INTUIT PROFILE – 2017/18 TRAINING GUIDE

Learning about Taxes with Intuit ProFile

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About the Author

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Michael is a CPA, CMA with a strong background in training and technology. Over the years Michael has written dozens of training materials and has taught QuickBooks, ProFile, Microsoft Office and other software applications to thousands of individuals. When not teaching or training you'll often find Michael in various coffee shops, throughout Ottawa and Montreal, discussing business and technology with friends, clients and, even, perfect strangers.

Note to Instructor

Purpose of this Booklet

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.

Chapter Composition

Tax is all-encompassing. Software cuts a wide swath. Each in its own right can be presented and discussed at a rudimentary level or all the way up to a granular level that digs deep down into the most arcane of discussions. Put the two together and the range of discussion increases exponentially. As such, many chapters in this document introduce features at a basic level or at a more advanced level. The hope is that, depending on your teaching objectives, this guide will be able to help you meet your requirements.

Additional Resources

In addition to this document, Intuit provides numerous resources to accounting professionals. Refer to these sites to explore additional tutorials and training opportunities:

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

Introduction

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

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

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

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

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

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

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

Benefits of Using ProFile

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

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

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

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

Chapter 1: All About Taxation

Chapter 1 Learning Objectives

At this chapter's conclusion, students will understand:

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

WHAT ARE TAXES?

Tax is a mandatory payment 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 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:

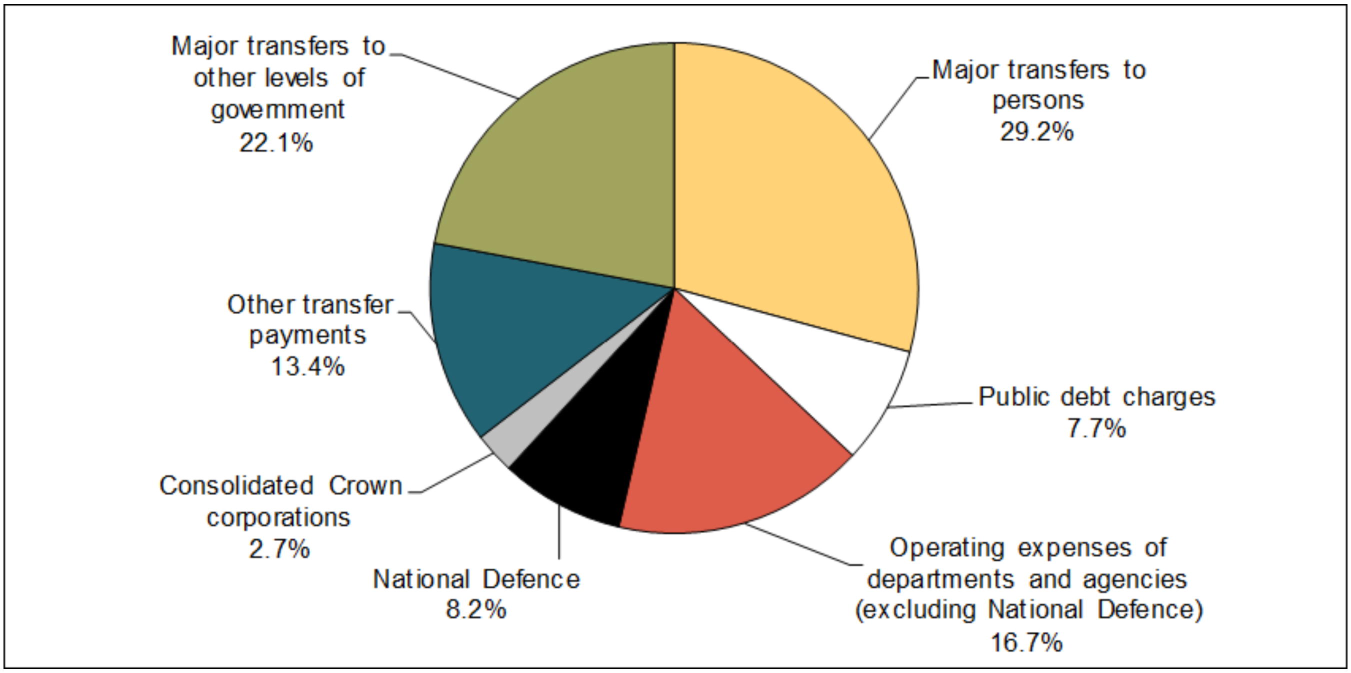
- roads
- public utilities
- education
- health care
- economic development
- cultural activities
- defence
- law enforcement, and
- other programs and services

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 tax 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 2016-2017fiscal year.



More information on government expenditures for 2016-2017 is contained in the Annual Financial Report of the Government of Canada. http://www.fin.gc.ca/afr-rfa/2017/report-rapport-eng.asp#_Toc492557458

Characteristics of a tax system

A tax system is defined by six characteristics:

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

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.

Of course, in the past, people did not always pay with money. Instead, most paid their tax bill with goods they produced or raised, such as grain, fish, minerals, or animals.

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 changes to the Canadian tax system included:

1927 - The Department of National Revenue was created.

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

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

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

Common Canadian taxes

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

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

Source deductions

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

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

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

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

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

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

Refunds

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

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

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

Other taxes

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

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

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

About the Canada Revenue Agency (CRA)

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

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

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

Getting information from the CRA

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

CRA Web site

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

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

Forms and publications

CRA guides, forms, pamphlets, interpretation bulletins, information circulars, and other publications, provide details on tax topics and can help you to understand the tax system. To get forms and publications, go to https://www.canada.ca/en/revenue-agency/services/forms-publications.html or call **1-800-959-8281**.
If you are blind or partially sighted, you can get publications in braille, large print, e-text, or MP3 by going to www.cra.gc.ca/alternate. You can also get publications and personalized correspondence in these formats by calling **1-800-959-8281**.

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

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

The GST/HST credit is a tax-free quarterly payment that helps individuals and families with low or modest incomes offset all or part of the GST or HST that they pay.

If you turn 19 before April 1, 2018, you can apply for this credit on your 2017 income tax and benefit return. You have to file a return to apply, even if you have no income.

Examples of CRA programs

Canada child benefit (CCB)

The government's 2016 budget introduced the Canada Child Benefit, a key initiative of the Government to strengthen the middle class and help those working to join it. There is no need to apply if you already get child benefits, but you and your spouse or common law partner have to file a tax return every year to continue to receive it.

The Canada Child Benefit is:
simple — most families receive a single payment every month
tax-free — families don't have to pay taxes on payments received when they file their tax returns
targeted to those who need it most — low and middle-income families get higher payments, and those with the highest incomes (generally over $150,000) receive less than under the previous system
generous — on average, families benefitting from the CCB receive about $6,800 in CCB payments annually.

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

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

Tuition amounts

The tuition, education, and textbook amount is a non-refundable tax credit available to students to reduce the amount of income tax they have to 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 account 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;
- 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 a number of 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 a number of deductions and credits on the return, CRA ensure that various income amounts have been correctly reported.

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

FILING A TAX RETURN

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

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

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

Filing options

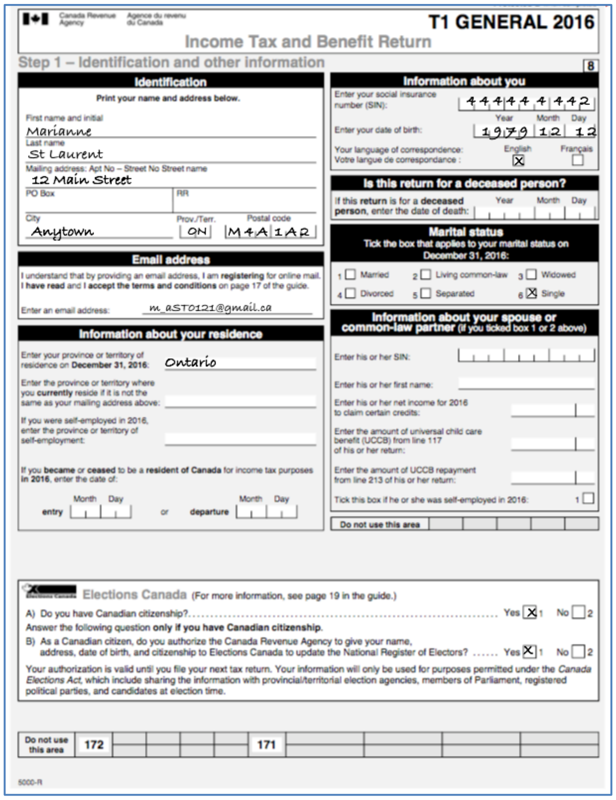
The CRA encourages all Canadians to file their taxes electronically. Electronic filing helps to reduce costs, achieve greater accuracy and faster processing, and it also is environmentally friendly. The CRA's electronic tax-filing services are known as NETFILE and EFILE.

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

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

Using CRA's *T1 General, Income Tax and Return* form, individual taxpayers can also prepare their own tax return and mail it to their CRA tax centre. Because it is a manual process, calculating the correct amounts for line 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.


Canada Revenue Agency / Agence du revenu du Canada

T1 GENERAL 2016

Income Tax and Benefit Return

Step 1 – Identification and other information 8

Identification

Print your name and address below.

First name and initial: Marianne

Last name: St Laurent

Mailing address: Apt No – Street No Street name: 12 Main Street

PO Box | RR

City: Anytown Prov./Terr.: ON Postal code: M4A 1A2

Email address

I understand that by providing an email address, I am **registering** for online mail. **I have read** and **I accept the terms and conditions** on page 17 of the guide.

Enter an email address: m_aST0121@gmail.ca

Information about your residence

Enter your province or territory of residence on **December 31, 2016**: Ontario

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

If you were self-employed in 2016, enter the province or territory of self-employment:

If you **became** or **ceased** to be a **resident of Canada** for income tax purposes **in 2016**, enter the date of: entry (Month Day) or departure (Month Day)

Information about you

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

Enter your date of birth: Year 1979 Month 12 Day 12

Your language of correspondence: / Votre langue de correspondance : English [X] Français [ ]

Is this return for a deceased person?

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

Marital status

Tick the box that applies to your marital status on December 31, 2016:

1 [ ] Married 2 [ ] Living common-law 3 [ ] Widowed
4 [ ] Divorced 5 [ ] Separated 6 [X] Single

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

Enter his or her SIN:

Enter his or her first name:

Enter his or her net income for 2016 to claim certain credits:

Enter the amount of universal child care benefit (UCCB) from line 117 of his or her return:

Enter the amount of UCCB repayment from line 213 of his or her return:

Tick this box if he or she was self-employed in 2016: 1 [ ]

Do not use this area

Elections Canada (For more information, see page 19 in the guide.)

A) Do you have Canadian citizenship? .... Yes [X] 1 No [ ] 2

Answer the following question **only if you have Canadian citizenship**.

B) As a Canadian citizen, do you authorize the Canada Revenue Agency to give your name, address, date of birth, and citizenship to Elections Canada to update the National Register of Electors? ...... Yes [X] 1 No [ ] 2

Your authorization is valid until you file your next tax return. Your information will only be used for purposes permitted under the *Canada Elections Act*, which include sharing the information with provincial/territorial election agencies, members of Parliament, registered political parties, and candidates at election time.

Do not use this area 172 171

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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: The Canada Revenue Agency is responsible for creating all of the tax laws in Canada

Correct answer is False

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: The Canada Revenue Agency's mission is to:

A. Collect taxes and administer tax laws on behalf of the federal government
B. Deliver credit and benefits programs such GST/HST credits
C. Collect Canada Pension Plan (CPP) and Employment Insurance (EI) premiums from taxpayers
D. All the above

Correct answer is D

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 and Set-Up

Chapter 2 Learning Objectives

At this chapter's conclusion, 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

A Proper Setup

With its multifaceted installation options and its depth of features, it is important to fully grasp the various ways in which you can install and setup 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 working in a networked environment. 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 licensing and auto-update
- Windows servers software is not supported
- Network/workstation install UNC path is not supported
- .NET 4.5.2 installation & registration are required
- Apple products are not supported

System Requirements

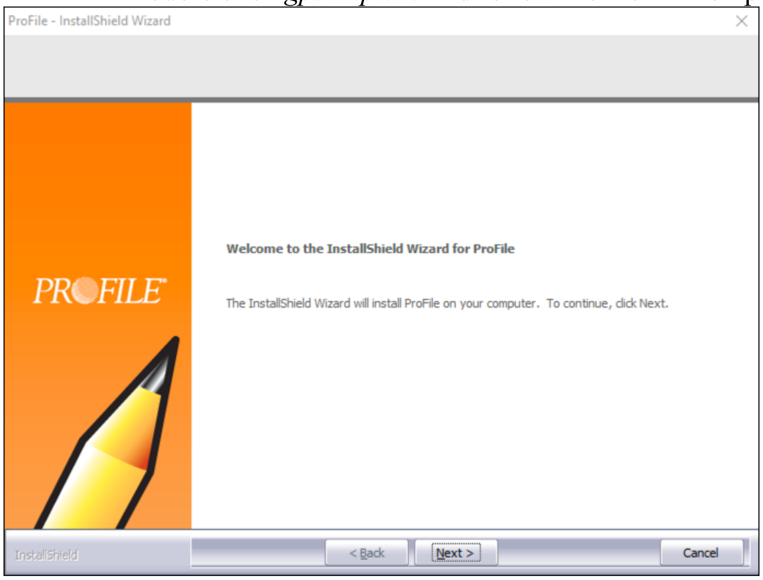
- Processor: 1GHz or faster processor
- OS: Windows 7 ™ with service pack 1, Windows 8/8 ™, or Window 10 ™
- Memory: 2 GB minimum; 4 GB recommended
- Hard Drive: 900 MB free hard drive space for download and 1.5 GB for installation
- Printer: Windows compatible
- Display: 1024 X 768 minimum resolution; 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®)

Single-User Installation

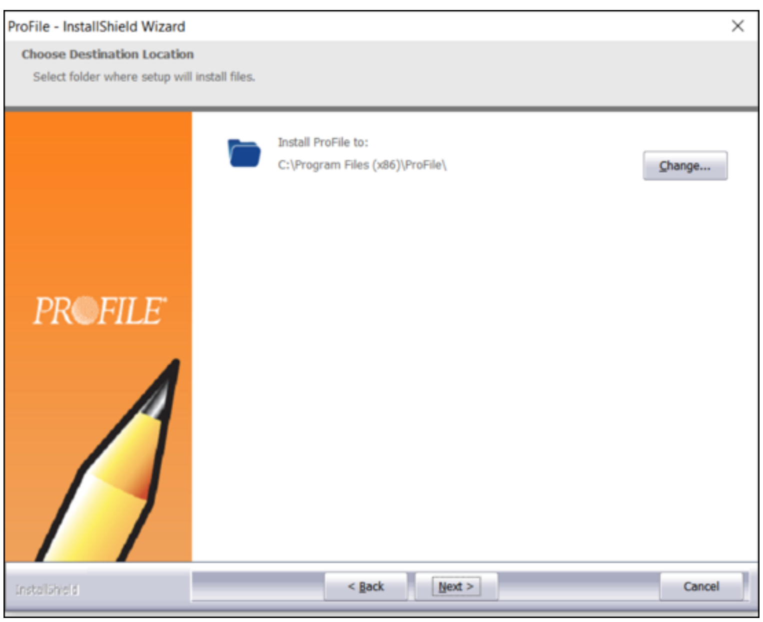
This sequence of instructions explains how to install ProFile on the local (C:\) drive of your personal computer:

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

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



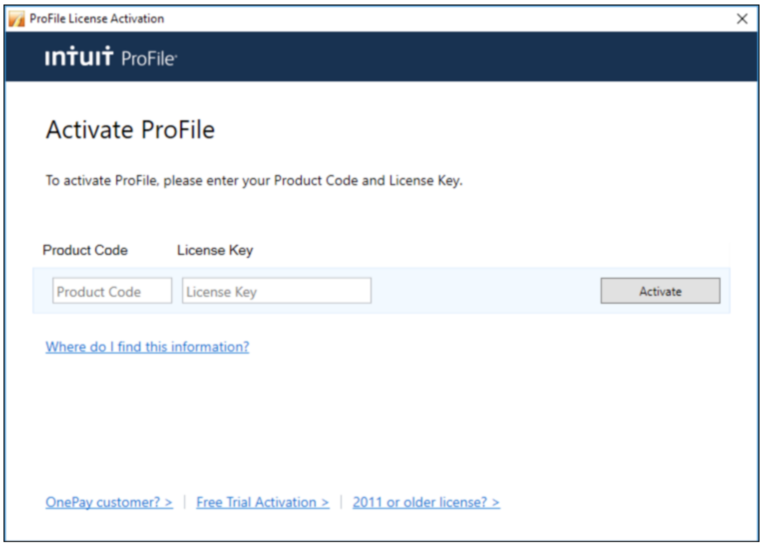
- During installation, make sure that you choose the Program Files folder of your local drive (usually drive C:\) as the file destination
- Follow the prompts to complete the installation



