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



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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. <u>https://www.fin.gc.ca/afr-rfa/2019/report-rapport-eng.asp#_Toc525903642</u>

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

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
 - o 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)
 - o 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 <u>https://www.canada.ca/en/services/taxes/income-tax.html</u> 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: <u>https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/rc4210.html</u>

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: <u>https://www.canada.ca/en/revenue-agency/services/child-family-benefits.html</u>

• Find out if you	are eligible for benefit	ts and credits		
				8
	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
<u>Canada child benefit</u>	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 <u>https://www.canada.ca/en/revenue-agency/services/forms-publications.html</u>

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.

File File File File Rese Return	ns 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%
	9,931,286 69,555	32.7% 0.2%
File my Return (FMR)		-terden -
NETFILE File my Return (FMR) Total - electronic Paper	69,555	0.2%

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.

	Income Tax an	d Benefit Return	2019
	•	you enter their information in all the boxes	in Step 1.
•	n and other information		ON
lo	dentification	Information about you	1
Print your na	ame and address below.	Enter your social	4 4 4 4 2
First name and initial		insurance number (SIN):	Month Dav
Marianne			
Last name			
Saint-Laurent	Street No. Street name	Your language of correspondence: Engli Votre langue de correspondance :	
Mailing address: Apt No. 10 Main St.	- Street NO. Street name		
PO Box	RR	Is this return for a deceased	person?
·		Ensure the SIN information above is for the de	ceased person.
City	Prov./Terr. Postal code	If this return is for a Year	Month Day
Anytown	O N M 5 A 1 A 6	deceased person, enter the	
E.	mail address	date of death:	
		Marital status	
email notifications from the	ress, you are registering to receive e CRA and agree to the Terms of use	Tick the box that applies to your mar December 31, 2019:	ital status on
under Step 1 in the guide. Enter an email address:		1 Married 2 Living common-law	3 Widowe
		4 Divorced 5 Separated	6 🖌 Single
Information	about your residence		
Enter your province or terr residence on December 3	ritory of 81, 2019: ONTARIO	Information about your spo common-law partner (if you ticked bo	
Enter the province or territ		Enter their SIN:	
where you currently resid not the same as your mail			
address above:	ing	Enter their first name:	
If you were self-employed enter the province or territ		Enter their net income for 2019 to claim certain credits:	1
where your business had		Enter the amount of universal child	
permanent establishment:		care benefit (UCCB) from line 11700	
If you became or ceased	to be a resident of Canada for	of their return:	
income tax purposes in 20		Enter the amount of UCCB repayment	
Month Day	Month Day	from line 21300 of their return:	
entry	or departure	Tick this box if they were self-employed in	2019: 1
		Do not use this area	
Do not use 17000	17100		
this area 17200			

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

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 - InstallShield Wizard		×
Choose Destination Location Select folder where setup will		
PROFILE	Install ProFile to: C:\Program Files (x86)\ProFile\	<u>C</u> hange
instalähisid	< gack Next >	Cancel

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

ProFile License Activation	1	×
intuit ProFi	le.	
Activate Pr	oFile	
To activate ProFile,	please enter your Product Code and License Key.	
Product Code	License Key	
Product Code	License Key Activate	
Where do I find thi	s information?	
OnePay customer?	Free Trial Activation > 2011 or older license? >	

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	e (1-4) 1	\$325.00	\$325.00
Required to activate your product Product Code: 496-998 License Key: 5612018834	's):		
		Sub-total:	\$2,355.00

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

Quantity Item Id Unit Price Ext Price 1 423452 \$1,680.00 \$1,680.00 FR PROFILE TY14 QUEBEC SUITE 1 423522 \$325.00 1 423522 \$325.00 \$325.00 FR ProFile TY14 Quebec Suite License (1-4) Required to activate your product: Product Code:496-998 License Key:9059-8678-952	ORDER DETAILS	
FR PROFILE TY14 QUEBEC SUITE 1 423522 \$325.00 \$325.00 FR ProFile TY14 Quebec Suite License (1-4) Required to activate your product:	Quantity Item Id	Unit Price Ext Price
FR ProFile TY14 Quebec Suite License (1-4) Required to activate your product:	2	+
	1 120022	·
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• 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

License			-	×
You are c	urrently licensed for			
	T1 T1/TP1 Loens - T2 License E T3 T3/TP464 Lice FX FX/Q License	xpires on 2019-12-	31	
Ad	d New License	Detail	s	

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

Product Code	License Key	Expiry Date	Tax Year	T1	T2	тз	FX	+T2-EF
807749	7353*****	2019-12-31	2018	TRIAL	TRIAL	TRIAL	TRIAL	
818235	7080******	2018-12-31	2017	Lic+QC	Lic	Lic+QC	Lic+QC	
818902	5015*****	2017-12-31	2016	Lic+QC	Lic	Lic+QC	Lic+QC	

• Enter the new Product Code and License Key

VI ProFile License Activation	×
Intuit ProFile [.]	
Activate ProFile	
To activate ProFile, please enter your Product Code and License Key.	
Product Code License Key	
Product Code License Key	Activate
Where do I find this information?	
OnePay customer? > Free Trial Activation > 2011 or older license? >	

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

You have the Intuit Technic	e following active licen cal Support.	ise(s). For assist	tance, plea	ise call Cus	tomer Ca	are at 1-800-	452-9970 (or visit
Product Code	License Key	Expiry Date	Tax Year	T1	Т2	тз	FX	+T2-EF
818902	8158*****	2017-12-31	2016	Lic+QC	Lic	Lic+QC	Lic+QC	
818902	5015*****	2017-12-31	2016	Lic+QC	Lic	Lic+QC	Lic+QC	
			ingelius	booturo	it is ove	rridden by	ibo olbor l	iconso o

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)

Map 1	Network Drive
	etwork folder would you like to map? e drive letter for the connection and the folder that you want to connect to:
Drive: Folder:	Z:
	Example: \\server\share C Reconnect at logon
	Connect using different credentials Connect to a Web site that you can use to store your documents and pictures.
	Finish Can

- 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

ProFile Help	F1
What should we build next?	
QuickStart	
Support	>
Live Chat	
Live Community	
Privacy Policy	
ouspend Licenses	
Configure Flexible Licensing	
incenses	_
Send Feedback	
About	

- 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

ProFile Flexible Licensing Settings	>
Intuit ProFile [.]	
Flexible Licensing Settings	
You can update your settings for Flexible Licensing below. Click save to update your settings.	
Flexible licensing temporarily suspends a ProFile license on one computer in order for the license to be activated on another computer. Learn More. Learn More	
Enable flexible licensing on this computer	
 Manual - This option will require you to confirm that you would like to suspend your ProFile licenses when you close ProFile. 	
Pick one Prompt me every time when I close ProFile ● Don't prompt me. I'll do it manually.	
 Automatic - This option will automatically suspend and activate your licenses when you open and close ProFile. 	
You can access these settings by clicking the Help > Configure Flexible Licensing menu item above. Please Note: In order for this functionality to work your computer must be connected to the internet.	
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 <u>units</u> 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*
- Click on Details

File Goto Form Options EFILE Online Training Window F	ProFile Help What should we build next? QuickStart	F1		
	Support Live Chat Privacy Policy	>		
1	Suspend Licenses Configure Flexible Licensing Manage Licenses Send Feedback	License You are	-	×
	About	-T1 -T2 -T3 -FX	T1 T1/TP1 License T2 License - Expires On 2018-12-31 T3 T3/TP64 License FX FX/Q License	

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

Product	License Key	Expiry	Tax Year	T1	T2	T3	FX	+T2-E
COUL	Name-	2018-12-31	2017	Lic+QC	Lic	Lic+QC	Lic+QC	1
10002	March	2017-12-31	2016	Lic+QC			Lic+QC	

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
- Enter your On-line Number and EFILE password as provided to you by CRA $^{ lambda2}$

lectronic Filing Options		?	×
General T1 Common EFILE Internet T2 Internet T2 EFILE T2 CO17 Internet Filing T3/FX Transmitter Contact information MRQ Slip Numbers Internet File	CRA Identification EFILE On-Line Number 09331 EFILE Online Password (Case Sensitive) □ Priompt for Session Type before connecting to CRA □ Show Print Prompt at End of Session □ Enable EFILE service	2223000	
	T1/TP1 Wizard OK Cancel	He	slp.

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

Electronic Filing Options		? ×
General T1 Common EFILE Internet T2 EFILE T2 EFILE T2 CO-17 Internet Filing T3/FX Transmitter Contact information MRQ Sip Numbers Internet File	CRA Identification EFILE Number EFILE Directory C:Wsers/MichaeNDocuments/My ProFile Data/12 Returns/EFILE EFILE Web Service (For Technical Support Only) © Default URL	Browse
	T1/TP1 Wizard OK Cancel	Help

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.

Display File					
	Preparer Discounter	Trustee Audit	System HyperDo	ocs PDF Notificatio	ons

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.
| Envi | ronment C | ptions | | | | | | | | ? | Х | |
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| C | Attach to I | File menu | | | | | Clear | | | | | |
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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

2017 T1 C:\Users\mdila\Documents\My ProFile Data\2017T1 2016 T1 C:\Users\mdila\Documents\My ProFile Data\2016T1

2015 T1 C:\Users\mdila\Documents\My ProFile Data\2015T1

2014 T1 C:\Users\mdila\Documents\My ProFile Data\2014T1\ 2013 T1_C/Users/mdila/Documents/My ProFile Data/2013T1/

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

Edit Display File Preparer Discounter Trustee Audit System Hyp Preparer Name:	erDocs PDF Notifications
Name:	
Firm:	
Street:	
PO Box, RR: City: Province: Phone: Fax:	
City:	
Province: V Postal Code: Phone: Fax:	
Phone: Fax:	
Email:	
Initials	
Preparer: Partner:	
Quebec	
Quebec enterprise number (NEQ):	
Identification Number:	
Professional Representative Number:	
T1013 / RC59	
RepID Business Number	
Group ID G	
Office Info Setup wizard OK Ca	ncel Help

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

Enviro	nvironment Options ?												
Edit	Display	File	Preparer	Discounter	Trustee	Audit	System	HyperDocs	PDF	Notifications			
Pre	ferences												
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	Office Inf	o Setu	p wizard			OK		Cancel		Help			

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

Enviror	nvironment Options ? X										
Edit	Display	File	Preparer	Discounter	Trustee	Audit	System	HyperDocs	PDF	Notifications	
	erences										
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Í											
	Office Inf	o Setup	o wizard			OK		Cancel		Help	

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

nviror	nment Op	tions								?	>
dit	Display	File	Preparer	Discounter	Trustee	Audit	System	HyperDocs	PDF	Notifications	
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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.

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PDF	Name									νζ	
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Moo 11 11 11 11 11 11 11 12 12 12	dule 2020 T1 2019 T1 2018 T1 2018 T1 2017 T1 Security t User Pass None ClientNam ClientNam	sword (F e + SIN e + DOI	Custom	With Tax Fil C:\Users\m C:\Users\m C:\Users\m nt Only} N (Smith333)	e dila\Docur dila\Docur	nents\My nents\My nents\Mu Set (y ProFile D y ProFile D y ProFile D y ProFile D) wner Pas	- ata\PDF F ata\PDF F sword	ILES\2019 T ILES\2018 T ILES\2017 T	1\ 1\ 1\	
	dule 2020 T1 2019 T1 2018 T1 2018 T1 2017 T1 Security t User Pass None ClientNam ClientNam	sword (F e + SIN e + DOI iffied	Custom	With Tax Fil C:\Users\m C:\Users\m C:\Users\m nt Only} N (Smith333)	e dila\Docur dila\Docur	nents\My nents\My nents\Mu Set (y ProFile D y ProFile D y ProFile D y ProFile D) wner Pas	ata\PDF F ata\PDF F sword DF docume	ILES\2019 T ILES\2018 T ILES\2017 T	IV IV IV IV IV	

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.

Module Options		? ×
1.2020 T1/TP1 ▼ 122 3.2013	7-2020 T2 💿 🔻 🛛 🔟 🧕 <u>5</u> .2019 T3/TP646	6 🔻 🖾 <u>7</u> .2020 F× 🔹
File Template		
		Browse
General Data Locking Variance	Disclaimer T1/TP1 Review	
□ Warning on file creation		Language
Client Status	EFILE Status	English
Unknown		⊖ French
Work in process	☐ Not eligible ☐ Eliqible	
□ Waiting for client □ In preparer review	Ready to transmit	
In partner review	Transmitted	
Ready to print		
Completed	Not accepted Paper filed	
		OK
		ОК
		Cancel
		Help

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.

🌠 2019 T1/TP1 F	ile properties									?	×
1. CARSONN,	Johnny										
CARSONN, Jo	ihnny (48748758	9)									
Client Status:	1. Carried forw	ard							~	Lo	cked
EFILE Status:	JS: 0. Unknown 1. Carried forward										~
SEND Status:	ND Status: 2. Work in process										~
TP1 Status:	3. Waiting for c 4. In preparer r 5. In partner rev	eview							2		~
T1135 Status:	6. Ready to pri										~
DCN:	7. Printed 8. Completed 9. Not filing										
	S. Horning										
Date	Preparer	Action	Elapsed	Mod	ule Ver.						Ŷ
File Name											¥
C:\Users\mdil	a\OneDrive\My	ProFile Da	ita\2019T1\C	ARSO	NN, Johnn	y.19T					
Backup to Clo	bu										
Files for this ta	ax year not supp	orted.									
Password:									OK	Car	ncel
Confirm:									Help	Advan	ced >>
		Show F	assword								

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 selfemployed individuals

Module Options	? ×
🔟 <u>1</u> .2020 T1/TP1 🛛 🔻 🔽 <u>3</u> .2017-2020 T2 🛛 🔻 🗾 <u>5</u> .2019 T3/TP646	🗧 🔻 🗖 <u>7</u> .2020 F× 🔹 🕨
File Template	
	Browse
General Data Locking Variance Disclaimer T1/TP1 Review Standard Disclaimer	Language
Prepared without audit based on information provided by the taxpayer.	 English French
Business Disclaimer	
×	ОК
	Cancel
	Help

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.



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

C:\Users\mdil	a\OneDrive\Ga	arbage\My ProFile Data\Template	s			Browse
Name	Language	Description	Туре	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		~
Template Par	ameters					
Name:	Attach				Use default te	emplate
-	Attachment				-	
Description:	Attachment	5				
Print Condition	0					
File Path:	2020 T1 Atta	achments.RTF				Browse

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

Arial	✓ 10 ✓ Auto ▼ None ▼ B J U E = = = # # #	
Å	1	
	ntDate,"MMMM dd, yyyy")}	^
(T1Preparer	Namel	
	Firm}{if T1PreparerPOBox <>" or T1PreparerRR <>" }	
	arerPOBox= "}{T1PreparerRR}{Else}{if T1PreparerRR = "}{T1PreparerPOBox}{else}{T1PreparerPOBox}	
	RR}{endif}{endif}	
	StreetAddress}	
	City], {T1PreparerProvince} PostalCode}	
fi in reparen	(ustailoute)	
	Name} {ClientLastName}	
	LabelAddress1 <> ")}{MailingLabelAddress1}	
{MailingLab	elAddress2}	
	elAddress2)	
{endif}		
{if Mailing	LabelPOBox <> " or MailingLabelRR <> " \{if MailingLabelPOBox ="\{ MailingLabelRR }	
{else}{Mail	lingLabelPOBox} {MailingLabelRR}	
{endif}{en		
	elCity}, {MailingLabelProvince}	
{iviallingLab	elPostalCode}	
{MailingLab	elClientSalutation}	
{if EFILE :	= 0}	
	e two copies of your {TaxConstant("CurrentTaxYear")} income tax return. We have prepared your return	
	e information you provided to us. Please mail one copy of the return to Canada Revenue Agency (CRA) in	
	d pre-addressed envelope on or before {if (T1Info.S[12] <> "") or (T1Info.B[7] = 1)}June 15, nt("CurrentTaxYearPlusOne").{else}April 30, {TaxConstant("CurrentTaxYearPlusOne")}.{endif} The	
	v is for your records.	
{else}	y la for your records.	
	ansmitted your return electronically to Canada Revenue Agency (CRA) using the EFILE system. The	
	opy of your [TaxConstant("CurrentTaxYear")] income tax return is for your records. We have prepared your	
	d on the information you provided to us. Keep all information slips, receipts, and other documents for six use CRA asks to see them.	
{endif}	ase orve ases to see them.	
()		~

• 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

{endif}		
{if (ChildTaxBenefit	Cut	
	Copy	
Total estimated feder		dTaxBenefit + T1ChildTaxBenefit[55]} are payable for the
year starting in July {	Paste	")} and ending in June
TaxConstant("Currer	Clear	I gand chang in banc
	Cicui	the first = 00
{if (NextYearRRSPL	Font	ibutions = 0)}
Your RRSP deduction	Paragraph	arPlusOne")} is \${NextYearRRSPLimit}. {endif}
{if UndeductedRRS	Tabs	
	1005	
You have undeducted	Insert Graphic	RRSPContributions} available to carryforward to your
{TaxConstant("Currer		xtYearRRSPContributions > 0} You can also make
	Insert Graph	
additional RRSP cont	Insert Field	ions} to deduct on your return.{endif}{endif}
	Insert leid	
If you have any quest	Use embedded template	ase contact me at {T1PreparerPhone}.
-	ose emocaded template	
Sincerely yours,		
{T1PreparerFirm}		
(

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

Insert Field	×
PreparerInitials	Insert
PreparerFax PreparerFirm PreparerInitials	Cancel
PreparerName PreparerPhone PreparerPostalCode PreparerProvince	
PreparerStreet Refund SigningDate SoouseAddress	
SpouseAge SpouseApt	
Description	

- 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

Confirm	1	Х
1	Use this file as the template for "Client letter"?	
	Yes No	

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

🌠 Form Explorer							?		×
🌃 Cosan, Maria		~ 🕅	. H.				A	• 1224 • 1224 • 1224	
orm: Letter			<u>O</u> pen	Print	New	List	<u>D</u> etail	<u>K</u> ey	Line
Forms	Name	Category	Description	Used	Last year	Step			^
T1	🥰 S1	Return + sched	Federal Tax	Yes	N/A	344			
	🥰 S8	Return + sched	CPP on self-employment and other earnings	Yes	N/A	352			
<u>1</u> . Identification	🥰 S11	Return + sched	Federal tuition and education amounts	Yes	N/A	356			
📜 <u>2</u> . Slips	🍠 T183	Filing	Information return for electronic filing	Yes	N/A	388			
3. Income	🖉 Engage	Client	Engagement letter	Yes	N/A	2			
	🗊 GST	Client	GST/HST credit	Yes	N/A	450			
<u>4</u> . Deductions	11Summary	Client	T1 Summary	Yes	N/A	453			
📒 <u>5</u> . Tax + credits	🗊 NRTC	Client	NRTC Comparative Summary	Yes	N/A	455			
6. Return + sc 🔻	Z Letter	Client	Client letter	Yes	N/A	459			
TP1	🔍 Audit	Client	Audit Summary	Yes	N/A	410			~

• You can now preview the changes you made to the Letter template



• 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.

IIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIII					
- → ~ ↑ <mark> </mark> > TH	is PC > Documents > My ProFile Data	>	5 V	Search My ProFile Data	,
^	Name	Date modified	Туре	Size	
A Quick access	EFILE	2017-04-17 6:31 PM	File folder		
E Desktop 🖈	Link	2017-01-30 10:43	File folder		
🕹 Downloads 🖈	Options Package	2017-02-01 6:08 PM	File folder		
📰 Pictures 🛛 🖈	Settings	2017-09-24 9:46 PM	File folder		
📮 iCloud 🛛 🖈		2017-09-24 9:46 PM	File folder		
Photo Library #	SettingsBackup2	2017-09-24 9:46 PM	File folder		
Dropbox 🖈	SettingsBackup3	2017-09-24 9:46 PM	File folder		
2016 T1	T2 Returns	2017-09-05 2:49 PM	File folder		
Bitems 1 item selected	Templates	2016-12-26 11:48	File folder		8==

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 🛄
- 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
- 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

Status <u>a</u> fter printing	
Take snapshot	
Change the status to	
Completed	\sim
Unchanged Carried forward Work in process Waiting for client In preparer review In partner review Ready to print Printed <u>Completed</u> Not filing	

• 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.

