# 💲 SOURCE DATA ENTRY EXAMPLES
UltraTax CS

Introduction

This document contains two examples that demonstrate how you can enter data into UltraTax CS Source Data Entry. These examples detail common scenarios and demonstrate which data-entry steps are required to accurately transfer UltraTax CS Source Data Entry data to a tax return in UltraTax CS.

Source Data Entry for an existing client

In this example, John Smith is an existing client whose prior-year information has been proforma'd to the current year. John received a Form W-2, Form 1098 for mortgage interest, Form 1099-INT, Form 1099-G for last year's state tax refund, and two Forms 1099-DIV. He also received three Forms W-2G, one from his favorite local casino and two from a trip he took to Las Vegas.

1. Choose Utilities > Source Data Entry from within UltraTax CS, or double-click the Source Data Entry icon on the desktop. To begin entering information from John's source documents, select the desired form on the appropriate tab, or by selecting a form from the View menu.
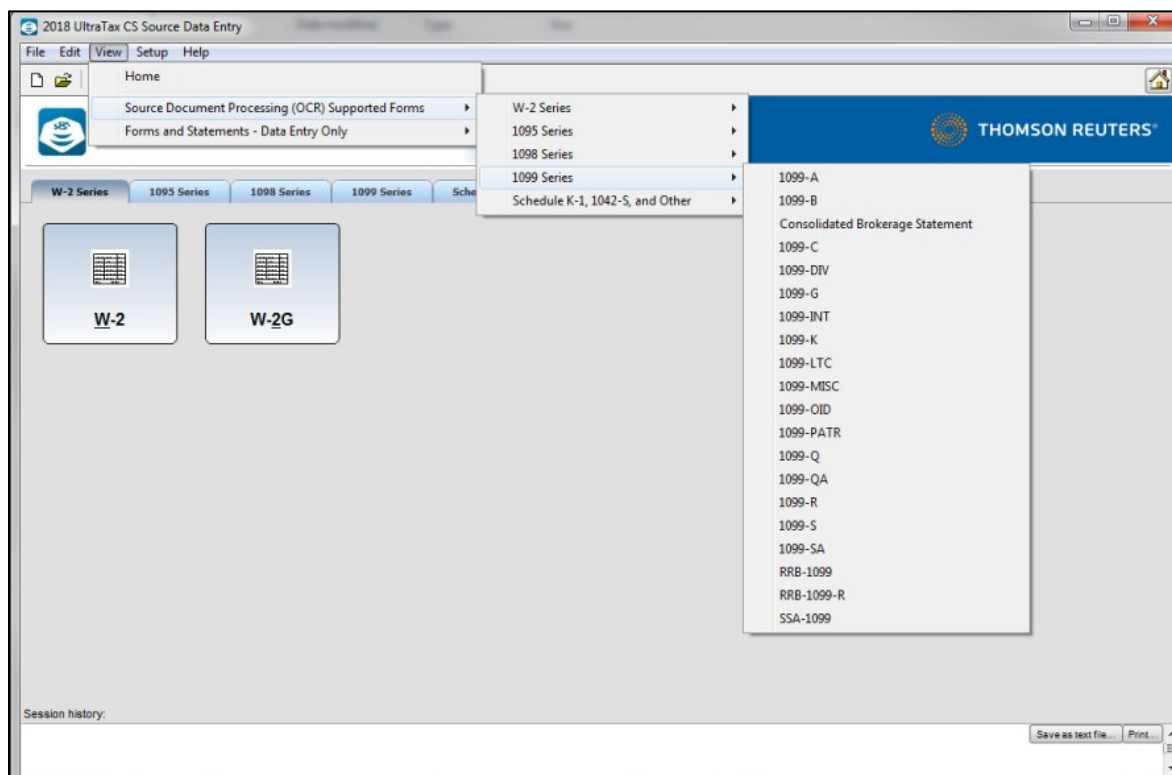
2. Enter the information exactly as it appears on the source document. Fields that are not required for tax preparation or that have no equivalent entry point in UltraTax CS are disabled. After you finish entering information, click Export to UltraTax CS. Form 1099-DIV is shown as an example below. Note that the Session history pane shows that information from Form W-2 has been completed and exported to UltraTax CS.