ProFile activation

After installing ProFile, you must activate it by entering your license information. Follow these steps to activate ProFile:

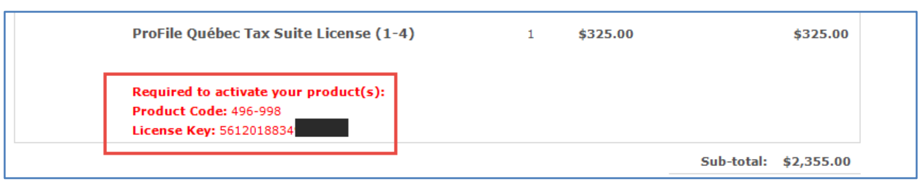
- Launch ProFile
- In the window that opens, enter your software Product Code and License Key



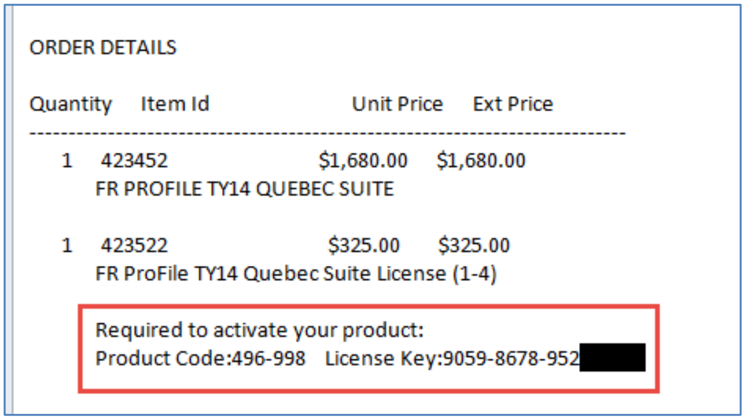
Finding your licensing information

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

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



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

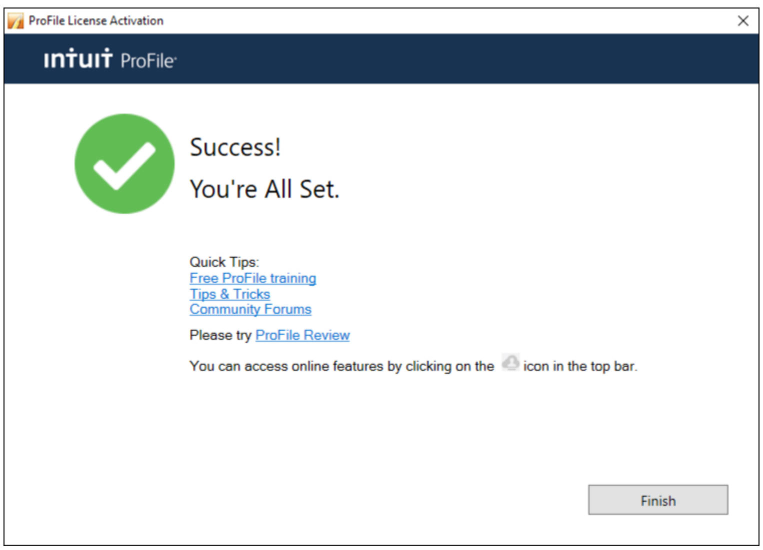


ORDER DETAILS

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

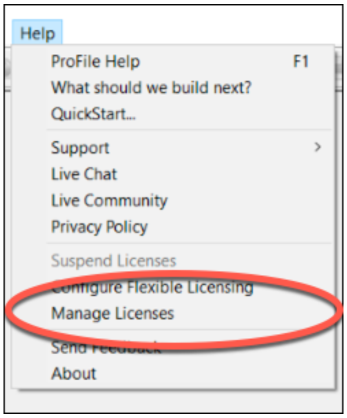
Required to activate your product:
Product Code:496-998 License Key:9059-8678-952[redacted]

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

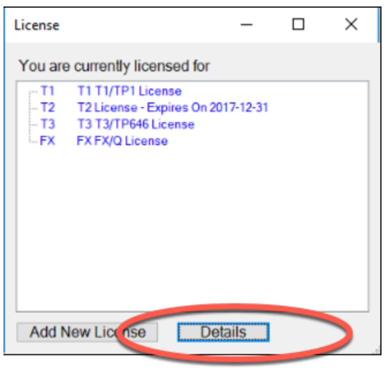


Managing Your Licences

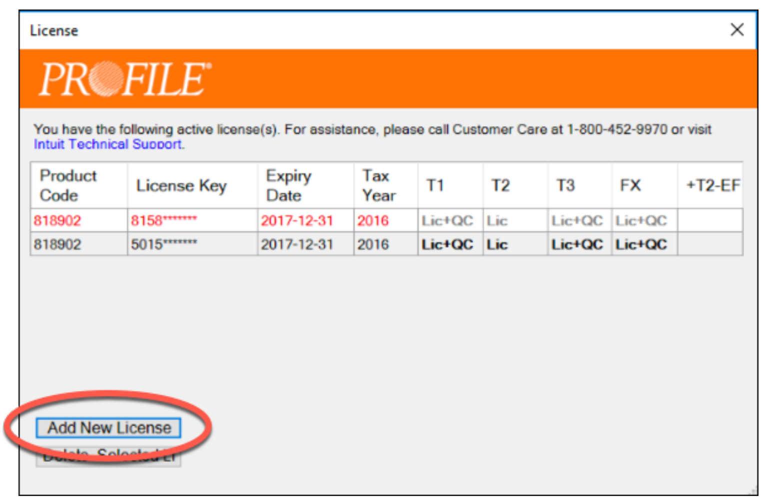
- Keeping track of your ProFile licenses is an easy yet important part of the installation and set-up process. Start by clicking *Help > Manage Licenses*



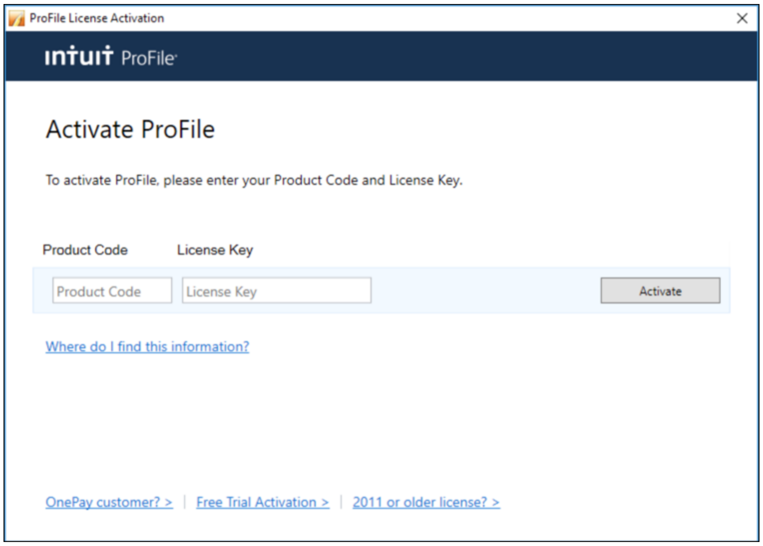
- Click on *Details*



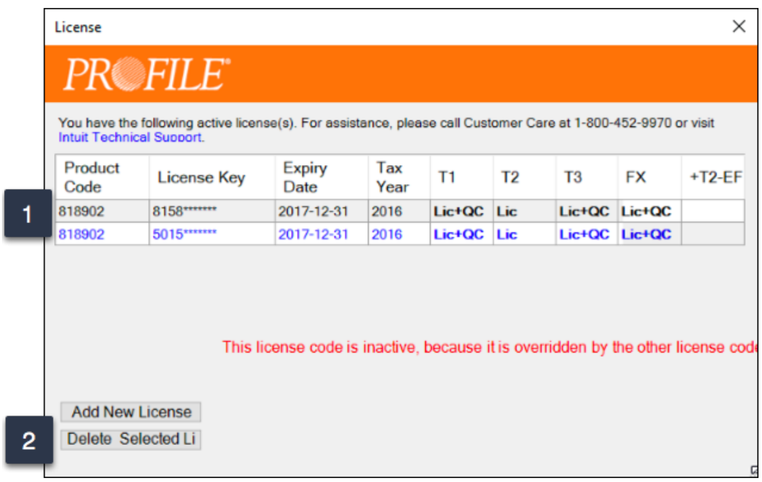
- If you purchased additional licenses or modules (T2, T3, etc.) click on *Add New License*



- Enter the new Product Code and License Key



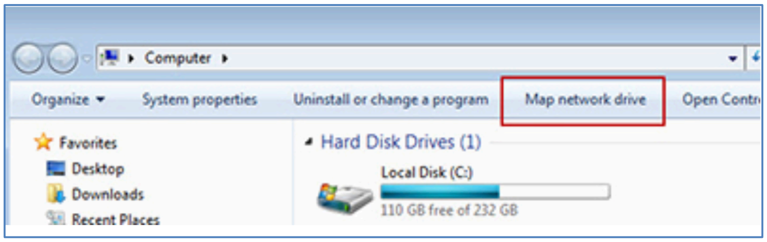
- To remove licenses—those that are old or outdated, for example—return to the License window, select the license to remove 1
- Click on *Delete Selected License* 2



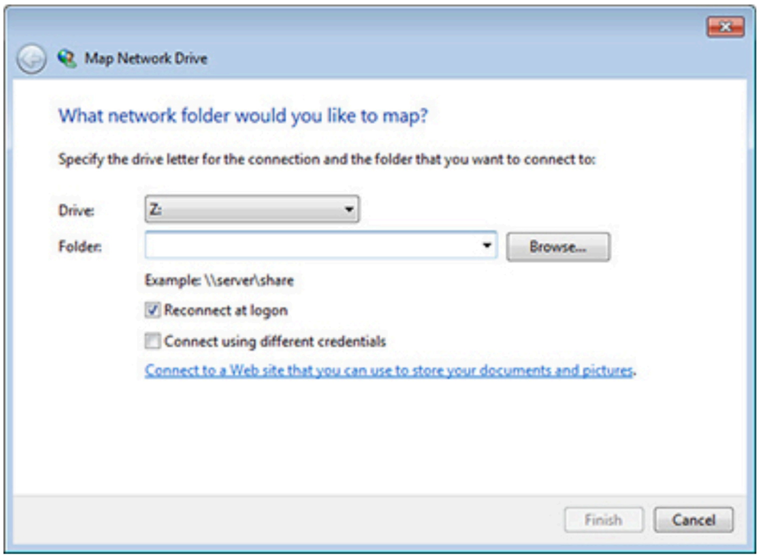
PROFILE WORKSTATION INSTALLATION

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

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



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



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

Configuring Your Workstation Licenses

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

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

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

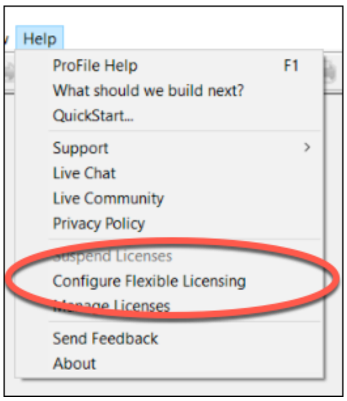
- The second method is used when your system administrator wants to limit individual users to specific modules.
- Under this method every user has their own access code (instead of everyone using the same centralized code). It is recommended to leave the startup.init file in the location where ProFile is installed

- After you update the registry and complete the installation process, you are now configured to use ProFile. To run ProFile next time, double-click the *ProFile* icon that was created on your desktop or select *ProFile* from the Start menu.

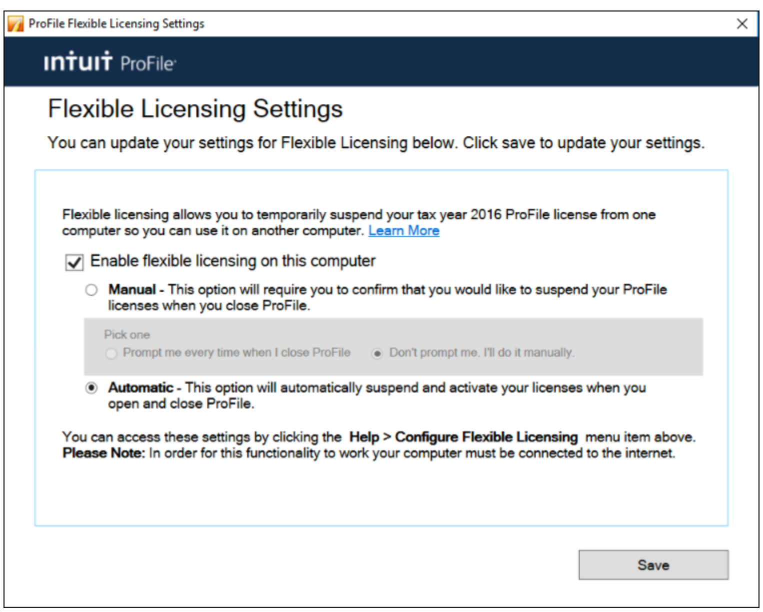
PROFILE FLEXIBLE LICENSING

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

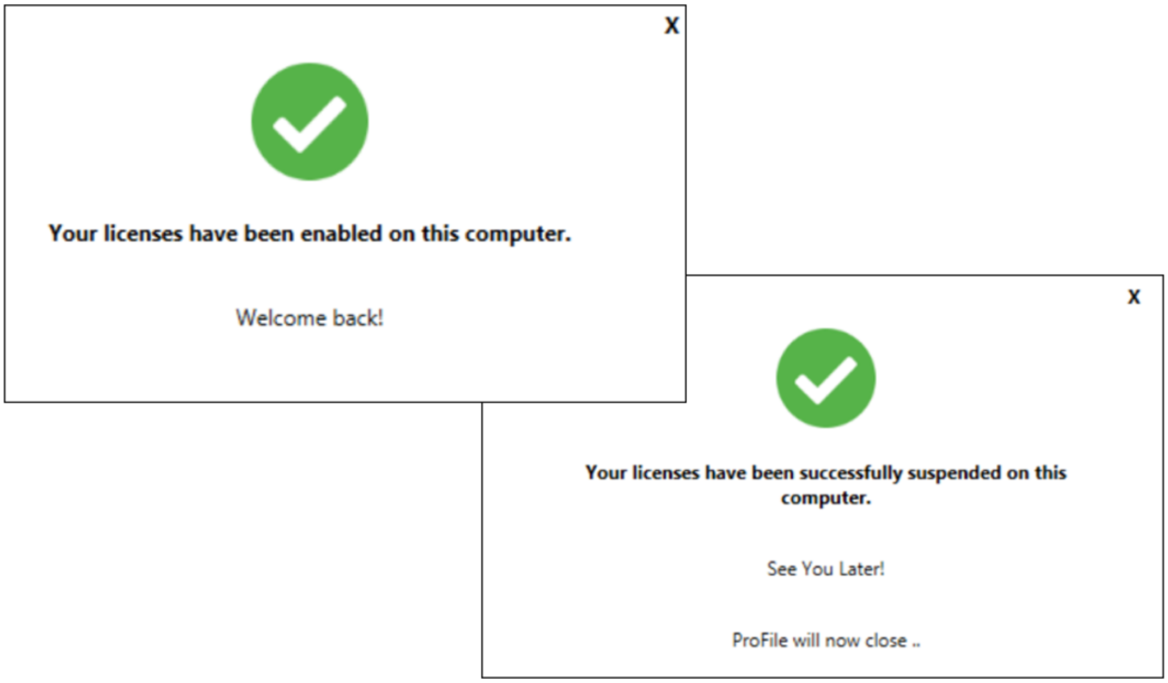
- To enable this feature, click the *Help* menu and then select *Configure Flexible Licensing*