- 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
- Scroll through the *Form* window to select (or deselect) the forms you would like to save or send to your clients
- Click Carry-forward to assign last year's print settings to the current year <a>[7]

🔟 <u>1</u> .2018 T1/TP1 🛛 🔻 🔟	<u>3</u> .2016	6-201	3 T 2		v	73 5.2017 T3/TP646	🔻 🛛 🔀 7.2018 FX/Q 🛛 🔻
Print Job	Form	Selec	tion [Detail:	s		
T1 EFILE 🗸	FILE	clie	¹⁹ جا				
Status after printing	Ň	ē	B	H	5	Print these sets	4
Take snapshot	1	2	3	E	5	Archive these sets (PDF)	_
Change the status to	1		3	E	5	Email these sets (PDF)	
Unchanged \sim	Π	2	3	FT	5	Duplex sets	
Print Set Names	Π	2	3	E.	5	Review marks	
1: File	1	2	3	H	5	4 per page	
	L.					Language	
2: Client	Find	Form		Г			
3: CRA	_				_		10
4:		2	3	4	5	T183-1 T183-2	Information return for electronic filing - pages 1
5:	1		3	4	5	RC71-1	Information return for electronic filing - pages 2 Discounting transaction - pages 1
0:		2	3	4	5	RC71-2	Discounting transaction - pages 1 Discounting transaction - pages 2
Printing Tips			8	4	5	T2201#1	Disability tax credit certificate
Printing			3	4	5	T1-1.2	T1 jacket - pages 1,2
You can drag and drop the form list rows to			3	4	5	T1-3,4,5	Til jacket - pages 3,4,5
change their display		2	3	4	5	S1	6 ederal Tax
order.	1	2	3	4	5	S2	mounts transferred from your spouse
	1	2	3	4	5	\$3	Capital gains (or losses)
	1	2	3	4	5	S3NR	Capital gains (or losses)
Next	1	2	3	4	5	S4	Statement of investment income
	1	2	3	4	5	S5	Details of Dependant
	1	2	3	4	5	S6	Working Income Tax Benefit
	1	2	3	4	5	S7	RRSP and PRPP Unused Contributions, Transfers,
		(FOR				<u>^</u>	000 K I - I I
	_		job v				
	(EFI	LE=1)and('	loday	⊳=Dal	te(2002,01,15))	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
- Indicate whether you want to provide a detail or summary invoice to your clients
- Choose whether to bill by tax schedule or by the hour
- Establish your per-schedule pricing
- Carry forward last year's pricing to the current year

Pricing Schedule			?	×
GST Registration Numbe	r. GST/HST rate	0.0		
Next Invoice Number:	PST rate	0.000		
Automatically Increment	nt Invoice Number	,		
		77 5. 2014 T1/TP1	77 6. 201	1
Invoice type: X Detail	led 🔄 Brief Invoice by: 🗌 Schedule 🚺 Ho	our		
T1	Basic charge	paper filed	0.00	
T1	Basic charge	electronically filed	0.00	
S1	Federal tax calculation	per schedule	0.00	
S2	Amounts transferred from your spouse	per schedule	0.00	
S3	Capital gains (or losses)	per schedule	0.00	
S3	Capital gains (or losses)	per item	0.00	
s3 4	Principal Residence	per item	0.00	
S4	Statement of investment income	per schedule	0.00	
S4	Statement of investment income	per item	0.00	
S 5	Eligible / infirm dep / caregiver amounts	per schedule	0.00	
S 5	Amount for an eligible dependant	per claim	0.00	
S5	Amounts for infirm dependants	per claim	0.00	
~			0.00	>
OK	Print Carry Forward Cancel	Help		
	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.

🜈 Set Options/D	elete Password	?	×
Old password			
Password:			
New password			
Password:			
Confirm:			
	ntions (including the set n) are configured throu nenu.		E >
	OK Canc	el	

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 reestablish 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
- To save your customized settings in the *Options Package* subfolder, click *New*. ² Any new setting will appear in the *Options Package* area ³

Options	Administration		?	×		
 1. 2. 3. 4. 	My Folder: Apply options from the Shared Folder: Load options para Shared Folder: Ask which option Custom: Try to load package from		Leam more			
Include preparer and discounter name with Option packages. Prompt to save changes. Allow multiple Options package groups Option package directory UM 1 JIDocuments/My ProFile Data(Options Package Bro						
3	Packages		New Delete Load Save	2		
	OK	Cancel	Help			

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

New Settings			?	×
Settings Name				
General PF Set	tings			
	OK	Cancel		

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) \blacksquare
- Highlight the Options Package
- Click Load, and ProFile will apply your settings
- Note that you can optionally click the Multiple Options checkbox to create more than one package

Options	Administration			?	\times
() 1.	My Folder: Apply options from th	is computer.		Learn more	
02.	Shared Folder: Load options pa	ckage highlighted below.			
O 3.	Shared Folder: Ask which option	s package to load on star	tup.		
<u> </u>	Custom: Try to load package fro	until available packa	ge is found.		
Option p	npt to save changes. w multiple Options package group ackage directory Home\Documents\My ProFile Dat	-		Browse	
Options	Packages				
Ge	neral PF Settings	~		New	
2				Delete	
		3	Load		
			_	Save	
	ОК	Cancel	Help		

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.

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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

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- 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

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Canada Revenue Agence du revenu	
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Income Tax and B	Renefit Return
Defense wew starts	
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
	enter then mornation in an the boxes in step 1.
Step 1 – Identification and other information	ON 8
Identification	Information about you
Print your name and address below.	Enter your social insurance number (SIN): 489 984 385
First name and initial	Year/Month/Day
John	Enter your date of birth: 1976/10/10
Last name	
Arma Mailing address: Apt No. – Street No. Street name	Your language of correspondence: English Français Votre langue de correspondance : X
2331 Main St	Votre langue de correspondance : X
PO Box RR	Is this return for a deceased person?
	Ensure the SIN information above is for a deceased person.
City Prov./Terr. Postal code	If this return is for the deceased Year/Month/Day person, enter the date of death: yyyy/mm/dd
anytown ON M1A 1A1	
<u> </u>	
Modified 00:18:55 EFILE: Eligible Balance/Refund (1	12 442 75
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Step 1 – Identification and other information	
	ON 8
Identification	Information about you
Print your name and address below. First name and initial	Enter your social insurance number (SIN): 111 111 118
Martha	Year/Month/Day
Last name	Enter your date of birth: 1977/12/12
Mar	Your language of correspondence: English Français
Mailing address: Apt No. – Street No. Street name	Votre langue de correspondance : X
2331 Main St PO Box RR	Is this return for a deceased person?
	Ensure the SIN information above is for a deceased person.
City Prov./Terr. Postal code	If this return is for the deceased Year/Month/Day
anytown ON M1A 1A1	person, enter the date of death: yyyy/mm/dd
<	>

• 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

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Step 1 – Identification and other information	^
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PO Box Canada Revenue Agence du revenu Agency du Canada	
City Income Tax and	Benefit Peturn
anytown	Benefit Return
Before you start:	
By providing an email addres	u enter their information in all the boxes in Step '
the CRA and agree to the T Step 1 – Identification and other information	
Enter an email address:	
Identification	Information about you
Enter your province or territt First name and initial	Enter your social insurance number (SIN): 489 Ye
residence on December 31 John	Enter your date of birth:
Enter the province or territor Arma	Your language of correspondence: English
you currently reside if it is Mailing address: Apt No. – Street No. Street name	Votre langue de correspondance :
same as your mailing addres 2331 Main St	Is this return for a deceased perso
PO Box RR	Ensure the SIN information above is for a deceased person.
City Prov./Terr. Postal code	If this return is for the deceased
Modified 04:54:08 anytown ON M1A 1A1	person, enter the date of death: y:
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Modified 00:20:14 EFILE: Eligible Balance/Ref (13,443.7	5) + //

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

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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.

T4 Statement of Remuneration	n Paid						T4 Slip
		Box	Slip #1	Slip #2	Slip #3	Slip #4	Total
			1			•	
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	T4 Box 16 (CPP pre	miums) may be inc	orrect. CRA's 0.00	2,222.00
	QPP	17	0.00	formula suggests	\$2,748.90. Please che	ck. 0.00	0.00
	El 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	
	El		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
El insurable earnings		24	53,100.00	0.00	0.00	0.00	53,100.00
CPP/QPP pensionable ear	nings	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 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

-				_	_					
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T4										^
Statement of Remuneration	n Paid						T4 Slip			
		Box	Slip #1	Slip #2	Slip #3	Slip #4	Total			
			1			•				
Description			ABC Inc							
Province of employment		10	Ontario			-				
Employment income		14	64,000.00	0.00	0.00	0.00	61,000.00			
Employee's contributions CPP		1	2,222.00	0.00	0.00	0.00	2,222.00			
	QPP	17	0.00	0.00	0.00	0.00	0.00			
	El 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				
	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			
El insurable earnings		24	53,100.00	0.00	0.00	0.00	53,100.00			Y
🔍 Summary 🍳 Warnings	🔍 Notices 🤘	Sigr	n-offs 🗰 Issues	🔒 Overrides 📝	Memos 🔶 EFILE	🔶 T1135 🗦 Onli	ine change 🛛 😒 Data Im	iport 😟 Carry forw	vards 📓 Tapes 🧐	Variance
Notice T4/1 T4	Box 16 (CPP pren	niums) may be incorrect.	CRA's formula sugge	sts \$2,748.90, Please	check.				•
Notice Dependant/1 Ple			, may be inconcern	and a sugge	and any merson record					
Notice Dependant/2 Ple										
			taxpaver is taxable a	as 'split income', ent	er the details on Forr	n T1206.				
Motice OtherDeduct Tax										~
Modified 00:	25:21 EFILI	8		Eligible Balance	ce/Refund	(13,336.81)				+

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:

nviron	nment Op	tions								?	×
Edit	Display	File	Preparer	Discounter	Trustee	Audit	System	HyperDocs	PDF	Notifications	
Prefe	rences										
٧P	assive Auc	litor			🗹 Cin	le Field:					
	isplay Rev				🗹 Sh	ow Audit	or Tabs				
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- 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

<u>1</u> .2018 T1	▼ 🔽 <u>3</u> .T2	<u>12</u> .20	17 T3 🔹	🛛 🖾 <u>6</u> .2018 FX	•		
Look in:	2018T1		~				
Returns	Name 🎽 💠	Size Item type	Date modified				
	📙 BackupFiles	File folder	11/1/2019 10:.				
	🔹 🚸 Balzac, Sarah 🛛 76.5	KB ProFile 20.	9/21/2019 11:.				
	🛛 🚸 Carsonn, An 🤉 76.4	KB ProFile 20.	9/22/2019 2:0.				
Shortcuts	🗕 🚸 Carsonn, Carla 🛛 30.1	KB ProFile 20.	9/22/2019 2:0.				
	🔹 🔶 Carsonn, Joh 34.4	KB ProFile 20.	9/22/2019 2:0.				
	FORECAST 1.3	5 ProFile 20.	7/19/2019 11:.				
	🛛 🚸 Hruzec, Sam 🛛 43.6	KB ProFile 20.	9/22/2019 3:2.				
	🛛 🚸 Joonna, JAne 🛛 25.0	KB ProFile 20.	11/13/2018 6:.				
	🛛 🚸 ModTp12018 34.4	KB ProFile 20.	1/16/2019 12:.				
	🔹 🚸 Shepard, Jane 🛛 34.7	KB ProFile 20.	11/1/2019 10:.				
	Christen Dan 60.6	VD DraEila 90	0/00/0010 0-0				
le name:						~	Carry forward
les of type:	2018 ProFile T1 (*.18T)					\sim	Cancel
	2018 TurboTax T1 (*.TT) 2018 Cantax(tm) T1 (*.P						Help

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

2019 Personal information Info Taxpayer personal information Marital status Indicate your marital status on December 31, 2019 SIN 1 Married 2 Living common-law 3 Widowed Title First name 4 Divorced 5 Separated 6 X Single Last name If status changed in 2019, enter date of change mm/dd Last name changed in 2019? Yes X No Yes X No Were you married or living common-law at any Do you want to change your address? ____<u>Y</u>es ___<u>N</u>o time in this tax year? Care of Residency Street address Apt # R.R. P.O. Box Province of residence City on 2019/12/31 Ontario Province Province of self-employment Postal code If you became or ceased to be a Canadian resident in Primary phone) entry mm/dd 2019, enter date of: yyyy/mm/dd Birth date Age or departure mm/dd yyyy/mm/dd Date of Death Male Eemale Gender Province or territory where taxpayer resides if different from mailing Yes X No Are you a non-resident? address: Residency status Resident CRA online mail: Already registered Yes X No Country (other than Canada) Did you dispose of a property (or properties) in 2019 for which you are Email address: claiming a principal residence exemption? Yes X No By providing your email address or updating an already registered email address, I understand I am registering for online mail and Use preparer address for: accept the terms and conditions that are set out on page 2 of the form X Nothing Notice of Assessment and Refund N of A T183. Paper notices will not be mailed to me from the CRA. T1 mailing address Do you want preparer to get <u> Y</u>es <u>X N</u>o Electronic Notice of Assessment? 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.

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

		Box	Slip #1	Slip #2	Slip #3	Slip #4	Total
Description	1		ABC INC				2
Province of employment		10	Ontario				
Employment income	_	14	65,999,00	0.00	0.00	0.00	65,999.00
Employee's contributions	CPP 2	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
	El 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
El insurable earnings	3	24	52,000.00	• 0.00	0.00	0.00	51,700.00
CPP/QPP pensionable earr	nings 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			0.00				
Clergy housing allowance	~~		0.00	0.00	0.00	0.00	0.00
Transfer allowance to T122	37			-		-	
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
- Black fonts are for direct data entry
- Red fonts mean that you overrode a calculated field
- Blue fonts indicate a field calculated by ProFile
- Green fonts denote a locked field

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

Residency		
Province of residence		
on 2019/12/31	Ontario	
Province of self-employment	NA	^
If you became or ceased to be a (British Columbia	
2019, enter date of:	Alberta	
	Saskatchewan	
	Manitoba	
	Ontario	
	Québec	
Are you a non-resident?	New Brunswick	\sim
Residency status	Resident	Ŧ
and town town		. P

- 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

Step 2 - Total in As a resident of Canada The Income Tax and Be Employment income (box 14 Tax-exempt income for emer (See line 1010 in the guide, Commissions included on line	a, you have to report your inco nefit Guide may have addition of all T4 slips) gency services volunteers) e 10100 (box 42 of all T4 slips) relutions (See line 10100 in the quite T4	Inne from all sou al information for fit (1) (1) (1) (1) (1) (1) (1) (1) (1) (1)	irces	both inside and ou	laim or deduction. Ke Itside Canada.				^	T4 Slip
CPP or QPP benefits (box 20 Disability benefits included or Other pensions and superan line 31400 in the Worksheet	Description		Box	Slip #1 Parker Enterprises	Slip #2		Slip #3	Slip	#4	Total
Elected split-pension amount Universal child care benefit UCCB amount designated to Employment insurance and o	Province of employment Employment income	CPP	10 14 16	Ontario 90,000.00 2.748.00	0.00		0.00		0.00	90,000.00 2.748.00
Employment insurance mater	Employee's contributions	QPP El premiums PPIP	17 18 55	0.00 860.00 0.00	0.00		0.00 0.00 0.00		0.00 0.00 0.00 0.00	0.00 860.00 0.00
	Exempt	CPP/QPP El PPIP	28	No No No	No No No	No No No		No No No		
	Employment code RPP contributions Pension adjustment Income tax deducted		29 20 52 22	0.00 0.00 19.000.00	0.00		0.00		0.00 0.00 0.00	0.00 0.00 19.000.00
	El insurable earnings CPP/QPP pensionable earn PPIP insurable earnings	ings	24 26 56	53,100.00 57,400.00 0.00	0.00		0.00 0.00 0.00		0.00 0.00 0.00 0.00	53,100.00 57,400.00

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	Slir			
			<pre>I</pre>				
Description		ABC INC					
				ł			
Province of employment		10	Ontario	-			
Employment income	-	14	65,999.00				
Employee's contributions	CPP	16	2,593.00	<			
	QPP	17	0.00				
	El 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	E E			
El insurable earnings		24	52,000.00				
CPP/QPP pensionable earni	ngs	26	55,900.00	5			
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

Memo	?	×
Ask client to confimr this amount		
 Carry-forward to next year	Insert Date	Stamp
Review Mark	The Course of th	stamp
None ○ ✓ Preparer	○ X ⊑	rror
O ✔ Partner		uestion
0 <u>K</u> Cancel		Clear

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

🌈 Таре		? ×			
Jan		120.00	÷		
Feb		144.00	÷		
Mar		148.00	÷		
Apr		141.00	÷		
	+/-	0.00	÷		
Descriptions Post Decimals 2 0					
	escriptions				
	Cancel	Clear			

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

ý	۱.	Carrying charges and interest expenses			
Ş		Accounting fees		0 00	
}		Management or safe custody fees		0 00	
5		Investment counsel fees		0 00	
-		Reported on T5013 slips		0 00	
1				0 00	
1		Legal fees paid to collect, establish or increase the amount of support payments		0 00	
Į		Interest on money borrowed to earn interest, dividend, and royalty income		553.00	Jan 120.00 -
3		Interest on money borrowed to acquire an interest in a limited partnership or a partnership in wh	nich you are not	20	Feb 144.00 +
j		an active partner:			Mar 148.00 +
ł		Tax shelter	0 00		Apr 141.00 +
		Rental and leasing property	0 00		Total 553.00
5		Resource property	0 00		Total 555.00
Į			0 00	0 00	
)		Enter this amount on line 221 of your return.	221	553 00	man
	_				

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

	VI Form Explorer					?		\times
	📶 Taxpayer, Amy			- M . H . [n i 🛙		7	• 1224 • 1224
4	Eorm:		_	Open Print N	ew L	ist <u>D</u> etail	<u>K</u> ey	Line
_	Forms	Name	Category 1	Description 2	Used	Last year	Step	^
	📜 1. Identification	🐠 Info	Identification	Personal information	Yes	Yes	1	
	_	👔 Dependant	Identification	Dependant information	No	No	3	
	<u>=</u> <u>2</u> . Slips	CarryFWD	Identification	Carryforward Summary	Yes	No	4	
~	📜 <u>3</u> . Income	ST2202/TL11	Slips	Tuition and education credit certificate	No	No	6	
3	4. Deductions	🖪 T3	Slips	Statement of trust income	No	No	7	
_		🛋 T 4	Slips	Statement of remuneration paid	Yes	Yes	8	
	<u>5</u> . Tax + credits	5 T4A	Slips	Statement of pension, annuity and other in	No	No	9	
	📜 <u>6</u> . Return + sch	A T4ADAS	Slips	Statement of Old Age Security	No	No	10	
	📜 Z. Filing	S T4AP	Slips	Statement of Canada Pension Plan benefits	No	No	11	
		A T4ARCA	Slips	Statement of distributions from a RCA	No	No	12	
	📜 8. Client 🛛 💌	🖪 T4E	Slips	Statement of Employment Insurance and	No	No	13	
	T1	5 T4PS	Slips	Statement of profit-sharing plan allocations	No	No	14	
	TP1	🖪 T4BIF	Slips	Statement of income from a RRIF	No	No	15	~
		-						

- 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
- Notice too, for carried forward files, the Form Explorer indicates whether a form was used in the current or prior year
- In the left pane, you'll find folders that let you filter which forms to display
- To find a form, just type its name in the search field

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:

77 Taxpayer, Amy rm:			Upen Print N		ist <u>D</u> etail		Lin <u>e</u>
Forms	Name	Category	Description	Used	Last year	Step	^
1. Identification	🕑 Info	Identification	Personal information	Yes	Yes	1	
_	👔 Dependant	Identification	Dependant information	No	No	3	
<u>2</u> . Slips		Identification	Carryforward Summary	Yes	No	4	
3. Income	ST2202/TL11	Slips	Tuition and education credit certificate	No	No	6	
4. Deductions	💽 T3	Slips	Statement of trust income	No	No	7	
	💽 T4	Slips	Statement of remuneration paid	Yes	Yes	8	
<u>5</u> . Tax + credits	🖪 T4A	Slips	Statement of pension, annuity and other in	No	No	9	
<u>6</u> . Return + sch	🖪 T4ADAS	Slips	Statement of Old Age Security	No	No	10	
Z. Filing	🖪 T4AP	Slips	Statement of Canada Pension Plan benefits	No	No	11	
8. Client 👻	💽 T4ARCA	Slips	Statement of distributions from a RCA	No	No	12	
	💽 T4E	Slips	Statement of Employment Insurance and	No	No	13	
T1	💽 T4PS	Slips	Statement of profit-sharing plan allocations	No	No	14	
TP1	🖪 T4RIF	Slips	Statement of income from a RRIF	No	No	15	~

- 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.