3. After you have entered all source documents and exported the information to UltraTax CS, choose File > Exit to close UltraTax CS Source Data Entry.

4. If Source Data Entry was opened from the desktop, open 2018 UltraTax CS. Open the proforma'd client, John Smith. UltraTax CS automatically opens the Data Sharing Pending Updates dialog when you open the return. Click the Review button to review the information that will be imported into John Smith's tax return based on Employer Identification Numbers (EINs) that are linked to the taxpayer through proforma of prior-year information.

*Note:* You can also access the Data Sharing Pending Updates dialog by choosing Utilities > Data Sharing > Updates.

5. The Data Sharing Category Update dialog lists the pending data for each field in a specific category. Review the items listed and click Accept to import the data into the tax return. UltraTax CS opens the next category of pending data updates automatically.
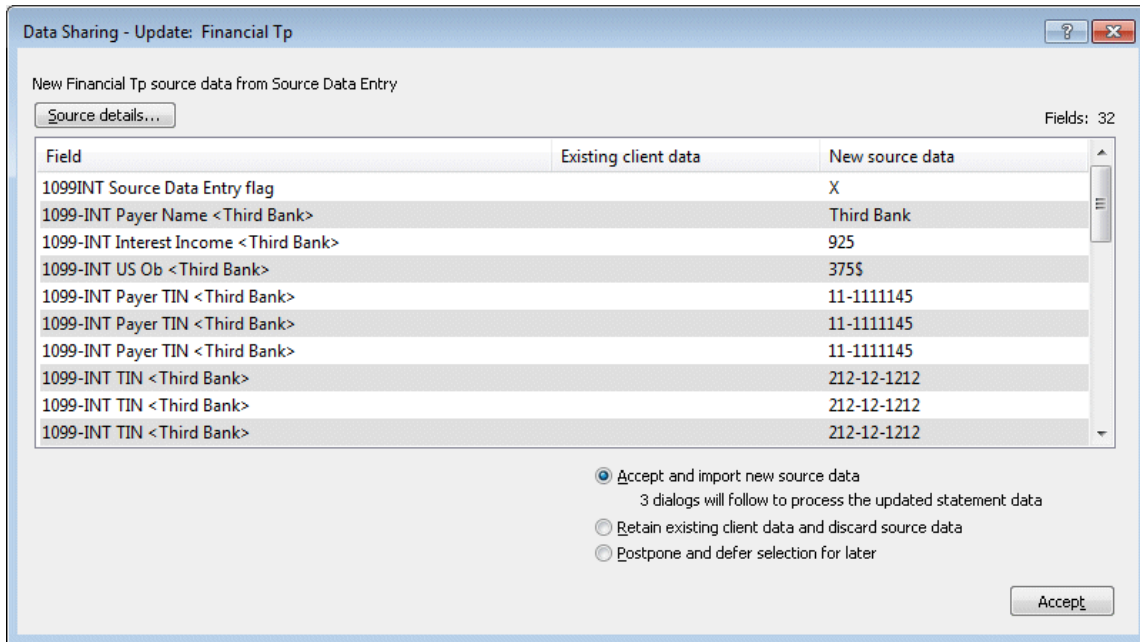

6. Data that is imported into a statement requires an additional step. Each item that is accepted automatically opens the associated statement dialog and lists the shared data in italics.
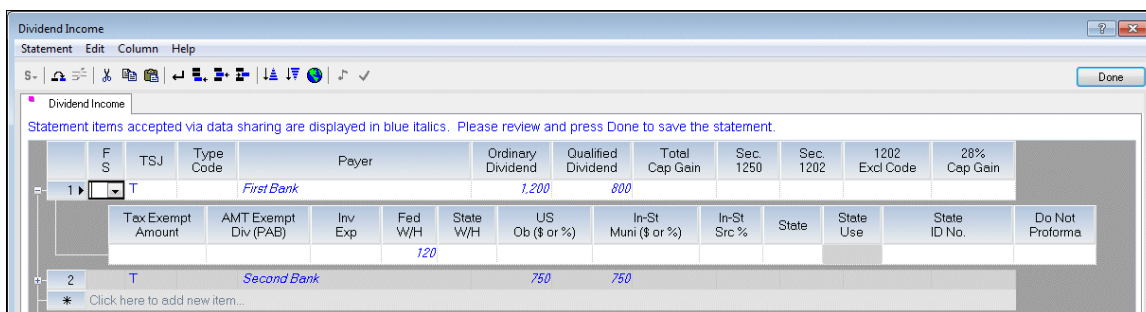

