ATX
Electronic Filing Guide

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Electronic Filing Overview

_In this unit, you will learn about basic prerequisites, such as IRS registration, state requirements, necessary hardware and software, and Internet connectivity options. You will also find links to online e-filing information resources._

You must obtain IRS approval before you can become an Electronic Return Originator (ERO) and file returns electronically. To become an authorized e-file provider, you can apply online via the IRS e-services Web site. You can also complete and submit a paper copy of Form 8633, Application to Participate in the IRS e-file Program, but the IRS prefers the online method.

ancial Requirements and Eligibility

When completing the application, you will be required to identify your firm's **Principals** and at least one **Responsible Official**. If your application is accepted, you may continue to participate in the program as long as you and your business meet and adhere to IRS e-file requirements.

If you are approved for participation in the program, you will receive a unique **Electronic Filing Identification Number (EFIN)**, which must appear on all your e-filed returns.

You only need to complete the application once. After you have been authorized to participate, you do not have to re-apply each year, as long as all of the following are true:

- Your address is up-to-date on IRS e-file application records.
- You transmitted at least one e-file that was acknowledged as accepted for the previous or the current year.
- You are not denied, suspended, or expelled from participation in IRS e-file.
Modernized e-File System
The IRS’s Modernized e-File System (MeF) was originally designed and released for certain tax-exempt organizations and large to mid-sized. Partnership returns were added in 2006 and beginning in tax year 2009, the IRS expanded the MeF system to a limited number of 1040 returns. Beginning tax year 2010, your ATX tax software supports 1040 in both the MeF and Legacy (pre-MeF) systems. The software will automatically select the system allowed for the return you are e-filing.

MeF employs a standard XML format, which enables you to attach various required statements and other supporting documentation to the return. This ability is fully supported by your ATX tax software, and instructions on doing so appear later in this guide.

To determine whether you must e-file your business returns or for more information about MeF, visit the IRS Web site at www.irs.gov.

IRS resources
Your ATX tax software makes electronic filing fast and easy, and most of our users are ready to e-file after receiving IRS approval. However, there may be other rules, regulations, exceptions, and technical information, which are beyond the scope of this guide.

The IRS issues various form instructions, notices, and publications that contain requirements for filing individual and business tax returns electronically. We recommend that you review the following resources before you begin e-filing:

- IRS and state instructions for 1040 forms
- IRS and state instructions for 1065 forms
- IRS and state instructions for 1120, 1120-F and 1120S forms
- IRS and state instructions for 990, 990-EZ, 990-PF and 1120-POL forms
- IRS and state instructions for 940, 941, and 944 forms
- Publication 1345, Handbook for Authorized IRS e-file Providers of Individual Income Tax Returns
- Publication 1524, Procedures for the 1065 e-file Program, U.S. Return of Partnership Income
- Publication 4163, Modernized e-File Information for Authorized IRS e-file Providers of Forms 1120/1120S
- Publication 4206, Modernized e-File Information for Authorized IRS e-file Providers for Exempt Organization Filings

Additional resources are available in the E-File Center of the MyATX Support Center, at www.myatx.com.

To download IRS form instructions, notices, and publications, visit the IRS’s Forms and Publications Web site at www.irs.gov/formspubs/index.html. To download the

State requirements and eligibility

There is considerable state-to-state variance for e-filing rules and requirements. For example, Alabama, California, and Connecticut require tax professionals who prepare large numbers of tax returns to transmit those returns electronically. Some states allow you to e-file your returns directly to them, while others only accept e-files after they have first been validated and forwarded by the IRS. Many states do not accept e-filed business returns.

The methods by which e-files can be transmitted to state agencies also vary, but the procedures for those methods are consistent for all states that support them. You may e-file state returns using one of two methods, as determined by the state:

- **State Only e-file**— State Only e-file is a joint IRS/state program. The IRS receives state e-file returns, validates them, and then forwards them to the states along with a “dummy” Form 1040, page 1.

- **Direct e-file**— A direct e-file state accepts transmissions independently and without regard to the status of the federal e-file. However, because many of these states base their returns on federal return data, we do not recommend transmitting an e-file directly to a state until the IRS has acknowledged receipt of an error-free federal return. Otherwise, you may need to file one or more amended state returns, and these amended returns must be paper-filed. CA, MA, ME and MN only support the Direct e-file method.

To learn about a particular state’s e-filing requirements or the transmission method you will need to use, visit the MyATX Support Center at www.ATXers.com. Click the E-File Center tab, and then click the State DORs link.

**States requiring EFIN registration or activation**

All states automatically accept all EROs without additional state registration. New York does require additional registration of certain tax preparers. See the NY State Dept of Taxation website at www.tax.state.ny.us/tp/tpreg.htm for details.

Contact your State e-file Coordinator for more details. To obtain your State e-file Coordinator’s phone number, visit the IRS Web site at www.irs.gov/efile/article/0,,id=97558,00.html.

**System requirements**

ATX e-file software is a standard feature of our tax preparation programs and does not require a separate installation step. Consequently, the only special hardware requirement
associated with ATX e-filing that is not already satisfied if your computer can properly run
your ATX tax software is an Internet connection.

If you have not installed your ATX software and are unsure if your system can run the
program, verify that your system meets the following minimum operating requirements:

- 800 megahertz (MHz) processor or higher
- 512 megabytes (MB) or more of RAM
- Microsoft® Windows XP (SP2) or higher
- 8-speed or higher CD-ROM Drive
- Super VGA 800 x 600, High Color/16 Bit display
- Microsoft® Internet Explorer 6.0 (SP1 or higher)

For optimal results, ATX recommends the following:

- 2.0 gigahertz (GHz) processor or higher
- 2 gigabytes (GB) or more of RAM
- Microsoft Windows XP (SP2 or higher, 32-bit or 64-bit*) or Windows Vista (SP2 or
  higher, 32-bit or 64-bit*)
- 32-speed or higher CD-ROM Drive
- Super VGA 1024 x 768, High Color/16 Bit display or better
- Microsoft® Internet Explorer 6.0 (SP1 or higher)
- A high-speed Internet connection (DSL, cable modem, or T1/T3)
- An e-mail account that supports file attachments
- A file backup system (backup tape, removable hard drive, CD-R, DVD-R, or similar)
- A laser printer

Updating your program and tax forms
We recommend that you update your forms and program files frequently. Maintaining
updated form and program files helps prevent e-file rejection errors and ensures greater
accuracy for all your returns.

Our program’s Updates feature offers you a quick method for updating both your program
and the forms installed on your computer. Simply connect to the Internet and click Updates
on the Return Manager toolbar. This connects your computer to the ATX update servers so
you can download the updates you need.

If the Update Manager indicates that a program update is available by displaying a check in
the box in the upper right of the manager, we recommend that you accept that selection.
Form updates often require specific program updates to function correctly.
The Update Manager includes filters similar to those found in the Select Forms list.

- **Updates Available** – Displays any updates available for forms you have already installed.
- **Available Now** – Displays available forms that you have not yet installed.

The two columns on the right side of the Update Manager indicate whether forms have been approved for paper filing, and if the version of the form on your computer is the most current.

The indicator in the upper right of the Update Manager tells you if your program files are current. If your program is up to date, you will see a message stating this condition, and the check box will be unavailable. If your program files are outdated, the box will be selected and will show **Include program updates** to its right. If you want to update only a few forms and exclude available program updates, remove this check mark.

