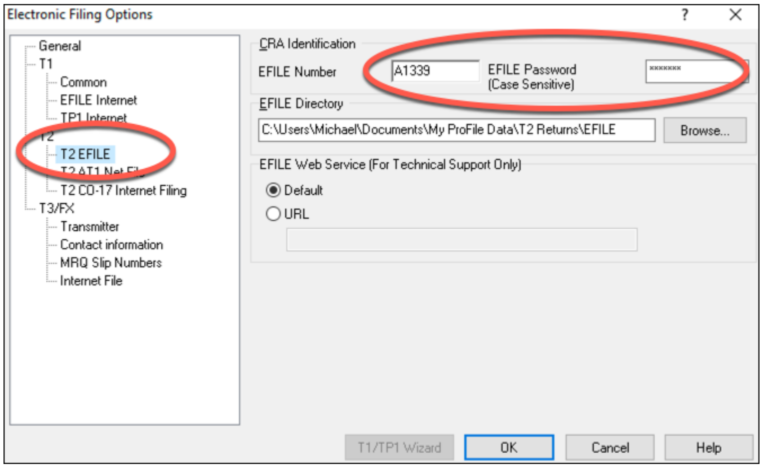
EFILE Options

Every professional tax preparer receives bespoke EFILE credentials from CRA. It is important, therefore, to enter and save those credentials in ProFile. Follow these steps to record your credentials:

- Click *EFILE > Options*
- In the left-hand window, click *EFILE Internet* 1
- Enter your On-line Number and EFILE password as provided to you by CRA 2



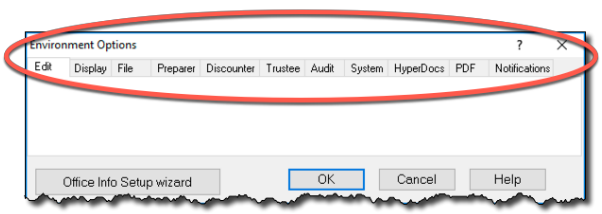
- In the same window, select *T2 EFILE* and you should see your credential appear there as well



Environment Options

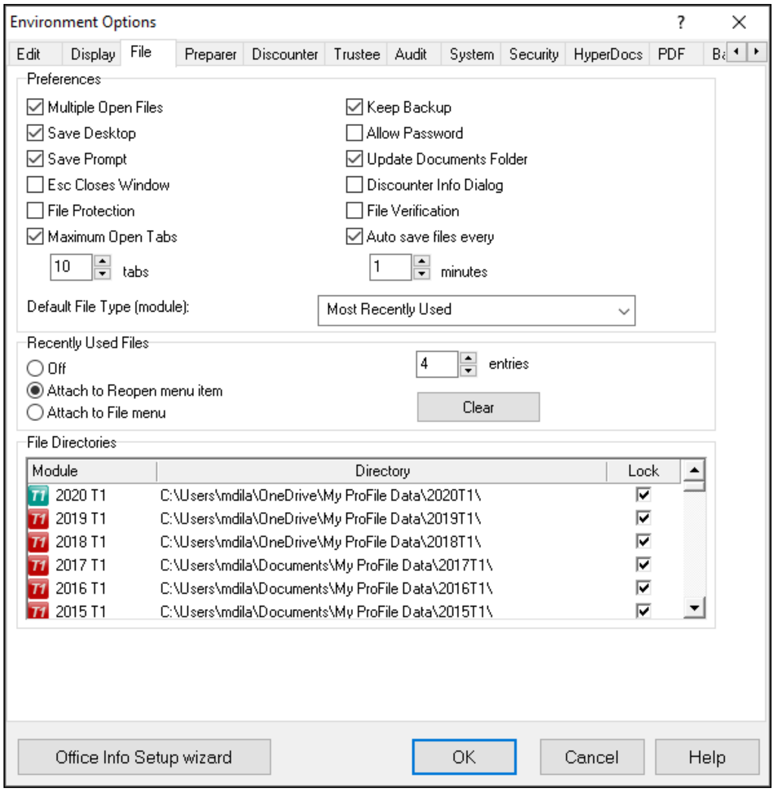
Under the *Options* menu, you will find a host of ProFile preferences. While all preferences are arguably important, there are some that are considered mandatory. Here, therefore, are the options you should set under a basic scenario.

It's important to note that if you're unsure about the functionality of any option, click the Question Mark icon at the top right of the *Environment* window and then click on any function. ProFile will then display tab-specific, context-sensitive help that will guide you in configuring your settings.

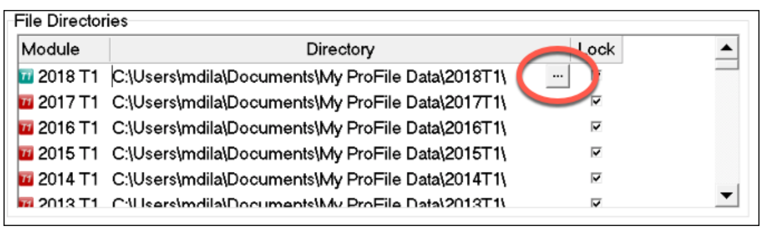


File Tab

- Click *Options > Environment* and then select the *File* tab.
- Under the *File* tab, ProFile lets you set and/or confirm the default location for all your tax files. By default, Profile creates a general folder called *My ProFile Data* and, within that folder, ProFile establishes sub-folders to store files for each specific tax year and module (for T1, T3 and FX files). Unless you have specific file-location requirements (a server environment, for example), you should accept ProFile's default folder settings.



- To change a folder's default location, just click the  menu for each module and tax year



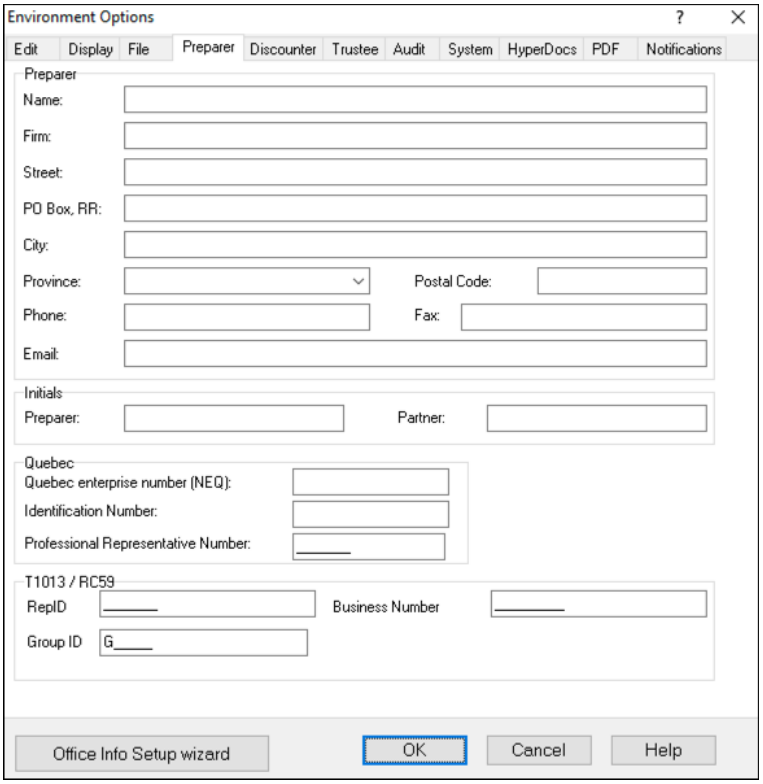
Clicking the "Lock" checkbox to the right of each folder location ensures that ProFile always saves files to that location, and always looks in that location when opening files.

In addition to selecting the file location for all your tax files, you also choose, under the *File* tab, usability preferences such as the ability to concurrently display multiple tax files; allow password protection and display a list of recently used files.

Preparer Tab

The *Preparer* tab of the *Options > Environment* window, allows tax preparers to enter their firm's address and contact information, as well as their Business Number and Rep or Group ID as determined by CRA. From the Preparer tab, you can also:

- Keep track of the workflow by entering preparer and partner initials
- Enter Québec preparer credentials



Next steps

After setting up the basic options just described, you can jump ahead to Chapter 3 and begin working in ProFile. A prudent tax preparer, though, might want to explore the more advanced preferences discussed in the next section.

An Advanced Setup

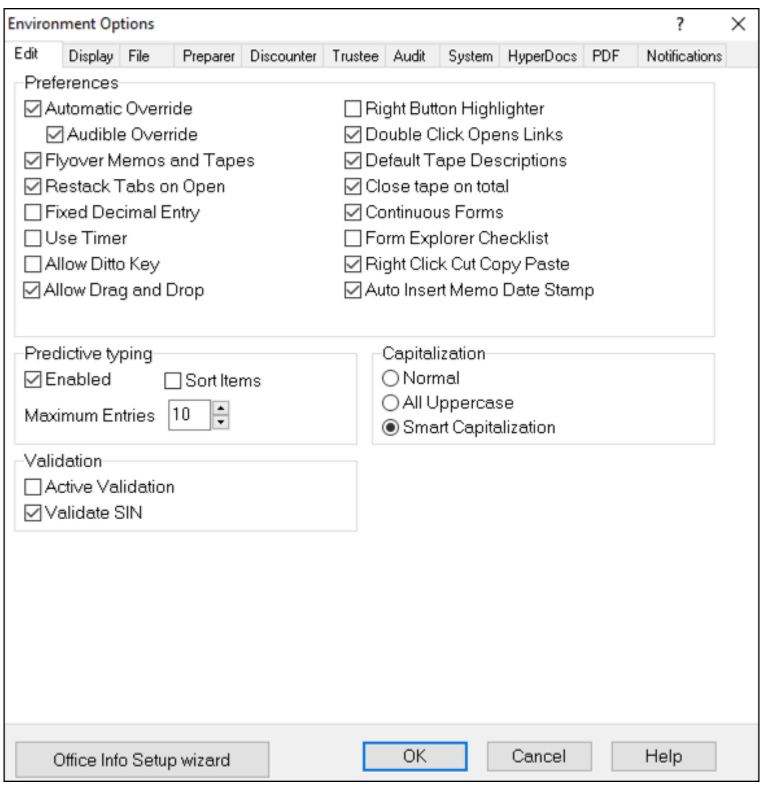
This section describes the advanced features and preferences that let you personalize ProFile. These options will help you save time and streamline your workflow during a busy and hectic tax season.

Note that the following preferences are all accessed via the *Options > Environment* menu.

Edit Tab

The *Edit* tab lets you set preferences such as enabling fixed decimals data-entry (ProFile automatically places the decimal point to the left of the last two digits entered in a field). From this tab you can also:

- Capitalize every word on a tax return, or just the first letter in every word.
- Manually override a calculated value on the tab return
- Use the Ditto key to quickly copy and paste the same information in adjacent fields
- Allow data to be dragged and dropped from one field to the next
- Ensure that every Social Insurance Number entered in ProFile is valid
- Double-click on a field in a tax return to jump to a related field
- Right-click to enable Cut, Copy and Paste

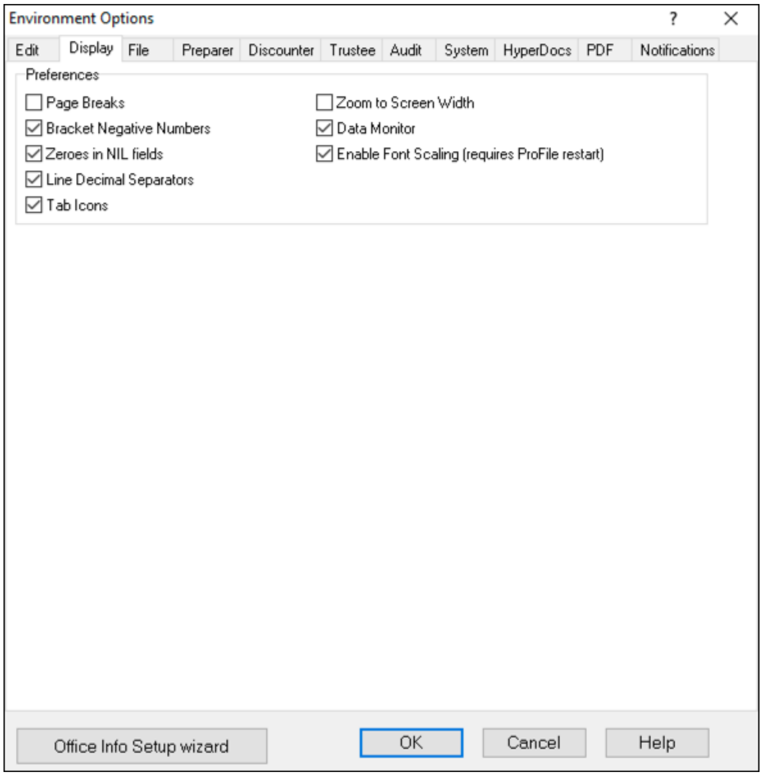


Display Tab

The display tab lets you personalize your on-screen views. From the Display tab, you can:

- Enable on-screen page breaks
- Use brackets for negative numbers

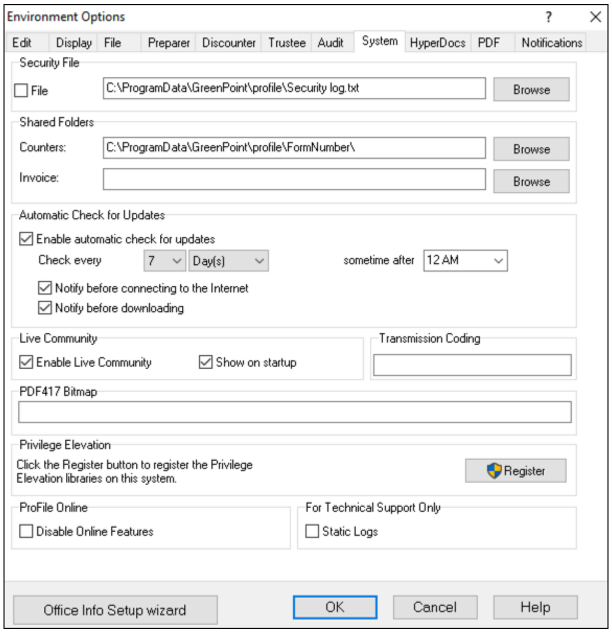
- Display zeroes for all NIL values
- Automatically zoom the displayed tax file to full screen width



System Tab

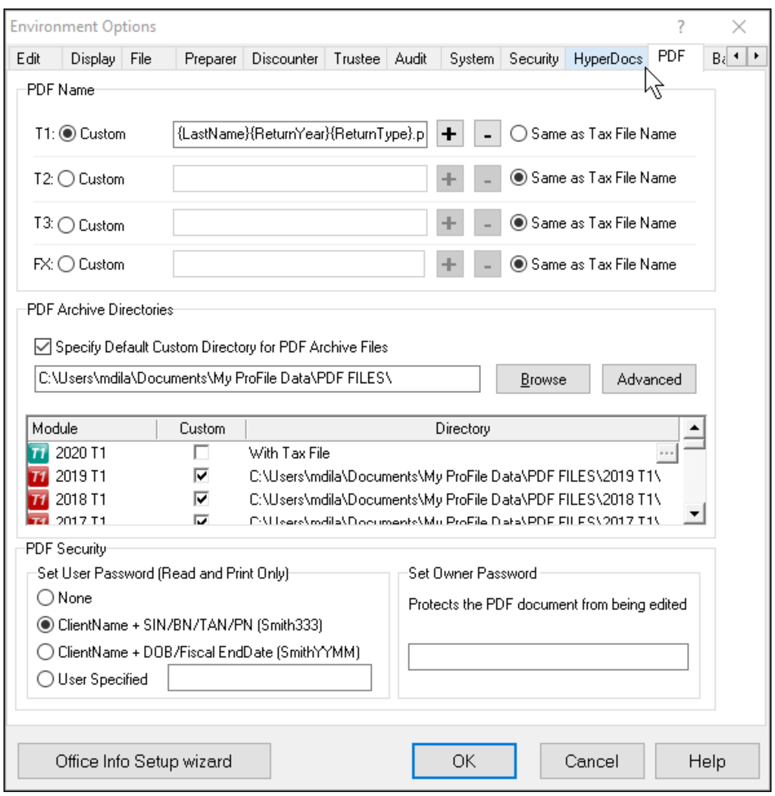
To ensure that you always have the most recent release, click the *Systems* tab and review the Automatic Update settings. Here you can establish the frequency in which ProFile checks for updates and you can also indicate whether you want ProFile to notify you before downloading and installing an update. From the System tab, you can also:

- Enable ProFile's forum-like Live Community
- Enable or disable ProFile's online features



PDF Tab

Use the PDF tab of the Environment Options to personalize your client's PDF files. Here, you can set file-naming conventions, as well as file location and password protection for all your PDF tax returns.

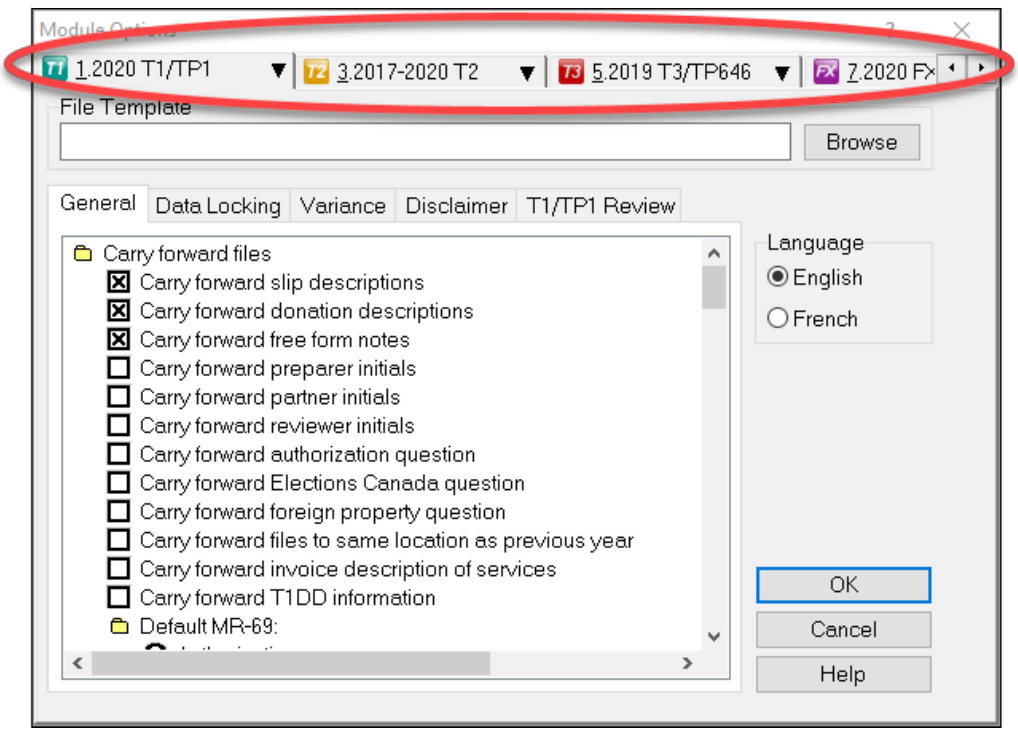


Other Environment Settings

The Options->Environment window features other tabs including settings for establishing Discounter and Trustee credentials, and for enabling more advanced features such as Audit and HyperDocs settings. We will revisit some of these settings later.

Options>Module

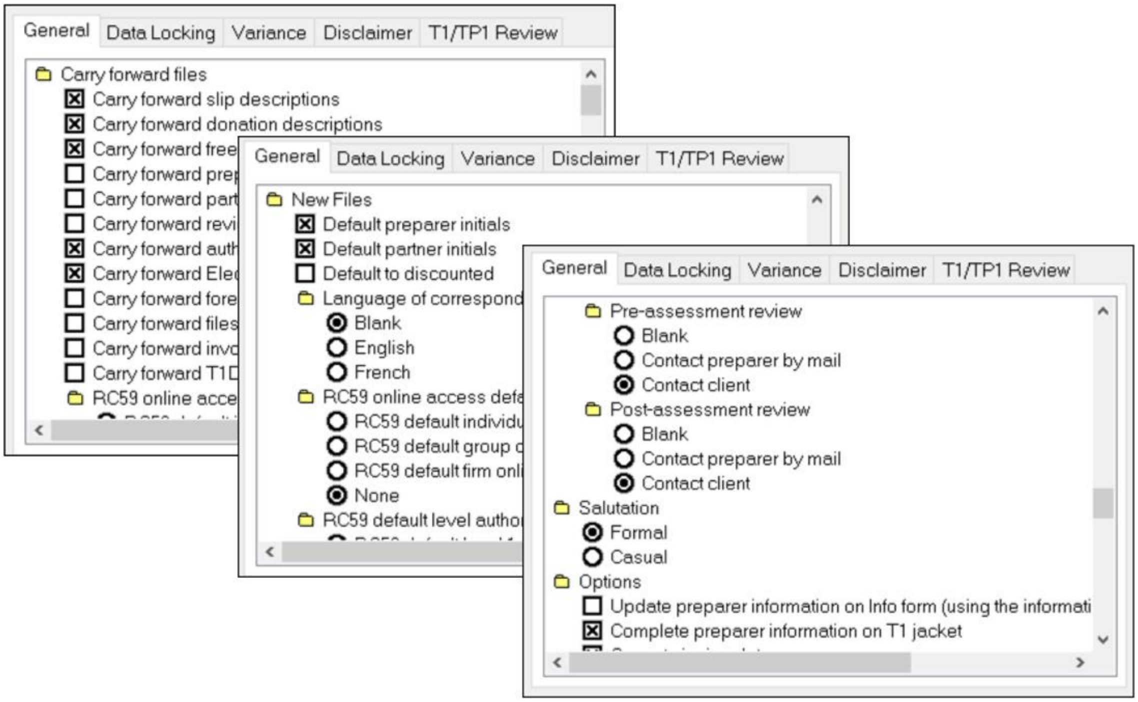
ProFile's Module options let you fine-tune the way ProFile works with each individual tax year and module (T1, T2, T3 and FX). This granular level of detail lets you determine the tax settings that ProFile will choose on new files, and on files you are carrying forward from a previous year. In this window, you can also establish your language preference, and you can set variance thresholds for comparing a client's current and previous year's tax file. The paragraphs below describe the Module options you should immediately set.



General Tab

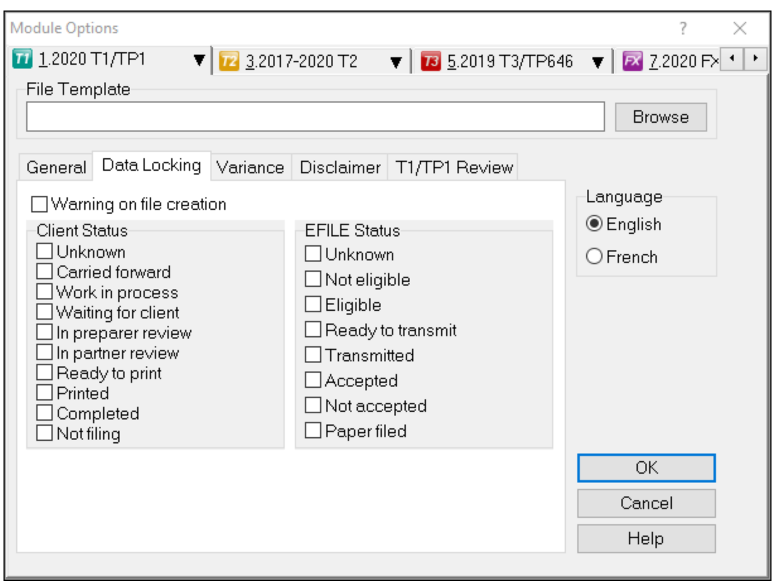
Scroll down this window to set defaults for new and carried-forward file. These include CRA Authorization levels, pre and post-assessment review settings, and slip descriptions for carried-forward files. In this window, you can also:

- Carry forward Elections Canada and foreign property questions
- Set defaults for language of correspondence and preparer information
- Set client letter and invoice defaults
- Establish naming conventions for your tax files
- Choose form colours for client and spouse tax returns



Data Locking Tab

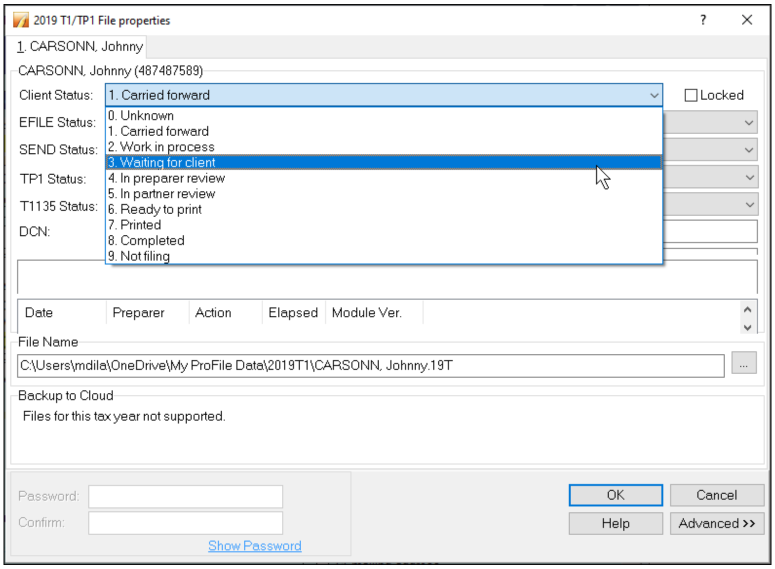
This tab lets you enable a warning that prevents you from accidentally creating a tax file. You can also automatically lock a file once a Client and EFILE status is indicated. For example, if you click the *Completed* checkbox in the *Client Status* column, then ProFile will lock a tax file once a tax preparer indicates that the tax file has been completed.



Setting a client status

- To set a file's Client Status, open a tax file and go to *File > Properties.*
- Click the *Client Status* dropdown and select the desired status

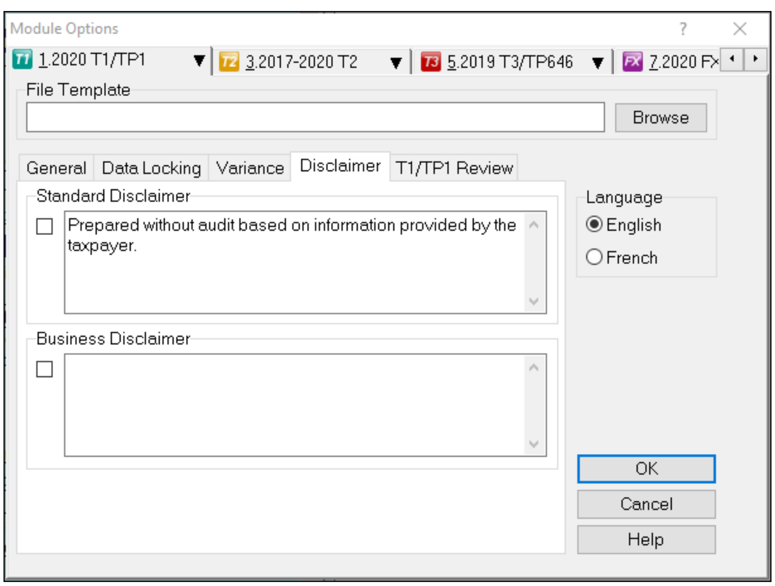
- Note the checkbox, to the right of the Client Status dropdown, that lets you toggle file locking on and off.



Disclaimer Tab

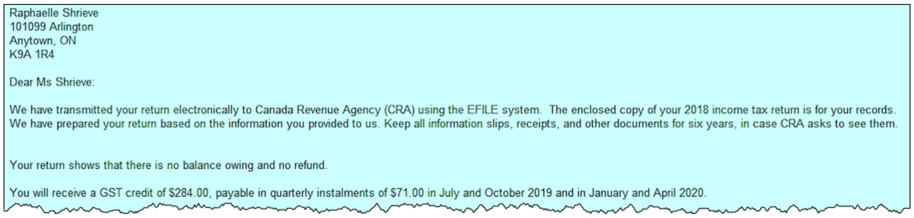
A standard business disclaimer will alert readers about your involvement with that tax return. ProFile lets you set two different disclaimers.

- A general disclaimer, for the tax return as a whole, which will appear on the last page of the tax jacket
- A business disclaimer that will appear on business-type forms such as the T2125 schedule for self-employed individuals



Options > Templates

ProFile includes pre-formatted letters that you can print as part of your client's T1 package. Here is an excerpt of one such letter.


Raphaelle Shrieve
101099 Arlington
Anytown, ON
K9A 1R4

Dear Ms Shrieve:

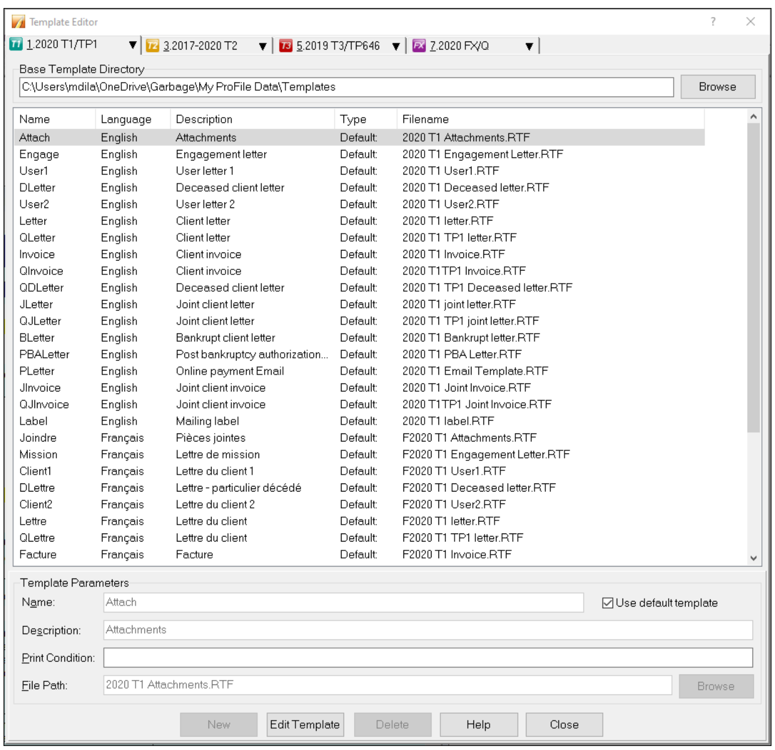
We have transmitted your return electronically to Canada Revenue Agency (CRA) using the EFILE system. The enclosed copy of your 2018 income tax return is for your records. We have prepared your return based on the information you provided to us. Keep all information slips, receipts, and other documents for six years, in case CRA asks to see them.

Your return shows that there is no balance owing and no refund.

You will receive a GST credit of $284.00, payable in quarterly instalments of $71.00 in July and October 2019 and in January and April 2020.

All of ProFile's preformatted letters are saved in a templates subfolder within the *My ProFile Data* folder. To view and edit any template, follow these steps:

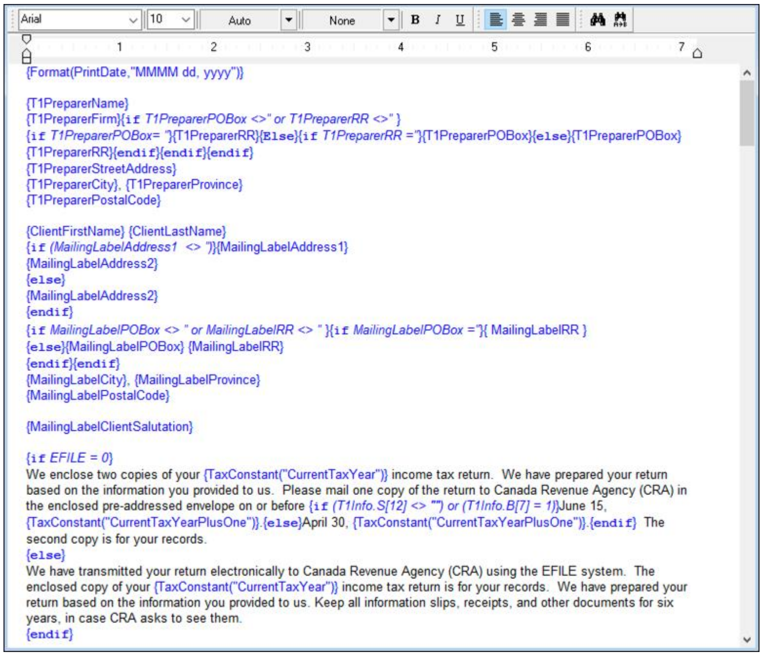
- Click on *Options>Templates*
- Find and double-click the desired template, for example, *Letter*



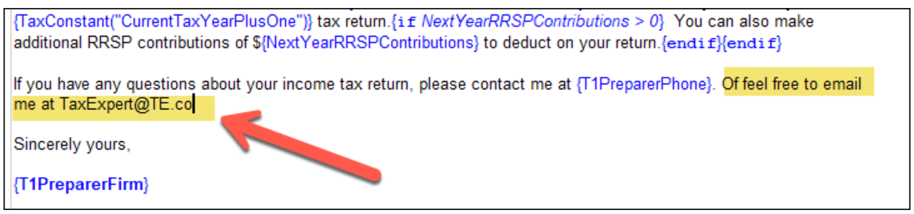
Name	Language	Description	Type	Filename
Attach	English	Attachments	Default	2020 T1 Attachments.RTF
Engage	English	Engagement letter	Default	2020 T1 Engagement Letter.RTF
User1	English	User letter 1	Default	2020 T1 User1.RTF
DLetter	English	Deceased client letter	Default	2020 T1 Deceased letter.RTF
User2	English	User letter 2	Default	2020 T1 User2.RTF
Letter	English	Client letter	Default	2020 T1 letter.RTF
QLetter	English	Client letter	Default	2020 T1 TP1 letter.RTF
Invoice	English	Client invoice	Default	2020 T1 Invoice.RTF
QInvoice	English	Client invoice	Default	2020 T1TP1 Invoice.RTF
QDLetter	English	Deceased client letter	Default	2020 T1 TP1 Deceased letter.RTF
JLetter	English	Joint client letter	Default	2020 T1 joint letter.RTF
QJLetter	English	Joint client letter	Default	2020 T1 TP1 joint letter.RTF
BLetter	English	Bankrupt client letter	Default	2020 T1 Bankrupt letter.RTF
PBALetter	English	Post bankruptcy authorization...	Default	2020 T1 PBA Letter.RTF
PLetter	English	Online payment Email	Default	2020 T1 Email Template.RTF
JInvoice	English	Joint client invoice	Default	2020 T1 Joint Invoice.RTF
QJInvoice	English	Joint client invoice	Default	2020 T1TP1 Joint Invoice.RTF
Label	English	Mailing label	Default	2020 T1 label.RTF
Joindre	Français	Pièces jointes	Default	F2020 T1 Attachments.RTF
Mission	Français	Lettre de mission	Default	F2020 T1 Engagement Letter.RTF
Client1	Français	Lettre du client 1	Default	F2020 T1 User1.RTF
DLettre	Français	Lettre - particulier décédé	Default	F2020 T1 Deceased letter.RTF
Client2	Français	Lettre du client 2	Default	F2020 T1 User2.RTF
Lettre	Français	Lettre du client	Default	F2020 T1 letter.RTF
QLettre	Français	Lettre du client	Default	F2020 T1 TP1 letter.RTF
Facture	Français	Facture	Default	F2020 T1 Invoice.RTF

The Letter template will open in a new window and it will display text in two different colours;

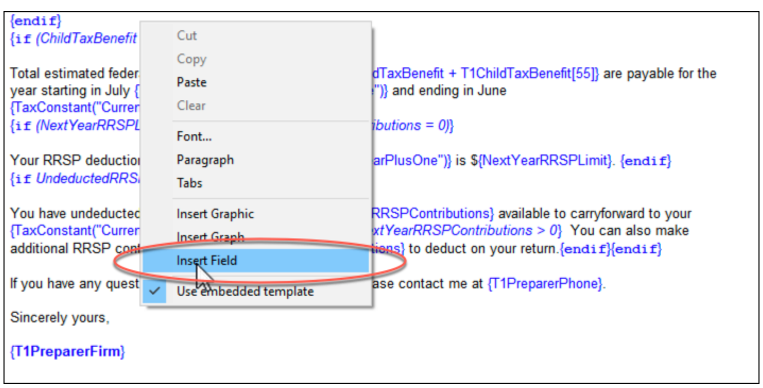
- Text appearing in blue signifies data that flows from ProFile data fields. This type of information is called a *Field Code.* Field codes can only be inserted or removed; they cannot be edited from within the template
- Black font represents free-form text that you can enter and edit



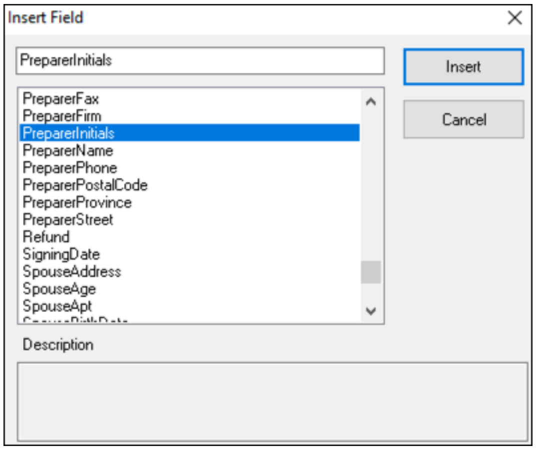
- To add text (black font), place your cursor in the desired area and begin typing



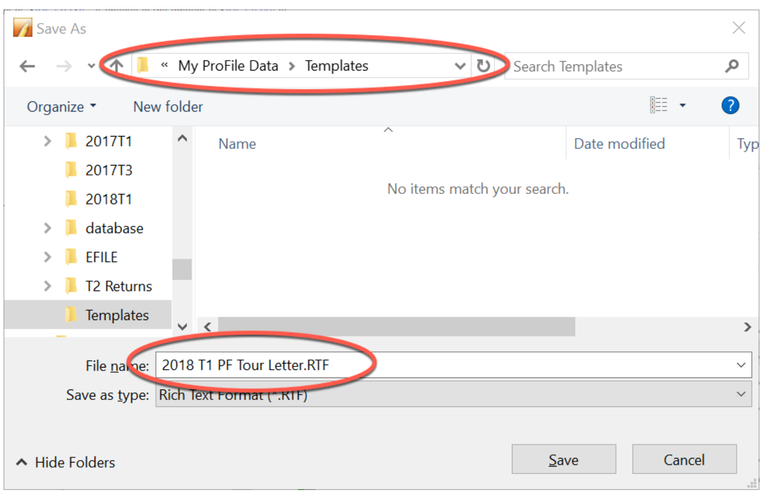
- To add Field Text, right-click the template at the desired input area
- Click *Insert Field*



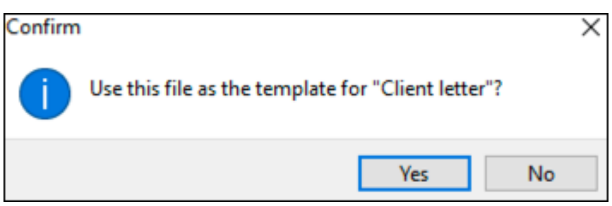
- Then, from the *Insert Field* list, choose the desired field and click *Insert*



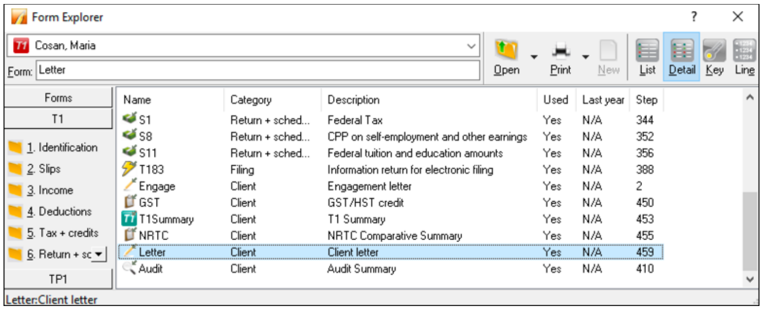
- Click *File > Save* to save your changes
- Select the location (letter template folder) and enter a file name



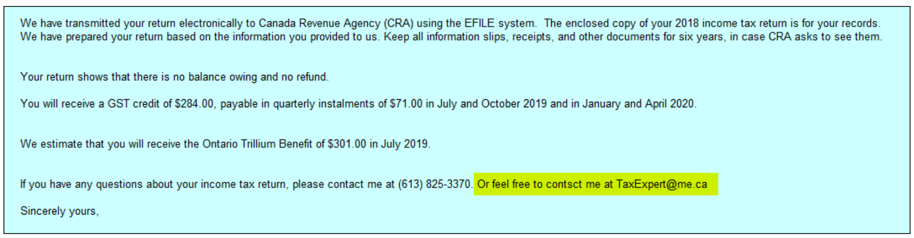
- Click *Yes* to confirm that you want to use this form as the default



- To view the finished product, use the *Form Explorer* to find and open the client's *Letter*



- You can now preview the changes you made to the *Letter* template



We have transmitted your return electronically to Canada Revenue Agency (CRA) using the EFILE system. The enclosed copy of your 2018 income tax return is for your records. We have prepared your return based on the information you provided to us. Keep all information slips, receipts, and other documents for six years, in case CRA asks to see them.

Your return shows that there is no balance owing and no refund.

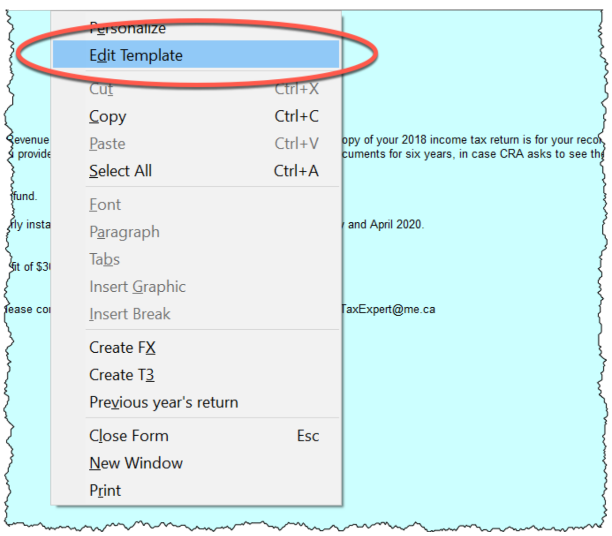
You will receive a GST credit of $284.00, payable in quarterly instalments of $71.00 in July and October 2019 and in January and April 2020.

We estimate that you will receive the Ontario Trillium Benefit of $301.00 in July 2019.

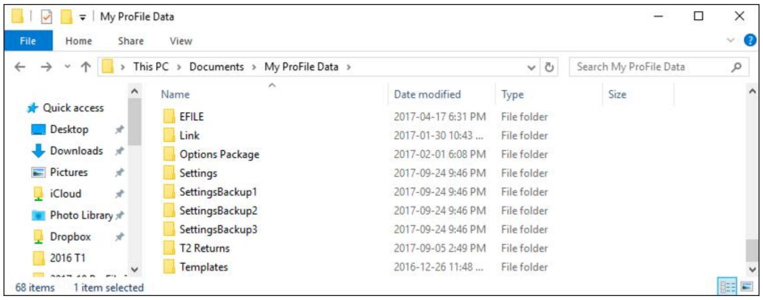
If you have any questions about your income tax return, please contact me at (613) 825-3370. Or feel free to contsct me at TaxExpert@me.ca

Sincerely yours,

- If you'd like to make additional changes, right-click the form and select *Edit Template*



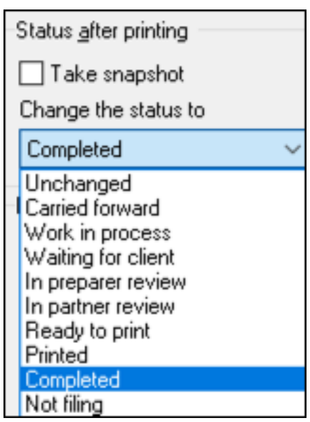
In addition to tax and template files, ProFile stores other types of files in the My Profile Data folder. These other files include EFILE logs, backups, and certain settings file.



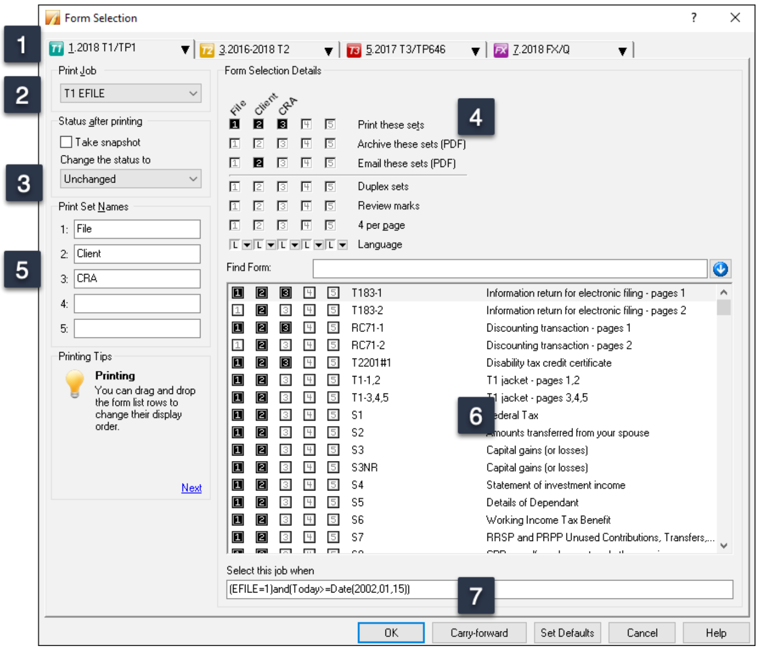
Options>Form Selection

ProFile has a powerful set of tools for personalizing your print settings. This feature lets you determine the tax forms to send to your clients. For example, rather than printing a complete tax return for each of your clients (which can run many pages) you might want to print a tax summary with just a few selected schedules. Here's how to configure your print settings:

- From the *Options* > *Form Selection* menu, choose the module and tax year [1]
- Choose the print job for the type of the tax return you are preparing for your client—the most common print job being T1 EFILE [2]
- After printing a return, ProFile lets you choose a default status. For example, once printed, you might want to set the status of all tax returns to *Completed*. The window below displays the available types of file status [3]



- Under *Form Selection Details,* you can choose the specific print set you'd like to prepare. For example, for each tax return, you can choose to print a copy for your files, your clients and for CRA. It's here that you can also determine options such as duplex printing or four forms per page. You can also set your PDF options here. [4]
- You can rename the prints sets, or add more print sets as well. To do either, just type the desired form names under Print Set Names [5]
- Scroll through the *Form* window to select (or deselect) the forms you would like to save or send to your clients [6]
- Click *Carry-forward* to assign last year's print settings to the current year [7]

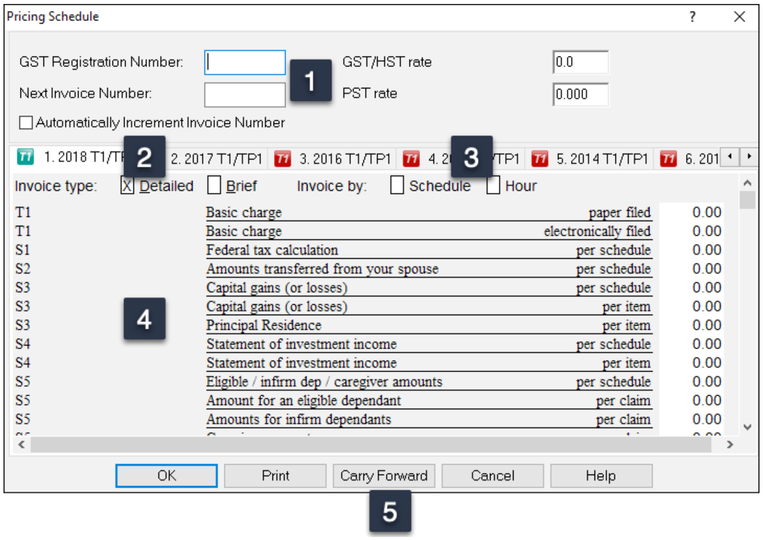


Options>Pricing

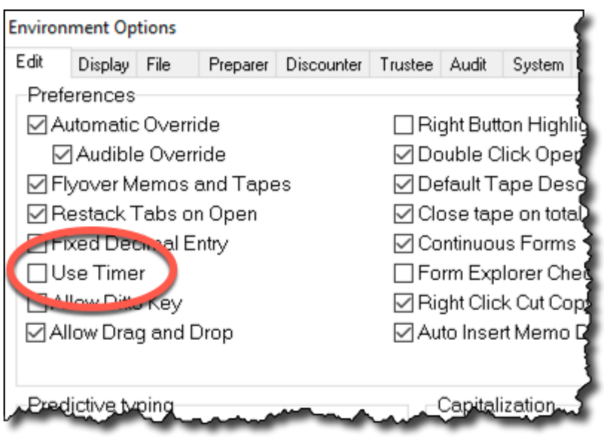
Tax practitioners likely bill out their work by the hour or by the return. In either case, with its *Pricing Schedules*, ProFile lets you choose one method, or both.

In the Pricing Schedule window below, you can:

- Record your GST Registration Number and tax rates and you can set your invoice numbering sequence 1
- Indicate whether you want to provide a detail or summary invoice to your clients 2
- Choose whether to bill by tax schedule or by the hour 3
- Establish your per-schedule pricing 4
- Carry forward last year's pricing to the current year 5



If you bill for your time, you can keep track of billable hours with ProFile's built-in timer. You'll find the Timer checkbox on the Edit tab of the Environment option.



Saving your Settings

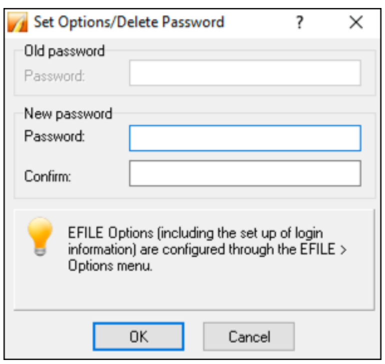
Personalizing all of ProFile's options and settings might take hours. Which may lead you to ask the following questions:

- Do I need to do this on every computer in my office?
- Do I have to repeat all these steps every time I install a new instance of ProFile?
- Do I need to repeat these steps if I purchase a new computer?
- How do I prevent someone from making changes to my own settings?

Fortunately, the answer to the first three questions is an emphatic "No," and, in the next few paragraphs, you'll learn how to save your settings for future ProFile installations or share them with other users in your office. First, though, let's show you how you can prevent anyone from making unauthorized changes to your settings.

Options>Password

- To protect your option settings, simply enter and confirm your options password.