PROFILE - [2019 T1/TP1: Shepard, Jane - T1 jacket]	- 🗆 X
File Edit Audit Goto Form Options EFILE Online Training Wind	dow Help _ & ×
🗋 • 🕃 💐 • 🖬 🚳 🏠 🗟 📝 🖩 🚳 🔶 •	•
1. Info 2. T1 S. 3. T4 4. RRSPLimit +	_
	BC 8
Identification Print your name and address below. First name and initial	Enter your social insurance number (SIN): 000 000 000
Jane Last name	Year/Month/Day Enter your date of birth: 1980/12/29
Shepard Mailing address: Apt No. – Street No. Street name	Your language of correspondence: English Français Votre langue de correspondance : X
1010 Main St PO Box RR	Is this return for a deceased person. Ensure the SIN information above is for a deceased person. If this return is for the deceased Year/Month/Day
City Prov./Terr. Postal code Vancouver B BC VOA 1A1	person, enter the date of death: yyyy/mm/dd
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.	Marital status Tick the box that applies to your marital status on December 31, 2019:
Enter an email address:	1 Married 2 Living common-law 3 Widowed 4 Divorced 5 Separated 6 X Single
Information about your residence Enter your province or territory of residence on December 31, 2019: British Columbia	Information about your spouse or common-law partner (if you ticked box 1 or 2 above)
Modified 01:42:27 EFILE: Not eligible Balance/Refund	(339.60)

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
| PROFILE - [2019 T1/TP1: Shepare | d, Jane - T1 jacket] | | | | — | \Box \times |
|---|------------------------------------|-----------------|------------------------------------|----------------------|--------------|-----------------|
| 😰 File Edit Audit Goto For | m Options EFILE Online | Training Win | dow Help | | | - 8 |
| 📄 = 🗟 💆 = 🔒 🔕 | ☆ 🔍 📝 🖬 🔒 | - | | 🗅 🗨 📰 🚰 🖨 |) 🕰 🛛 🗄 | Se |
| 🚯 <u>1</u> . Info 🔟 <u>2</u> . T1 🔂 <u>3</u> . T4 🕻 | 🤰 <u>4</u> . RRSPLimit + | | | | | |
| Faxable capital gains (Complete Schedu | ile 3.) | | 12700 | 0 00 | | 1 |
| Support payments received | Total 12799 | 0 00 | Taxable amount 12800 | 0 00 | | |
| RRSP income (from all T4RSP slips) | | | 12900 | 0 00 | | |
| Other income | Specify: | | 13000 | 0 00 | | |
| Taxable scholarship, fellowships, bursa | aries, and artists' project grants | | 13010 | 0 00 | | |
| Self-employment income | | | | | | |
| Business income | Gross 13499 | 0 00 | Net 13500 | | | |
| Professional income | Gross 13699 | 0 00 | Net 13700 | | | |
| Commission income | Gross 13899 | 0 00 | Net 13900 | | | |
| Farming income | Gross 14099 | 0 00 | Net 14100 | 0 00 | | |
| Fishing income | Gross 14299 | 0 00 | Net 14300 | 0 00 | | |
| Vorkers' compensation benefits (box 1 | 0 of the T5007 slip) | 14400 | 0 00 | | | |
| Social assistance payments | | 14500 | 0 00 | | | |
| Net federal supplements (box 21 of the | T4A(OAS) slip) | 14600 | 0 00 | | | |
| Add lines 14400, 14500, and 14600. (Se | ee line 25000 in Step 4.) | | 0 00 14700 | 0 00 | | |
| Add lines 10100, 10400 to 11400, 1150
12100 to 12500, 12600, 12700, 12800, | | | | | | |
| 13900, 14100, 14300, and 14700. | | This is you | ur total income. <mark>1500</mark> | 90,000.00 | | |
| | | | | Protected B who | an completed | |
| Step 3 - Net income | | | | Frotected B with | en completed | |
| < | | | | | | 2 |
| Modified 01:52:16 EFIL | E. Not oligible P | alance/Refund | (339.60) T1:15000 | : Total in 90.000.00 | | |
| WOODEO 01:52:16 EFIL | E: INOT EIIGIDIE B | alarice/inerund | (223.00 11:12000 | 10tal III 90,000.00 | | _ |

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*

Copy field code	
Copy Memo/Tape	
Paste Memo/Tape	
Close form	Esc
Print form	
New window	
Launch window	
Create FX	
Create T3	
Carry forward	
Previous year's return	
Show auditor	Ctrl+F9
Environment	

• 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*

ployment income (box 14 of all T4 slips)		Here	aa aaa aa 🗖	
x-exempt income for emergency services volunteers			Help	F1
ee line 10100 in the guide.)	10105	0 00 🗎 🥄	T4	F6
emmissions included on line 10100 (box 42 of all T4 slips)	10120	0 00	T1212	
age loss replacement contributions (See line 10100 in the guide.)	10130	0 00	11212	
her employment income		h	Cut	
d age security pension (box 18 of the T4A(OAS) slip)		1	Сору	
P or QPP benefits (box 20 of the T4A(P) slip)		1	Copy field code	
sability benefits included on line 11400 (box 16 of the T4A(P) slip)	11410	0 00		
ner pensions and superannuation (See line 11500 in the guide and			Paste	
a 31400 in the Worksheet for the return.)		1	Override	F2
cted split-pension amount (Get and complete Form T1032.)		ī		
iversal child care benefit (See the RC62 slip.)		1	Attach memo	F8
CB amount designated to a dependant	11701	0 00	Attach tape	Ctrl+F8
ployment insurance and other benefits (box 14 of the T4E slip)		<u> </u>	Copy Memo/Tape	
ployment insurance maternity and parental benefits		0 00	Paste Memo/Tape	
nounts from box 36 of T4E		0 00		
empt PPIP benefits (included in T4E box 36) and/or El maternity an	d parental	A	Attach to HyperDoc	
nefits under the Indian Act (T90).		0 00	Review marks	>
ployment insurance maternity and parental benefits and provincia rental insurance plan benefits	11905	0 00	Attach a Doc	
xable amount of dividends (eligible and other than eligible) from ta	xable Canadian			
rporations (Complete the Worksheet for the return.)		1	Close form	Esc
xable amount of dividends other than eligible dividends,	12040	0 00 🗎	Print form	
luded on line 12000, from taxable Canadian corporations	12010	000	New window	
erest and other investment income (Complete the Worksheet for th	ne return.)	[
t partnership income: limited or non-active partners only		1	Launch window	
gistered disability savings plan income (box 131 of the T4A slip)		Į	Create FX	
ental income Gross 12599	0 00	Net 1	Create T3	
xable capital gains (Complete Schedule 3.)		1		
			Carry forward	
pport payments received Total 12799	0 00 🚔	Taxable amount 1	Previous year's return	
ISP income (from all T4RSP slips)		1	a	Ctrl+F9
ther income Specify:		F	Show auditor	Ctrl+F9

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

Í	Box	Slip #1	
		ABC INC	
ξ	10	Ontario	ł
{	14	65,999.00	
ł	16	2,199.00	* }
ł	17	0.00	}
ł	18	858.22	}
ł	55	0.00	∎ {
ł	28	No	Ng
ς		No	NÇ
{		No	ΝÇ
ŝ	~ ~~ ~	have a second se	کب

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:

Employer's name – Nom de l'employeur ProFile 2021 Tour 1212 Main St	Year Année Canada Rev Agency 2019	enue Agence du revenu du Canada		T4 Remuneration Paid munération payée
Anytown ON M1A 1A1	14	Employment income – line 1 Revenus d'emploi – ligne 10	100 in	Income tax deducted – line 437 npôt sur le revenu retenu – ligne
54 Employer's account number / Numèro de compte de l'employeur		9,000 ent Employee's CPP contributions Cotisations de l'employé au RP(- line 30800	900 00 El insurable earrings Gains assurables d'AE
Social Insurance number Exempt – Exempt	PPIP Employment code	16 280		9,000 00
12 487 487 589	Code d'empioi	Cotisations de l'employé au RRI	2 - ligne 30800 Ga	uns ouvrant droit à pension - RP 9,000 00
Employee's name and address – Nom et adresse de l'employ Last name (in capital letters) – Nom de tamile (en lettres moulées) First name CARSONN JOHNNY		18 145 RPP contributions - lic Cotisations à un RPA - 1	10 20700	Charitable donations – line 34 Dons de bienfaisance – ligne 3
	12.2			are an are and the state of the
2020 Smith Street Anytown ON CAN	M4A 1A1	20 Pension adjustment – I Facteur d'èquivalence – I 52 Employee's PPIP premiums	Igne 20600 50	RPP or DPSP registration nur N° d'agrément d'un RPA ou d'ur

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

Agency											when		udent / I			
		T2202 Tuition					-				Year		0.0		-	
	Ce	rtificat pour fra	ais de s	scolarit	é et d	ins	cr	iptio	n		Anné	e	2 0	1	9	
Name and address of designa Nom et adresse de l'établisser			1	1 School Catégo	type rie d'éco	le					school or club ou club de pilota	ige				
ProFile 2021 Tour 1212 Main St				4 Studer	t number			_	15 Fi	lor Ar	count Number					
Anytown ON M1A1A1			ľ	Numér	o d'étudia						o de compte du	déc	larant			
,			-	10101		_	-			-	0.01	_	-			
Name of program or course Nom du programme ou du Computer Science			Session periods/	From YY/MM	20 To YY/N			Num of mo part- Nom	onths		22 Number of months full-time/ Nombre		part-t	ible tu ime ar ais de missit	nd full scola	l-time/ arité
Student Name Nom de l'étudiant			Périodes d'études	De AA/MM	AAA	M		de m temps	ois à partiel		de mois à temps plein		étude	à tem	mps	partiel
JOHNNY	CARSONN		1	2019 0	1 2019	12					08					761
Student address			2				1 [1
Adresse de l'étudiant			3				[j.
			4													
2020 Smith St				Tot	ls / Tota	ux	24			25	08	26				7616
Anytown M4A 1A1	ON CAN		Information for students: See the back of Certificate 1. If you want to transfer all or part your tuition amount, complete the back of Certificate 2							part o	лf					
	17 Social insurance Numéro d'assura		Rens	eignemen	ts pour	les é	tudi		une pa	rtie o	so du certificat u la totalité de le verso du cert	vost	irais de			férer
	4 8 7 4	8 7 5 8 9														
See the privacy notice on the n	ext page.															2
Consultez l'avis de confidential	ité à la page suivante.												6			
2202 (20)														aı	າລ	d

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

	Clear Data
Agency Agence du revenu Agency du Canada	Protected B when complete
Income Tax and	d 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	ол[8
Identification	Information about you
Print your name and address below. First name and initial	Enter your social insurance number (SIN): 4 8 7 4 8 7 5 8 9 Year Month Day
Johnny	Enter your date of birth: 2 0 0 0 0 1 0 1
Last name	Your language of correspondence: English Français
Carsonn	Votre langue de correspondance :
Mailing address: Apt No. – Street No. Street name	
2020 Smith St PO Box RR	Is this return for a deceased person?
	Ensure the SIN information above is for the deceased person.
City Prov./Terr. Postal code	If this return is for a
Anytown 0 N M 4 A 1 A 1	deceased person, enter the
Email address	date of death:
By providing an email address, you are registering to receive email notifications from the CRA and agree to the Terms of use	Marital status Tick the box that applies to your marital status on December 31, 2019:
under Step 1 in the guide.	1 Married 2 Living common-law 3 Widowed
Enter an email address: _ic0101@profile.co	4 Divorced 5 Separated 6 X Single
Information about your residence	
Enter your province or territory of residence on December 31, 2019: Ontario	Information about your spouse or common-law partner (if you ticked box 1 or 2 above)
Enter the province or territory where you currently reside if it is not the same as your mailing	Enter their SIN:
address above:	Enter their first name:
If you were self-employed in 2019, enter the province or territory	Enter their net income for 2019 to claim certain credits:
where your business had a permanent establishment:	Enter the amount of universal child care benefit (UCCB) from line 11700
If you became or ceased to be a resident of Canada for	of their return:
income tax purposes in 2019, enter the date of: Month Day Month Day	Enter the amount of UCCB repayment from line 21300 of their return:
entry or departure	Tick this box if they were self-employed in 2019: 1
	Do not use this area
Do not use 17200 17100	
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

Attack and the descents (askedda				cted B v	when comple
Attach only the documents (schedule any claim or deduction. Keep all other s		receipts) requested to	support		
Step 2 – Total income					
As a resident of Canada, you have to re The Income Tax and Benefit Guide ma			utside Canada.		
Employment income (box 14 of all T4 s	lips)		1010)	9000 .00
Fax-exempt income for emergency sen See line 10100 in the guide.)	vices volunteers	10105			
Commissions included on line 10100 (b	oox 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)		1130) +	
CPP or QPP benefits (box 20 of the T4	A(P) slip)		11400) +	
Disability benefits included on line 1140	00 (box 16 of the T4A(P) slip)	11410			
Other pensions and superannuation (S			n the		
Worksheet for the return.)			1150) +	
Elected split-pension amount (Get and	complete Form T1032.)		1160) +	
Universal child care benefit (UCCB) (Se	ee the RC62 slip.)		1170) +	
UCCB amount designated to a depend	ant	11701			
Employment insurance and other bene	fits (box 14 of the T4E slip)		1190) +	
Employment insurance maternity and p parental insurance plan benefits	arental benefits and provincial	11905			
Taxable amount of dividends (eligible a (Complete the Worksheet for the return		kable Canadian corpor	ations 1200) +	
Taxable amount of dividends other than line 12000, from taxable Canadian corp		n 12010			
Interest and other investment income (Complete the Worksheet for th	e return.)	1210) +	
Net partnership income: limited or non-	active partners only		1220) +	
Registered disability savings plan incor	ne (box 131 of the T4A slip)		1250) +	
Rental income	Gross 12599		Net 1260) +	
Taxable capital gains (Complete Sched			1270		
Support payments received	Total 12799	Taxab	le amount 1280		
RRSP income (from all T4RSP slips)			1290		
Other income	Specify:		1300		
Taxable scholarship, fellowships, bursa			13010		
Self-employment income					
Business income	Gross 13499		Net 1350) +	
Professional income	Gross 13699		Net 1370		
Commission income	Gross 13899		Net 1390		
Farming income	Gross 14099		Net 1410	_	
Fishing income	Gross 14299		Net 1430		
Workers' compensation benefits (box 1		14400	1421 1430		
Social assistance payments	e et alle i dever dilp/	14500 +			
Net federal supplements (box 21 of the	T44(OAS) slin)	14600 +			
Add lines 14400, 14500, and 14600. (S		14000 +	- 470		
Add lines 14400, 14500, and 14600. (S Add lines 10100, 10400 to 11400, 1150 12100 to 12500, 12600, 12700, 12800, 13900, 14100, 14300, and 14700.	00 to 11700, 11900, 12000,	0, This is your total	►14700		¢000 00
5008-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.

T1-2019	Federal Tuition, Education, and Textb	Protected B when complete ook Amounts Schedule 1
	nt must complete this schedule and attach it to their return. If the r person should not attach this schedule to their return.	e student is transferring an amount to another
If you are a stud	ent, complete this schedule to determine:	
• your tuition, e	education, and textbook amounts	
• the tuition arr	nount you can transfer to a designated individual	
• the unused a	mount, if any, you can carry forward to a future year	
Use your compleschedule.	eted designated forms (T2202, TL11A, and/or TL11C) or other o	official tuition tax receipts to complete this
For more inform	ation, see Guide P105, Students and Income Tax.	
Tuition, educ	cation, and textbook amounts claimed by the stud	lent for 2019
Unused federal t notice of reasses	tuition, education, and textbook amounts from your 2018 notice a ssment	of assessment or
above or your of	es paid to Canadian educational institutions for 2019 from the for ficial tuition tax receipts. To qualify, the fees you paid to attend e an \$100. Also complete the 2019 enrolment information below	each institution
your official tuition	es paid to foreign educational institutions for 2019 from the form on tax receipts. To qualify, the fees you paid to attend each instit complete the 2019 enrolment information below.	
Add lines 1, 2, a	nd 3. Total available tuition, education, and textboo	k amounts for 2019 =
\$47,630 or less.	nt of your taxable income from line 26000 of your return if it is Otherwise, complete Part B in Step 5 of your return and enter following calculation: amount from line 43 in Part C of your / 15%.	8992 5
Total of lines 1 to	o 20 in Step 5 of your return	- 13709 6
Line 5 minus line	e 6 (if negative, enter "0")	= 0 7
	education, and textbook amounts you are claiming for 2019. • _or_lip&Z.w ^w	month and the

• 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

Step 5 – Federal tax (formerly Schedule 1)	Prote	cleo	B when co	mple	eted
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(_				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	+			•1
/olunteer firefighters' amount	31220	+			1
Search and rescue volunteers' amount	31240	+			1
Canada employment amount (Enter \$1,222 or the total of your employment income you reported on lines 10100 and 10400, whichever is less.)	31260	+	122.2	00	14
Home buyers' amount	31270	+			1
Home accessibility expenses (Complete the Worksheet for the return.) (maximum \$10,000	31285	+			1
Adoption expenses	31300	+			1
Pension income amount (Complete the Worksheet for the return.) (maximum \$2,000)	31400	+			1
Disability amount (for self) (Claim \$8,416 or if you were under 18 years of age, complete the Worksheet for the return.)	31600	+			1
Disability amount transferred from a dependant (Complete the Worksheet for the return.)	31800	+			2
nterest paid on your student loans (See Guide P105.)	31900	+			2
Your tuition, education, and textbook amounts (Complete Schedule 11.)	32300	+			2
Tujtjon amount transferred from a child	32400	+		1	Ļ.,

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

Taxpayer personal information	Marital status
Taxpayer personal information SIN 487 487 589 Title Mr First name Johnny Last name CARSONN Last name changed in 2019? Yes Do you want to change your address? Yes Care of Street address 2020 Smith Street Apt # P.O. Box R.R. City Anytown Prostal code M4 1A1 Primary phone (909) 090-9099 Birth date 2000/01/01 Age Date of Death www.mwdd 19	Marrital status Indicate your marital status on December 31, 2019 1
Gender Image: Second Secon	Are you a non-resident? Yes Yo Residency status Resident 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 I 1 mailing address I 1 mailing address I 1 mailing address

• Once again, here is Johnny's T4 slip

Employer's name - Nom de l'employeur ProFile 2021 Tour 1212 Main St	Year Année	Canada Re Agency 2019	wenue	Agence du revenu du Canada			T4 Remuneration Paie munération payée	
				mployment income - line 1011 levenus d'emploi - ligne 1010		im	Income tax deducted - line 4	
Anytown ON M1A 1A1		14		9,000 0		22	9000	
54 Employer's account number / Numêro de compte de l'employeur		ce of employe		ployee's CPP contributions ations de l'employé au RPC			El Insurable earning Gains assurables d'A	
Social insurance number Exempt - Exempt	10	ON	16			24	9,000 0	00
Numéro d'assurance sociale CPP/QPP EI F	PIP Em	ployment code		ployee's QPP contributions - ations de l'employé au RRQ -			CPP/QPP pensionable earn ins ouvrant droit à pension - F	
12 487 487 589	29	lobe d'emploi	17	alons de remploye au And	igne soac	26	9.000	_
Employee's name and address - Nom et adresse de l'employ Lat name (in capital letters) - Nom de tarille (en iettres mouldes) Pirst name CARSONN JOHNNY		tal – Initiale	18	Altons de l'employé à l'AE - li 145 8 RPP contributions - line s Cotisations à un RPA - lign	0	44	Cotisations syndicales – ligr Charitable donations – line Dons de bienfalsance – lign	o 349
2020 Smith Street			20	Pension adjustment - line		46	RPP or DPSP registration	
			52	Facteur d'équivalence - lign	e 20600	50	N° d'agrément d'un RPA ou d	fun R
Anytown ON CAN	M4A 1A1		Cotisati	nployee's PPIP premiums - s ons de l'employé au RPAP -			PPIP insurable earnin Gains assurables du Ri	
Other information (see over) Amount - Montant	Box -	Case	Am	ount - Montant	Box-C	56	Amount - Montant	_
		Case		ount - Montant	Box - C		Amount - Montant	

• 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

Carsonn. Johnny Eorm: 14								⊻ N Qpen	• <u>B</u> in	• <u>N</u> ew	List Dotai
Forms	Name	Category	Description	U	Last	S					
1. Identification		Identificati	Personal information	Y	N/A	1					
2. Silps	# Dependant	Identificati	Dependant information	No	N/A	3					
3 Income	CarryFWD	Identificati	Carryforward Summary	Y	N/A	4					
 Deductions 	I€T2202/TL	Slips	Tuition and education credit	Y	N/A	6					
5. Tax + credits	6 T3	Slips	Statement of trust income	No	N/A	7					
6 Return + schedules	(≪T4	Slps	Statement of remuneration	Y	N/A	8					
Z Filing 8 Client	6-T4A	Slips	Statement of pension, ann	No	N/A	9					
g Clank g Al	5 T4AOAS	Slips	Statement of Old Age Secu	No	N/A	10					
A Used	G-T4AP	Slips	Statement of Canada Pensi	No	N/A	11					
B. Data entered	5 T4ARCA	Slips	Statement of distributions fr	No	N/A	12					
C Last year	G-T4E	Slips	Statement of Employment I	No	N/A	13					
	J-T4PS	Sips	Statement of profit-sharing	No	N/A	14					
	6 T4RIF	Slips	Statement of income from	No	N/A	15					
T1	 ■T4RSP	Slips	Statement of RRSP income	No	N/A	16					
TP1	IA TE	Sine	Statement of investment in	No	NIA	17					

- 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							when	соп	nple	ted /	une fo	egé B is rempli
	70000 7	uition and F						Fi	or st	uder	nt / Po	ur étuc	liant
	Certificat po	and and a			ouro	on		Yea		2	0	1 9	
Name and address of designa Nom et adresse de l'établisser			11 School Catégo	type rie d'école				school or club u club de pilota	ge				
ProFile 2021 Tour 1212 Main St Anytown ON M1A1A1				d'étudiant				count Number o de compte du	déc	lara	int		
13 Name of program or course Nom du programme ou du Computer Science Student Name		Session periods Période d'étude	s De	0 1 0 20 To YY/MM Å AA/MM	of r par No de	umber nonths t-time/ ombre mois à		22 Number of months full-time/ Nombre de mois à		P	Frain adm tudes	a de son issibles à temp	ull-time/ plarité pour s partiel
Nom de l'étudiant JOHNNY	CARSONN	1	2019 0	2019 12	temp	is partiel		temps plein 08		-	et à	temps	plein 7616
Student address Adresse de l'étudiant		2											0
2020 Smith St		4	Tota	ls / Totaux	24		25	08	26	-			7616
Anytown M4A 1A1	ON CAN	Ren		у	ur tuition	amount,	com	te 1. If you war plete the back	it to of C	tran ertifi	icate 2	2	t of
	17 Social insurance number (SIN) Numéro d'assurance sociale (N 4 8 7 4 8 7 5	The second second	seignemen	is pour les e	tutiants	une par	tie o	u la totalité de le verso du cert	vos	frais			
See the privacy notice on the n													2
Consultez l'avis de confidential T2202 (20)	ité à la page suivante.										C	an	adä

- 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.