When you have finished selecting the updates you want to download, click **Download** on the toolbar.

After downloading new files, your program and forms are updated the next time you open the program. The update process does not overwrite master form customizations. It stores the newest version of the forms in case you want to restore ATX’s master copy and remove your customizations.

At various points during the filing season, ATX sends you updated program CDs. To install these updates, insert the update disc in your CD-ROM or DVD-ROM drive, and then follow the on-screen instructions. All updates issued on CD are also available through the Updates feature in your ATX software.

**Connectivity**

Obviously, the most important e-filing prerequisite is the ability to transmit your data. There are two considerations to keep in mind—the speed of your Internet connection and the type of connection.

- **Connection speed** – Although e-files themselves are not particularly large files by today’s standards, over the course of the tax season you will need to frequently update your ATX program files and the various forms you will be filing. Often, these files are large and many users find that a dial-up connection is simply too slow to be practical. We recommend using a broadband connection, such as DSL or cable.

- **Connection type** – You can have either a direct connection or a portal connection to the Internet. A direct Internet connection is one in which your computer uses the standard TCP/IP Protocol to communicate with other computers and access Internet services, such as e-mail, Telnet, or FTP. While connected via TCP/IP, you can check your e-mail, for example, with any e-mail program you choose. Your
Internet service provider (ISP) does not require you to use its program to access e-mail or other Internet services.

If your ISP is an Internet portal service (like AOL®, for example), you may not have access to all Internet services, or you may be required to use your provider’s software for specific services. In some cases, this software – or limitations imposed by the provider, may prevent you from transmitting your e-files. If you connect to the Internet through such a service, you may need to contact your ISP to ensure that their service supports ATX e-file software.

**Firewalls**

A firewall prevents unauthorized access to and from a network or a stand-alone computer by monitoring and controlling communication at specific entry points, or ports. A firewall can be a physical device (hardware), a program (software), or both.

To use ATX software to e-file your returns, you must ensure that your firewall is configured to allow communication between your computer and ATX. For many software-based firewalls, this configuration step is simply a matter of adding your ATX software to the firewall’s list of trusted programs (or a similar designation). If your firewall requires specific information about authorized contacts, enter the following values where appropriate:

- **DNS**: ws.atxmax.com
- **Port**: 443

If you upgrade your firewall software, you may need to re-enter this information. For more information, visit [www.microsoft.com/athome/security/protect/firewall.mspx](http://www.microsoft.com/athome/security/protect/firewall.mspx).
Preparing Returns

In this unit, you will learn how to prepare returns.

Every e-file contains information that does not appear on a standard paper return. We know that as a professional tax preparer, you have probably developed a "rhythm" that guides the preparation of your clients' returns, but we recommend that you consider preparing e-file returns in the three stages presented in this chapter, at least for your initial e-files. Doing so will ensure that your e-files include all necessary information.

Pre-preparation considerations

An important difference between a standard return and an e-filed return is the inclusion of information about the preparer and the ERO. In the "pre-preparation" step, you will enter this information in the Preparer Manager, and then you will be able to transfer that information to any return.

† If you have a Standard License, you can enter information for up to three paid preparers. If your office has more than three preparers, call ATX sales at 866-345-4172 to upgrade to an Unlimited License.

Using the Preparer Manager

Once you enter paid preparer information in the Preparer Manager, you can transfer the information to any tax return you prepare. Because our e-file information (EF Info) worksheets use the EFIN and ERO information you enter in the Preparer Manager, it is important that you enter all the appropriate information if you electronically file returns.

To enter Preparer and ERO information

1. Click the Preparer Manager tab.

2. Under the Preparers tab, enter the preparer's name and identification numbers.

3. Under the Firm tab, enter the preparer's address and other appropriate information.

4. If this preparer is an e-file provider, click the E-file tab and complete the appropriate e-file information, most importantly, enter the 6-digit EFIN assigned to
CREATING AND TRANSMITTING E-FILES

you by the IRS. Select the ERO check box (there can be multiple different EROs entered and indicated by this box).

5. Select the Enter Preparer and Enter ERO check boxes that correspond to the information that should be entered in the return.

6. To enter information for a new preparer, click Add New on the toolbar.

If the initial preparer has an EFIN, the program automatically assigns the same EFIN to preparers subsequently added to the Preparer Manager. If subsequent preparers are EROs, be sure to enter the correct EFIN for those preparers. If a preparer is not an ERO, delete the EFIN from the record.

IRS Notice 2004-54 permits preparers to use tax software to print their names as signatures on income tax and amended tax returns. Many states have followed the IRS’s lead and have adopted the same rule. To automatically print your name in the signature block of tax returns you prepare, select the Print Signature box on the Preparers tab in Preparer Manager.

Declaration Control Numbers (DCNs)
A Declaration Control Number (DCN) is a 14-digit identifier associated with some types of e-filed returns. Every DCN is unique, but they all share the same structure.

For example, the DCN 00011182020501 would be assigned to an e-file under the conditions in the example below. Notice that for a specific e-filer and tax year, the only portion of this number that varies is the sequence that indicates the "Batch/Serial Counter" (digits 9-13).

<table>
<thead>
<tr>
<th>“00”</th>
<th>Preparer's EFIN (6 digits)</th>
<th>Batch/Serial Counter (5 digits)</th>
<th>Processing Year (1 digit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Example</td>
<td>00</td>
<td>011182</td>
<td>02050 (see below)</td>
</tr>
</tbody>
</table>

One of the most common events that trigger e-file reject ions is when an office uses multiple machines, which are not networked, and the DCNs have not been properly set up on each computer. You can avoid this error by initially assigning a range of DCNs to each computer.

To set the DCN range when using multiple computers, use the following steps:

1. Do one of the following:
   • In the Preparer Manager, click the E-file tab.
   • In the E-file Manager, select Modify DCN Series from the E-file menu.

2. Note the number in the DCN Counter column. This number is the beginning DCN for this computer.
3. In the **DCN Max** column, enter the maximum number of e-file returns you expect to file from this computer.

4. On the second computer, set the number in the **DCN Counter** column to one more than the maximum number of returns you entered on the first computer. For example, if you entered 100 in the **DCN Max** column on the first computer, enter 101 in the **DCN Counter** column on the second computer. Repeat this process for any additional computers.

If you receive an IRS Rejection for a duplicated DCN, adjust your DCN Series as above to avoid duplicating the series number, and re-create the e-file. The program will detect this specific rejection code and assign a new DCN.

**SubmissionIDs**

SubmissionIDs are the MeF equivalent of a DCN. They are composed of some of the same data elements as described below. There are 2 main differences between a DCN and a SubmissionID:

- A SubmissionID is 20 digits long
- A MeF return is assigned a new SubmissionID when it is created, unlike a DCN which only changes if the return receives a Duplicate DCN rejection.

For example, the following table identifies the parts of SubmissionID 99999920100141234567:

<table>
<thead>
<tr>
<th></th>
<th>Preparer's EFIN (6 digits)</th>
<th>Tax Year (4 digits)</th>
<th>Julian Day (3 digits)</th>
<th>Unique Number</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Example</strong></td>
<td>999999</td>
<td>2010</td>
<td>014</td>
<td>1234567</td>
</tr>
</tbody>
</table>

**Return preparation**

Now that you have ensured that your preparer information is complete and your e-files will have unique DCNs, you can begin preparing a client's return. The first step is to use the Preparer Manager to add your preparer information on the return.