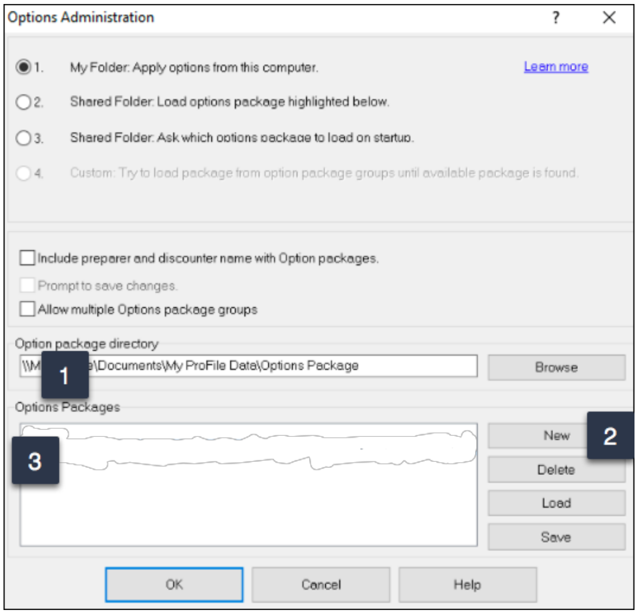


It's important to safely record and store your options password as the ProFile support team may not be successful in helping you retrieve it.

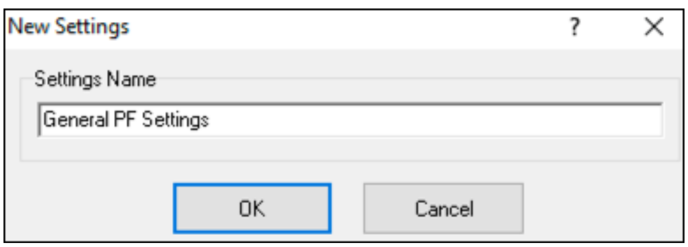
Options>Administration

ProFile lets you save the global settings (those described just above) in a folder that's separate from the program files. This means if you upgrade or replace your computer, or if you reinstall ProFile, you can easily re-establish your customized options. In addition, in a network environment, multiple users can point to one uniform options package that specifies settings such as file location and tax preparer information.

- To view where ProFile stores your global settings, click *Options* and select *Options Administration.*
- The window below tells you your settings will be stored in an *Options Package* subfolder that's located within the *My ProFile Data* folder 1
- To save your customized settings in the *Options Package* subfolder, click *New.* 2 Any new setting will appear in the *Options Package* area 3

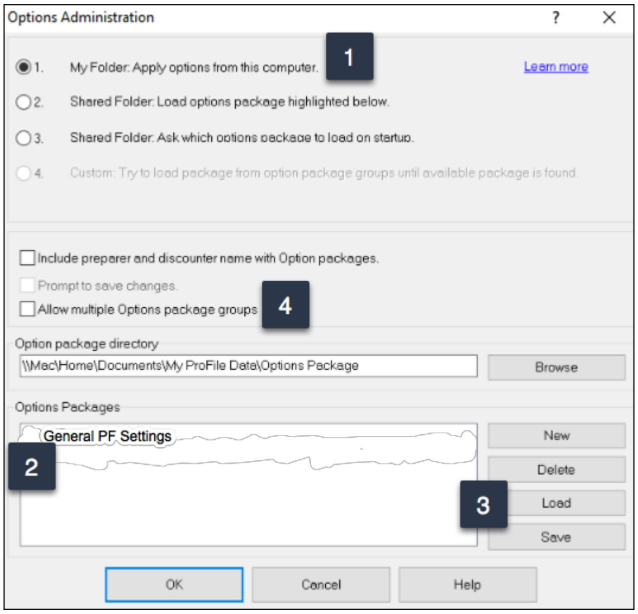


- After clicking *New,* enter a name for your customized settings, and click *OK*
- Your settings are now saved in ProFile's Options Package subfolder



Should you, in the future, need to reinstall ProFile, or if you add a new user or computer, return to *Options>Administration* and then:

- Select the applicable radio button (in this example, an office of a sole tax preparer) [1]
- Highlight the Options Package [2]
- Click *Load,* and ProFile will apply your settings [3]
- Note that you can optionally click the *Multiple Options* checkbox to create more than one package [4]



Options Administration
1. My Folder: Apply options from this computer.
Learn more
2. Shared Folder: Load options package highlighted below.
3. Shared Folder: Ask which options package to load on startup.
4. Custom: Try to load package from option package groups until available package is found.
Include preparer and discounter name with Option packages.
Prompt to save changes.
Allow multiple Options package groups
Option package directory
\\Mac\Home\Documents\My ProFile Data\Options Package
Browse
Options Packages
General PF Settings
New
Delete
Load
Save
OK
Cancel
Help
1
2
3
4

Chapter 2 Quiz

Question 1: True or False: You can install ProFile for a single-user or in a multi-user environment

Correct answer is True

Question 2: ProFile's Flexible licensing lets you:

A. Allow up to ten simultaneous ProFile users
B. Keep ProFile running in the background
C. Ensure that multiple users have access to their files
D. Install ProFile on multiple computers for non-concurrent usage

Correct answer is D

Question 3: ProFile's *Environment* options has features that include:

A. A file tab to indicate the location of saved tax files
B. A tax preparer tab to record names, addresses and other contact information
C. A systems tab to enable Live Community and other online features
D. All of the above

Correct answer is D

Question 4: True or False: You can EFILE tax returns without setting any EFILE Options

Correct answer is FALSE

Question 5: True or False: There is an option to lock a tax file and thereby prevent further changes

Correct answer is True

Question 6: What is the key difference between Environment and Module options?

A. Environment options are used by a tax preparer, Module by a systems administrator
B. There is no key difference between the two options
C. Unlike Environment options, Module options are module and year specific
D. None of the above

Correct answer is C

Question 7: True or False: ProFile cannot create PDFs of a tax file.

Correct answer is False

Question 8: True or False: ProFile has an option that lets you invoice your clients

Correct answer is True

Question 9: The ability to save all your option settings is found by clicking:

A. File > Save Tax Settings
B. Settings > Options
C. Options > Administration
D. None of the above

Correct answer is C

Question 10: True or False: To prevent unauthorized changes to your settings, ProFile lets you create an options password.

Correct answer is True

Chapter 3

A Tour of ProFile

Learning Objectives

At this chapter's end students will understand:

- How to navigate in ProFile
- How to set various display options
- How to use ProFile's auditor
- How to decipher font colours and field symbols
- How to enter data
- How to use memos and tapes
- How to work with the Form Explorer

Additional Resources

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

Professional Accounting Software

Tax Preparation & efiling Return Software

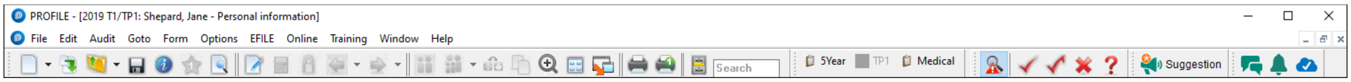
Professional Tax Software Training

Chapter 3: A Tour of ProFile

NAVIGATING IN PROFILE

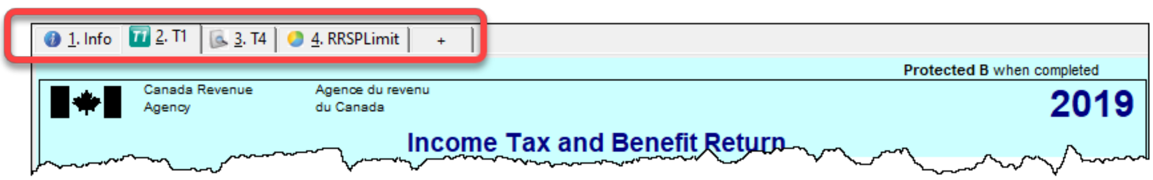
Tabs, Menus and Tools

It's easy to find your way around ProFile. No matter the type of return you work with, you will always see the same ProFile user interface—commonly known as MAUI (Multiple Access User Interface). This means, no matter the type of return you are preparing, ProFile's uniform menus, toolbars and tabs make navigation a snap.



Tabs

Every time you create a tax return, ProFile displays a tab for each open form. You'll see the tabs just above the form you're currently working in, and you can navigate to any open form by clicking its tab.



You have the option to display the form name and icon on each tab, or just form name itself. Go to the Display tab of the Options>Environment window to choose your preferred setting.

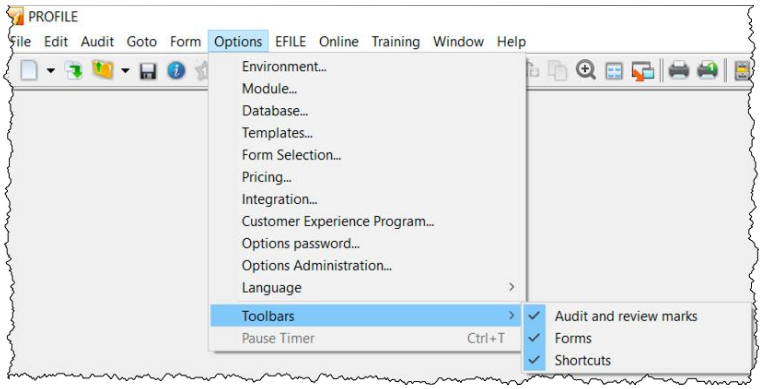
The Menu Bar

As with all software applications, you can use the *Menu Bar* to navigate in ProFile. Using menus, you can, for example, create or open tax files, setup preferences, arrange windows, and jump to specific areas of a tax file.

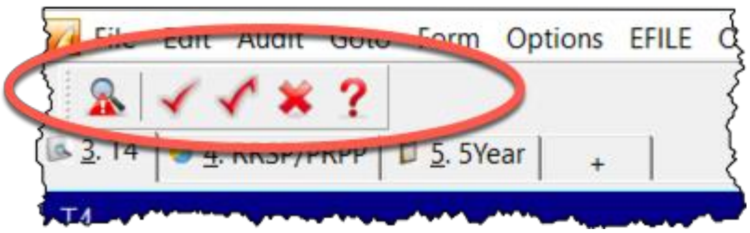
The Toolbars

Toolbars consist of icons that let you quickly and easily move around in ProFile. You can view (or hide) ProFile's three toolbars by clicking *Options>Toolbars*

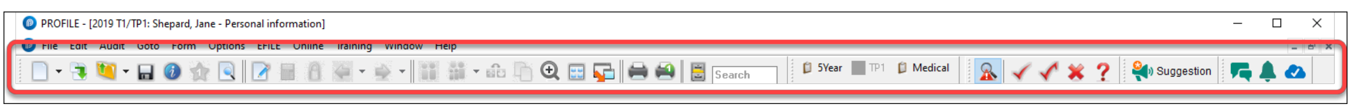
- The three toolbars are: Audit and review marks, Forms and Shortcuts



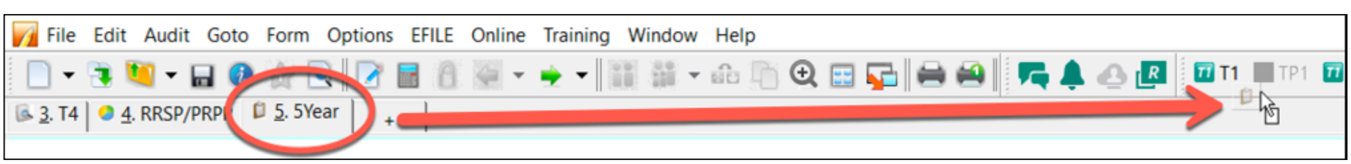
- The *Audit and review marks* toolbar lets a partner or preparer approve or request changes to any line on a tax return. We'll discuss review marks later in this chapter.



- The *Shortcuts* toolbar features icons that let you jump to a specific area. With shortcuts, you can, for example, create or carry-forward tax files, find tax forms, toggle between spousal returns; print single schedules or complete returns; open additional forms; and view file properties



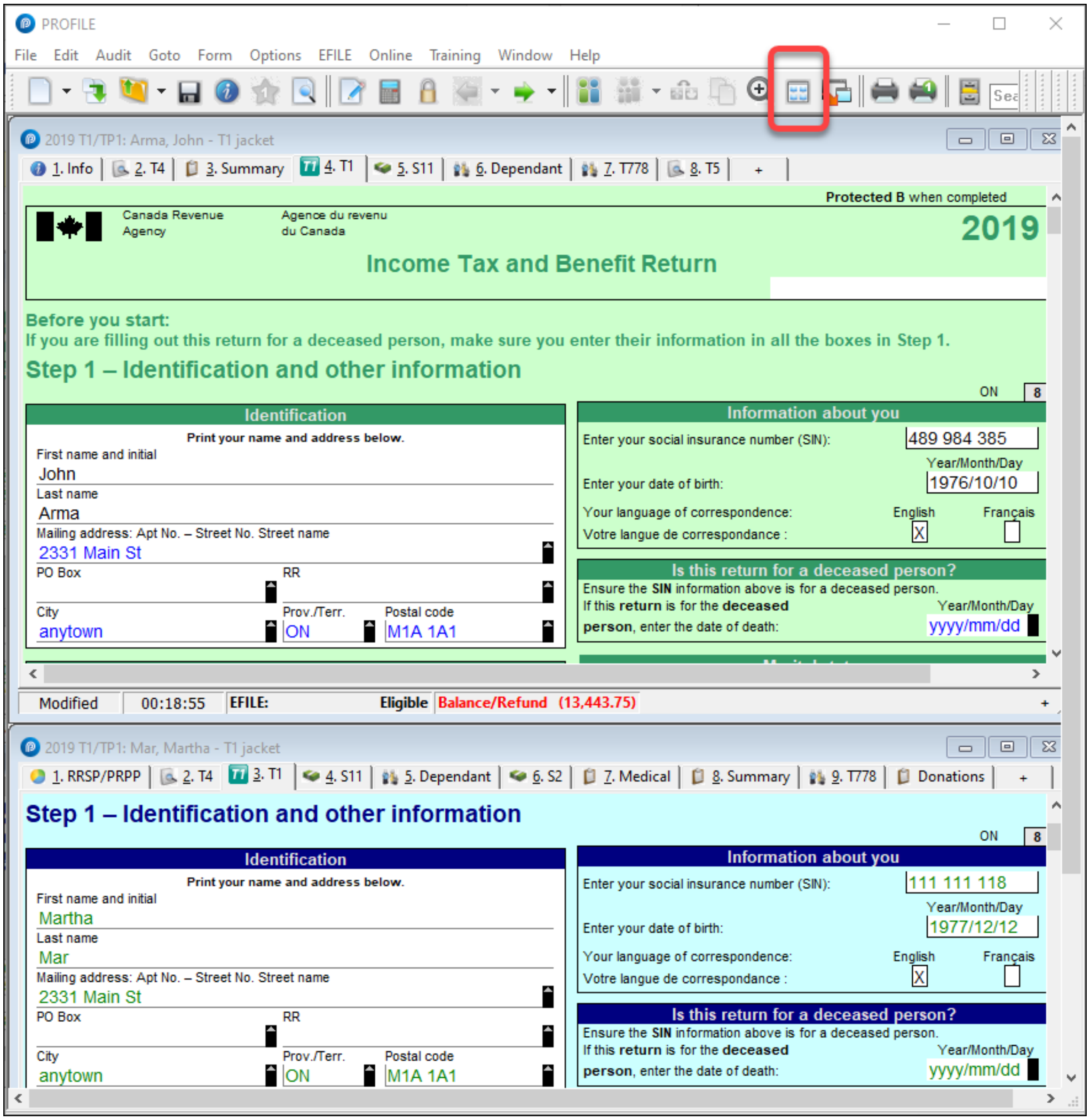
- The *Forms* toolbar, or JumpBar, is a customizable area on the toolbar that lets you add a favourite form—making it "stick"—and rendering it available in any tax file. Once you add a form to the JumpBar, it becomes a mouse click away on every tax return that you open.
- To add a form to the JumpBar, click and hold the form's tab, and then drag it over to the JumpBar



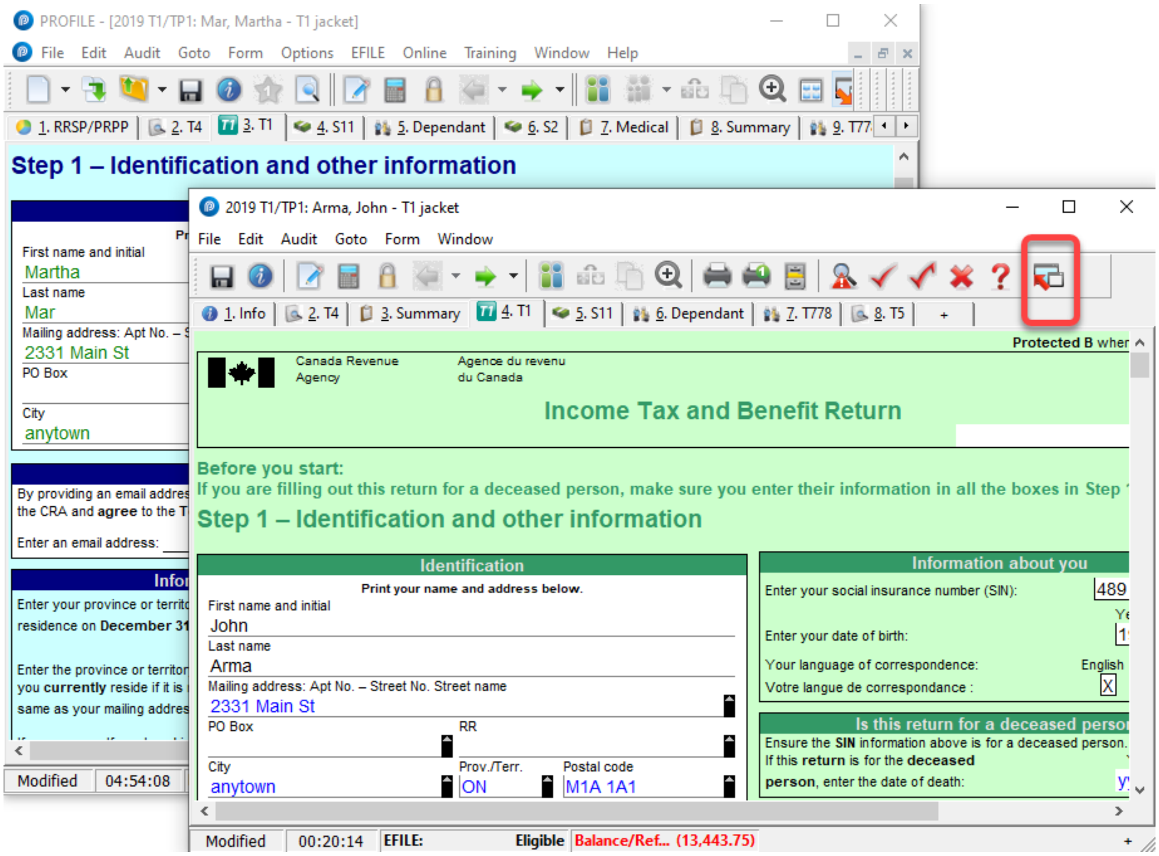
Display Options

On the toolbar below, the *Spousal* icon indicates that two tax files are open (one for each spouse). Clicking that icon will toggle between the spouses' returns and display each one on your monitor in turn.

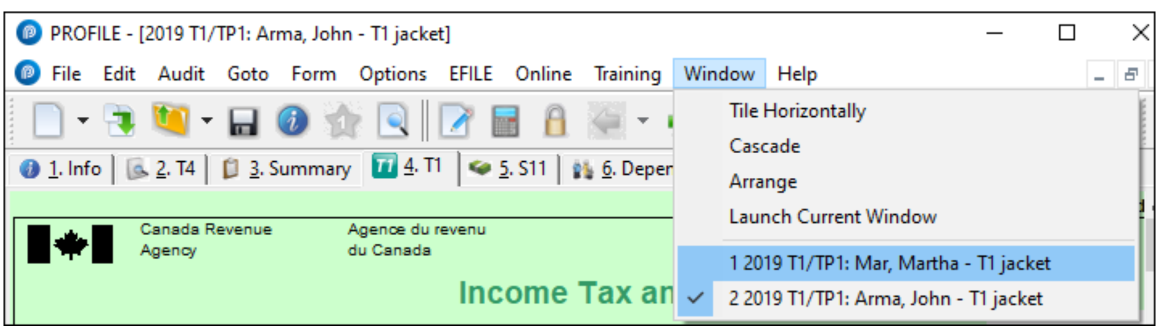
- If you prefer viewing both spouses' files at the same time, click the *Tile* icon to view each tax file, tiled horizontally one above the other



- If you use multiple monitors, you can display a file on each screen, Click the *Launch* icon to create a floating window for the second file, and then then drag it over to your second monitor



- You can also use the *Windows* menu to cascade, tile or manually arrange your open windows



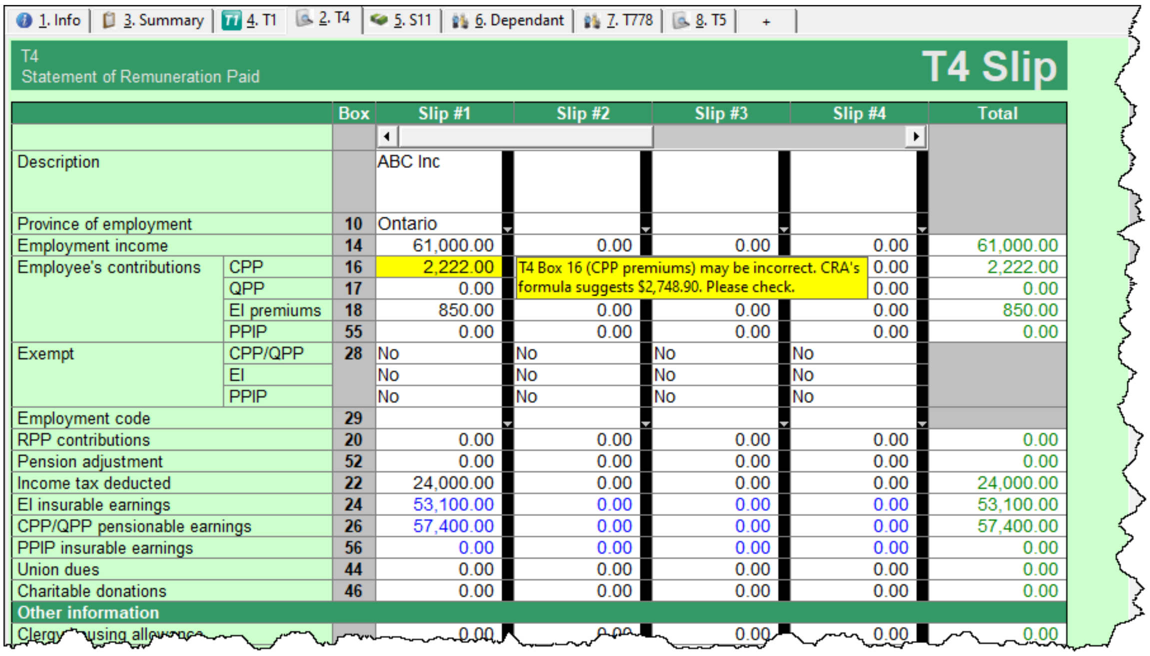
The Auditor

ProFile comes with a comprehensive auditor that constantly scans a tax file and alerts you to missing or erroneous information. ProFile's auditor also makes suggestions for optimizing a tax return, and it reminds you about memos you may have entered, amounts you may have calculated, or review marks that you annotated on a tax return. ProFile, in fact, has two types of auditors. Let's look at each one.

The Passive Auditor

As you work on a tax file, the *Passive Auditor* constantly scans the return and, when it detects a potential error, highlights that area of the tax file with a yellow background. When you move your cursor over that yellow field, the passive auditor opens a context-sensitive message.

- In the example below, ProFile's *Passive Auditor* highlights Box 16 of an individual's T4 slip. When you hover your mouse over that field, ProFile's auditor cautions that the recorded CPP amount differs from CRA's suggested value.



		Box	Slip #1	Slip #2	Slip #3	Slip #4	Total
Description			ABC Inc				
Province of employment		10	Ontario				
Employment income		14	61,000.00	0.00	0.00	0.00	61,000.00
Employee's contributions	CPP	16	2,222.00			0.00	2,222.00
	QPP	17	0.00			0.00	0.00
	EI premiums	18	850.00	0.00	0.00	0.00	850.00
	PPIP	55	0.00	0.00	0.00	0.00	0.00
Exempt	CPP/QPP	28	No	No	No	No	
	EI		No	No	No	No	
	PPIP		No	No	No	No	
Employment code		29					
RPP contributions		20	0.00	0.00	0.00	0.00	0.00
Pension adjustment		52	0.00	0.00	0.00	0.00	0.00
Income tax deducted		22	24,000.00	0.00	0.00	0.00	24,000.00
EI insurable earnings		24	53,100.00	0.00	0.00	0.00	53,100.00
CPP/QPP pensionable earnings		26	57,400.00	0.00	0.00	0.00	57,400.00
PPIP insurable earnings		56	0.00	0.00	0.00	0.00	0.00
Union dues		44	0.00	0.00	0.00	0.00	0.00
Charitable donations		46	0.00	0.00	0.00	0.00	0.00
Other information							
Clergy housing allowance			0.00	0.00	0.00	0.00	0.00

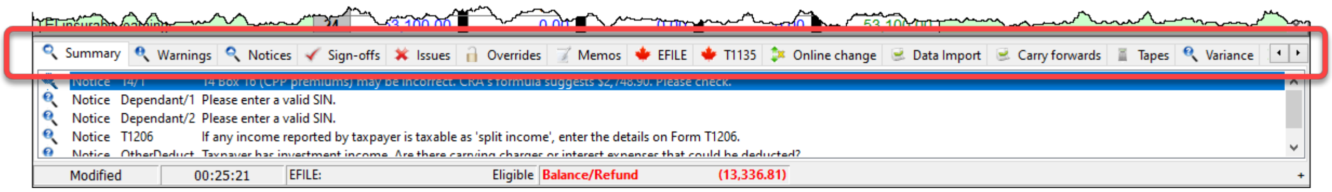
Other examples of ProFile's *Passive Audit* messages include:

- Missing data that is necessary for filing
- Missing EFILE information
- Amounts on tax slips that fall outside the tolerance range (as in the CPP example above)
- Opportunities for additional claims (for example, the taxpayer is eligible for a disability amount)
- Claims that may be more beneficial on a spouse's return
- Filing requirements specific to a return (taxpayer subject to minimum tax)
- Suggestions to reduce a claim (excessive RRSP deduction or unnecessary CCA claim)
- Planning opportunities
- Other forms or elections that may be necessary but have not been included in the tax file

The Active Auditor

The *Active Auditor* displays a list of audit messages that apply to the current tax file. These include passive audit messages mentioned above, as well as additional warnings such as notices or processing errors, EFILE messages, fields with memos or calculations attached, overridden fields, or fields with review marks attached.

To display the *Active Auditor,* click its toolbar icon  or press *F9* on your keyboard. The *Active Auditor* will then display at the bottom of your screen.

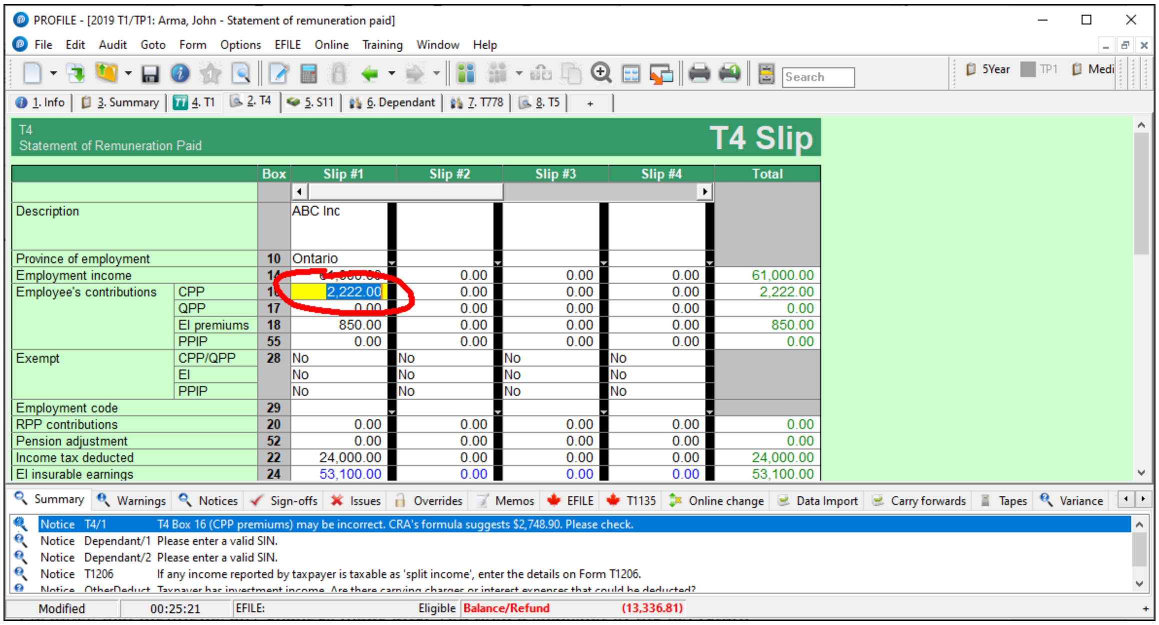


Note the tabs in the audit window. These tabs include:

- *Summary* which consolidates all messages from the other tabs
- *Warnings* that indicate potential processing problems, including messages about data may have been overlooked
- *Notices* that alert you to important dates or deadlines. Notices also alert you to amounts that fall outside a calculated range
- *Sign-offs* which display *Review Marks* that a partner or tax preparer added to the tax return
- *Issues* for any field that has a correction or question review mark attached to it
- *Overrides* that alert you to a change that you made to a field's calculated amount
- *Memos* to remind you that you attached a note to a field in the tax file
- *EFILE* warnings to prevent you from EFILING a tax file. In addition, any messages originating from CRA, after an EFILE was processed, will appear here.
- *Carry forward* that lists all the data brought forward from a prior year's return
- *Tapes* that highlight a field where ProFile's calculator was used
- *Variance* that highlights any changes made after you took a snapshot of the tax return
- *Data Import* that lists taxpayer data imported using CRA's Auto-fill My Return

Acting on audit messages

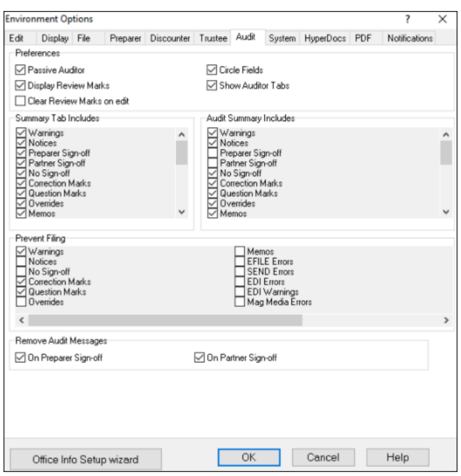
- To act on an audit message, double click that message.
- ProFile will open the applicable form, circle the item, and add a yellow background to the field



Personalizing ProFile's Auditor

Options>Environment

Chapter 2 described how *Options>Environment* allows you to personalize ProFile to your requirements. The *Audit* tab, also found under *Options>Environment,* lets you choose how you'd like to work with ProFile's *Auditor*. From this window, you can:



- Enable or disable features such as the *Passive Auditor,* review marks and circled fields
- Choose the information to display on the *Summary Tab* of the *Active Auditor*
- Determine the audit messages that will prevent ProFile from EFILING a return
- Remove audit messages on partner or preparer sign-off

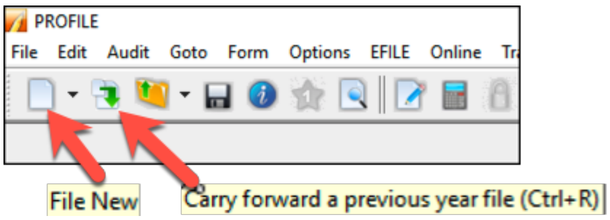
PUTTING IT ALL TOGETHER

Getting Started

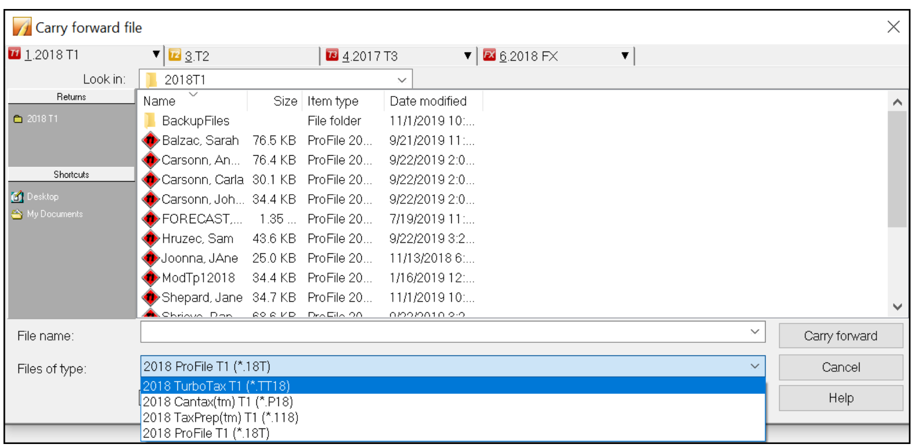
Up to this point, you learned about ProFile's set-up options, and you also read about ProFile's overall features and functions. In this section, we'll tie all that information together and show you how those features help you become an effective and efficient tax preparer.

Where to start

You start by either creating a new tax return or carrying forward a file from the previous year, and you accomplish either of those tasks by clicking the appropriate icon on the toolbar.

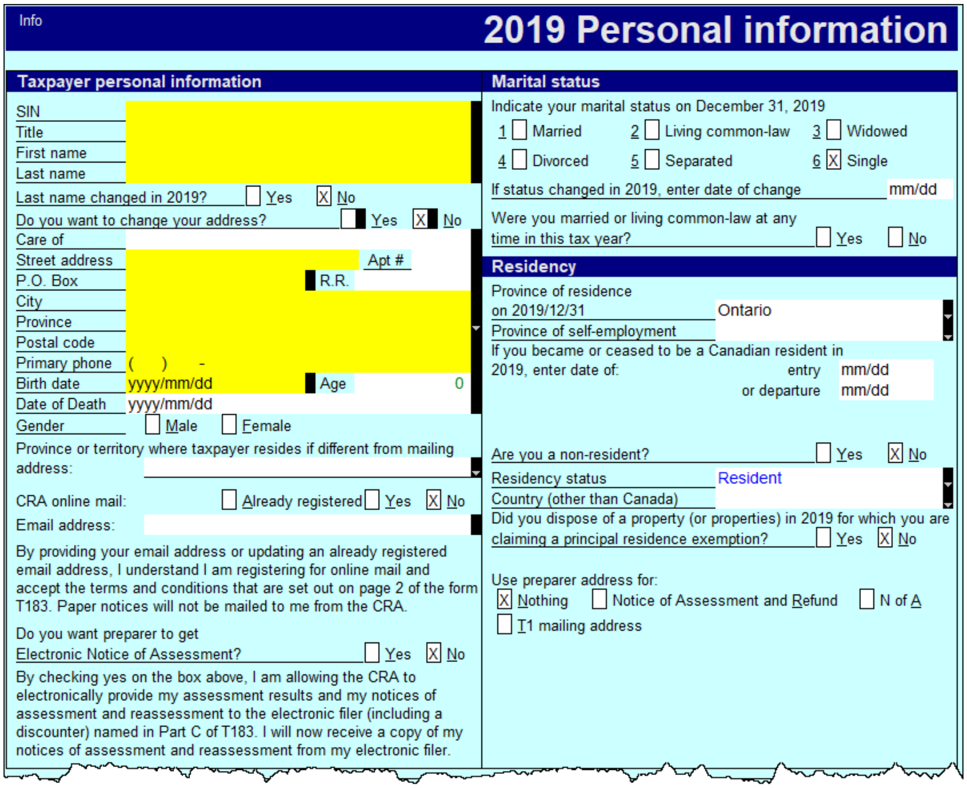


Over and above its own prior-year files, ProFile lets you carry forward files prepared in other tax applications including TurboTax, CanTax and TaxPrep. In addition, you can carry forward DT Max files by clicking, File > DT Max Carry Forward



Whether you start with a new or carried-forward return, keep the following in mind:

- ProFile opens a tax file at the *Personal Information* page. This is where you enter the taxpayer's contact information, as well as residency, marital status and other information
- ProFile automatically opens other forms and schedules, such as the T1 Jacket. You can tell which forms are open by glancing at the forms' representative tabs
- The yellow fields denote the Passive Auditor's warnings about missing information



Info

2019 Personal information

Taxpayer personal information

SIN
Title
First name
Last name
Last name changed in 2019? ☐ Yes ☒ No
Do you want to change your address? ☐ Yes ☒ No
Care of
Street address Apt #
P.O. Box R.R.
City
Province
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 ☒ 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 ☒ 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.

Marital status

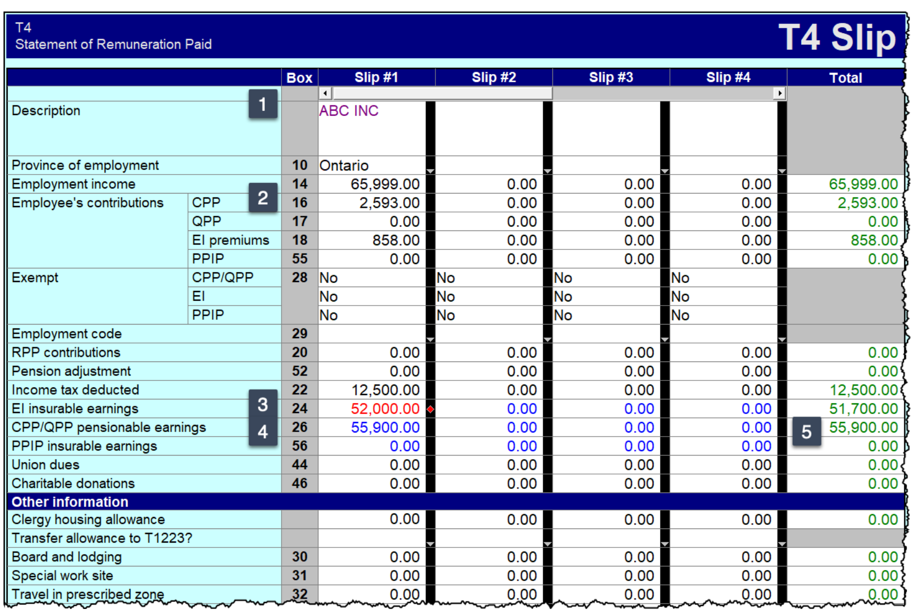
Indicate your marital status on December 31, 2019
1 ☐ Married 2 ☐ Living common-law 3 ☐ Widowed
4 ☐ Divorced 5 ☐ Separated 6 ☒ Single
If status changed in 2019, enter date of change mm/dd
Were you married or living common-law at any time in this tax year? ☐ Yes ☐ No

Residency

Province of residence on 2019/12/31 Ontario
Province of self-employment
If you became or ceased to be a Canadian resident in 2019, enter date of: entry mm/dd or departure mm/dd
Are you a non-resident? ☐ Yes ☒ No
Residency status Resident
Country (other than Canada)
Did you dispose of a property (or properties) in 2019 for which you are claiming a principal residence exemption? ☐ Yes ☒ No
Use preparer address for:
☒ Nothing ☐ Notice of Assessment and Refund ☐ N of A
☐ T1 mailing address

Entering data

- Even though ProFile automatically opens the tax jacket, it's important to note that you enter data on supporting forms and schedules, and not directly on the jacket itself.
- When you click on the *T4* tab, ProFile will launch the *T4 Slip* window which, after you enter an employee's earnings, will look like this



T4
Statement of Remuneration Paid

T4 Slip

		Box	Slip #1	Slip #2	Slip #3	Slip #4	Total
Description 1			ABC INC				
Province of employment		10	Ontario				
Employment income		14	65,999.00	0.00	0.00	0.00	65,999.00
Employee's contributions 2	CPP	16	2,593.00	0.00	0.00	0.00	2,593.00
	QPP	17	0.00	0.00	0.00	0.00	0.00
	EI premiums	18	858.00	0.00	0.00	0.00	858.00
	PPIP	55	0.00	0.00	0.00	0.00	0.00
Exempt	CPP/QPP	28	No	No	No	No	
	EI		No	No	No	No	
	PPIP		No	No	No	No	
Employment code		29					
RPP contributions		20	0.00	0.00	0.00	0.00	0.00
Pension adjustment		52	0.00	0.00	0.00	0.00	0.00
Income tax deducted		22	12,500.00	0.00	0.00	0.00	12,500.00
EI insurable earnings 3		24	52,000.00	0.00	0.00	0.00	51,700.00
CPP/QPP pensionable earnings 4		26	55,900.00	0.00	0.00	0.00	5 55,900.00
PPIP insurable earnings		56	0.00	0.00	0.00	0.00	0.00
Union dues		44	0.00	0.00	0.00	0.00	0.00
Charitable donations		46	0.00	0.00	0.00	0.00	0.00
Other information							
Clergy housing allowance			0.00	0.00	0.00	0.00	0.00
Transfer allowance to T1223?							
Board and lodging		30	0.00	0.00	0.00	0.00	0.00
Special work site		31	0.00	0.00	0.00	0.00	0.00
Travel in prescribed zone		32	0.00	0.00	0.00	0.00	0.00

Colours, Diamonds and Arrows

Learning about colours

A close glance at the window above reveals fields that have different font colours. Here's what those colours signify:

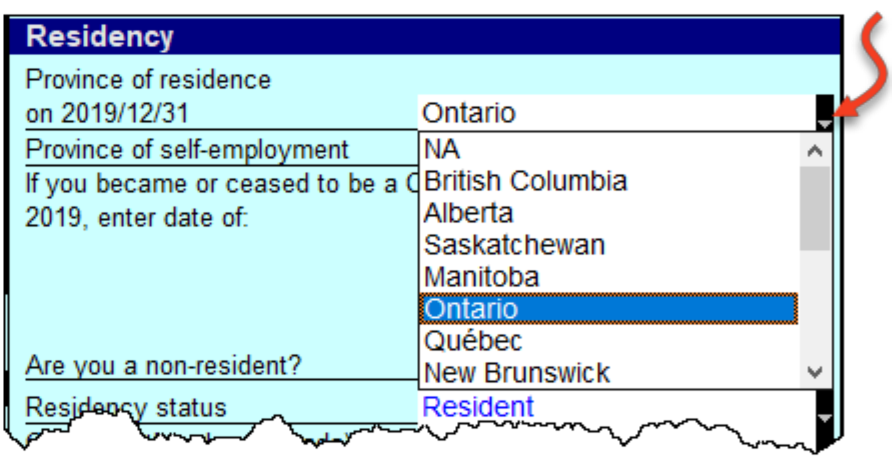
Fields with…

- Purple fonts denote data carried forward from a prior year [1]
- Black fonts are for direct data entry [2]
- Red fonts mean that you overrode a calculated field [3]
- Blue fonts indicate a field calculated by ProFile [4]
- Green fonts denote a locked field [5]

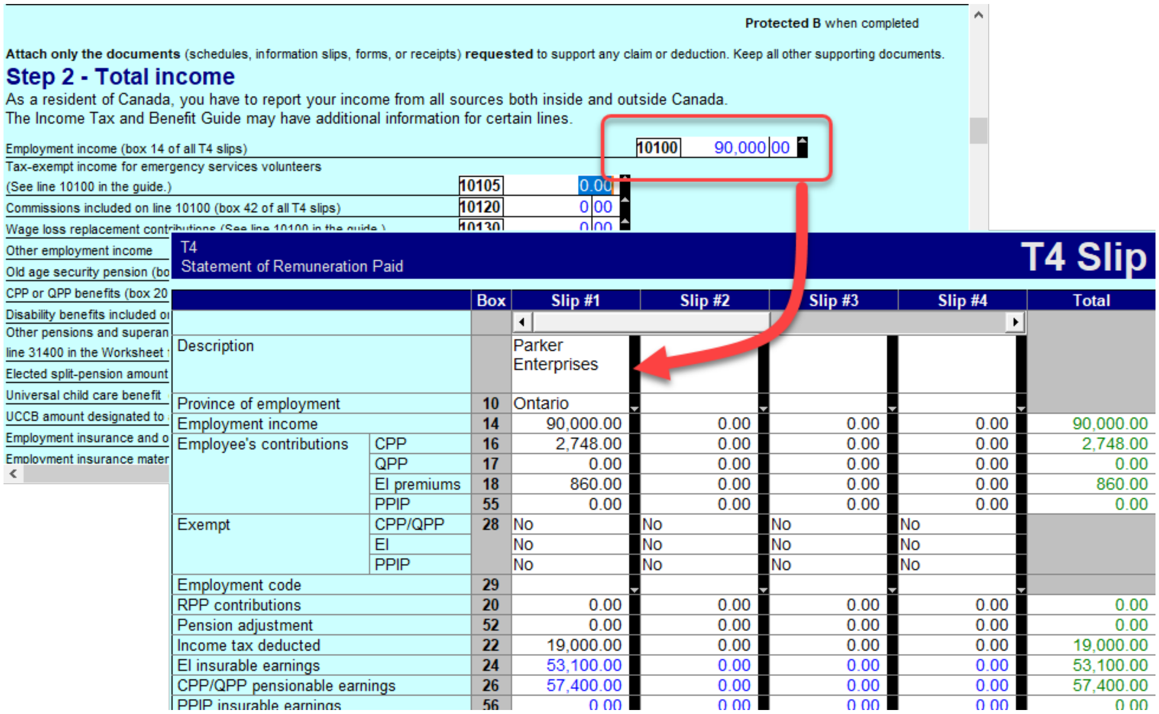
Arrows and Diamonds

The right edge of certain fields may display an up-arrow, a down-arrow, or a diamond. Here's what those diagrams signify:

- If a field displays a *down* arrow, then a dropdown menu exists for that field



- When a field displays an *up* arrow, it means the data in that field originates from another form. In addition, ProFile displays amounts in those fields in blue font
- When a field has an up-arrow view, double-click it (or press F6) and ProFile will jump to the referenced form



Protected B when completed

Attach only the documents (schedules, information slips, forms, or receipts) **requested** to support any claim or deduction. Keep all other supporting documents.

Step 2 - Total income

As a resident of Canada, you have to report your income from all sources both inside and outside Canada.
The Income Tax and Benefit Guide may have additional information for certain lines.

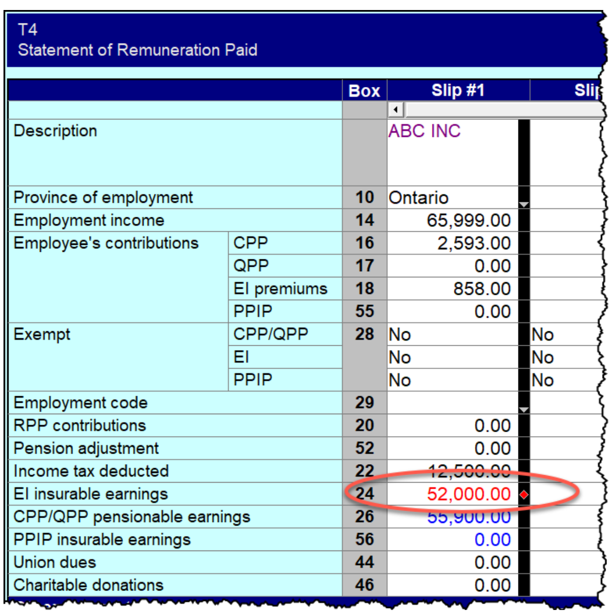
Employment income (box 14 of all T4 slips)	10100	90,000 00
Tax-exempt income for emergency services volunteers (See line 10100 in the guide.)	10105	0.00
Commissions included on line 10100 (box 42 of all T4 slips)	10120	0 00

T4
Statement of Remuneration Paid
T4 Slip

		Box	Slip #1	Slip #2	Slip #3	Slip #4	Total
Description			Parker Enterprises				
Province of employment		10	Ontario				
Employment income		14	90,000.00	0.00	0.00	0.00	90,000.00
Employee's contributions	CPP	16	2,748.00	0.00	0.00	0.00	2,748.00
	QPP	17	0.00	0.00	0.00	0.00	0.00
	EI premiums	18	860.00	0.00	0.00	0.00	860.00
	PPIP	55	0.00	0.00	0.00	0.00	0.00
Exempt	CPP/QPP	28	No	No	No	No	
	EI		No	No	No	No	
	PPIP		No	No	No	No	
Employment code		29					
RPP contributions		20	0.00	0.00	0.00	0.00	0.00
Pension adjustment		52	0.00	0.00	0.00	0.00	0.00
Income tax deducted		22	19,000.00	0.00	0.00	0.00	19,000.00
EI insurable earnings		24	53,100.00	0.00	0.00	0.00	53,100.00
CPP/QPP pensionable earnings		26	57,400.00	0.00	0.00	0.00	57,400.00
PPIP insurable earnings		56	0.00	0.00	0.00	0.00	0.00

Overrides

If you decide to override a calculated field, ProFile does two things; it displays a red diamond in that field, and it also displays the overridden amount in red font.



T4
Statement of Remuneration Paid

		Box	Slip #1	Sli
Description			ABC INC	
Province of employment		10	Ontario	
Employment income		14	65,999.00	
Employee's contributions	CPP	16	2,593.00	
	QPP	17	0.00	
	EI premiums	18	858.00	
	PPIP	55	0.00	
Exempt	CPP/QPP	28	No	No
	EI		No	No
	PPIP		No	No
Employment code		29		
RPP contributions		20	0.00	
Pension adjustment		52	0.00	
Income tax deducted		22	12,500.00	
EI insurable earnings		24	52,000.00	
CPP/QPP pensionable earnings		26	55,900.00	
PPIP insurable earnings		56	0.00	
Union dues		44	0.00	
Charitable donations		46	0.00	

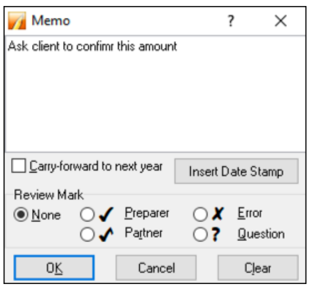
Overrides are great for "what if?" scenarios. After you complete your what-if analysis, just press the F2 key to cancel the override and return that field back to ProFile's original, calculated value.

Memos and Tapes

ProFile's memos are great for embedding notes and reminders into any field on a tax return. And you can use ProFile's calculator to add up a series of numbers and enter the total into any field of the tax return.