2202/TL11 Tuition and education ci	edit certificates						luition	Slips	
		Box		lip #1	Slip #2	Slip #3	Slip #4	Total this s	schedule.
			1				<u> </u>		
escription			Conco	ordia U					
escription									0 00
2202, TL11A, TL11C					-	-			000
uition fees paid to Cana	idian educational	26	7	,616.00	0.00	0.00	0.00	7,616.00	
stitutions uition fees paid to forei	an educational			0.00	0.00	0.00	0.00	0.00	7,616 00
stitutions	in educational			0.00	0.00	0.00	0.00	0.00	
umber of months in pa		24/B		0	0	0	0		·
umber of months in full	-time enrolment	25/C		8	0	0	0	8 <mark>2001</mark>	0 00
L11D uition fees paid				0.00	0.00	0.00	0.00	0.00	7,616 00
haritable donations		_		0.00	0.00	0.00	0.0	0.00	
	following calculation: a	amount	from	,	C of your return of			8,991 75 🕈 5	
	Amount from Line 8A							0 00	
	Total of lines 1 to 20 in	n Step !	5 of y	ır return				13,709 05 6	
	Line 5 minus line 6 (if			"0")				0 00 7	
	Unused tuition, educa Amount from line 1 or				you are choung	for 2019		0 00 ►	000
	Line 7 minus line 8	inte 7,	whiche	e i is less				0 00 9	000
	2019 tuition amount y	ou are o	laiming	g for 2019				000	
	Enter the amount of lin	ne 2 plu	s line 3	3, or the amo	unt from line 9, v				0 00
	Add lines 8 and 10. Enter this amount on	line 202	00 of	our roturn			on, education, a		0 00
	Enter this amount on	ine 323	00 01 y	our return.		amounts cia	imed by the stud		000
	2019 enrolment in	format	ion						
	The CRA needs the fo			ation to admir	nister federal proc	rame such as th	a Canada workere	honofit	
						al and territorial pr		borront,	

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

	FIOLE	cted b when completed	
Step 5 – Federal tax (formerly Schedule 1)			
Part A – Federal non-refundable tax credits			
			-
Basic personal amount	claim \$12,069 300	12,069 00	1
Age amount (if you were born in 1954 or earlier) (Complete the Worksheet for the return			2
Spouse or common-law partner amount (Complete Schedule 5.)	303		3
mount for an eligible dependant (Complete Schedule 5.)	304 10	00 0 00	4
Canada caregiver amount for spouse or common-law partner, or eligible dependant age Complete Schedule 5.)	18 or older 304	25 0 00	5
Canada caregiver amount for other infirm dependants age 18 or older (Complete Sched	ule 5.) 304	50 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 = 305	00 0 00	7
Base CPP or QPP contributions:			^
through employment income			
(Complete Schedule 8 or get and complete Form RC381, whichever applies.)	308	272 25	• 8
on self-employment and other earnings			
(Complete Schedule 8 or get and complete Form RC381, whichever applies.)	310	00 0 00	• 9
Employment insurance premiums:	(- 40
through employment from box 18 and box 55 of all T4 slips	(maximum \$860.22) 312		• 10
on self-employment and other eligible earnings (Complete Schedule 13)	312		• 11
/olunteer firefighters' amount	312		12
Search and rescue volunteers' amount	312	40 0 00	13
Canada employment amount (Enter \$1,222 or the total of your employment ncome you reported on lines 10100 and 10400, whichever is less .)	312	1,222 00	14
lome buyers' amount	312		15
forme buyers amount forme accessibility expenses (Complete the Worksheet for the return.)	(maximum \$10,000) 312		16
Adoption expenses	(maximum \$10,000) \$12 313		17
	(maximum \$2,000) 314		18
tension income amount (Complete the Worksheet for the return.)	(maximum \$2,000) 314		10
Claim \$8,416 or if you were under 18 years of age, complete the Worksheet for the ret	urn.) 316	00 0 00	19
Disability amount transferred from a dependant (Complete the Worksheet for the return			20
nterest paid on your student loans (See Guide P105.)	319		
our tuition, education, and textbook amounts (Complete Schedule 11)	323		22
uition amount transferred from a child	324		23
mounts transferred from your spouse or common-law partner (Complete Schedule 2)	326		24
Addical expenses for self, spouse or common-law partner, and your	ped		24
	3099 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		
Line 20 minus inte 20 (ii negative, enter 0 /	000 21		

- 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

			Protected B	when completed
Canada Revenue Agenoy	Agence du revenu du Canada			2019
	Income Tax and B	enefit	Return	
	adda and data a straight data and			
Before you start:			- la la facementa a la cellate a la conse la C	The second s
	turn for a deceased person, make sure you	enter the	eir information in all the boxes in S	step 1.
Step 1 – Identificat	tion and other information			ON 8
	Identification		Information about you	
Print yo First name and initial	our name and address below.	Enter yo	ur social insurance number (SIN):	487 487 589
Johnny		Enter vo	ur date of birth:	Year/Month/Day 2000/01/01
Last name CARSONN		Your lan	quase of correspondence Fo	nolish Francais
Mailing address: Apt No Street	Attach only the documents (schedules, information s	lips, forms	or receipts) requested to support any claim	n or deduction. Keep all other supporting documents.
2020 Smith Street PO Box	Step 2 - Total income As a resident of Canada, you have to report you	r income	from all sources both inside and outsid	ide Canada
	The Income Tax and Benefit Guide may have ac	ditional i	nformation for certain lines.	
City Anytown	Employment income (box 14 of all T4 slips)		10	9.000 9.000 9
raycom	Tax-exempt income for emergency services volunteers (See line 10100 in the guide.)		10105 0 00 🖀	
By providing an email address, vo	Commissions included on line 10100 (box 42 of all T4 slip	s)	10120 0 00	
the CRA and agree to the Terms	Wage loss replacement contributions (See line 10100 in t	he guide.)	10130 0 00	
Enter an email address:	Other employment income Old age security pension (box 18 of the T4A(OAS) slip)		Step 4 - Taxable income	9
Informat	CPP or QPP benefits (box 20 of the T4A(P) slip)		Canadian Forces personnel and police deduct	ction (box 43 of all T4 slips) 24400 0 00
Enter your province or territory of	Disability benefits included on line 11400 (box 16 of the T Other peoples and superannuation (See line 11500 in th	4A(P) slip	Security options deductions	24900 0 00
	Other pensions and superannuation (See line 11500 in th line 31400 in the Worksheet for the return.)		amount at me 14000. If so, see me 25000 m t	kie guide.) kooloo
Enter the province or territory wh	Elected split-pension amount (Get and complete Form T10	132.)	Limited partnership losses of other years	25100 0 00 25200 0 00
you currently reside if it is not th	Universal child care benefit (UCCB) (See the RC62 slip.) UCCB amount designated to a dependant		Non-capital losses of other years Net capital losses of other years	25300 0 00
	Employment insurance and other henefits (how 14 of the	T4E slip)	Capital gains deduction (Get and complete For	rm T657.) 25400 0 00
enter the province or territory wh	Employment insurance maternity and parental benefits		Northern residents deductions (Get and comp	
your business had a permanent e	Amounts from box 36 of T4E Exempt PPIP benefits (included in T4E box 36) and/or EI m	aternity ar	Additional deductions Add lines 24400 to 25600	Specify:25600000 ►000 ■
If you became or ceased to be	benefits under the Indian Act (T90). Employment insurance maternity and parental benefits an			
Month/Day	parental insurance plan benefits		Line 23600 minus line 25700 (if negative, ente	er "0") This is your taxable income. 26000 8,991 75
	Taxable amount of dividends (eligible and other than eligi corporations (Complete the Worksheet for the return.)			Protected B when completed
	Taxable amount of dividends other than eligible dividends included on line 12000, from taxable Canadian corporatio		Step 5 - Federal tax (for	merily Schedule 1)
	Interest and other investment income (Complete the Work		Part A – Federal non-refundable	e Protected B when completed
	Net partnership income: limited or non-active partners on	y	Basic personal amount	Step 7 - Refund or balance owing
	Registered disability savings plan income (box 131 of the		Ann annual (d	Net federal tax: enter the amount from line 61 from the previous page 42000 0 00
	Rental income Gross 125	99	Shouse or common-law partner amour	COPP contributions payable on self-employment and other earnings Complete Schedule 3 or get and complete Form RC381, whichever applies.) 42100 00
	Taxable capital gains (Complete Schedule 3.)	_	Amount for an eligible dependant (Con	Employment insurance premiums payable on self-employment and other eligible earnings (Complete Schedule 13.) 42120 000
	Support payments received Total T27 RRSP income (from all T4RSP slips)	99	Canada caregiver amount for spouse o (Complete Schedule 5.)	0 Social benefits repayment (amount from line 23500) 42200 0 00 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9
	Other income	Specify:	Canada caregiver amount for other infin	ir Add lines 42000, 42100, 42120, 42200, and 42800. This is your total payable. 43500 0 00
	Taxable scholarship, fellowships, bursaries, and artists'	project gra		I Total income tax deducted (amounts from all Canadian sips) 43700 900 00 • Refundable Quebec abstement (See line 44000 in the guide.) 44000 0 0 •
	Self-employment income Business income Gross 134	99	Base CPP or QPP contributions:	CPP overpayment (see line 30800 in the guide.) 44800 0 00 •
	<	52.0-	through employment income	
			on sen-employment and other earning	Comparison in nourine overpayment, des inter-avoid noi inguise
			(Complete Schedule 8 or get and con Employment insurance premiums:	Canada workers benefit (CWB) (Complete Schedule 6.) 45300 0 00 •
			through employment from box 18 and	Refund of investment tax credit (Get and complete Form T2038(ND).) 45400 0 00
			on self-employment and other eligible	Part AL2 trust tax credit (box 30 of all 13 sips and box 209 of all 15013 sips) 1000 000
			Volunteer firefighters' amount Search and rescue volunteers' amount	Employee and partner GST/HST rebate (Get and complete Form GST370.) 45700 0 00
			Canada employment amount (Enter \$1	Supples expenses (maximum \$1,000) 46800 0 00 x 15 00 % = 46900 0 00 •
			< c	Tax paid by instalments 47600 0 00 •
				Provincial or territorial credits (Complete Form 479, if t apples.) 47900 0 0 • Add lines 43700 to 45700, and 46900 to 47900. These are your total credits. 48200 1,124 0 • 1,124 0 •
				Line 43500 minus line 48200 This is your refund or balance owing. (1,124 00)
				If the result is negative, you have a refund. If the result is positive, you have a balance owing. Enter the amount below on whichever line apples.
				Generally, we do not charge or refund a difference of \$2 or less. Refund 48400 1.124 00 • 000 • 000 • 000 • 000
				Direct deposit - Enrol or update
				By providing my banking information I authorize the Receiver General to deposit in the bank account number shown below any amounts payable to
				me by the CRA, until otherwise notified by me. I understand that this authorization will replace all of my previous direct deposit authorizations. Branch Institution
				number number Account number
				(5 digits) (3 digits) (maximum 12 digits)
				You can also register for Direct Deposit through the following methods:
				My Account online MyCRA mobile application
				 By calling CRA at 1:800-959-8281

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	Year	Canada Reve Agency 2019		Agence du revenu du Canada			T4 Remuneration Pa	
	1212 Main St	Année	2010	En	ployment income – line 1		e la re	émunération payé Income tax deducted – lin	-
	Anytown ON M1A 1A1			Re	evenus d'emploi – ligne 10	100		mpöt sur le revenu retenu – I	igne 43700
			14		52,900		22	8,812	
fois rempli	54 Employer's account number / Numèro de compte de l'employeur 23122 3131 RP 0001		e of employment ince d'emploi	Cotisa	loyee's CPP contributions tions de l'employé au RPC			El insurable earni Gains assurables	
s re	Social insurance number Exempt – Exempt	ion	ON	16	2,519	40	24	52,900	00
	Numéro d'assurance sociale CPP/QPP El Pi 12 453 545 121 28 12		loyment code de d'emploi		loyee's QPP contributions tions de l'employé au RR0		00 G	CPP/QPP pensionable er ains ouvrant droit à pension	arnings - RPC/RRQ
nne	455 545 121	29		17			26	52,900	00
gé B	Employee's name and address – Nom et adresse de l'employé	<u> </u>			nployee's El premiums – li tions de l'employé à l'AE -			Union dues – line 2 Cotisations syndicales – I	
Protégé	Last name (in capital letters) – Nom de familie (en lettres moulées) First name –		u – Initiale	18	856	98	44	ŀ	
P	CARSONN Angela				RPP contributions – lin Cotisations à un RPA – li			Charitable donations – I Dons de bienfaisance – I	
eted				20			46	3	
completed /	2020 Smith Street				Pension adjustment – li Facteur d'équivalence – l	ne 20600 igne 20600		RPP or DPSP registration N° d'agrément d'un RPA or	on number u d'un RPDB
u cc	Anytown ON CAN	M4A 1A1		52			50	<u>)</u>	
when					ployee's PPIP premiums ons de l'employé au RPAP		50	PPIP insurable ean Gains assurables du	
B				55			56	3	
scter	Box – Case Amount – Montant	Box – C	ase	Amo	unt – Montant	Box – C	ase	Amount – Montant	
Protected	Other information (see over)								
-	Autres Box - Case Amount - Montant	Box – C	ase	Amo	ount – Montant	Box - C	ase	Amount – Montant	
r4 (19)	renseignements (voir au verso)						٦٢		
								RC-14-599	

	Employer's name - Nom de l'employeur ProFile 2021 Tour 1212 Main St	Year Age	ada Revenue ncy 19	Àgence du revenu du Canada		T4 f Remuneration Pa rémunération payée	
	Anytown ON M1A 1A1			mployment income – line 10 Revenus d'emploi – ligne 10 52,900	100	Income tax deducted – line Impôt sur le revenu retenu – li 7,999	gne 43700
rempli	54 Employer's account number / Numéro de compte de l'employeur 23122 3131 RP 0001	10 ON	d'emploi Cotis	nployee's CPP contributions sations de l'employé au RPC 2,519	C - ligne 30800	El insurable earni Gains assurables d 4 52,900	'ĂE
une fois rempli	Social insurance number Numéro d'assurance sociale 12 245 243 241 BPC/RPQ AE B	PIP Employme Code d'e	ent code En emploi Cotis 17	nployee's QPP contributions sations de l'employé au RRC	- line 30800	CPP/QPP pensionable ea Bains ouvrant droit à pension -	mings - RPC/RRQ
otégé B	Employee's name and address – Nom et adresse de l'employ Last name (in capital letters) – Nom de famille (en lettres moulées) First name -	é	Cotis	Employee's El premiums – li sations de l'employé à l'AE – 856	ligne 31200	Union dues – line 2 Cotisations syndicales – li 4	
I/ Pr	ST-PIERRE Martin			RPP contributions – lin Cotisations à un RPA – li		Charitable donations – li Dons de bienfaisance – li	
when completed / Protégé	2020 Smith St		20	Pension adjustment – lir Facteur d'équivalence – li	4 ne 20600 gne 20600	RPP or DPSP registratio N° d'agrément d'un RPA ou	n number ı d'un RPDB
B	Anytown ON CAN	M4A 1A1		imployee's PPIP premiums - tions de l'employé au RPAP		PPIP insurable earr Gains assurables du 6	
Protected	Other information (see over)	Box – Case	An	nount – Montant	Box - Case	Amount – Montant	
T4 (19)	Autres Box-Case Amount-Montant renseignements (voir au verso)	Box – Case	An	nount – Montant	Box - Case	Amount – Montant	

• 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 Agence du du Canada		ent of Investme s revenus de p		Year 2 0 1	0		Protégé B une fois rempli
Dividends from Canadian corporations -		Federal credit -		Année			
24 Actual amount of eligible dividends	25 Taxable amount of eligible dividends	26 Dividend tax cr divid	edit for eligible ends	13 Interest from C	Canadian sources 18	Capital gai	ns dividends
Montant réel des dividendes déterminés	Montant imposable des dividendes déterminés	Crédit d'impôt pour div	idendes déterminés	Intérêts de sour	2,121.44	Dividendes sur	gains en capital
10 Actual amount of dividends other than eligible dividends	11 Taxable amount of dividends other than eligible dividends	12 Dividend tax cre other than elic	dit for dividends	21 Report Code	22 Recipient identifi	ication number	23 Recipient type
	Ciria char eigere dividenda		ible dividenda		453 545 1	121	2
Montant réel des dividendes autres que des dividendes déterminés	Montant imposable des dividendes autres que des dividendes déterminés	Crédit d'impôt po autres que des divid		Code du feuillet	Numéro d'identification		Type de bénéficiaire
Other information (see the back) Autres renseignements (lisez le verso) Box	/ Case Amount / Montant	Box / Ca	ase Amou	int / Montant	Box / Case	Amount	/ Montant
Recipient's name (last name first) and	address – Nom, prénom et adresse d	lu bénéficiaire		Payer's name and	d address – Nom et a	dresse du payeu	ır
CARSONN ANGELA			PROFILE	2021 TOUR			
ST-PIERRE MARTIN			1212 MAI	NST			
2020 SMITH STREET							
2020 SMITH STREET							
			ANYTOW	N	C	DN M1A	1A1
ANYTOWN ON CAN	M 4 A	1 A 1					
Currency and identification codes Codes de devise et d'identification	Devises étrangères	nsit – Succursale n.		Recipient account de compte du bénéf	Pour obt		, see the back. nseignements, lisez le verso. 1

Markinson Canada	Date Received/Don reçu le: Date Issued/Reçu émis le: Place of Issue/Lieu d'émission:	Nov 17, 2019 Toronto, ON
316 - 4211 Yonge Sitnert, Toronto, ON M2P 2A9 T. 416-227-9700 F. 416-227-9600 www.parkinson.ca Charlable Business No./ No. d'organisme de bienfaisance enregisiré : 10809 1786 RR0001	DUPLICATE REC REÇU EN DOUI	
	Receipt No./Numéro du reçu:	L100032816
Angela Carsonn 1010 Main St	ntant de	a don: \$100.00
Anytown, ON M5A 1A1	Jujees	ybordon
This is an official tax receipt for income tax purposes. / Recu officiel aux fins de l'impôt. Canada Revenue Agency: www.cra.gc.ca/charbesandgiving Agence du revenu du Canada: www.cra.arc.gc.ca/chrta-gung/menu-tra.html	Authorized signa	ture/Signature autorisée

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

2019 Personal information Taxpayer personal information Marital status Indicate your marital status on December 31, 2019 453 545 121 SIN 1 X Married 2 Living common-law 3 Widowed Title MS First name Angela 4 Divorced 5 Separated 6 Single CARSONN Last name If status changed in 2019, enter date of change mm/dd Last name changed in 2019? Yes X No Were you married or living common-law at any Do you want to change your address? Yes X No Yes No time in this tax year? Care of Street address 2020 Smith Street Apt # Residency P.O. Box R.R. Province of residence City Anytown on 2019/12/31 Ontario Province ON Province of self-employment M4A 1A1 Postal code If you became or ceased to be a Canadian resident in Primary phone (999) 999-9989 entry mm/dd 2019, enter date of: 1989/09/09 Birth date Age 30 mm/dd or departure yyyy/mm/dd Date of Death Gender Male <u>F</u>emale Province or territory where taxpayer resides if different from mailing Yes X No Are you a non-resident? address: Residency status Resident CRA online mail: Already registered Yes X No Country (other than Canada) Did you dispose of a property (or properties) in 2019 for which you are Email address claiming a principal residence exemption? Yes X No By providing your email address or updating an already registered email address, I understand I am registering for online mail and Use preparer address for: 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. X Nothing Notice of Assessment and Refund N of A T1 mailing address Do you want preparer to get X Yes No Electronic Notice of Assessment? 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.