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



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

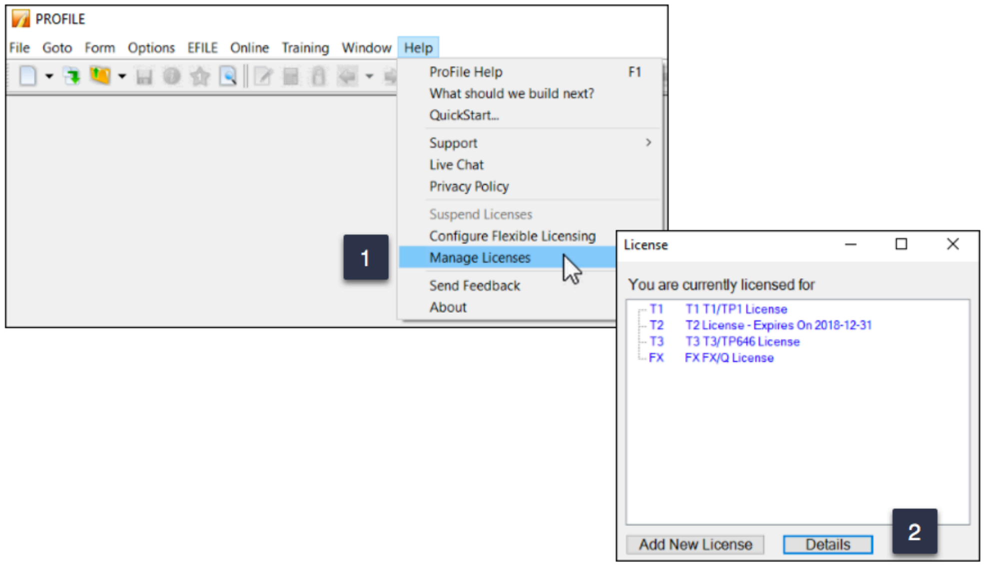


Maximum license warnings

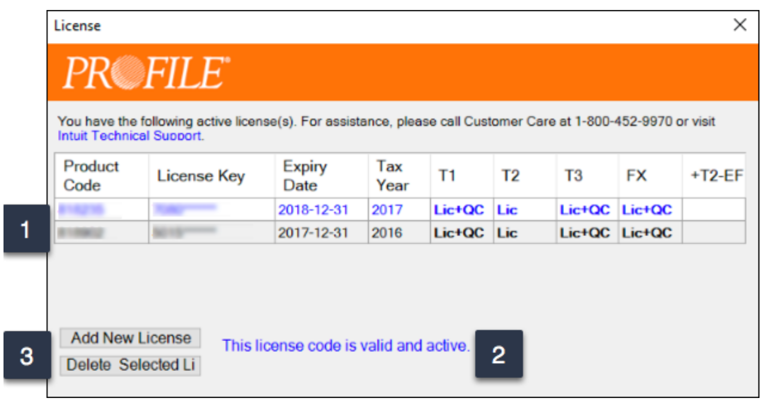
When activating a ProFile license, you may see this warning: *ProFile has been activated the maximum number of times permitted for this license.* This message appears either because a license is being used more times than there are *units* available for use, or because it was not removed from an older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

What's a unit? If you purchased one license, you will receive an extra license unit for an unforeseen situation that may trigger the need to reactivate your license. This means you have two units available. If you then try to activate your license on more than two computers, you will receive the "Maximum activation error" message described above.
To correct this issue, try deleting a license from an unused computer before activating it on a new machine.

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



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



A Basic Setup

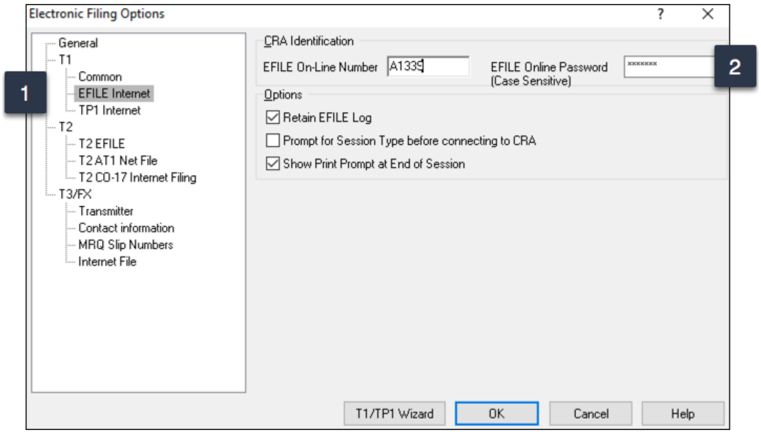
In this section, you will learn how to quickly set up the minimum number of options that are required to get ProFile up and running. Once these options are enabled, you can immediately begin working in ProFile. Later in this chapter, we will describe how to delve into more advanced and more sophisticated options.

EFILE Options

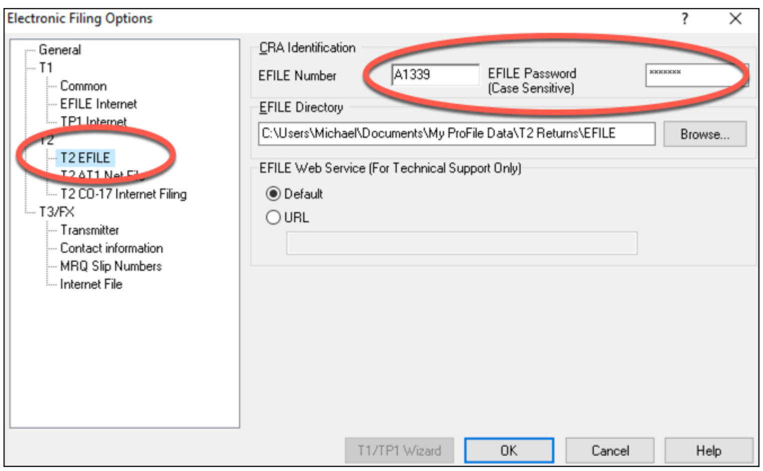
Every professional tax preparer receives bespoke EFILE credentials from CRA. It is important, therefore, to enter and save those credentials in ProFile. Follow these steps to record your credentials:

- Click *EFILE > Options*

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



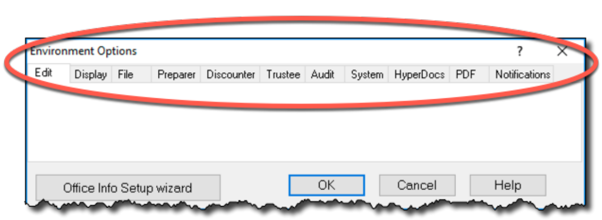
- In the same window, select *T2 EFILE* and you should see your credential appear there as well



Environment Options

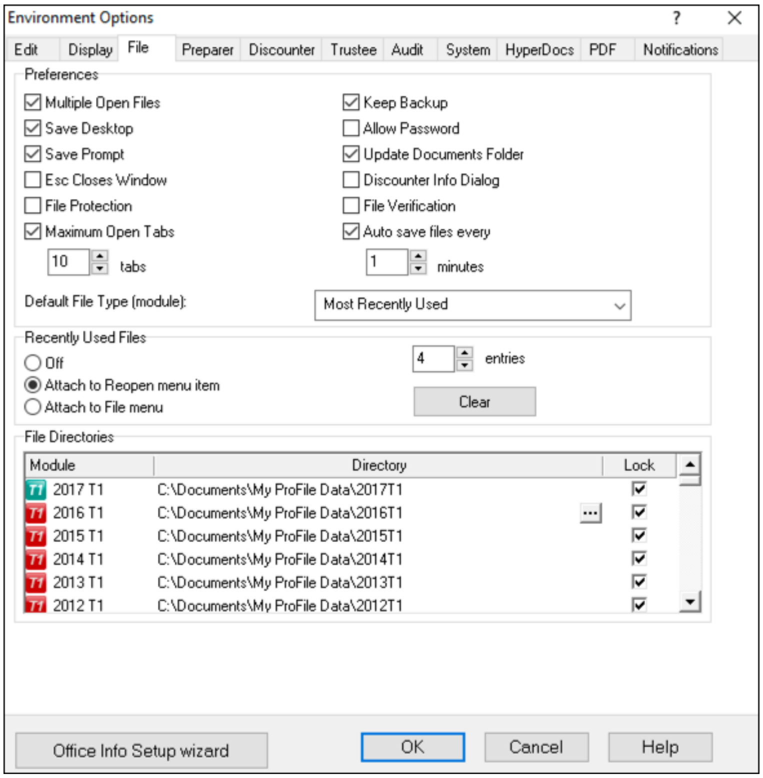
Under the *Options* menu, you will find a host of ProFile preferences. While all preferences are arguably important, there are some that are considered mandatory. Here, therefore, are the options you should set under a basic scenario.

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

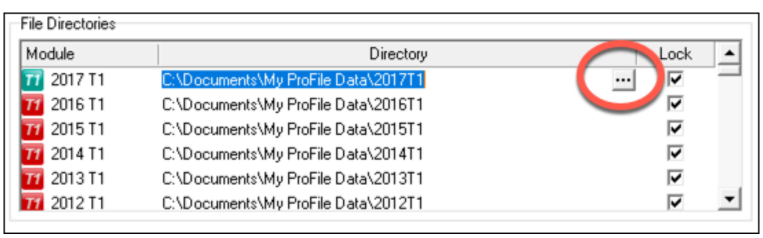


File Tab

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



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



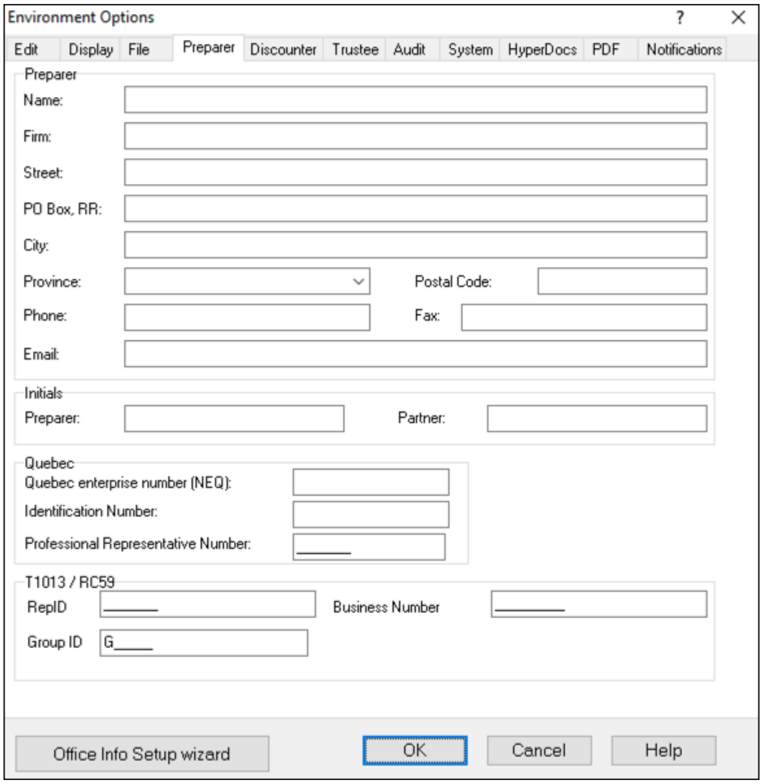
Clicking the "Lock" checkbox to the right of each folder location ensures that ProFile always saves files to that location, and always looks in that location when opening files.

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

Preparer Tab

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

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



Next steps

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

AN ADVANCED SETUP

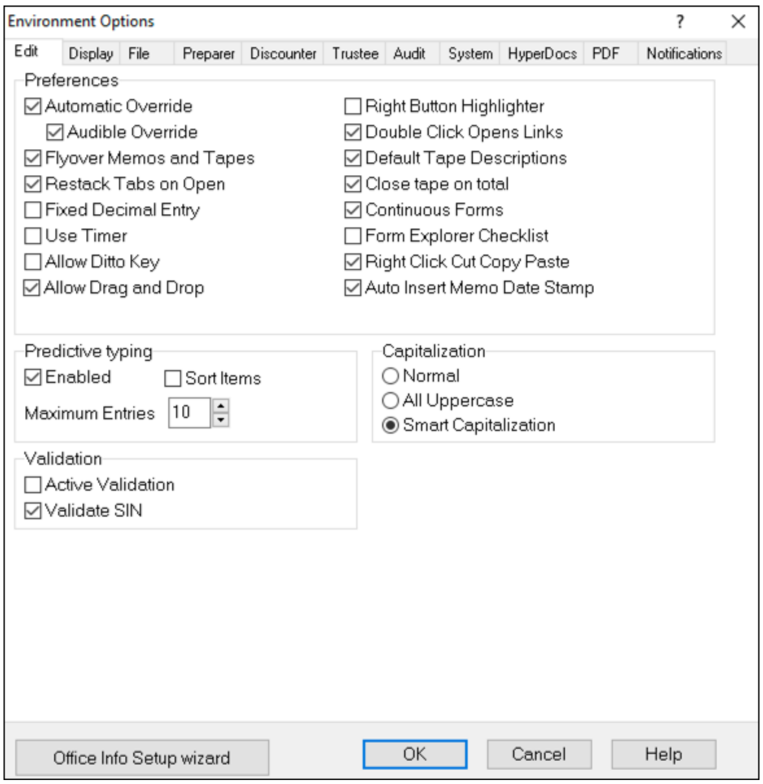
This section described the more advanced features and preferences that you might want to consider when personalizing ProFile. These options help streamline the workflow and save time during a busy and hectic tax season.

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

Edit Tab

The *Edit* tab lets you set preferences that enable fixed decimals data-entry (ProFile automatically places the decimal point to the left of the last two digits entered in a field). Here you can also ask ProFile to capitalize every word on a tax return or just the first letter in every word. From this tab you can also:

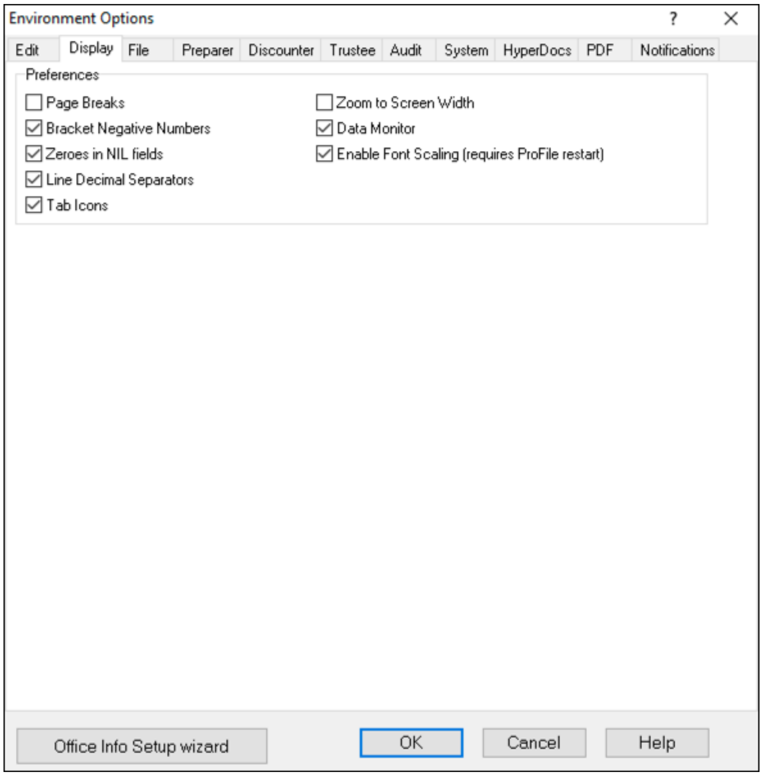
- Manually override a calculated value on the tab return
- Use the Ditto key to quickly copy and paste the same information in adjacent fields
- Allow data to be dragged and dropped from one field to the next
- Ensure that every Social Insurance Number entered in ProFile is valid
- Double-click on a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