To add preparer information to returns, use the following steps:

1. Open the return.
2. Click the **Preparer Manager** tab.
3. Verify that you have selected the **Enter Preparer** check box for the desired Preparer and the **Enter ERO** check box is selected for the desired ERO.
4. Click **Enter on Form**.
5. In the **Smart Preference** window, click **Yes** to enter the preparer’s information on all new returns. Otherwise, click **No**.
6. Click **View** to resume working on the open return.

When you use this feature for the first time, the program will ask you if you want to enter this preparer’s information on all future returns. Your decision can be changed at any time by clicking **Preferences** on the toolbar, and then selecting the **Preparer Manager** tab in the **Preferences Manager**.

### Adding the EF Info worksheets to returns

After you have entered your preparer information, begin entering your client’s data as you normally would. When you have finished, you will need to add one or more **Electronic Filing Information** (EF Info) worksheets to the return. These worksheets are specific to the type of return (such as 1040, 1065, or 1120) and the tax agency to which you will be transmitting the e-file.

To add EF Info worksheets to returns, use the following steps:

1. Open a return.
2. On the toolbar, click **Add Forms**.
3. Below the **Find** box, select **Federal**, **State**, or both, as appropriate.

   - If you selected **State** in the previous step, select a specific state from the drop-down box, or select **All** to display all available state EF Info worksheets.

4. Select the return type. For example, when preparing a 1040 return, select **Individual**.
5. In the **Find** box, type **electr**.
6. Select the desired EF Info worksheets from the list.
7. When you are finished, click **Open Forms**.

### Completing the EF Info worksheets

The EF Info worksheets are similar to multi-page tax forms. Be sure to review each page carefully and complete all sections that apply.

### Attaching PDF documents to e-files

As part of the IRS Modernized e-File program, electronically filed Forms 1120, 1120S, 1120F, 1065, 990, 990PF, and 990EZ can be transmitted with certain PDF attachments.

Use Adobe Acrobat or another program to create the required PDF attachment. You can also print parts of the open tax return to PDF. The IRS will not process files attached to Form 7004, Application for Automatic 6-Month Extension.

### To attach documents to e-files

1. On the **E-file** menu, click **Attach PDF**.
If the Attach PDF menu is disabled, the current return does not allow PDF attachments.

2. Select the appropriate attachment title from the available list (Most state and IRS programs require certain attachments to be given particular file names. The program will automatically enforce this naming policy if one of the pre-defined attachment options is selected.)

3. Click Add.

4. If you select Other, enter a meaningful name for the attachment, such as 1120 Merger Agreement for XYZ Corporation.

5. Click Attach.

6. In the following dialog box, navigate to the folder in which you saved the PDF file and select the appropriate attachment.

7. Click Open to include the PDF with the e-file.

You have attached a copy of the PDF documentation to the e-file. If you make any changes to the original PDF file after creating the attachment, you must reattach the file. You have attached a copy of the PDF document to the e-file. If you make any changes to the original PDF file after creating the attachment, you must reattach the file.

If you have already attached a PDF document to the e-file, you can display it by clicking View.

You can also remove previously attached PDFs by selecting the relevant attachment and clicking Remove.

Post-preparation considerations

Now that you have completed the return, review the information you have entered and the amounts calculated by the program. Afterwards, you should use the Check Return feature to check the return for errors or missing data, and then sign the electronic copy of the return by selecting the appropriate signature method.

Checking returns for errors
The Check Return feature checks a return for common errors, missing data, and estimated amounts. While this feature is a valuable tool, it cannot replace an experienced tax preparer’s review. You must review returns carefully for other possible errors and omissions that Check Return might have missed.

The Check Return feature performs the following tasks:
• Recalculates the return before scanning it for errors, critical omissions, and warnings.
• Adds missing forms or associated forms that should be included in the return. However, if you opened and then discarded one of these forms before running **Check Return**, the program will not reopen it.
• Creates a list of errors that must be corrected. It also lists informational diagnostics you may want to review, but they do not require action on your part.

To check returns for errors, use the following steps:
1. On the toolbar, click **Check Return**
2. When the **Check Return** window opens at the bottom of the screen, click an error or warning to navigate directly to the field that triggered it.
3. Select a filter at the top of the **Check Return** window to choose the type of diagnostics to show in the list.
4. Temporarily hide specific diagnostics from view by checking the boxes next to those errors, and then clicking **Hide Marked**. Click **Show All Items** to display diagnostics you previously hid.
5. Examine the data causing the error or warning and correct it, if necessary.
6. Click **Recheck** after you have made the appropriate changes to the return.
7. If desired, click **Print** to print the **Error Report**.

The table below lists, in descending order of occurrence, the eight most common IRS rejection errors received by ATX customers during tax year 2009. All of these errors were generally the result of data-entry errors or omissions. The majority of these errors would have resulted in rejected returns, even if the returns had been paper-filed. Take a moment to review this list to ensure that your e-files will not be rejected for these or similar reasons.

**Top Eight IRS Rejections**

<table>
<thead>
<tr>
<th>Error Code</th>
<th>Error Title</th>
<th>Error Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>FD0904</td>
<td>Form 1040 – Invalid Data</td>
<td>The filer’s SSN appears on another return received in the same drain.</td>
</tr>
<tr>
<td>FD0290</td>
<td>Form W-2/W-2G/1099-R – Missing or Invalid Data</td>
<td>The State Abbreviation, ZIP Code, or both are either missing or invalid for an employer or payer whose information was reported on Form W-2, W-2G, or 1099-R.</td>
</tr>
</tbody>
</table>

Note: This requirement does not apply if the
<table>
<thead>
<tr>
<th>FD0679</th>
<th>Self-Select PIN Taxpayer's Prior Year AGI Mismatch</th>
</tr>
</thead>
<tbody>
<tr>
<td>This e-file was signed using the Self-Select PIN method, but contains one or more of the following errors:</td>
<td></td>
</tr>
<tr>
<td>The taxpayer's prior year AGI does not match the IRS Master file information.</td>
<td></td>
</tr>
<tr>
<td>The taxpayer is deceased, the spouse is not deceased, and the spouse's prior year AGI does not match the IRS Master file information (if married filing jointly).</td>
<td></td>
</tr>
<tr>
<td>Both the taxpayer and spouse are deceased and the filer's prior year AGI does not match the IRS Master file information (if married filing jointly).</td>
<td></td>
</tr>
<tr>
<td>The return has been marked for special processing for one of the following: DESERT STORM, HAITI, FORMER YUGOSLAVIA, UN OPERATION, JOINT GUARD, JOINT FORGE, NORTHERN WATCH, OPERATION ALLIED FORCE, NORTHERN FORGE, ENDURING FREEDOM, COMBAT ZONE, or COMBAT ZONE YYYYMMDD, and the taxpayer's prior year AGI does not match the IRS Master file information, or the spouse's prior year AGI does not match the IRS Master file information (if married filing jointly).</td>
<td></td>
</tr>
<tr>
<td>Note: To avoid having possible errors due to mismatched AGI, use the Practitioner PIN signature method instead.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FD0680</th>
<th>Self-Select PIN Taxpayer's Prior Year AGI Mismatch</th>
</tr>
</thead>
<tbody>
<tr>
<td>This e-file was signed using the Self-Select PIN method and is married filing jointly (MFJ), but contains one or more of the following errors:</td>
<td></td>
</tr>
<tr>
<td>The spouse's prior year AGI does not match the IRS Master file information.</td>
<td></td>
</tr>
<tr>
<td>The spouse is deceased, the taxpayer is not deceased, and the taxpayer's prior year AGI does not match the IRS Master file information.</td>
<td></td>
</tr>
<tr>
<td>The spouse is deceased, and the taxpayer's prior year AGI does not match the IRS Master file information.</td>
<td></td>
</tr>
</tbody>
</table>
match the IRS Master file information (if married filing jointly).