Info

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



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*

Couple Returns	;		×
Create a no	ew return for spou xisting return	ise	
	OK	Cancel	

- 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:							
 Print this page and have it signed and dated by the taxpayer or legal representative. 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.							
Taunauss information							
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. yyvy/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 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

EFILE/ReFILE this return	Ctrl+F11
Attach a Doc	
EFILE Pre-authorized Debit for this taxpayer	
EFILE the T1135	
EFILE Authorize a Representative	
EFILE Cancel a Representative	
Build T1 EFILE Online Batch	
EFILE Online Batch	
Build TP1 NetFile	
TP1 Connect	
Reports	>
Print All ACKs	
View Notice of Assessment (ENOA)	
Set EFILE Password	
Options	

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

Access Client Information
To access information on behalf of clients, the CRA must have authorizations on file from these clients granting online access.
Enter the Social Insurance Number (SIN) or the Business Number (BN) of the account you want to access:
SIN (no spaces or dashes)
453 545 121
Access SIN
BN (no spaces or dashes)
Access BN

• 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

Accounts and payments Income tax balance: \$0.00 View statement of account Go to Accounts and payments details	Co to Tax returns details Related services • Client data enquire • Client summary • Tax information silos (T4 and more) • Proof of income statement (option 'C' print) • Audit enquiries • Register my formal dispute • Open a non-resident tax account • File a GST/HST rebate
Income tax balance: \$0.00 View statement of account <u>Go to Accounts and payments details</u> Benefits and credits No benefits and credits payments are currently expected.	Client data enquiry Client summary Tak information silps (14 and more) Proof of income statement (option 'C' print) Audit enquires Register my formal dispute Open a non-resident tax account
View statement of account Go to Accounts and payments details O Benefits and credits No benefits and credits payments are currently expected.	Client summary Tax information silps (T4 and more) Proof of income statement (option 'C' print) Audit enquiries Register my formal dispute Open a non-resident fax account
Go to Accounts and payments details O Benefits and credits No benefits and credits payments are currently expected.	Proof of income statement (option 'C' print) Audit enquiries Register my formal dispute Open a non-resident tax account
Benefits and credits No benefits and credits payments are currently expected.	Audit enquiries Register my formal dispute Open a non-resident tax account
Benefits and credits No benefits and credits payments are currently expected.	Register my formal dispute Open a non-resident tax account
No benefits and credits payments are currently expected.	Open a non-resident tax account
No benefits and credits payments are currently expected.	and the second
	Request CPP/EI ruling
Go to Benefits and credits details O	Request a remittance voucher
	Climate Action Incentive Payments
	Request relief of penalties and interest
RRSP and TFSA	
Your 2019 RRSP deduction limit: \$22,050.00	
Your 2019 TFSA contribution room: \$53,273.00 TFEA- Important Information	
As of January 1, 2019	

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

T4 Statement of Remuneration	n Paid							1	T4 S	lip						
		Box	Slip #1	Slip #2	Slip	#3	Slip #	4	Tota	1						
			4					Þ								
Description			ProFile Tour													
Province of employment		10	Ontario													
Employment income		14	52,900.00	0.00		0.00	(0.00	52.9	00.00						
Employee's contributions	CPP	16	2,519.40	0.00		0.00	(0.00	2,5	19.40						
	QPP	17	0.00	0.00		0.00	(00.0		0.00						
	El premiums	18	856.98	0.00		0.00	(0.00	8	56.98						
	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	T4												
Employment code		29		Statement of Re		n Paid										T4 Slip
RPP contributions		20	0.00									,				
Pension adjustment		52	0.00				Box		Slip #1	Sli	o #2	Sli	ip #3	S	ilip #4	Total
Income tax deducted		22	8,812.09					4							•	
El insurable earnings		24	52,900.00	Description				ProFil	le Tour							
CPP/QPP pensionable earn	nings	26	52,900.00													
PPIP insurable earnings		56	0.00													
Union dues		44	0.00	Province of emp				Ontar		-		-		•		
Charitable donations		46	0.00	Employment inc		1	14		2,900.00		0.00		0.00		0.00	52,900.00
				Employee's cont	tributions	CPP	16		2,519.40		0.00		0.00		0.00	2,519.40
						QPP	17		0.00		0.00		0.00		0.00	0.00
						El premiums	18		856.98		0.00		0.00		0.00	856.98
						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 cod			29			-		•		-		
				RPP contribution			20	-	0.00		0.00		0.00		0.00	0.00
				Pension adjustm			52		0.00		0.00		0.00		0.00	0.00
				Income tax dedu			22		7,999.12		0.00		0.00		0.00	7,999.12
				El insurable earr			24		2,900.00		0.00		0.00		0.00	52,900.00
				CPP/QPP pensi		nings	26	5	2,900.00		0.00		0.00		0.00	52,900.00
				PPIP insurable e	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 donat	ions		46		0.00		0.00		0.00		0.00	0.00

- 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 Invest	ment Income					-	F5 Slip
		Box	Slip #1	Slip #2	Slip #3	Slip #4	Total
			•			•	
Description			ProFile				
% reported by spou	se		50.0	0.0	0.0	0.0	
% reported by taxpa	ayer		50.0	0.0	0.0	0.0	
Currency				¢.	¢.	t t	
Exchange rate to co	onvert to Cdn \$		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 Canad	ian sources	13	2,121.44	0.00	0.00	0.00	2,121.44
Source of Box 13 in	terest (for EFILE)		1/Bank	1/Bank	1/Bank	1/Bank	
Capital gains divider	nds	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 cou	intry			÷	÷	t t	
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: Ar		19	0.00	0.00	0.00	0.00	0.00
Box 19 received due	e to death of spouse?		No	No	No	No	
Equity linked notes	canadian	30	0.00	0.00	0.00	0.00	0.00
interest	foreign source	50	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 organiza	tion	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 organiza	tion	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 S	lip Summa	ary				
NAME: CARSONN, Angela		•			2019 5	Slip Summ	ary
NAME. CARSONN, Augera				NAME: St-Pierre, Martin			
T4 Slips - Feuillets T4		1	Total	NAME. St-Fleffe, Martin			
Description	Prol	File Tour	Total	T4 Slips - Feuillets T4			Total
		ac rou		Description	De	oFile Tour	Total
				Description		orne roui	
Province of employment	Ont	ario					
Employment income	14	52,900.00	52,900.00	Province of employment	Or	ntario	
CPP contributions	16	2,519.40	2,519.40	Employment income	14	52,900.00	52,900.00
EI premiums	18	856.98	856.98	CPP contributions	16	2,519.40	2,519.40
Income tax deducted	22	8,812.09	8,812.09	EI premiums	18	856.98	856.98
EI insurable earnings CPP/QPP pensionable earnings	24 26	52,900.00 52,900.00	52,900.00 52,900.00	Income tax deducted	22	7,999.12	7,999.12
Crr/Qrr pensionable eannings	20	32,900.00	52,900.00	El insurable earnings	24	52,900.00	52,900.00
				CPP/QPP pensionable earnings	26	52,900.00	52,900.00
				T5 Slips - Feuillets T5			T-4-1
				Description	De	1 oFile	Total
				Description		orne	
				% 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					
		4						
Description		ProFile Tour						
Province of employment	10	Ontario						
Employment income	14	52,900.00						
Employee's contributions	Employee's contributions CPP							
	QPP	17	0.00					
	El premiums	18	856.98					
	PPIP	55	0.00					
Exempt	CPP/QPP	28	No K					
	El		No No					
	PPIP		No					
Employment code		29						
RPP contributions		20	3 0.00					
Pension adjustment	52	0.00						
Income tax deducted	22	7,999.12						
El insurable earnings	24	52,900.00						
CPP/QPP pensionable earr	26	52,900.00						
PPIP insurable earnings		56	0.00					
Heise dues	m	_,_, _,, _,,	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~					

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

PROFILE - [2019 T1/TP1: CARSONN, Angela - Other deductions]			- 🗆 ×
File Edit Audit Goto Form Options EFILE Online Training Window Help			- 8 ×
	🚔 🚔 🗒 Search	🗸 💥 ? 斜 Suggestion	Fi 🌲 🐟 🛛 🕫
👔 3. Dependant 🕼 2. T5 📋 4. Donations 📋 6. Slips 🕼 5. T4 🚯 1. Info 🔶 7. T1206 🥍 9. T183 💳 OtherDeduct	8. AuthorizeRep +		
	<u> </u>		
Other Deduct Other de	ductions		
Annual union, professional or like dues - line 21200			
	-		
Union name			
Union dues reported on T4 slips Professional liability insurance	000		
Taxable annual union or professional dues	000		
Taxable annual union of professional dues	0 00		
Non-taxable annual union or professional dues			
	0 00		
Total	0 00		
Do you qualify for the GST/HST rebate? Yes No X			
Expenses eligible for the GST rebate 0.00			
Expenses eligible for the HST rebate 0.00			
Carrying charges and interest expenses - line 22100			
Accounting fees	0 00		
Management or safe custody fees	0 00		
Investment counsel fees	0 00		
Reported on T5013 slips	000		
	0 00		
Legal fees paid to collect, establish or increase the amount of support payments	0 00		
Interest on money borrowed to earn interest, andeno, and by income Interest on money borrowed to acquire an interest in a limited park. This or a partnership in which you are not	0 00		
interest on money borrowed to acque an interest in a limited part, and or a partnership in which you are not an active partner:			
Tax shelter 000			
Rental and leasing property 000			
Resource property 000			
	0.00		
Enter this amount on line 2100 of your return. 22100	0.00		
Other employment empenses - line 22900			
and a second			~
🔍 Summary 🍳 Warnings 🔍 Notices 🖌 Sign-offs 🗰 Issues 👔 Overrides 🏹 Memos 🝁 EFILE 🍁 T1135 🐲	Online change 🔍 Data Import 🔍 Carry forwards 📱 Tapes	Q Variance > EDI	
Notice T1206 If any income reported by taxpayer is taxable as 'split income', enter the details on Form T1206.	onine energe of beta import of confriending in aper	Contract Contract	
Notice 11200 If any income reported by taxpayer is taxable as split income, enter the details on Form 11200. Notice T183 Electronic delivery of the notices in the software has been selected. A valid request authorizing you as a	representative must be on file with the CRA, for you to receive the ta	wpayer's notices electronically in the soft	ware and provide
them with a copy. Paper notices will not be mailed to the taxpayer from the CRA.	representation in the second sec	solution and a second s	and and provide
Relation Notice OtherDeduct Taxpayer has investment income. Are there carrying charges or interest expenses that could be deducted	d?		
			~
Modified 00:17:10 EFILE: Eligible Balance/Refund	(3,123.58) T1:15000: Total income	53,960.72	+

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*

2019 T1/TP1 Print Selection		?)
Print Job	🔽 1. CARSONN, Angela 🔽 2. St-Pierre, Martin 🗹 3. CARSONN, Johnny	
Allow multiple jobs	Print Details	
T1 Paper	1 2 B H S Print these sets	
TP1 paper T1 Early Business	1 2 3 4 5 Archive these sets (PDF)	
T1 EFILE		
T1 Review	III III III Duplex sets IIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIII	
	para kao kao para para contra	
	II 2 3 H 5 4 per page	
After printing	Find Form:	
Take snapshot	Information return for electronic filing - pages 1	^
Change the status to	Information return for electronic filing - pages 2	
Completed ~	I I I I I I I I I I I I I I I I I	
Dptions	I I I I RC71-2 Discounting transaction - pages 2	
Keep selections	I 2 3 B RC72-1 Notice of the actual amount of the refund of tax - pages 1	
	I 2 3 I RC72-2 Notice of the actual amount of the refund of tax - pages 2	:
Print All Pages ~	II	
🗹 Date in heading	I I I I I I I I I I I I I I I I I I I	
🗹 Default printer	III 2 3 III III S2 Amounts transferred from your spouse	
Merge print sets	III 2 3 III III S3 Capital gains (or losses)	
Show only Selected	III 2 3 III III S5 Details of Dependant	
Printing Tips	III 2 3 III III S6 Canada Workers Benefit	
After printing	III III III III III III III III IIII IIII	Н
To change the Client Status	E E S8 CPP on self-employment and other earnings	
after printing the file select a	II Z 3 III III S9 Donations and gifts	_
new status from the drop down list.	Image:	
Next	Image:	
	Image: Constraint of the second sec	
	Image:	an
	Mary and Mary Party and A	
	III 2 3 III III SA Statement of world income III 2 3 III III SB Allowable amount of non-refundable tax credits	
	Image: Imag	~
Simplified	Print Setup Set Defaults Cancel	Help

- 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

2019 T1/TP1 eReview Print Select	ion	? ×
Print Job	V 1. CARSONN, Angela V 2. St-Pierre, Martin V 3. CARSONN, Johnny	
Allow multiple jobs	Print Details	
T1 Paper TP1 paper T1 Early Business	[1] [2] [3] [4] Email these sets (PDF) [3] [3] [4] [4] Review marks	
TP1 EDI		
	Find Form:	•
	I I I I I Information return for electronic filing - pages 1	^
	I I I I T183-2 Information return for electronic filing - pages 2	
After Build PDF/Email	I I I F RC71-1 Discounting transaction - pages 1	
Take snapshot	I I I F RC71-2 Discounting transaction - pages 2	
Change the status to	I I RC72-1 Notice of the actual amount of the refund of tax - page	es1
Completed \sim	I I I RC72-2 Notice of the actual amount of the refund of tax - page	es 2
Options	II II II II T1-1,2 T1 jacket-pages 1,2	
	II II II II T1-3,4,5,6,7,8 T1 jacket - pages 3,4,5,6,7,8	
Keep selections	I I I I S2 Amounts transferred from your spouse	
🗹 Date in heading	I I I I S 3 Capital gains (or losses)	
Merge print sets	II II II II II II S S5 Details of Dependant	
Show only Selected	II II II II II S6 Canada Workers Benefit	
Delete PDF	II	and H
Resolution 300 DPI V	II II II II II II II S8 CPP on self-employment and other earnings	
Email Template	I I I I S S9 Donations and gifts	
<none></none>	II II II II Donations Charitable donations	
Churles *	I I I I I S S10 El and PPIP Premiums	
Printing Tips	E E E S11 Federal tuition and education amounts	
🦲 Print Job	I I I I I S S13 Employment Insurance Premiums on Self-Employm	ent an
To allow multiple Print Jobs	I I I I S S14 Climate Action Incentive	
select the 'Allow multiple jobs' checkbox.	I I I SA Statement of world income	
	I I I I SB Allowable amount of non-refundable tax credits	
Next	I I I I SC Electing Under Section 217 of the Income Tax Act	~
(Email address for CARSONN, Angela	
	Angela@angela.co	
Simplified	Preview Email Cancel	Help

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 Agence du re Agency du Canada	mornation na	eturn for Electroni ncome Tax and B		rotected B en completed	
The information found on this form correspon Before you fill out this form, read the informat Part G must be signed by the individual ident submitted) and Part E (once your return has b Give the signed original of this form to your e	tion and instructions on page 2 of iffied in Part A or by the individua een submitted). lectronic filer and keep a copy for	f this form. al's legal representative. r yourself.	Your electronic filer must fill out P	Tax Year	
Part A - Identification and address as		andatory)			
First name	Last name			Social insura	
Angela	CARSON			453 545 1	
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 del	ivered in My Account at o	canada.ca/my-acc	count (optional)		-
Email Address:					Â
By providing an email address, I am registering to	o receive email notifications from	n the CRA and I agree to	o the Terms of use on page 2 of t	his form.	
Part B - Declaration of amounts from	your Income Tax and Be	enefit Return (mand	atory)		
Enter the following amounts from your return, i	f applicable:				
Total income (line 15000)		53,960 72			
Taxable income (line 26000)		45,886 62			3,123 58
		40,000 02			0,120,00
Total federal non-refundable tax credits (line 3	5000)	2,875 45	or Balance owing (line 48500)		0 00 🗎
Part C - Pre-authorized debit agreem	ent (optional)				
Do you want to Pre-authorize the oblight		fied amount from	your bank account? If so,	fill in the inf	ormation
I hereby authorize the electronic filer to create t as per the agreement details listed below. I advr			n about pre-authorized debit on p	age 2 of this form	
				/mm/dd	
	Signature		Year M	lonth Day	
One time payment for your Income Tax and Ber withdrawn on	<u>, , , , , , , , , , , , , , , , , , , </u>	y/mm/dd , for the am r Month Day	nount of 000		
Branch No.	Financial Institution N	No.	Bank account number		
Part D - Electronic filer identification	(mandatory)		-0.0		
Cereinio Carrow Comment	Wingmanning	Vopen	- Comment discover		

• 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.

TD		R		D RETIREMENT GS PLAN ATTACH TO	TD Waterhouse Canada Inc. 77 Bloor St. W. P.O. Box 5999, Station F Toronto, ON M4Y 2T1 FEDERAL INCOME TAX RETURN
	NUMBER	DURING THE FIRST 60 DAYS OF THE YEAR 8000.00	DUR ING OF	THE REMAINDER THE YEAR	CONTRIBUTOR'S NAME Angela Carsonn
Angela Carsonn				ANNUITANT'S SOCIAL INSURANCE NUMBER 453 545 121	L CONTRIBUTOR'S SOCIAL INSURANCE NUMBER 453 545 121
					n was in whole or in kind
Official tax r	eceipt			income tax act ject thereto.	The Canada Treat Company La vocabit Canada Treat (Anthonized Signature Diagnature (Fan propose antonise)

• These forms include the following RSP slip

• 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													ted B			
													Fo	or stu	udent / F	our ét	udiar	nt
			T2202 Tuitior	n and E	nroln	ner	nt Cer	tifi	ica	te			Year	r I				
			Certificat pour fra	ais de s	scola	rité	et d'	ins	scr	iption	1		Anné	е	2 0	1	9	
		ted educational institutionent d'enseignement	on	1	11 Scho Caté		/pe e d'école	e					chool or club u club de pilota	ige			_	
DreFile	2021 Tour	Ū.				-								-				
1212 M				- H	14 Stud		number				15 File		count Number					
				H	- Oldu		d'étudia	nt		F	1 1 10		de compte du	déc	larant			
Anytow	n ON M1A1A1				1010) 1 (010											
	of program or course				19		20			21 Numb			22 Number		23			
Nom du	u programme ou du	cours		0			То			of mor			of months			ble tuiti me and		
				Session periods/	Fron YY/M		YY/M	м		part-tir			full-time/			ais de s		
	ter Science			Périodes			À			Nomi de mo			Nombre de mois à		ad	missibl	es p	our
Student N				d'études	AA/M	М	AA/M	М		temps p			de mois a temps plein			s à ten		
Nom de l'é		CARSO								temps p	Januer		temps pient		et	à temp	s ple	ein
JOHNN	I T	CARSO	NIN	1	2019	01	2019	12					08					7616
				2														0
Student ad	adress e l'étudiant			3					11					1				0
Adresse d	eretudiant			4					11					1 1				0
2020 S	mith St				- T.	otal	s / Tota		24			25	08	26	<u> </u>			7616
						otai	37 1014	u.x.	-				08					7010
Anytow M4A 1A		Of CA	•	Infor	mation	for s	tudents						te 1. If you wan plete the back				art o	of
		17 Social insu	rance number (SIN)	Rens	eignem	ents	s pour le	es é	tud				o du certificat					férer
			assurance sociale (NAS)										u la totalité de v e verso du cert			scolarit	ė,	
		4 8 7	4 8 7 5 8 9								empilee	102 1	e verso du cert	nica	. 2.			
See the pri	vacy notice on the r																	2
	Consultez l'avis de confidentialité à la page suivante.									2								
	T2202 (20) Canada																	
12202 (20)																au .	LU	ua

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	I ┿ I Year Année	Canada Rever Agency 2019	hue Agence du revenu du Canada	Statemer		T4 Remuneration Pa munération payée		
	Anytown ON M1A 1A1			Employment income – Revenus d'emploi – lig	gne 10100	_	Income tax deducted – line pôt sur le revenu retenu – li	10100	
	,		14	9,	000 00	22	900.	.00	
fois rempli	54 Employer's account number / Numéro de compte de l'employeur 23122 3131 RP 0001	Prov	e of employmen vince d'emploi	t Employee's CPP contrib Cotisations de l'employé a			El insurable earnir Gains assurables d		
is re	Social insurance number Exempt – Exempt		ON	16	280.50	24	9,000	.00	
		PIP Emp Co	oloyment code ode d'emploi	Employee's QPP contrib Cotisations de l'employé a	utions – line 30800 u RRQ – ligne 30800	Ga	CPP/QPP pensionable ea ins ouvrant droit à pension -	arnings - RPC/RRQ	
B une		29		17		26	9,000	.00	
	Employee's name and address – Nom et adresse de l'employe	6		Employee's El premiu Cotisations de l'employé à			Union dues – line 2 Cotisations syndicales – li		
Protégé	Last name (in capital letters) – Nom de famille (en lettres moulées) First name –		ial – Initiale	18	145.80	44			
Pr	CARSONN JOHNNY			RPP contribution Cotisations à un RI			Charitable donations – line 3490 Dons de bienfaisance – ligne 349		
eted				20		46			
when completed /	2020 Smith Street			Pension adjustme Facteur d'équivaler			RPP or DPSP registration N° d'agrément d'un RPA ou	n number u d'un RPDB	
n co	Anvtown ON CAN	/4A 1A1		52		50	-		
whe		/14A TAT		Employee's PPIP prem otisations de l'employé au			PPIP insurable earn Gains assurables du		
B				55		56			
cte	Box - Case Amount - Montant	Box – (Amount – Montant	Box – Cas	0	Amount – Montant		
Protected	Other information (see over)			Amount - Wontant		Ĩ	Amount – Wontant		
_		Box – 0	Case	Amount – Montant	Box – Cas		Amount – Montant		
F4 (19)	Autres Box - Case Amount - Montant renseignements (voir au verso)					1	, and an anomalia		
÷							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 de	duction
RRSP contributions			
Verify unused amount from Box B	Notice of Assessment or enter it as 'Prior to 2	019'.	
		Contributio	ns made to
Description	Contribution period	Own RRSPs	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			
		Employee C	ontributions
Description	Contribution period	Made to	ontributions
Description		Own PRPP	
	January 1, 2019 to December 31, 2019	0 00	
	Subtotal	0.00	
PRPP employer contributions: January 1	1, 2019 to December 31, 2019		
(amount from your PRPP contribution rec		0 00	
Total RRSP/PRPP contributions			
		Contributio	
		Own RRSP/PRPP	Spousal RRSPs
RRSP contributions		8,000 00	0 00
PRPP contributions		0 00	
	Subtotal	8,000 00	0 00
Less: Designated Home Buyers' Plan (HB		0 00	
Designated Lifelong Learning Plan (I		0 00	
Non-deductible contributions due to		000	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
Prove 2019 (amount press	man and a start and a start and a start a star	Jamme Open	000-