Display Tab

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

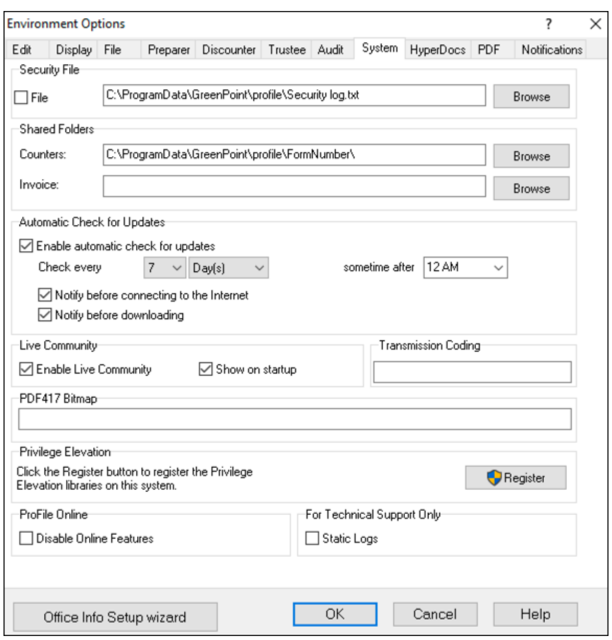
- Enable on-screen page breaks
- Use brackets for negative numbers
- Display zeroes for all NIL values
- Automatically zoom the displayed tax file to full screen width



System Tab

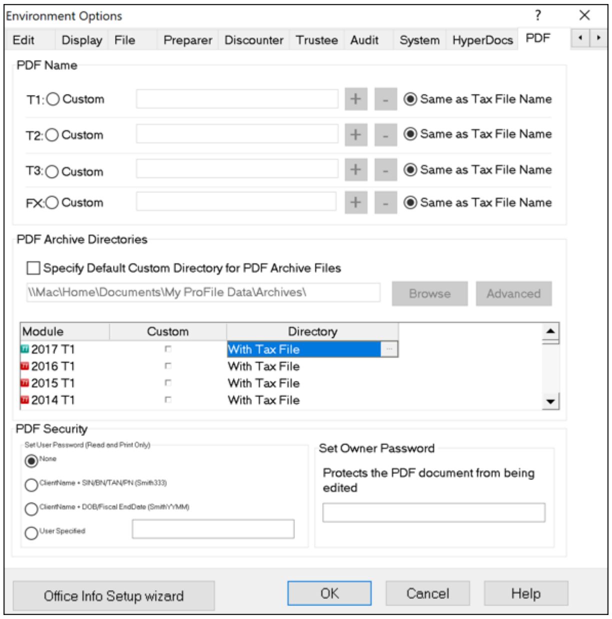
To ensure that you always have the most recent release, click the *Systems* tab and review the Automatic Update settings. Here can establish the frequency in which ProFile checks for updates and you can also indicate whether you want ProFile to notify you before downloading and installing an update.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

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



PDF Tab

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

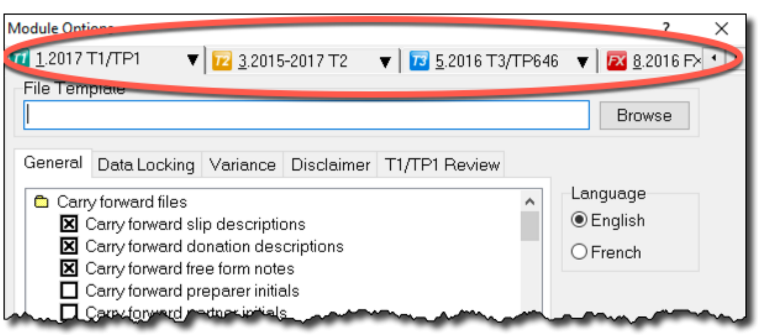


Other Environment Settings

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

Options>Module

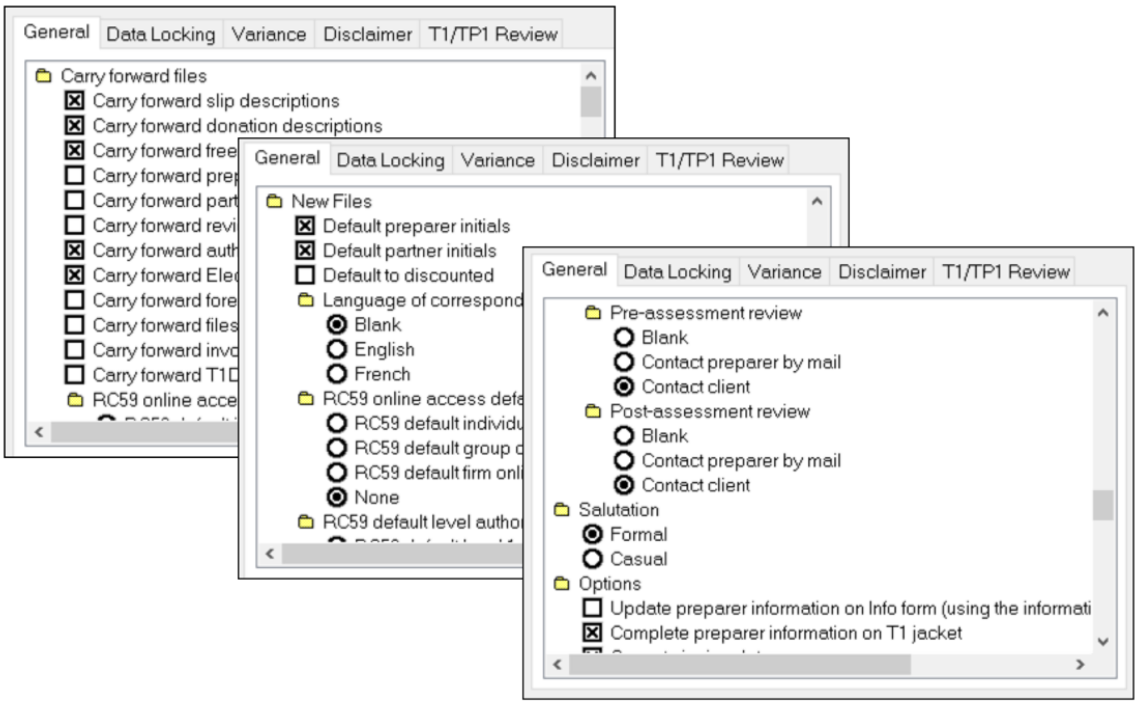
ProFile's Module options let you fine-tune the way ProFile works with each individual tax year and module (T1, T2, T3 and FX). This granular level of detail lets you determine the tax settings that ProFile will choose on new files, and on files you are carrying forward from a previous year. In this window,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



General Tab

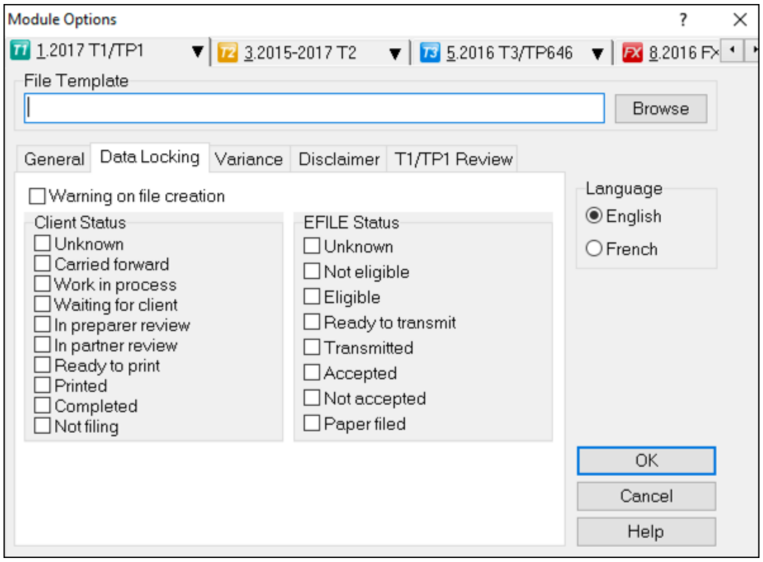
Scroll down this window to set defaults for new and carried-forward file. These defaults include RC 59 and T1013 authorization levels, pre and post-assessment review settings, and slip descriptions for carried-forward files. In this window, you can also:

- Carry forward Elections Canada and foreign property questions, and T1DD information
- 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



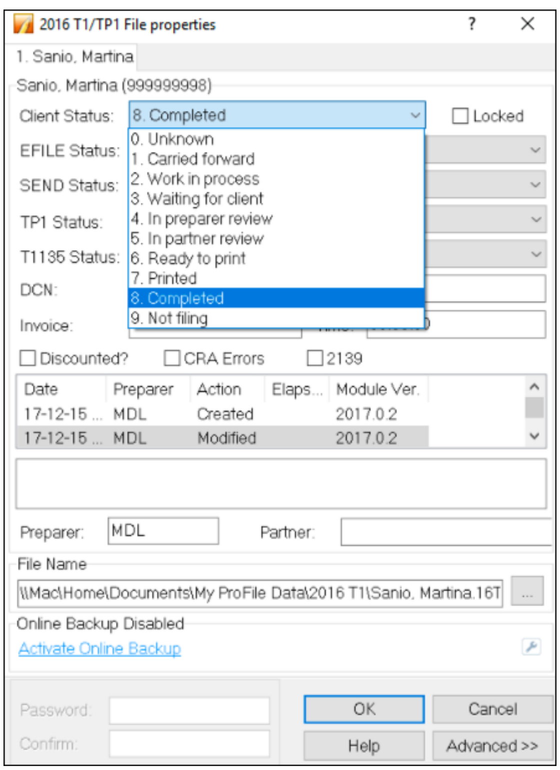
Data Locking Tab

This tab lets you enable a warning that prevents you from accidentally creating a tax file. You can also lock a file—and prevent additional data entry—once the Client and EFILE status that you indicate in this window is selected on a tax file. For example, if you click the *Completed* checkbox in the Client Status column, then ProFile will lock a tax file once a tax preparer indicates that the tax file has been completed.



Setting a client status

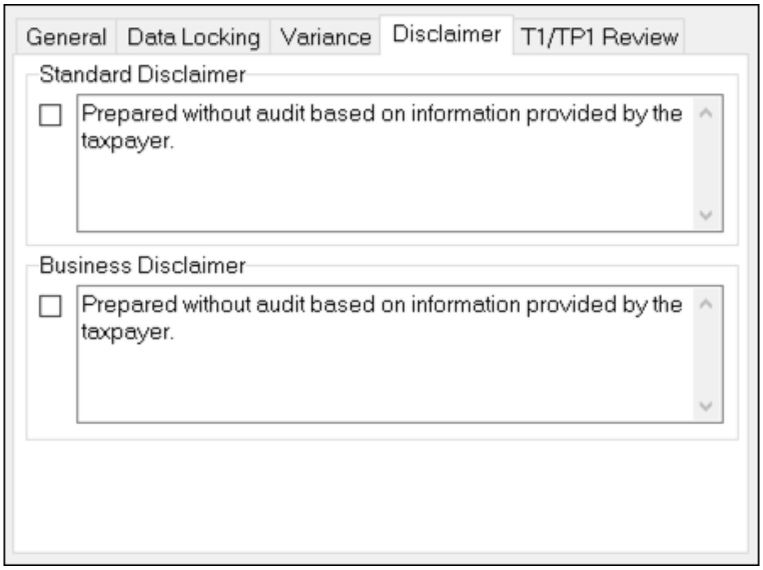
- To set a file's Client Status, open a tax file and then go to *File > Properties.*
- Click the *Client Status* dropdown and select the desired status
- Note the checkbox, to the right of the Client Status dropdown, that lets you toggle file locking on and off



Disclaimer Tab

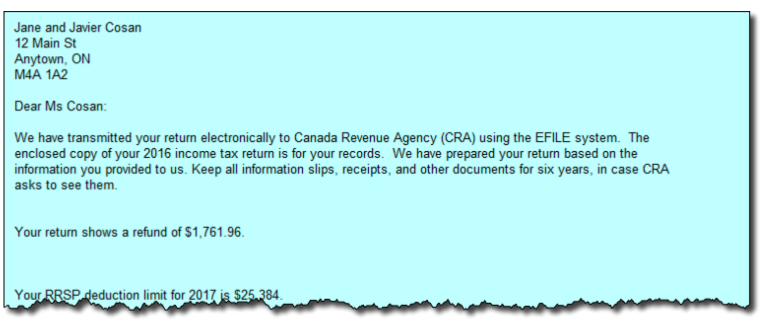
You may want to add a standard business disclaimer to your tax files to alert readers as to your involvement with the information contained therein. ProFile lets you set two different disclaimers.

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



Options > Templates

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



Jane and Javier Cosan
12 Main St
Anytown, ON
M4A 1A2

Dear Ms Cosan:

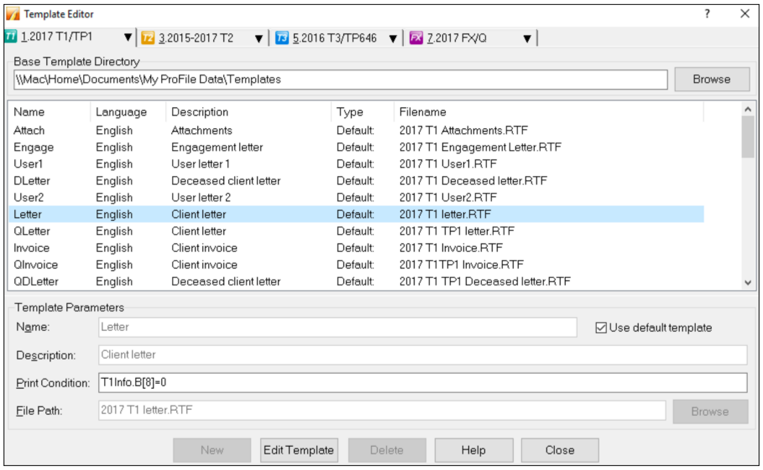
We have transmitted your return electronically to Canada Revenue Agency (CRA) using the EFILE system. The enclosed copy of your 2016 income tax return is for your records. We have prepared your return based on the information you provided to us. Keep all information slips, receipts, and other documents for six years, in case CRA asks to see them.

Your return shows a refund of $1,761.96.

Your RRSP deduction limit for 2017 is $25,384.

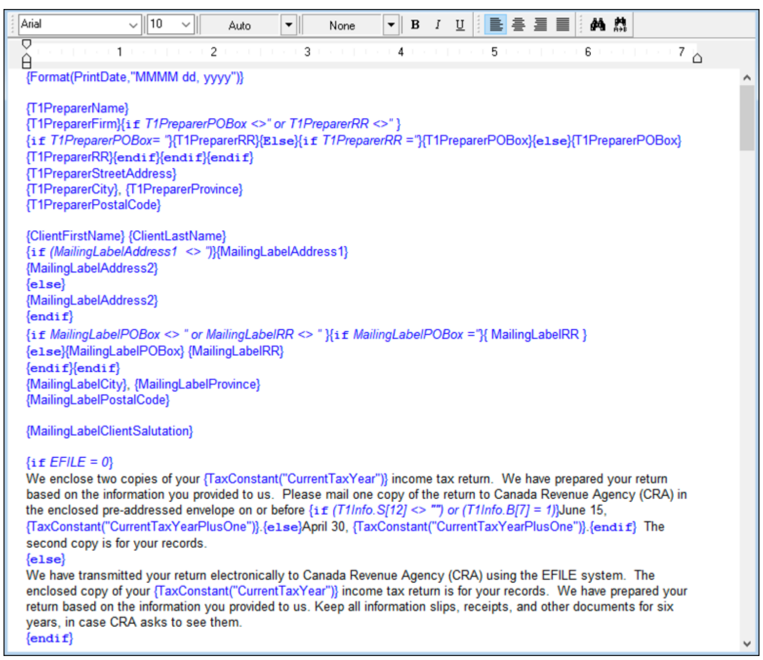
All of ProFile's preformatted letters are saved in a templates subfolder within the *My ProFile Data* folder. To view and edit any template, follow these steps:

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

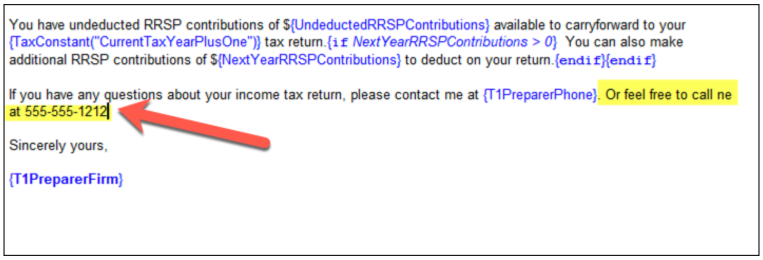


The Letter template will open in a new window and it will display text in two different colours;