The return has been marked for special processing for one of the following: DESERT STORM, HAITI, FORMER YUGOSLAVIA, UN OPERATION, JOINT GUARD, JOINT FORGE, NORTHERN WATCH, OPERATION ALLIED FORCE, NORTHERN FORGE, ENDURING FREEDOM, COMBAT ZONE, or COMBAT ZONE YYYYMMDD, and the taxpayer's prior year AGI does not match the IRS Master file information, or the spouse's prior year AGI does not match the IRS Master file information (if married filing jointly).

Note: To avoid having possible errors due to mismatched AGI, use the Practitioner PIN signature method instead.

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>FD0372</td>
<td>Form 1040/1040A – Required Information is Missing</td>
<td>You claimed the Child Tax Credit, but did not specify an eligible dependent.</td>
</tr>
<tr>
<td>FD0906</td>
<td>Form 1040 – Invalid Data</td>
<td>The spouse’s SSN appears on another return received in the same drain.</td>
</tr>
<tr>
<td>FD0373</td>
<td>Form 1040/1040A – Missing or Invalid Data</td>
<td>This return contains one or more of the following errors:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>You claimed the Additional Child Tax Credit, but you did not specify an eligible dependent.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>You claimed the Additional Child Tax Credit, but the return does not include Form 8812.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The return includes Form 8812, but the Additional Child Tax Credit is not greater than zero.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The return includes Form 8812, but the filer does not have an eligible dependent.</td>
</tr>
</tbody>
</table>
Signature methods
Your return is now ready to be signed. Like any conventional return, an e-file is not considered valid until both you and your client(s) have signed it. The IRS will accept any of the three digital signing methods described in the table below. Only the Self-Select PIN method results in a truly "paperless" e-file.

**E-file Signature Methods**

<table>
<thead>
<tr>
<th>Method</th>
<th>Taxpayer</th>
<th>ERO</th>
<th>Paper Forms Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Practitioner PIN</td>
<td>Complete and sign Form 8879 (Part II)</td>
<td>Enter taxpayer’s PIN on EF Info worksheet</td>
<td>Form 8879 DO NOT FILE. Retain for three years from the Return Due Date or IRS Received Date, whichever is later.</td>
</tr>
<tr>
<td></td>
<td>Enter PIN on EF Info worksheet if ERO is not authorized to do so.</td>
<td>Enter 5-digit ERO PIN on EF Info worksheet</td>
<td></td>
</tr>
<tr>
<td>Self-Select PIN</td>
<td>Enter PIN on EF Info worksheet or complete Form 8879, authorizing ERO to do so.</td>
<td>Enter 5-digit ERO PIN on EF Info worksheet</td>
<td>None, if taxpayers enter their PINs on the EF Info worksheet. Otherwise, complete Form 8879, but do not file it. Instead, retain the form for three years from the Return Due Date or IRS Received Date, whichever is later.</td>
</tr>
<tr>
<td></td>
<td>Enter taxpayer’s prior year AGI on EF Info worksheet</td>
<td>Enter taxpayer’s PIN on EF Info worksheet (if authorized by taxpayer on Form 8879)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Enter taxpayer’s PIN on EF Info worksheet (if authorized by taxpayer on Form 8879)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Enter taxpayer’s prior year PIN or AGI on EF Info worksheet</td>
<td></td>
</tr>
</tbody>
</table>
One of the most common e-file rejections involves disagreement between the prior-year AGI amounts on file with the IRS and the amounts entered by taxpayers using the Self-Select PIN method. Although Practitioner PIN requires you to complete Form 8879, this form is not filed. Consequently, we recommend the Practitioner PIN method as the more reliable method.

**Determining prior-year AGI (Self-Select PIN method)**

When taxpayers sign their electronic tax returns using the Self-Select PIN method, you need to include their prior year adjusted gross income (AGI) amounts, so the IRS can validate the taxpayers’ identities.

For this purpose, the prior year AGI is considered the AGI4 on the taxpayer’s originally filed prior-year return as the IRS accepted it.

- Do not factor in math error corrections by the IRS or adjustments reflected in amended returns.
- Negative amounts are valid when the prior-year AGI (as defined above) is a negative number.
- If the prior-year return was filed as Married filing jointly (MFJ) with the same spouse, enter the same prior-year total AGI for each taxpayer. Do not divide the amount between the taxpayers.

<table>
<thead>
<tr>
<th>E-File PIN</th>
<th>Enter E-File PIN on EF Info worksheets “Prior Year PIN” field</th>
<th>Enter 5-digit ERO PIN on EF Info worksheet</th>
<th>None, if taxpayers enter their PINs on the EF Info worksheet. Otherwise, complete Form 8879, but do not file it. Instead, retain the form for three years from the Return Due Date or IRS Received Date, whichever is later.</th>
</tr>
</thead>
</table>
• If the prior-year return was filed as MFJ with a different spouse, enter the prior-year total AGI from the joint return filed with the ex-spouse.

• A zero amount is valid when the taxpayer’s prior-year AGI is zero, when the taxpayer did not file a prior-year return, and when the prior-year return was filed after December 9.

If you e-file a return using the **Self-Select PIN** method and the prior-year AGI does not match the IRS Master file, the IRS will reject the return, citing the FD0679 or FD0680 error code.

If taxpayers are unsure of their original prior-year AGI amounts, have them contact the IRS Customer Service department at *(800) 829-1040*. To avoid possible errors due to mismatched AGI, use the **Practitioner PIN** signature method instead.

**Adding bank products**
Bank products are applicable only for 1040 returns. If you’re preparing a 1040 return and your client has requested a RAL, RAC, or other bank product, you must complete the appropriate forms for your bank-product provider.

To add bank application to returns, use the following steps:
1. Open a 1040 return.
2. On the toolbar, click **Add Forms**.
3. In the **Select Forms** window, type bank in the **Find** box.
4. Select **Bank Republic**, **Bank SB RAL/RT App**, or **Bank River City** from the list.
5. On the toolbar, click **Open Forms**.

**Using the FeeCollect™ service**
FeeCollect™ allows you to deduct your professional fees directly from your clients’ tax refunds. You must enroll your EFIN with FeeCollect™ before you can use this service.

All you do is e-file the return and have your client sign a simple return authorization form and FeeCollect™ does the rest – depositing your fees directly to your bank account and the rest of the refund directly to your client’s account.

**FeeCollect™ is NOT a refund loan. This service is only available to tax professionals who do not offer bank products or refund loans.**

To enroll online for FeeCollect™, use the following steps:
1. Connect to the Internet.
2. Click the **Bank Manager** tab.
3. In the **Welcome** window, click **Enroll** to enroll in FeeCollect™. If this window does not appear, select **Enroll For Fee Collect** from the **Enroll** menu of the **Bank Manager**.
4. In the **Enroll/ Set E-file Fee** window, select the EFIN you want to enroll and click **Enroll**.