• 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
And Martin Martin Martin	man man and and	

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

				Med	ical exp	enses
ptimize medio	cal expenses? Yes	No X				
ledical expe	enses - line 33099					
eriod covered	by claim: from 20	019/01/01 to 201	9/12/31			
Payment date	Name of patient	Payment made to	Description of expense	* Subject to limitation?	Amount	Claim
019/03/14	Angela CARSONN	Clear Sight Eyes	Eyeglasses	No	1,588 44	1,588 44
019/06/28	Angela CARSONN	Dr. Nicholls	Dental	No	888 78	888 78
019/11/30	Angela CARSONN	Barclay & Associates	Physiotherapy	No	1,044 22	1,044 22
yyy/mm/dd		-		No	0 00	0 00
				Modical	expenses subtotal	3.521 44
re you claimin	ng medical expenses? Yes	Ţ		Wedical	expenses subtotal	0,021144
2	ng medical expenses? Yes aid to private health service p	lans	Тахра		Spouse 0 00	0,021144
Premiums pa			ı	yer 0 00 0 00 ▲	Spouse	0,021144
Premiums pa Employee/R	aid to private health service p	ivate health services plar	ı	yer 0 00 0 00 0 00	Spouse 0 00 0 00 0 00	
Premiums pa Employee/R Québec pres	aid to private health service p ecipient-paid premiums for pr	ivate health services plar - 2018	ı	yer 0 00 0 00 ▲	Spouse 0 00 0 00	0 00
Premiums pa Employee/R Québec pres Nova Scotia	aid to private health service p ecipient-paid premiums for pr scription Drug Insurance Plan	ivate health services plar - 2018	ı	yer 0 00 0 00 0 00	Spouse 0 00 0 00 0 00	
Premiums pa Employee/R Québec pres Nova Scotia Total medica	aid to private health service p ecipient-paid premiums for pr scription Drug Insurance Plan Seniors' Pharmacare Program	ivate health services plar - 2018 m		yer 0 00 0 00 0 00	Spouse 0 00 0 00 0 00	oloc
Premiums pa Employee/R Québec pres Nova Scotia Total medica	aid to private health service pl ecipient-paid premiums for pr scription Drug Insurance Plan Seniors' Pharmacare Prograr al expenses - line 33099 mount of medical expen	ivate health services plar - 2018 m		yer 0 00 0 00 0 00	Spouse 0 00 0 00 0 00	oloc
Premiums p Employee/R Québec pres Nova Scotia Total medica	aid to private health service pl ecipient-paid premiums for pr scription Drug Insurance Plan Seniors' Pharmacare Prograr al expenses - line 33099 mount of medical expen	ivate health services plar - 2018 m ses for other depen		yer 0 00 0 00 0 00	Spouse 0 00 0 00 0 00 0 00	0 00 3,521.44
Premiums pr Employee/R Québec pres Nova Scotia Total medica Allowable a lame of other	aid to private health service p ecipient-paid premiums for pr scription Drug Insurance Plan Seniors' Pharmacare Prograr al expenses - line 33099 mount of medical expen dependant	ivate health services plar - 2018 m ses for other depen	dants - line 33199	yer 0 00 0 00 0 00 0 00 0 00 * Subject to limitation? No	Spouse 0 00 0 00 0 00 0 00 0 00	0 00 3,521.44 0 0

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

Dependant			Dependan	t information
Are you eligible to receive the Chil Family caregiver amount claimed		Yes X You X	No Spouse	
	Dependant #1		Dependant #2	Dependant #3
	1			Þ
Social Insurance Number	487 487 589	-		
First name	Johnny			
Last name	CARSONN			
Relationship	Son	N/A		N/A
Videnta white white	M20mmmmmmmmmmmmmmmmmmmmmmmmmmmmmmmmmmmm	man and a second	(marked and a second a s	1 maldan man

• 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	n Paid						T4 Slip				
		Box	Slip #1	Slip #2	Slip #3	Slip #4	Total				
			4			Þ					
Description			ProFile Tour								
Province of employment		10	Ontario	1 1							
Employment income 14		9,000.00	0.00	0.00	0.00	9.000.00	1				
Employee's contributions	CPP	16	280.50	0.00	0.00	0.00	280.50	1			
	QPP	17	0.00	0.00	0.00	0.00	0.00	1			
F	El premiums	18	145.80	0.00	0.00	0.00	145.80]			
	PPIP	55	0.00	0.00	0.00	0.00	0.00]			
	CPP/QPP	28	No	T0000 (T) 44	N- - N-			1			~ ~ ~
	EI		No	T2202/TL11	ion credit certificates					Tuition	Slins
	PPIP		No	Tultion and educat	ion credit certificates					rancion	onpo
Employment code		29				Box	Slip #1	Slip #2	Slip #3	Slip #4	Total
RPP contributions		20	0.00				4			•	
Pension adjustment		52	0.00				ProFile Tour				
Income tax deducted		22	900.00	Description			FIOL IIC FOUL				
El insurable earnings		24	9,000.00	Desemption							
CPP/QPP pensionable ear	nings	26	9,000.00	T2202, TL11A, TL	11C		_	-	-	-	
PPIP insurable earnings		56	0.00		Canadian educationa	26	7.616.00	0.00	0.00	0.00	7.616.00
Union dues		44	0.00	institutions							
Charitable donations		46	0.00	Tuition fees paid to	foreign educational		0.00	0.00	0.00	0.00	0.00
Other information				institutions							
				Number of months	in part-time enrolment			0	0	0	0
					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 donation	IS		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



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			
		Sarah	John
Total income			
Employment *	10100	0	20,000
Old Age Security	11300	0	
CPP/QPP benefits	11400		0
Other pensions	11500	78,211	0
Split-pension amount	11600		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		
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



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

formation for the el	ected split-pension amount		
e Split-Pension Income lit-Pension Income.	optimization worksheet helps you determine	ne the amount, if any, to enter on line G of the T1032	2
view the amount that w	ve suggest for transfer, right click on the wo	rksheet and select Optimize split-pension incom	e.
or additional information	press <f1> to access help for this works</f1>	heet	
alculation of the ele	ected split-pension amount Zer tr	Optimize split pension income	
		Copy field code	
Elected split-pension am	Sarah 16	Copy Memo/Tape	
otal payable (line	John	Paste Memo/Tape	
3500)	Combined 16	Paste Memo/ Tape	
	Sarah 11.	Attach a Doc	
Balance owing / refund	John (1,	Close form E	sc
	Combined 9	Print form	30
combined net benefit (co	ist)		
ummany of the elect	ed split-pension amount	New window	
		Launch window	
	transferring \$27,754.62 to John's return v alance owing of \$9,959.73 is decreased t	Create FX	
uggested amount, the b	alance owing of \$5,555.75 is decreased t	Create T3	
Aximum split-pension a	mount (from line F of your T1032)	Carry forward	
	pension amount you wish to transfer to	Previous year's return	
nis amount will appear (on line G on your T1032.	Show auditor Ctrl+	F9

- 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

T1032Opt			Op	otimi	ze -	Spli	t-per	nsio	n inc	come	9
nformation for th	e elected split-p	pension am	ount								
he Split-Pension Inc plit-Pension Income		vorksheet help	ps you det	ermine the	amount, if	any, to ente	er on line G	of the T103	32 - Joint E	ection to	
o view the amount t	nat we suggest for t	ransfer, right	click on th	e workshee	et and sele	t O timi		ze spiit pens			
or additional informa	ation, press <f1> to</f1>	o access help	for this w	orksheet.			Elect sp	lit-pension	amount of \$	27,754.62	
alculation of the	elected split-p	ension amo		o transfer	Suggo	ted trans	Conv.N	1emo/Tape			
			Zen	uansier	Sugges	teu trans		1emo/Tape			
Elected split-pension	n amount			0.00		27,754.6	Attach	a Doc			
otal payable (line	Sarah			16,295.72		7,413.0	Close fo	orm			Esc
13500) John				0.00		5,960.5	Print fo	rm			
,	Combined			16,295.72		13,373.5	New wi	ndaw			
Balance owing / refu	Sarah nd John			11,959.72 (1,999.99		4,496.4					
Salarice owing / relu	Combined			9.959.73		7.037.5	Launch	window			
Combined net benef				9,909.10		2.922.1	Create	FX			
							Create	T3			
ummary of the e	lected split-pen	sion amour	nt				Carry fo	orward			
We have determined	that transferring \$2	7.754.62 to J	ohn's retu	rn will result	t in the low	est combi	-	s vear's retu	m		
suggested amount, t							Themos	s year s reca			
							Show a	uditor			Ctrl+F9
Maximum split-pens	ion amount (from lir	ne F of your T	1032)				Environ	ment			
Please enter the s			to transfe	r to John.						-	
'his amount will app	ear on line G on yo	ur T1032.				Elected sp	lit-pensior	n amount		0.00	G
npact of electing	e a anlit nanaiam	amount am		mbinedt	tel nevel						
ipact of electing	a spin-pension	amount on	i your co	mbined to	stai payai	ne					_
\$000	1										
17	, 										.
Combined 16	_										
total 10 payable 15		_									
payable 15											
line 43500) 14						_			_		
13											
134	S0 \$3.910	\$7,821	\$11,731	\$15,642	\$19,552	\$23,463	\$27,373	\$31,284	\$35,194	\$39,105	

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

					_	~
M ProFile Help	0 0	8				~
	Help Web Site	Online Resources	Contacts			
¢ + Ø [3 4					
Back Forward Stop Refr	resh Print					
Contents Index Search	Optimizatio	ons				
Type in the keyword to find:	ProFile provides se		ontimization	a and a		dit
Optimizing	messages designe					
List Topics	addition to the opt credit optimization					
Select Topic to display:	claims between sp	ouses, smart dis	ability credit	transfer,	and	anc
Gifts and Income Tax	intelligent transfer dependants.	r of tax credits b	etween taxpa	yers and	their	
Medical: Medical expen	Optimizing medica	al expenses				
Optimizations Optimizing charitable do	Optimizing donation					
Optimizing losses	Optimizing losses					
Optimizing medical expe						
Display						
Topic feedback:	Comments abo	ut this help topic:				
 Topic was very useful 						
 Topic was partially useful 					_	_
 Topic was irrelevant 					Sub	mit
Display comments area	Enable anony	manue hate treaties				

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*

11 Hruzec, Sam								?		×
			~	1	ж.				A	
Eorm: T2125				<u>O</u> pen	Print	New	List	<u>D</u> etail	<u>K</u> ey	Line
Forms	lame	Category	Description		Used	Last year	Step			^
T1 🛛 💆	Z T2091WS#	Income	Principal Residence Worksheet		No	N/A	88			
	1 T2121#	Income	Fishing activities		No	N/A	89			
<u>1</u> . Identification	T2121CCASum	Income	Summary of CCA for fishing activitie	BS	No	N/A	90			
📜 <u>2</u> . Slips 📑	1 T2121CEC#	Income	Cumulative eligible capital for fishin	ig activi	No	N/A	91			
🔁 3. Income	1 T2121Asset#	Income	Asset details		No	N/A	92			
	T2121AssetList#	Income	Asset list		No	N/A	94			
	1 T2121CCA#	Income	Details of CCA		No	N/A	93			
📜 <u>5</u> . Tax + credi 💌 📑	T2121Compara	Income	T2121 - Comparative summary		No	N/A	95			
TP1	1 T2125#	Income	Business activities		No	N/A	96			
T2125#:Business activitie	- TOKOFOFOU	1	we are seen and a second				~ 7			*

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

T	Canada Revenue	Agence du re	venu	S	tatement of	Protect	ted B when completed
	Agency	du Canada			Professional Activities		
 For each Fill in this 	h business or profe is form and send it	ssion, fill in a with your inc	separate F ome tax and	benefit return.	nal income. nployed Business, Professional, Co	ommission, Fan	ming, and Fishing
- Part 1	I - Identification						
	e Hruzec, Sam				Your social insurance num	nber 238 1	37 848
Business					Business number		
SH Marke	0				(15 characters)		RT
Business Number 1212 City Anytown	address Street, P.O. Box Oak St		Provi	ince or territory _ Po	nt or suite ostal code 9A 9A1		
Fiscal peri					Was this your last year of	f business?	Yes No X
	Year/Month/Day	Year/Mon		andar Voor	-		
	2019/01/01 t luct or service	to: 2019/12	Cale	endar Year	Industry code (press F6)	811119	
Promotion					(see the appendix in Guide		
Accountin				identification number			percentage of
(commission		Accrual X	TS		(9 digits)		artnership
Name and	address of person		ring this form	n		100	0000 %
ABC IMPC		r or min propa	ing this form				
1000 Mair							
Laval, Qu	iébec J1K1A1						
· ·					fill in this part of the form.		h 🔳
How many Provide up http://	y Internet web pag	es and websit page or webs	tes does you ite addresse	ur business earn inco	ome from? Enter "0" if none iform resource locator (URL):		þ]
How many Provide up http:// P	y Internet web pag p to five main web as of your gross in 0% in the fourth y A – Business in u have bu <u>si</u> ness in	es and websit page or webs converted ear, and 100 come come come, tick ti	tes does you ite addresse ed from the win the indr his box and	ur business earn inco s, also known as un web pages and web n amu all subsequel	ome from? Enter "0" if none iform resource locator (URL):		2 & guide 14002
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• Record all business expenses in Part 4 of the T2125

	mannan				
Gross business or professional income (line 8299 of Part 3C) or G	ross profit (line 8519 o	of Part 3D)			91,773 00
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	
nsurance		8690	0	00 4E	
nterest		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 41	
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	1
Salaries, wages, and benefits (including employer's contributions)		9060	0	00 4N	
Property taxes		9180	0	00 40)
Fravel expenses		9200	780	00 4P	
Jtilities		9220	626	00 4Q	1
Fuel costs (except for motor vehicles)		9224	0	00 4R	
Delivery, freight, and express		9275	0	00 4S	
Notor vehicle expenses (not including CCA)					
see Chart A) - from worksheet	881 35				
Notor vehicle expenses (not including CCA)					

• 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	tor	vehicle	e expe	nses (Busin	ess	5)
Allocation of expenses Fiscal period Start End	%	Amount	CCA	Terminal Loss	Recapture	Owne busin	
T2125#1:SH Marketing2019/01/01 2019/12/31	100	881.35	0.00	0.00	0.00	Yes	
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 bu	siness i	ncome			3,25	5 1	
Enter the total kilometers you drove in the tax year					10,06	1 2	
		Taxable		Non Eligible	Tota	al	
		GST	HST		_		
Fuel and oil		0 00	0 00	827 00	82	27 00	3
Interest (see Chart B)				0 00		0 00	4
Insurance				914 00	91	4 00	5
License and registration				0 00		0 00	6
Maintenance and repairs		0 00	0 00	637 00	63		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	2,37	78 00	11
Business use part: Multiply line 11 by 32.35 %		0 00	0 00	769 35	76	69 35	12
Business parking fees		0 00	0 00	112 00	11	2 00	13
Supplementary business insurance				0 00		0 00	14
Allowable motor vehicle expenses		0 00	0 00	881 35	88	31 35	15

One further step in recording Sam's business expenses is to enter the allowable *home office expense*. As a selfemployed 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 71
Subtotal: 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 7Mminus amount 7N	
(if negative, enter "0")	0 00 70
Allowable vlaim: The lesser of amount 7M and 7N above Jenter your share of this amount on line 0945 of Pro-	1,551 3A ZR

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	Marital status
SIN 111111118 Title M First name Rene	Indicate your marital status on December 31, 2019 1. Married 2. Living common-law 3. Widowed 4. Divorced 5. Separated 6. X. Single
Last name Descartes Last name changed in 2019? Yes X No Do you want to change your address? Yes X No	f status changed in 2019, enter date of change mm/dd Were you married or living common-law at any
Care of Street address 12911 Main St Apt #	Residency
P.O. Box City ANytown Province ON	Province of residence on 2019/12/31 Ontario
Postal code K1A 1A1 Primary phone (418) 555-1312 Birth date 1988/12/12 Age 31	If you became or ceased to be a Canada and the second of t
Date of Death yyyy/mm/dd Gender X Male Eemale Province or territory where taxpayer resides if different from mailing	Spouse's or common-law partner's et pronated. income while the taxpayer is living Canada 0.00
address: Already registered Yes X No	Spouse's or common-law partner's et income while the taxpayer is living diside of Canada 52570 0.00
Email address: By providing your email address or updating an already registered email address, I understand I am registering for online mail and	Canadian sourced non-resident incone 52920 9,000.00 Foreign sourced non-resident incone 52930 9,000.00
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.	Prorate non-refundable tax credits r part _vear resident?
Do you want preparer to get Electronic Notice of Assessment? 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

Ø		×
	Backup to Cloud	
Securely protect your returns or	nline using ProFile's Backup to Cloud. I	Here's how you can get started:
Enable Backup to Cloud	Choose when to back up	Download on demand
You'll need to turn it on in your <u>Environment Options.</u>	You can back up to the cloud automatically when you save your return or have more control by backing up with <u>ProFile Hub.</u>	Rest easy, you can retrieve your returns if they are lost or damaged.
□ Don't show again	Enable now	Remind me later

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 🔳
- Enter your user ID and password

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



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
- Click Create Company
- Enter your credentials and then click Create account

FR A 🔊 🛛 1			
V Sign In		X	
intuit ProFile			
	Create your company	∧ ⊻a Sign In	×
	Already have an account? Sign In	intuit PoFie	Â
	Email	Already have an account? Sign in Email address	^
	Company Name	Protome	
2	Create company	Lad same	
	<u>< Back</u>	Prove	
		3 Passed	
		Security gardion	
		Finandre biots of all time"	
		herester w	
		<u>i</u> i Creat Anno I	~

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
- Click the Actions dropdown and choose Back up to the Cloud

	Wor	kflow			Sign In T1 Module	- □ ×
	Action		Search for file name or type		Q	
2		n File up to the	FILE NAME	INTUIT LINK	CRA IMPORT	со
		wallet, gui (418) 234-1122	71 wallet, gui.18T	Invite client	🖉 Run CRA Import	Ad
	✓	Taxpayer, Amy (613) 555-5555	Taxpayer, Amy and TaxPayer,	Invite client	🖉 Run CRA Import	Ac
	v 🕺	Taxpayer, Amy Spouse: TaxPayer, Gavin (613) 555-5555	Taxpayer, Amy.15T	Invite client	🖉 Run CRA Import	Ac
	🗆 ¢	Taxpayer, Amy Spouse: TaxPayer, Gavin	TI Taxpayer, Amy and TaxPayer,	Invite client	🖉 Run CRA Import	Ad
	ि र्ष	Taxpayer, Amy Spouse: TaxPayer, Gavin (613) 555-5555	Taxpayer, Amy and TaxPayer,	Invite client	🖉 Run CRA Import	Ac
		Caida Cada	<			>

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

Other Tax-Related Information

- RRSP contribution limit
- Lifelong Learning Plan repayment amount
- Capital gains and losses
- Federal 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
- 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

- T1204, Government Service Contract Payments
- RENT ASSIST
- Home Buyers' Plan repayment amount
- Non-capital losses
- Capital gains deductions
- Provincial tuition, education, and textbook carryover amounts
- 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
- 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
- Enter your credentials
- Confirm CRA's request then click Next

• Close the window to return to ProFile



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

lA Data Import			×			
Launch CRA Website	Log in and enter details	Review and Complete				
Data Import Works	heet		Summary	Data	Import S	umma
eview the imported data below			Data Imported on Apr 02 2018 01:32:33 PM			
Check/UnCheck All		Expand All Collapse All	Here is the overview of all imported slips and CDE data from the CRA / Revent You can see each individual slip by clicking on the details link.	I Québec.		4
T4 Statement		· ·	Imported Slips	Box	Amount Detai	
GOVERNMENT DOWNLOADED DATA	LINE ITEM	1 ACTION	T4 T4 - 2	14	1,896.81 Deta 13,558.36 Deta	
2	1896.81 1	4 Add As New ~	T4 - CITY OF OTTAWA	14	53.27 Deta	ls
£	1030.01	4 Add As New	T4A - THE GOVERNMENT OF CANADA LE GOUVERNEMENT DU CANA T4A - Province of Ontario	DA 105 105	1,471.00 Deta 1,024.00 Deta	
v	13558.36 1	4 Add As New ~	Federal Tuition, Education, and Textbook Amounts	100	9,956.00 Deta	
CITY OF OTTAWA	53.27 1	4 Add As New ~	Client Data Enquiry			
Z T4A Statement		Add As New Replace CITY OF OTTAWA	No Debt Indicator		Yes	7
2 item(s) GOVERNMENT DOWNLOADED DATA	LINE ITEM	CRA Data Im	Balance Owing Amount		0.0	
THE GOVERNMENT OF CANADA LE GOUV			Laurch CA Website Exp is and ever whealth Review and Complete			
	Impo		review the updated status list			
		Success				
			3			
				Close		