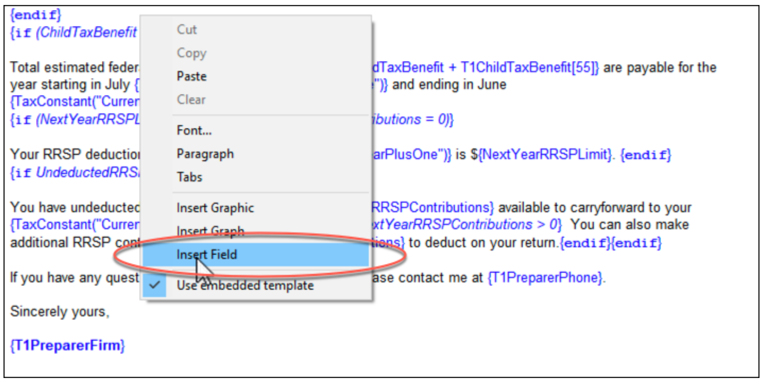
- Text appearing in blue signifies data that flows from ProFile data fields. Let's call this type of information *Field Codes*
- Blue *Field Codes* can only be inserted or removed; they cannot be edited from within the template
- Black font represents free-form text—much like the text you enter with a word processor
- Black text can be edited or deleted, and you can also add any additional text to the template



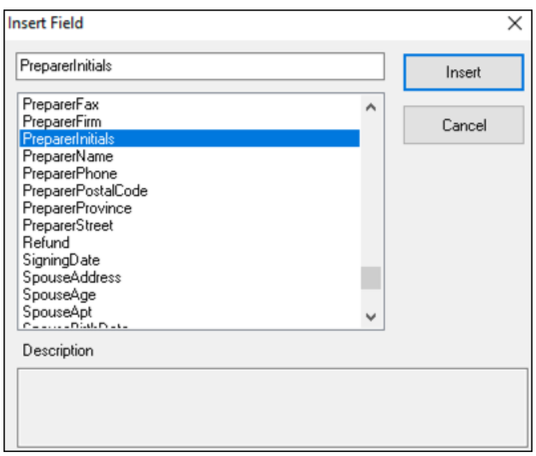
- To add text (black font), place your cursor in the desired area and begin typing



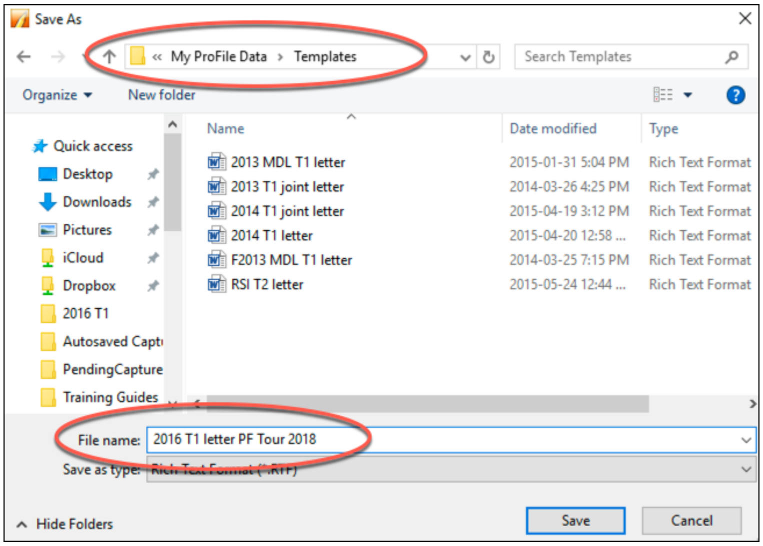
- To add Field Text, right-click the template at the desired input area
- Click *Insert Field*



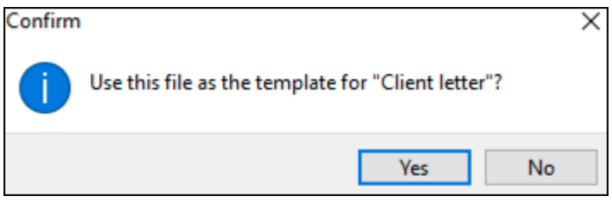
- Then, from the *Insert Field* list, choose the desired field and click *Insert*



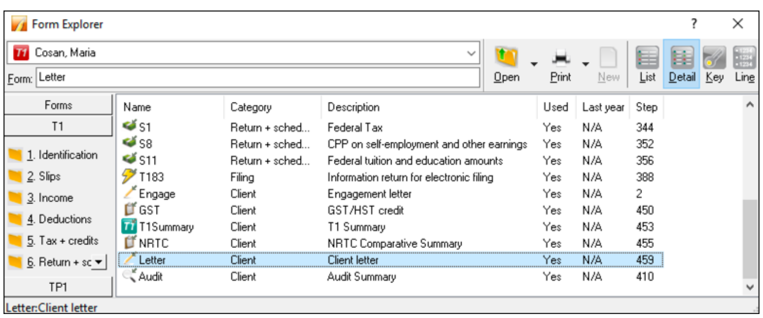
- Click *File* > *Save* to save your changes
- And select the location (letter template folder) and enter a file name



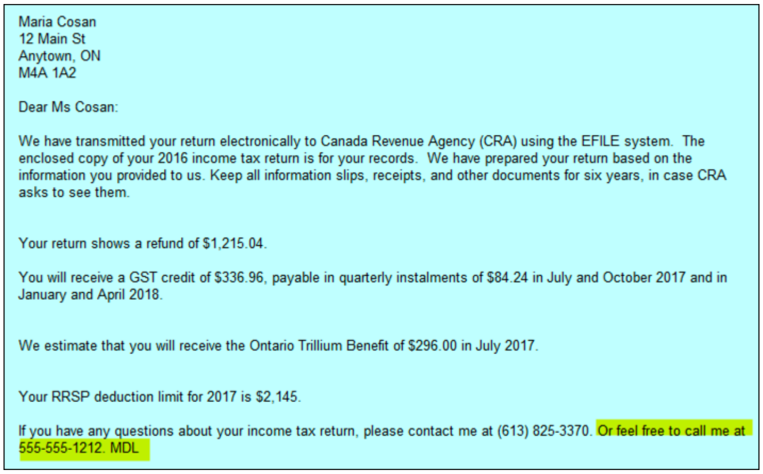
- Click *Yes* to confirm that you want to use this form as the default



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



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



Maria Cosan
12 Main St
Anytown, ON
M4A 1A2

Dear Ms Cosan:

We have transmitted your return electronically to Canada Revenue Agency (CRA) using the EFILE system. The enclosed copy of your 2016 income tax return is for your records. We have prepared your return based on the information you provided to us. Keep all information slips, receipts, and other documents for six years, in case CRA asks to see them.

Your return shows a refund of $1,215.04.

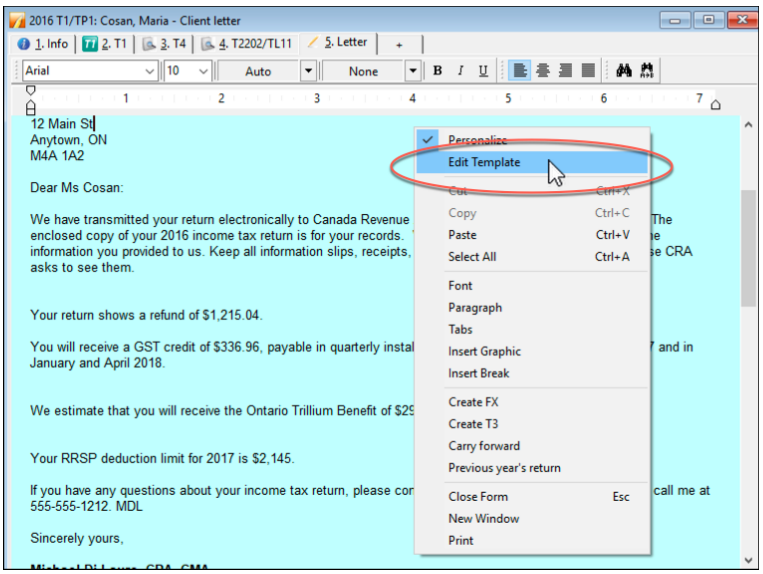
You will receive a GST credit of $336.96, payable in quarterly instalments of $84.24 in July and October 2017 and in January and April 2018.

We estimate that you will receive the Ontario Trillium Benefit of $296.00 in July 2017.

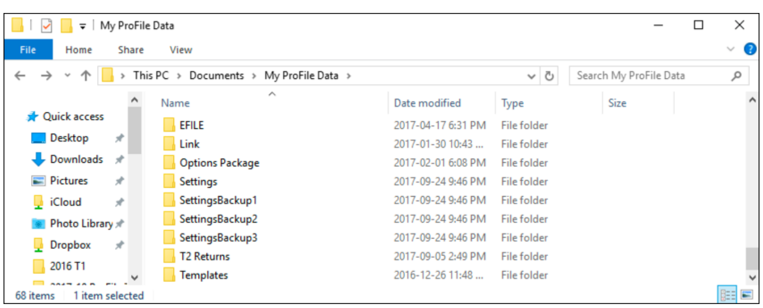
Your RRSP deduction limit for 2017 is $2,145.

If you have any questions about your income tax return, please contact me at (613) 825-3370. Or feel free to call me at 555-555-1212. MDL

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



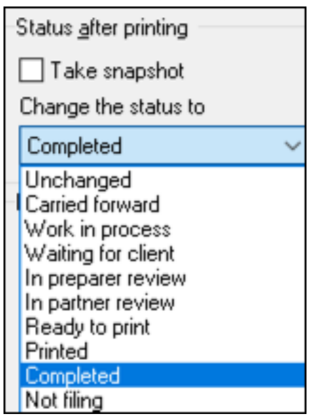
In addition to tax and template files, ProFile stores other types of files in the My Profile Data folder. These other files include EFILE logs, backups, and certain settings file.



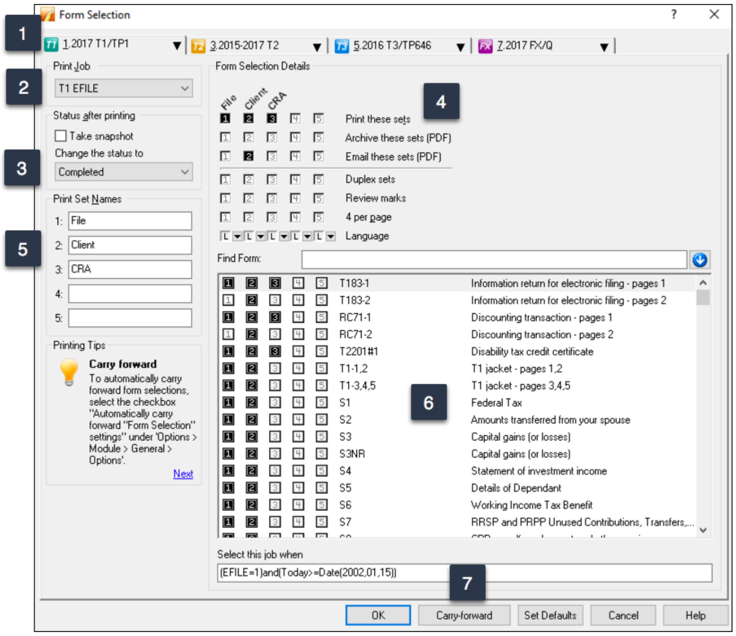
Options>Form Selection

ProFile has a powerful set of tools for enabling the print settings, in either soft or hard copy, that will determine the tax forms a preparer sends to her clients. For example, rather than printing a complete tax return for each of your clients (which can run many pages) you might want to print a tax summary with just a few selected schedules. Here's how to configure your print settings:

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



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

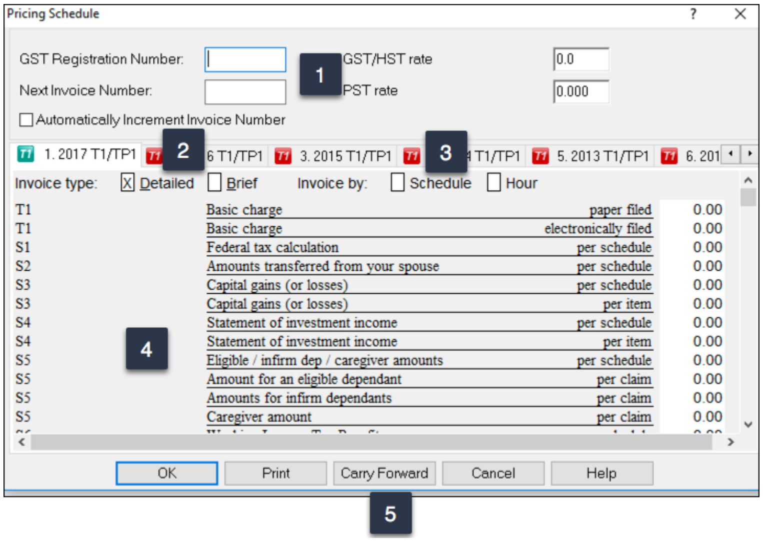


Options>Pricing

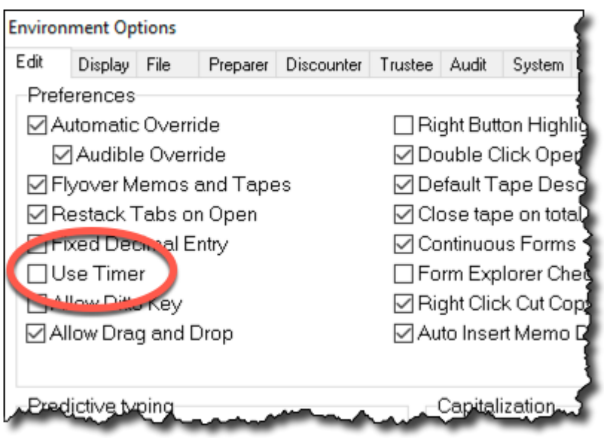
Tax practitioners likely bill out their work by the hour or by the return. In either case, with its *Pricing Schedules*, ProFile lets you choose one method, or both.

In the Pricing Schedule window below, you can:

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



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



Saving your Settings

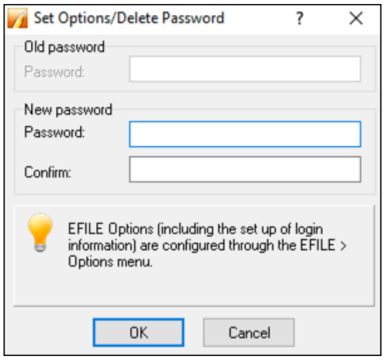
This section described the many ways that you can personalize ProFile's options and settings. It quickly becomes evident, therefore, that a complete setup might take hours. Which may lead to the following questions:

- 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 personalized settings?

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

Options>Password

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

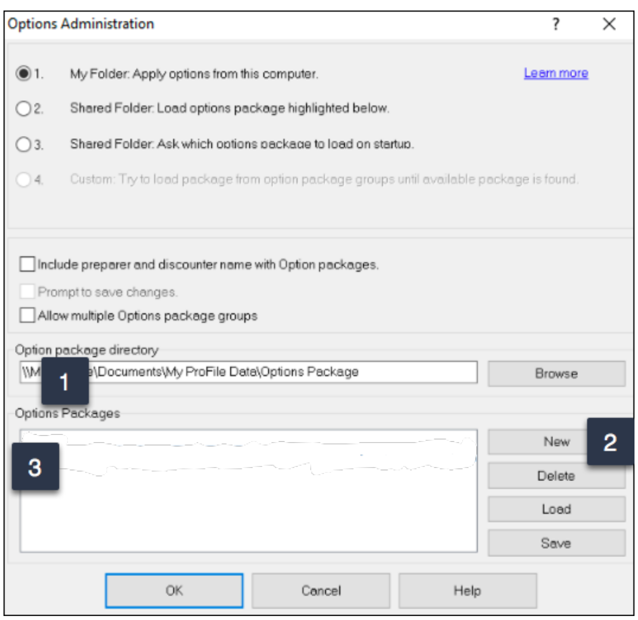


It's important to safely record and store your options password as the ProFile support team may not be successful in helping you retrieve it.