To accept the data, click Done to close the statement dialog and continue to the next step. To remove the data, choose Edit > Cut Item. This moves the data to the bottom of the statement dialog where you can choose to discard or accept the data. Data remains until it is either accepted or discarded. A purple dot on the statement button indicates that there is data waiting to be accepted or discarded.

Data entered with the Taxpayer's Identification Number (TIN) without a corresponding EIN in the client file is listed in the Data Sharing Pending Updates dialog. You can add a new unit containing this data, discard the data, or postpone.
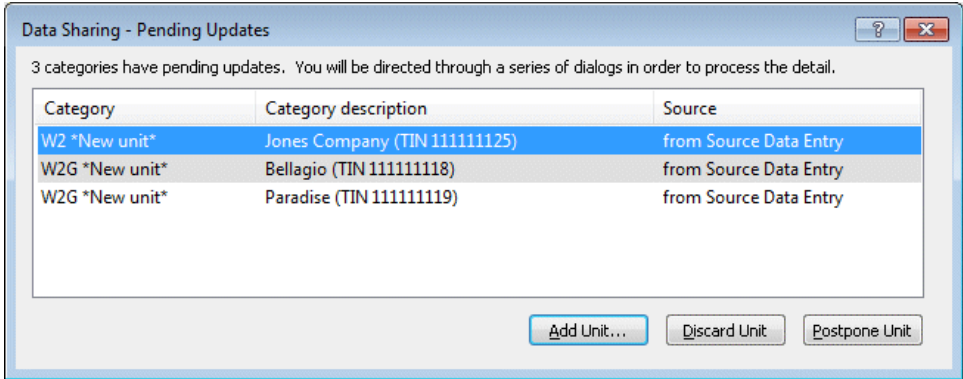
7. Click Add Unit to open the Data Sharing Update dialog, which enables you to accept the data into a new unit.
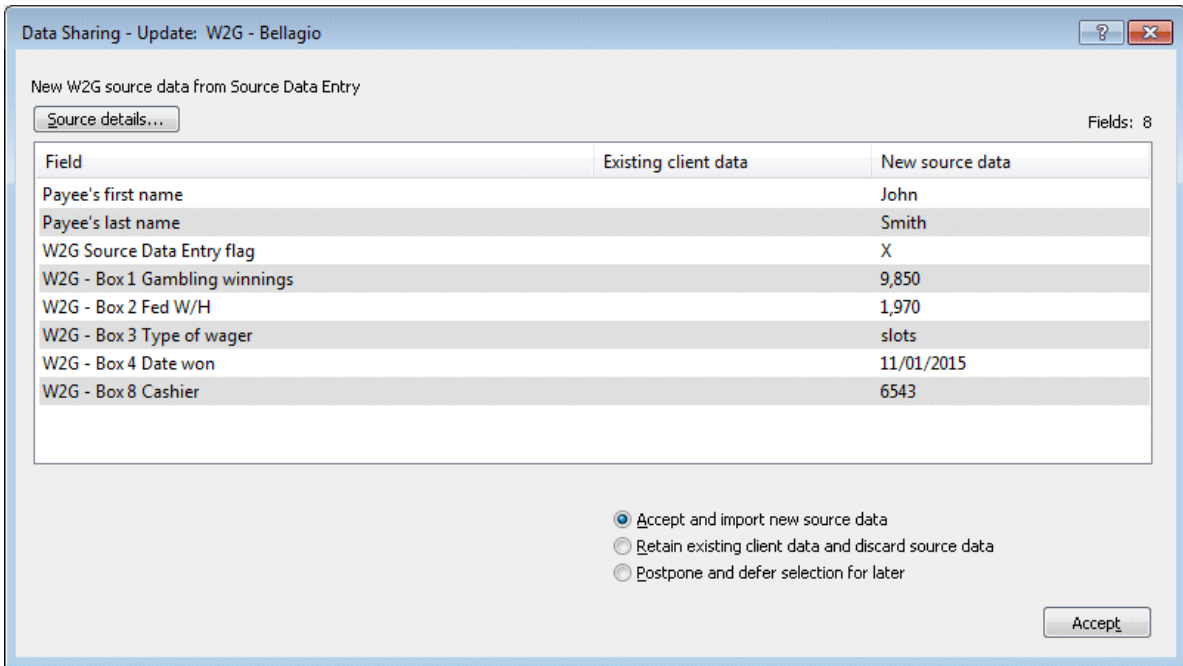
In this example, there is one new unit of Form W-2G. If you postpone accepting the data, the information is accessible from the Diagnostics window. Choose View > Diagnostics to view the Diagnostics window, which lists potential data sharing matches.
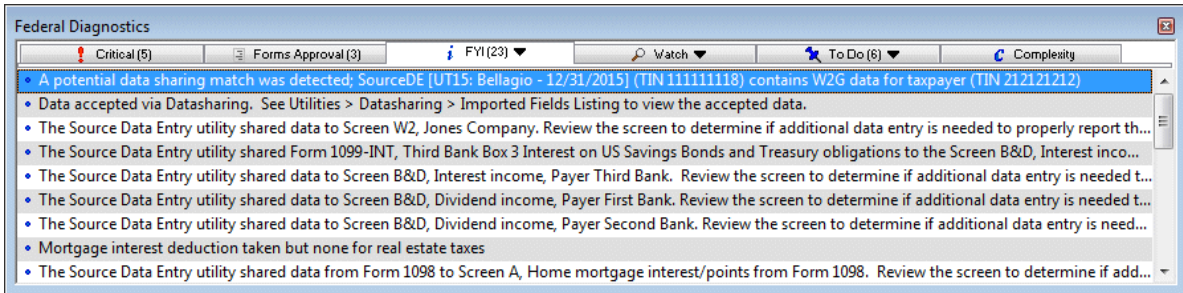
In this example, the Form W-2G from the casino is listed. Right-click the diagnostic and choose to automatically add the information into a new unit.