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 <u>My Account</u> 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 <u>Form T1-ADJ, T1 Adjustment Request</u>, 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)

Var Save 2019 T1/TP1 As	?	\times
1. Hruzec, Sam		
Hruzec, Sam (333323327)		
Client Status: 2. Work in process v	Locke	əd
EFILE Status: 2. Eligible		\sim
SEND Status: 2. Eligible		\sim
TP1 Status: 1. Not eligible		\sim
T1135 Status: 1. Not eligible		\sim
DCN:		
Invoice: 1051 Time: 00:00:00		
Discounted? CRA Errors 2139		
Date Preparer Action Elaps Module Ver.		$\hat{}$
_20/10/02 MDL Modified 2020.0.0		×
Preparer: MDL Partner:		
File Name		
IIIMaciHomelDesktoplHruzec, Sam REFILE.19T		
Password: Save	Cance	эI
Confirm: Help	Advance	d >>

- 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 333 323 327
	Name Hruzec, Sam
	Date of ReFILE 2020/04/30 2
	Is this an amended tax return? XYes 3 40
1	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
- Enter the current date in the Date of ReFILE field
- Select Yes for the line that reads ... "Is this an amended tax return?":
- 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

Canada Revenue Agency	du Conodo	Information Ret n Individual's In			-	1		rotected B en completed ; 2019 R
 Before you fill out this form, re Part G must be signed by the E (once your return has been 	s form to your electronic filer and k	s on page 2 of this for the individual's legal eep a copy for yourse	representati If.	ve. Your ele	ectronic filer must fill or	ut Parts D (prior to you	ur return being	submitted) and Part
First name		Last name					Social insura	nce number
Sam		Hruzec				13	33 323 327	7 🕈
Mailing address: Apt number	- Street number - Street nam	e PO Box		RR	City		Prov./Terr	Postal code
1212 Oak St					Anytown	0	ON	M9A 9A1
Get your CRA mail electr	onically delivered in My	Account at cana	da.ca/my	-accou	nt (optional)			
Email Address: abc@abc.	co							
By providing an email address	s, I am registering to receive e	email notifications f	rom the CF	RA and I a	gree to the Terms	of use on page 2	of this form.	-
Part B - Declaration of an	nounts from your Income	Tax and Benef	it Return	(mandat	огу)			
Enter the following amounts	from your return, if applicable	£						
Total income (line 15000)			87	,259 42				
Taxable income (line 26000)		84	,429 67	Refund (line 48	400)		0 00 🗎
		~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~	~~~~		or Or			~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~

- 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

EFILE Session		2
EFILE session starting on Tuesday, March 21, 2017 at 1:07 PM Transmitting C\Users\sivan1\Documents\Wy ProFile Data\EFILE\2016T1 C\Users\sivan1\Documents\Wy ProFile Data\EFILE\2016T1		*
The Canada Revenue Agency has successfully received the 2016 ReFILE submission for Any changes to taxpayer information (listed on the ReFILE webpage as invalid) wil updated to the Canada Revenue Agency. Your client's express notice of reassessment's available for viewing through the software, provided you have met the requirements. Ref "What's New" section on the EFILE website for further details. The taxpayer needs to keer information slips and documents for six years. Please keep this confirmation number and your records:	l not be will be er to the ep all tax	
EFILE session done.		
He Print 👻 OK Cancel	Help	1

#### **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.

T1 EFILE/ReFILE confirmation number	
TP1 NetFile confirmation number:	
T1135 EFILE confirmation number:	
T1013 EFILE confirmation number:	
T1PAD confirmation number:	

• 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

Date	Preparer	Action	Elapsed
16/11/23 10:	SD	Modified	
16/11/28 11:	SD	T1 EFILE Ready to Transmit <	Initial EFILE of return
16/11/28 11:	SD	Modified	
17/03/21 14:		T1 EFILE Ready to Transmit	
17/03/21 14:	SD	T1 EFILE Accepted	ReFILE of return
17/03/21 14:	SD	Modified	

# 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

atabase / Client Explor	er Options		?	>
○ None	Use Client Explorer	O Use Classic D	atabase	
Client Explorer Options				
ProFile Database Serve	r to use			
Personal Server (On	ly you can use)			
O Shared Server				
Database to use				
Database Name	Personal database folder			
PROFILEDB	\\Mac\Home\Documents\My ProF	ile Data\Database		
Clear	\\Mac\Home\Documents\My ProF	ile Data\Database		
	\\Mac\Home\Documents\My ProF	le Data\Database Batch Options	Advanced	

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

		Client Explorer Setup wizard		×
	Client Explorer Setup wizard	Do you work in an office tax returns or financial p	where different people n lans in ProFile?	eed to work on the same
Client Explorer Setup wizard	You can set Client Explorer to be your de you can continue using the classic datab	⊖Yes	No	
This version of ProFile contains a powert Explorer.	<ul> <li>Use Client Explorer</li> <li>Use classic database</li> </ul>			
This tool helps you manage and, if you w information with other members of your of				
ProFile needs you to answer a few quest up properly for your work environment.				
Click the Next button to continue.				
			Back Next	Cancel Help
	Back	Next Cancel	Help	
Back	Next Cancel Help			

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

Client Explorer Setup wizard	×
ProFile searched your office network and found that no computers were and file information.	re sharing ProFile client
You have two options at this point. You can:	Client Explorer Setup wizard X
Work with a personal collection of client and file inform	You've successfully configured ProFile to work with a personal database of client and file
This database of ProFile client and file information will only be acc by anyone on the network.	
	Click the Finish button to exit this wizard.
○ Make this computer a Shared Database Server	
A Shared Database Server is used to share the same ProFile clies with other ProFile users connected to your network; it is preferable always on. Back Next Can	
	Back Finish Cancel Help

#### 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

Client Explorer Setup wizard	×	
Do you work in an office where di tax returns or financial plans in Pr	fferent people need to work on the same oFile?	
• Yes	⊖No	
	Client Explorer Setup wizard	>
	ProFile searched your office network and found that and file information.	no computers were sharing ProFile clien
	You have two options at this point. You can:	
	$\bigcirc$ Work with a personal collection of client	and file information
	This database of ProFile client and file informatic by anyone on the network.	on will only be accessible by you and no
	Make this computer a Shared Database	Server
	A Shared Database Server is used to share the with other ProFile users connected to your netw always on.	
Back		
	Back Nex	<b>xt</b> Cancel Help

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

ient Explorer Setup wizard	×
What name would you like to give to the new Shared Datab	ase Server?
The name of the Shared Database Server will be visible to users and them to configure ProFile to use this server.           PROFILESRV	will make it easier for
	Client Explorer Setup wizard
Request for privilege elevation	You have successfully configured this computer to run a Shared Database Server. You and other users of ProFile can connect to this server and share ProFile client and file information with the Client Explorer. <b>Click the Finish button to exit this wizard.</b>
ProFile Privilege Elevation Windows® is about to ask you to enter your administrator password.	
Windows Vista requires privilege elevation in order to allow ProFile to the ProFile Database Server. Without privilege elevation, ProFile will n able to setup the ProFile Database Server.	
Don't show this again	
OK	
	Back Finish Cancel Help

#### **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

Client Explorer		- 0 X
ew All Clients	Mit Save View View Filter	
etails X	Search By Client name v Search Clear	
tions <<	All a b c d e f g h i j k l m n o p q r s t u v w x y z 123	
Select all		
ents <<		
->	P3	
	<	
ive file selection istore file selection	Files total: 0	

- Browse to the file location (usually *My ProFile Data*) and click *Include subfolders*
- Indicate how you want Client Explorer to handle password protected files
• Click OK

	Add Files To Client Explorer	?	×
	Folder		
-1	C:\Users\Michael\Documents\My ProFile Data.	Brows	зе
_	Include subfolders?		
2	Advanced Password Protected Files Skip password protected files Prompt for passwords Use this password Select File Types	ß	
	OK Cancel	Hel	p

• 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

🌈 Client Ex	plorer				~
⊻iew	All Clients	×	]	🖷 Save	e View 🖇
Details	All Clients Contact View		Client na	ame	~ {
Print f	More views	ent Year	ef gl 7 ProFile		KI mn
	s) selected <<	Files 201		e: OttTen	nplate.17T
23 file(s) s Save file se Restore file	I Tomplato 17T û	K Files total: 156. F	Files visib	le: 23	

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

Contact View	<ul> <li>Market Save View</li> </ul>	<ul> <li>Tilter</li> <li>Details</li> <li>Index</li> </ul>	
ch By Client name	*	Search Gea	
a b c d e f	ghijk Imn	opqrstuvw	/ x y z 123
Harp, Betty	Johnseson, Alexia	JOnes, Marisa	JONESONS, LESLIE
SIN	SIN	SIN	SIN
474-441-565	777-777-772	777-777-777	244-517-132
Home Address	Home Address	Home Address	Home Address
1963 19 St Ne	29 Dolan	Vancouver, BC	111ERINWOODS CIRCLE
Calgary, AB	Ottawa, ON	JOnes. Sam	NEPEAN, ON
T2E 4R5	K2J 4P6	SIN	К2Ј БМ7
Home Phone	Home Phone	444-444-443	Home Phone
(403) 111-1112	(905) 555-5555	Home Address	(613) 555-5555
Hruzec, Sam	JOnes, Jack	Vancouver, BC	Joonna, JAne
SIN	SIN	JoNESONS, HELEN	SIN
238-137-848	888-888-884	SIN	222-222-222
Home Address	Jones, Jane	248-178-667	
1212 Rue Principale	SIN	Home Address	
Montreal, ON	888-886-777	111ERINWOODS CIRCLE	
M1A 1A1		NEPEAN, ON	
Home Phone		K2J 5M7	
(613) 555-1911		Home Phone	
Email		(613) 555-5555	
mdilauro@me.com			

- 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 💶

Olient Explorer			
View All Clients	- 🖓 Save View 🛛 🖓 Filter	🔁 Details 🥔 Index	
Details X	Search By Client name	Search <u>C</u> lear	
Actions <<	Allabcdefghijk	I m n o p q r s t u v w	x y z 123
Select all	Files	Ames, Anna Files 77 2020 ProFile: Jameson, Jameson. 201 2019 ProFile: Ames, Anna and MAn, Man. 191	Balzac, Sarah Files 2019 ProFile: Balzac, Sarah and John. 19T 172 2019 ProFile: Balzac, Sarah and John AFTER OPTI
Clients <<	Files Files Files	77 2019 ProFile: Ames, Anna and MAn, Man.131     Ames, Kalee     Files     2019 ProFile: Ames, Kalee.191	Bardem, Raul Files 1 12 2019 ProFile: Bardem, Raul 19T 1 12 2018 ProFile: Bardem, Raul 18T
Files <<	11         2019 ProFile: Dec1Template.19T           Files         11           11         11	2019 ProFile: Ames, Kalee. 19T     Arma, John     Files     [7] 2019 ProFile: Mar, Mattha and Arma, John. 19T	CARBEC INC Files [] [] [] ProFile: CARBEC (20191231) GT2 CARSONN, Angela
	ABC INC Files Tr ProFile: ABC INC (20191231),GT2	17         2019 ProFile: Bakzac, Sarah and John 19T           17         2019 ProFile: Bakzac, Sarah and John AFTER DPTI           17         2019 ProFile: Mar, Mattha and Aima, John 19T           17         2019 ProFile: Mar, Mattha and Aima, John 19T	Files     Triz     Z019 ProFile: CARSONN, Angela and Martin St-Pier     Triz     Z019 ProFile: CARSONN, Angela 19T     Triz     Z019 ProFile: CARSONN, Angela & St Pierre, Martin
Save file selection	<		>
Restore file selection Filters T1 V T2 V T3 V	Files total: 48		Apply Filters X
Years Cit Y2020 * X X X X Y X 2009 * X X X X Y X 2009 X X X X X Y X 2006 X X X X X X X X X X X X X X X X X X X X X X X X X X X X X X X X X X X X X X X X X X X X	iert Status T1 EFILE Status TP1 EFILE S Urknown Urknown Urknown Urknown Waing for client In prepare review In partner review In partner review Paper filed Paper filed Paper filed	A	Show Spouse In List     Preparer       Show Competitor's Files     Partner       Discourted     Partner       No     Yes       Pre-Assessed     Advanced

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

Save View As	$\times$					
Please enter a name for your current view.						
Current Corp Clients						
OK Cancel						

#### 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

<b>⊿</b> iew	t Explo	ntact View		Y Filter	6
Seeron B	Зу	SIN	$\sim$	999999998 Search	
ul a	b	Business Number Client name Client Reference # SIN		i j k l m n o p q r s	s t
TE	57 00	Trust Number	5		
	<b>siness</b> 0141104	Number 17			
	iling A Main St	<b>ddress</b> treet			

#### **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
- 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

√iew	T1 · EFILE Eligible	1 👘 Save View 👻 💎 Filter 🔁 Details 🥌 Inc
Details		Search By Client name
	n files	All a b c d e f g h i j k l m n o
	y forware d EFILE	Arma, John
		Files
	t files t forms in the files	<ul> <li>11 2019 ProFile: Mar, Martha and Arma, John 19T</li> <li>11 2019 ProFile: Mar, Martha and Arma, John 19T</li> </ul>
Clea	r selection	CARSONN, Angela
Sele	et all	Files 2010 DecEller CADCONNI Associated Martin CLD
		11 2019 ProFile: CARSONN, Angela and Martin St-Pice 2019 ProFile: CARSONN, Angela.191
		2019 ProFile: CARSONN, Angela & St Pierre, Martin
3 client	(s) selected	CARSONN, Johnny
		Files
Arma, Jo	ohn	🗹 🃶 2019 ProFile: CARSONN, Johnny, 19T

- 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

Build EFILE On-Line	file: 777777772.TA	x ×			
Dupuis, MArie Mruzec, Sam Johnseson, Alexia		Successful. Successful. Successful.			
Client: Johnseson, Alexia File: C:\Users\mdila\Documents\My ProFile Data\2017T1\Johnseson, Alex Status: Successful.					
Transmit now	Transmit later	Cancel			

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
- Click the Database menu and select Export



• From the Export Files dialog box, click Options

Export Files	? >	<
Define your export opt listed below.	ions and click the Export button to extract data from the client files	
Client Name	Filename	^
<no name=""></no>	C.\Users\Michael\Documents\My ProFile Data\2016T1\NoName	
Chartrand, Jeannine	C:\Users\Michael\Documents\My ProFile Data\2016T1\Bellivea	
Investor, Jane	C\Users\Michael\Documents\My ProFile Data\2016T1\COPY P	e
Investor, Jane	C:\Users\Michael\Documents\My ProFile Data\2016T1\Investor,	
Investor, Jane	C:\Users\Michael\Documents\My ProFile Data\2016T1\MASTER	-
Investor, Jane	C:\Users\Michael\Documents\My ProFile Data\2016T1\MASTER	:
Investor, Jane	C\Users\Michael\Documents\My ProFile Data\2016T1\Pension	e
Jacobie, Sam	C\Users\Michael\Documents\My ProFile Data\2016T1\Copie Ja	
Jacobie, Sam	C\Users\Michael\Documents\My ProFile Data\2016T1\Jacobie,	
Jacobie, Sam	C\Users\Michael\Documents\My ProFile Data\2016T1\Jacques	5
Jacobie, Sam	C:\Users\Michael\Documents\My ProFile Data\2016T1\Jameso	r
Jacobie, Sam	C\Users\Michael\Documents\My ProFile Data\2016T1\Shamroo	
Jacobie, Sam	C\Users\Michael\Documents\My ProFile Data\2016T1\Taxpaye	
JoNESONS, HELEN	C\Users\Michael\Documents\My ProFile Data\2016T1\Soleil Ma	ε 🗸
<	>	
Options	Export Cancel Help	

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
- Select the field to add in your export, then click OK
- To include more fields, keep clicking Add ¹¹



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
- Type in a name for your file
- If you're using a .csv extension, click the dropdown and select All files
- Click Open 💶

Z Export Options	?	×	
Fields Format			
Export To File		_ <u>e</u> 1	
Export Type Tab Delimited ~	sport Character		
Export Field Names     Dut Double Quotes Around Exported Fields	Vpen		>
Recalculate Each File Before Exporting	$\leftarrow \rightarrow$		a > Reports v 🖸 Search Reports $ ho$
	Organize		III 🔹 🔟 🔞
		2015T1 ^ Name	Date modified Type Size
	-	2015T3 2016FX	
	-	2016T1	S
		2016T3	Ŭ
	-	2017FX 2017T1	
		database	
	📜 E	EFILE	
	μ.		
		Options Packa Reports	
Load Save Ok	Cancel	v <	_
		File name: RefVSBalDue.csv 2	3 All files (*.*)
		_	Open 4 incel

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
- Choose the export type, Tab Delimited, for example
- Check Export Field Names, which will put the field code at the top of each column in Excel

M Export Option	15	?	×
Fields Format			
Export To File	C\Users\Michael\Documents\My ProFile Data\Reports\RefVSBalDue.csv	1	6
Export Type	Tab Delimited 2 $\checkmark$ Export Character		
	imes 3 ates Around Exported Fields .ch File Before Exporting		
	Load Save Ok Cancel	ł	Help

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

Fixed American Strength Streng	? ×	
Fields Format		
Export		
ClientFirstName	Add	
ClientLastName	- Insert	
BalanceOwing		
Line466	Delete	
	A	
	<b>V</b>	
	Vare As	×
	← → < ↑ 📜 > This PC > Documents > My ProFile Data > Reports v 🖏 Search Reports	<i>م</i>
	Organize - New folder	- 0
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		5
	2016T3	
<	201771	
ClientFirstName 1 4	database	
	EFILE	0
Load Save Ok Cancel	Link	
	Options Packa	
	Cattions V C	
	File name: C\Users\Michael\Documents\My ProFile Data\Reports\RefVSBalDue.QEX 2	
	Save as type: Export option files (*.QEX)	、 、
	A Hide Folders Ca	ancel

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

Export Files	? ×	(
Define your export opt listed below.	ions and click the Export button to extract data from the client files	
Client Name	Filename	^
<no name=""></no>	C:\Users\Michael\Documents\My ProFile Data\2016T1\NoName	
Chartrand, Jeannine	C:\Users\Michael\Documents\My ProFile Data\2016T1\Belliveau	
Investor, Jane	C:\Users\Michael\Documents\My ProFile Data\2016T1\COPY Pe	é .
Investor, Jane	C:\Users\Michael\Documents\My ProFile Data\2016T1\Investor,	
Investor, Jane	C\Users\Michael\Documents\My ProFile Data\2016T1\MASTER	
Investor, Jane	C:\Users\Michael\Documents\My ProFile Data\2016T1\MASTER	
Investor, Jane	C:\Users\Michael\Documents\My ProFile Data\2016T1\Pension	ŧ
Jacobie, Sam	C:\Users\Michael\Documents\My ProFile Data\2016T1\Copie Ja	2
Jacobie, Sam	C:\Users\Michael\Documents\My ProFile Data\2016T1\Jacobie,	
Jacobie, Sam	C:\Users\Michael\Documents\My ProFile Data\2016T1\Jacques	
Jacobie, Sam	C:\Users\Michael\Documents\My ProFile Data\2016T1\Jamesor	1
Jacobie, Sam	C:\Users\Michael\Documents\My ProFile Data\2016T1\Shamroo	-
Jacobie, Sam	C:\Users\Michael\Documents\My ProFile Data\2016T1\Taxpaye	
JoNESONS, HELEN	C:\Users\Michael\Documents\My ProFile Data\2016T1\Soleil Ma	~
<	>	
Options	Export Cancel Help	

• 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

Pas	ome Insert	Page Layout Calibri (Body)	Formulas		Review				
Pas	Copy -	Calibri (Body)				View			
Pas			т 12 т ,	A▲ A▼	= =	= * *	🖃 🥥 Wrap	Text	Ge
	ste 💞 Format	В <i>I</i> <u>U</u>	• • • <u>*</u>	• A •	EE		😝 Merg	e & Center 🔻	\$
H31	* ×	$\checkmark f_X$							
	А	В	С	D	E	F	G	н	
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.