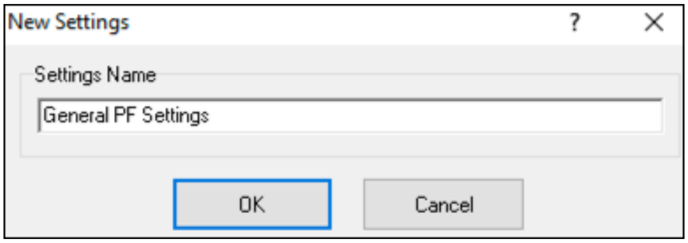
Options>Administration

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

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

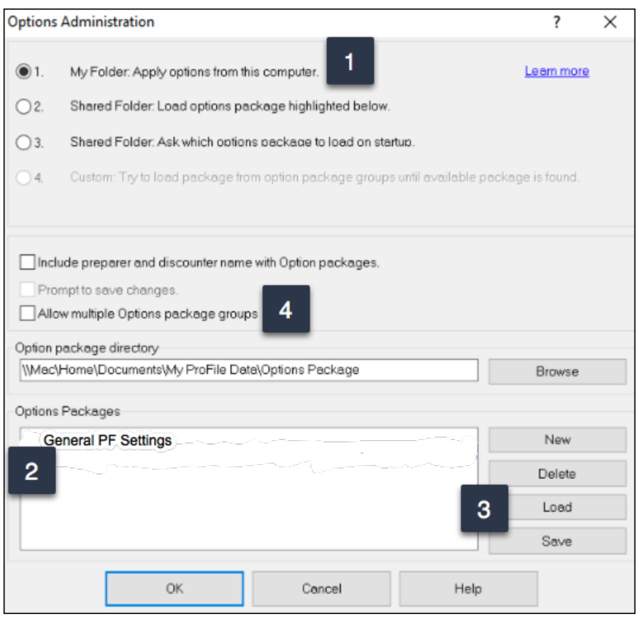


- After click *New,* enter a name for your customized settings, and click *OK*
- Your settings are now saved in ProFile's Options Package subfolder



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

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



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:

E. Allow up to ten simultaneous ProFile users
F. Keep ProFile running in the background
G. Ensure that multiple users have access to their files
H. 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

Chapter 3 Learning Objectives

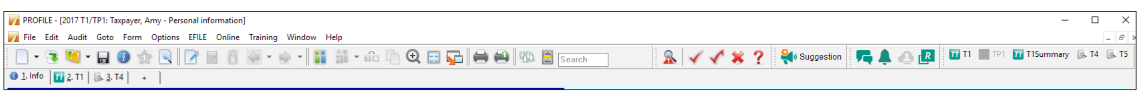
At this chapter's conclusion, students will understand:

- How to navigate in ProFile using its menus, tabs and icons
- 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

Navigating in ProFile

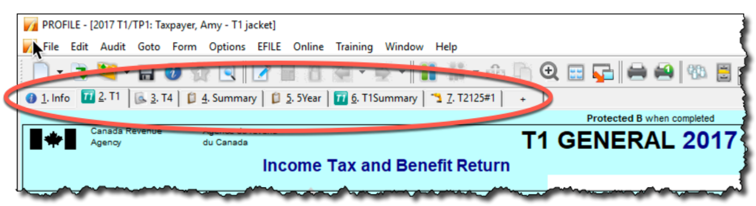
Tabs, Menus and Tools

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 that, no matter the type of return you are preparing, ProFile's uniform set of menus, toolbars and tabs make navigation a snap—and the learning process very short.



Tabs

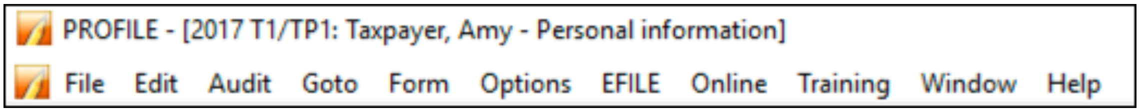
Every time you create a tax return, ProFile displays a tab for each open form. You'll see the tabs just above the form you're currently working in, and you can navigate to any open form by clicking its tab.



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

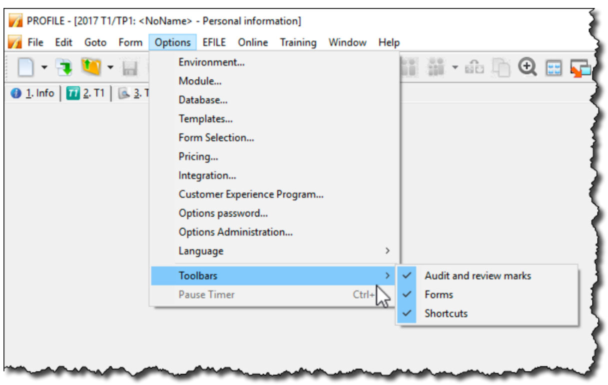
As with all software applications, you can use the *Menu Bar* to navigate in ProFile. With its extensive set of menu commands, you can, for example, create or open tax files, setup preferences, arrange windows, and jump to specific areas of a tax file.



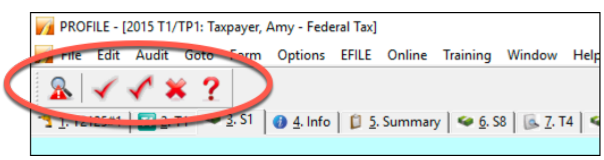
The Toolbars

Toolbars are a set of icons that let you quickly and easily move around in ProFile. There are three configurable toolbars that you can enable (or disable) in ProFile.

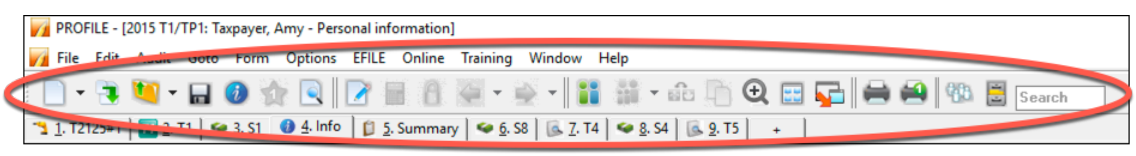
- You can view the three available toolbars by clicking *Options>Toolbars*
- The three toolbars are: Audit and review marks, Forms and Shortcuts



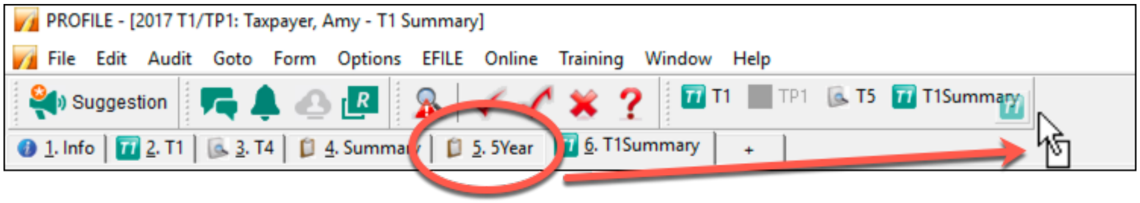
- The *Audit and review marks* toolbar lets a partner or preparer approve or request changes to any line on a tax return. We'll discuss review marks a little later in this chapter



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



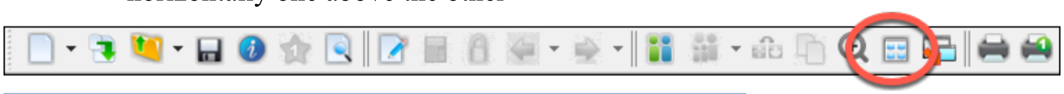
- The *Forms* toolbar, or JumpBar, is a customizable area on the toolbar that lets you add a favourite form—making it "stick"—and rendering it available in any tax file. Once you add a form to the JumpBar, it becomes a mouse click away on every tax return that you open.
- To add a form to the JumpBar,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

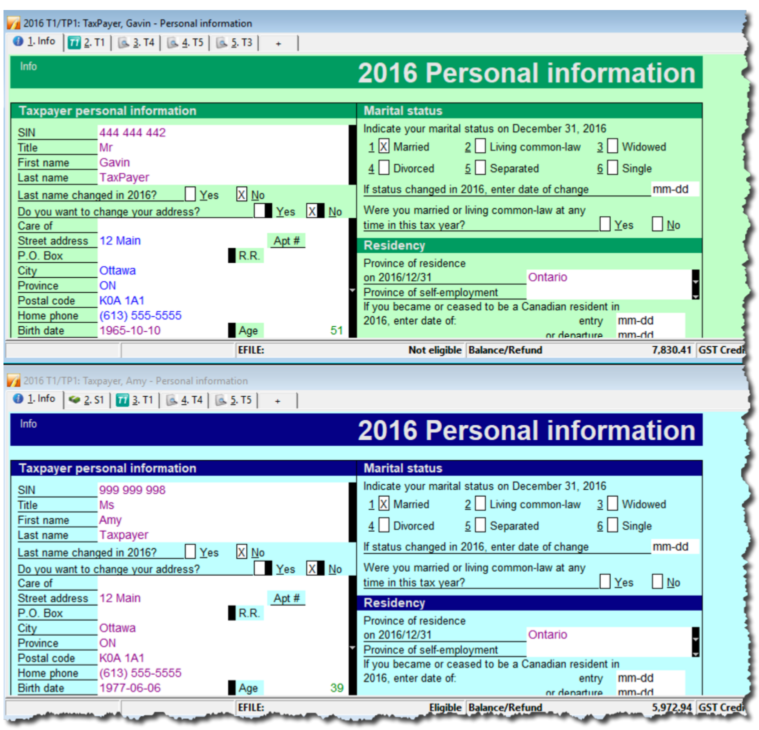


Display Options

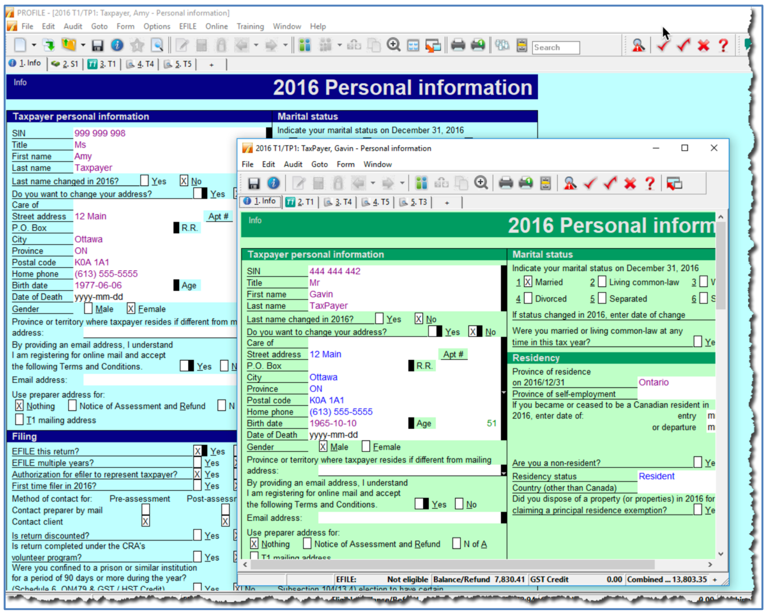
On the toolbar below, the *Spousal* icon indicates that two tax files are open (one for each spouse). Clicking that icon will toggle between the spouses' returns, and display each one on your monitor in turn.

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

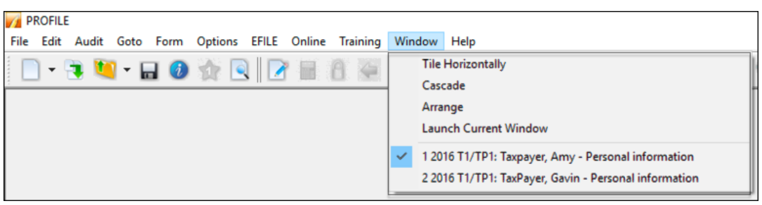




- If you use multiple monitors, you can display one file on each screen, Click the *Launch* icon to create a floating window for the second file, and then then drag it over to your second monitor



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



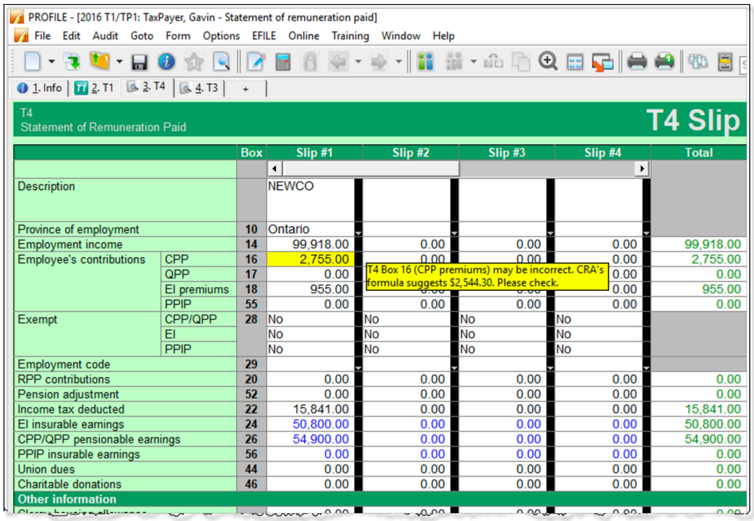
The Auditor

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

The Passive Auditor

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

- In the example below, ProFile's *Passive Auditor* highlights Box 16 of an indvidual's T4 slip. When hovering your mouse over that field, an audit message opens and cautions you that the entered CPP amount differs from CRA's suggested value, the auditor suggests that you verify the highlighted amount



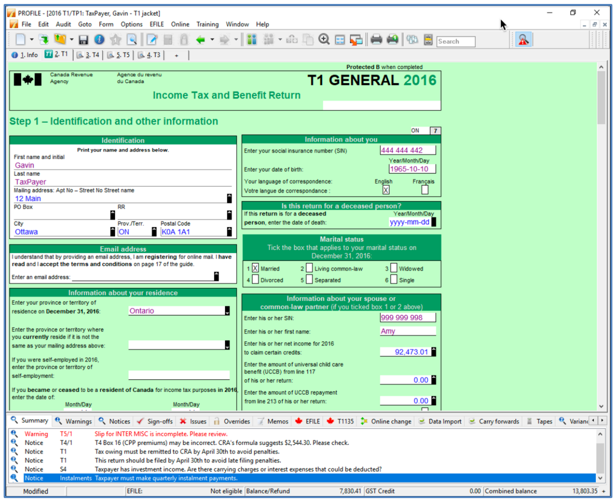
Other examples of ProFile's *Passive Audit* messages include:

- 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 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 just press *F9* on your keyboard, and the *Active Auditor* displays at the bottom of your screen.

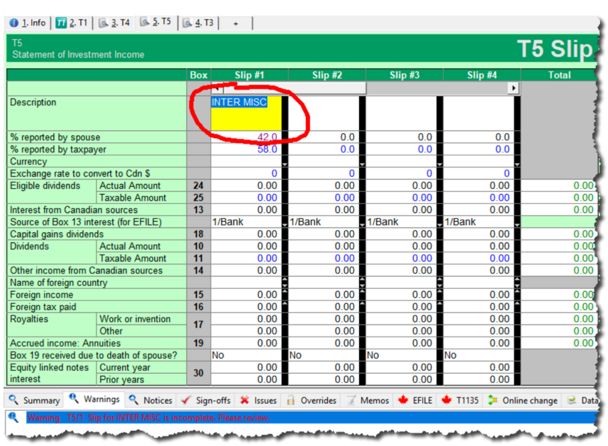


Note the tabs in the audit window. These tabs include:

- *Warnings* that indicate potential processing problems, including messages about data may have been overlooked— for example, a slip with no recorded information
- *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
- *Summary* which consolidates all messages from the other tabs.