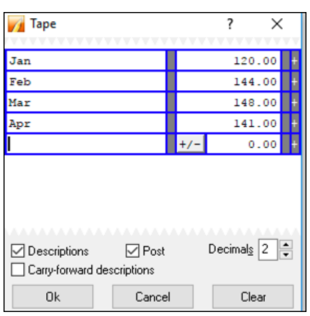
Using Memos

- To record a memo, click into any field
- Press the F8 key
- Type in your note
- Click OK

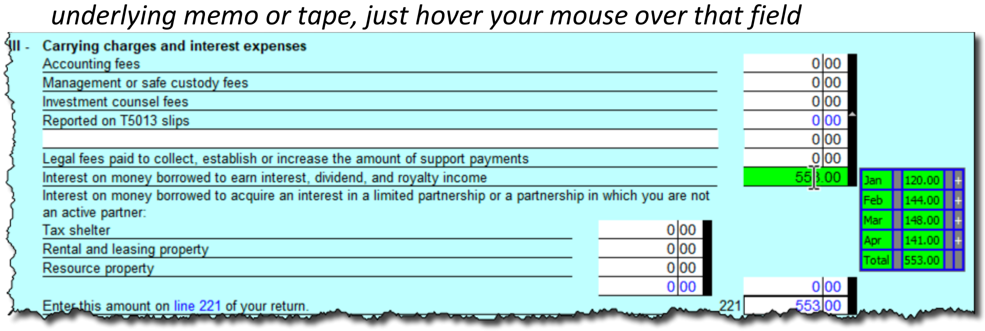


Using Tapes

- To use *Tapes*, click on a field
- Press CTRL+F8
- In the window that opens, enter a description (optional), and a value on each line
- Press the = key and ProFile will paste the sum directly into the selected field



When you record a memo, or use a tape in a field, ProFile puts a green background in that field. To display the underlying memo or tape, just hover your mouse over that field



Finding What You Need

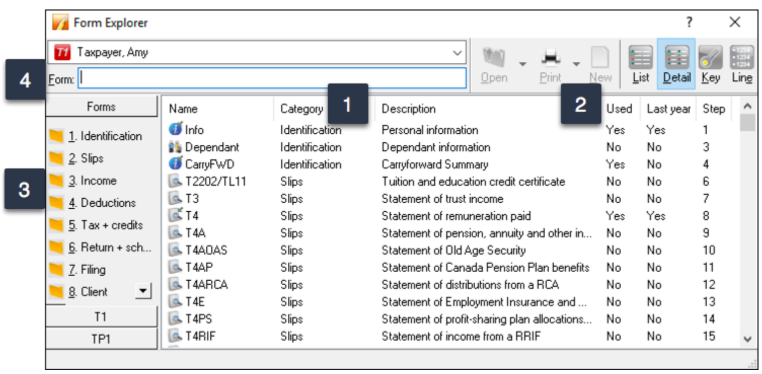
When preparing a tax return, you will want to add additional forms and schedules. And, given you don't enter data directly on the tax jacket, this means you have to find those supporting forms and schedules somewhere in ProFile.

Though ProFile's toolbar includes a *Search* field that lets you enter the name of the form or schedule that you need, you may want a little more horsepower than that. You may indeed want to use *The Form Explorer.*

The Form Explorer

If you don't know the name of the form that you'd like to open; if you only know the line number you'd like to access; if you'd like to see the forms that were used on this—or the prior year's—return, then *Form Explorer* is for you.

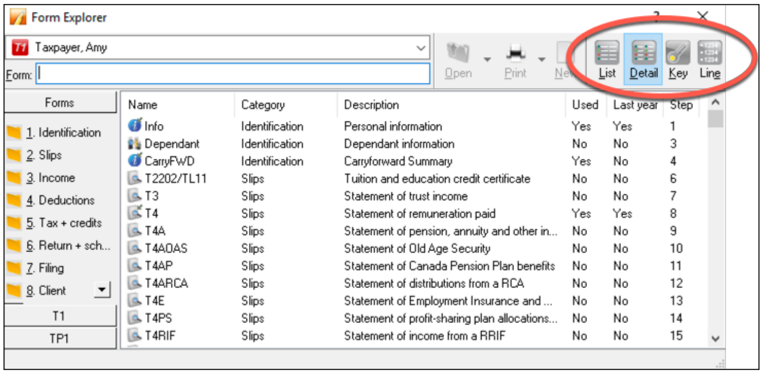
- To open the Form Explorer, click on the *Filing Cabinet* icon, or just press your keyboard's *F4* key



- If you use *Windows Explorer* ™, you'll be comfortable with ProFile's *Form Explorer*
- The right pane of the *Form Explorer* window includes column headings for each form's full name, its category, and its description 1
- Notice too, for carried forward files, the *Form Explorer* indicates whether a form was used in the current or prior year 2
- In the left pane, you'll find folders that let you filter which forms to display 3
- To find a form, just type its name in the search field 4

Form Explorer Icons

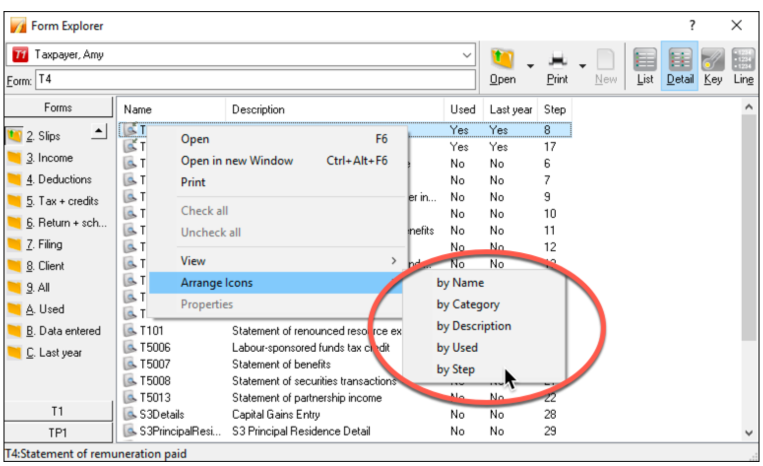
There are four icons at the top right of the *Form Explorer* window. These icons provide different view options. The bullets below explain each icon's purpose:



- As the name implies, the *Detail* view provides complete information, such as category and description, for each form.
- The *List view* gives you a simplified view where all forms are displayed as icons.
- The *Key view* lets you use keywords to find the required form. This view is ideal when you know what information you're searching but you're not sure of the form's name.
- Lastly, the *Line* view provides a line by line listing of all available forms. You find a form, in this view, by entering a tax line number in the Form field

One more thing

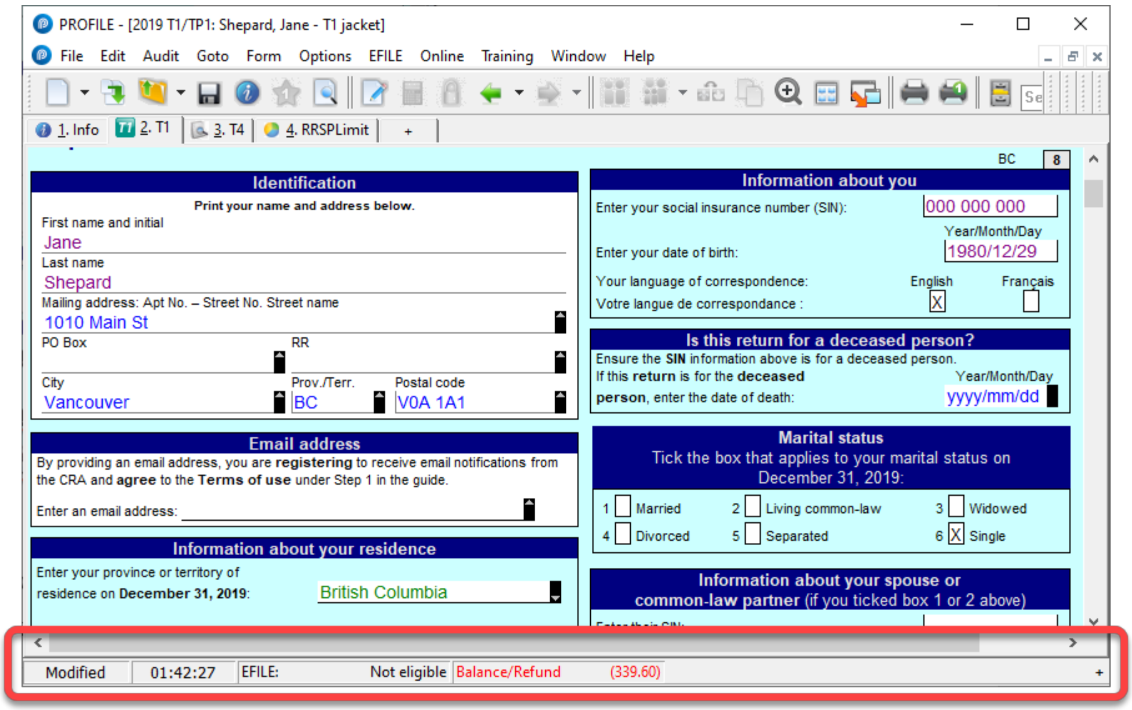
- If you right-click inside the *Form Explorer* window, you will open a dialog box that lets you choose whether to print, open or sort the *Form Explorer* view. Your options include sorting by name, category, descriptions, step or by whether the form was used



THE DATA MONITOR

As you add information, and append more forms to the return, ProFile constantly updates the taxpayer's tax status. At the very bottom of the window, ProFile displays an at-a-glance summary of the taxpayer's tax status. This display is called the *Data Monitor.*

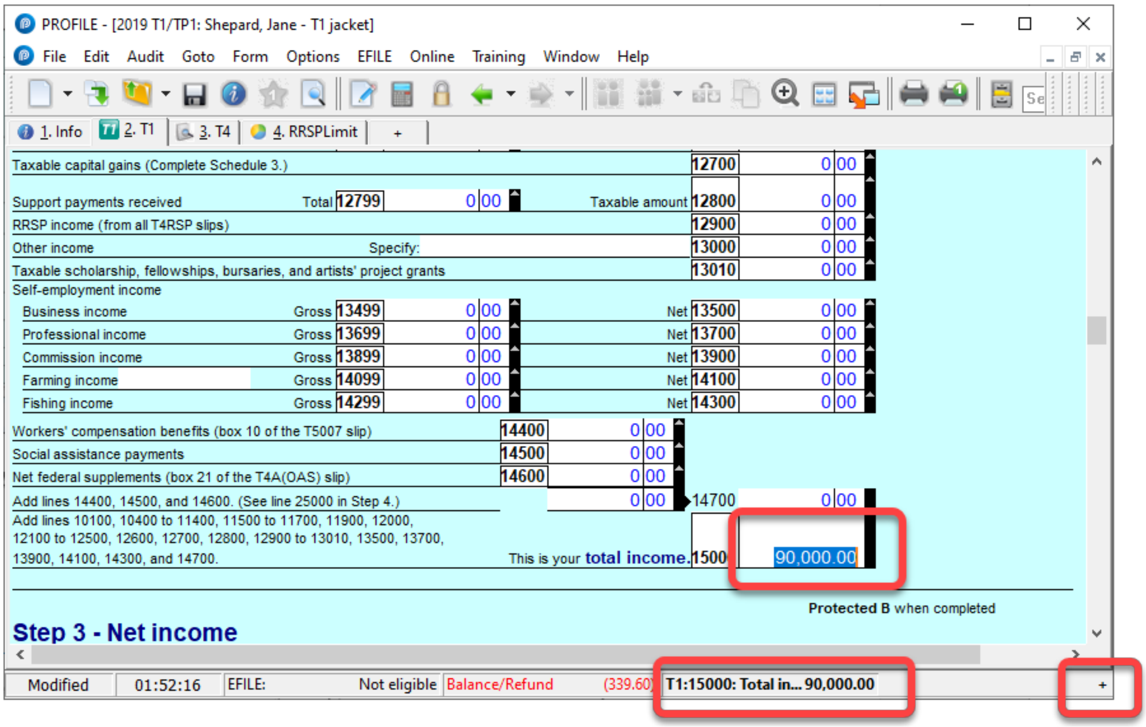
As you can see in the example below, the *Data Monitor* reveals that the taxpayer has a refund of $339.60. The *Data Monitor* reveals other information too, including available GST credits and Internet Filing eligibility.



Customizing the Data Monitor

You can customize and add information to the *Data Monitor*.

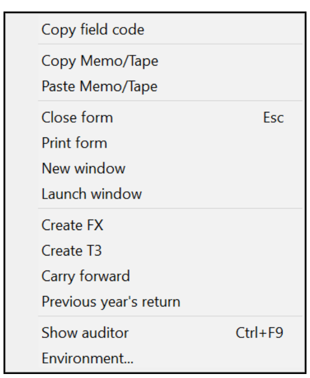
- For example, to display line 15000, just highlight it
- Click the “+” sign at the bottom of the window
- You have just added Line 15000 to the *Data Monitor*



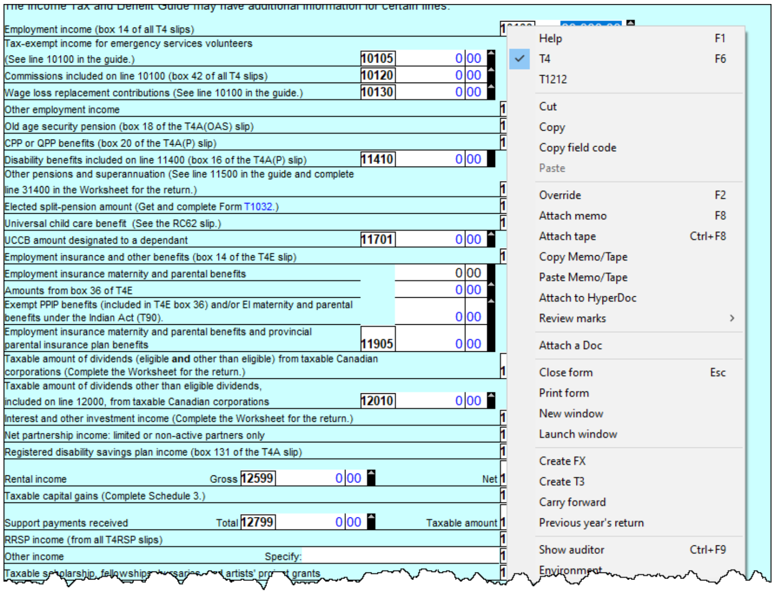
Removing a data monitor is easy. Just right-click it and select Delete

THE POWER OF A *RIGHT-CLICK*

Right-click a form to get quick and easy access to additional functionality. Keep in mind, though, that a right-click is form dependent. For example, a right-click over an area of the T4, opens a window with a set of instructions including *Print, Carry forward, Close, and Copy Memos and Tapes*



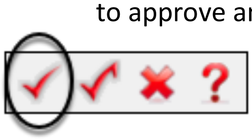
- If you right-click on a field, you'll see additional commands, including *Link to related forms, Cut, Copy, Paste*, as well as *Insert/Delete columns* and *Attach Memo/Tape*



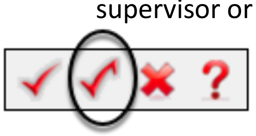
REVIEW MARKS

Review Marks let you or approve, or request changes on, any field of a tax file. There are four different types of *Review Marks*.

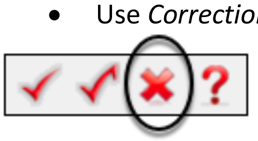
- The *Preparer Sign-off* lets you confirm the amounts entered on each line of a return. It also allows you to approve any errors or issues signaled by the *Passive Auditor*



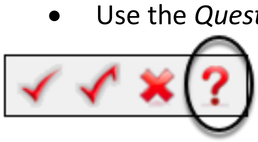
- The *Partner Sign-Off* is similar to the *Prepare Sign-Off,* except that it's used in an office where a supervisor or partner approves all returns



- Use *Correction Required* to flag a field error on the return

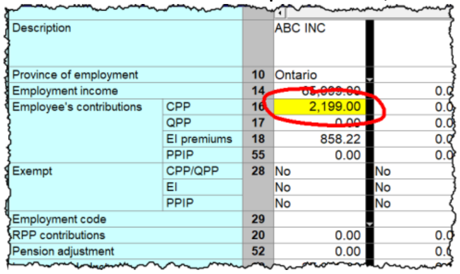


- Use the *Question Mark* to tag a field for further analysis

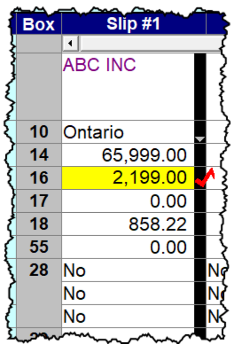


Using a Review Mark

- In the example below, the *Auditor* warns you that a T4's CPP amount may be incorrect



- To indicate that the amount is indeed the correct T4 value, select *a Sign-off Review Mark* and click the yellow field
- ProFile adds a review mark to that field, and also signals it in the *Sign-offs* tab of the *Active Auditor*



Chapter 3 Quiz

Question 1: ProFile uses Tabs to:

A. Indicate which forms are open on a tax return
B. Create multiple copies of a tax return
C. Toggle back and forth between different tax files
D. All the above

Correct answer is A

Question 2: True or False: All of ProFile's toolbars are customizable

Correct answer is False

Question 3: ProFile's toolbars include:

A. Audit & Review Marks; Tax Prep; EFILE settings
B. Audit & Review Marks; Forms; Shortcuts
C. EFILE settings, Shortcuts, Archive and Save
D. None of the above

Correct answer is B

Question 4: True or False: You can hide ProFile's three main toolbars

Correct answer is True

Question 5: True or False: You can add any ProFile form to the JumpBar

Correct answer is True

Question 6: You can use ProFile's display options to:

A. Launch tax returns so that they display on two monitors
B. Tile multiple tax returns
C. Display multiple tax returns on a monitor
D. All the above

Correct answer is D

Question 7: True or False: ProFile has two Auditors (Passive and Active)

Correct answer is True

Question 8: True or False: A field with a yellow background indicates a Passive audit message

Correct answer is True

Question 9: Which of the following types of messages might the Active Auditor display?

A. Warnings that indicate potential processing issues
B. A list of data carried forward from a prior year
C. Notices to alert you to important dates or deadlines
D. All the above

Correct answer is D

Question 10: True or False: You can go to the Environment option to personalize the Auditor

Correct answer is True

Chapter 4

A Basic T1

Learning Objectives

At this chapter's end students will understand:

- How to prepare an individual's basic T1 tax return
- How to prepare a T1 for a married couple
- The A to Z of preparing a T1 for a client
- How to use CRA's EFILE system

Additional Resources

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

Professional Accounting Software

Tax Preparation & efiling Return Software

Professional Tax Software Training

Chapter 4: A Basic T1

T1 Basics

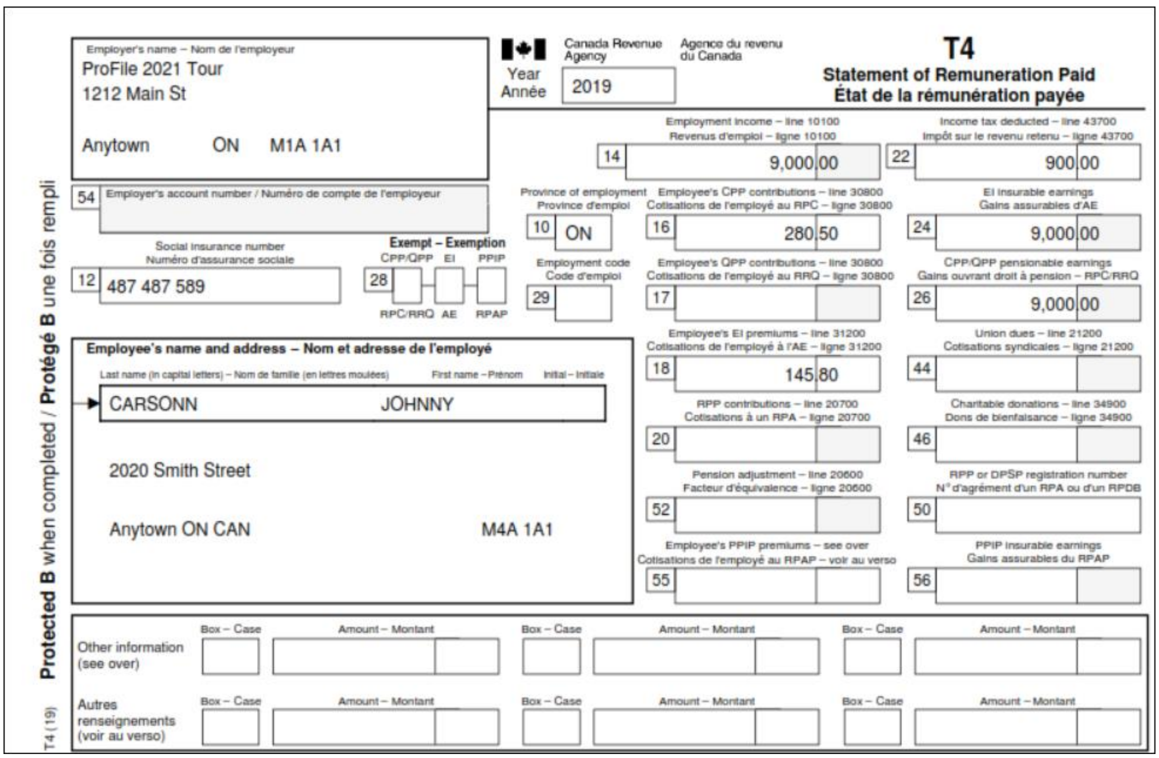
First of all, professional tax preparers rarely, if ever, use the term “tax return.” Most will distinguish a tax return by its type. For example, tax preparers will simply call a personal tax return a “T1.” Likewise, a corporate tax return is a “T2,” and a trust return, a “T3.”

In this section, we will explore the differences between a manually prepared T1 and one prepared in ProFile.

Paper versus ProFile

Chapter 1 illustrated a page of a hand-written T1. Let’s explore how you would manually prepare a full T1 tax return using CRA’s downloaded forms and schedules.

- Assume that Johnny Carsonn was a student during the tax year and that he also worked part-time. Here is the T4 slip—statement of remuneration—that Johnny received from his employer:



- Because Johnny was a full-time university student, he also received the following tuition slip

Canada Revenue Agency / Agence du revenu du Canada

Protected B / Protégé B
when completed / une fois rempli

For student / Pour étudiant

T2202 Tuition and Enrolment Certificate
Certificat pour frais de scolarité et d'inscription

Year / Année: 2 0 1 9

Name and address of designated educational institution
Nom et adresse de l'établissement d'enseignement

ProFile 2021 Tour
1212 Main St

Anytown ON M1A1A1

11 School type / Catégorie d'école

12 Flying school or club / École ou club de pilotage

14 Student number / Numéro d'étudiant: 10101010

15 Filer Account Number / Numéro de compte du déclarant

13 Name of program or course / Nom du programme ou du cours: Computer Science

Student Name / Nom de l'étudiant: JOHNNY CARSONN

Student address / Adresse de l'étudiant
2020 Smith St

Anytown ON
M4A 1A1 CAN

17 Social insurance number (SIN) / Numéro d'assurance sociale (NAS): 4 8 7 4 8 7 5 8 9

Session periods/ Périodes d'études	19 From YY/MM De AA/MM	20 To YY/MM À AA/MM	21 Number of months part-time/ Nombre de mois à temps partiel	22 Number of months full-time/ Nombre de mois à temps plein	23 Eligible tuition fees, part-time and full-time/ Frais de scolarité admissibles pour études à temps partiel et à temps plein
1	2019 01	2019 12		08	7616
2					0
3					0
4					0
Totals / Totaux			24	25 08	26 7616

Information for students: See the back of Certificate 1. If you want to transfer all or part of your tuition amount, complete the back of Certificate 2

Renseignements pour les étudiants : Lisez le verso du certificat 1. Si vous désirez transférer une partie ou la totalité de vos frais de scolarité, remplissez le verso du certificat 2.

See the privacy notice on the next page.
Consultez l'avis de confidentialité à la page suivante.

T2202 (20)

2

Canada

To manually prepare a T1, first obtain a copy of CRA's *T1 General, Income Tax and Benefit Return.* You can download a fillable PDF from CRA's website, or a hard copy from any Canada Post outlet.

- Start with Page 1 of the tax return (the T1 Jacket) and begin entering personal information such as name, address and other personal details

Canada Revenue Agency / Agence du revenu du Canada

Clear Data

Protected B when completed

Income Tax and Benefit Return 2019

Before you start:
If you are filling out this return for a **deceased person**, make sure you enter **their information** in all the boxes in Step 1.

Step 1 – Identification and other information

ON 8

Identification

Print your name and address below.

First name and initial: Johnny

Last name: Carsonn

Mailing address: Apt No. – Street No. Street name: 2020 Smith St

PO Box:

RR:

City: Anytown

Prov./Terr.: ON

Postal code: M4A 1A1

Email address

By providing an email address, you are **registering** to receive email notifications from the CRA and **agree** to the **Terms of use** under Step 1 in the guide.

Enter an email address: jc0101@profile.co

Information about your residence

Enter your province or territory of residence on **December 31, 2019**: Ontario

Enter the province or territory where you **currently** reside if it is not the same as your mailing address above:

If you were self-employed in 2019, enter the province or territory where your business had a permanent establishment:

If you **became** or **ceased** to be a **resident of Canada** for income tax purposes **in 2019**, enter the date of:

entry Month Day or **departure** Month Day

Information about you

Enter your social insurance number (SIN): 487 487 589

Enter your date of birth: Year 2000 Month 01 Day 01

Your language of correspondence: / Votre langue de correspondance : English ☒ Français ☐

Is this return for a deceased person?

Ensure the **SIN** information above is for the deceased person.

If this **return** is for a **deceased person**, enter the date of death: Year Month Day

Marital status

Tick the box that applies to your marital status on December 31, 2019:

1 ☐ Married 2 ☐ Living common-law 3 ☐ Widowed

4 ☐ Divorced 5 ☐ Separated 6 ☒ Single

Information about your spouse or common-law partner (if you ticked box 1 or 2 above)

Enter their SIN:

Enter their first name:

Enter their net income for 2019 to claim certain credits:

Enter the amount of universal child care benefit (UCCB) from line 11700 of their return:

Enter the amount of UCCB repayment from line 21300 of their return:

Tick this box if they were self-employed in 2019: 1 ☐

Do not use this area					

Do not use this area	17200					17100				

5006-R

Page 1

- On Page 3, enter the employment income amount as indicated on the employer's T4

Protected B when completed

Attach only the documents (schedules, information slips, forms, or receipts) **requested** to support any claim or deduction. Keep all other supporting documents.

Step 2 – Total income

As a resident of Canada, you have to report your income from all sources both inside and outside Canada. The Income Tax and Benefit Guide may have additional information for certain lines.

Employment income (box 14 of all T4 slips)			10100	9000.00
Tax-exempt income for emergency services volunteers (See line 10100 in the guide.)	10105			
Commissions included on line 10100 (box 42 of all T4 slips)	10120			
Wage-loss replacement contributions (See line 10100 in the guide.)	10130			
Other employment income			10400 +	
Old age security pension (box 18 of the T4A(OAS) slip)			11300 +	
CPP or QPP benefits (box 20 of the T4A(P) slip)			11400 +	
Disability benefits included on line 11400 (box 16 of the T4A(P) slip)	11410			
Other pensions and superannuation (See line 11500 in the guide and complete line 31400 in the Worksheet for the return.)			11500 +	
Elected split-pension amount (Get and complete Form T1032.)			11600 +	
Universal child care benefit (UCCB) (See the RC62 slip.)			11700 +	
UCCB amount designated to a dependant	11701			
Employment insurance and other benefits (box 14 of the T4E slip)			11900 +	
Employment insurance maternity and parental benefits and provincial parental insurance plan benefits	11905			
Taxable amount of dividends (eligible **and** other than eligible) from taxable Canadian corporations (Complete the Worksheet for the return.)			12000 +	
Taxable amount of dividends other than eligible dividends, included on line 12000, from taxable Canadian corporations	12010			
Interest and other investment income (Complete the Worksheet for the return.)			12100 +	
Net partnership income: limited or non-active partners only			12200 +	
Registered disability savings plan income (box 131 of the T4A slip)			12500 +	
Rental income	Gross 12599		Net 12600 +	
Taxable capital gains (Complete Schedule 3.)			12700 +	
Support payments received	Total 12799		Taxable amount 12800 +	
RRSP income (from all T4RSP slips)			12900 +	
Other income	Specify:		13000 +	
Taxable scholarship, fellowships, bursaries, and artists' project grants			13010 +	
Self-employment income				
Business income	Gross 13499		Net 13500 +	
Professional income	Gross 13699		Net 13700 +	
Commission income	Gross 13899		Net 13900 +	
Farming income	Gross 14099		Net 14100 +	
Fishing income	Gross 14299		Net 14300 +	
Workers' compensation benefits (box 10 of the T5007 slip)	14400			
Social assistance payments	14500 +			
Net federal supplements (box 21 of the T4A(OAS) slip)	14600 +			
Add lines 14400, 14500, and 14600. (See line 25000 in Step 4.)	=		►14700 +	
Add lines 10100, 10400 to 11400, 11500 to 11700, 11900, 12000, 12100 to 12500, 12600, 12700, 12800, 12900 to 13010, 13500, 13700, 13900, 14100, 14300, and 14700.		This is your **total income**.	15000 =	9000.00

5006-R

Page 3

- Find Schedule 11 and use the T2202 issued by the learning institution to calculate the eligible tuition credit. In this example, because of insufficient income, no tuition credits are applied.

Protected B when completed

T1-2019 **Federal Tuition, Education, and Textbook Amounts** **Schedule 11**

Only the student must complete this schedule and attach it to their return. If the student is transferring an amount to another person, the other person should not attach this schedule to their return.

If you are a student, complete this schedule to determine:

- your tuition, education, and textbook amounts
- the tuition amount you can transfer to a designated individual
- the unused amount, if any, you can carry forward to a future year

Use your completed designated forms (T2202, TL11A, and/or TL11C) **or** other official tuition tax receipts to complete this schedule.

For more information, see Guide P105, Students and Income Tax.

Tuition, education, and textbook amounts claimed by the student for 2019

Unused federal tuition, education, and textbook amounts from your 2018 notice of assessment or notice of reassessment				1
Eligible tuition fees paid to Canadian educational institutions for 2019 from the forms noted above or your official tuition tax receipts. To qualify, the fees you paid to attend each institution must be more than $100. Also complete the **2019 enrolment information** below.		32000 +	7616	2
Eligible tuition fees paid to foreign educational institutions for 2019 from the forms noted above or your official tuition tax receipts. To qualify, the fees you paid to attend each institution must be more than $100. Also complete the **2019 enrolment information** below.		32001 +		3
Add lines 1, 2, and 3. **Total available tuition, education, and textbook amounts for 2019**		=		4
Enter the amount of your taxable income from line 26000 of your return if it is $47,630 or less. Otherwise, complete Part B in Step 5 of your return and enter the result of the following calculation: amount from line 43 in Part C of your return divided by 15%.	8992	5		
Total of lines 1 to 20 in Step 5 of your return	− 13709	6		
Line 5 minus line 6 (if negative, enter "0")	= 0	7		
Unused tuition, education, and textbook amounts you are claiming for 2019. Amount from line 1 or line 7, whichever is less			0	

- You will also need to navigate to Step 5 of the T1 and enter the basic personal amount at line 3000, along with other relevant amounts as calculated in the prior steps

Protected B when completed

Step 5 – Federal tax (formerly Schedule 1)

Part A – Federal non-refundable tax credits

Basic personal amount	**claim $12,069**	**30000**	12069	00	**1**
Age amount (if you were born in 1954 or earlier) (Complete the Worksheet for the return.)	**(maximum $7,494)**	**30100** +			**2**
Spouse or common-law partner amount (Complete Schedule 5.)		**30300** +			**3**
Amount for an eligible dependant (Complete Schedule 5.)		**30400** +			**4**
Canada caregiver amount for spouse or common-law partner, or eligible dependant age 18 or older (Complete Schedule 5.)		**30425** +			**5**
Canada caregiver amount for other infirm dependants age 18 or older (Complete Schedule 5.)		**30450** +			**6**
Canada caregiver amount for infirm children under 18 years of age Enter the number of children for whom you are claiming this amount.	**30499** ___ × $ 2,23 =	**30500** +			**7**
Base CPP or QPP contributions: through employment income (Complete Schedule 8 or get and complete Form RC381, whichever applies.)		**30800** +	272	25	• **8**
on self-employment and other earnings (Complete Schedule 8 or get and complete Form RC381, whichever applies.)		**31000** +			• **9**
Employment insurance premiums: through employment from box 18 and box 55 of all T4 slips	**(maximum $860.22)**	**31200** +	145	80	• **10**
on self-employment and other eligible earnings (Complete Schedule 13.)		**31217** +			• **11**
Volunteer firefighters' amount		**31220** +			**12**
Search and rescue volunteers' amount		**31240** +			**13**
Canada employment amount (Enter $1,222 or the total of your employment income you reported on lines 10100 and 10400, **whichever is less**.)		**31260** +	1222	00	**14**
Home buyers' amount		**31270** +			**15**
Home accessibility expenses (Complete the Worksheet for the return.)	**(maximum $10,000)**	**31285** +			**16**
Adoption expenses		**31300** +			**17**
Pension income amount (Complete the Worksheet for the return.)	**(maximum $2,000)**	**31400** +			**18**
Disability amount (for self) (Claim $8,416 or if you were under 18 years of age, complete the Worksheet for the return.)		**31600** +			**19**
Disability amount transferred from a dependant (Complete the Worksheet for the return.)		**31800** +			**20**
Interest paid on your student loans (See Guide P105.)		**31900** +			**21**
Your tuition, education, and textbook amounts (Complete Schedule 11.)		**32300** +			**22**
Tuition amount transferred from a child		**32400** +			

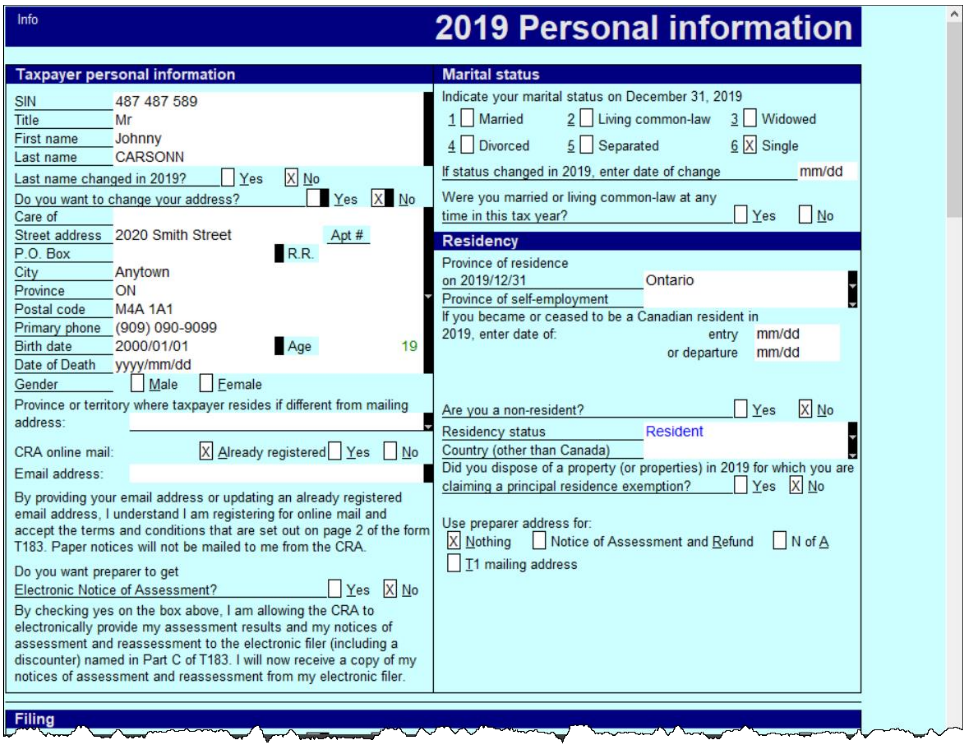
Paper Observations

As the example above illustrates, manually preparing a T1 is a protracted and complex affair. The need for complicated calculations, the risk of omitting a schedule or form, or of not transferring the proper amounts to the right forms, all mean that the probability of errors and omissions is quite high.

Once again, in ProFile

Let's now explore the same T1as entered in Profile:

- Launch ProFile and go to *File > New > 2019 T1*
- After ProFile opens the *Info* page, enter the individual's name, social insurance number, date of birth and other relevant information
- The Info page should look like this



Info

2019 Personal information

Taxpayer personal information

SIN	487 487 589
Title	Mr
First name	Johnny
Last name	CARSONN
Last name changed in 2019?	Yes [X] No
Do you want to change your address?	Yes [X] No
Care of	
Street address	2020 Smith Street Apt #
P.O. Box	R.R.
City	Anytown
Province	ON
Postal code	M4A 1A1
Primary phone	(909) 090-9099
Birth date	2000/01/01 Age 19
Date of Death	yyyy/mm/dd
Gender	Male Female

Province or territory where taxpayer resides if different from mailing address:

CRA online mail: [X] Already registered Yes 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.

Marital status

Indicate your marital status on December 31, 2019

1 Married 2 Living common-law 3 Widowed

4 Divorced 5 Separated 6 [X] Single

If status changed in 2019, 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 2019/12/31: Ontario

Province of self-employment

If you became or ceased to be a Canadian resident in 2019, 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 2019 for which you are claiming a principal residence exemption? Yes [X] No

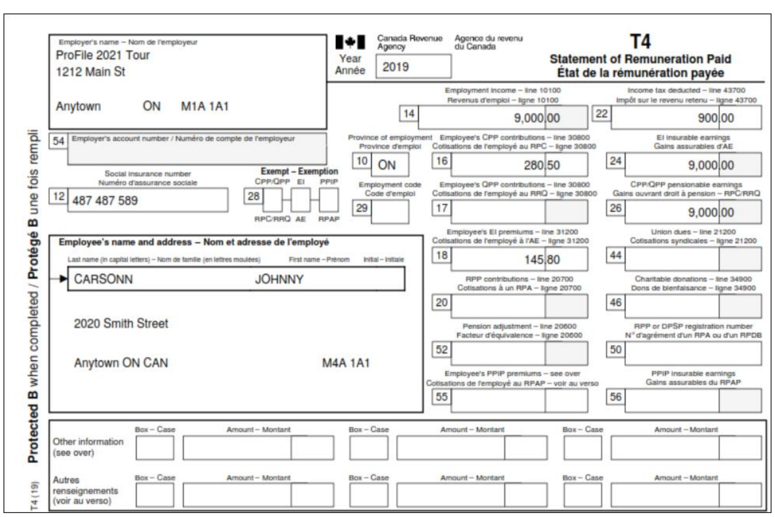
Use preparer address for:

[X] Nothing Notice of Assessment and Refund N of A

T1 mailing address

Filing

- Once again, here is Johnny's T4 slip



Employer's name – Nom de l'employeur
ProFile 2021 Tour
1212 Main St
Anytown ON M1A 1A1

Canada Revenue Agency / Agence du revenu du Canada

Year / Année 2019

T4
Statement of Remuneration Paid
État de la rémunération payée

Box	Description	Amount
14	Employment income – line 10100 / Revenus d'emploi – ligne 10100	9,000 00
22	Income tax deducted – line 43700 / Impôt sur le revenu retenu – ligne 43700	900 00
10	Province of employment / Province d'emploi	ON
16	Employee's CPP contributions – line 30800 / Cotisations de l'employé au RPC – ligne 30800	280 50
24	EI insurable earnings / Gains assurables d'AE	9,000 00
17	Employee's QPP contributions – line 30800 / Cotisations de l'employé au RRQ – ligne 30800	
26	CPP/QPP pensionable earnings / Gains ouvrant droit à pension – RPC/RRQ	9,000 00
18	Employee's EI premiums – line 31200 / Cotisations de l'employé à l'AE – ligne 31200	145 80
44	Union dues – line 21200 / Cotisations syndicales – ligne 21200	
20	RPP contributions – line 20700 / Cotisations à un RPA – ligne 20700	
46	Charitable donations – line 34900 / Dons de bienfaisance – ligne 34900	
52	Pension adjustment – line 20600 / Facteur d'équivalence – ligne 20600	
50	RPP or DPSP registration number / N° d'agrément d'un RPA ou d'un RPDB	
55	Employee's PPIP premiums – see over / Cotisations de l'employé au RPAP – voir au verso	
56	PPIP insurable earnings / Gains assurables du RPAP	

54 Employer's account number / Numéro de compte de l'employeur

12 Social insurance number / Numéro d'assurance sociale: 487 487 589

28 Exempt – Exemption: CPP/QPP EI PPIP

29 Employment code / Code d'emploi

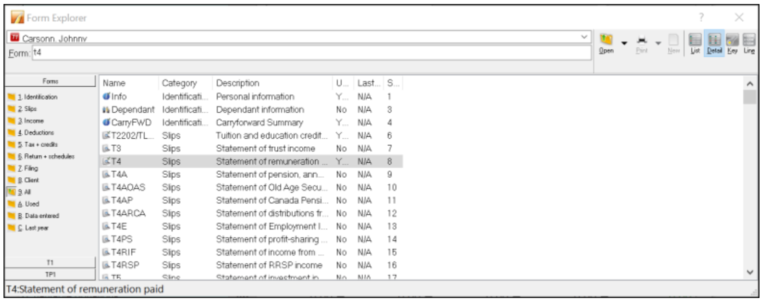
Employee's name and address – Nom et adresse de l'employé
Last name: CARSONN First name: JOHNNY
2020 Smith Street
Anytown ON CAN M4A 1A1

Other information (see over) / Autres renseignements (voir au verso): Box – Case, Amount – Montant

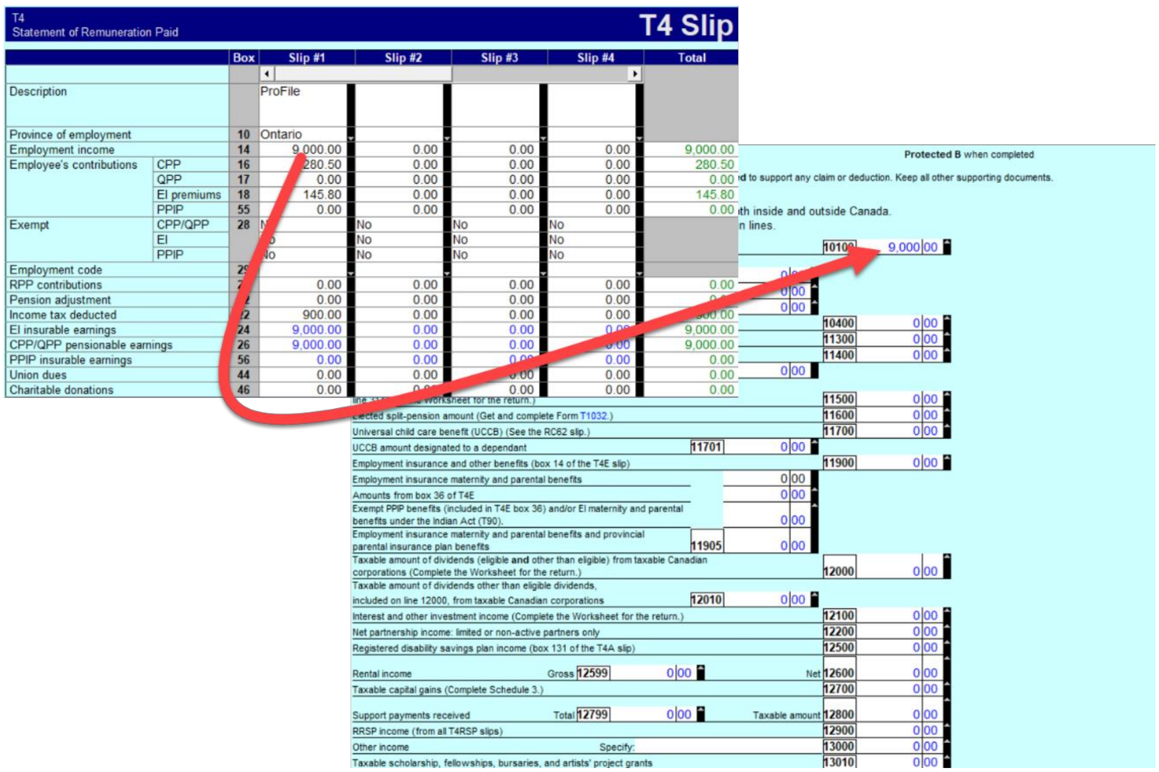
Protected B when completed / Protégé B une fois rempli

T4 (19)

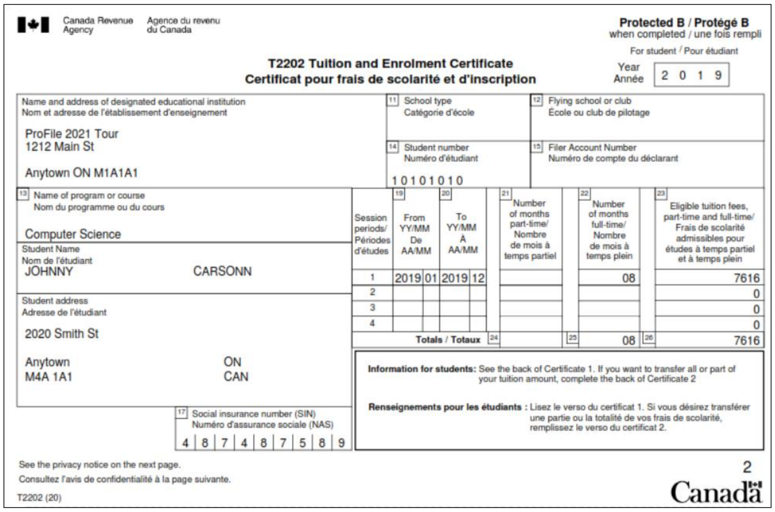
- To record the T4 slip in ProFile, press the *F4* key to open Form Explorer and then, in the Search field, type T4. Double-click on T4 in the right pane of the Form Explorer window, and ProFile will open that form



- Enter the amounts as they appear on the T4 Slip
- ProFile will transfer the T4 amounts to the corresponding line on the T1 return itself (the T1 Jacket)



- Here, again, is Johnny's tuition slip



Canada Revenue Agency / Agence du revenu du Canada

Protected B / Protégé B when completed / une fois rempli

For student / Pour étudiant

T2202 Tuition and Enrolment Certificate
Certificat pour frais de scolarité et d'inscription

Year / Année: 2 0 1 9

Name and address of designated educational institution / Nom et adresse de l'établissement d'enseignement
ProFile 2021 Tour
1212 Main St
Anytown ON M1A1A1

11 School type / Catégorie d'école
12 Flying school or club / École ou club de pilotage
14 Student number / Numéro d'étudiant: 10101010
15 Filer Account Number / Numéro de compte du déclarant

13 Name of program or course / Nom du programme ou du cours: Computer Science

Student Name / Nom de l'étudiant: JOHNNY CARSONN

Student address / Adresse de l'étudiant:
2020 Smith St
Anytown ON
M4A 1A1 CAN

17 Social insurance number (SIN) / Numéro d'assurance sociale (NAS): 4 8 7 4 8 7 5 8 9

Session periods / Périodes d'études	19 From YY/MM / De AA/MM	20 To YY/MM / À AA/MM	21 Number of months part-time / Nombre de mois à temps partiel	22 Number of months full-time / Nombre de mois à temps plein	23 Eligible tuition fees, part-time and full-time / Frais de scolarité admissibles pour études à temps partiel et à temps plein
1	2019 01	2019 12		08	7616
2					0
3					0
4					0
Totals / Totaux			24	25 08	26 7616

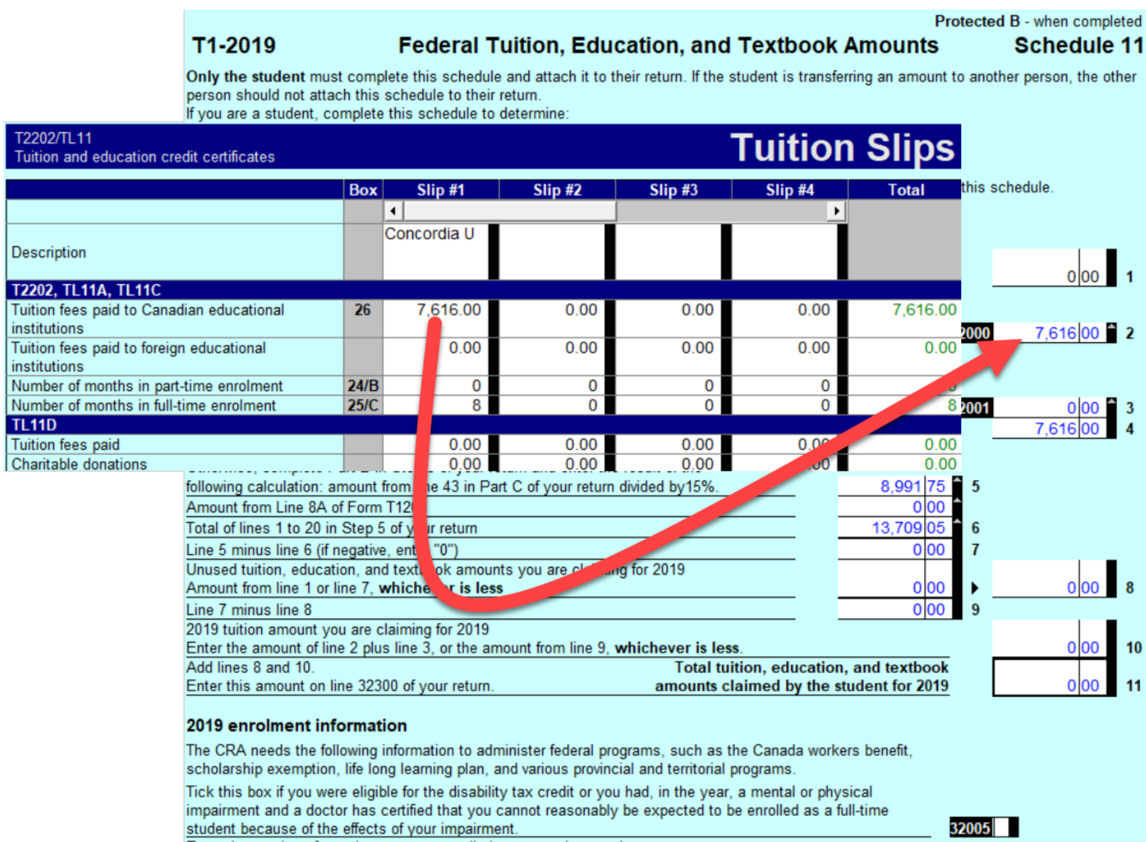
Information for students: See the back of Certificate 1. If you want to transfer all or part of your tuition amount, complete the back of Certificate 2

Renseignements pour les étudiants : Lisez le verso du certificat 1. Si vous désirez transférer une partie ou la totalité de vos frais de scolarité, remplissez le verso du certificat 2.

See the privacy notice on the next page.
Consultez l'avis de confidentialité à la page suivante.

T2202 (20) 2 Canada

- Use Form Explorer to find and open the T2202 tuition form. Record the slip information on that form
- ProFile will transfer those amounts to the Schedule 11. As in the earlier paper-filed ProFile applies no tuition credit on the Schedule 11.



Protected B - when completed

T1-2019 Federal Tuition, Education, and Textbook Amounts Schedule 11

Only the student must complete this schedule and attach it to their return. If the student is transferring an amount to another person, the other person should not attach this schedule to their return.
If you are a student, complete this schedule to determine:

T2202/TL11
Tuition and education credit certificates **Tuition Slips**

	Box	Slip #1	Slip #2	Slip #3	Slip #4	Total
Description		Concordia U				
T2202, TL11A, TL11C						
Tuition fees paid to Canadian educational institutions	26	7,616.00	0.00	0.00	0.00	7,616.00
Tuition fees paid to foreign educational institutions		0.00	0.00	0.00	0.00	0.00
Number of months in part-time enrolment	24/B	0	0	0	0	
Number of months in full-time enrolment	25/C	8	0	0	0	8
TL11D						
Tuition fees paid		0.00	0.00	0.00	0.00	0.00
Charitable donations		0.00	0.00	0.00	0.00	0.00

this schedule.