5. Click **FeeCollect**.

You must log in to the **E-File Viewer & Enrollment Center** before enrolling, so have your MyATX user ID and password ready. Follow the on-screen instructions to complete enrollment for FeeCollect.

Once you have completed the enrollment process, return to your ATX tax software. Your enrollment status for FeeCollect usually takes one or two hours before you are able to receive an update in your ATX software.

To register your enrollment, use the following steps:

1. Confirm that the EFIN you used to enroll online has been entered in the Preparer Manager and the ERO check box has been selected.
2. On the **Bank Manager** toolbar, select the **Applications** menu.
3. Click **Receive Acknowledgments** to update the enrollment information.
4. On the **Bank Manager** tab, click **Reports**, and then select **Enrollment**.
5. Click **Refresh Report** and then click **Transmit**.

The **Status** column of the **Enroll For FeeCollect™** window should now show your EFIN as **Enrolled**.

When you select **FeeCollect™** on the **Payment & Refund Options** worksheet of the 1040 EF Info form for any client receiving a refund, your ATX software prints the authorization form for your client to sign. You can then e-file the return.

When the bank receives the refund (usually in 10-14 days), the bank deducts your designated professional fees and then immediately deposits the remainder of the refund directly into your client’s bank account. The bank then deposits your professional fees directly into your bank account after deducting the $15 service fee.

If there is a state tax refund or refunds, those funds are deposited into your client’s bank account as soon as the bank receives the funds.

**Western Union® MoneyWise™ Prepaid MasterCard®**

The Western Union MoneyWise Prepaid MasterCard is a service where the taxpayer’s Federal and State refunds can be loaded onto a debit-card which will be mailed directly to the taxpayer within 7-10 business days. When the IRS deposits the refund, the taxpayer can immediately use this MoneyWise MasterCard like a debit card, for purchases, ATM withdrawals etc.

The MoneyWise card must be selected in addition to the refund type, but is not allowed when a RAL is selected.
To select the Western Union® MoneyWise™ Prepaid MasterCard® option, use the following steps:

1. Connect to the Internet.

2. Add the 1040 EF Info worksheet to the return and select the Payment and Refund tab.

3. In the Refund Options section, select English or Spanish as the preferred language for card materials.

4. Select Direct Deposit or ERD, RET, or RT Direct (depending on the banking partner with which you are enrolled).

5. In the Bank Information section, DO NOT enter a taxpayer bank Routing Number or Account number.

   **Note:** If you have already entered bank information in this section, select these fields and click Restore on the toolbar.

6. In the Refund Options section, select the Deposit Return on a Western Union Reloadable MoneyWise Prepaid MasterCard check box.

If you did not enter all required data or if you did not enter all data correct, you will be notified. After resolving these issues, re-select the Deposit Return on a Western Union Reloadable MoneyWise Prepaid MasterCard check box to resubmit the request.

Once approved, a unique Account Number will be inserted into the Taxpayers Bank Information section, along with the Routing number of Western Union. This automatically begins the process of generating a MoneyWise card and mailing it to the taxpayer at the address entered on Form 1040.

Creating and Transmitting E-files

In this unit, you will learn about the e-file creation process and how to transmit your returns. You will also find a list of e-file status messages and their meanings.

The steps for creating an e-file return for both business and individual returns are similar. With certain business returns, however, you can include PDF attachments.

To create e-files, use the following steps:

1. Open a return.
3. In the Create E-file box, select the boxes for the federal and any state returns you plan to e-file.
4. Click Create.
5. Click OK. If the Correct E-File Errors box appears, click Continue and then correct the errors. After making the necessary corrections, repeat the e-file creation process.

If you make changes to a return after you create an e-file, you must re-create the e-file to incorporate the changes into the file to be transmitted.
Creating state e-files
Due to the multi-year transition from Legacy e-file to MeF, the program will create all state e-files as either State-Only or Direct states, as determined by the state requirements. The process is identical for all state e-files.

To create state e-files, use the following steps:
   1. Open a return.
   3. In the Create E-file box, select each state you want to file.
   4. Click Create.

Creating multiple state e-files
Because each state return will be created and transmitted separately from the Federal return, you can create as many state returns as your taxpayer requires.

If you want to e-file only the state return, be sure to clear the Federal check box when selecting jurisdictions.

Filing information returns electronically
Preparing information returns for electronic filing is similar to preparing income tax returns for electronic filing. However, you must e-file Forms W-2 and W-2c by uploading the e-files to the Social Security Administration (SSA). Although ATX software creates the e-file, it does not electronically file the returns.

The SSA encourages all filers to verify W-2 data using AccuWage before uploading the files to the SSA. When you run AccuWage, the program prompts you for the location of your W-2 data files. You can find this information on the W-2 E-file tab of the Preferences Manager.

Prepare and electronically file Forms 1099, 1098, 1096, 5498 and W-2G with the IRS the same way you electronically file annual income tax returns, by filing the returns through the ATX e-file server. If you send test returns to ATX, use 11-1111111 as the Payer EIN. When ATX receives a return with this EIN, it recognizes it as a test file. Any other EIN will be treated as a genuine return.

Refer to the ATX Payroll Reporting Guide for tips and instructions. You can download this helpful guide by clicking the Other Guides link on the left side of the MyATX Learning Center at www.ATXers.com.

Transmitting e-files
Before transmitting “live” e-files, you can create and transmit test returns or use the Test Transmission feature to test your computer’s ability to transmit e-files.
Test e-file transmissions
You can test your computer’s ability to transmit e-files by selecting Test Transmission from the E-file menu of the E-file Manager. The transmission test will connect to the ATX e-file servers and will tell you if the test was successful or not.

You can also create test returns, although you are not required to do so. You can transmit test returns to ATX at any time throughout the year.

To transmit test e-files, use the following steps:
1. Open a return.
2. Use the following information:
   • For a 1040 return, use the test SSN 111-11-1111.
   • For business returns, use the test EIN 11-1111111.
   • Use your EFIN if you have one; otherwise use EFIN 010101.
3. Create the e-file.
4. Click the E-File Manager tab.
5. Mark the test returns to transmit.
6. On the toolbar, click Transmit.
7. When the E-file box opens, click Transmit.
8. Click Close after the e-files have been successfully transmitted.

Test returns do not need to contain actual client data. You will immediately receive a dummy Accepted acknowledgment from the ATX e-file server for all test transmissions.

If you use other than 111-11-1111 as a SSN or 11-1111111 as an EIN, the ATX e-file servers will treat the return as a legitimate e-file return and forward it to the IRS. Once a return has been filed, it cannot be recalled. Verify that the file is actually a test file before you transmit.

Holding and releasing e-files
To avoid transmitting e-files accidentally, you can mark returns to be held until a later time. Use this feature to hold a state return until the corresponding federal return has been accepted, for example. When the federal return has been accepted, you can release the state return and transmit it.

To hold marked e-files, use the following steps:
1. Click the E-File Manager tab.
2. Mark each return you want to hold.
3. On the E-file menu, click Hold Marked E-files.