Acting on audit messages

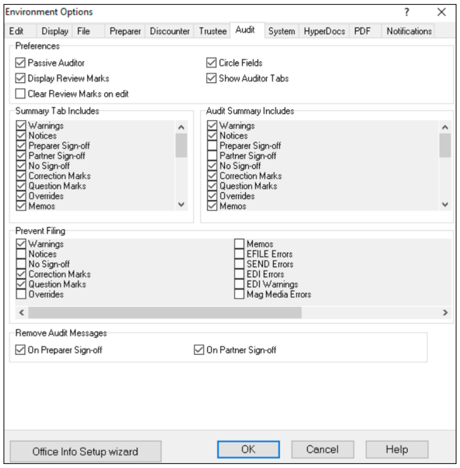
- To act on an audit message, double click the message.
- ProFile will open the applicable form, circle the item and add a yellow background to the field



Personalizing ProFile's Auditor

Options>Environment

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



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

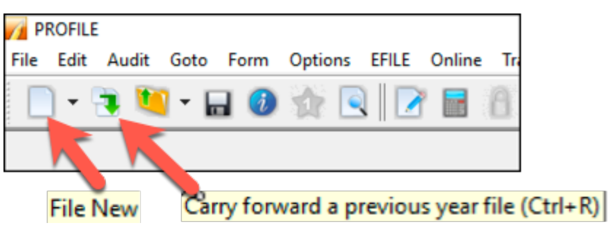
PUTTING IT ALL TOGETHER

Getting Started

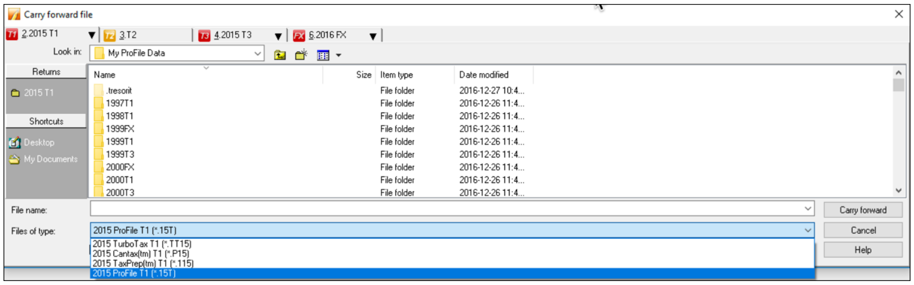
Up to this point, you learned about ProFile's set-up options, and you also read about ProFile's design, and its features and functions. In this section, we'll tie all that information together and show you how those features help you become an effective and efficient tax preparer.

Where to start

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

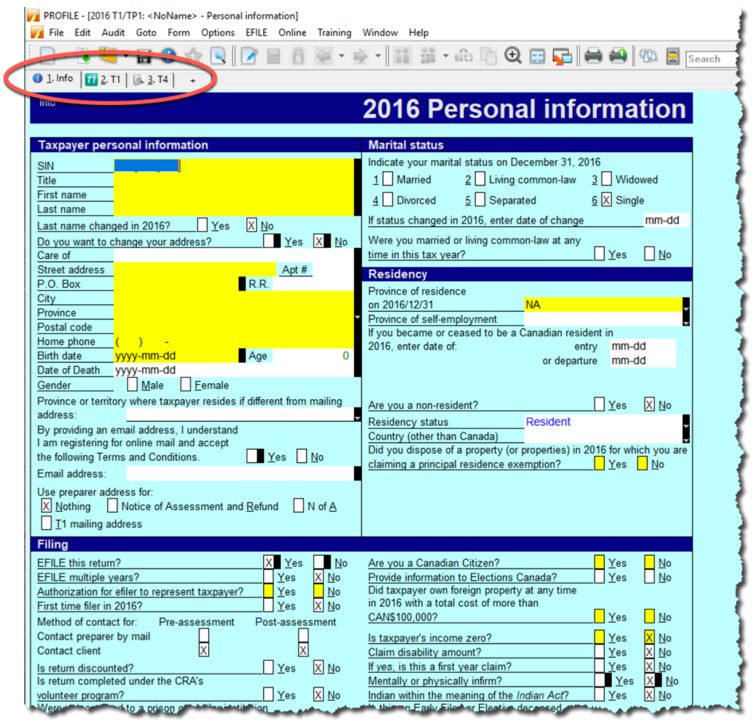


Over and above its own prior-year files, ProFile lets you carry forward files prepared in other tax applications including TurboTax, CanTax and TaxPrep. In addition, you can carry forward DT Max files by clicking, File > DT Max Carry Forward.



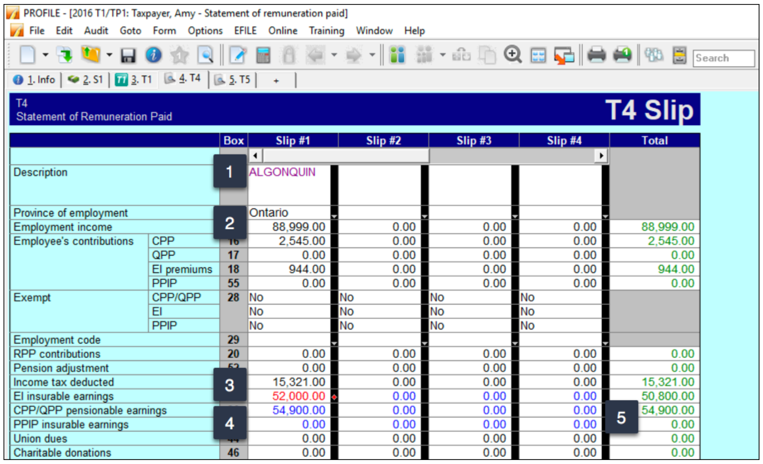
Whether you start with a new or carried-forward return, here are a few things to keep in mind:

- 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 ProFile opens by glancing at the forms' representative tabs
- The yellow fields denote the Passive Auditor's warnings about missing information



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 (from the window above), ProFile will launch the *T4 Slip* window which, after you enter an employee's earnings, will look like this



Colours, Diamonds and Arrows

Learning about colours

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

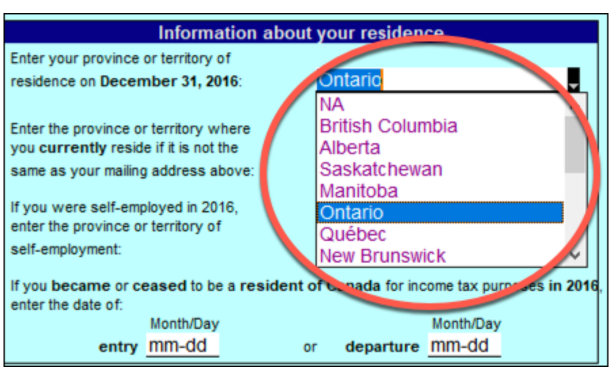
Fields with…

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

Arrows and Diamonds

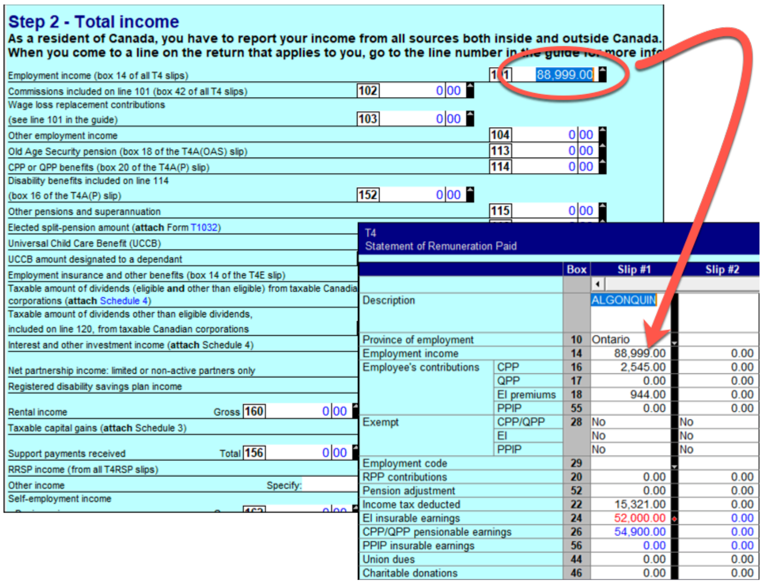
The right edge of certain fields may display an up-arrow, a down-arrow, or a diamond. Here's what those diagrams signify:

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



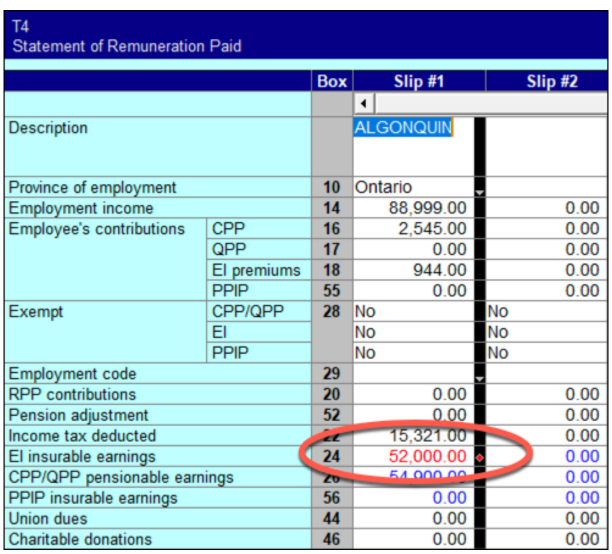
- When a field displays an *up* arrow, it means the data in that field originates from another form. In addition, ProFile displays amounts in those fields in blue font

- When a field has an up-arrow view, double-click it (or press F6) and ProFile will jump to the referenced form



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	Slip #2
Description			ALGONQUIN	
Province of employment		10	Ontario	
Employment income		14	88,999.00	0.00
Employee's contributions	CPP	16	2,545.00	0.00
	QPP	17	0.00	0.00
	EI premiums	18	944.00	0.00
	PPIP	55	0.00	0.00
Exempt	CPP/QPP	28	No	No
	EI		No	No
	PPIP		No	No
Employment code		29		
RPP contributions		20	0.00	0.00
Pension adjustment		52	0.00	0.00
Income tax deducted		22	15,321.00	0.00
EI insurable earnings		24	52,000.00	0.00
CPP/QPP pensionable earnings		26	54,900.00	0.00
PPIP insurable earnings		56	0.00	0.00
Union dues		44	0.00	0.00
Charitable donations		46	0.00	0.00

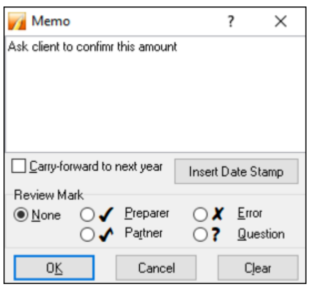
Overrides are great for "what if?" scenarios. After you complete your what-if analysis, just press the F2 key to cancel the override and return that field back to ProFile's original, calculated value.

Memos and Tapes

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

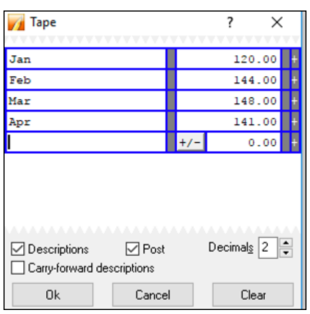
Using Memos

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

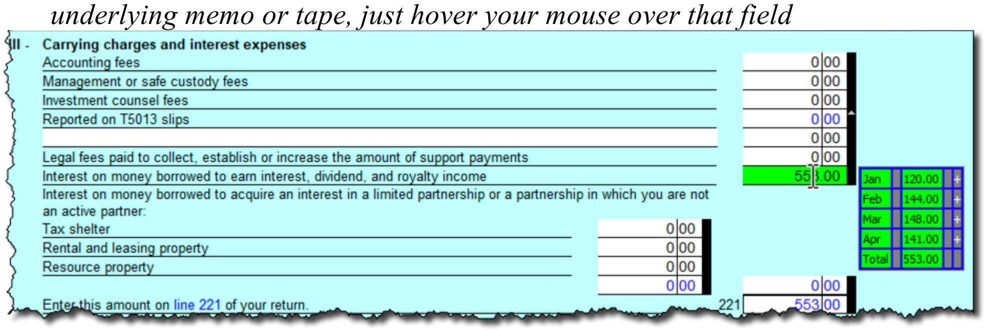


Using Tapes

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



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



Finding What You Need

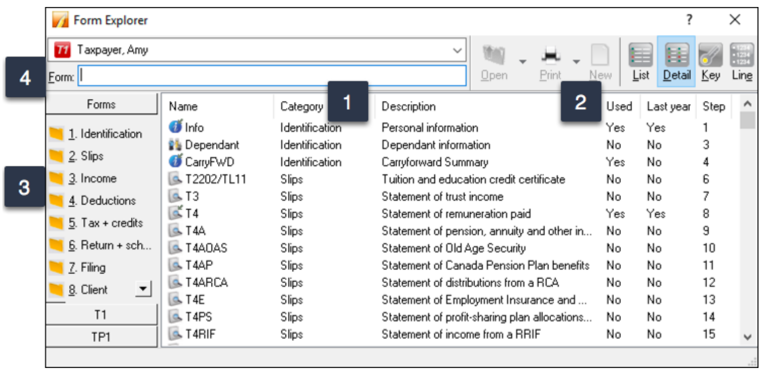
When preparing a tax return, you will, of course, want to work with additional forms and schedules. And, given you don't enter data directly on the tax jacket, this means you have to find those supporting forms and schedules somewhere in ProFile.

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

The Form Explorer

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

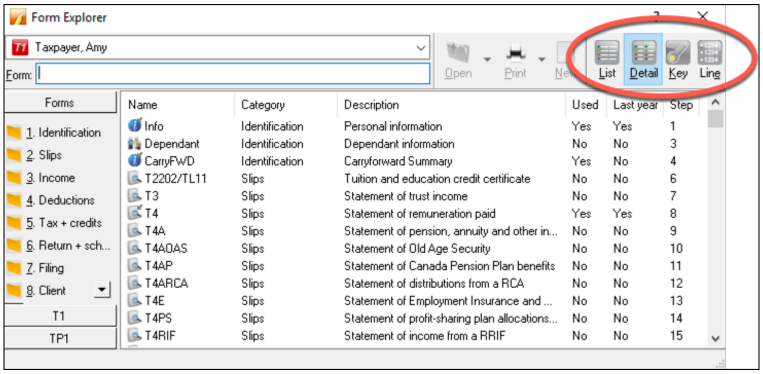
- To open the Form Explorer, click on the *Filing Cabinet* icon, or just press your keyboard's *F4* key



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

Form Explorer Icons

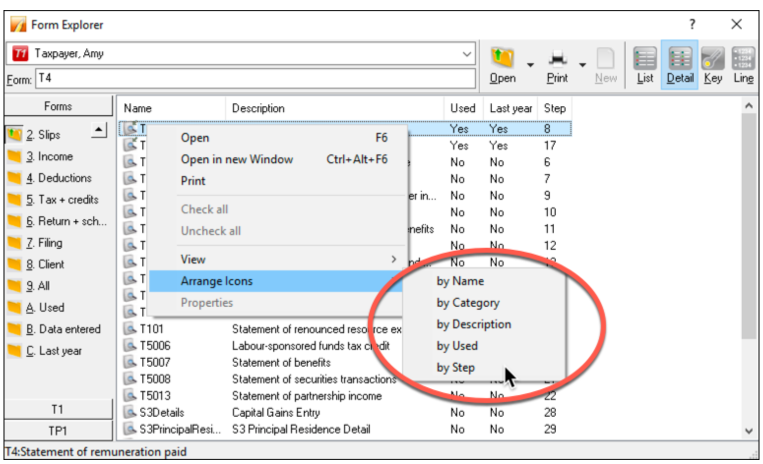
There are four icons at the top right of the *Form Explorer* window. These icons provide view options. The bullets below explain each icon's purpose:



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

One more thing

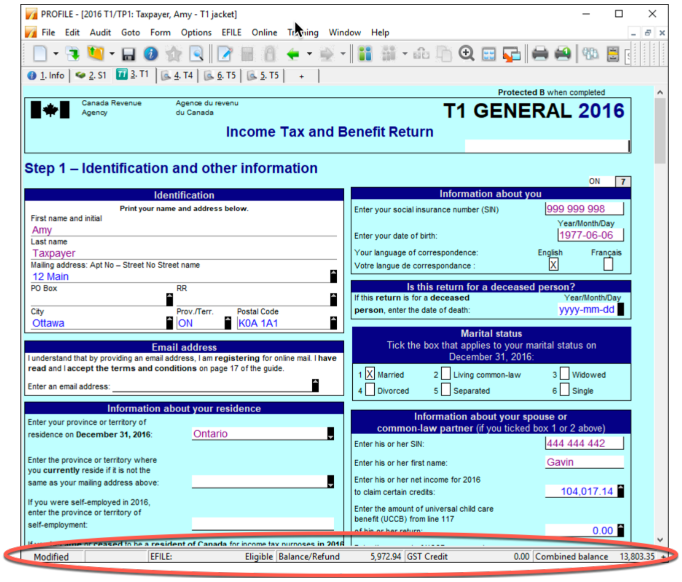
- If you right-click inside the *Form Explorer* window, you will open a dialog box that lets you choose whether to print, open or sort the *Form Explorer* view. Your options include sorting by name, category, descriptions, step or by whether the form was used



The Data Monitor

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

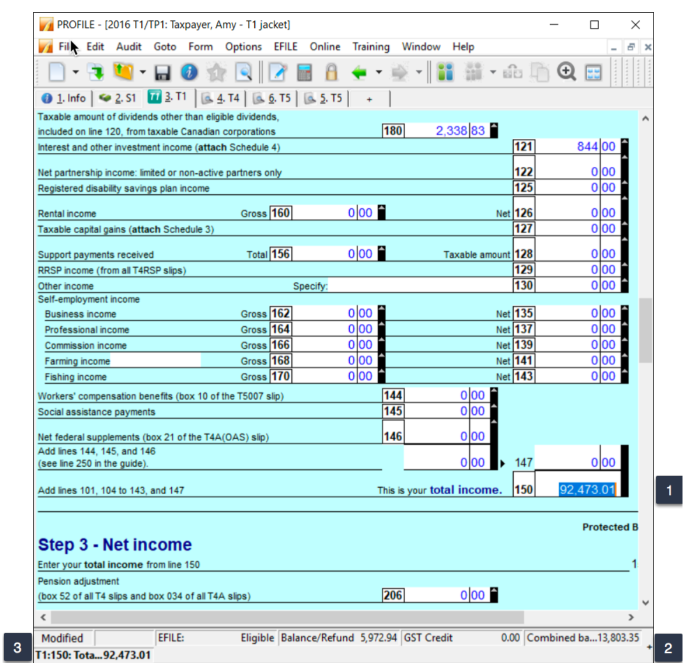
As you can see in the example below, the *Data Monitor* reveals that the taxpayer owes $5,972. In addition, because it is a spousal return, it also shows that the combined amount owing is $13,803. The *Data Monitor* reveals other information too, including available GST credits and Internet Filing eligibility.