			0 00	1
	32000		7,616 00	2
	32001		0 00	3
			7,616 00	4
following calculation: amount from line 43 in Part C of your return divided by 15%.		8,991 75		5
Amount from Line 8A of Form T12		0 00		
Total of lines 1 to 20 in Step 5 of your return		13,709 05		6
Line 5 minus line 6 (if negative, enter "0")		0 00		7
Unused tuition, education, and textbook amounts you are claiming for 2019 Amount from line 1 or line 7, **whichever is less**		0 00	0 00	8
Line 7 minus line 8		0 00		9
2019 tuition amount you are claiming for 2019 Enter the amount of line 2 plus line 3, or the amount from line 9, **whichever is less**.			0 00	10
Add lines 8 and 10. Enter this amount on line 32300 of your return. **Total tuition, education, and textbook amounts claimed by the student for 2019**			0 00	11

2019 enrolment information

The CRA needs the following information to administer federal programs, such as the Canada workers benefit, scholarship exemption, life long learning plan, and various provincial and territorial programs.

Tick this box if you were eligible for the disability tax credit or you had, in the year, a mental or physical impairment and a doctor has certified that you cannot reasonably be expected to be enrolled as a full-time student because of the effects of your impairment. 32005

- At Step 5 of the T1 Jacket itself, ProFile automatically inserts all relevant amounts

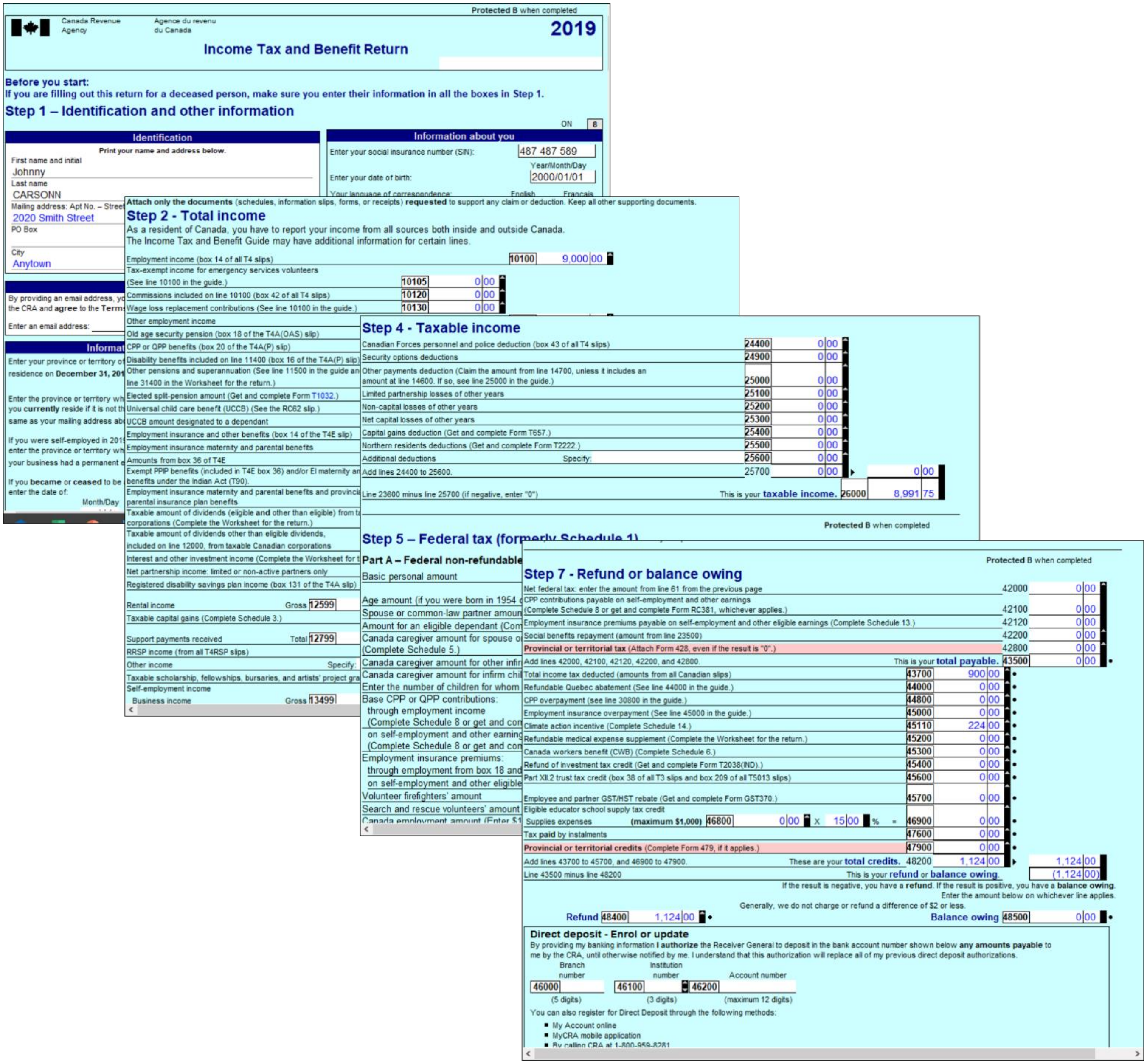
Protected B when completed

Step 5 – Federal tax (formerly Schedule 1)

Part A – Federal non-refundable tax credits

Basic personal amount **claim $12,069**	30000	12,069 00	1
Age amount (if you were born in 1954 or earlier) (Complete the Worksheet for the return.) **(maximum $7,494)**	30100	0 00	2
Spouse or common-law partner amount (Complete Schedule 5.)	30300	0 00	3
Amount for an eligible dependant (Complete Schedule 5.)	30400	0 00	4
Canada caregiver amount for spouse or common-law partner, or eligible dependant age 18 or older (Complete Schedule 5.)	30425	0 00	5
Canada caregiver amount for other infirm dependants age 18 or older (Complete Schedule 5.)	30450	0 00	6
Canada caregiver amount for infirm children under 18 years of age Enter the number of children for whom you are claiming this amount 30499 0 x $ 2,230 =	30500	0 00	7
Base CPP or QPP contributions: through employment income (Complete Schedule 8 or get and complete Form RC381, whichever applies.)	30800	272 25	• 8
on self-employment and other earnings (Complete Schedule 8 or get and complete Form RC381, whichever applies.)	31000	0 00	• 9
Employment insurance premiums: through employment from box 18 and box 55 of all T4 slips **(maximum $860.22)**	31200	145 80	• 10
on self-employment and other eligible earnings (Complete Schedule 13)	31217	0 00	• 11
Volunteer firefighters' amount	31220	0 00	12
Search and rescue volunteers' amount	31240	0 00	13
Canada employment amount (Enter $1,222 or the total of your employment income you reported on lines 10100 and 10400, **whichever is less**.)	31260	1,222 00	14
Home buyers' amount	31270	0 00	15
Home accessibility expenses (Complete the Worksheet for the return.) **(maximum $10,000)**	31285	0 00	16
Adoption expenses	31300	0 00	17
Pension income amount (Complete the Worksheet for the return.) **(maximum $2,000)**	31400	0 00	18
Disability amount (for self) (Claim $8,416 or if you were under 18 years of age, complete the Worksheet for the return.)	31600	0 00	19
Disability amount transferred from a dependant (Complete the Worksheet for the return.)	31800	0 00	20
Interest paid on your student loans (See Guide P105.)	31900	0 00	21
Your tuition, education, and textbook amounts (Complete Schedule 11)	32300	0 00	22
Tuition amount transferred from a child	32400	0 00	23
Amounts transferred from your spouse or common-law partner (Complete Schedule 2)	32600	0 00	24
Medical expenses for **self, spouse or common-law partner, and your dependent children born in 2002 or later**	33099	0 00	25
Enter $2,352 or 3% of line 23600 , **whichever is less**.		269 75	26
Line 25 minus line 26 (if negative, enter "0")		0 00	27

- Here is snapshot of Johnny's tax return
- Note that the last page of the tax return indicates that Johnny is receiving a refund of $1,124.00



Conclusion

ProFile provides guided tax preparation that requires you to simply enter information on the required forms and slip (in the above example, T4 and T2202) and ProFile then completes the T1 based on those entries.

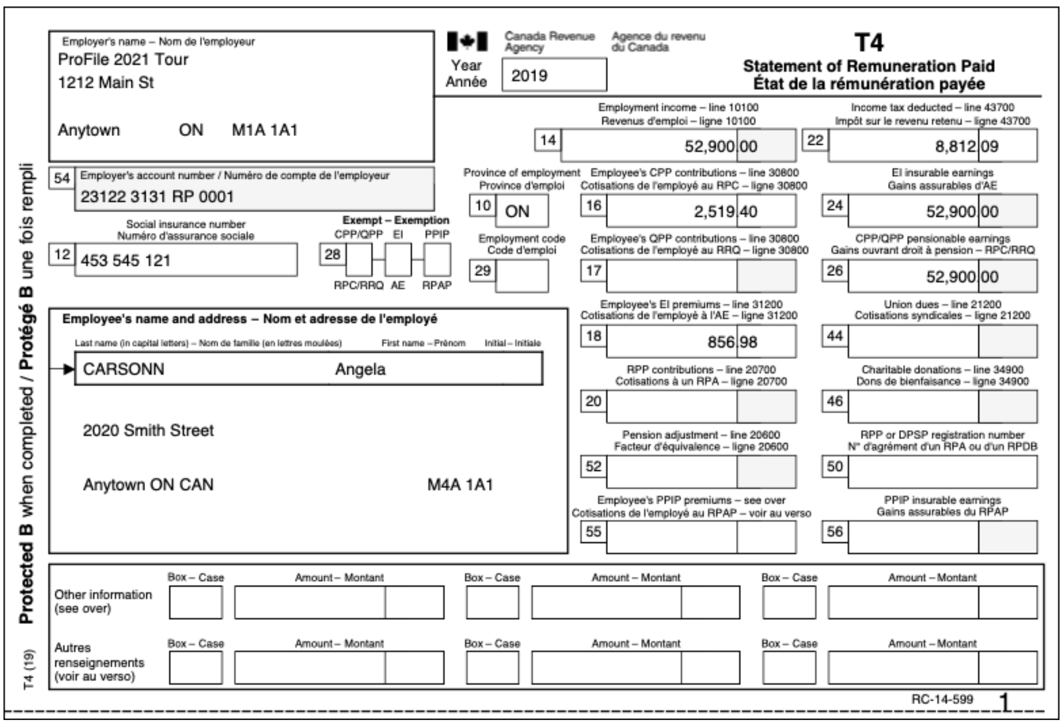
Contrast that with the same hand-written example, and the benefits gained by using tax-preparation software are immediately evident.

A TAX PRACTITIONER APPROACH

Preparing a T1 for a Married Couple

This section explores how a tax preparer works with a client T1. In this example, a married couple, Angela Carsonn and Martin St-Pierre, have asked you to file their T1 returns. So that you can proceed, they provide you with the following slips:

- T4 slips that itemize each spouse's employment earnings


Employer's name – Nom de l'employeur
ProFile 2021 Tour
1212 Main St
Anytown ON M1A 1A1

Canada Revenue Agency / Agence du revenu du Canada

Year / Année: 2019

T4
Statement of Remuneration Paid
État de la rémunération payée

Box	Description	Amount
54	Employer's account number / Numéro de compte de l'employeur	23122 3131 RP 0001
12	Social insurance number / Numéro d'assurance sociale	453 545 121
28	Exempt – Exemption: CPP/QPP, EI, PPIP / RPC/RRQ, AE, RPAP	
10	Province of employment / Province d'emploi	ON
29	Employment code / Code d'emploi	
14	Employment income – line 10100 / Revenus d'emploi – ligne 10100	52,900.00
22	Income tax deducted – line 43700 / Impôt sur le revenu retenu – ligne 43700	8,812.09
16	Employee's CPP contributions – line 30800 / Cotisations de l'employé au RPC – ligne 30800	2,519.40
24	EI insurable earnings / Gains assurables d'AE	52,900.00
17	Employee's QPP contributions – line 30800 / Cotisations de l'employé au RRQ – ligne 30800	
26	CPP/QPP pensionable earnings / Gains ouvrant droit à pension – RPC/RRQ	52,900.00
18	Employee's EI premiums – line 31200 / Cotisations de l'employé à l'AE – ligne 31200	856.98
44	Union dues – line 21200 / Cotisations syndicales – ligne 21200	
20	RPP contributions – line 20700 / Cotisations à un RPA – ligne 20700	
46	Charitable donations – line 34900 / Dons de bienfaisance – ligne 34900	
52	Pension adjustment – line 20600 / Facteur d'équivalence – ligne 20600	
50	RPP or DPSP registration number / N° d'agrément d'un RPA ou d'un RPDB	
55	Employee's PPIP premiums – see over / Cotisations de l'employé au RPAP – voir au verso	
56	PPIP insurable earnings / Gains assurables du RPAP	

Employee's name and address – Nom et adresse de l'employé
Last name (in capital letters) – Nom de famille (en lettres moulées): CARSONN
First name – Prénom: Angela
Initial – Initiale:
2020 Smith Street
Anytown ON CAN M4A 1A1

Other information (see over) / Autres renseignements (voir au verso): Box – Case, Amount – Montant

Protected B when completed / Protégé B une fois rempli

T4 (19)

RC-14-599 1

Employer's name – Nom de l'employeur
ProFile 2021 Tour
1212 Main St

Anytown ON M1A 1A1

Canada Revenue Agency / Agence du revenu du Canada

Year / Année: 2019

T4
Statement of Remuneration Paid
État de la rémunération payée

Box	Description	Amount
54	Employer's account number / Numéro de compte de l'employeur	23122 3131 RP 0001
12	Social insurance number / Numéro d'assurance sociale	245 243 241
28	Exempt – Exemption: CPP/QPP, EI, PPIP / RPC/RRQ, AE, RPAP	
10	Province of employment / Province d'emploi	ON
29	Employment code / Code d'emploi	
14	Employment income – line 10100 / Revenus d'emploi – ligne 10100	52,900.00
22	Income tax deducted – line 43700 / Impôt sur le revenu retenu – ligne 43700	7,999.12
16	Employee's CPP contributions – line 30800 / Cotisations de l'employé au RPC – ligne 30800	2,519.40
24	EI insurable earnings / Gains assurables d'AE	52,900.00
17	Employee's QPP contributions – line 30800 / Cotisations de l'employé au RRQ – ligne 30800	
26	CPP/QPP pensionable earnings / Gains ouvrant droit à pension – RPC/RRQ	52,900.00
18	Employee's EI premiums – line 31200 / Cotisations de l'employé à l'AE – ligne 31200	856.98
44	Union dues – line 21200 / Cotisations syndicales – ligne 21200	
20	RPP contributions – line 20700 / Cotisations à un RPA – ligne 20700	
46	Charitable donations – line 34900 / Dons de bienfaisance – ligne 34900	
52	Pension adjustment – line 20600 / Facteur d'équivalence – ligne 20600	
50	RPP or DPSP registration number / N° d'agrément d'un RPA ou d'un RPDB	
55	Employee's PPIP premiums – see over / Cotisations de l'employé au RPAP – voir au verso	
56	PPIP insurable earnings / Gains assurables du RPAP	

Employee's name and address – Nom et adresse de l'employé
Last name (in capital letters) – Nom de famille (en lettres moulées) | First name – Prénom | Initial – Initiale
ST-PIERRE Martin

2020 Smith St

Anytown ON CAN M4A 1A1

Other information (see over) / Autres renseignements (voir au verso): Box – Case | Amount – Montant

Protected B when completed / **Protégé B** une fois rempli

T4 (19)

- There is also a charitable donation receipt and a T5 slip issued by a financial institution that lists the amount of investment income earned in the tax year.

Canada Revenue Agency / Agence du revenu du Canada

T5 Statement of Investment Income
État des revenus de placement

Year / Année: 2 0 1 9

Protected B / Protégé B when completed / une fois rempli

Box	Description	Amount
24	Actual amount of eligible dividends / Montant réel des dividendes déterminés	
25	Taxable amount of eligible dividends / Montant imposable des dividendes déterminés	
26	Dividend tax credit for eligible dividends / Crédit d'impôt pour dividendes déterminés	
13	Interest from Canadian sources / Intérêts de source canadienne	2,121.44
18	Capital gains dividends / Dividendes sur gains en capital	
10	Actual amount of dividends other than eligible dividends / Montant réel des dividendes autres que des dividendes déterminés	
11	Taxable amount of dividends other than eligible dividends / Montant imposable des dividendes autres que des dividendes déterminés	
12	Dividend tax credit for dividends other than eligible dividends / Crédit d'impôt pour dividendes autres que des dividendes déterminés	
21	Report Code / Code du feuillet	O
22	Recipient identification number / Numéro d'identification du bénéficiaire	453 545 121
23	Recipient type / Type de bénéficiaire	2

Dividends from Canadian corporations – Dividendes de sociétés canadiennes; Federal credit – Crédit fédéral

Other information (see the back) / Autres renseignements (lisez le verso): Box / Case | Amount / Montant

Recipient's name (last name first) and address – Nom, prénom et adresse du bénéficiaire
CARSONN ANGELA
ST-PIERRE MARTIN
2020 SMITH STREET

ANYTOWN ON CAN M 4 A 1 A 1

Payer's name and address – Nom et adresse du payeur
PROFILE 2021 TOUR
1212 MAIN ST

ANYTOWN ON M1A 1A1

Currency and identification codes / Codes de devise et d'identification: 27 Foreign currency / Devises étrangères; 28 Transit – Succursale; 29 Recipient account / Numéro de compte du bénéficiaire

For information, see the back. Pour obtenir des renseignements, lisez le verso.

See the privacy notice on your return./ Consultez l'avis de confidentialité dans votre déclaration.
T5 (19) 1

Parkinson Canada

316 - 4211 Yonge Street, Toronto, ON M2P 2A9
T: 416-227-9700 | F: 416-227-9600 | www.parkinson.ca
Charitable Business No / No. d'organisme de bienfaisance enregistré : 10809 1786 RR0001

Date Received/Don reçu le:
Date Issued/Reçu émis le: Nov 17, 2019
Place of Issue/Lieu d'émission: Toronto, ON

DUPLICATE RECEIPT
REÇU EN DOUBLE

Receipt No./Numéro du reçu: L100032816

ntant du don: $100.00

Angela Carsonn
1010 Main St
Anytown, ON M5A 1A1

Authorized signature/Signature autorisée

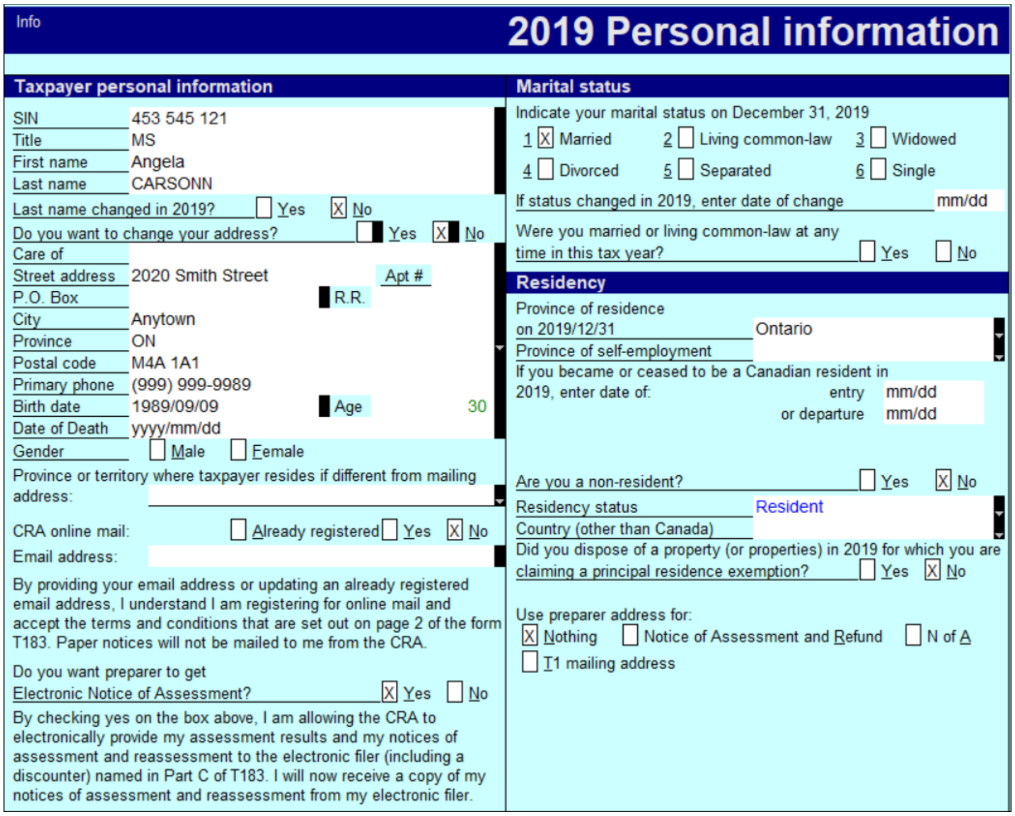
This is an official tax receipt for income tax purposes. / Reçu officiel aux fins de l'impôt.
Canada Revenue Agency: www.cra.gc.ca/charitiesandgiving
Agence du revenu du Canada: www.cra-arc.gc.ca/chrts-gvng/menu-fra.html

With these slips you are ready to proceed.

Authorize a Representative

As a professional tax preparer, you will want all new clients to complete and sign CRA's *Authorize a Representative* form. Think of this form as your T1 Launchpad. With it, you have access to CRA's website where you can obtain your clients' tax information. The information that this form unlocks includes: Notices of Assessments, client data summary, account balances, as well as information slips such as T3, T4, T5 and RRSP slips. Here's how you complete and file the Authorize a Representative form

- Create a new tax return in ProFile and fill out the *Personal Information* page. Here's an excerpt of Angela's information page



Info

2019 Personal information

Taxpayer personal information

SIN	453 545 121
Title	MS
First name	Angela
Last name	CARSONN
Last name changed in 2019?	☐ Yes ☒ No
Do you want to change your address?	☐ Yes ☒ No
Care of	
Street address	2020 Smith Street Apt #
P.O. Box	R.R.
City	Anytown
Province	ON
Postal code	M4A 1A1
Primary phone	(999) 999-9989
Birth date	1989/09/09 Age 30
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 ☒ 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 ☐ 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.

Marital status

Indicate your marital status on December 31, 2019

1 ☒ Married   2 ☐ Living common-law   3 ☐ Widowed
4 ☐ Divorced   5 ☐ Separated   6 ☐ Single

If status changed in 2019, 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 2019/12/31: Ontario

Province of self-employment

If you became or ceased to be a Canadian resident in 2019, enter date of: entry mm/dd, or departure mm/dd

Are you a non-resident? ☐ Yes ☒ No

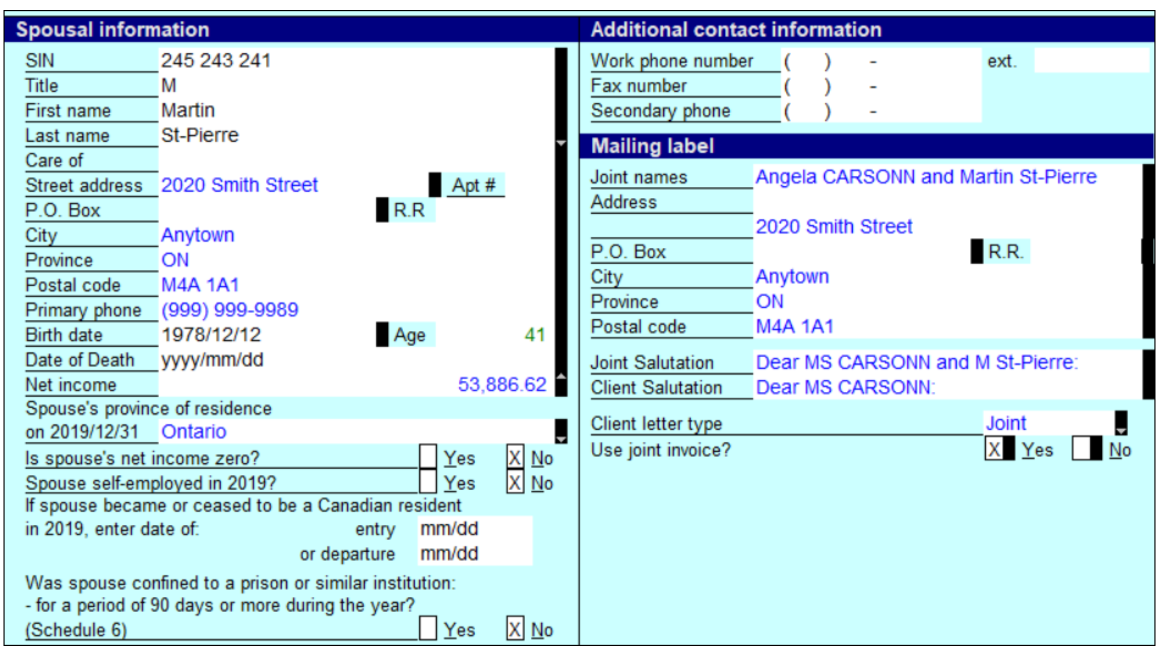
Residency status: Resident

Country (other than Canada)

Did you dispose of a property (or properties) in 2019 for which you are claiming a principal residence exemption? ☐ Yes ☒ No

Use preparer address for:
☒ Nothing ☐ Notice of Assessment and Refund ☐ N of A
☐ T1 mailing address

- To enter Martin's spousal information, scroll to the Spousal information section at the bottom of Angela's *Personal Information* page



Spousal information

SIN	245 243 241
Title	M
First name	Martin
Last name	St-Pierre
Care of	
Street address	2020 Smith Street Apt #
P.O. Box	R.R
City	Anytown
Province	ON
Postal code	M4A 1A1
Primary phone	(999) 999-9989
Birth date	1978/12/12 Age 41
Date of Death	yyyy/mm/dd
Net income	53,886.62

Spouse's province of residence on 2019/12/31: Ontario

Is spouse's net income zero? ☐ Yes ☒ No

Spouse self-employed in 2019? ☐ Yes ☒ No

If spouse became or ceased to be a Canadian resident in 2019, enter date of: entry mm/dd, or departure mm/dd

Was spouse confined to a prison or similar institution:
- for a period of 90 days or more during the year? (Schedule 6) ☐ Yes ☒ No

Additional contact information

Work phone number ( ) - ext.
Fax number ( ) -
Secondary phone ( ) -

Mailing label

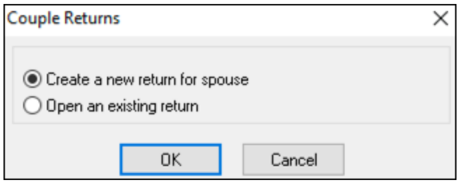
Joint names	Angela CARSONN and Martin St-Pierre
Address	2020 Smith Street
P.O. Box	R.R.
City	Anytown
Province	ON
Postal code	M4A 1A1
Joint Salutation	Dear MS CARSONN and M St-Pierre:
Client Salutation	Dear MS CARSONN:

Client letter type: Joint

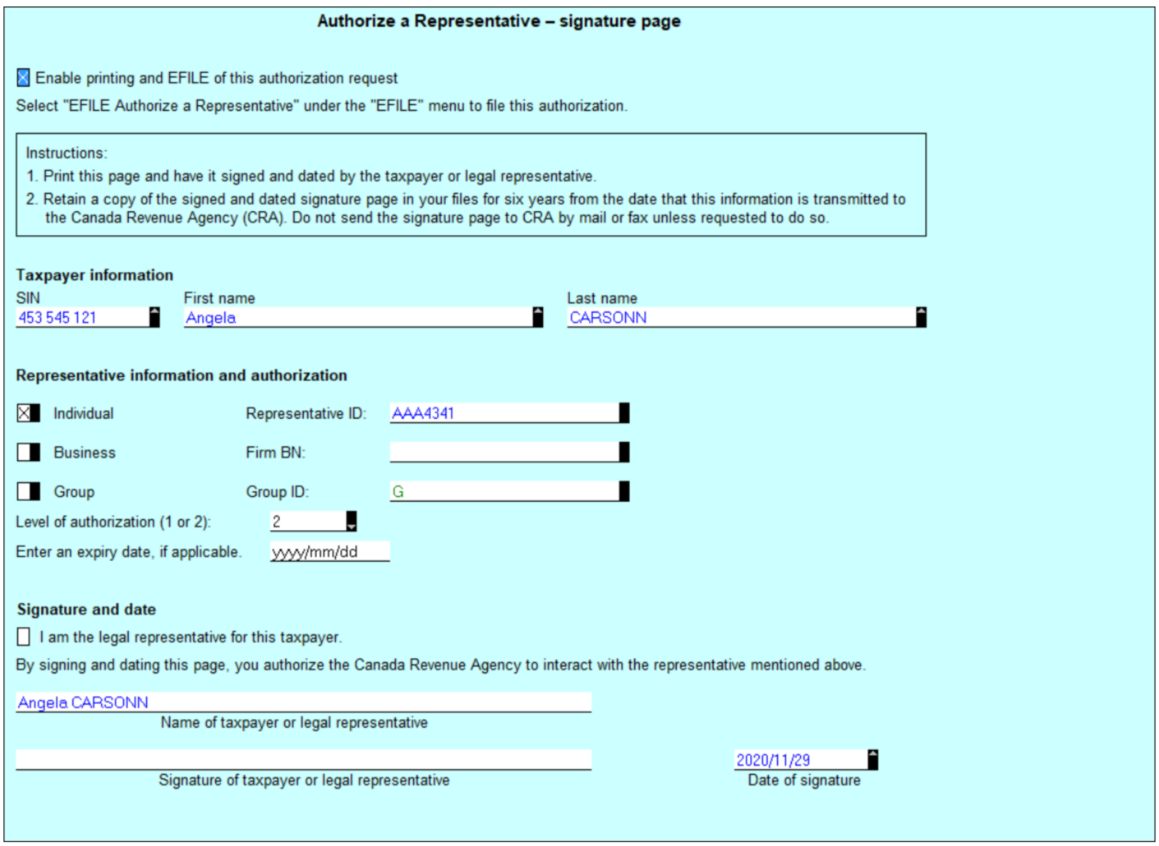
Use joint invoice? ☒ Yes ☐ No

- After entering both spouses' personal information, press F5

- Alternatively, click the toolbar's *Spouse* toggle icon 
- ProFile will ask if you want to open an existing return for the spouse, or create a new one. Because they are new clients, select *Create a new return for spouse*



- Press *F4* to open ProFile's *Form Explorer* and, in the *Search* field, enter *AuthorizeRep*
- Check the box that reads *Enable printing and EFILE of this authorization request* and ensure that the information on the form is accurate
- Submit the form to your client for signature



Authorize a Representative – signature page

☒ Enable printing and EFILE of this authorization request

Select "EFILE Authorize a Representative" under the "EFILE" menu to file this authorization.

Instructions:
1. Print this page and have it signed and dated by the taxpayer or legal representative.
2. Retain a copy of the signed and dated signature page in your files for six years from the date that this information is transmitted to the Canada Revenue Agency (CRA). Do not send the signature page to CRA by mail or fax unless requested to do so.

Taxpayer information

SIN	First name	Last name
453 545 121	Angela	CARSONN

Representative information and authorization

☒ Individual — Representative ID: AAA4341

☐ Business — Firm BN:

☐ Group — Group ID: G

Level of authorization (1 or 2): 2

Enter an expiry date, if applicable. yyyy/mm/dd

Signature and date

☐ I am the legal representative for this taxpayer.

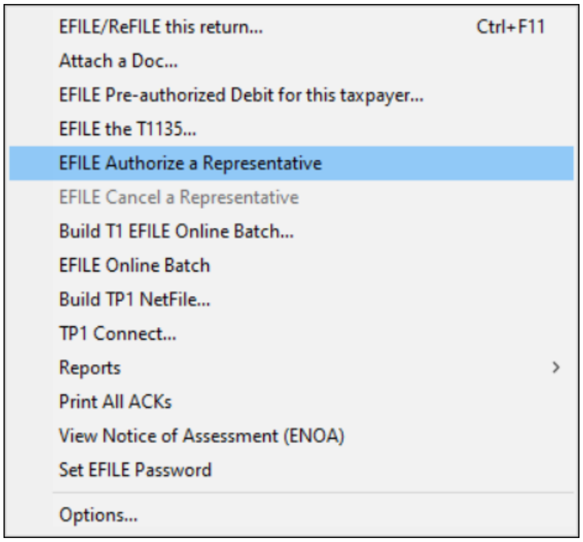
By signing and dating this page, you authorize the Canada Revenue Agency to interact with the representative mentioned above.

Angela CARSONN
Name of taxpayer or legal representative

Signature of taxpayer or legal representative

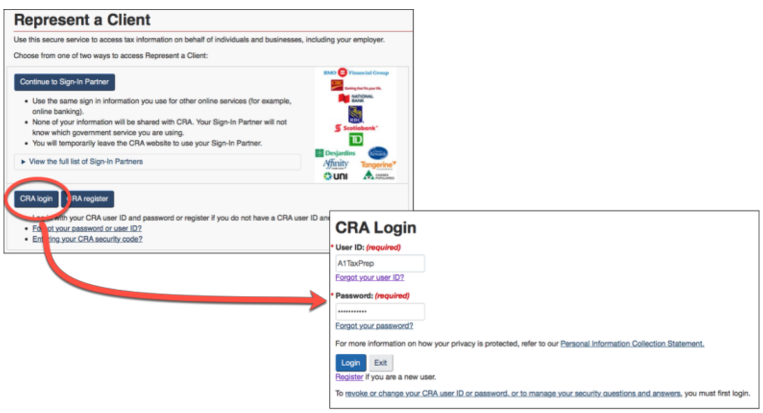
2020/11/29
Date of signature

- It is especially important that your client signs the form before you submit it to CRA. Once signed, click *EFILE > EFILE Authorize a Representative*

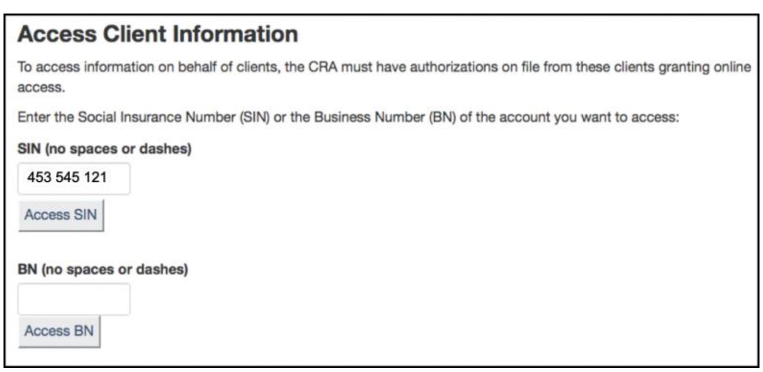


Once CRA authorizes access, log into CRA's *Represent a Client* portal at www.canada.ca and select Tax

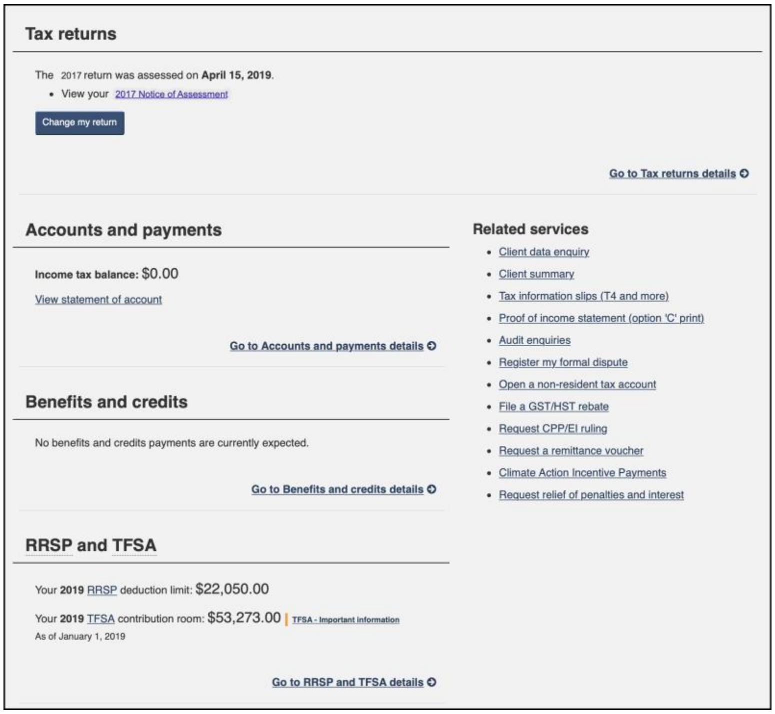
- Choose *CRA login* and enter your CRA *Represent a Client* credentials



- Enter Angela's social insurance number and click *Access SIN*



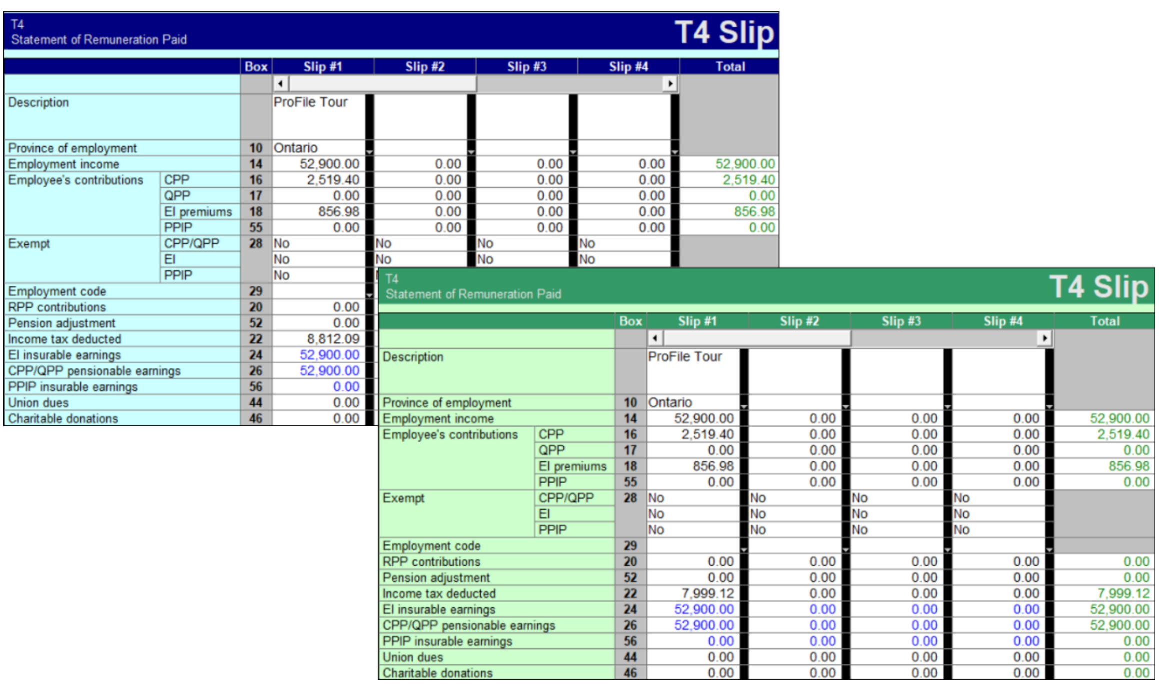
- You are now at Angela's Information page. Note the tax information that CRA makes available includes: prior-year *Notice of Assessment, Statements of Account*, and *RRSP* and *TFSA* balances



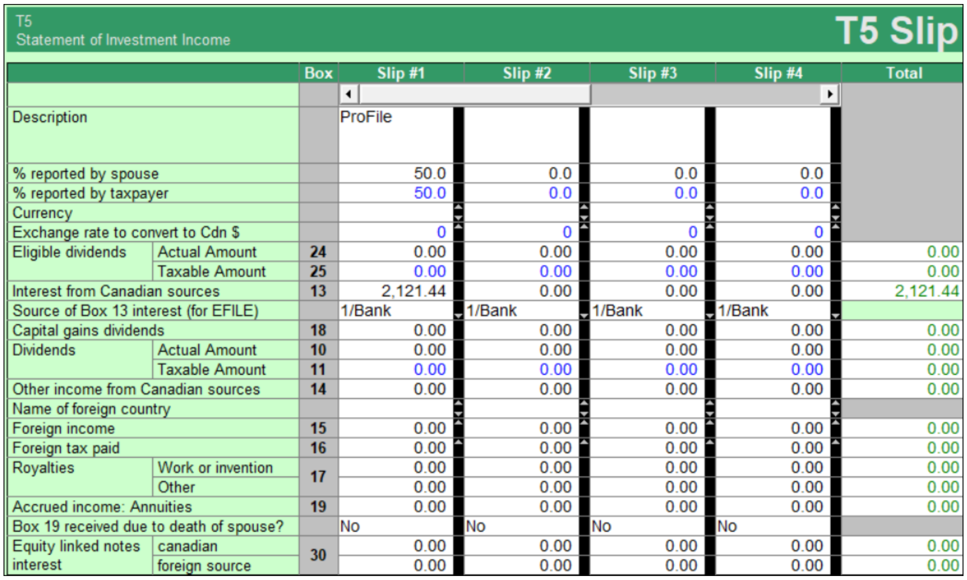
Entering tax data

With the tax returns open in ProFile, use *Form Explorer* to open the required forms and schedules.

- Press *F4* to open *Form Explorer,* and, in the *Search* field, enter *T4.* Record the slip information on Jane's T4 form. Press *F5* to toggle to Martin's return where you can enter his T4 information as well



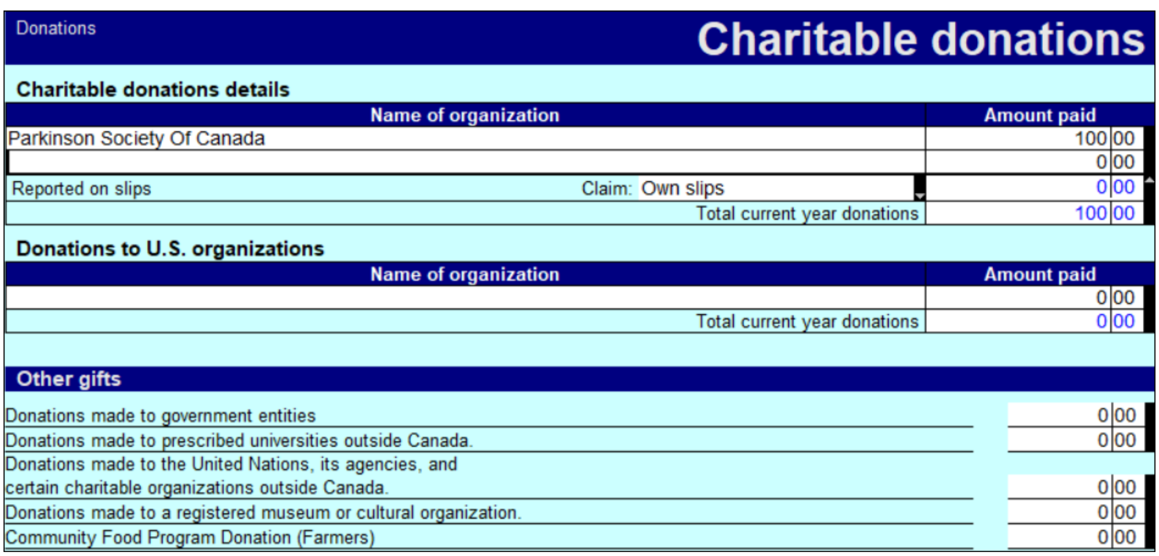
- From Martin's T1, press *F4* to find the T5 form and record that slip's information
- Assuming that each spouse contributed 50% of the invested amount, enter "50" on the line that reads, "*% reported by spouse*"



T5
Statement of Investment Income
T5 Slip

		Box	Slip #1	Slip #2	Slip #3	Slip #4	Total
Description			ProFile				
% reported by spouse			50.0	0.0	0.0	0.0	
% reported by taxpayer			50.0	0.0	0.0	0.0	
Currency							
Exchange rate to convert to Cdn $			0	0	0	0	
Eligible dividends	Actual Amount	24	0.00	0.00	0.00	0.00	0.00
	Taxable Amount	25	0.00	0.00	0.00	0.00	0.00
Interest from Canadian sources		13	2,121.44	0.00	0.00	0.00	2,121.44
Source of Box 13 interest (for EFILE)			1/Bank	1/Bank	1/Bank	1/Bank	
Capital gains dividends		18	0.00	0.00	0.00	0.00	0.00
Dividends	Actual Amount	10	0.00	0.00	0.00	0.00	0.00
	Taxable Amount	11	0.00	0.00	0.00	0.00	0.00
Other income from Canadian sources		14	0.00	0.00	0.00	0.00	0.00
Name of foreign country							
Foreign income		15	0.00	0.00	0.00	0.00	0.00
Foreign tax paid		16	0.00	0.00	0.00	0.00	0.00
Royalties	Work or invention	17	0.00	0.00	0.00	0.00	0.00
	Other		0.00	0.00	0.00	0.00	0.00
Accrued income: Annuities		19	0.00	0.00	0.00	0.00	0.00
Box 19 received due to death of spouse?			No	No	No	No	
Equity linked notes interest	canadian	30	0.00	0.00	0.00	0.00	0.00
	foreign source		0.00	0.00	0.00	0.00	0.00

- Press F5 to return to Angela's return and then use *Form Explorer* to open the *DON* (*Charitable Donations)* form. Record that slip's amount as indicated below



Donations
Charitable donations

Charitable donations details

Name of organization	Amount paid
Parkinson Society Of Canada	100.00
	0.00
Reported on slips — Claim: Own slips	0.00
Total current year donations	100.00

Donations to U.S. organizations

Name of organization	Amount paid
	0.00
Total current year donations	0.00

Other gifts

Donations made to government entities	0.00
Donations made to prescribed universities outside Canada.	0.00
Donations made to the United Nations, its agencies, and certain charitable organizations outside Canada.	0.00
Donations made to a registered museum or cultural organization.	0.00
Community Food Program Donation (Farmers)	0.00

Wrapping things up

Before finalizing things, you'll want to double-check the tax returns. As discussed earlier, ProFile's auditor is a powerful tool that alerts you to any errors or missing information. In addition to the auditor, you will want to refer to the *Slip Summary* form. This form lists, on a single page, the information from every slip used on a T1.

- Press *F4* to open Form Explorer and find Angela's *Slip Summary*. Use it to confirm the T4 amounts

- Press *F5* to toggle to Martin's T1 and consult his *Slip Summary* as well

2019 Slip Summary

NAME: CARSONN, Angela

T4 Slips - Feuillets T4		**1**	**Total**
Description		ProFile Tour	
Province of employment		Ontario	
Employment income	14	52,900.00	52,900.00
CPP contributions	16	2,519.40	2,519.40
EI premiums	18	856.98	856.98
Income tax deducted	22	8,812.09	8,812.09
EI insurable earnings	24	52,900.00	52,900.00
CPP/QPP pensionable earnings	26	52,900.00	52,900.00

2019 Slip Summary

NAME: St-Pierre, Martin

T4 Slips - Feuillets T4		**1**	**Total**
Description		ProFile Tour	
Province of employment		Ontario	
Employment income	14	52,900.00	52,900.00
CPP contributions	16	2,519.40	2,519.40
EI premiums	18	856.98	856.98
Income tax deducted	22	7,999.12	7,999.12
EI insurable earnings	24	52,900.00	52,900.00
CPP/QPP pensionable earnings	26	52,900.00	52,900.00

T5 Slips - Feuillets T5		**1**	**Total**
Description		ProFile	
% reported by spouse		50.0	
% reported by taxpayer		50.0	
Interest from Canadian sources	13	2,121.44	2,121.44

- You can also use ProFile's *Sign-offs* Review Marks to indicate, on each form, that you have verified and confirmed all entered amounts

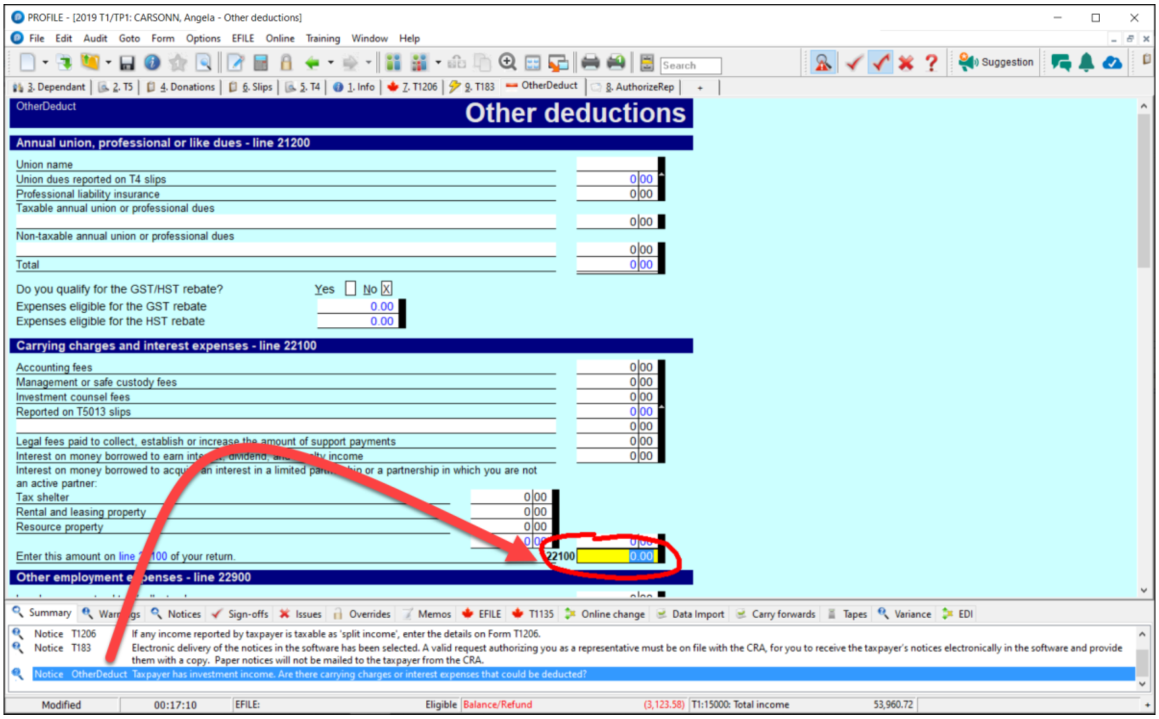
T4
Statement of Remuneration Paid

		Box	Slip #1
Description			ProFile Tour
Province of employment		10	Ontario
Employment income		14	52,900.00
Employee's contributions	CPP	16	2,519.40
	QPP	17	0.00
	EI premiums	18	856.98
	PPIP	55	0.00
Exempt	CPP/QPP	28	No
	EI		No
	PPIP		No
Employment code		29	
RPP contributions		20	0.00
Pension adjustment		52	0.00
Income tax deducted		22	7,999.12
EI insurable earnings		24	52,900.00
CPP/QPP pensionable earnings		26	52,900.00
PPIP insurable earnings		56	0.00
Union dues		44	0.00

Using the auditor

Press F9 to consult ProFile's *Active Auditor.* With the Active Auditor you can:

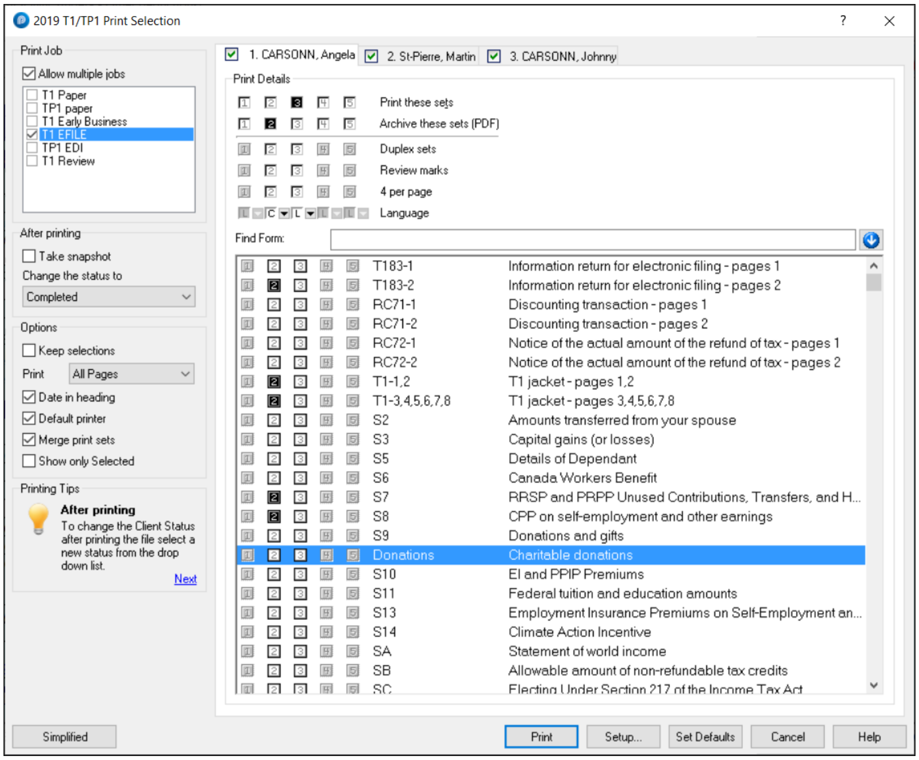
- View the return for errors, omissions, and suggestions
- Double-click an audit message to jump to the related form
- Use a sign-off to clear an audit message



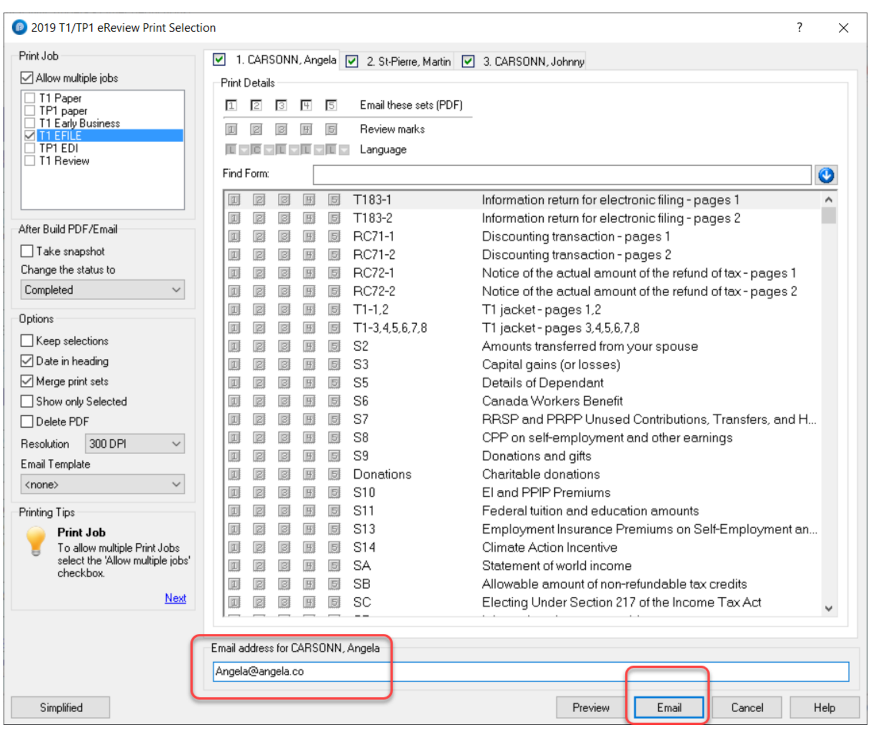
Out the door

You'll need to provide to your clients a copy of their tax returns. You can, of course, print the return or, as is becoming increasing popular, provide a PDF copy. In either case, you will want your clients to sign CRA's T183 which authorizes you to EFILE the T1on their behalf.