To release marked e-files, use the following steps:
1. Click the **E-File Manager** tab.
2. In the **Filter Panel**, check the **Held** box.
3. Mark each return you want to release.
4. On the **E-file** menu, click **Release Marked E-files**.
Transmitting e-files
To transmit e-files, use the following steps:
1. Connect to the Internet.
2. Click the E-file Manager tab.
3. In the Filter Panel, check the Created box.
4. Mark the e-files you want to transmit.
5. On the E-file menu, click Transmit Marked E-files.
6. Click Close after you have successfully transmitted the e-files.

☐ ATX cannot recall a return once you have transmitted it. If you are unsure about a return, put it on hold until you are certain you are ready to file.

Status messages and meanings
The list provides definitions for the terms used in the Status column of the E-File Manager.

<table>
<thead>
<tr>
<th>Status</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Created</td>
<td>The e-file has been created and the return is ready to be transmitted to our e-file servers. If you make any changes to the return after this point, you must re-create the e-file.</td>
</tr>
<tr>
<td>Held</td>
<td>Indicates you have marked this return Hold to prevent it from being transmitted until later.</td>
</tr>
<tr>
<td>Transmitted to EFC</td>
<td>The return has been successfully transmitted to our Electronic Filing Center (EFC). Its status on our server does not allow it to be retransmitted.</td>
</tr>
<tr>
<td>Duplicated</td>
<td>The return was previously transmitted to us. Its status on our server does not allow it to be retransmitted.</td>
</tr>
<tr>
<td>Held at EFC</td>
<td>This indicates an unusual problem requiring special attention. Contact customer service for more information.</td>
</tr>
<tr>
<td>Transmitted to Agency</td>
<td>We have transmitted this return to the appropriate tax agency.</td>
</tr>
<tr>
<td>IRS Cleared</td>
<td>A State Only return has been transmitted to the IRS, has passed the IRS validation process, and will be forwarded by the IRS to the appropriate state.</td>
</tr>
<tr>
<td>Rejected by EFC</td>
<td>The return did not pass our validation process and it has not been transmitted to the IRS or state. The return</td>
</tr>
<tr>
<td><strong>Rejected by Agency</strong></td>
<td>The e-file was successfully transmitted to and received by the IRS or state, but it contained errors. Examine the rejection errors, correct the problems, and then re-create and retransmit the e-file.</td>
</tr>
<tr>
<td>-----------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Accepted</strong></td>
<td>Return was successfully transmitted to and received by the IRS or state. It has now been processed and validated. This is the final status for most e-files.</td>
</tr>
</tbody>
</table>
**E-filing extensions**
You can e-file extensions for federal individual (Form 1040), non-profit (Form 990/EZ/PF) and corporate, partnership or fiduciary (Form 1120, 1120S, 1120-POL, 1065, or 1041) returns using Form 4868, Form 8868 and Form 7004, respectively.

To e-file individual extensions, use the following steps:
1. Open or create the return for which you want to file an extension.
2. Click Add Forms, and add Form 4868.
3. Complete this form, and then click E-file on the toolbar to create the e-file.
4. In the Create E-file window, check the Federal Extension box, and then click Create.
5. Correct any errors cited in the Error Check window, and then create the e-file again.
6. Once you have successfully created the extension e-file, click the E-File Manager tab.
7. Check the box to the left of the extension e-file you created.
8. On the toolbar, click Transmit.
9. In the E-file window, click Transmit.
10. Once the e-file has been successfully transmitted, click Close.

To e-file corporate extensions, use the following steps:
1. Open or create the return for which you want to file an extension.
2. Click Add Forms, and add Form 7004 or 8868.
3. Complete this, and then click E-file on the toolbar to create the e-file.
4. In the Create E-file window, select the Federal Extension box, and then click Create.
5. Correct any errors cited in the Error Check window, and then create the e-file again.
6. Once you have successfully created the extension e-file, click the E-File Manager tab.
7. Select the box to the left of the extension e-file you created.
8. On the toolbar, click Transmit.
9. In the E-file window, click Transmit.
10. Once the e-file has been successfully transmitted, click Close.

You have until March 20 to correct and either mail or retransmit corporate extensions originally e-filed by March 15.
Deleting marked e-files

You can delete e-files from E-File Manager that have a Created or Rejected status. However, you cannot delete e-files with a Transmitted or Accepted status. Deleting an e-file from E-File Manager does not affect its corresponding return in Return Manager.

To delete a marked e-file, use the following steps:

1. Click the E-File Manager tab.
2. On the toolbar, click Unmark All.
3. Mark the check box next to each e-file you want to delete.
4. On the E-file menu, click Delete Marked E-files.

The Delete Selected E-file command on the E-file menu deletes only the e-file currently highlighted in blue.
Managing Acknowledgments

_In this unit, you will learn how to receive, view, and correct your acknowledgments._

When the IRS receives a file from ATX, it electronically transmits an acknowledgment (ACK) to ATX. ATX forwards the acknowledgment to you. An acknowledgment does not mean the return is error free or has been accepted.

Each time you transmit a return or request acknowledgments, the program automatically updates the status for all your e-file returns.

**Updating acknowledgments**

If the IRS or a state rejects one of your returns, review and correct the errors, re-create the e-file, and then transmit Error! Bookmark not defined. the return again.

To update acknowledgments, use the following steps:

1. In the **E-File Manager**, select the appropriate return.
2. On the **E-file** menu, click **Receive Acknowledgments**.
3. After the acknowledgment update Error! Bookmark not defined. is complete, click **Close**.

To review the acknowledgment history, use the following steps:

1. Open the return for which you want to review the history.
2. On the **E-file** menu, click **Display Selected E-file Acknowledgment History** or **Display Marked E-file Acknowledgment Histories**.
3. To print a copy of the acknowledgment history, click **Print**.
4. To see the detailed list of errors, select the acknowledgment, and then click **Details**.

Each time you transmit a return or request acknowledgments, the program automatically updates the status for all your e-file returns.
Receiving acknowledgments

ATX keeps track of each batch of e-files we transmit to the various IRS service centers and direct states, and we follow up with the agencies to make sure you receive your acknowledgments in a timely manner. See the daily E-File Status report on MyATX E-File Center for agency status information.

Acknowledgments from the IRS and direct states generally take 24 to 48 hours from the time you transmit an e-file. If you have returns pending for more than 24 hours, we will contact the appropriate IRS service center or state agency to quickly resolve any issues that may be causing a delay, and we will provide you with up-to-date information about when you should expect to receive your acknowledgments.

Acknowledgments from states can take up to seven days. Only when the IRS accepts a federal return does it forward the state return to the state agency. States send their acknowledgments back to the IRS or directly to the ATX E-file servers for processing. Upon receiving the acknowledgment, IRS then sends the acknowledgment files to ATX.

If you have a state return pending for more than five days, we contact the appropriate state agency to quickly resolve any issues causing a delay and provide you with up-to-date information about when you should expect to receive your acknowledgments.

When we request a “rehang of acknowledgments from the IRS, or state agencies, we expect to receive the acknowledgments the same day. However, when there are additional problems requiring us to retransmit a batch of returns, we expect to receive the acknowledgments the following day.

Viewing the status of e-files

You can view the statuses of your transmitted returns by selecting the E-file Returns view in the E-File Manager, or the E-File Status Viewer page of the MyATX Support Center.