8. Some data requires that you identify the correct activity to which the data should be transferred. For example, mortgage interest could apply to Schedule A or to a business, rental, farm or home office. For John Smith, Form 1098 mortgage interest is for his home and should be reported on Schedule A. Clicking the Review button in the Data Sharing Pending Updates dialog opens the Data Sharing Update dialog, which you can use to assign the proper reporting form. Select **A – Schedule A** from the *Reporting form* drop-down list and **Mortgage Interest, Taxes** from the *Statement* drop-down list.

Click Accept and then click OK on the Confirm reporting form dialog. UltraTax CS opens the *Home Mortgage Interest & Points from Form 1098* statement dialog automatically. Click Done to save the statement.


9. The Form 1099-G state income tax refund is transferred to the *State/local income tax refunds* statement on Screen Refunds. Because UltraTax CS imports the prior-year refund amount to this statement during proforma, it is important to verify which refund amount should be reported. A diagnostic message will alert you to the presence of shared data in this statement.

Source Data Entry for a new client

In this example, Janet White is a new client. Janet received a Form 1099-G for unemployment compensation and two Forms 1099-INT. She started a small business in 2017 and has a Form 1099-MISC to report. Because she refinanced her loan to start her business, she has two Forms 1098 for mortgage interest. She also has a home office.