- To print the return, click the toolbar's *Print* icon
- ProFile will open the *Print Selection* window—ready to print only those forms that you selected under *Options>Print Selection*

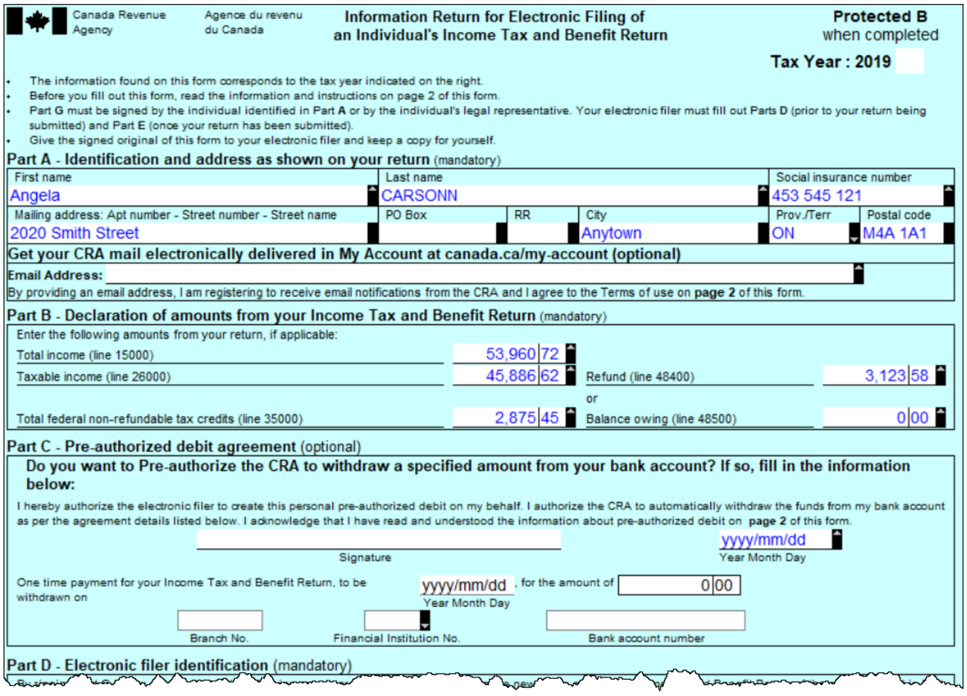


- If you'd rather email a PDF, first enter the client's email address on the *Personal Information* form, then click *Print / Email PDF*
- In the *eReview Print Selection* window, ProFile enters the email address for you
- After confirming the address, click *Email* to send the tax file



EFILE it

The last step is to EFILE the return. EFILE is CRA's electronic-filing portal that all professional tax preparers are required to use. Remember that before you can EFILE a tax return, your client will need to sign CRA's T183.


Canada Revenue Agency | Agence du revenu du Canada

Information Return for Electronic Filing of an Individual's Income Tax and Benefit Return

Protected B when completed

Tax Year : 2019

- The information found on this form corresponds to the tax year indicated on the right.
- Before you fill out this form, read the information and instructions on page 2 of this form.
- Part G must be signed by the individual identified in Part **A** or by the individual's legal representative. Your electronic filer must fill out Parts D (prior to your return being submitted) and Part E (once your return has been submitted).
- Give the signed original of this form to your electronic filer and keep a copy for yourself.

Part A - Identification and address as shown on your return (mandatory)

First name	Last name	Social insurance number
Angela	CARSONN	453 545 121

Mailing address: Apt number - Street number - Street name	PO Box	RR	City	Prov./Terr	Postal code
2020 Smith Street			Anytown	ON	M4A 1A1

Get your CRA mail electronically delivered in My Account at canada.ca/my-account (optional)

Email Address:

By providing an email address, I am registering to receive email notifications from the CRA and I agree to the Terms of use on **page 2** of this form.

Part B - Declaration of amounts from your Income Tax and Benefit Return (mandatory)

Enter the following amounts from your return, if applicable:

Total income (line 15000)	53,960.72		
Taxable income (line 26000)	45,886.62	Refund (line 48400)	3,123.58
		or	
Total federal non-refundable tax credits (line 35000)	2,875.45	Balance owing (line 48500)	0.00

Part C - Pre-authorized debit agreement (optional)

Do you want to Pre-authorize the CRA to withdraw a specified amount from your bank account? If so, fill in the information below:

I hereby authorize the electronic filer to create this personal pre-authorized debit on my behalf. I authorize the CRA to automatically withdraw the funds from my bank account as per the agreement details listed below. I acknowledge that I have read and understood the information about pre-authorized debit on **page 2** of this form.

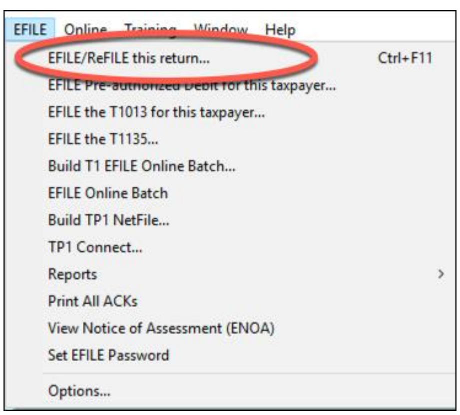
Signature — yyyy/mm/dd Year Month Day

One time payment for your Income Tax and Benefit Return, to be withdrawn on yyyy/mm/dd (Year Month Day), for the amount of 0.00

Branch No. — Financial Institution No. — Bank account number

Part D - Electronic filer identification (mandatory)

- To EFILE the T1 return, just click the *EFILE* menu and select *EFILE/ReFILE* this return



And that's it. Job done!

Chapter 4 Quiz

Question 1: Tax preparers use the term "T1" to describe:

A. The form an employer sends to an employee at year-end
B. A statement that a bank sends to investors
C. A corporate tax return
D. A personal tax return

Correct answer is D

Question 2: True or False: You record all income and deductions directly onto ProFile's T1 jacket

Correct answer is False

Question 3: ProFile's *Info* page is used to:

A. Enter all amounts earned during the year
B. Enter the names of employers, banks and investments houses
C. Indicate which forms and schedules you want to use on a T1
D. Enter the name, address and other personal information

Correct answer is D

Question 4: True or False: Each type of income (T4, T5, etc.) is recorded on a dedicated form or Schedule in ProFile

Correct answer is True

Question 5: True or False: The T2202 Form is used to enter tuition amounts paid to a learning institution

Correct answer is True

Question 6: A signed T1013 form is used to:

A. Get a client's sign-off on a completed T1
B. Record deductions and credits
C. Ensure that there are no CRA omissions
D. Access CRA's website and obtain a client's tax information

Correct answer is D

Question 7: True or False: There is an icon on ProFile's toolbar to toggle between spouses' T1s

Correct answer is True

Question 8: True or False: You use the Slip Summary form to verify the amounts from all slips

Correct answer is True

Question 9: A signed T183 is used to:

A. Record the amount of tax deducted on a T4 slip
B. Get a client's authorization to EFILE a T1
C. Change an error on a filed T1
D. All the above

Correct answer is B

Question 10: True or False: ProFile cannot EFILE a T1. You can only do so from CRA's website

Correct answer is False

Chapter 5

Advanced T1 Work

Learning Objectives

At this chapter's end students will understand:

- How to prepare a T1 when there are dependents
- How ProFile optimizes a T1
- How to prepare a T1 for the self-employed

Additional Resources

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

Professional Accounting Software

Tax Preparation & efiling Return Software

Professional Tax Software Training

Chapter 5: Advanced T1 Work

Dependants and Deductions

Now that you have learned the basics, let's explore T1 preparation at a more advanced level. Chapter 4 introduced a married couple Angela Carsonn and Martin St-Pierre. We also prepared a separate and independent tax return for a university student by the name of Johnny Carsonn. Chapter 4, therefore, assumed no relation between the married couple (Angela and Martin) and the student (Johnny). In this chapter, you will learn how ProFile works T1 returns when there is a relationship between a married couple and a dependant (son or daughter).

Let's begin, though, by assuming that the married couple, Angela Carsonn and Martin St-Pierre, provide even more forms.

- These forms include the following RSP slip

TD Waterhouse Canada Inc.
77 Bloor St. W.
P.O. Box 5999, Station F
Toronto, ON M4Y 2T1

REGISTERED RETIREMENT SAVINGS PLAN

ATTACH TO FEDERAL INCOME TAX RETURN

DATE	ACCOUNT NUMBER	DURING THE FIRST 60 DAYS OF THE YEAR	DURING THE REMAINDER OF THE YEAR	CONTRIBUTOR'S NAME
Feb 12, 2020		8000.00		Angela Carsonn

Angela Carsonn

ANNUITANT'S SOCIAL INSURANCE NUMBER	CONTRIBUTOR'S SOCIAL INSURANCE NUMBER
453 545 121	453 545 121

Contribution was in whole or in part, in kind ☐

Official tax receipt

Registered under the income tax act (CANADA) and subject thereto.

The Canada Trust Company
La société Canada Trust
(Authorized Signature/Signature d'un préposé autorisé)

- And a schedule of Medical Expense

Medical Expenses				
Date	**Name**	**Provider**	**Description**	**Amount**
March 14, 2019	Angela Carsonn	Clear Sight Eyes	Eyeglasses	1588.44
June 28, 2019	Angela Carsonn	Dr. Nicholls	Dental	888.78
November 30, 2019	Angela Carsonn	Barclay & Associates	Physiotherapy	1044.22

- Further assume that Angela's son, Johnny Carsonn was at university full-time and had the following tuition certificate

Canada Revenue Agency / Agence du revenu du Canada

Protected B / Protégé B
when completed / une fois rempli

For student / Pour étudiant

T2202 Tuition and Enrolment Certificate
Certificat pour frais de scolarité et d'inscription

Year / Année: 2 0 1 9

Name and address of designated educational institution
Nom et adresse de l'établissement d'enseignement
ProFile 2021 Tour
1212 Main St

Anytown ON M1A1A1

11 School type / Catégorie d'école

12 Flying school or club / École ou club de pilotage

14 Student number / Numéro d'étudiant: 10101010

15 Filer Account Number / Numéro de compte du déclarant

13 Name of program or course / Nom du programme ou du cours
Computer Science

Student Name / Nom de l'étudiant
JOHNNY CARSONN

Student address / Adresse de l'étudiant
2020 Smith St

Anytown ON
M4A 1A1 CAN

17 Social insurance number (SIN) / Numéro d'assurance sociale (NAS): 4 8 7 4 8 7 5 8 9

Session periods/ Périodes d'études	19 From YY/MM De AA/MM		20 To YY/MM À AA/MM		21 Number of months part-time/ Nombre de mois à temps partiel	22 Number of months full-time/ Nombre de mois à temps plein	23 Eligible tuition fees, part-time and full-time/ Frais de scolarité admissibles pour études à temps partiel et à temps plein
1	2019	01	2019	12		08	7616
2							0
3							0
4							0
Totals / Totaux					24	25 08	26 7616

Information for students: See the back of Certificate 1. If you want to transfer all or part of your tuition amount, complete the back of Certificate 2

Renseignements pour les étudiants : Lisez le verso du certificat 1. Si vous désirez transférer une partie ou la totalité de vos frais de scolarité, remplissez le verso du certificat 2.

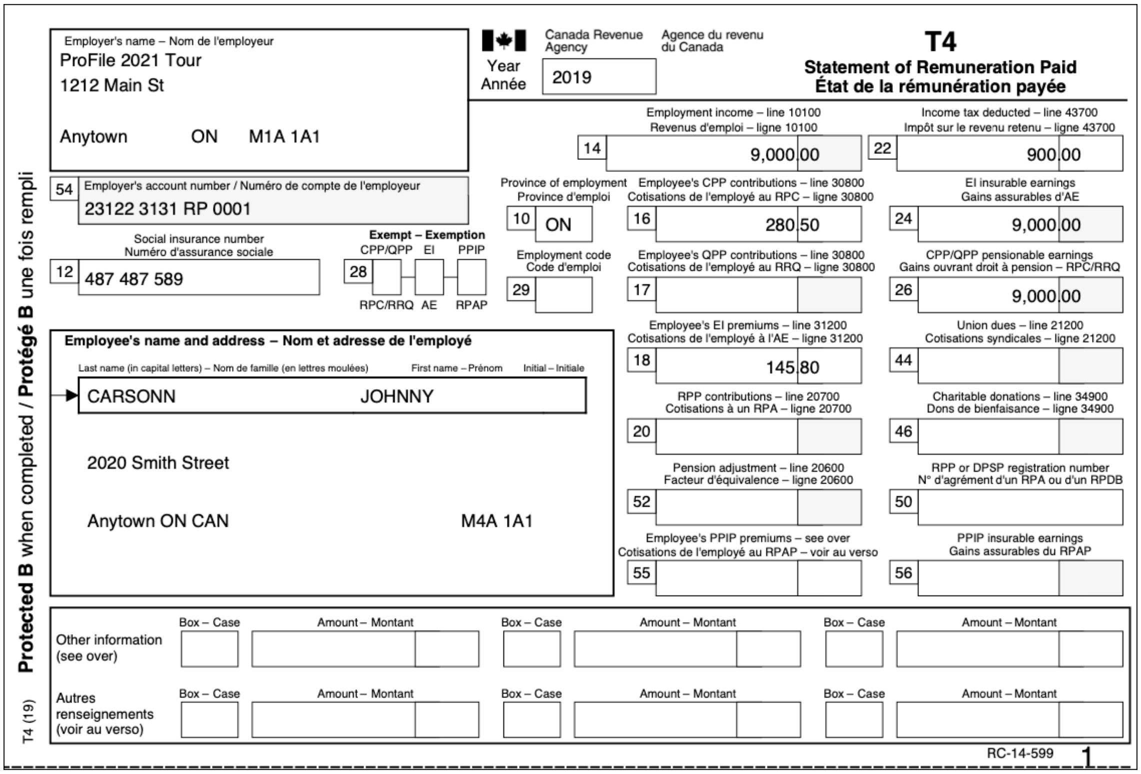
See the privacy notice on the next page.
Consultez l'avis de confidentialité à la page suivante.

T2202 (20) 2

Canada

As in Chapter 4, assume that Johnny also received this T4 slip.

The goal therefore is to apply all available deductions and credits to minimize the family's tax liability. In ProFile, this process is called *Optimization.*



Employer's name – Nom de l'employeur
ProFile 2021 Tour
1212 Main St
Anytown ON M1A 1A1

Canada Revenue Agency / Agence du revenu du Canada

Year / Année: 2019

T4
Statement of Remuneration Paid
État de la rémunération payée

Box	Description	Amount
54	Employer's account number / Numéro de compte de l'employeur	23122 3131 RP 0001
12	Social insurance number / Numéro d'assurance sociale	487 487 589
28	Exempt – Exemption: CPP/QPP, EI, PPIP / RPC/RRQ, AE, RPAP	
14	Employment income – line 10100 / Revenus d'emploi – ligne 10100	9,000.00
22	Income tax deducted – line 43700 / Impôt sur le revenu retenu – ligne 43700	900.00
10	Province of employment / Province d'emploi	ON
16	Employee's CPP contributions – line 30800 / Cotisations de l'employé au RPC – ligne 30800	280.50
24	EI insurable earnings / Gains assurables d'AE	9,000.00
29	Employment code / Code d'emploi	
17	Employee's QPP contributions – line 30800 / Cotisations de l'employé au RRQ – ligne 30800	
26	CPP/QPP pensionable earnings / Gains ouvrant droit à pension – RPC/RRQ	9,000.00
18	Employee's EI premiums – line 31200 / Cotisations de l'employé à l'AE – ligne 31200	145.80
44	Union dues – line 21200 / Cotisations syndicales – ligne 21200	
20	RPP contributions – line 20700 / Cotisations à un RPA – ligne 20700	
46	Charitable donations – line 34900 / Dons de bienfaisance – ligne 34900	
52	Pension adjustment – line 20600 / Facteur d'équivalence – ligne 20600	
50	RPP or DPSP registration number / N° d'agrément d'un RPA ou d'un RPDB	
55	Employee's PPIP premiums – see over / Cotisations de l'employé au RPAP – voir au verso	
56	PPIP insurable earnings / Gains assurables du RPAP	

Employee's name and address – Nom et adresse de l'employé
Last name (in capital letters) – Nom de famille (en lettres moulées): CARSONN
First name – Prénom: JOHNNY
Initial – Initiale:
2020 Smith Street
Anytown ON CAN M4A 1A1

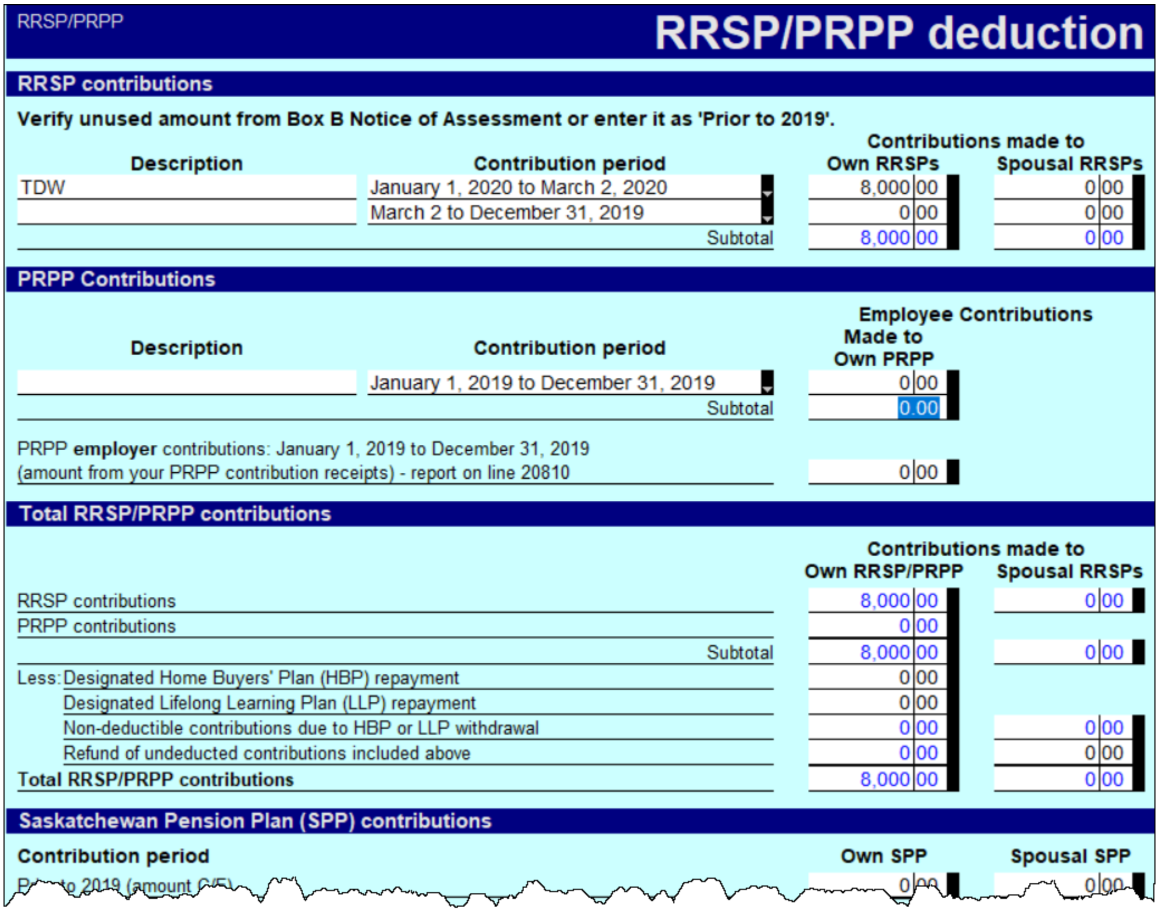
Other information (see over) / Autres renseignements (voir au verso): Box – Case, Amount – Montant

Protected B when completed / Protégé B une fois rempli

T4 (19) RC-14-599 1

Recording RRSP contributions

- With Angela and Martin's tax return open, press F4 and, in the Form Explorer, enter *RSP* in the search field. Profile will open the *RRSP/PRPP deduction* form



RRSP/PRPP

RRSP/PRPP deduction

RRSP contributions

Verify unused amount from Box B Notice of Assessment or enter it as 'Prior to 2019'.

Description	Contribution period	Contributions made to Own RRSPs	Contributions made to Spousal RRSPs
TDW	January 1, 2020 to March 2, 2020	8,000 00	0 00
	March 2 to December 31, 2019	0 00	0 00
	Subtotal	8,000 00	0 00

PRPP Contributions

Description	Contribution period	Employee Contributions Made to Own PRPP
	January 1, 2019 to December 31, 2019	0 00
	Subtotal	0.00

PRPP **employer** contributions: January 1, 2019 to December 31, 2019 (amount from your PRPP contribution receipts) - report on line 20810 — 0 00

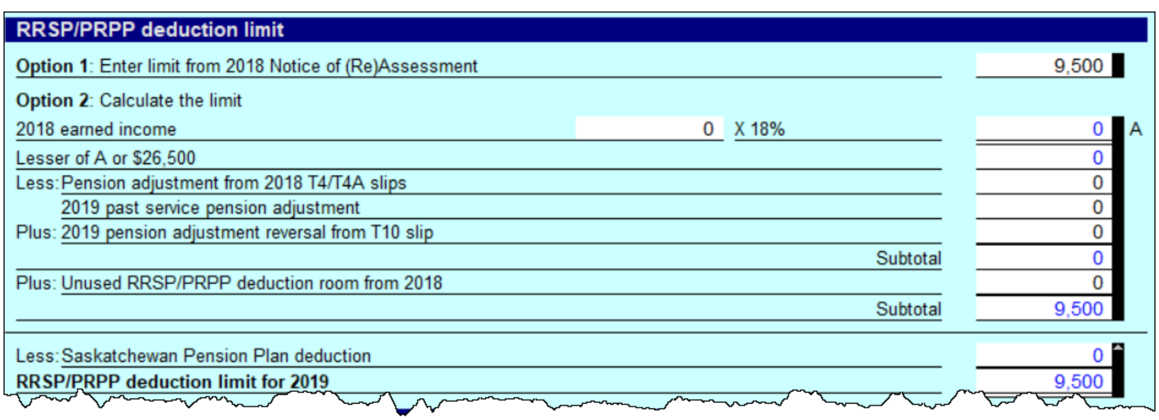
Total RRSP/PRPP contributions

	Contributions made to Own RRSP/PRPP	Contributions made to Spousal RRSPs
RRSP contributions	8,000 00	0 00
PRPP contributions	0 00	
Subtotal	8,000 00	0 00
Less: Designated Home Buyers' Plan (HBP) repayment	0 00	
Designated Lifelong Learning Plan (LLP) repayment	0 00	
Non-deductible contributions due to HBP or LLP withdrawal	0 00	0 00
Refund of undeducted contributions included above	0 00	0 00
Total RRSP/PRPP contributions	8,000 00	0 00

Saskatchewan Pension Plan (SPP) contributions

Contribution period	**Own SPP**	**Spousal SPP**
Prior to 2019 (amount C/F)	0 00	0 00

- When entering RRSP contributions on this form, scroll down to enter or confirm the taxpayer's deduction limit (which you will find on CRA's Notice of Assessment). Note that ProFile will not allow an RRSP deduction until you fill in this field



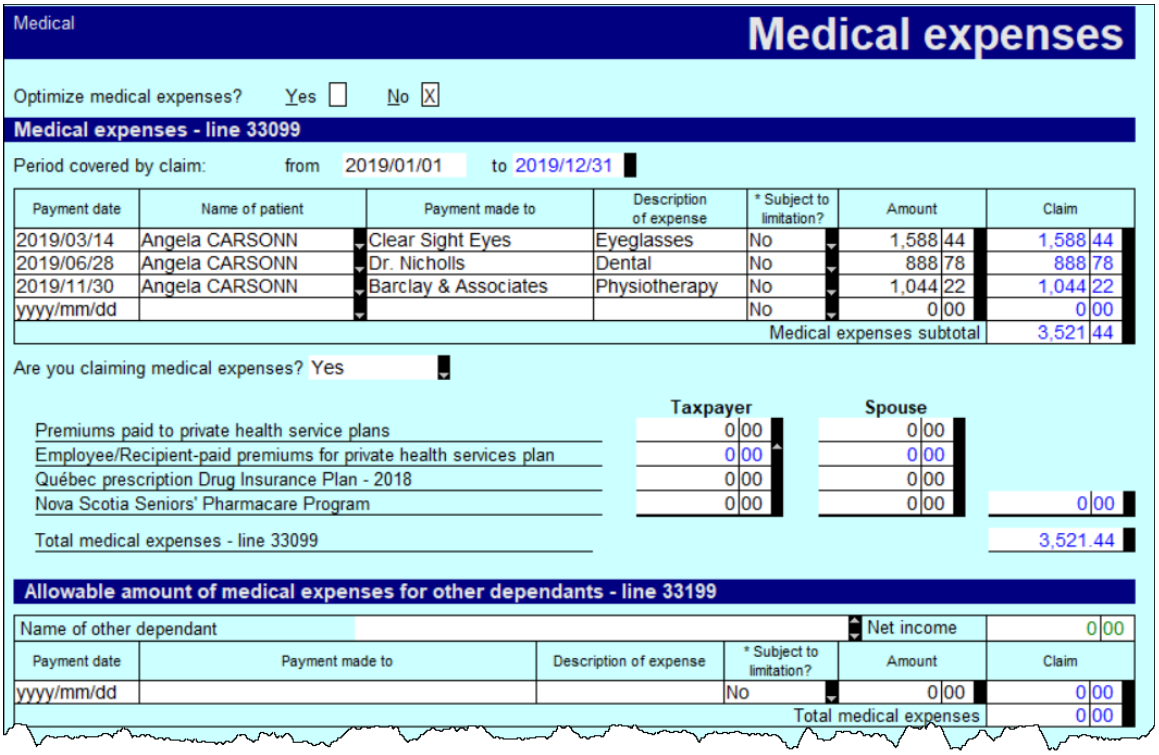
RRSP/PRPP deduction limit

Option 1: Enter limit from 2018 Notice of (Re)Assessment		9,500
Option 2: Calculate the limit		
2018 earned income	0 X 18%	0 A
Lesser of A or $26,500		0
Less: Pension adjustment from 2018 T4/T4A slips		0
2019 past service pension adjustment		0
Plus: 2019 pension adjustment reversal from T10 slip		0
	Subtotal	0
Plus: Unused RRSP/PRPP deduction room from 2018		0
	Subtotal	9,500
Less: Saskatchewan Pension Plan deduction		0
RRSP/PRPP deduction limit for 2019		9,500

Entering Medical Expenses

- To optimize a married couple's tax return, you will want to combine and claim medical expenses on only one of the spouse's returns. Assume, therefore, that you have decided to enter the medical expenses on Angela's T1
- Press F4, enter *Med* in the *Search* field and ProFile will open the *Medical Expenses* form

- Enter the medical expenses as illustrated below



Medical **Medical expenses**

Optimize medical expenses? Yes ☐ No ☒

Medical expenses - line 33099

Period covered by claim: from 2019/01/01 to 2019/12/31

Payment date	Name of patient	Payment made to	Description of expense	* Subject to limitation?	Amount	Claim
2019/03/14	Angela CARSONN	Clear Sight Eyes	Eyeglasses	No	1,588 44	1,588 44
2019/06/28	Angela CARSONN	Dr. Nicholls	Dental	No	888 78	888 78
2019/11/30	Angela CARSONN	Barclay & Associates	Physiotherapy	No	1,044 22	1,044 22
yyyy/mm/dd				No	0 00	0 00
					Medical expenses subtotal	3,521 44

Are you claiming medical expenses? Yes

	Taxpayer	Spouse	
Premiums paid to private health service plans	0 00	0 00	
Employee/Recipient-paid premiums for private health services plan	0 00	0 00	
Québec prescription Drug Insurance Plan - 2018	0 00	0 00	
Nova Scotia Seniors' Pharmacare Program	0 00	0 00	0 00
Total medical expenses - line 33099			3,521.44

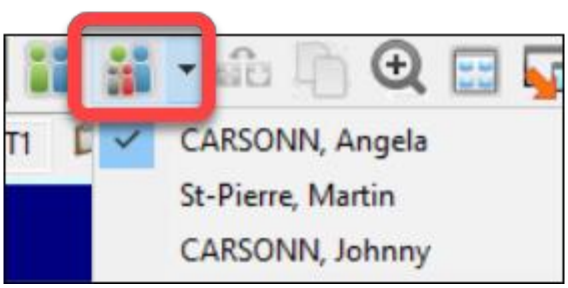
Allowable amount of medical expenses for other dependants - line 33199

Name of other dependant				Net income	0 00
Payment date	Payment made to	Description of expense	* Subject to limitation?	Amount	Claim
yyyy/mm/dd			No	0 00	0 00
				Total medical expenses	0 00

Recording Dependant Information

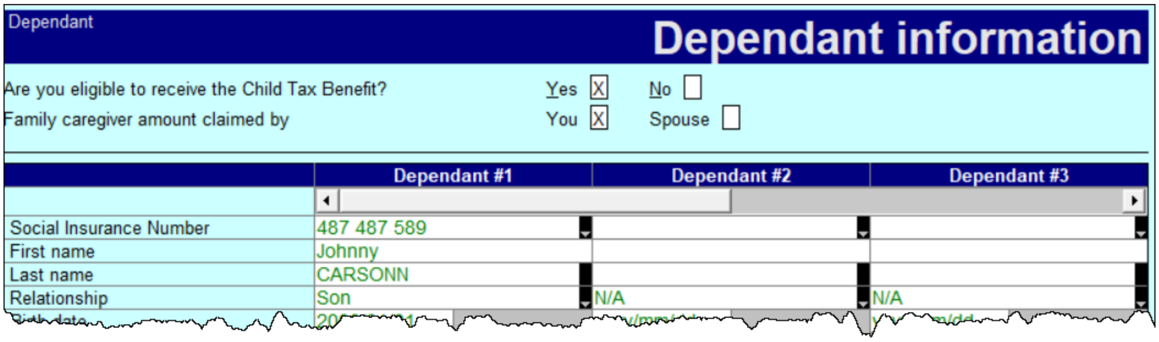
- With all of the spouses' information entered in ProFile, the last step is to record the slip information for the couple's son, Johnny. To do this, you will use a ProFile's *Family Linking* feature.

FAMILY LINKING

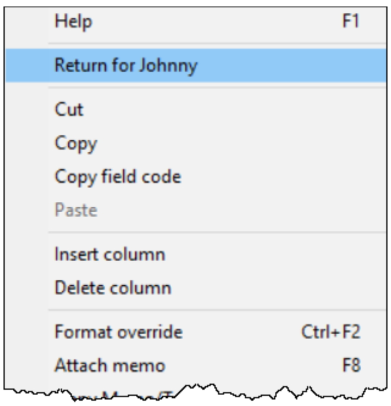


When you create a dependant's tax return, ProFile will link the return with that of the parents. You can tell *Family Linking* is enabled by the toolbar icon/dropdown menu that lets you toggle amongst the family's tax files.

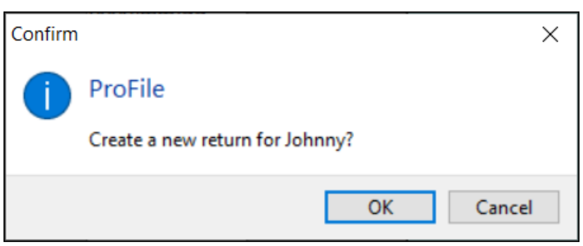
- From Angela's T1, Press *F4* and enter *Dep* in *Form Explorer's Search* field
- Enter Johnny's personal information on the *Dependant information* form



- To create Johnny's T1 return, right-click on any field in the form and select *Return for Johnny*



- ProFile will open a window to confirm the action. Click *OK*



- From Johnny's tax file, return to *Form Explorer* and enter his T4 and T2202 (tuition) information

T4
Statement of Remuneration Paid

T4 Slip

		Box	Slip #1	Slip #2	Slip #3	Slip #4	Total
Description			ProFile Tour				
Province of employment		10	Ontario				
Employment income		14	9,000.00	0.00	0.00	0.00	9,000.00
Employee's contributions	CPP	16	280.50	0.00	0.00	0.00	280.50
	QPP	17	0.00	0.00	0.00	0.00	0.00
	EI premiums	18	145.80	0.00	0.00	0.00	145.80
	PPIP	55	0.00	0.00	0.00	0.00	0.00
Exempt	CPP/QPP	28	No				
	EI		No				
	PPIP		No				
Employment code		29					
RPP contributions		20	0.00				
Pension adjustment		52	0.00				
Income tax deducted		22	900.00				
EI insurable earnings		24	9,000.00				
CPP/QPP pensionable earnings		26	9,000.00				
PPIP insurable earnings		56	0.00				
Union dues		44	0.00				
Charitable donations		46	0.00				

T2202/TL11
Tuition and education credit certificates

Tuition Slips

	Box	Slip #1	Slip #2	Slip #3	Slip #4	Total
Description		ProFile Tour				
T2202, TL11A, TL11C						
Tuition fees paid to Canadian educational institutions	26	7,616.00	0.00	0.00	0.00	7,616.00
Tuition fees paid to foreign educational institutions		0.00	0.00	0.00	0.00	0.00
Number of months in part-time enrolment	24/B	0	0	0	0	0
Number of months in full-time enrolment	25/C	8	0	0	0	8
TL11D						
Tuition fees paid		0.00	0.00	0.00	0.00	0.00
Charitable donations		0.00	0.00	0.00	0.00	0.00

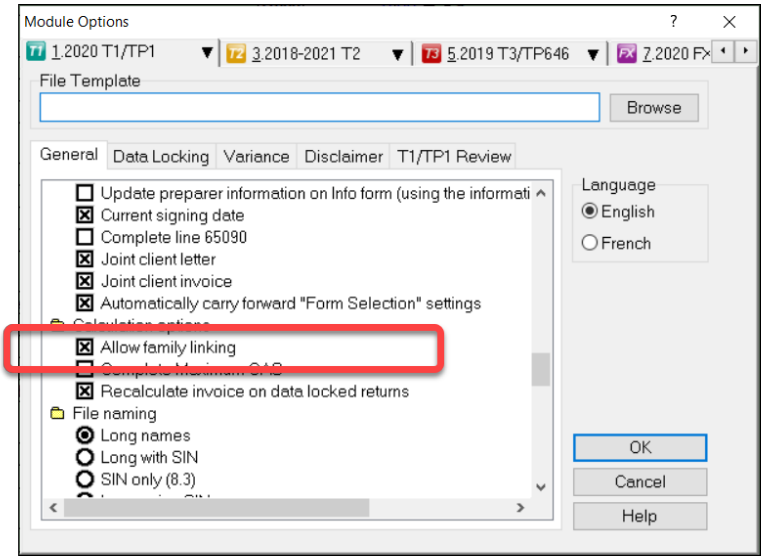
Tuition transfers

When a student's income isn't high enough to use up all available tuition credits, CRA allows that student to transfer the excess credit to a family member. ProFile takes care of this transfer automatically. It does so by a process called *optimization*.

- Because Johnny had excess tuition expenses, ProFile automatically transfers the applicable tuition credit to the appropriate spouse. A quick glance at line 32400 of Martin's T1 confirms the transfer

Your tuition, education, and textbook amounts (Complete Schedule 11)	32300	0.00	22
Tuition amount transferred from a child	32400	5,000.00	23

There is a setting in ProFile that toggles family linking on or off. To make sure that this setting is enabled, go to Options > Module and scroll down, under the General tab, to the section that reads "Allow family linking."



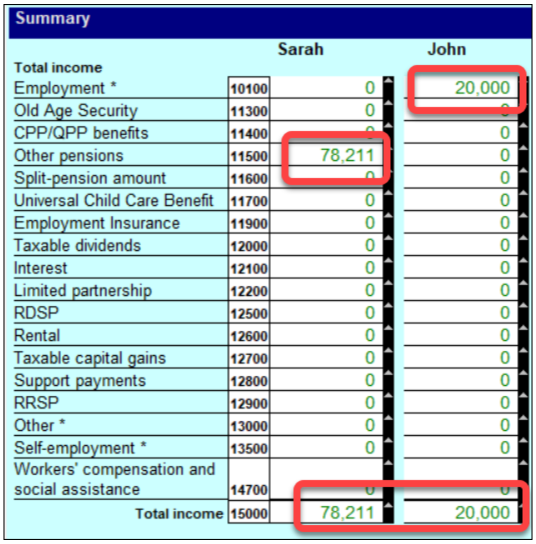
Optimizing

As mentioned in the previous paragraph, ProFile provides seamless, invisible optimization, and it alerts you with audit messages designed to achieve the most beneficial tax results for a tax preparer's clients. Here is what ProFile's optimization prowess includes: medical expenses; donations and losses; foreign tax credits; advantageous caregiver and infirm dependant claims between spouses; smart disability credit transfers; and intelligent transfer of tax credits between taxpayers and their dependants.

Pension Splitting

Splitting pension income is another example of ProFile's optimization capability. Let's look at an example.

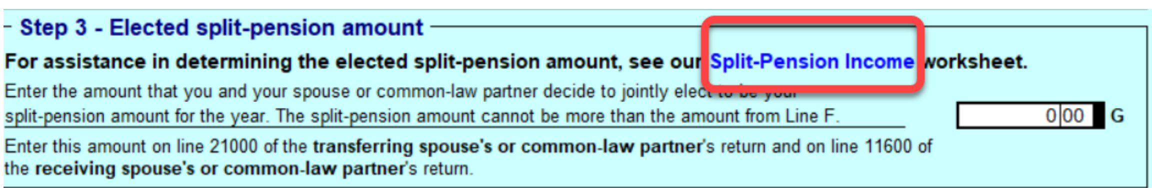
The screenshot below shows the Tax Summary for a married couple named Sarah and John. In this example, Sarah earns significantly more that her spouse, John, with her income stemming from a pension of $78,211. Tax practitioners will know that there is an opportunity, therefore, to split the pension income and reduce the couple's overall tax liability.



Summary

Total income		Sarah	John
Employment *	10100	0	20,000
Old Age Security	11300	0	0
CPP/QPP benefits	11400	0	0
Other pensions	11500	78,211	0
Split-pension amount	11600	0	0
Universal Child Care Benefit	11700	0	0
Employment Insurance	11900	0	0
Taxable dividends	12000	0	0
Interest	12100	0	0
Limited partnership	12200	0	0
RDSP	12500	0	0
Rental	12600	0	0
Taxable capital gains	12700	0	0
Support payments	12800	0	0
RRSP	12900	0	0
Other *	13000	0	0
Self-employment *	13500	0	0
Workers' compensation and social assistance	14700	0	0
Total income	15000	78,211	20,000

- To begin the optimization process, go to the pension-transferor's return and open form *T1032*
- Scroll down the form and click *Split-Pension Income*



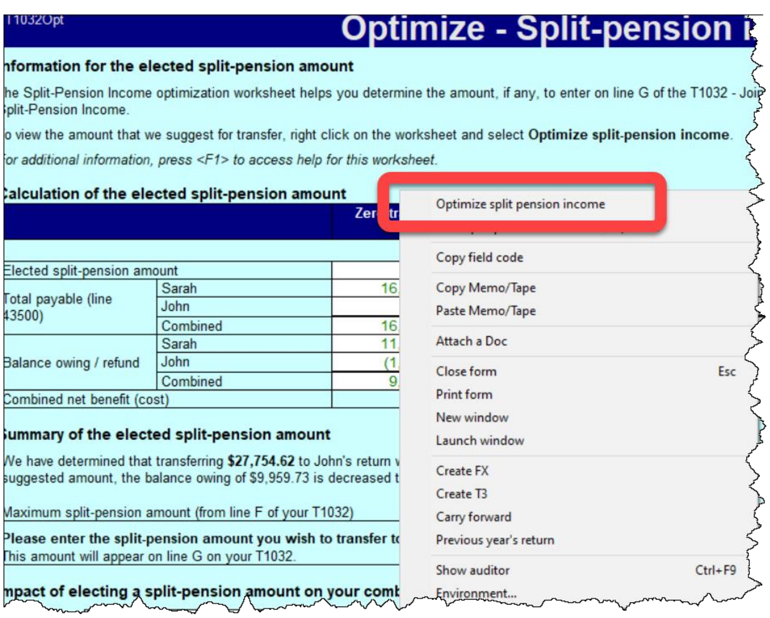
Step 3 - Elected split-pension amount

For assistance in determining the elected split-pension amount, see our Split-Pension Income worksheet.

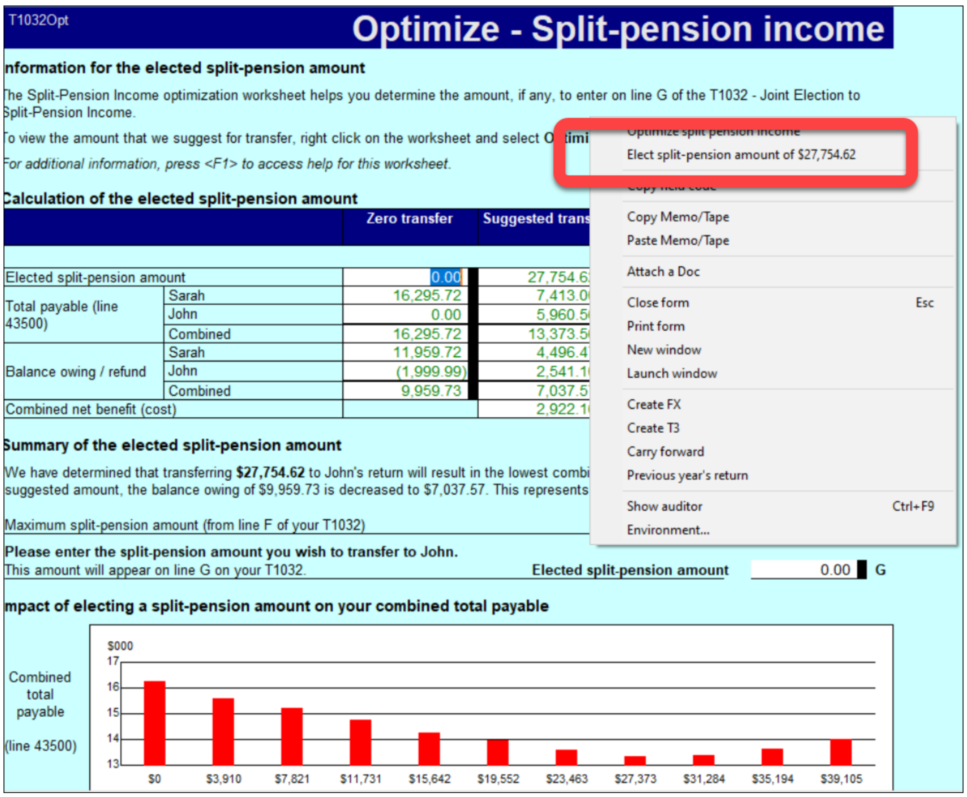
Enter the amount that you and your spouse or common-law partner decide to jointly elect to be your split-pension amount for the year. The split-pension amount cannot be more than the amount from Line F. 0|00 G

Enter this amount on line 21000 of the **transferring spouse's or common-law partner**'s return and on line 11600 of the **receiving spouse's or common-law partner**'s return.

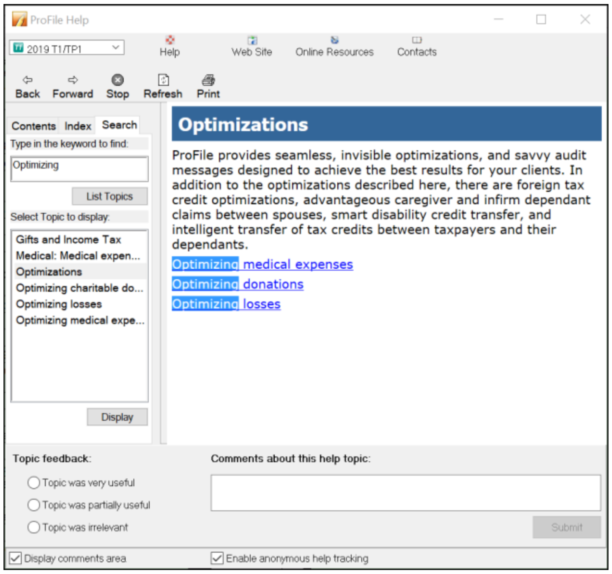
- ProFile opens the *T1032Opt* pension worksheet form. Right-click the form and select *Optimize split pension income*



- As illustrated in the window below, ProFile will run an analysis and then suggest the pension income to transfer
- The form highlights the net benefit of accepting the suggested transfer
- It also provides a chart outlining the tax liability under different transfer scenarios
- To accept ProFile's suggested transfer, right-click the form and select *Elect split-pension amount of $27,754.62*



TIP: To learn more about optimizing, go to *Help* > *ProFile Help*, click the *Search* tab and enter "Optimizing" in the Search field



PROFILE AND THE SELF-EMPLOYED

As professional-grade tax software, ProFile can accommodate many types scenarios. Examples include rental income, investment income and income from self-employment. This section will illustrate ProFile's ability to accommodate the latter scenario.

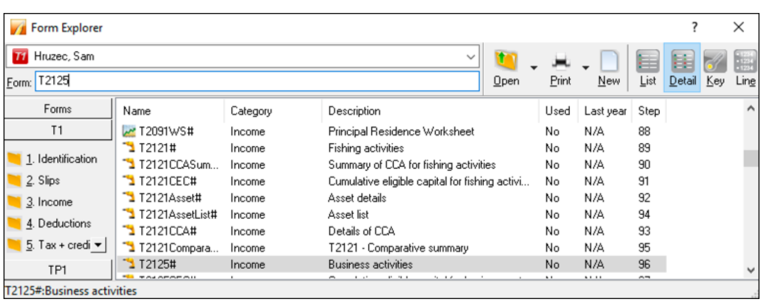
Sam Hruzec, runs an un-incorporated marketing business called SH Marketing Services. Sam has asked you to prepare his T1. Other than the Statement of Revenue and Expenses below, Sam has no other income or expenses.