To view e-file statuses online, use the following steps:

1. Connect to the Internet.
2. Point your Web browser to www.ATXers.com
3. In the UserID field of the Log In page, enter the e-mail address for your account.
4. In the Password field, enter the password you created during your MyATX registration.
5. Click Log In.
6. Click the E-File Center tab.
7. On the left hand side, click E-File Status. If a Security Warning message appears, click Yes to allow the site to open.

8. On the Return Query page, enter the TIN/SSN you want to search.

9. Click Search.

Your search results are shown at the bottom of the Search page. The following columns display pertinent information about the returns:

- Postmark – Shows the date and time each e-file was received.
- DCN – Shows the unique Declaration Control Number assigned to each return.
- SSN/EIN – Shows the taxpayer’s social security number or employer identification number.
- Return Name – Shows the taxpayer or company’s name.
- Return Type – Shows the type of return being e-filed.
- Sub Type – Shows whether the return being e-filed was federal only, a federal return with a state “piggybacked” to it, or a state only return.
- Status – Shows a status of Transmitted, Pending, Accepted, or Rejected.
- Bank Status – Shows the status of any bank products associated with the return.

The E-File Status Viewer on the MyATX Support Center is the same Web-based application used by ATX support to determine the status of your pending federal or state acknowledgments.

Correcting rejection errors

In the event one of your federal or state e-files is rejected, you must correct any errors, re-create the e-file, and then retransmit it.

To correct rejected returns, use the following steps:

1. Click the E-File Manager tab.
2. In the Filter Panel on the left-hand side of the screen, select the Rejected checkbox.
3. Select a rejected return.
4. On the E-file menu, click Display Selected E-file Rejection Errors. The return opens, and the E-file Error Report box displays the errors, the number of errors, and the fields in which they are located.
5. Click a specific error to navigate to the field containing the error, and then correct it.
6. After you have corrected all the errors, re-create and retransmit the e-file.
Use the Next Error and Previous Error buttons to navigate through each list. Failing to correct all errors will cause the return to be rejected again.

Preventing old Important Notices from appearing

You can prevent the Important Notices window from appearing each time you receive acknowledgments, until a new message is available.

To prevent old Important Notices from appearing, use the following steps:

1. Open your ATX tax software.
2. Click the E-File Manager tab.
3. On the E-File menu, select Important Notices, and then click View.
4. In the ATX Important Notices section, click each Important Notice that appears in a bold font, and read the message that appears in the window.
5. Once you have clicked each message in bold, click Check For New. If there are no new messages, or after you have read the new messages, click Close.

To prevent this window from opening without new messages in the future, whenever a new Important Notice appears, click that message’s title in the ATX Important Notices area to record in your ATX software that you have read that message.
Bank Products

In this unit, you will learn about the Bank Manager in ATX.

ATX partners with Tax Refund Solutions (Republic Bank & Trust Company), Santa Barbara Tax Products Group (SBTPG) and River City Bank’s Tax Division to provide bank products, such as Refund Anticipation Loans (RALs) and Refund Anticipation Checks (RACs). Each bank has specific registration and enrollment requirements, fees, and benefits. Contact the banks directly to determine which one provides the products you want to offer.

However, if you do not offer bank products or refund loans to your clients, you can enroll to use FeeCollect™, which allows you to deduct your professional fees directly from your clients’ tax refunds. See Using the FeeCollect™ service in Chapter 2, Preparing returns, for more information.

Bank Manager Overview

The Bank Manager manages bank products and the FeeCollect™ service. Before you can provide bank products, you must enroll with a bank.

Enrollment process
You can enroll directly with the bank and then register your enrollment with ATX through the Bank Manager, or you can do it all in one step from the Enrollment Center Section on the MyATX Support Center.

If you already enrolled directly with the bank, you need to register that enrollment in your ATX tax software. You must be enrolled with the bank to manage Refund Anticipation Loans (RALs) and Refund Anticipation Checks (RACs) using the Bank Manager.
The enrollment process uses the paid preparer information entered in the Preparer Manager. To access this Manager, click the Preparer Manager tab, or click Edit EFIN in the Enroll/Set E-file Fee window.

To complete your bank enrollment, use the following steps:

1. Connect to the Internet.
2. Click the Bank Manager tab.
3. In the Welcome window, click Enroll.
4. In the Enroll/Set E-file Fee window, select the EFIN you want to enroll and click Enroll. If you have already enrolled and set your fees online at the E-File Viewer and Enrollment Center, you do not need to re-enroll. Simply click Refresh Report to update the enrollment information.
5. In the UserID field of the Log In page, enter the e-mail address for your account.
6. In the Password field, enter the password you created during your MyATX registration.
7. Click Log In.
8. Select a bank from the drop down menu and click Continue.
9. Select to Continue with Validation or Continue without Validation.
10. Complete each page of the ERO Bank Application. Entries with red dots besides them are required fields. When you complete a form click Next.

The number of pages depends on which bank you are enrolling with.

11. On the last page of the application select Save and Exit or Validate to Transmit.

After you submit your enrollment information, we forward it to the bank. When the application is in transit, you will see Transmitted to Agency in the Enrollment Status column of the Enrollment Center.

You will usually receive an acknowledgment within two hours of transmitting your application. If your application is rejected, you will see the word Rejected next to your EFIN in the Status column of the Enroll/Set E-file Fee window. If it is accepted, you will see the word Enrolled next to your EFIN.

If your application is rejected, you can edit the application by clicking the Edit link on the same line as the bank in the Applications for EFIN section of the ERO Bank Application window. Correct any errors cited on your application, and then resubmit it.

Once you are enrolled, you will be able to provide bank products to your clients. For additional information, visit the enrolled bank’s Web site.
Processing RALs and RACs
Manage all bank products using the Bank Manager. The following describes the products and their various paths.

Processing RAL Requests
For a RAL, an e-filing taxpayer who anticipates a federal refund borrows the amount of that refund from the bank. When the bank approves the RAL, the taxpayer receives the amount of the refund, less the bank fees, tax preparation fees, and other charges, if applicable, as a loan from the bank. The actual refund from the IRS is used to repay the loan.

Processing RAC Requests
The RAC program is designed for taxpayers who want to take advantage of the speed, accuracy, and security of electronic filing and direct deposit of their tax refunds while having their tax preparation fees deducted from their refunds.

The processing of a RAC is similar to that of a RAL, except a RAC is not a loan. Your client is issued a RAC, minus fees deducted for return preparation and RAC processing, once the bank receives the refund from the IRS.

Bank product statuses
The lower portion of the Bank Manager contains a status window for bank products.