1. Choose Utilities > Source Data Entry from within UltraTax CS, or double-click the Source Data Entry icon on the desktop. To begin entering information from Janet's source documents, first select the appropriate form by clicking the desired form on the appropriate tab, or by selecting a form from the View menu.
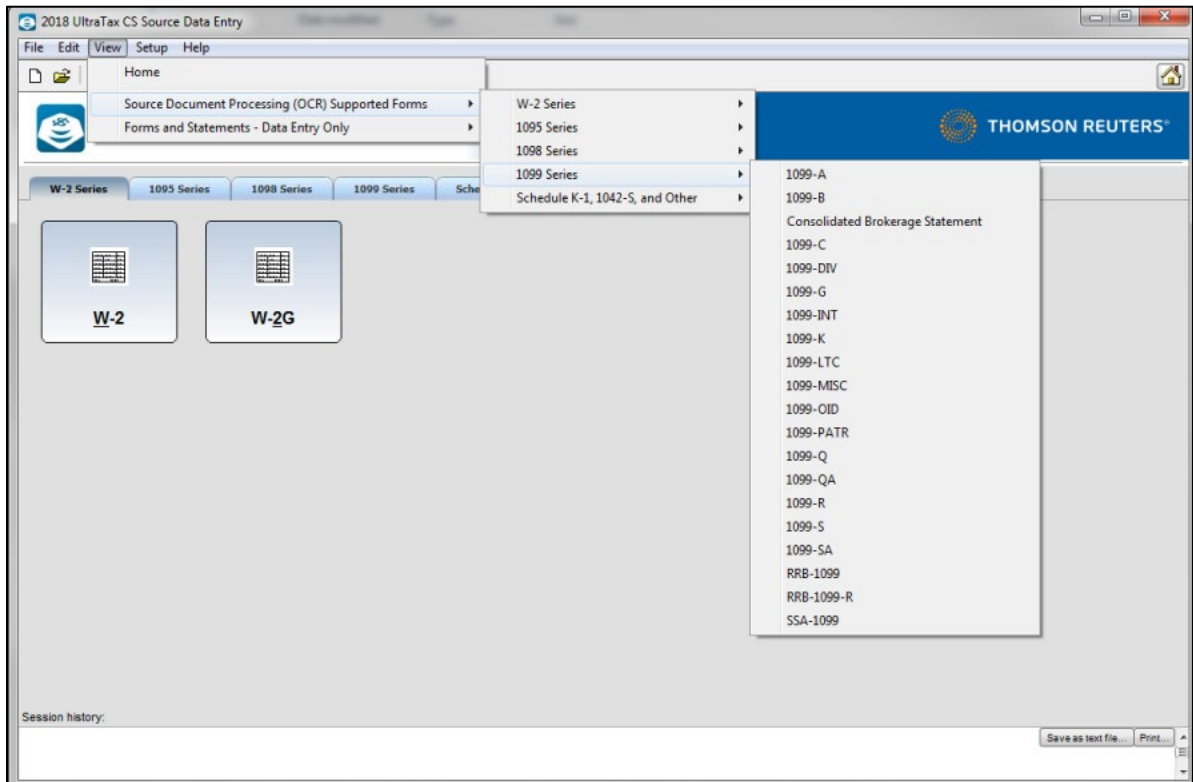
2. Enter the information exactly as it appears on the source document. Fields that are not required for tax preparation or that lack a corresponding field in UltraTax CS are disabled. When complete, click Export to UltraTax CS. Janet's Form 1099-MISC is shown as an example. The Jones Company has already been entered in UltraTax CS, so once the Payer's federal identification number and Recipient's identification number are entered, UltraTax CS Source Data Entry automatically enters the Payer's name and address. Note the Session history pane which shows that information for Form W-2 and Form 1099-DIV has been completed and exported to UltraTax CS.

3. After all source documents are entered, choose File > Exit to close Source Data Entry. If UltraTax CS Source Data Entry was opened from the desktop, open 2018 UltraTax CS. Add Janet White as a new client.

Note: For more information about creating new clients, see the Adding clients topic.