SH Marketing Services
P&L
Jan - Dec 2019

Revenue	91,773
EXPENSES	
Accounting Fees	4,800
Advertising & Promotion	1,447
Interest & Bank Charges	1,547
Office expenses	1,398
Telephone	626
Travel Expense	780
Vehicle Expenses	
Biz KM	3255
Total KM	10061
Fuel	827
Insurance	914
Repairs	637
Parking	112
Home Office Expenses	
Total space	1695
Business use space	317
Home Insurance	628
Home Rep/Maint	1775
Heat	1288
Hydro	764
Property Tax	3840

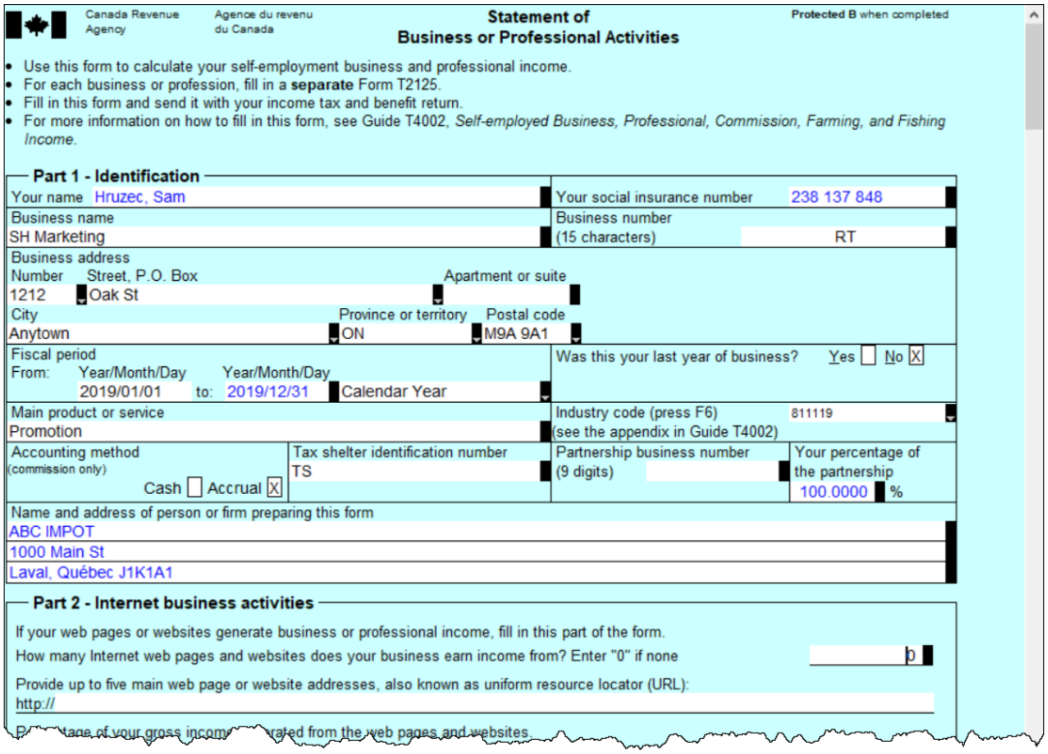
T2125

You will record all of Sam's business-related activities on form T2125, *Statement of Business or Professional Activities.* After entering Sam's personal and contact information on the Info page, use Form Explorer to find and open the *T2125*



Here's how to complete form T2125

- Enter the business contact details and other required information under identification area, and record the gross sales under Part 3 – Business Income



Canada Revenue Agency / Agence du revenu du Canada

Statement of Business or Professional Activities

Protected B when completed

- Use this form to calculate your self-employment business and professional income.
- For each business or profession, fill in a **separate** Form T2125.
- Fill in this form and send it with your income tax and benefit return.
- For more information on how to fill in this form, see Guide T4002, *Self-employed Business, Professional, Commission, Farming, and Fishing Income.*

Part 1 - Identification

Your name: Hruzec, Sam	Your social insurance number: 238 137 848
Business name: SH Marketing	Business number (15 characters): RT
Business address – Number: 1212; Street, P.O. Box: Oak St; Apartment or suite:	
City: Anytown; Province or territory: ON; Postal code: M9A 9A1	
Fiscal period From: Year/Month/Day 2019/01/01 to: Year/Month/Day 2019/12/31 Calendar Year	Was this your last year of business? Yes ☐ No ☒
Main product or service: Promotion	Industry code (press F6) (see the appendix in Guide T4002): 811119
Accounting method (commission only): Cash ☐ Accrual ☒ / Tax shelter identification number: TS	Partnership business number (9 digits): / Your percentage of the partnership: 100.0000 %
Name and address of person or firm preparing this form: ABC IMPOT, 1000 Main St, Laval, Québec J1K1A1	

Part 2 - Internet business activities

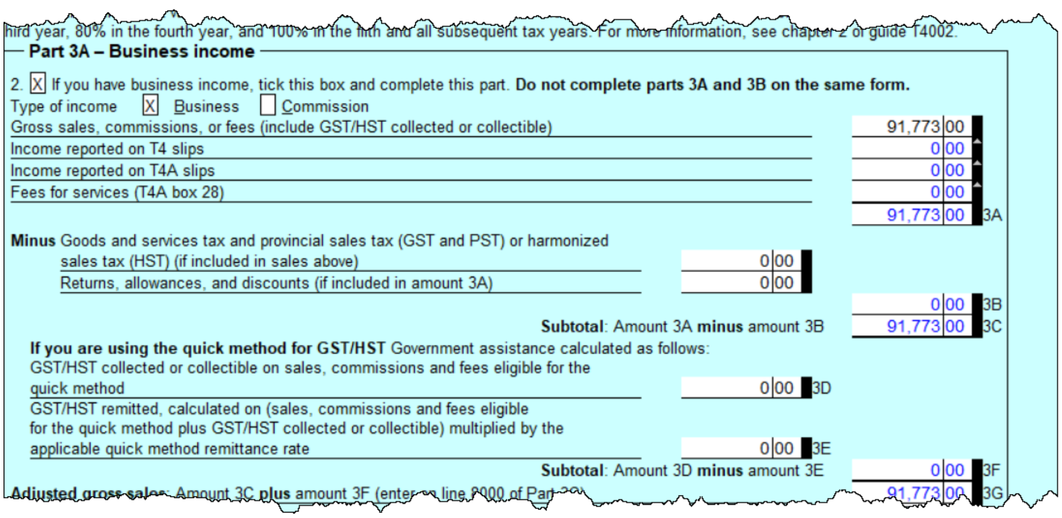
If your web pages or websites generate business or professional income, fill in this part of the form.

How many Internet web pages and websites does your business earn income from? Enter "0" if none: 0

Provide up to five main web page or website addresses, also known as uniform resource locator (URL):

http://

P... tage of your gross incom... rated from the web pages and websites



...hird year, 80% in the fourth year, and 100% in the fifth and all subsequent tax years. For more information, see chapter 2 of guide T4002.

Part 3A – Business income

2. ☒ If you have business income, tick this box and complete this part. **Do not complete parts 3A and 3B on the same form.**

Type of income ☒ Business ☐ Commission

Gross sales, commissions, or fees (include GST/HST collected or collectible)		91,773.00	
Income reported on T4 slips		0.00	
Income reported on T4A slips		0.00	
Fees for services (T4A box 28)		0.00	
		91,773.00	3A
Minus Goods and services tax and provincial sales tax (GST and PST) or harmonized sales tax (HST) (if included in sales above)	0.00		
Returns, allowances, and discounts (if included in amount 3A)	0.00		
		0.00	3B
Subtotal: Amount 3A **minus** amount 3B		91,773.00	3C
If you are using the quick method for GST/HST Government assistance calculated as follows:			
GST/HST collected or collectible on sales, commissions and fees eligible for the quick method	0.00	3D	
GST/HST remitted, calculated on (sales, commissions and fees eligible for the quick method plus GST/HST collected or collectible) multiplied by the applicable quick method remittance rate	0.00	3E	
Subtotal: Amount 3D **minus** amount 3E		0.00	3F
Adjusted gross sales: Amount 3C **plus** amount 3F (enter on line 8000 of Part ...)		91,773.00	3G

- Record all business expenses in Part 4 of the T2125

Gross business or professional income (line 8299 of Part 3C) or Gross profit (line 8519 of Part 3D)				91,773.00	4A
Expenses (enter only the business part)					
Advertising			8521	1,447.00	4B
Meals and entertainment	0.00	x 50%			
Meals and entertainment (long haul truck drivers)	0.00	x 80%	8523	0.00	4C
Bad debts			8590	0.00	4D
Insurance			8690	0.00	4E
Interest			8710	1,547.00	4F
Business taxes, licences, and memberships			8760	0.00	4G
Office expenses			8810	1,398.00	4H
Office stationery and supplies			8811	0.00	4I
Professional fees (includes legal and accounting fees)			8860	4,800.00	4J
Management and administration fees			8871	0.00	4K
Rent			8910	0.00	4L
Repairs and maintenance			8960	0.00	4M
Salaries, wages, and benefits (including employer's contributions)			9060	0.00	4N
Property taxes			9180	0.00	4O
Travel expenses			9200	780.00	4P
Utilities			9220	626.00	4Q
Fuel costs (except for motor vehicles)			9224	0.00	4R
Delivery, freight, and express			9275	0.00	4S
Motor vehicle expenses (not including CCA) (see Chart A) - from worksheet	881.35				
Motor vehicle expenses (not including CCA)					4T

- Note, however, that you don't record vehicle expenses on the T2125 itself, but on the *Business Auto* ancillary form (see illustration below), and you indicate, at the top of the *Business Auto* form, where to send the vehicle expenses

Here are other key points to consider with the *Business Auto* form

- You must indicate the business kilometers and the total number of kilometers driven in the tax year
- ProFile uses these values to calculate the allowable vehicle expense
- Any vehicle loan or leasing costs are calculated in a separate area of the *Business Auto* form. See *Chart D*, at the bottom of the window below, which is where the eligible leasing cost is calculated

Business Auto

Motor vehicle expenses (Business)

Allocation of expenses	Fiscal period Start	Fiscal period End	%	Amount	CCA	Terminal Loss	Recapture	Owned by business?
T2125#1:SH Marketing	2019/01/01	2019/12/31	100	881.35	0.00	0.00	0.00	Yes
	yyyy/mm/dd	yyyy/mm/dd	0	0.00	0.00	0.00	0.00	No

Chart A - Motor vehicle expenses

Description of automobile: Filmore

Enter the kilometers you drove in the tax year to earn business income	3,255	1
Enter the total kilometers you drove in the tax year	10,061	2

	Taxable GST	Taxable HST	Non Eligible	Total	
Fuel and oil	0.00	0.00	827.00	827.00	3
Interest (see Chart B)			0.00	0.00	4
Insurance			914.00	914.00	5
License and registration			0.00	0.00	6
Maintenance and repairs	0.00	0.00	637.00	637.00	7
Leasing (See Chart D)	0.00	0.00	0.00	0.00	8
Other expenses (specify)	0.00	0.00	0.00	0.00	9
	0.00	0.00	0.00	0.00	10
Total motor vehicle expenses	0.00	0.00	2,378.00	2,378.00	11
Business use part: Multiply line 11 by 32.35 %	0.00	0.00	769.35	769.35	12
Business parking fees	0.00	0.00	112.00	112.00	13
Supplementary business insurance			0.00	0.00	14
Allowable motor vehicle expenses	0.00	0.00	881.35	881.35	15

One further step in recording Sam's business expenses is to enter the allowable *home office expense.* As a self-employed individual working from home, Sam can deduct a portion of her home expenses. This portion is calculated by adding up all of Sam's home expenses and multiplying it by a factor that represents the percentage of the home's area used to run her business.

- To record home expenses, scroll down to Part 7 at bottom of the T2125
- Enter the home's total area and the area used for business
- Enter the operating costs for the home including heat, electricity, insurance, etc.
- ProFile will calculate the allowable home office expense and include it as an eligible business expense on the T2125

After entering all required information on the T2125, ProFile will calculate the gross and net business income and transfer it to the T1 Jacket.

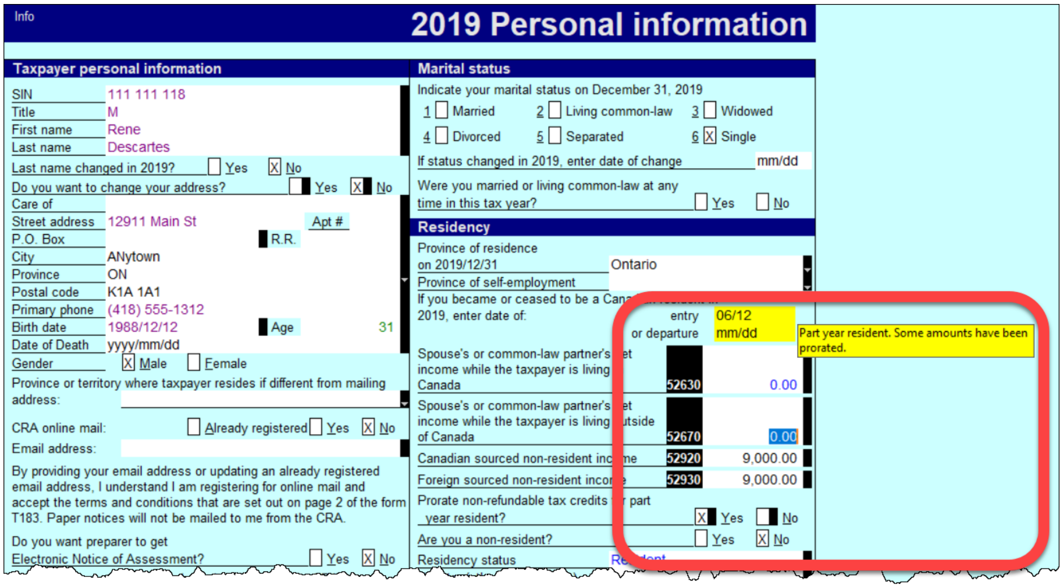
Part 7 – Calculation of business-use-of-home expenses

Area of home used for business	(A) 317		
Total area of home	(B) 1,695		
Heat		1,288 00	7A
Electricity		764 00	7B
Insurance		628 00	7C
Maintenance		1,775 00	7D
Mortgage interest		0 00	7E
Property taxes		3,840 00	7F
Other expenses (specify):		0 00	7G
Subtotal: Add amounts 7A to 7G		8,295 00	7H
Personal-use part of the business-use-of-home expenses		6,743 66	7I
Subtotal: Amount 7H **minus** amount 7I		1,551 34	7J
Capital cost allowance (business part only), which means amount i of Area A minus any portion of CCA that is for personal use or entered on line 9936 of Part 4.		0 00	7K
Amount carried forward from previous year		0 00	7L
Subtotal: Add amounts 7J to 7L		1,551 34	7M
Net income (loss) after adjustments (amount 5C) (if negative, enter "0")		80,293 65	7N
Business-use-of-home expenses available to carry forward: Amount 7M**minus** amount 7N (if negative, enter "0")		0 00	7O
Allowable claim: The lesser of amount 7M and 7N above (enter your share of this amount on line 9945 of Par...		1,551 34	7P

Part-Year Residents

If someone is newly arrived in Canada, follow these steps to set up a T1 return.

- Complete the Info page as you normally would. So that ProFile can prepare the proper schedules, ensure that you select the correct province of residence
- On the Info page, report the date of entry into Canada
- After reporting the date of entry, ProFile will open additional fields, including Line 52920 and 52930. In these fields, report Canadian and foreign-sourced non-resident income. In this example, there is $9,000 of foreign-sourced, non-resident income
- Once you enter an amount on either Line 52920 or 52930, ProFile will tick the box to prorate non-refundable tax credits
- Note how the auditor alerts you that amounts are prorated
- You may then complete the rest of the return as you normally would



Info

2019 Personal information

Taxpayer personal information

SIN 111 111 118
Title M
First name Rene
Last name Descartes
Last name changed in 2019? Yes [X] No
Do you want to change your address? Yes [X] No
Care of
Street address 12911 Main St Apt #
P.O. Box R.R.
City ANytown
Province ON
Postal code K1A 1A1
Primary phone (418) 555-1312
Birth date 1988/12/12 Age 31
Date of Death yyyy/mm/dd
Gender [X] 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

Marital status

Indicate your marital status on December 31, 2019
1 Married 2 Living common-law 3 Widowed
4 Divorced 5 Separated 6 [X] Single
If status changed in 2019, 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 2019/12/31 Ontario
Province of self-employment
If you became or ceased to be a Cana... 2019, enter date of: entry 06/12 or departure mm/dd
Part year resident. Some amounts have been prorated.
Spouse's or common-law partner's ...et income while the taxpayer is living ... Canada 52630 0.00
Spouse's or common-law partner's ...et income while the taxpayer is living ...tside of Canada 52670 0.00
Canadian sourced non-resident inc...me 52920 9,000.00
Foreign sourced non-resident inco... 52930 9,000.00
Prorate non-refundable tax credits ... part year resident? [X] Yes No
Are you a non-resident? Yes [X] No
Residency status

Residency rules, for both Canadian citizens and non-Canadians, can be a complex affair. For more information, consult CRA's guides, such as T4058 Non-Residents and Income Tax, and T4055 Newcomers to Canada.

Chapter 5 Quiz

Question 1: The feature that allows you to prepare T1s for married couples and their dependants is called:

A. Hub and Link
B. Synchronization
C. ProFile Review
D. Family Linking

Correct answer is D

Question 2: True or False: ProFile will calculate the allowable RRSP deduction even if no deduction limit indicated:

Correct answer is False

Question 3: Select the best way to create a dependant's T1:

A. Go to the *File* menu and click *New T1*
B. Right-click a T1 Jacket and select *New*
C. Click the *Synchronize* icon
D. Right-click the dependant's name on the *Dependant* form, and click *Return for…*

Correct answer is D

Question 4: True or False: If a dependant has excess tuition credits, ProFile will transfer the excess amount to a parent's linked return

Correct answer is True

Question 5: True or False: ProFile has an option to toggle Family Linking on or off

Correct answer is True

Question 6: Which of following tax situations does ProFile's Optimization verify?

A. Medical expenses
B. Charitable donations
C. Tuition credits
D. All the above

Correct answer is D

Question 7: True or False: The T1032 form allows you to optimize and split pension income between spouses

Correct answer is True

Question 8: True or False: ProFile cannot prepare tax returns for self-employed individuals

Correct answer is False

Question 9: To prepare a T2125, ProFile requires the following. Choose the best answer:

A. ProFile cannot prepare a T2125 return
B. A statement of revenue and expenses (Income Statement or Profit & Loss)
C. A balance sheet
D. None of the above

Correct answer is B

Question 10: True or False: ProFile can prepare a T1 for part-year residents

Correct answer is True

Chapter 6

An Online World

Learning Objectives

At this chapter's end students will understand:

- How to use ProFile's online tools
- How to use CRA's AutoFill My Return
- How to ReFile a T1

Additional Resources

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

Professional Accounting Software

Tax Preparation & efiling Return Software

Professional Tax Software Training

Chapter 6: An Online World

Getting Online

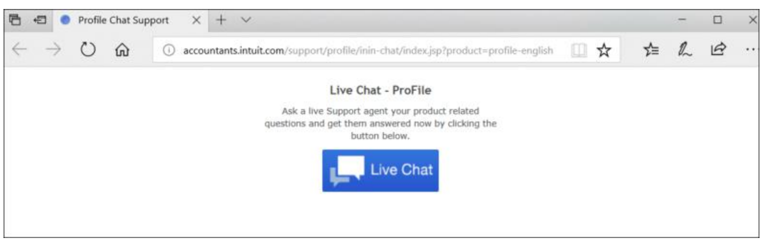
Every day, more and more businesses are taking things online. Online information is part of our everyday lives. It should come as no surprise, then, that tax preparers too are increasingly using online tools. Canada Revenue Agency, for example, demands that tax preparers EFILE tax returns and, at the same time, with a dedicated *Represent a Client* account, CRA gives tax preparers online access to an array of client information that was unthinkable just a few short years ago. ProFile is building on this cloud trend as well. As a ProFile user, you have access to an increasing number of cloud tools. Let's take a closer look:

The online toolbar

The *Online* toolbar sits permanently under ProFile's Menu bar. Let's explore these four icons:

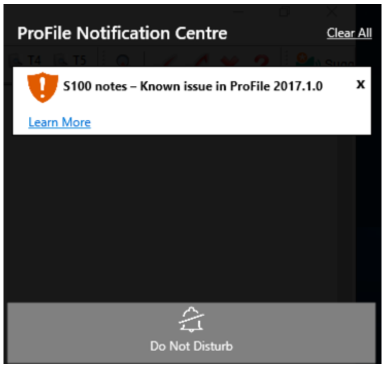
- Click the *Live Chat* icon…

… To engage a ProFile support agent and chat online



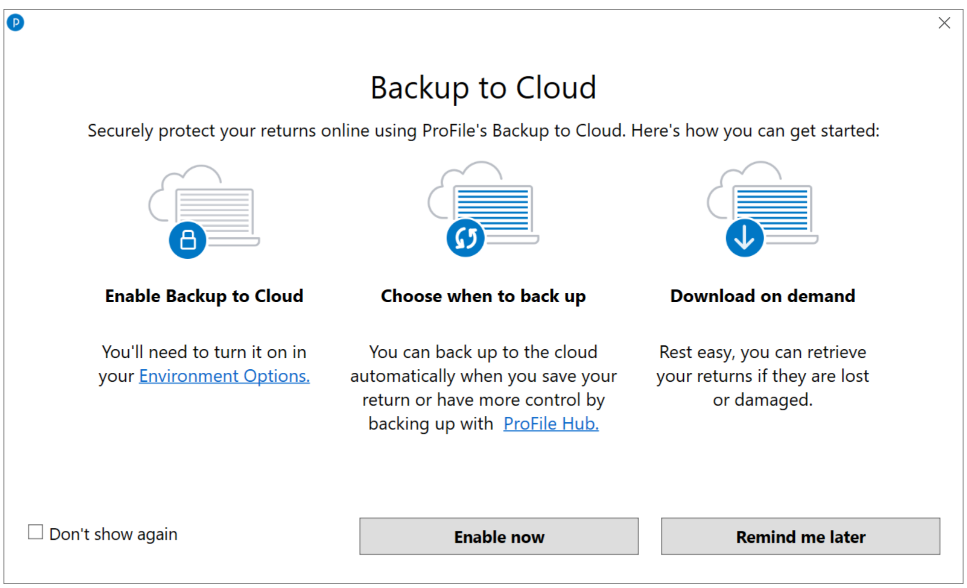
E. Click the Notification Centre…

F. …To view alerts, reminders and other ProFile messages



- Click the *Online Settings* to access ProFile's online tools…

- …Including a service to back up your files online

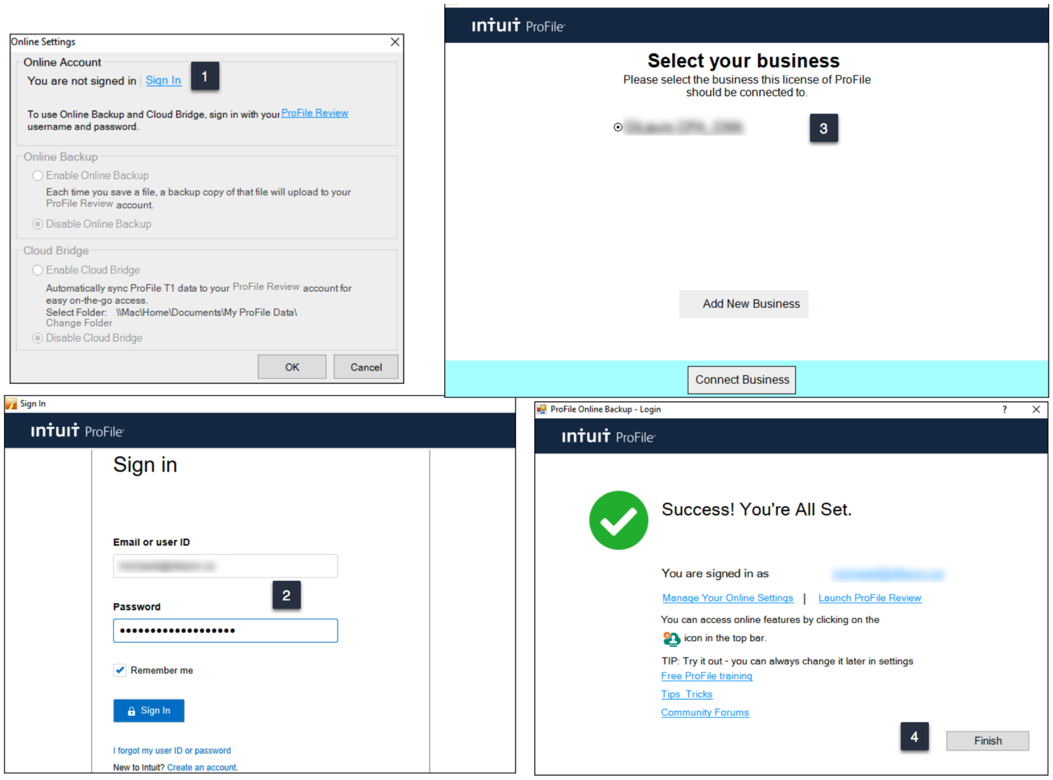


Accessing your online account

If you have a ProFile account, getting online is quick and easy:

- From the toolbar, click the *Online Settings* icon and ProFile launches the sign-in window
- Click Sign In 1
- Enter your user ID and password 2

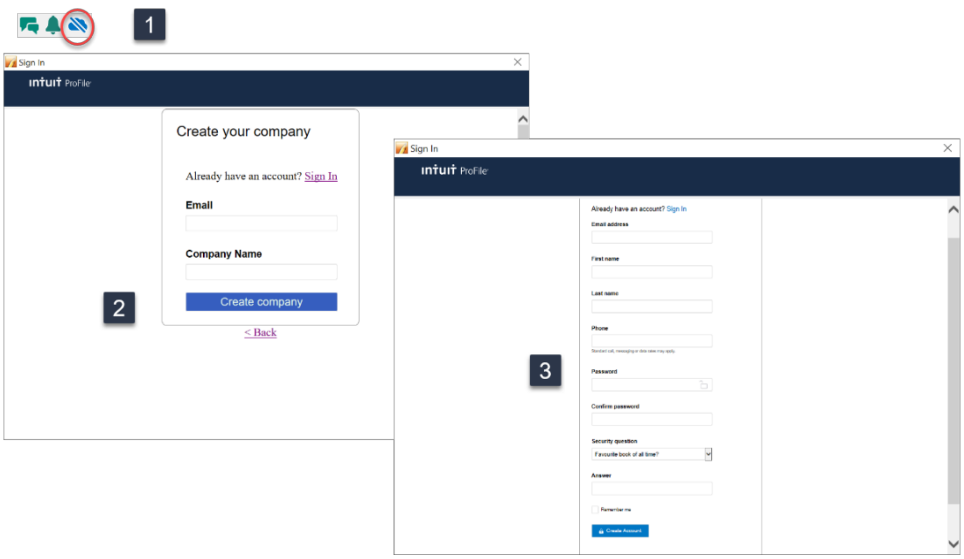
- Select your firm (or add a new one) [3]
- Click *Finish* and you're done [4]



But I don't have an online account

If you don't have an online account, creating one is a snap:

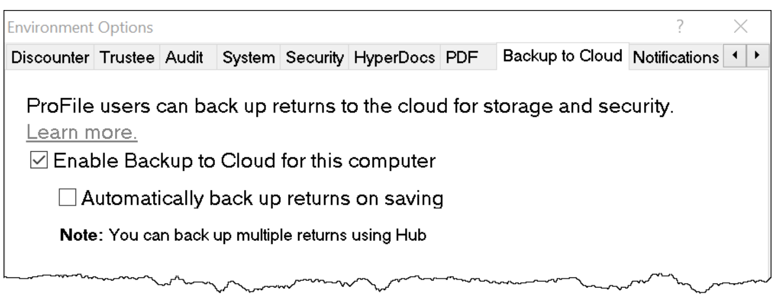
- From the toolbar, click the *Online Settings* icon to launch the sign-in window [1]
- Click *Create Company* [2]
- Enter your credentials and then click Create account [3]



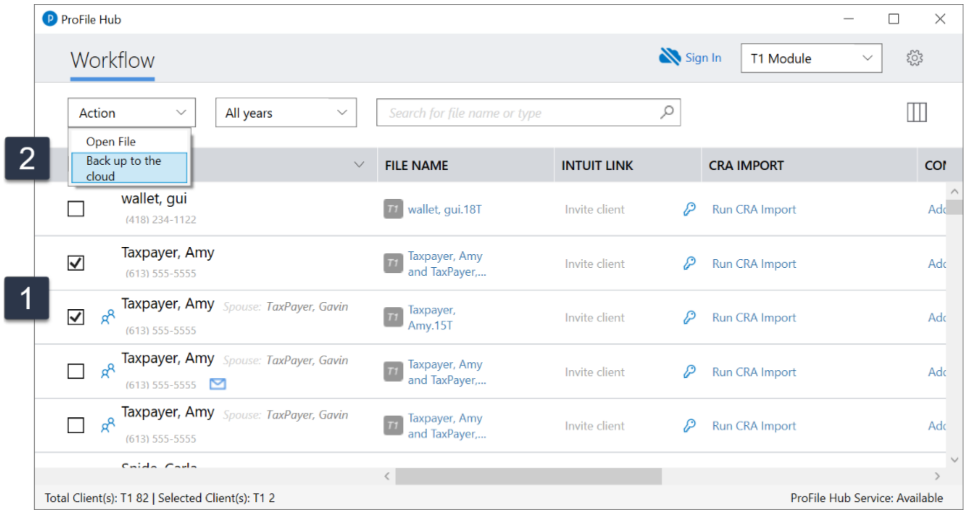
BACK UP TO THE CLOUD

To back your files up to ProFile’s cloud servers, you must first enable the feature:

- Click *Environment > Options*, select the *Backup to Cloud* tab and click your desired options. Note that one of the options lets you automatically back up all files upon saving



- To manually back up one or multiple files from the Menu Bar, click *Go to>Hub,* select the desired files 1
- Click the *Actions* dropdown and choose *Back up to the Cloud* 2



Auto-Fill My Return

AutoFill My Return (AFR) is a secure Canada Revenue Agency (CRA) service that allows individuals and authorized representatives to automatically fill-in parts of a T1 with information that the CRA has available at the time of filing the return. Many authorized representatives are already accessing CRA's online services to gather client information. AFR is the logical next step. By automatically populating key data, CRA's AFR simplifies the tax preparation process.

To use the AFR service, a tax preparer must:

- Register and be an approved electronic filer
- Register in CRA's *Represent a Client* and have a RepID, GroupID or business number (BN)
- Submit a signed *Authorize a Representative* Form to CRA for each client (as described in Chapter 3)

It is important to note that AFR service is not mandatory for EFILE certified software products. Some products include the service in their product, but others may not. ProFile falls in the former category and has full AFR functionality.

Summary of Tax Information that CRA delivers with AFMR

Information Slips

- T3, Statement of Trust Income Allocations and Designations
- T4, Statement of Remuneration Paid
- T4A, Statement of Pension, Retirement, Annuity, and Other Income
- T4A(OAS), Statement of Old Age Security
- T4A(P), Statement of Canada Pension Plan Benefits
- T4E, Statement of Employment Insurance and Other Benefits
- T5, Statement of Investment Income
- T5007, Statement of Benefits
- T5008, Statement of Securities Transactions
- RC62, Universal Child Care Benefit Statement
- RC210, Working Income Tax Benefit Advance Payments Statement
- Registered Retirement Savings Plan contribution receipt

- T4RIF, Statement of Income from a Registered Retirement Income Fund
- T4RSP, Statement of Registered Retirement Savings Plan Income
- T1204, Government Service Contract Payments
- RENT ASSIST

Other Tax-Related Information

- RRSP contribution limit
- Lifelong Learning Plan repayment amount
- Capital gains and losses
- Federal tuition, education, and textbook carryover amounts
- Home Buyers' Plan repayment amount
- Non-capital losses
- Capital gains deductions
- Provincial tuition, education, and textbook carryover amounts

Client Data Enquiry (CDE)

- Home Buyers' Plan
- Social assistance or workers' compensation benefits
- Working income tax benefit advance payments (RC210)
- Reassessment information
- New balance owing message for prior claim(s) on a refund
- Current tax year return
- Insolvency, consumer proposal indicator
- Recent page access
- Lifelong Learning Plan
- Employment insurance and other benefits (T4E)
- Universal child care benefit (RC62)
- Balance owing
- No debt owing indicators
- Bankruptcy
- Other existing outstanding balances
- Federal tuition, education, and textbook carryforward
- Provincial tuition, education, and textbook carryforward
- Unfiled returns
- External refund set-off amounts
- Reassessment in progress
- CPP payments (T4A(P))
- Working income tax benefit
- Emigration Date
- Direct deposit indicators
- Disability tax credit eligibility
- Review
- Internal refund set-off notification
- T4A income
- Outstanding GST/HST returns
- Immigration Date
- EFILE ineligibility indicators

AFR Download

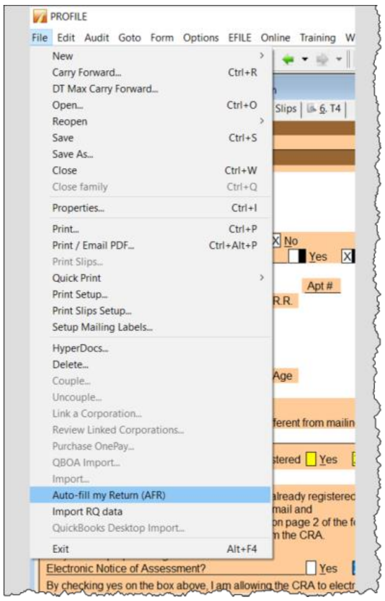
Before you file a tax return with the CRA using the information delivered by Auto-fill My Return, you must make sure that all the proper fields on the return are filled in and that the information provided is true and accurate.

If you notice a mistake on an information slip, contact the employer, payer, or administrator responsible for preparing that slip.

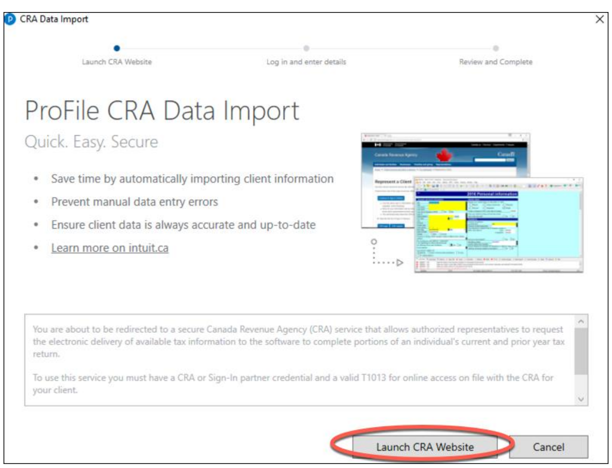
If you notice a mistake in the tax-related information, have an account-specific question about other tax-related information, or need additional information, call the individual income tax and trust enquiries line at 1-800-959-8281.

Using AutoFill My Return (AFR)

- With a client file open in ProFile, click *File>Import CRA Data*

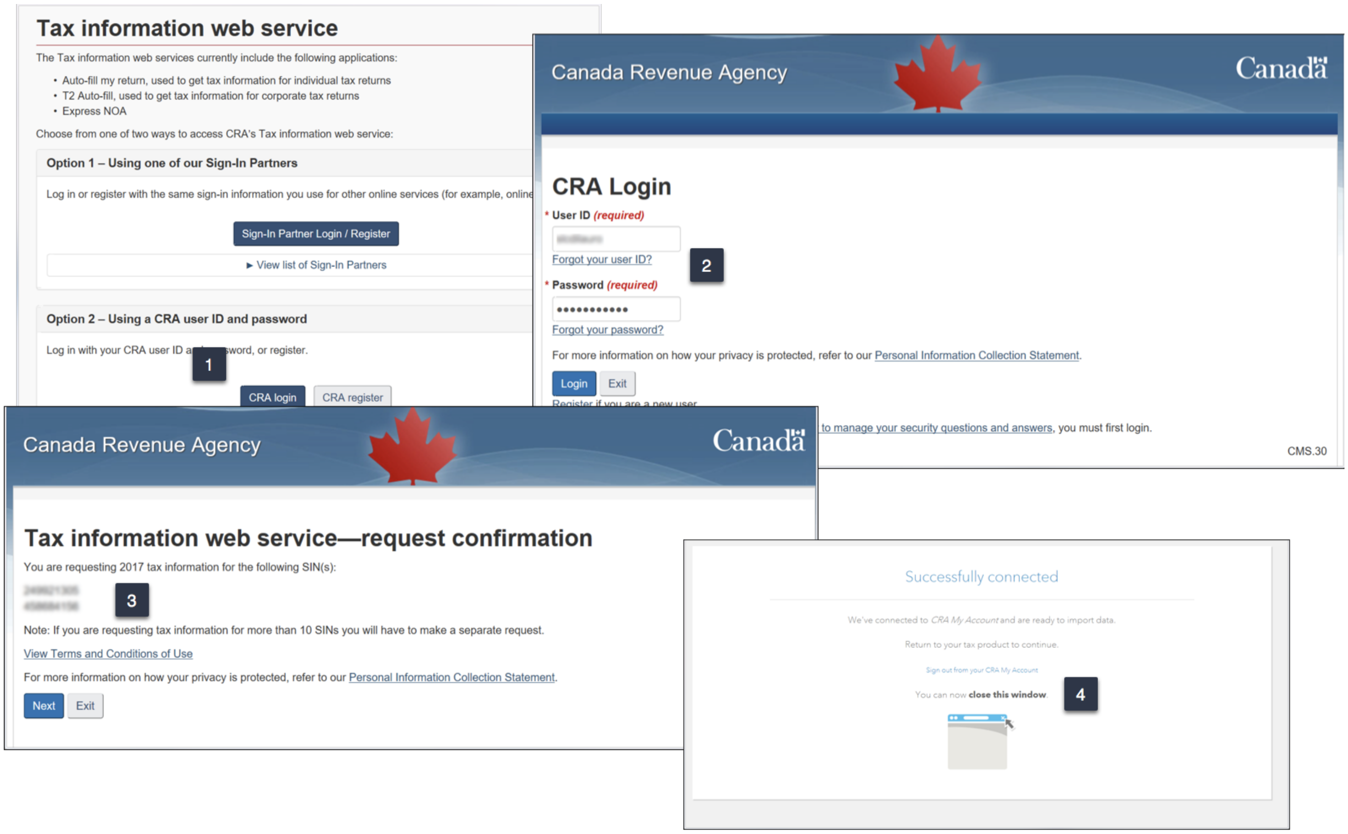


- Click *Launch CRA Website*

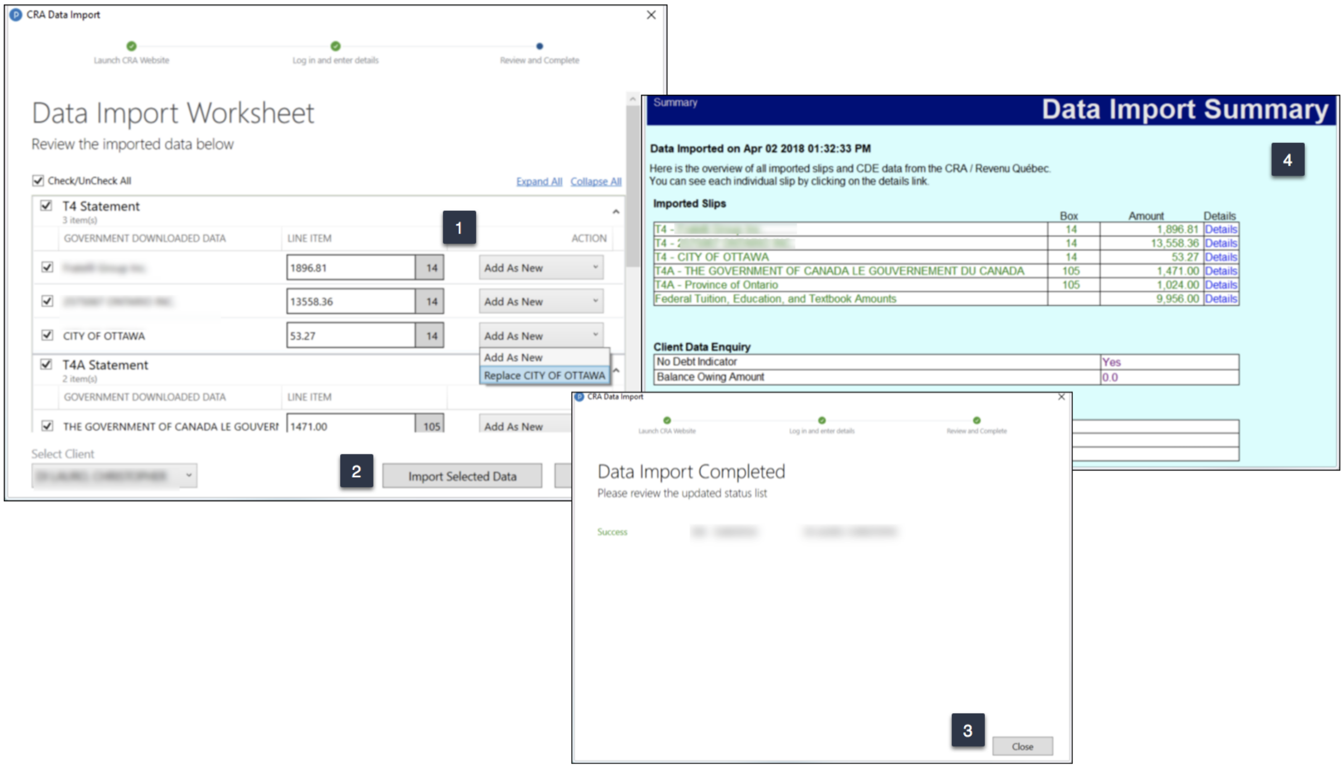


- ProFile will open a browser and take you to CRA's website
- Click CRA Login [1]
- Enter your credentials [2]
- Confirm CRA's request then click *Next* [3]

- Close the window to return to ProFile [4]



- Profile displays the Data Import Worksheet where you can select or deselect the information to import into the tax file [1]
- Click *Import Selected Data* [2]
- Close the window that confirms the import is complete [3]
- ProFile will list the imported information on the *Data Import Summary* form [4] \
- You have successfully used CRA's Autofill My Return



ALL ABOUT REFILE

If you are an EFILE service provider, you can use ReFILE to EFILE T1 adjustments for tax years between 2016 and 2019. The ReFILE service lets you change the same lines that individual taxpayers can with the “Change my Return” service in CRA’s “My Account” portal.

Who can use ReFILE?

Preparers can use the ReFILE service if the following conditions apply:

- You have ProFile version 2016.4.3 or later (for tax years 2016 though 2019)
- You have level 2 authorization from your client
- The initial return was filed online (EFILE)
- The initial return was assessed
- You have acquired a new sign-off on a revised T183 from client

What does the ReFILE service exclude?

In addition to CRA’s standard EFILE and Change My Return exclusions, you **cannot** use the ReFILE service if the taxpayer:

- is amending an election or wants to make an election (for example, using Form T2057, Election on Disposition of Property by a Taxpayer to a Taxable Canadian Corporation)
- is applying for child and family benefits
- is allocating a refund to other CRA accounts
- is applying for the disability tax credit
- has a reassessment in progress
- has a first return that has not been assessed (you can view the Express Notice of Assessment (NOA); view the regular NOA on Represent a Client or My Account for Individuals; or have a paper NOA on hand to validate that a return has been assessed)
- is subject to provincial or territorial income tax in more than one jurisdiction
- the first return was filed by the CRA as a 152(7) assessment

You **cannot** use ReFILE to change page 1 of the taxpayer's T1 Income Tax and Benefit Return. Instead, individual taxpayers should use My Account to make changes to the following information:

- marital status
- address
- direct deposit
- email address

In addition, you cannot use ReFILE to change:

- a tax return that has not been assessed
- a tax return where nine reassessments exist for a particular tax year
- a bankruptcy return
- a return prior to the year of bankruptcy
- carryback amounts such as capital or non-capital losses
- a return of an international or non-resident client (including deemed residents of Canada, newcomers to Canada, and individuals who left Canada during the year)
- the elected split-pension amount
- a return where you have income from a business with a permanent establishment outside your province or territory of residence (you have to complete Form T2203, Provincial and Territorial Taxes - Multiple Jurisdictions)

Service limitations

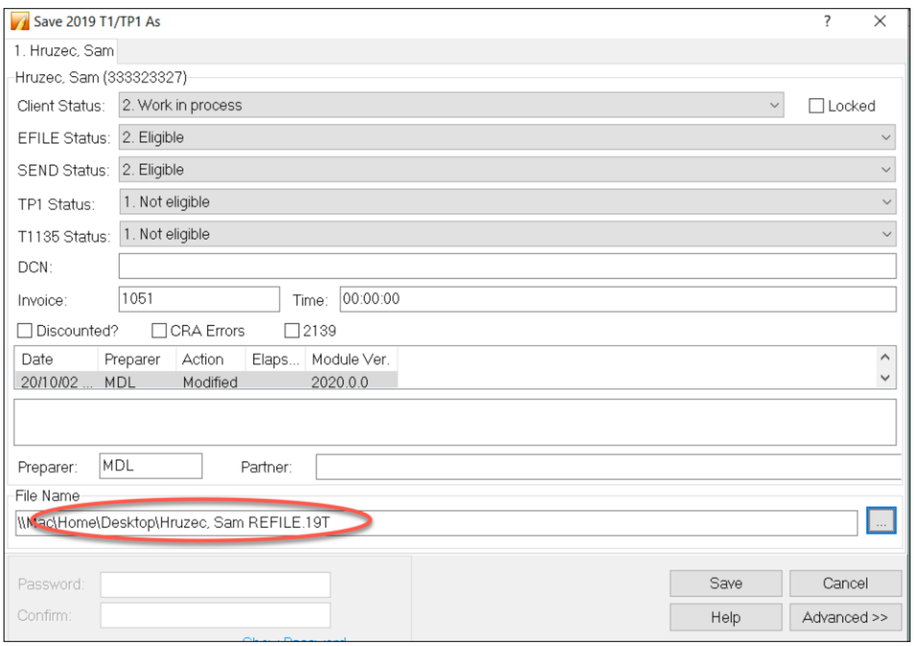
- The online system accepts only **nine** adjustments per tax year for each taxpayer, whether the taxpayer or you or CRA initiates the adjustments
- If you go over the limit, you will get an automated response saying the limit has been reached and explaining how to send a paper request
- Make additional requests on paper, preferably using Form T1-ADJ, T1 Adjustment Request, and mail them to the CRA

Using ReFILE

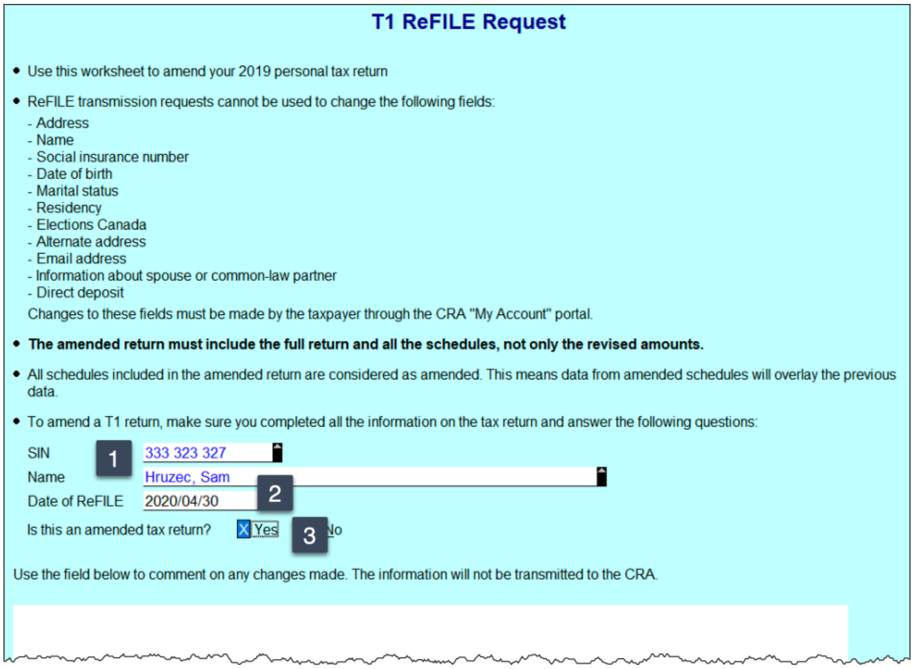
Before attempting to ReFILE a return, verify that you have a valid *Authorize a Representative* form—with level 2 authorization—on file with CRA.

To ReFILE a return

- Open a T1 return that has already been filed online, and for which a CRA assessment has been received.
- Go to File >Save As... and save the file under a new name (optional)



- Enter the new information that mandates a ReFILE. If, for example, a client has received an unexpected T4, then enter that new information on ProFile's T4 Slip
- After making the necessary changes to the tax file, press F4 to open Form Explorer and, in the Search field, enter T1ReFILE



T1 ReFILE Request

- Use this worksheet to amend your 2019 personal tax return
- ReFILE transmission requests cannot be used to change the following fields:
  - Address
  - Name
  - Social insurance number
  - Date of birth
  - Marital status
  - Residency
  - Elections Canada
  - Alternate address
  - Email address
  - Information about spouse or common-law partner
  - Direct deposit

  Changes to these fields must be made by the taxpayer through the CRA "My Account" portal.
- **The amended return must include the full return and all the schedules, not only the revised amounts.**
- All schedules included in the amended return are considered as amended. This means data from amended schedules will overlay the previous data.
- To amend a T1 return, make sure you completed all the information on the tax return and answer the following questions:

SIN 1 333 323 327
Name Hruzec, Sam
Date of ReFILE 2020/04/30 2
Is this an amended tax return? X Yes 3 No

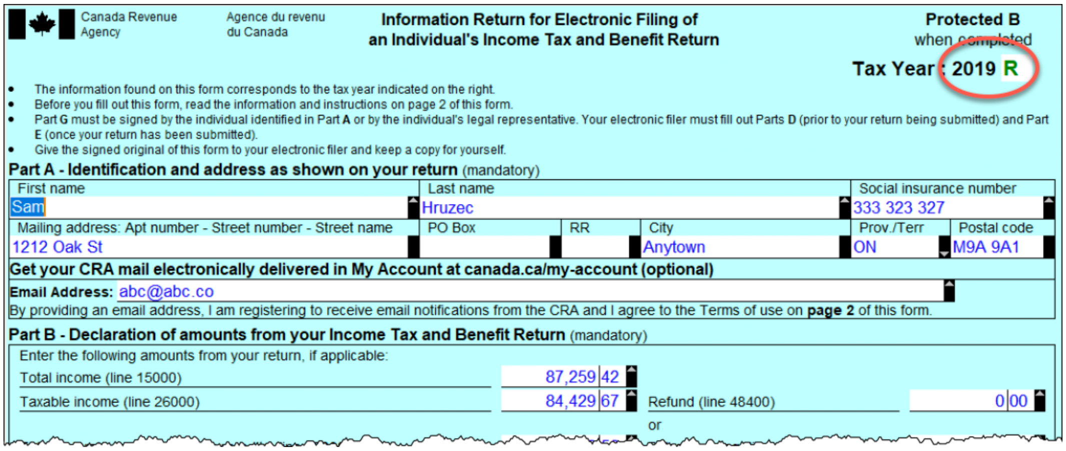
Use the field below to comment on any changes made. The information will not be transmitted to the CRA.

- Ensure the client information (SIN and Name) is correct 1
- Enter the current date in the Date of ReFILE field 2
- Select Yes for the line that reads … "Is this an amended tax return?": 3
- Note: failing to select the "yes" option will produce an error when attempting to ReFILE.
- Answer any other relevant questions on the form

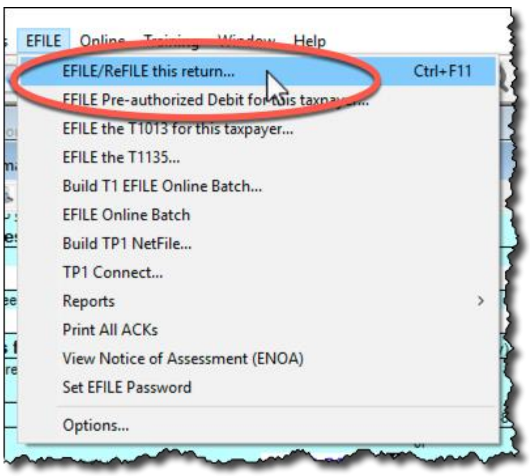
Note: these questions are not mandatory, and preparers are not required to provide answers. Any notices related to these questions may be ignored.