Create Report	N.		? >	<
The following returns v	vill be added to the report.			
Client Name	Filename			^
<no name=""></no>	C:\Users\Michael\Documents\My	ProFile Data\2016	T1\NoNam	e
Chartrand, Jeannine	C:\Users\Michael\Documents\My	ProFile Data\2016	T1\Bellivea	u
Investor, Jane	C:\Users\Michael\Documents\My	ProFile Data\2016	T1\COPY F	YE .
Investor, Jane	C:\Users\Michael\Documents\My	ProFile Data\2016	T1\Investor	
Investor, Jane	C:\Users\Michael\Documents\My	ProFile Data\2016	T1\MASTE	F
Investor, Jane	C:\Users\Michael\Documents\My	ProFile Data\2016	T1\MASTE	F
Investor, Jane	C:\Users\Michael\Documents\My	ProFile Data\2016	T1\Pensior	16
Jacobie, Sam	C:\Users\Michael\Documents\My	ProFile Data\2016	T1\Copie J	ε
Jacobie, Sam	C:\Users\Michael\Documents\My	ProFile Data\2016	T1\Jacobie	L,
Jacobie, Sam	C:\Users\Michael\Documents\My	ProFile Data\2016	T1\Jacque	3
Jacobie, Sam	C:\Users\Michael\Documents\My	ProFile Data\2016	T1\Jamesc	u -
Jacobie, Sam	C:\Users\Michael\Documents\My	ProFile Data\2016	T1\Shamro	с
Jacobie, Sam	C:\Users\Michael\Documents\My	ProFile Data\2016	6T1\Taxpay	e
JoNESONS, HELEN	C:\Users\Michael\Documents\My	ProFile Data\2016	T1\Soleil M	٤ 🗸
<			>	
Options	Print	Cancel	Help	

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

Market Part Options	?	×
Header Fields Footer Format		
Arial ✓ 10 ✓ Auto ▼ None ▼ B <i>I</i> <u>U</u>		
	5	· · · ]
{Today}		$\sim$
I		
		$\sim$
٢		>
Page		
Copy Part		
Today		
CurrentTime		
Load Save Ok Cancel	Hel	р

- 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

🜈 Report Optio	ns						?	×				
leader Fields	Footer	Format					_					
Column: 🗾 🛆	dd	Insert	Delete	A.	$\gg$	Properties	2					
Title 1		-					Rov	v				
_							Ade	ł				
							Inse	rt				
							Dele	te	Title Cell Properties		?	$\times$
							A		Text			
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										Size	10	$\sim$
									'뀸 @Yu Gothic Light ▲ '뀸 @Yu Gothic Medium	Color	Black	$\sim$
									'콴 @Yu Gothic UI	Style	Bold	
									'콴 @Yu Gothic UI Light '콴 @Yu Gothic UI Semibo		Italic	
Title 1							Pic		국 @Yu Gothic UI Semilig		Underline	
							1 101	`	'콴 Agency FB	Alignment	Left	~
				•				_	¹ Algerian		Middle	~
		Load		Save	Ok	Cancel	He	ιρ		Layout		*
									Other		Sample	
									Back Color White	~		
									Column Width 1.5"	•	First Name	
									Row Height 0.2"			

- 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

Meport Header Fie	Options Ids Footer Format			? >	<
Column:	Add Insert	Delete < 🏷	Properties		
First Name				Row	112
				Add	
				Incort	
	Market Select Field				? ×
	Personal Info T1 Jacket T1 Sch	edules Invoice			
	Field Name	Description			^
	ClientAddress	Street address	2		
	ClientAge	Age	•		
	ClientApt	Apt. or unit no.			
	ClientBirthDate	Birth date			
	ClientCareOf	Care of			
	ClientCellPhone	Cell phone			
	ClientCity	City			
	ClientCountry	Country (other than Canada)			
	ClientForthlambon	Low manager			
	ClientFirstName	Firstname			
	Clientaenae	Conver			~
	<ul> <li>OC-100 (-111) Discussion</li> <li>K</li> </ul>				>
			Ok	Cancel	Help

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

Report Options				? ×
Header Fields Footer Fi	ormat			
Column: Add	Insert Delete	< ≽	Properties	
First Name	Last Name	Bal Due	Refund	Row
ClientFirstName	ClientLastName	BalanceOwing	Line466	Add
				Insert
				Delete
				Å.
				$\forall$
Line466				Pick
		Load	Save Ok	Cancel Help

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

Report Options		?	×
Header Fields Footer	Format		
Arial	✓ 10 ✓ Auto ▼ None ▼ B J U ≣ 를 를		
		5	< 1.1
(Page)			^
<			>
Page Copy Part Today CurrentTime			
	Load Save Ok Cancel	He	lp

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

Report Options	?	×
Header Fields Footer Format		
Printer		
Microsoft Print to PDF V	Prop	perties
Margins		
Left 0.5" Top 0.5" Copies 1 Collate		
Right 0.5" ♀ Bottom 0.5" ►		
Black and White Print Grid Lines Shade Alternate Rows		
Load Save Ok Cancel	Н	lelp

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

Create Report		?	×	<
The following returns v	vill be added to the report.			
Client Name	Filename			^
<no name=""></no>	C:\Users\Michael\Documents\My ProFile E	)ata\2016T1	\NoName	
Chartrand, Jeannine	C:\Users\Michael\Documents\My ProFile E	)ata\2016T1	\Bellivea	L
Investor, Jane	C:\Users\Michael\Documents\My ProFile E	)ata\2016T1	COPY P	6
Investor, Jane	C:\Users\Michael\Documents\My ProFile E	)ata\2016T1	\Investor,	
Investor, Jane	C:\Users\Michael\Documents\My ProFile E	)ata\2016T1	\MASTER	-
Investor, Jane	C:\Users\Michael\Documents\My ProFile	)ata\2016T1	\MASTER	:
Investor, Jane	C:\Users\Michael\Documents\My ProFile E	)ata\2016T1	\Pension	6
Jacobie, Sam	C:\Users\Michael\Documents\My ProFile E	)ata\2016T1	\Copie Ja	:
Jacobie, Sam	C:\Users\Michael\Documents\My ProFile	)ata\2016T1	\Jacobie	
Jacobie, Sam	C:\Users\Michael\Documents\My ProFile E	)ata\2016T1	\Jacques	
Jacobie, Sam	C:\Users\Michael\Documents\My ProFile	)ata\2016T1	\Jameso	(
Jacobie, Sam	C:\Users\Michael\Documents\My ProFile	)ata\2016T1	\Shamroo	:
Jacobie, Sam	C:\Users\Michael\Documents\My ProFile	)ata\2016T1	\Taxpaye	-
JoNESONS, HELEN	C:\Users\Michael\Documents\My ProFile	)ata\2016T1	\Soleil Mi	$\sim$
<			>	
Options	Print Car	ncel	Help	

• Here is your report

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
- Click a Module tab²
- 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.  ${}^{\blacksquare}$ 

• Click OK⁵

				-	~
	Label Selection			?	×
2	1.2020 T1/TP1 🛛 🔻 🚾 <u>3</u> .T2		<u>4</u> .2019 T3/	/TP646	<b>v</b>
	Label Type	Label <u>D</u> et	ails		
	12-294 Avery Laser Tags -Manila	12-294 A	very Laser Tags -	Manila	
	12-294 Avery Laser Tags -Manila     12-295 Avery Laser Tags-White     12-296 Avery Laser Tags Manila	Labels Ac	cross 🗍	2	Å
3	12-297 Avery Laser Tags-White	Labels Do	own	4	
	2160 Avery Addressing 2162 Avery Addressing	Side Marg	gin	1''	Å
	2163 Avery Address/Shipping 2164 Avery Shipping	Top Marg	jin 🦳 🗍	0.5''	
		Label Wid	dth 🛨 🛛	3.37''	Å
		Label Hei	ight 🛛	2.5''	T A
		Horizonta	l Pitch	4.13''	Å
		Vertical P	itch 🛛	2.5''	À
		5 Contin	uous Feed		
	<u>N</u> ew Label	0 <u>K</u>	Cancel	<u>H</u> elp	

• 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
- 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*
- 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

🕑 1. Info 🛛 🛐 2. T1 🛛 🕵 3. T4 🗍 🛱 4. Medical 🗍 🗊 5. Donations 🛛 🕵 6. T5	5] + ]
	2019 Personal information
Taxpayer personal information	Marital status
SIN         Title         First name         Last name         Street address         P.O. Box         City         Anytown         Province         Postal code         Primary phone         Postal code         Primary phone         Postal code         Primary phone         Date of Death         Yyyy/mm/dd         Gender         Male         Eemale         Province or territory where taxpayer resides if different from mailing address:         CRA online mail:	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       Yes       No         Province of self-employment       Ontario       mm/dd       Yes       No         Are you a non-resident?       Yes       Yes       No         Residency status       Resident       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? By checking yes on the box above, I am allowing the CRA to electronically provide my assessment results and my notices of asses	Did you dispose of a property (or properties) in 2019 for which you are claiming a principal residence exemption? Yes X No

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

Save 2019 T1/	TP1 As	_					-	?	$\times$
1. NoName									
NoName									
Client Status:	2. Work in pro	cess					~	Lo	icked
EFILE Status:	1. Not eligible	•							$\sim$
SEND Status:	2. Eligible								~
TP1 Status:	1. Not eligible	9							~
T1135 Status:	1. Not eligible	9							~
DCN:									
	····	1	· · · · ·						
Date	Preparer	Action	Elapsed	Module Ver.					^
File Name									¥
C:\Users\mdila	a\Documents\/	/ly ProFile [	Data\2019T1\	NoName.19T	t				
Calorap to oro					,				
Files for this ta	ax year not sup	ported.							
Password:							Save	Ca	ncel
Confirm:							Help	Advar	nced >>
		Show F	assword						

- 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

⇒ × ↑ <mark>-</mark> •	> Documents > My ProFile Data >	2019T1	5 ~	,○ Search 2019T1	
rganize 🔻 New folde	er				
^	Nama	Date modified	Туре	Size	
Quick access	NoName.19T	12/2/2020 11:07 AM	ProFile 2019 T1	30 KB	
🔜 Downloads  🖈		12/1/2020 4:40 PM	ProFile 2019 T1	139 KB	
😍 Dropbox 🛛 🖈	CARSONN, Johnny.19T	12/1/2020 4:40 PM	ProFile 2019 T1	65 KB	
Documents 🖈	Descartes, Marsha.19T	12/1/2020 3:54 PM	ProFile 2019 T1	36 KB	
T2 Returns 🖈	Descartes, Rene.19T	12/1/2020 3:54 PM	ProFile 2019 T1	98 KB	
iCloud Drive *	Ames, Kalee, 19T	12/1/2020 3:31 PM	ProFile 2019 T1	31 KB	
	Dec1Template.19T	12/1/2020 3:19 PM	ProFile 2019 T1	30 KB	
Dropbox	CARSONN, Angela.19T	12/1/2020 3:15 PM	ProFile 2019 T1	52 KB	
OneDrive	Muth, Mario.19T	12/1/2020 11:55 AM	ProFile 2019 T1	35 KB	
oneone	BellII, Marc.19T	12/1/2020 11:13 AM	ProFile 2019 T1	36 KB	
This PC	Shepard, Jane. 19T	11/28/2020 4:00 PM	ProFile 2019 T1	39 KB	
🧊 3D Objects	Mar, Martha and Arma, John.19T	11/28/2020 2:56 PM	ProFile 2019 T1	113 KB	
Documents	Hruzec, Sam.19T	11/23/2020 4:12 PM	ProFile 2019 T1	40 KB	
- Downloads	Bardem, Raul.19T	11/23/2020 2:46 PM	ProFile 2019 T1	39 KB	
🔜 Downloads 🗸 🗸	Ames, Anna and MAn, Man.19T	11/22/2020 4:46 PM	ProFile 2019 T1	63 KB	
File n	ame: :c1Template.19T		~	2019 ProFile T1 (*.19T)	~

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

MyperDocs				<b>?</b> ×			
Attach or link documents	to this return						
1. St Laurent, Marianne							
HyperDoc	Size Out of Date Linked	Date Modified	Туре	Form			
Comments (for your reference)				Va Select Files			×
				$\leftarrow$ $\rightarrow$ $\checkmark$ $\uparrow$ $\clubsuit$ > OneDrive >	~ Ŭ	Search OneDrive	Ą
				Organize - New folder			• •
				✓ ★ Quick access		Date modified	Туре
				Desktop 🖈 🥏 Attachments		2017-11-06 8:19 PM	File folder
				Downloads 🖈 🕹 Client Docs		2017-11-30 5:06 PM 2017-11-30 5:06 PM	
				🔁 Pictures 🖈		2017-11-30 3.00 PM	File folder
				是 iCloud 🖈			
				2016 T1			
				Autosaved Capti PendingCaptures			
				T2 Returns			
				> 🌮 OneDrive			
				> 🔊 This PC 🗸 <			>
				File name:	×	All Files (*.*)	~
						Open (	Cancel

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

Step 2 - Total income	<b>_</b>						
As a resident of Canada, yo		our income from a	Il sources both	insid	e and outsid	de Canada.	
When you come to a line or							
Employment income (box 14 of all T4 sl	ps)			101	18.421.00		
Commissions included on line 101 (box		102	0 00			Help	F1
Wage loss replacement contributions	12 01 01 11 0100)	102			~	та	F6
see line 101 in the guide)		103	0 00			T1212	
Other employment income				104	0	11212	
old Age Security pension (box 18 of th	e T4A(OAS) slip)			113	0	Cut	
PP or QPP benefits (box 20 of the T44	A(P) slip)			114	0	Сору	
isability benefits included on line 114							
box 16 of the T4A(P) slip)		152	0 00			Copy field code	
Other pensions and superannuation				115	0	Paste	
lected split-pension amount (attach F	orm T1032)			116	0	Override	EZ
Iniversal Child Care Benefit (UCCB)				117	0		
JCCB amount designated to a dependa	nt	185	0 00			Attach memo	F8
imployment insurance and other benef	its (box 14 of the T4E slip)			119	0	Attach tape	Ctrl+F8
axable amount of dividends (eligible a	nd other than eligible) from t	axable Canadian				Copy Memo/Tape	
corporations (attach Schedule 4)	- Real of the second			120	0		
Taxable amount of dividends other than		180	0 00 🗎			memor tope	
ncluded on line 120, from taxable Cana		100		121		Attach HyperDoc	
nterest and other investment income (a	ittach Schedule 4)			121	-	Review many	_
let partnership income: limited or non-a	ctive partners only			122	0		
tegistered disability savings plan incon	ne			125	0	Close form	Ese
						Print form	
Rental income	Gross 160	0 00		126	0	New window	
axable capital gains (attach Schedule	(3)			127	0	Launch window	
Current neuments received	Total 156	000	Taxable amount	128	0	Council Willoow	
Support payments received RRSP income (from all T4RSP slips)	Total 130	000		129	0	Create FX	
ther income (from all 14KSP slips)	Speci	6 -		130	0	Create T3	
elf-employment income	Speci	iy.		150	0		
Business income	Gross 162	000	Net	135	ol	Carry forward	
Professional income	Gross 164	0 00		137		Previous year's return	
Commission income	Gross 166	0 00		139	0	Show auditor	Ctrl+F
Farming income	Gross 168	0 00		141	0		Cm+Ps
	Gross 166 Gross 170	0 00		141	0	Environment	
Fishing income	Gross 170		Net	143	0.00		

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

MyperDocs	?	×
Embed Document     Enk Document	Сору	
OK	Car	icel

- 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

MyperDocs					? ×
Attach or link documents into	this tax	return.			🗋 🐫 🕗 🔇
1. Hruzec, Sam					
HyperDoc Tax Free Car Allowance.png HyperDoc T2125 Statement.xl	65 KB	No	Date Linked 11/19/2019 11 11/19/2019 11		Form Tax Retu Tax Retu
Comments (for your reference)					>
					< >
				Close	Help

#### **Removing a HyperDocs document**

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

<b>ј</b> Нур	erDo	cs					?	Х
Attach o	or lin	k documents inte	o this tax i	return.			1	0 🕙
1. Hruzed	c, Sar	m						
	ree C	Add Open Synchronize Remove Print Go To Field Icons Details	65 KB	No	Date Linked 11/19/2019 11 11/19/2019 11			Form Tax Retı Tax Retı
		Refresh	F5					
<								>
Comment	ts (foi	r your reference)						~
						Close		Help

#### **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*

tive: None			
Description	Preparer	Date	New
None			Delete
			Close
			Help
Take s	napshot	×	
	ription:		
Wha	t if scenario		
Prep	arer:		
MDL			
	ctivate this snapshot		

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

Q,	Summary	e,	Warnings 🔍 Notices 🖌 Sign-offs 🗰 Issues 🔒 Overrides 🏹 Memos 🍁 EFILE 🍁 T1135 🗦 Online 🚺
1	Variance	T1	Line 101: Employment income - What if scenario: \$18,421.00 (increase of \$25,901.00 / 140.6%)
1	Variance	T1	Line 150: Total income - What if scenario: \$18,421.00 (increase of \$25,901.00 / 140.6%)
8	Variance	T1	Line 234: Net income before adjustments - What if scenario: \$18,421.00 (increase of \$25,901.00 / 140.6%)
	Variance	T1	Line 236: Net income - What if scenario: \$18,421.00 (increase of \$25,901.00 / 140.6%)
1	Variance	T1	Line 260: Taxable Income - What if scenario: \$18,421.00 (increase of \$25,901.00 / 140.6%)
1	Variance	S1	Line 323: Your tuition, education, and textbook amounts - What if scenario: \$4,701.10 (increase of \$6,806.90 / 144.8%)
10	Variance	<b>S1</b>	Line 335: Unadjusted federal non-refundable tax credits - What if scenario: \$18,421.00 (increase of \$6,814.08 / 37.0%)
		<b>C4</b>	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
			EFILE: Eligible Balance/Refund 4,491.47 GST Credit 32.35 Combined bal4,491.47 +

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

Step 2 - Total income As a resident of Canada, you have to report you When you come to a line on the return that appi				
Employment income (box 14 of all T4 slips)			101	44,322 00 What if scenario: \$18,421.00
Commissions included on line 101 (box 42 of all T4 slips)	102	0 00		(increase of \$25,901.00 / 140.6%)
Vage loss replacement contributions				
see line 101 in the guide)	103	0 00 🔒		
Other employment income			104	0.00
Id Age Security pension (box 18 of the T4A(OAS) slip)			113	0 00
PP or QPP benefits (box 20 of the T4A(P) slip)			114	0 00
isability benefits included on line 114				
box 16 of the T4A(P) slip)	152			~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~

#### 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.

apshot / variance for	Rlaf, John		
Active: What if Sce	nario		
Description	Preparer	Date	Ne
None			Del
What if Scenario	MDL	2019/11/19	
			Cic
			He

#### **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

2.2018	T1/TP1	3.201	7-2019 T2	▼   ¹⁰ <u>5</u> .2018 T3/1	TP646 🔹 🔻 🔤 <u>7</u> .2019 FX	/Q 1
File Tem	plate					
					Browse	
General	Data Locking	Variance	Disclaimer	T1/TP1 Review		
	m Variance			,	Language	
Dollar (	\$)	30000	÷		English	
		00000				
Percent	tage (%)	100	-		French	
	previous year	variance b				
	previous year	variance b				
	previous year	variance by				
	previous year	variance b				
	previous year	variance by				
	previous year	variance b				
	previous year	variance b			ОК	
	previous year	variance b				
	previous year	variance b			OK Cancel	

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

			uthorized Debits		
Do you wish to	o set up Pre-Autho	orized Debits (PAD)	for current year tax owing	g?	Yes
nstructions					
Pre-authorized				iduals and businesses. This option I madian chequing account to pay you	
Only Payment				agreement through T1 Efilers. ed Debit for this TaxPayer"	
	_	First name	Last name	Social insurance number	
			Riaf	213 931 239	
	John				
	John			and an original sector	
Total amount o					1,062 3
	owing		one time payment) (See not	tes) Payin fuli∮	
Total amount y	owing you would like to pay	through PAD (single		ies) Payin full ∑	
Total amount y Complete the	owing you would like to pay e banking informat	through PAD (single	one time payment) (See not		1,062[3
Total amount y Complete the	owing you would like to pay e banking informat	through PAD (single			
Total amount y Complete the	owing you would like to pay e banking informat	through PAD (single	one time payment) (See not		1,062[3
Total amount y Complete the	owing you would like to pay banking informat o use the same bank	through PAD (single ion area below ing information enter	one time payment) (See not ed in T1DD (Direct deposit)	form?	
Total amount y Complete the	owing you would like to pay a banking informat o use the same bank	through PAD (single lon area below ing information enter Institution	ed in T1DD (Direct deposit)	form? Payment	1,062[3
Total amount y Complete the	owing you would like to pay a banking informat o use the same bank Branch number	through PAD (single Ion area below ing information enter Institution number	ed in T1DD (Direct deposit) Account number	form? Payment date	1,062[3
Total amount y Complete the	owing you would like to pay a banking informat o use the same bank	through PAD (single lon area below ing information enter Institution	ed in T1DD (Direct deposit)	form? Payment date	1,062[3

- 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

Do you want preparer to get Electronic Notice of Assessment?	X Yes	<u>N</u> c
By checking yes on the box above, I am allowing the electronically provide my assessment results and my assessment and reassessment to the electronic filer discounter) named in Part C of T183. I will now receive notices of assessment and reassessment from my electronic for the electronic filer.	notices of (including e a copy o	a of my

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)

EFILE/ReFILE this return	Ctrl+F11	
EFILE Pre-authorized Debit for this taxpayer		
EFILE the T1013 for this taxpayer		
EFILE the T1135		
Build T1 EFILE Online Batch		
EFILE Online Batch		
Build TP1 NetFile		
TP1 Connect		
Reports		>
Print All ACKs		
View Notice of Assessment (ENOA)		
Set EFILE Password		
Options		
		_

# 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