4. After the client is added, UltraTax CS automatically opens the Data Sharing Pending Updates dialog. Items that are shared directly into a screen or statement are listed under the Taxpayer category. The *New unit* text appears when items require a new screen unit. Click Review to review the first category of items.
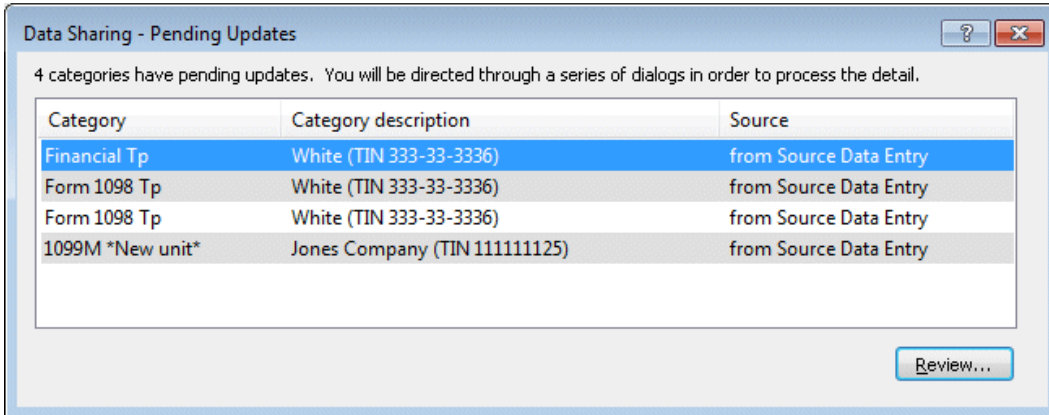

5. Click Accept to incorporate the data from Source Data Entry into Janet's tax return.
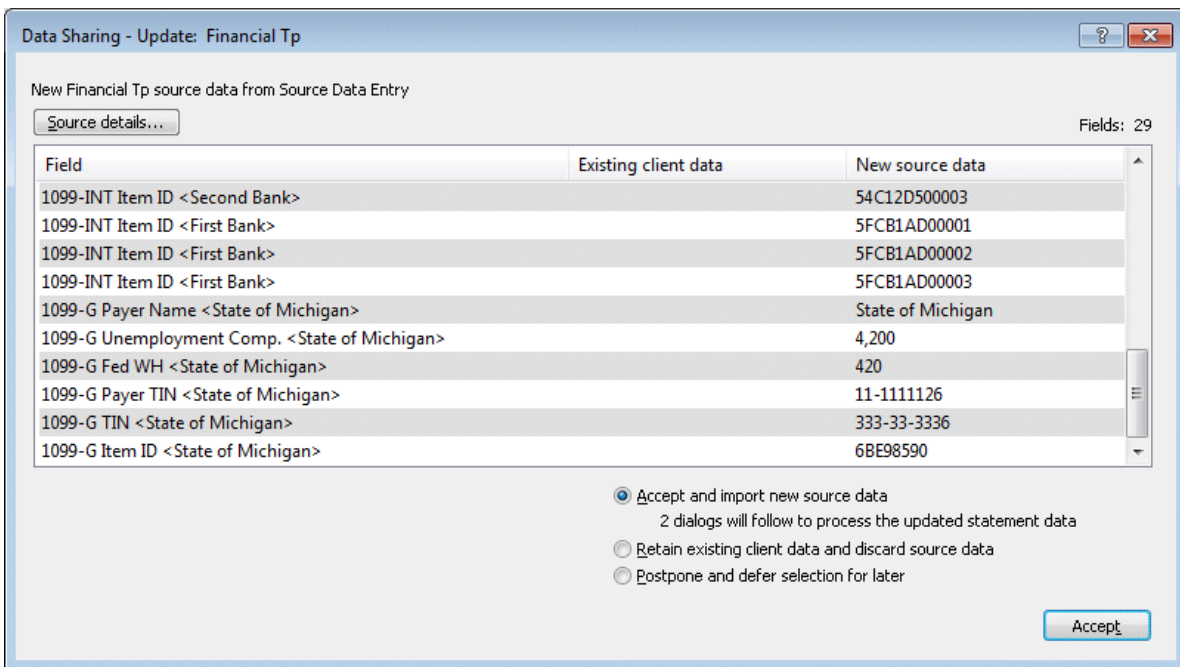
Data that is imported into a statement requires an additional step. Each item that is accepted automatically opens the associated statement dialog and lists the shared data in italics.
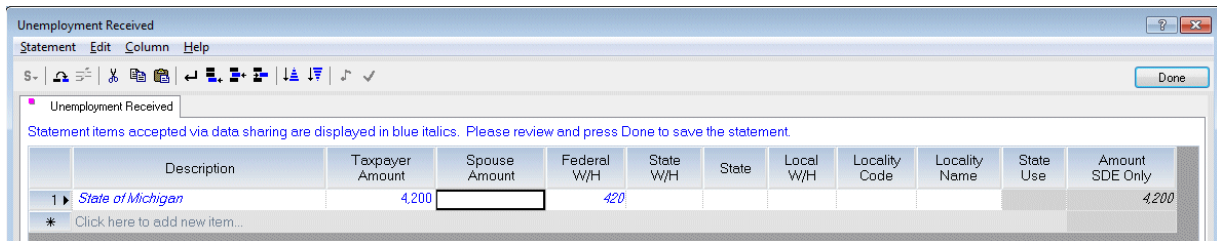
6. To accept the data, click Done to close the statement dialog and continue to the next step. To remove the data, choose Edit > Cut Item. This moves the data to the bottom of the statement dialog where you can choose to discard or accept the data. Data remains until it is either accepted or discarded. A purple dot on the statement indicates that there is data waiting to be accepted or discarded.