Before completing the submission, you must update the T183 Form

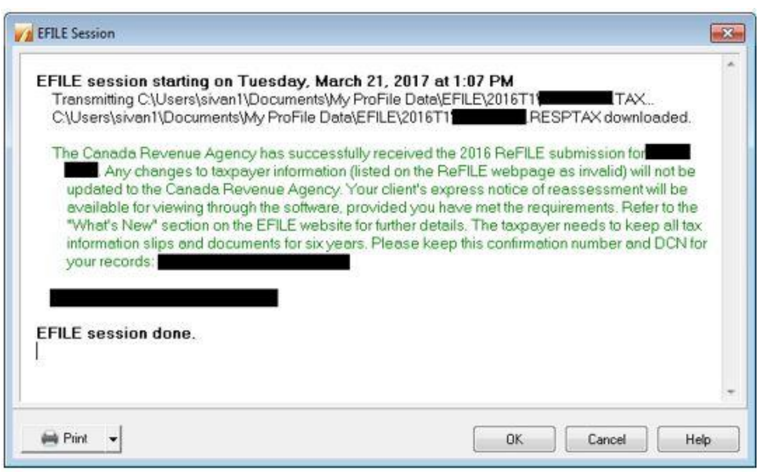
- Open the T183 used for the initial EFILE of the return
- A letter "R" now displays in the *Year* field indicating the form was referenced for ReFILE. This new designation is permanent and cannot be rescinded from the form



- Acquire a new sign-off from the client on the updated T183 form prior to your ReFILE attempt
- After the client signs the updated T183, click EFILE/ReFILE this return…

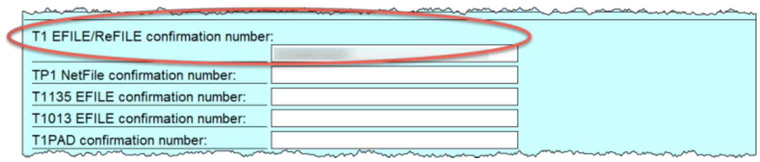


After the ReFILE process is successfully completed, ProFile will display a confirmation window



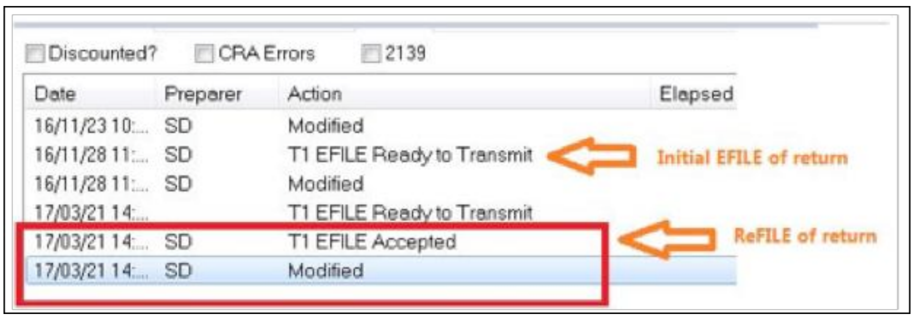
Confirming the ReFILE submission

ProFile enters the ReFILE confirmation number on the *Info* form. to the return. It matches the number displayed in the ReFILE confirmation message.



- You can also confirm the history of the submission by selecting *Properties* option under the *File* menu

Review the history of the return; the ReFILE displays as an *EFILE* with the date of the ReFILE displayed in the *Date* field



Chapter 6 Quiz

Question 1: ProFile features a number of Online tools. These tools include:

A. ProFile ReFile
B. ProFile Review
C. Online backup
D. All the above

Correct answer is D

Question 2: ProFile's toolbars include a dedicated set of icons for accessing online features

Correct answer is True

Question 3: The four online icons are:

A. Chat, Notifications, Online Settings, and Review
B. Chat, Explorer, Review and Bridge
C. Run, Synchronize, Archive and Bridge
D. None of the above

Correct answer is A

Question 4: True or False: You can use ProFile Review to view T1 returns online

Correct answer is True

Question 5: True or False: With ProFile you can use CRA's AutoFill My Return to download tax amounts to a T1 file

Correct answer is True

Question 6: To use CRA's AutoFill My Return, you must:

A. Register to become an approved electronic filer
B. Register in CRA's *Represent a Client* program and have current and valid credentials
C. Have a signed T1013 Authorization form for each client
D. All the above

Correct answer is D

Question 7: True or False: With AutoFill My Return, ProFile will be able to autofill all tax data including RRSP contributions, medical expenses and charitable donations

Correct answer is False

Question 8: True or False: ReFile is a CRA service that lets you make adjustments to the same T1 return an unlimited number of times

Correct answer is False

Question 9: What are the ReFile service limits:

A. You cannot change information such as marital status, address or direct deposit information
B. T1 ReFile lets adjust the same tax return up to nine times
C. You must make additional adjustments by paper-filing a T1-ADJ
D. All the above

Correct answer is D

Question 10: True or False: Before ReFiling a T1 on behalf of a client, you must first obtain an updated and signed T183

Correct answer is True

Chapter 7

Data Mining with Client Explorer

Learning Objectives

At this chapter's end students will understand:

- What Client Explorer does and what information it provides
- How to use Client Explorer at a basic level
- How to use Client Explorer's powerful reporting tools

Additional Resources

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

Professional Accounting Software

Tax Preparation & efiling Return Software

Professional Tax Software Training

Chapter 7: Data-mining with ProFile's Powerful Client Explorer

INTRODUCING CLIENT EXPLORER

Client Explorer is a powerful database, built into ProFile, that helps you manage all aspects of your client files. With Client Explorer, you can create custom filters that let you open, carry-forward and batch EFILE tax returns. You can also export and print customizable reports about your clients and their tax files. Finally, if you want to print groups of returns, you should also use Client Explorer.

The first time you save a new client file, Client Explorer automatically adds a record for that client to the database. Then, whenever you make a change to a client file, ProFile updates the record for that client. Client Explorer does not store all of the data found in each individual client file. Instead, it contains references to the file location. However, you can still print reports and export files that include the data from those client files.

It's important to note that, in addition to Client Explorer, ProFile offers a separate and functionally-different client database called *Classic Database.* This booklet only covers Client Explorer.

***Note**: You can use either the Classic Database or Client Explorer — not both.*

Client Explorer Advantages

The benefits of Client Explorer include:

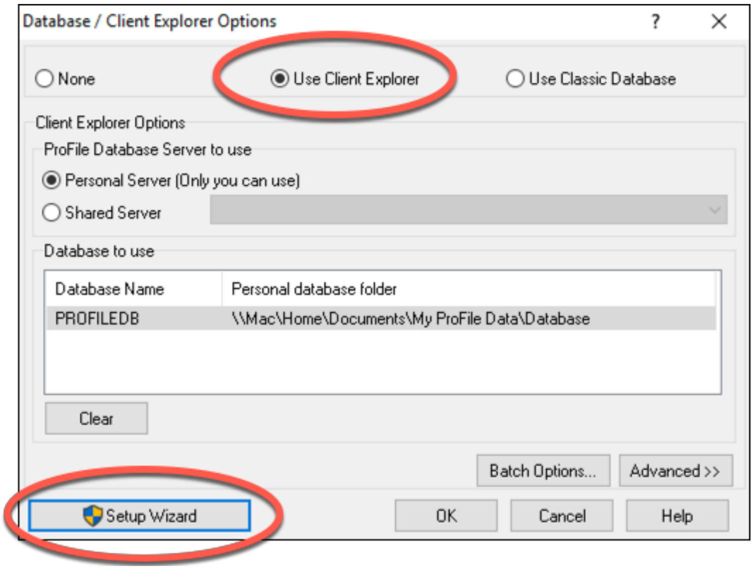
- Faster network access: Client Explorer works on standalone workstations or small networks, and it also provides faster access for larger offices that share a database over a network.
- Client-centred records: Client Explorer groups files for the same client in a single client record, regardless of the type or year of the file. You see all of a client's files and returns in one place.
- Customized views: You can set and personalize Client Explorer views and save those settings. You can use filters to quickly and easily change how you view your files and which files you view.
- Intuitive batch functionality: Most multi-file-select actions work the same way as Microsoft Windows®. You can use filters to view only the files you need, select all of the visible files, and then select an action from the Database menu or from a right-click menu.
- Access to client details: You can use Client Explorer as an address book or contact list. You can change client addresses in the Client Explorer without affecting previously-filed returns. And you can customize the Details pane to include any fields from client returns.

Setting up

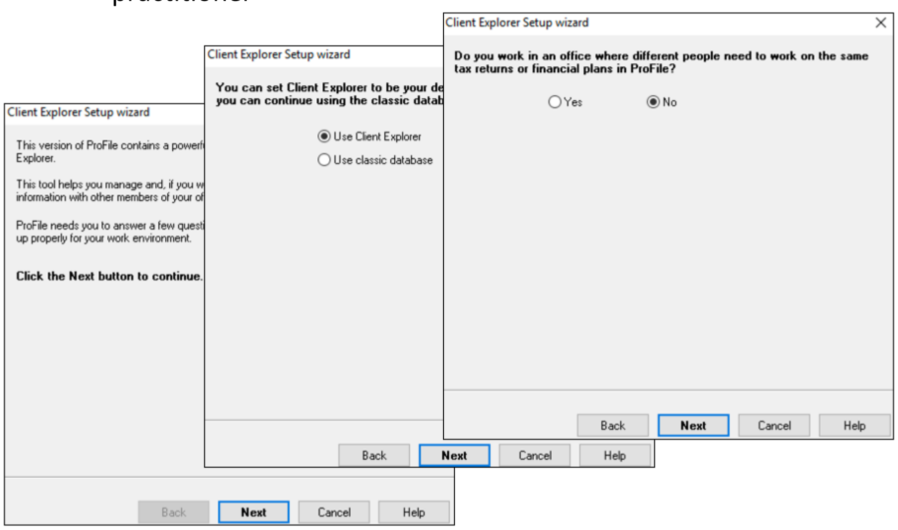
Your Client Explorer set-up options depend on whether you work alone as a sole practitioner or work with others in a shared network environment.

Setting up Client Explorer for a Sole Practitioner

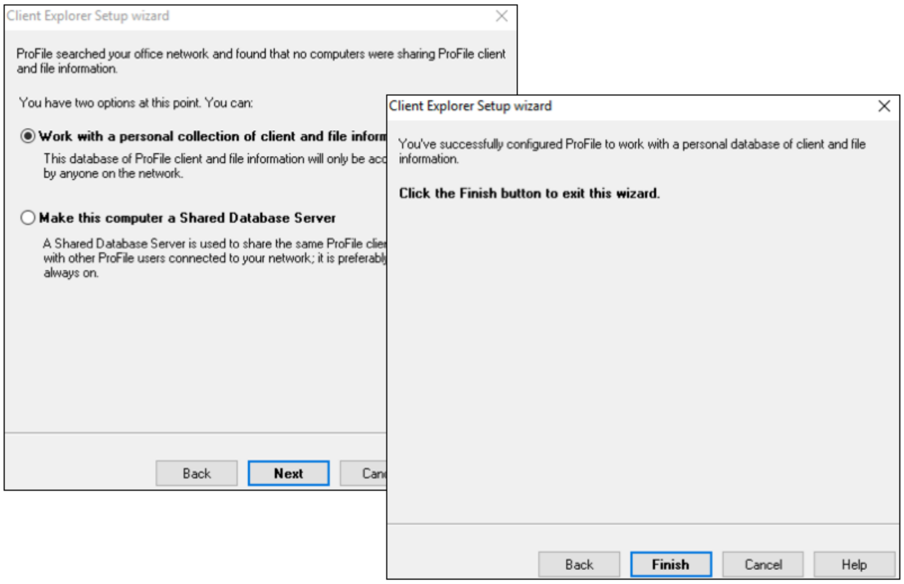
- Click Options -> Database
- Select the *Client Explorer* radio button.
- Click Setup Wizard



- Click *Use Client Explorer* and in the following window, click *No* to indicate that you are a sole practitioner

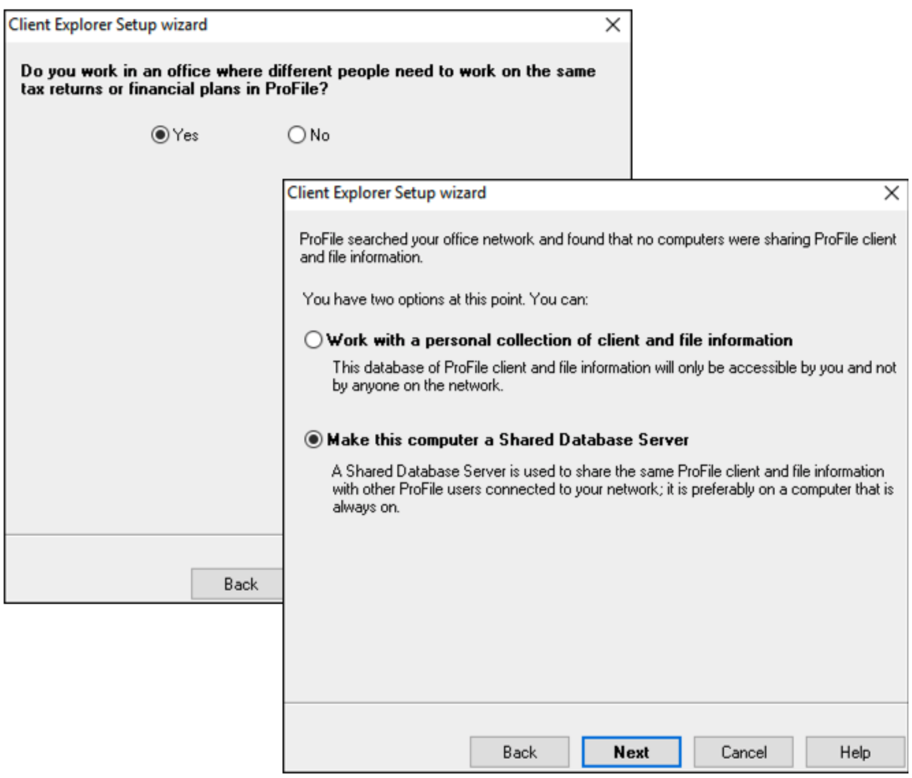


- As a sole practitioner, select the first radio button and click *Next*
- Finally, click *Finish*

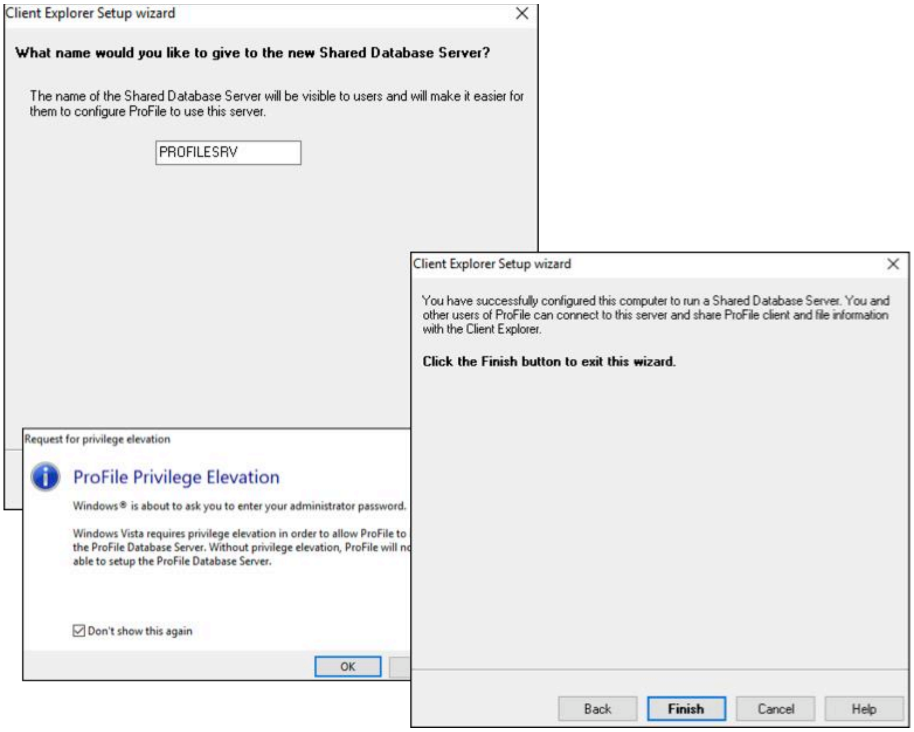


Setting up Client Explorer for a Shared Database

- Go back to the Setup Wizard, and click *Yes* at the prompt about *working with different people*
- In a following window, click the second radio button to make the computer a shared database

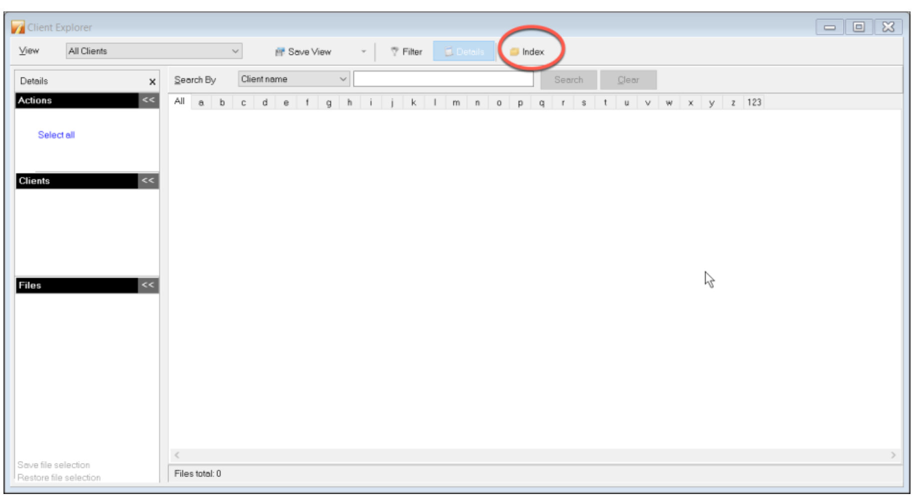


- Name your shared database, click *OK* to accept any Windows prompts (such as ProFile Privilege Elevation), and click *Finish* to complete the process



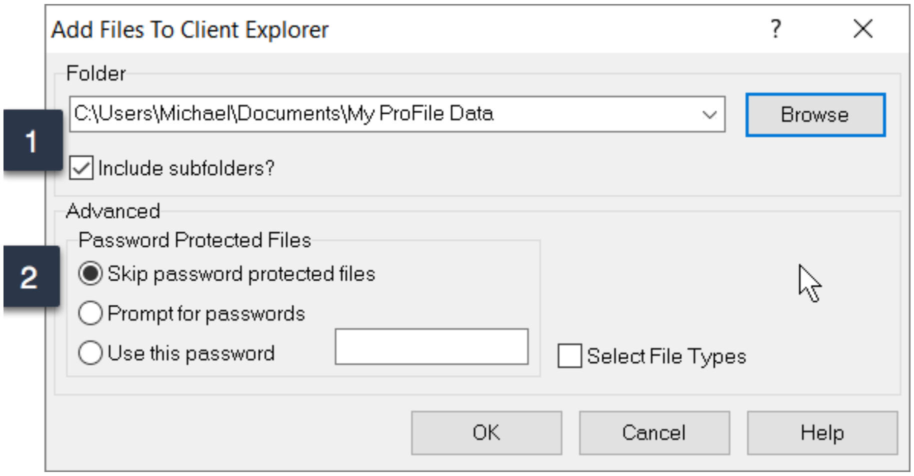
Using Client Explorer

- To open *Client Explorer,* press the F3 key. The first time it launches, Client Explorer displays an empty window
- To load references to the existing files, click *Index*

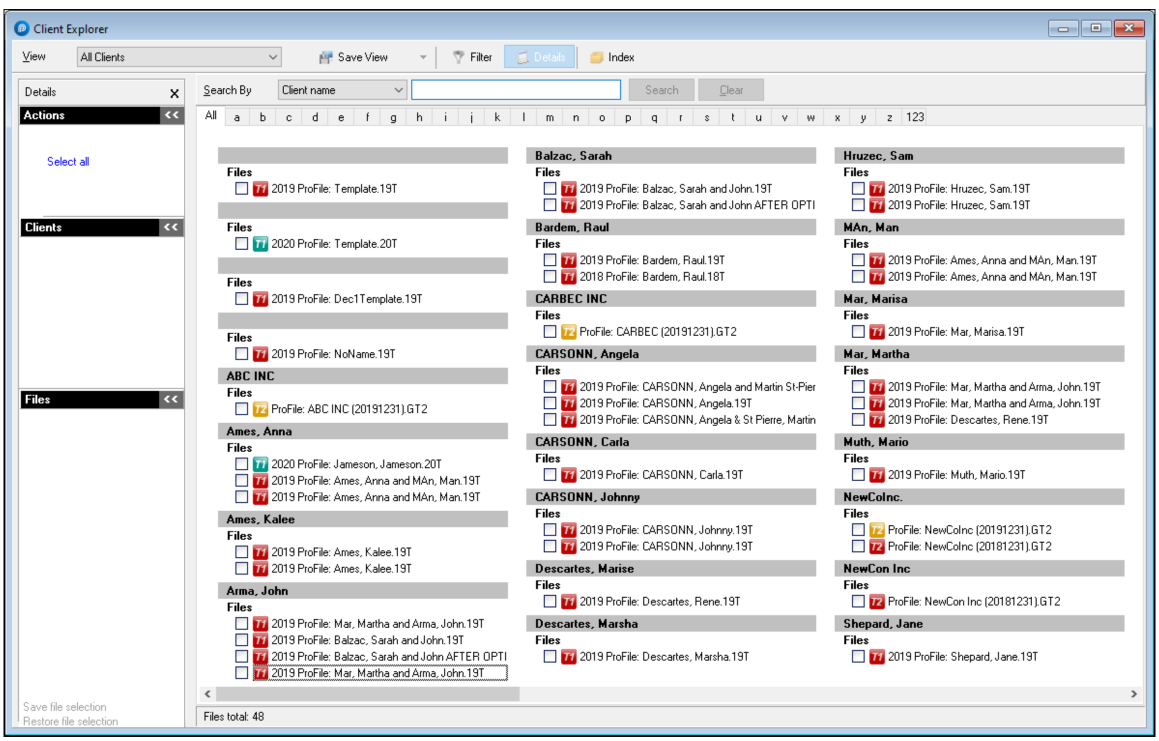


- Browse to the file location (usually *My ProFile Data*) and click *Include subfolders* [1]
- Indicate how you want Client Explorer to handle password protected files [2]

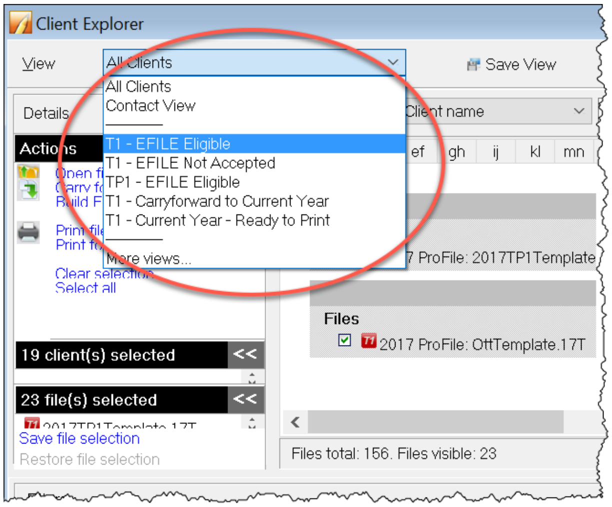
- Click *OK*



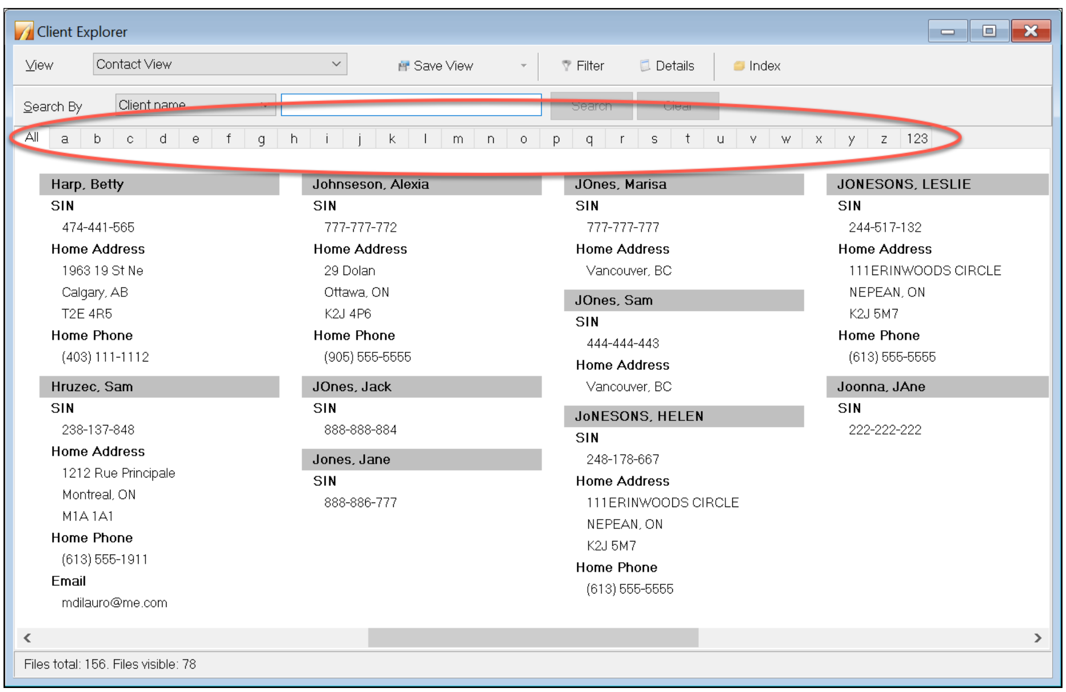
- After the indexing process is finished, Client Explorer displays all tax files stored in the designated folder



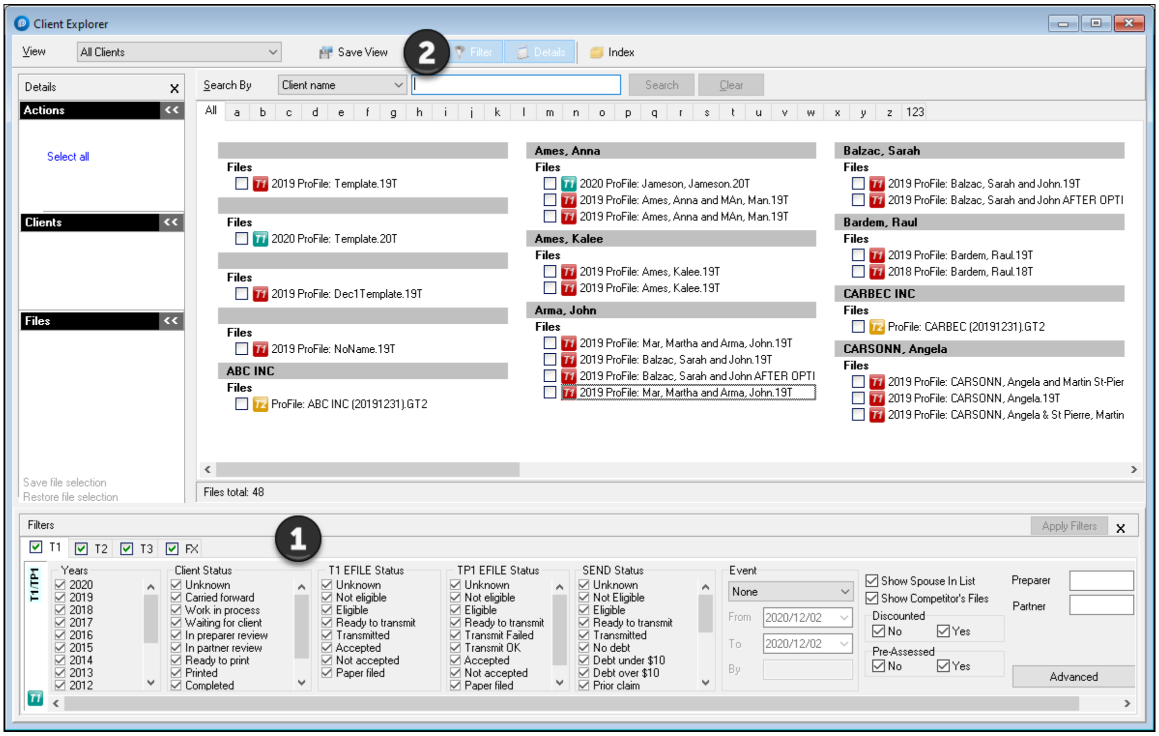
- By default, *View* is set to display *All Clients*. To change that display, just click the View dropdown arrow



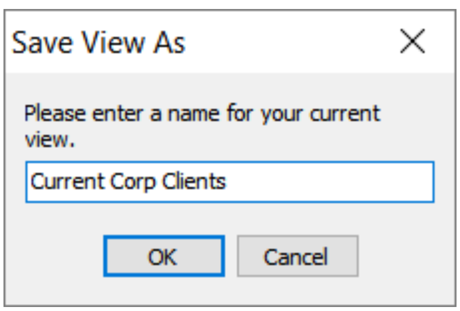
- The *Contact View,* for example, displays full contact information for all your clients
- Use the tabs to search alphabetically



- *Client Explorer* lets you customize views by setting filters
- Click *Filter* to open the bottom panel where you can restrict the files that *Client Explorer* displays
- The *Filters* panel lets you select a wide range of parameters including, tax types, tax years, client and file status and date-range [1]

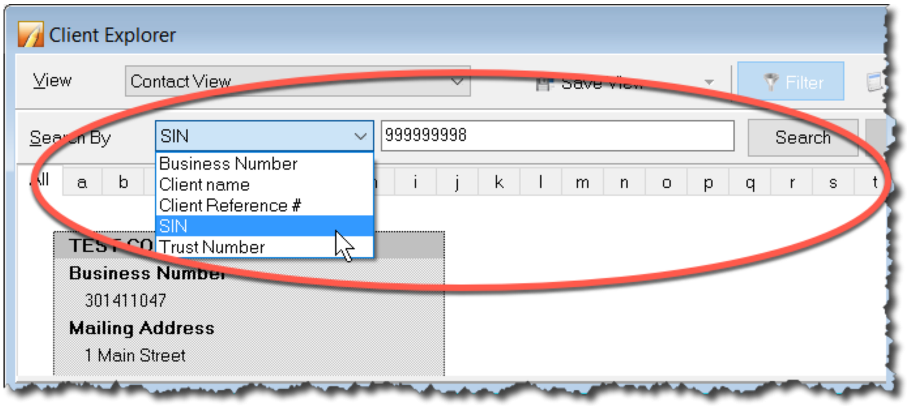


- Once you create your customized view (see window above) click *Save View* 2
- In the dialog box that opens, name your customized view and click *OK.*



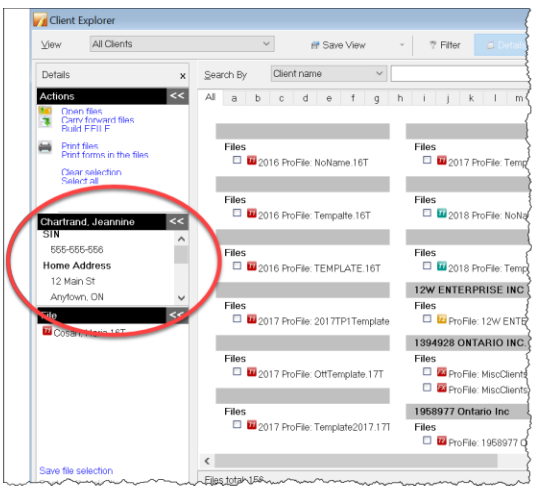
Using *Client Explorer* to find files

- *Client Explorer* has a Search tool that helps you find a specific client file
- Use the dropdown field to select the search parameter
- Type the query term, click *Search* and Client Explorer will display all files matching your search query

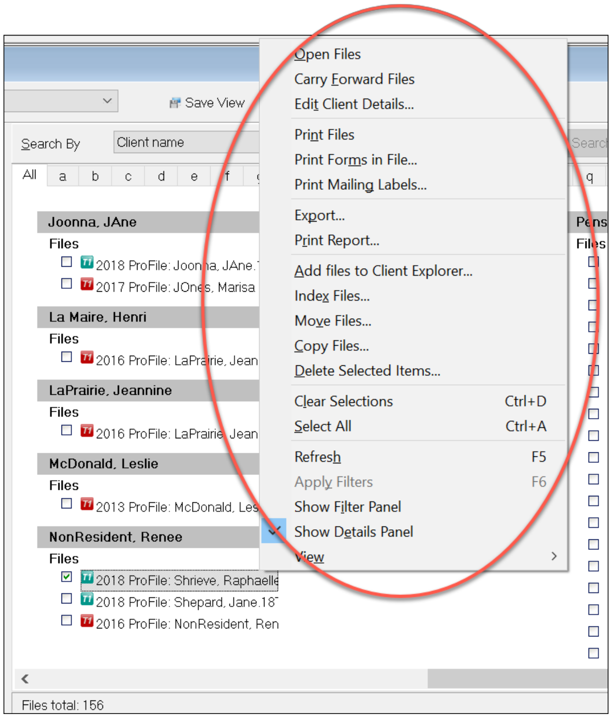


Client Explorer as a Contact Manger

- You can easily use Client Explorer as a Contact Manager. Just select a file (by clicking into its checkbox) and the left pane displays contact information for that client



- To carry out more actions, right-click a file to open a context-sensitive window that lets you *Open, Carryforward* or *Print Files*, as well as *Export*, *Copy* or *Delete* them



EFILE WITH CLIENT EXPLORER

Chapter 4 introduced CRA's EFILE system and described how a tax preparer uses EFILE to electronically file a client's T1. This section illustrates how you can use Client Explorer to EFILE multiple T1s at the same time.

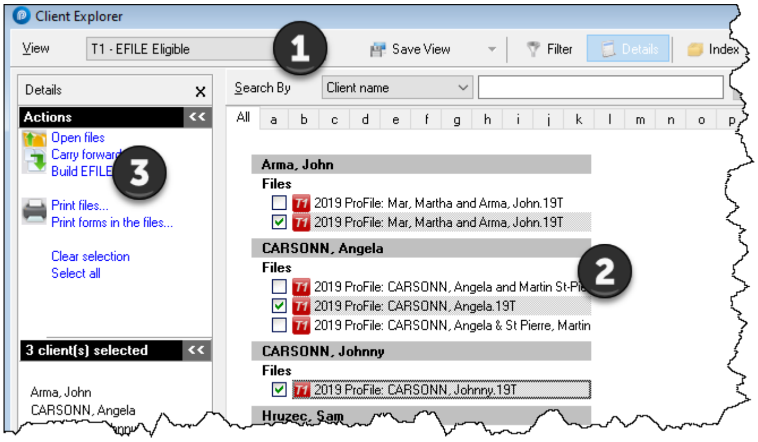
Batch EFILE with Client Explorer

To create EFILE files for a group of returns:

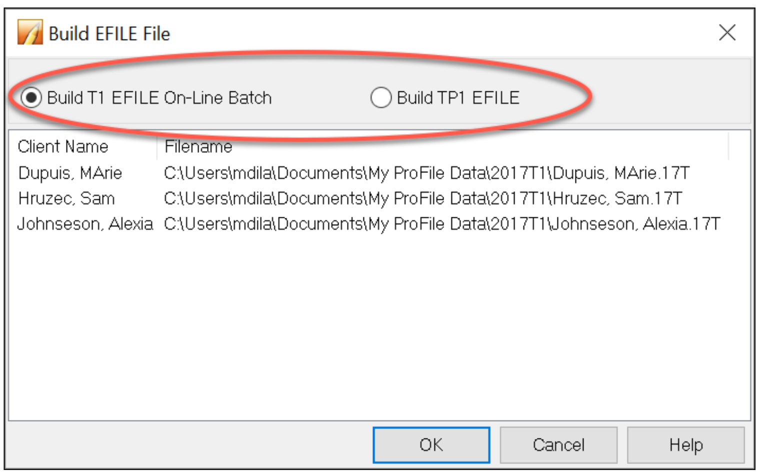
- Press *F3* to open Client Explorer

In the View drop-down list, select the type of EFILE operation that you want to perform. ProFile filters the list to display only files with the selected status.

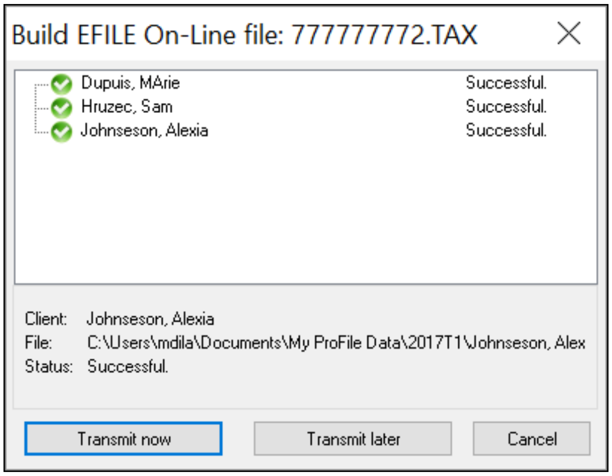
- To view tax files eligible for EFILE, select *T1 – EFILE Eligible* 1
- From the list of eligible files, select the files that you want to include in the next transmission 2
- To prepare the files for submission, choose *Build EFILE* 3



- If necessary, in the Build window that opens, further specify the type of EFILE file to create (or the **Agency**, **Data Type** and **Slip Type** when you are building an electronic media file for slips/relevés).
- Click OK when you're done



- ProFile reports progress on the selected returns as it builds them. A *Successful* build status should appear next to each return
- Click *Transmit Now* to EFILE the batch



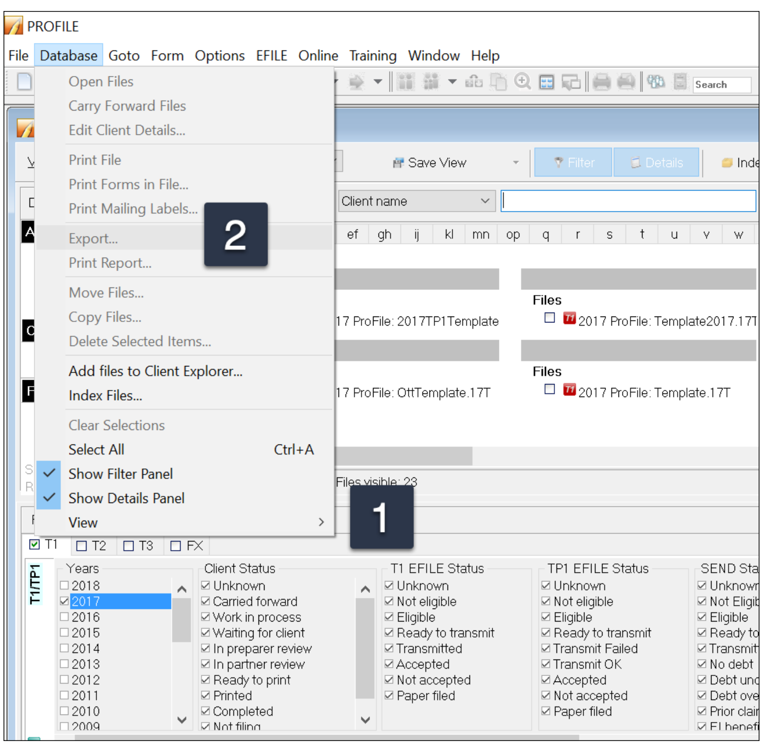
For more details on transmitting T1 and TP1 returns that you prepared in this way, go to ProFile Help and search for "Transmit a batch of EFILE Online files"

PRINTING AND EXPORTING WITH *CLIENT EXPLORER*

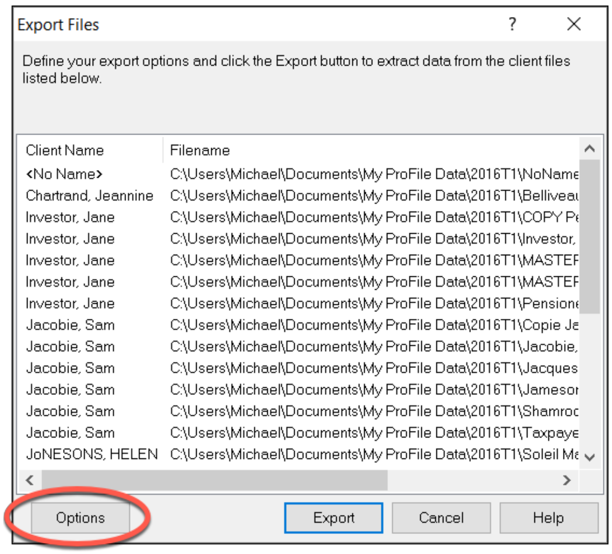
Export to Excel

Here's how you can export data from Client Explorer to Microsoft Excel ™:

- From *Client Explorer,* select the files for the year and module you'd like to export 1
- Click the *Database* menu and select *Export* 2

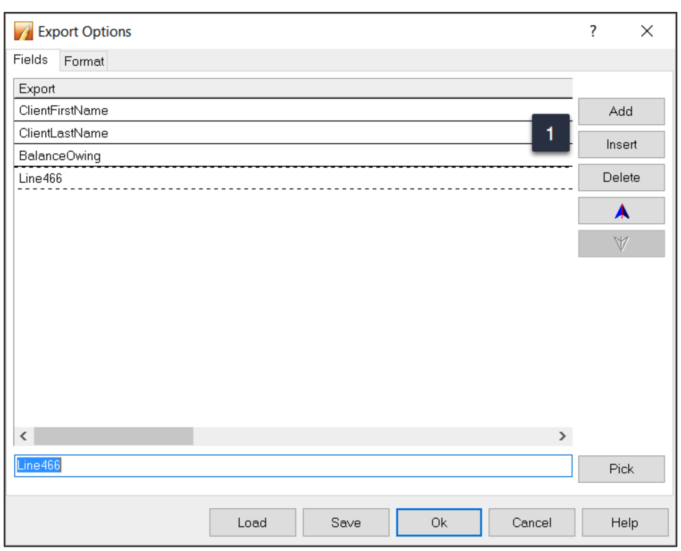


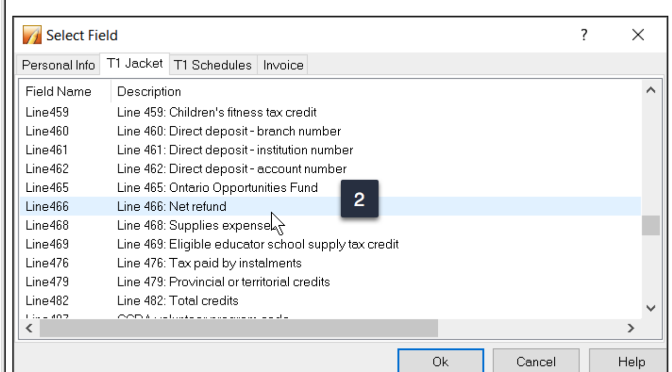
- From the *Export Files* dialog box, click *Options*



The Fields tab of the Export Options window (below) is where you choose the fields code for the information that you want to include in your export

- Click *Add* to begin selecting the fields you'd like to export [1]
- Select the field to add in your export, then click OK [2]
- To include more fields, keep clicking Add [1]

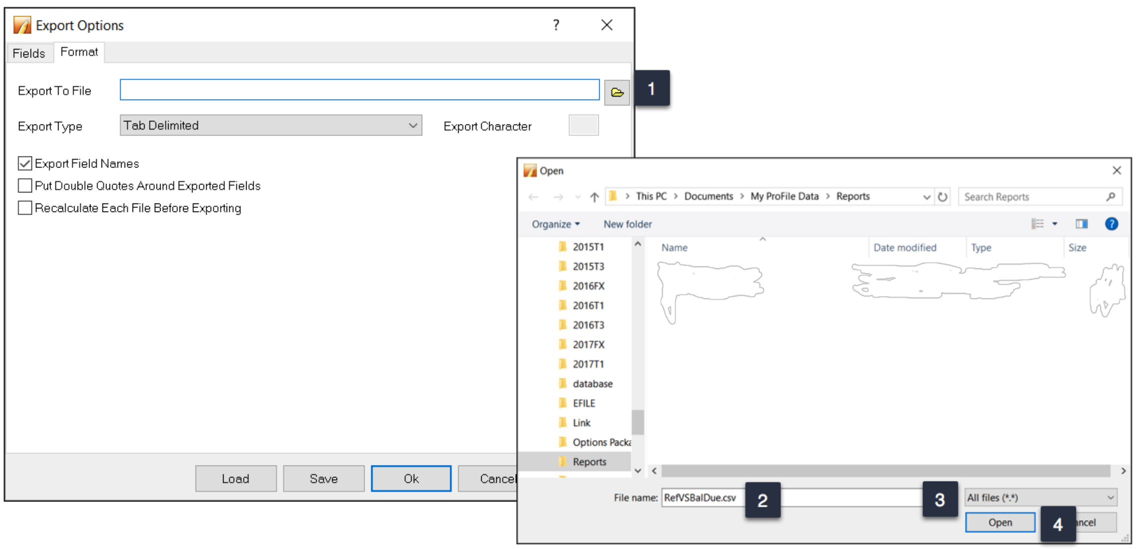




There are two files you need to create. One is the design of the export which indicates what information you need to extract from the ProFile tax files. This file is saved as a .qex file and it is configured on the *Fields* tab of the Export Options window above. The second file stores the actual information that will be used to import into

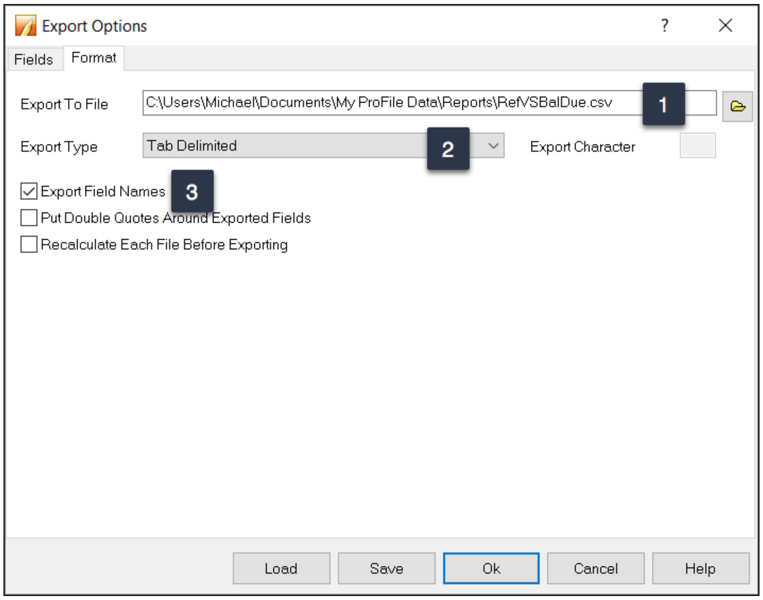
Excel. This second file is usually saved as a .txt or .csv file. You save this file on the *Format* tab of the Export Options window above.