<table>
<thead>
<tr>
<th>Status</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disbursement Type</td>
<td>The way the bank product was disbursed.</td>
</tr>
<tr>
<td>Check Date</td>
<td>The date the check was printed.</td>
</tr>
<tr>
<td>Amount</td>
<td>The amount of the disbursement.</td>
</tr>
<tr>
<td>Authorization #</td>
<td>The authorization number of the check.</td>
</tr>
<tr>
<td>Cleared Date</td>
<td>The check has been cashed and has cleared the bank.</td>
</tr>
<tr>
<td>Check #</td>
<td>The number on the check that was printed for this disbursement.</td>
</tr>
</tbody>
</table>

Bank fees
There are several fixed, optional, and adjustable fees associated with most bank products.
<table>
<thead>
<tr>
<th>Fees</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Fee</td>
<td>This is the fee charged by the bank. It is essentially a bank service charge. Out of this money, EROs receive a percentage for every bank product provided. The Bank Fee does not necessarily include the loan charge set by the bank for RALs. This loan charge is interest paid on the loan to the bank.</td>
</tr>
<tr>
<td>Transmission Fee</td>
<td>This is the fee charged by ATX for electronic filing.</td>
</tr>
<tr>
<td>Electronic Filing Fee</td>
<td>This is a fee set by the ERO for providing e-file services.</td>
</tr>
<tr>
<td>Bank Technology Fee</td>
<td>This is a fee charged by ATX for maintenance of the equipment and technology required for the processing of bank products.</td>
</tr>
</tbody>
</table>
Managing checks

The following procedures describe how to manage checks, including setting up your printer, printing checks, and voiding or reissuing checks.

Setting up printers and aligning checks
The Check Printer Setup feature enables you to select and set up a specific printer to be used when printing checks. The program stores and applies these settings separately from those used when printing returns and reports, and it will remember the paper location, paper size, and orientation settings.

To set up your check printer and align checks, use the following steps:

1. Open your Web browser and navigate to https://ocp.atxinc.com/ConfigurePrinter.aspx
2. If prompted to install an ActiveX Control, click the prompt and select install.
3. In the Printer Name box, select the printer you want to configure from the drop-down list.
4. Select the Printer Orientation from the drop-down box, and set the Horizontal Offset and Vertical Offset.
5. Click Next.
6. Place a blank sheet of paper in the printer your selected, and then click Next.
7. Compare the text check to your check stock to ensure that your checks will print correctly.
8. If you need to change the alignment settings, select Yes. Otherwise, select No.
9. Click Next.
10. Click Continue.

Adjusting check number
To edit a check number, use the following steps:

1. Open your Web browser and navigate to https://ocp.atxinc.com/SelectChecks.aspx
2. Select one or more checks by marking the check box to the left of each return, and then click Next.
3. Type the starting check number, and then click Next.

The Check Printing center displays the Set Print Settings page. The Set Print Settings page displays what the starting check number should be based on our records. If this number is incorrect, enter the correct starting check number and then click Next.
Printing and voiding checks
Any check with the status Authorized can be printed using the Print Marked Checks or Print All Authorized Checks commands. Use the Void Unused Checks command to void your unused checks.

To void an unused check, use the following steps:
1. Open your Web browser and navigate to https://ocp.atxinc.com/SelectChecks.aspx
2. Select one or more checks by marking the check box to the left of each return, and then click Next.
3. Type the starting check number, and then click Next.
4. Confirm that you have the correct check stock in your printer and that the printer is ready, and then click Next.
5. When the process is complete, click Next.
6. Select Void one or more checks and click Next.
7. Select a single check or multiple checks to voided and click Next.
8. To reprint the checks you voided, select Yes. Otherwise, select No.
9. Click Next.
10. Click Finish.

Reprinting or reissuing checks
Reprinting a check is different from reissuing a check. To determine which action to perform, choose the scenario that best fits your situation.

- **Reprinting** – The first printed check was damaged or did not print correctly. You have possession of the original check. In this scenario, you can reprint the check, write "Void" on the original check, and hold the voided check to return to the bank you are enrolled with.

- **Reissuing** – The taxpayer was given a check but the check was lost or stolen. You, as the preparer or the ERO, do not have possession of the check. In this case, reissue the check. This transmits a reissue request to the enrolled bank. When the request is approved, the bank will send a new check authorization and you can print a new check. If the original check was cashed, then the reissue request will fail and the bank will not authorize the check to be reissued.

To reprint a check, do the following:
1. Open your Web browser and navigate to https://ocp.atxinc.com/SelectChecks.aspx
2. Click Reprint Check
3. Enter the Taxpayer Identification Number associated with the check you want to reprint, and then click Next.
4. Select the check you want to reprint, and then click **Next**.
5. Type the starting check number, and then click **Next**.
6. Confirm that you have the correct check stock in your print and that the printer is ready, and then click **Next**.
7. When the process is complete, click **Next**.
8. Select **Finish this check printing process** and click **Next**.
9. Click **Finish**.

**To reissue a check**

1. Open the return for which you want to reissue a check.
2. Click **Add Forms**.
3. Type **bank cancel** in the **Find** box.
4. Select the **Bank Check Cancel/Reissue Request** form and click **Open Forms**.
5. Complete the necessary information, print and fax the form.

For Chase and Republic Bank and Trust, fax the form to our Bank Products team at 706-290-7275. For Santa Barbara Bank & Trust and River City, fax the form to the respective bank.

**Viewing check or direct deposit details**

**To view check details**

1. Open your Web browser and navigate to https://ocp.atxinc.com/SelectChecks.aspx
2. Click **Check Log**.
3. Set the criteria for your search by using the **Check Log Filter** boxes.
4. Click **Next**.
5. When you are finished viewing the check log, click **Back** to perform a new search, or click **Cancel**.

**To view direct deposit details**

1. In the **Bank Manager**, click the **Disbursements** tab.
2. Select the disbursement you want to view.
3. On the **Disbursement** menu, click **View Selected Disbursement Details**.

You should now be able to set up the check printer and align checks, adjust the check number range, print and void checks, reprint and reissue checks, and view check and direct deposit details.
Creating reports

The Reports feature generates detailed feedback about the following bank activities.

ERO7Fee Reconciliation
This report lists the amount the bank has paid the ERO for returns that have been processed. The information for this report is created when the bank informs ATX that the fees have been paid into the ERO’s account.

The ERO payments consist of six types of fees:
- Tax preparation fees
- E-filing fees
- Document preparation fees
- Transmission fees
- ERO incentive fees
- IPP fees

If you change bank products for a client – from a RAL to a RAC, for example – the fees that are reported might not be 100% accurate. In that case, review the individual Bank form to determine the circumstances, and then contact the bank if there are unresolved differences.

Return Fees by Taxpayer and Return Fees by Date
These are per-return or by-date reports of the fees deducted from taxpayers’ refunds. The fees reported are not necessarily the fees that were actually paid to the EROs. The information in these two reports is identical, but is organized differently:

- **Return Fees by Taxpayer** – You can organize the fee information on a per-bank-application basis.
- **Return Fees by Date** – The information is grouped into daily, weekly, or monthly totals.

Checks
This report is based on the check ranges you entered into the system. The detailed report provides a summary of the number of checks for each status, such as **Printed** or **Reprinted**.

Re-creating bank applications
You can re-create and retransmit rejected bank applications in your ATX software. If your bank application has been rejected, verify the following before re-creating the bank application:
- Federal e-file was accepted
- Accepted e-file included an bank application when it was created
• Return currently includes a bank application
• The bank application is included in the return when it is re-created

⚠️ If any of the above conditions are not true, you cannot re-create the application. If all of the above are true, re-create and retransmit the application.

To recreate and retransmit the bank applications, use the following steps:

1. In the Bank Manager, select the rejected return.
2. On the Applications menu, click Display Rejection Errors.
3. Correct each of the bank application errors shown at the bottom of your screen.
5. When the bank application is successfully re-created, save and close the return.
6. From the Applications menu in Bank Manager, click Transmit Re-Created Bank Applications.

⚠️ You may re-create a bank application as many times as you need after the rejection, until you retransmit the application.