7. In this example, a new unit is needed for Form 1099-MISC. Click Add Unit in the Data Sharing Pending Updates dialog.
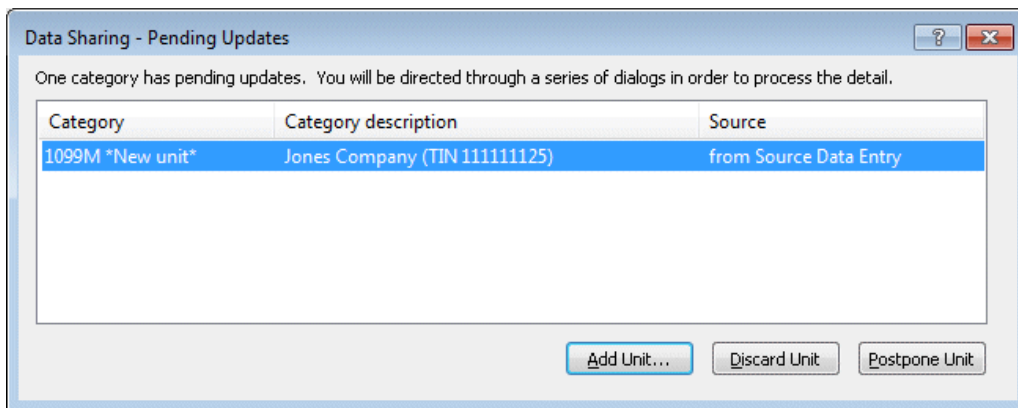
The Data Sharing Update dialog opens with the pending information for the new 1099M unit. If you choose to postpone the information, the data will be accessible through the Federal Diagnostics window.

8. UltraTax CS opens the Data Sharing Update dialog, where you can use the *Reporting form* and *Unit description* drop-down lists to assign the Form 1099-MISC data to the appropriate activity. Choose C – Schedule C for the reporting form and <New Unit> as the unit description. The data from Form 1099-MISC will be imported to Screen 1099M in the Business folder. Use Screen C and other screens in this folder to enter the business name, principal business, home office, and other applicable information for this business.

Note: For more information about home offices, see the Office-in-home information FAQs (1040) topic.

9. Some data requires additional information when assigning it to the correct reporting location. Jan has two Forms 1098, one for mortgage interest that should be reported on Schedule A, and another for mortgage interest that applies as an indirect expense for her home office and should be reported on Form 8829 with the personal portion transferring to Schedule A.

In the Data Sharing – Update dialog for the Form 1098 from Second Mortgage Company, select **C – Schedule C** from the *Reporting form* drop-down list, **1 Tutoring** from the *Unit description* drop-down list, and **Unit 1, 8829 – Home Office Indirect** from the *Statement* drop-down list. Click Accept and then click Done to save the updated statement data. UltraTax CS will report the mortgage interest amount in the indirect column of Form 8829 and will carry the personal portion to Schedule A.