- To create and save the second file, navigate to the *Format* tab and click the *Browse* button to the right of the *Export to File* field [1]
- Type in a name for your file [2]
- If you're using a .csv extension, click the dropdown and select *All files* [3]
- Click *Open* [4]

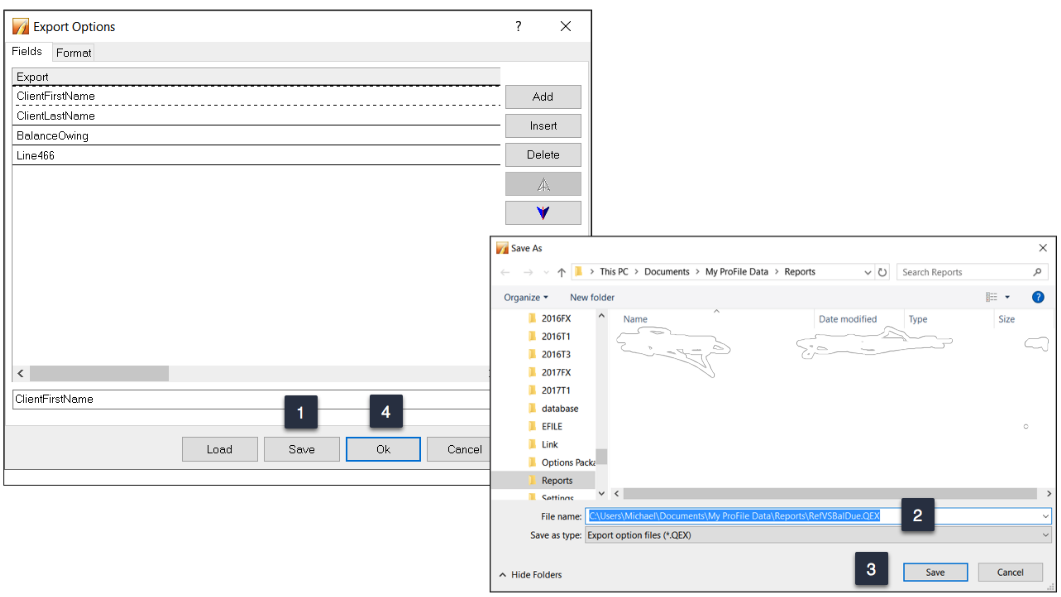


ProFile will return to the Export Options window where you can finalize your setup options

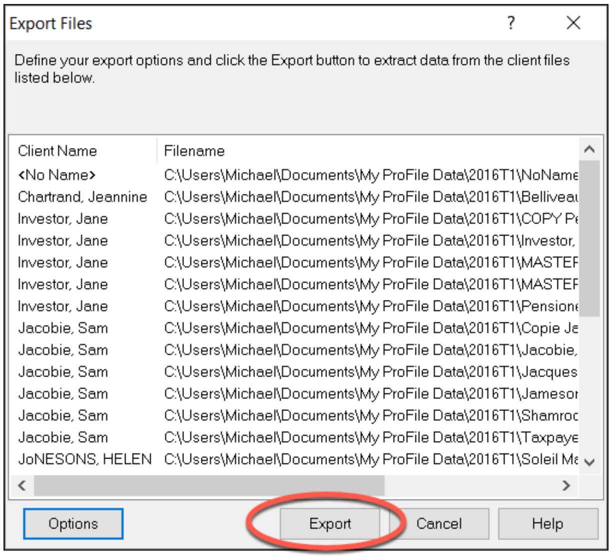
- Note that the file is saved in MyProFile Data\Reports and it is here that you will browse to to import the data into Excel [1]
- Choose the export type, Tab Delimited, for example [2]
- Check *Export Field Names*, which will put the field code at the top of each column in Excel [3]



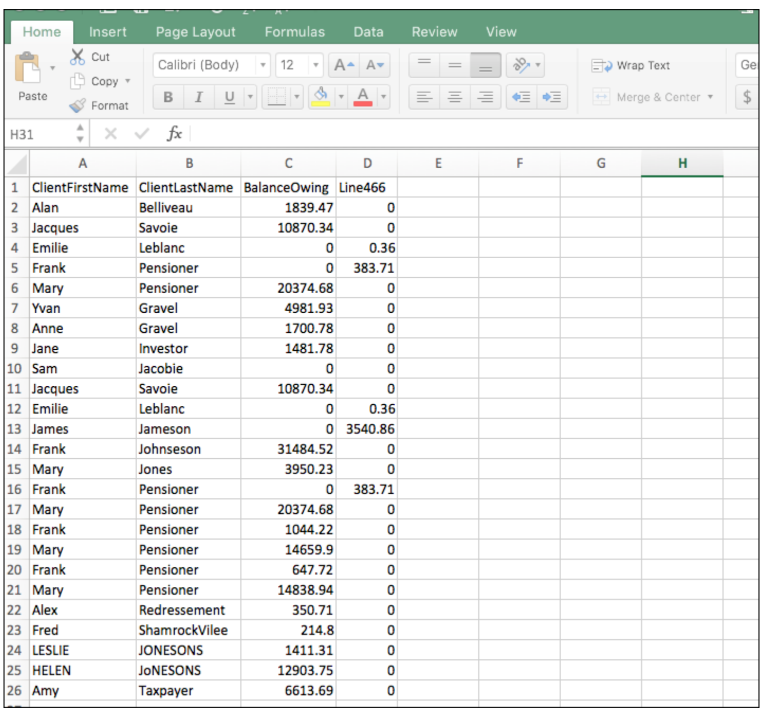
- Go back to the Field tab and click *Save* 1
- ProFile will save the design of the report as a .qex file 2
- Click Save once more to save the .qex file 3
- Click *OK*, and you'll be taken back to the main export window 4



- At the Export File window, click *Export* and the information will be sent to the .csv file that you created earlier



- You are now ready to import the data to Excel, all you need to do is find the .csv file and open it in Excel

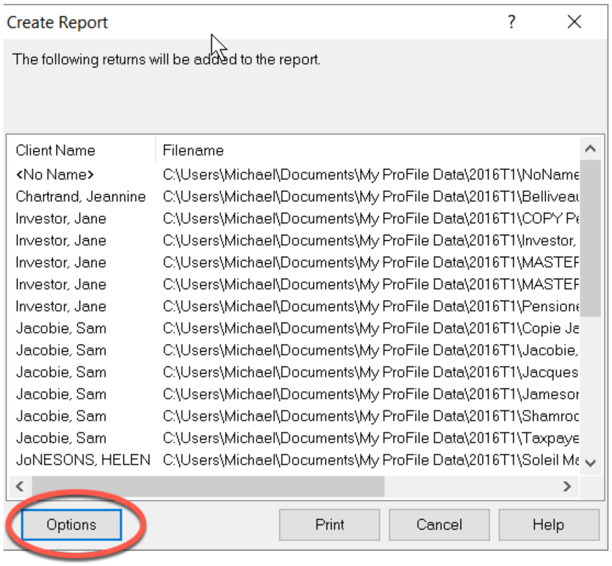


	A	B	C	D
1	ClientFirstName	ClientLastName	BalanceOwing	Line466
2	Alan	Belliveau	1839.47	0
3	Jacques	Savoie	10870.34	0
4	Emilie	Leblanc	0	0.36
5	Frank	Pensioner	0	383.71
6	Mary	Pensioner	20374.68	0
7	Yvan	Gravel	4981.93	0
8	Anne	Gravel	1700.78	0
9	Jane	Investor	1481.78	0
10	Sam	Jacobie	0	0
11	Jacques	Savoie	10870.34	0
12	Emilie	Leblanc	0	0.36
13	James	Jameson	0	3540.86
14	Frank	Johnseson	31484.52	0
15	Mary	Jones	3950.23	0
16	Frank	Pensioner	0	383.71
17	Mary	Pensioner	20374.68	0
18	Frank	Pensioner	1044.22	0
19	Mary	Pensioner	14659.9	0
20	Frank	Pensioner	647.72	0
21	Mary	Pensioner	14838.94	0
22	Alex	Redressement	350.71	0
23	Fred	ShamrockVilee	214.8	0
24	LESLIE	JONESONS	1411.31	0
25	HELEN	JoNESONS	12903.75	0
26	Amy	Taxpayer	6613.69	0

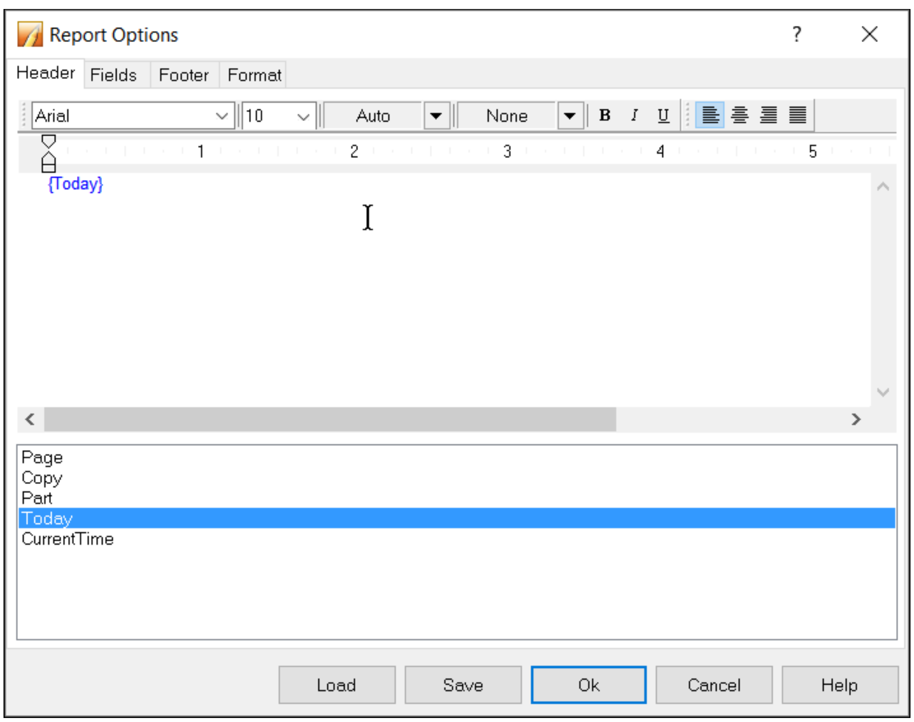
Printing Reports

The steps for printing reports are similar to what you just learned for exporting data. As illustrated in the previous example from Client Explorer, select the files to print, and then click *Database* > *Print Report*

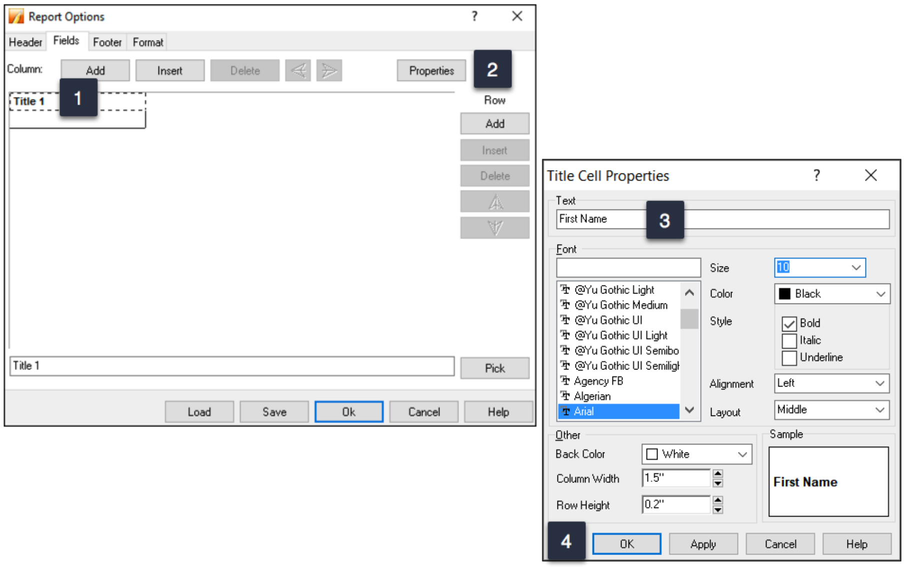
- In the Create Report window, click Options.



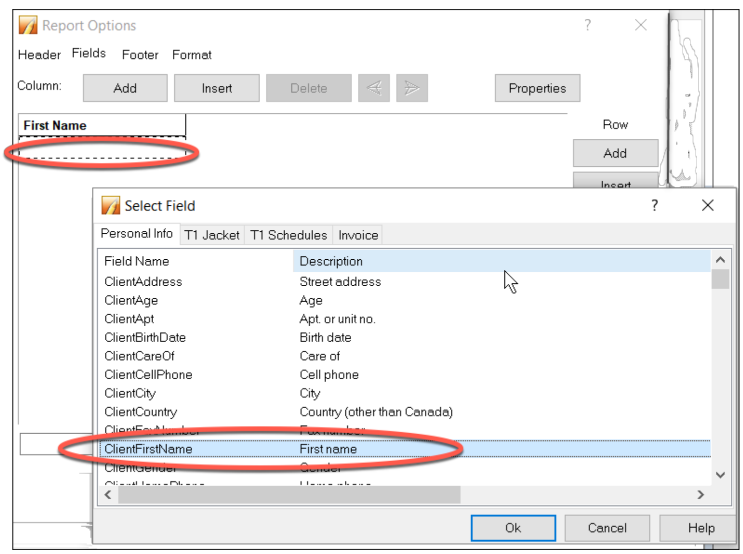
- On the *Header* tab, select text that will appear on all pages. For example, to use today's date, double-click on *Today*



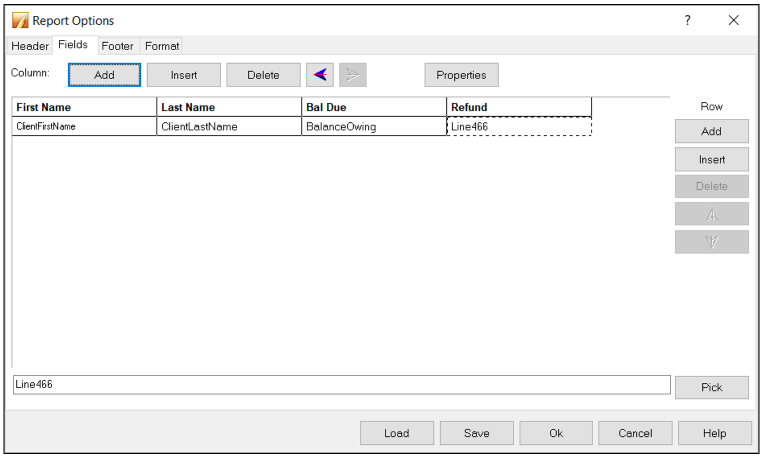
- The top row of the *Fields* tab displays column headings. Select the first cell and then click *Properties*
- In the *Title Cell Properties* window, you can set up text formatting and enter the text for Title 1
- Click *OK* to close the window



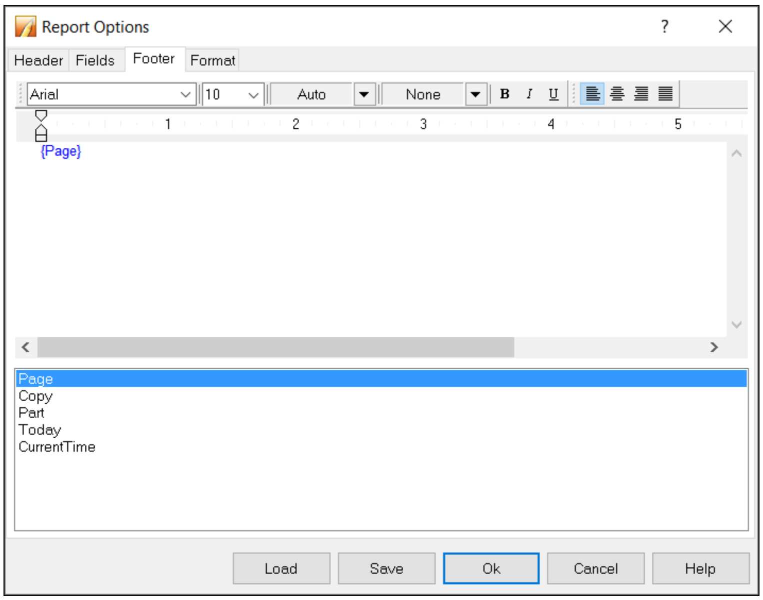
- You now need to input data for the report. Double-click the cell directly under *First Name* and choose from a list of *Field Codes.*
- In the *Select Field* window, choose *ClientFistName* and click *OK*



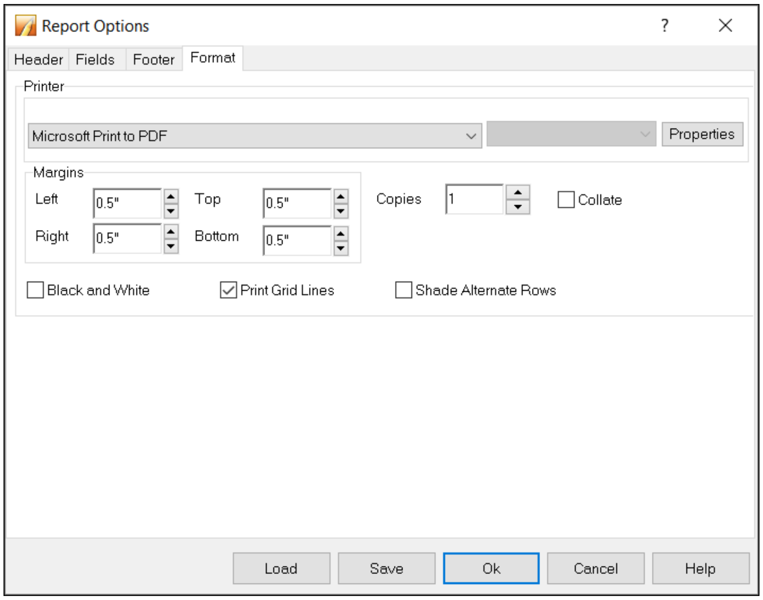
- Click *Add* and repeat the step above to add more fields. Once done, your report template will look like this



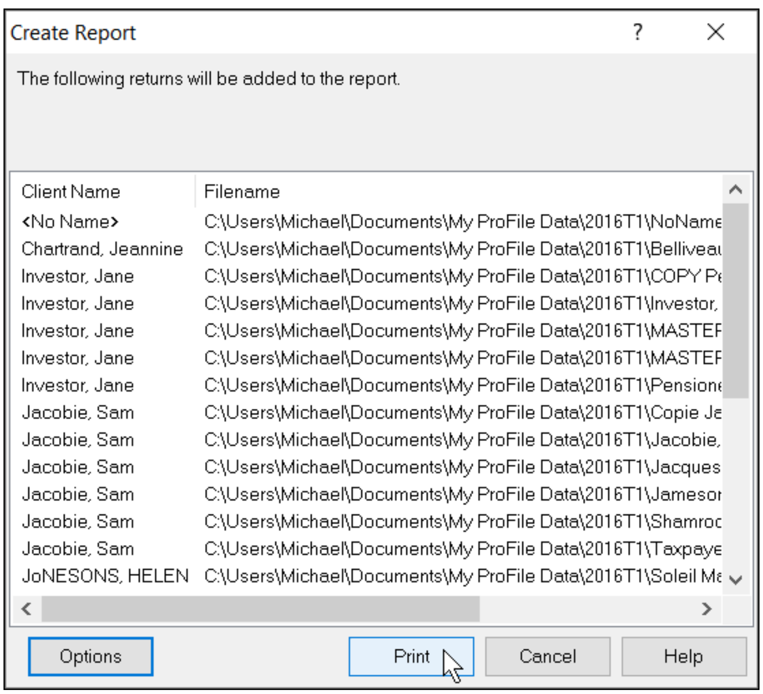
- Use the Footer tab to set up footnotes that appear at the bottom of each page.



- Use the *Format* tab to set up other options such as the printer that will generate the report.



- Save your setup options and click *OK* to open the *Create Report* window. Click *Print* to run the report.



- Here is your report

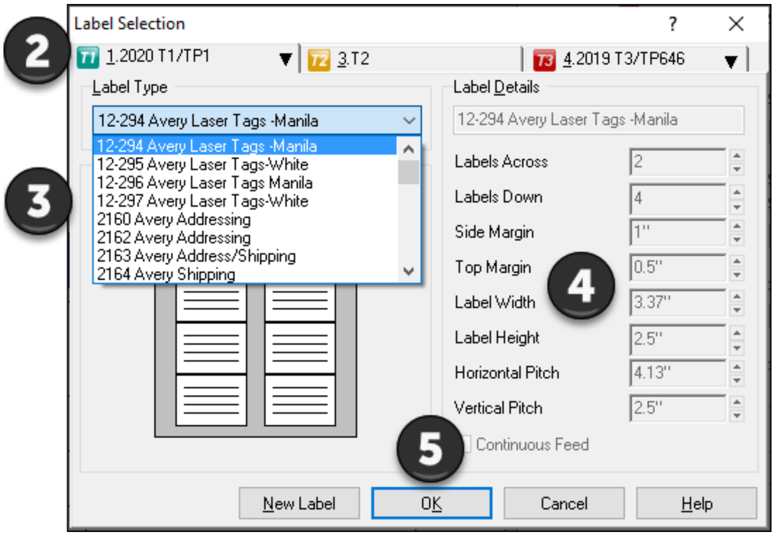
Monday, October 9, 2017

First Name	Last Name	Bal Due	Refund
		0.00	0.00
Alan	Belliveau	1,839.47	0.00
Mary	Pensioner	20,374.68	0.00
Jane	Investor	1,481.78	0.00
Mary	Pensioner	20,374.68	0.00
Mary	Pensioner	14,659.90	0.00
Mary	Pensioner	14,838.94	0.00
Emilie	Leblanc	0.00	0.36
Sam	Jacobie	0.00	0.00
Emilie	Leblanc	0.00	0.36
James	Jameson	0.00	3,540.86
Fred	ShamrockVilee	214.80	0.00
Amy	Taxpayer	6,613.69	0.00
HELEN	JoNESONS	12,903.75	0.00
LESLIE	JONESONS	1,411.31	0.00
Frank	Pensioner	0.00	383.71
Frank	Johnseson	31,484.52	0.00
Mary	Jones	3,950.23	0.00
Frank	Pensioner	0.00	383.71
Frank	Pensioner	1,044.22	0.00
Frank	Pensioner	647.72	0.00
Alex	Redressement	350.71	0.00
Jacques	Savoie	10,870.34	0.00
Jacques	Savoie	10,870.34	0.00
Anne	Gravel	1,700.78	0.00
Yvan	Gravel	4,981.93	0.00

Creating Mailing Labels with Client Explorer

Before using Client Explorer to print labels, you will have to set up your mailing labels.

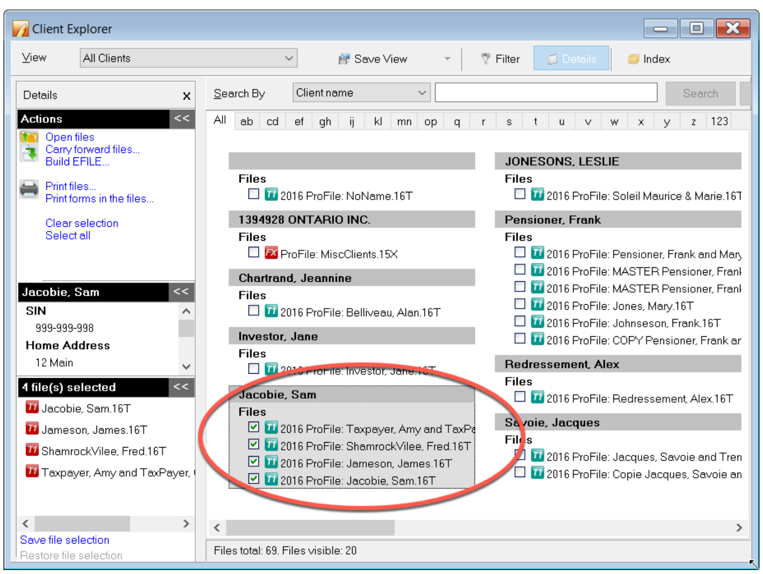
- Go to the File menu and select Setup Mailing Labels [1]
- Click a Module tab [2]
- Click the dropdown to choose your label type [3]
- If you'd like to format your own label, click *New Label* (ProFile will designate it as User Label 1) and enter the label rows, columns on the right side of the window below. [4]
- Click *OK* [5]



- To print mailing labels, follow these steps.

Note that when printing a group of labels, all files must be of the same module and tax year.

- Press *F3* and from Client Explorer, choose just a few files for a test run



- Click *Database > Print Mailing labels* 1
- Mailing labels for spousal returns will show both spouses' names. To avoid printing two labels for each spousal return, check the box marked *Print only one label for coupled returns* 2
- Click *OK* 3

Make sure to feed the correct labels into your printer, before starting the print job.

Chapter 7 Quiz

Question 1: Client Explorer is a database that lets you:

A. View and manage your clients and their tax files
B. Create custom filters for selecting only certain types of files
C. Print or export customized reports
D. All the above

Correct answer is D

Question 2: True or False: ProFile has two different database tools: Client Explorer and Classic Database, and you can use both at the same time

Correct answer is False

Question 3: The first time you launch Client Explorer you must:

A. Index the existing files
B. Copy files from the data folder and paste them into Client Explorer
C. Run the Synchronize and Archive feature
D. Ensure that all files are linked to each other

Correct answer is A

Question 4: True or False: You cannot share a Client Explorer database with other tax preparers

Correct answer is False

Question 5: True or False: Client Explorer can only access files stored in one folder and its nested subfolders

Correct answer is True

Question 6: To use Client Explorer as a contact manager, you should:

A. Create a customized report and export it to Excel
B. Extract the names and addresses from within the T1 view
C. You cannot, in fact, use Client Explorer as a contact manager
D. Click the dropdown arrow in the *View* field and select *Contact View*

Correct answer is D

Question 7: True or False: You can create your own customized view options (called Filters) in Client Explorer

Correct answer is True

Question 8: True or False: You can use Client Explorer to prepare mailing labels

Correct answer is True

Question 9: Client explorer lets you:

A. Carry forward prior-year tax files
B. EFILE tax returns in a batch
C. Select and print tax files
D. All the above

Correct answer is D

Question 10: There are two special types of files Client Explorer prepares for print jobs and for exporting. The file extensions of these two files are:

A. .qex and .qrp
B. .pdf and .atf
C. .qex and .csv
D. .gt1 and .at2

Correct answer is A

Chapter 8

Advanced Features

Learning Objectives

At this chapter's end 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 training opportunities

[Professional Accounting Software]

[Tax Preparation & efiling Return Software]

[Professional Tax Software Training]

Chapter 8: Advanced Features

File Template

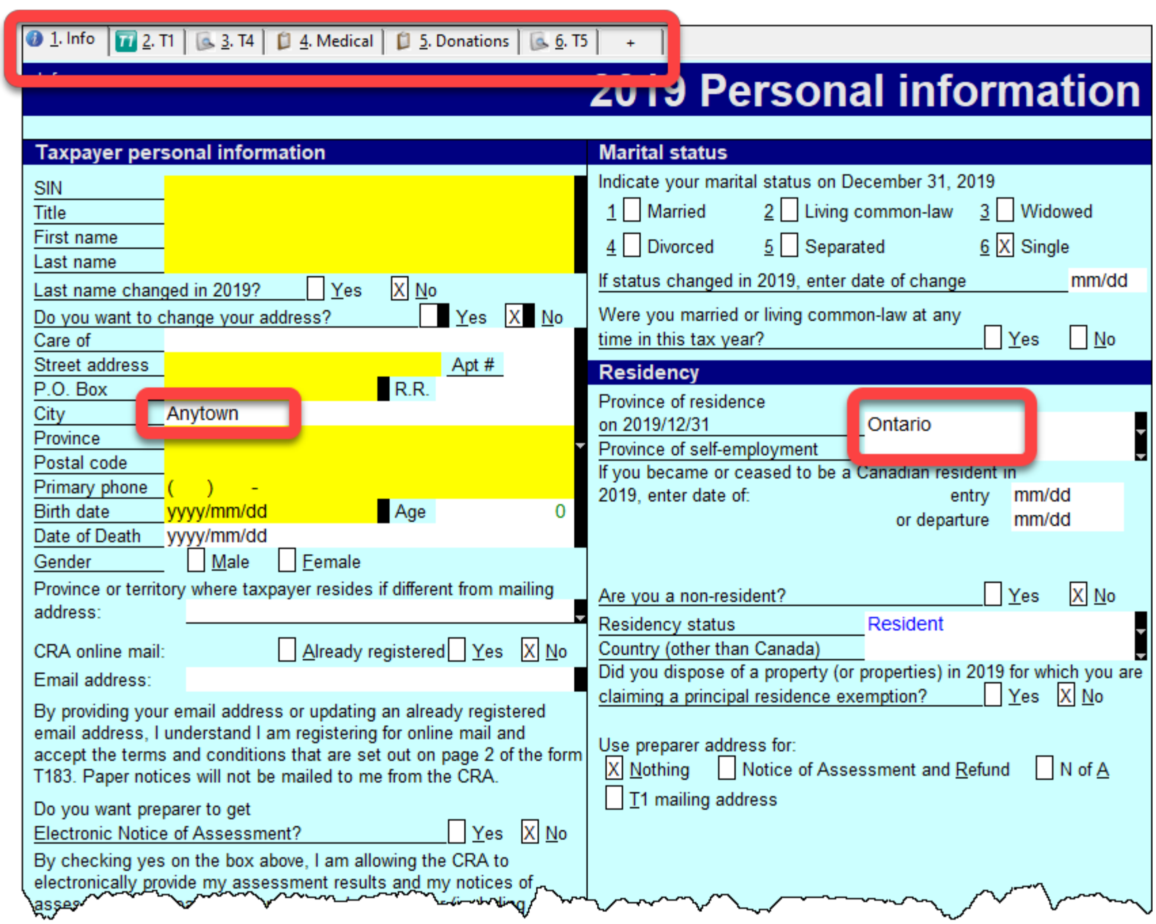
If you find that you are constantly selecting the same checkboxes on ProFile's Info page (for example, the Elections Canada question), or if you find that most of your clients live in the same city or province, you can create a file template that automatically fills in those fields for you. Once you set up a file template, Profile uses the settings in that 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.

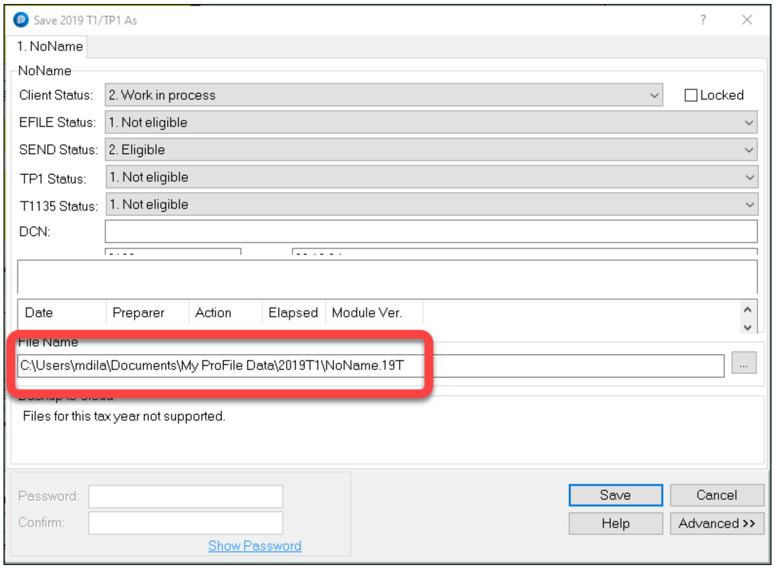
Note: When you carry forward prior-year files, information from the previous year will always overwrite any file template data.

To set up a file template:

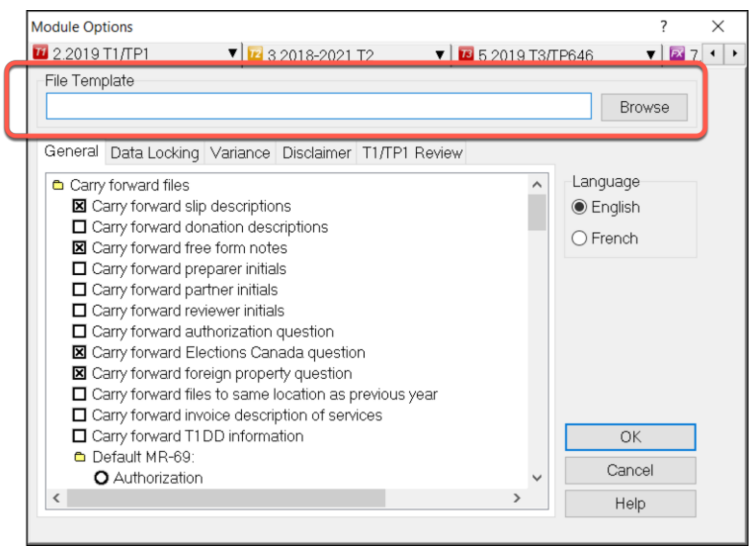
- Create a new tax return
- Enter default data in any field on any form. The example below has defaults set for City and Province
- Open any forms that you want ProFile to open automatically when you create a new client file that is based on this file template



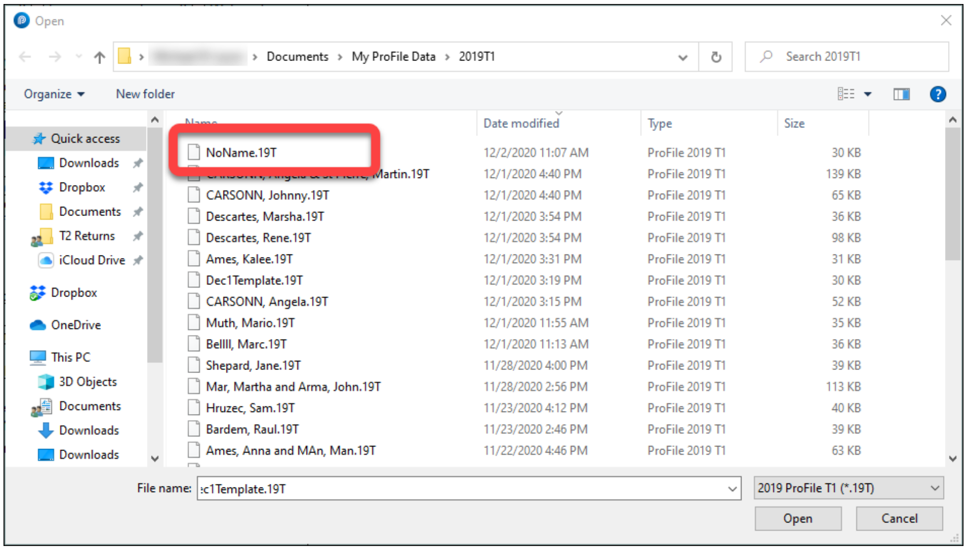
- Save the file with a generic name, perhaps naming it something like *NoName*



- In order for ProFile to open any new file with the settings established about, go to the *Options* menu and select *Module*
- Select the file year and module and then, in the File Template area, click *Browse*



- Search and select the file template on your hard drive
- Click *Open*



Going forward, 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

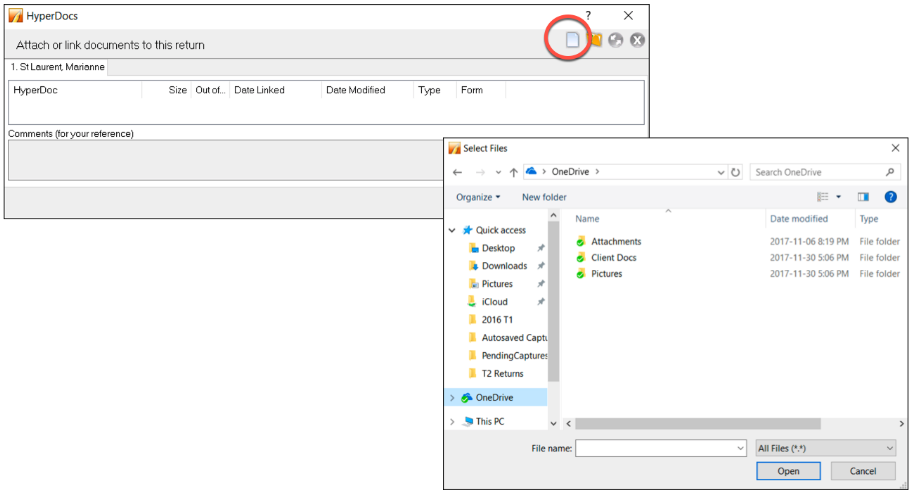
It may happen that you'd like to attach or link an electronic document to a tax file. For example, you may want to attach a PDF of a CRA document such as a tax ruling or an interpretation bulletin. Or you may want to link to an image file itemizing details of charitable donations or medical receipts. 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.

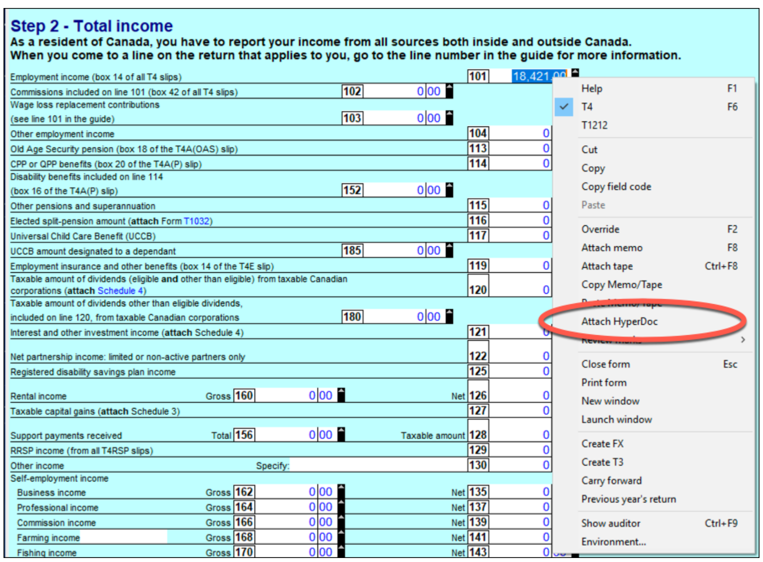
Adding a HyperDocs document

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

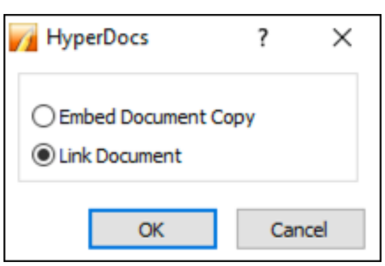
- To add a new HyperDocs document to the tax file itself, go to *File > HyperDocs* and click the *Add* icon (circled in the image below)
- A window will open letting you select the file you wish to add



- 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

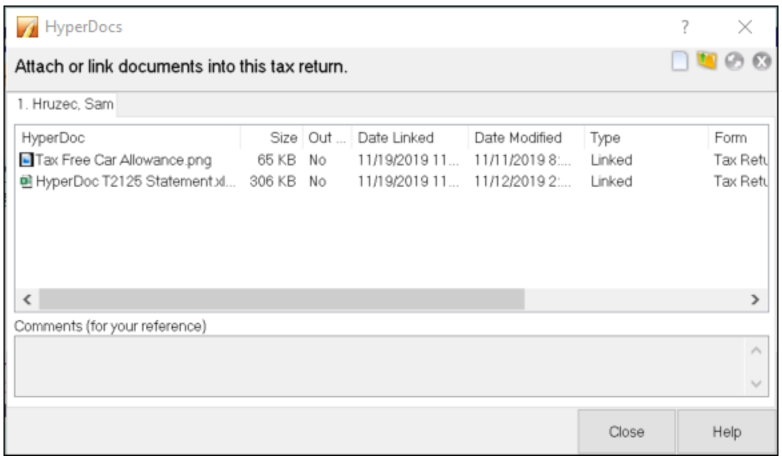


- Embedded documents open as read-only and cannot be edited in ProFile
- Linked documents open from the source, so you can edit them directly in ProFile, and your changes will be saved to the source document on your computer

Managing attached documents via HyperDocs

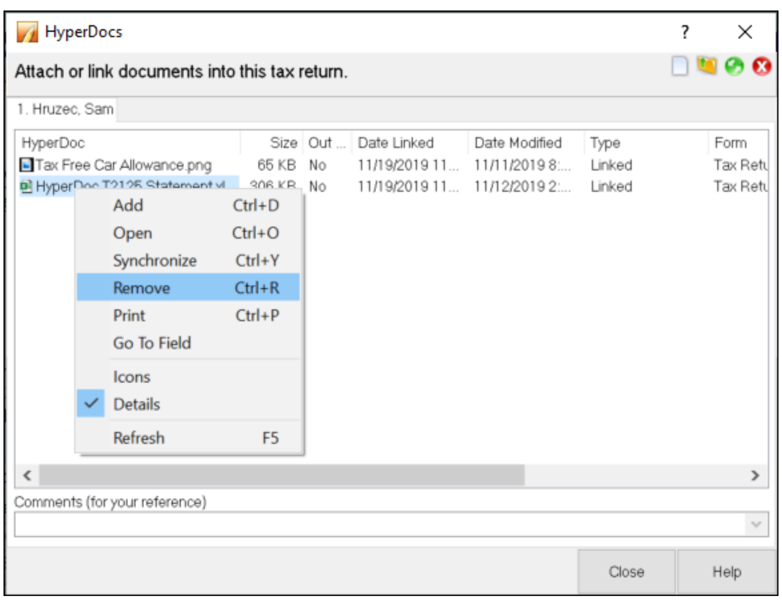
Whether you add a HyperDocs to the tax file in general or to a specific area of the tax file, you will find all attached documents in the HyperDocs window. To view all attached documents:

- 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.

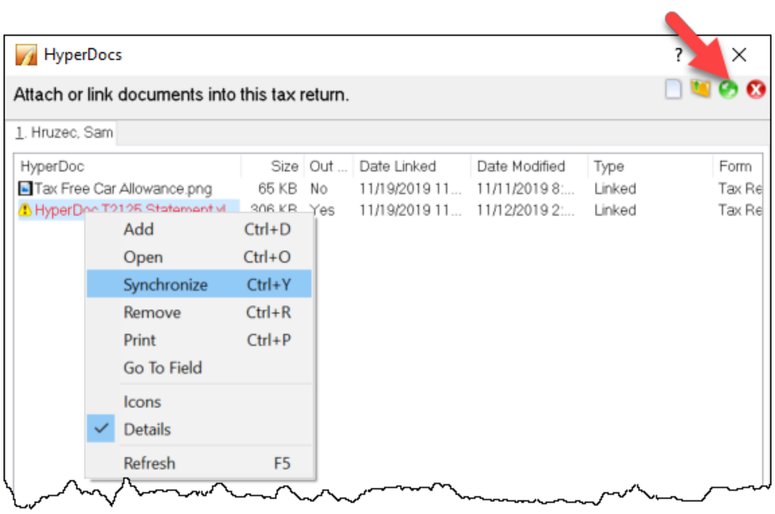
Synchronizing out-of-date documents via HyperDocs

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*
- Alternatively, after selecting the document, click the green *Snyc* icon



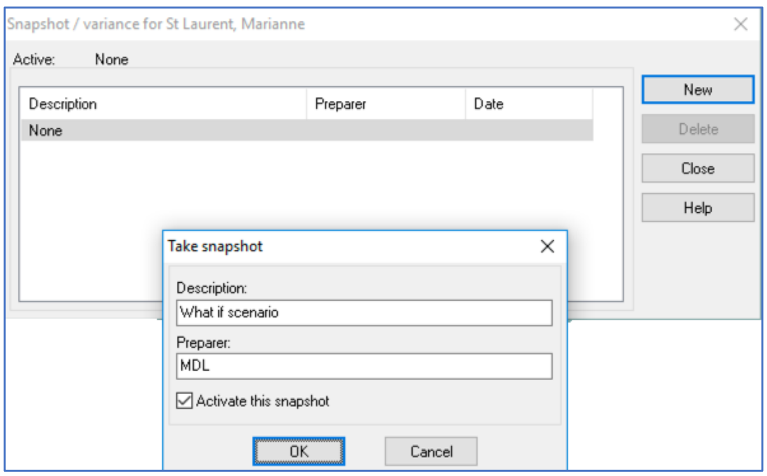
- Once ProFile has synchronized the document, the exclamation point will disappear, and any red lettering will revert to black font

VARIANCE AND SNAPSHOT

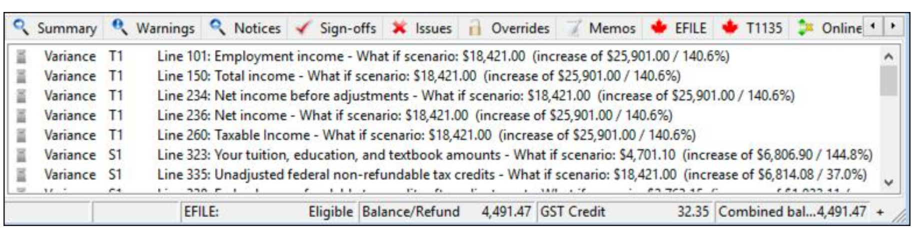
Variance is a feature that you use to highlight significant changes on a tax return. Variance lets you experiment with different scenarios and quickly identify the impact of those change. Variance is only calculated for fields with CRA line numbers. So, not all fields (for example on worksheets) will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

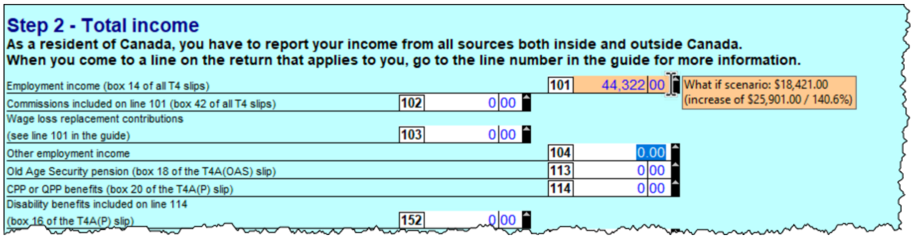
- From the Audit menu, select *Snapshot/variance* and click the *New* button. This will take a picture of the current contents of the tax return
- Give the snapshot a name that will remind you of the purpose of the scenario
- Select the *Activate this snapshot* option to have ProFile compare any changes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

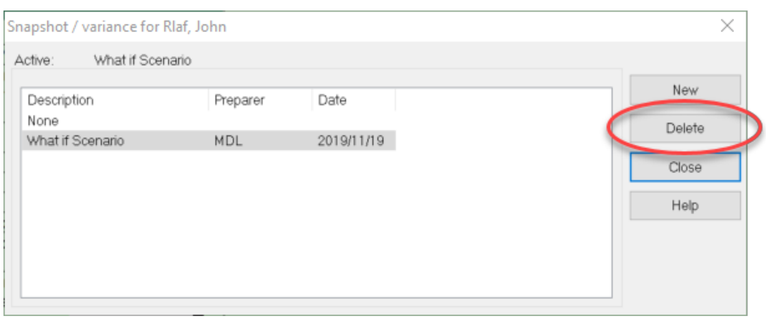
Snapshots may have a short self-life. For example, you may have created a snapshot last week using a client RRSP contribution of $5,000. This week you may want to evaluate the impact of reducing that contribution to $3,000.

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.

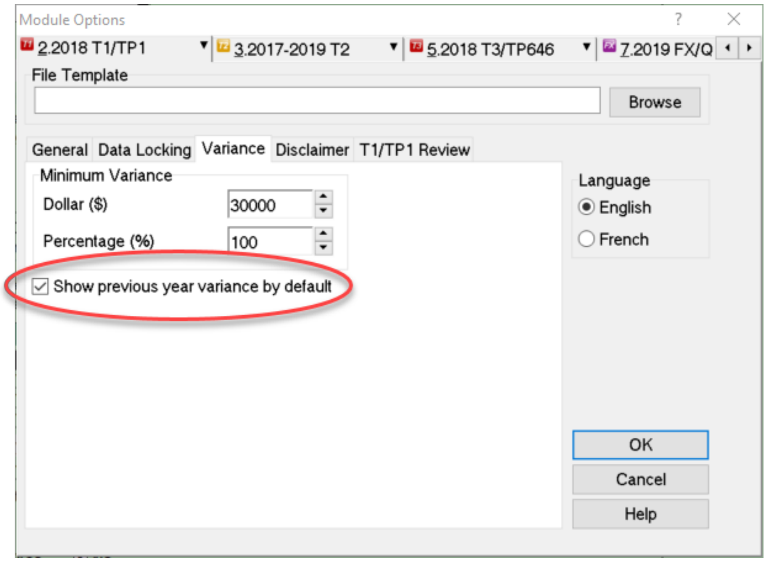


Previous year variance

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, *2018T1*
- Click the *Variance* tab.
- Select the *Show previous year variance by default checkbox*
- Click *OK*

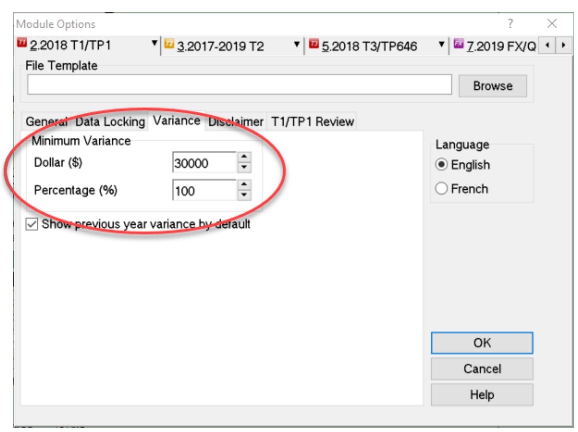


When you carry forward a return and there is a difference between the previous and current year amounts, ProFile highlights the changed fields with an orange background. Move your cursor over the field to see the message associated with that field.

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.



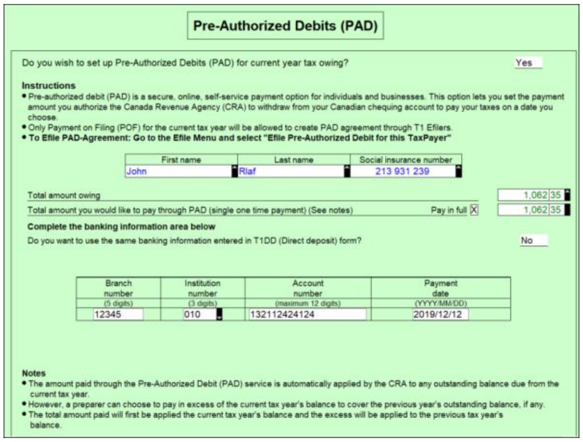
T1 PAD

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.

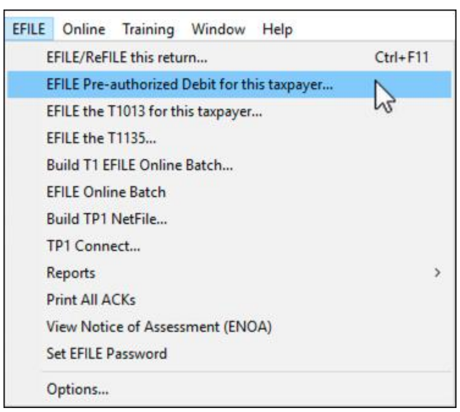
Due to the processes that must take place between the CRA and the financial institution, the selected payment date must be at least five business-days from the date your PAD agreement is created or managed.

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



- 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



Express Notice of Assessment

Express Notice of Assessment (NOA) is a CRA service that allows you to view the basic result of an assessment immediately after filing a return and to receive the full notice of assessment the next day.

This instant assessment provides the status of your client's return with a summary of the refund, amount owing, or a zero balance and deposit information, if applicable.

The full notice of assessment provides an account summary with the result of the assessed return showing a refund, a zero balance, or a balance owing, tax assessment summary, explanation of changes and other information, and RRSP/PRPP deduction limit statement. It may also contain the Home Buyers' Plan statement and Lifelong Learning Plan statement.

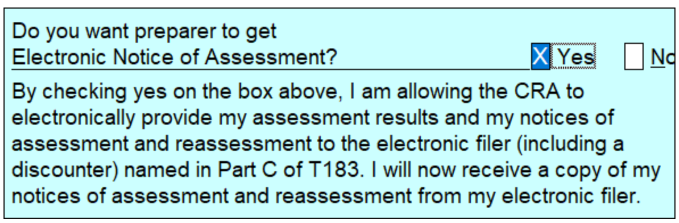
ENOA requirements

To use the Express NOA service, you must:

- be a registered electronic filer
- be registered in Represent a Client and have a RepID, GroupID or business number
- have a valid Form T1013, Authorizing or Cancelling a Representative with Level 1 (or higher) authorization for online access on file with the CRA
- have a valid Form T183 and have completed Part C for the Express NOA function

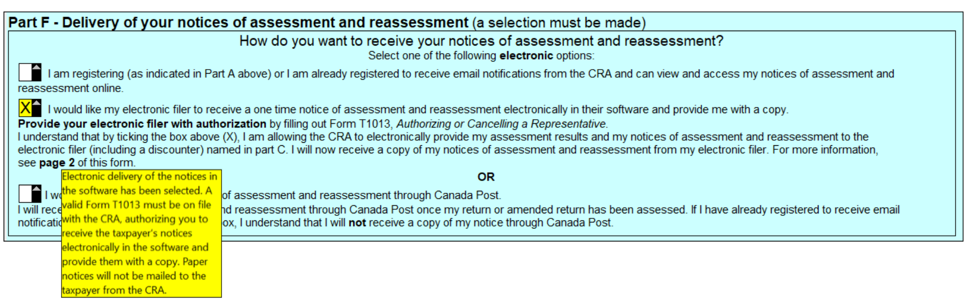
Follow these steps to activate ENOA in ProFile:

- Navigate to the Info page and click the ENOA checkbox

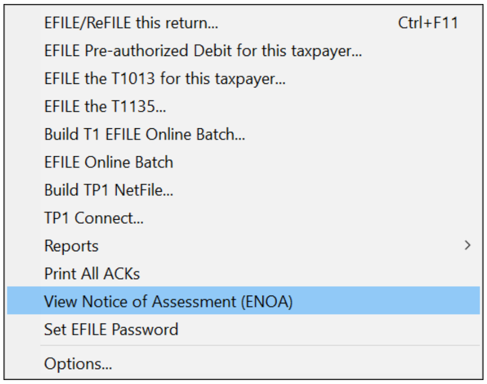


- Open the *T183* Form and confirm that you'd like to receive a one-time electronic notice of assessment.

  Note that ProFile warns you if you don't have a valid authorization form on file with CRA



- To proceed to CRA's website and then onto your client's notice of assessment, click *EFILE > View Notice of Assessment (ENOA)*



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

Correct answer is C

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

Correct answer is True

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 websit
D. Create a hyperlink that can be emailed to a client

Correct answer is A

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

Correct answer is False

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

Correct answer is True

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

Correct answer is C

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

Correct answer is False

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

Correct answer is False

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

Correct answer is B

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

Correct answer is A