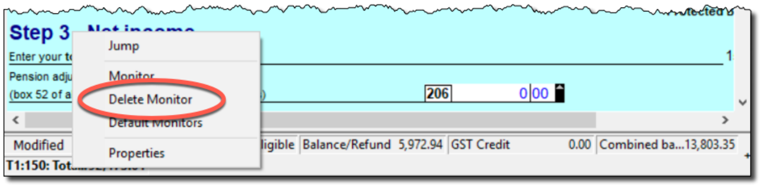
Customizing the Data Monitor

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

- For example, to display line 150, just highlight it 1
- Click the "+" sign at the bottom of the window 2
- You have just added Line 150 to the *Data Monitor* 3



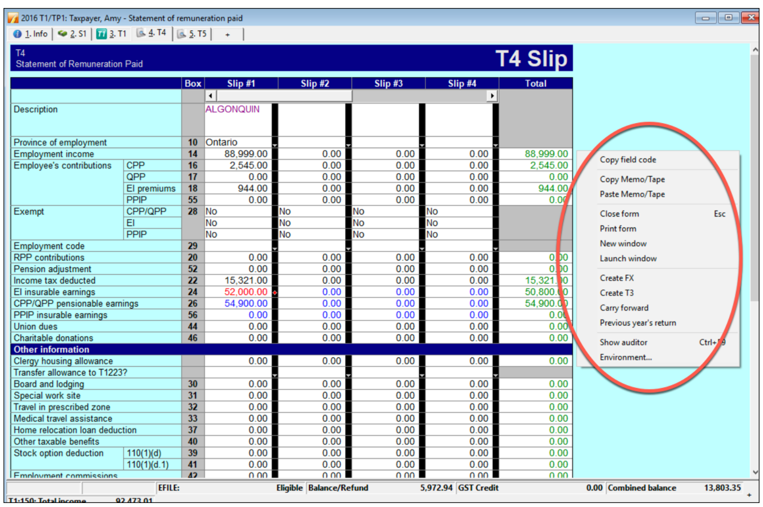
Removing a data monitor is easy. Just right-click it and select Delete



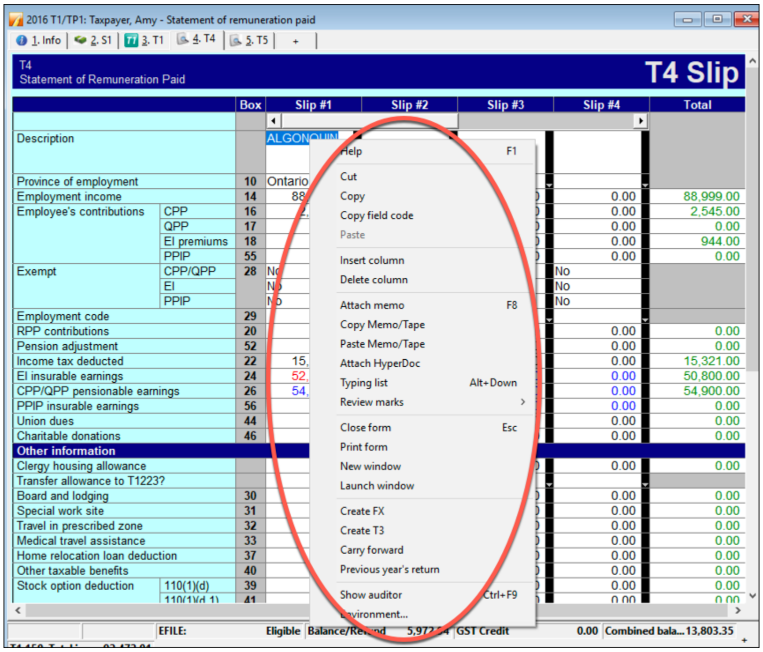
The power of a *Right-Click*

Right-click a form to get quick and easy access to additional functionality.

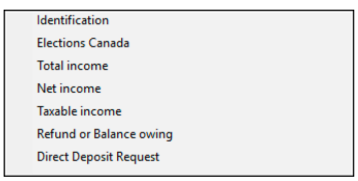
- Right-click over a blank area of a form, and ProFile gives you a set of instructions including *Print, Carry forward, Close, and Copy Memos and Tapes*
- You can also jump to specific areas of that form and, for carried-forward files, you can also launch last year's tax return

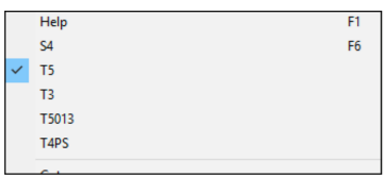


- If you right-click on a field, you'll see additional commands, including *Cut, Copy, Paste*, as well as *Insert/Delete columns* and *Attach Memo/Tape*



When you right-click over a blank area, or in a field, of the T1 Jacket, you can jump to specific areas of the tax file

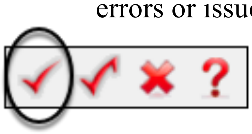




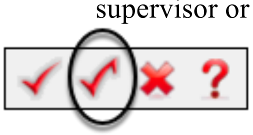
Review Marks

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

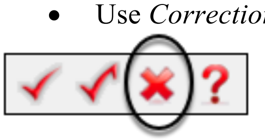
- Use the *Preparer Sign-off* to confirm the amounts entered on each line of a return, or to approve any errors or issues signaled by the *Passive Auditor*



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



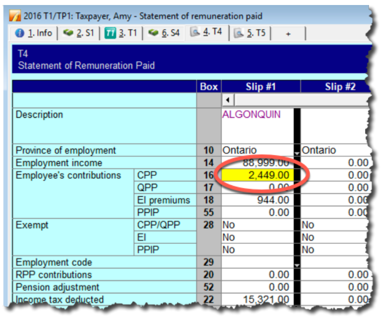
- Use *Correction Required* to flag a field error on the return



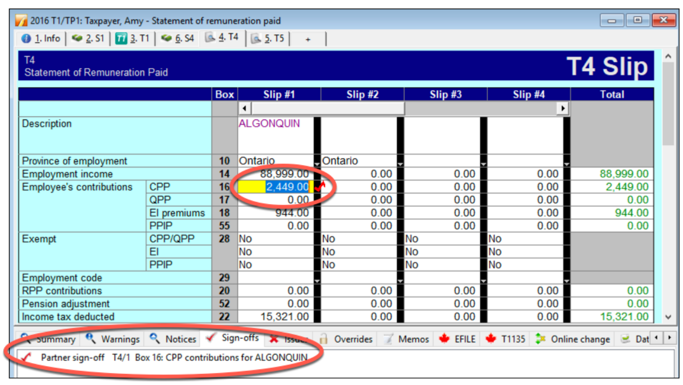
- Use the *Question Mark* to tag a field for further analysis

Using a Review Mark

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



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



Chapter 3 Quiz

Question 1: ProFile uses Tabs to:

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

Correct answer is A

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

Correct answer is False

Question 3: ProFile's toolbars include:

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

Correct answer is B

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

Correct answer is True

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

Correct answer is True

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

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

Correct answer is D

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

Correct answer is True

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

Correct answer is True

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

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

Correct answer is D

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

Correct answer is True

Chapter 4: A Basic T1

Chapter 4 Learning Objectives

At this chapter's conclusion, students will understand:

- How to prepare an individual's basic T1 tax return
- How to prepare a T1for a married couple
- The A to Z of preparing a T1 for a client, including CRA's EFILE system

T1 Basics

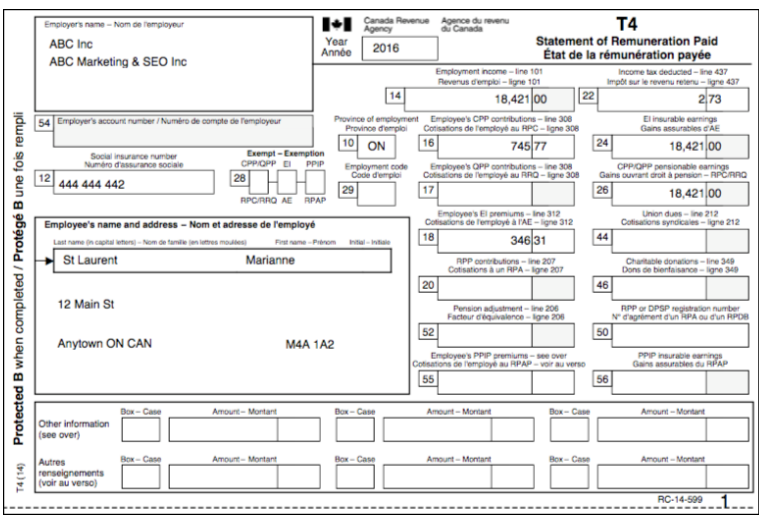
First of all, professional tax preparers rarely, if ever, use the term "tax return." Most will distinguish a tax return by its type. Rather than say "tax return," tax preparers will simply call a personal tax return a "T1." Likewise, a corporate tax return is a "T2," and a trust return, a "T3."

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

Paper versus ProFile

You might recall that Chapter 1 introduced a hand-written T1 for an individual named Marianne St Laurent. Let's explore how you would manually prepare Marianne's tax return using CRA's hard-copy forms and schedules.

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



Protected B when completed / Protégé B une fois rempli

Canada Revenue Agency / Agence du revenu du Canada

T4
Statement of Remuneration Paid
État de la rémunération payée

Year / Année: 2016

Employer's name – Nom de l'employeur: ABC Inc
ABC Marketing & SEO Inc

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

12 Social insurance number / Numéro d'assurance sociale: 444 444 442

28 Exempt – Exemption: CPP/QPP, EI, PPIP / RPC/RRQ, AE, RPAP

10 Province of employment / Province d'emploi: ON

29 Employment code / Code d'emploi:

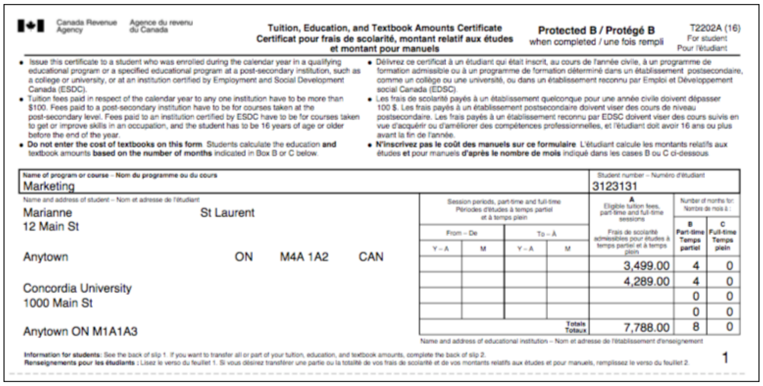
Box	Description	Amount	Box	Description	Amount
14	Employment income – line 101 / Revenus d'emploi – ligne 101	18,421 00	22	Income tax deducted – line 437 / Impôt sur le revenu retenu – ligne 437	2 73
16	Employee's CPP contributions – line 308 / Cotisations de l'employé au RPC – ligne 308	745 77	24	EI insurable earnings / Gains assurables d'AE	18,421 00
17	Employee's QPP contributions – line 308 / Cotisations de l'employé au RRQ – ligne 308		26	CPP/QPP pensionable earnings / Gains ouvrant droit à pension – RPC/RRQ	18,421 00
18	Employee's EI premiums – line 312 / Cotisations de l'employé à l'AE – ligne 312	346 31	44	Union dues – line 212 / Cotisations syndicales – ligne 212	
20	RPP contributions – line 207 / Cotisations à un RPA – ligne 207		46	Charitable donations – line 349 / Dons de bienfaisance – ligne 349	
52	Pension adjustment – line 206 / Facteur d'équivalence – ligne 206		50	RPP or DPSP registration number / N° d'agrément d'un RPA ou d'un RPDB	
55	Employee's PPIP premiums – see over / Cotisations de l'employé au RPAP – voir au verso		56	PPIP insurable earnings / Gains assurables du RPAP	

Employee's name and address – Nom et adresse de l'employé
Last name (in capital letters) – Nom de famille (en lettres moulées): St Laurent
First name – Prénom: Marianne
Initial – Initiale:
12 Main St
Anytown ON CAN M4A 1A2

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

T4 (14) RC-14-599 1

- Because Marianne was a full-time university student, she also received the following tuition slip



Canada Revenue Agency / Agence du revenu du Canada

Tuition, Education, and Textbook Amounts Certificate
Certificat pour frais de scolarité, montant relatif aux études et montant pour manuels

Protected B / Protégé B when completed / une fois rempli

T2202A (16) For student / Pour l'étudiant

- Issue this certificate to a student who was enrolled during the calendar year in a qualifying educational program or a specified educational program at a post-secondary institution, such as a college or university, or at an institution certified by Employment and Social Development Canada (ESDC).
- Tuition fees paid in respect of the calendar year to any one institution have to be more than $100. Fees paid to a post-secondary institution have to be for courses taken at the post-secondary level. Fees paid to an institution certified by ESDC have to be for courses taken to get or improve skills in an occupation, and the student has to be 16 years of age or older before the end of the year.
- **Do not enter the cost of textbooks on this form**. Students calculate the education **and** textbook amounts **based on the number of months** indicated in Box B or C below.

- Délivrez ce certificat à un étudiant qui était inscrit, au cours de l'année civile, à un programme de formation admissible ou à un programme de formation déterminé dans un établissement postsecondaire, comme un collège ou une université, ou dans un établissement reconnu par Emploi et Développement social Canada (EDSC).
- Les frais de scolarité payés à un établissement quelconque pour une année civile doivent dépasser 100 $. Les frais payés à un établissement postsecondaire doivent viser des cours de niveau postsecondaire. Les frais payés à un établissement reconnu par EDSC doivent viser des cours suivis en vue d'acquérir ou d'améliorer des compétences professionnelles, et l'étudiant doit avoir 16 ans ou plus avant la fin de l'année.
- **N'inscrivez pas le coût des manuels sur ce formulaire**. L'étudiant calcule les montants relatifs aux études **et** pour manuels **d'après le nombre de mois** indiqué dans les cases B ou C ci-dessous.

Name of program or course – Nom du programme ou du cours: Marketing
Student number – Numéro d'étudiant: 3123131

Name and address of student – Nom et adresse de l'étudiant:
Marianne St Laurent
12 Main St
Anytown ON M4A 1A2 CAN

Concordia University
1000 Main St
Anytown ON M1A1A3

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

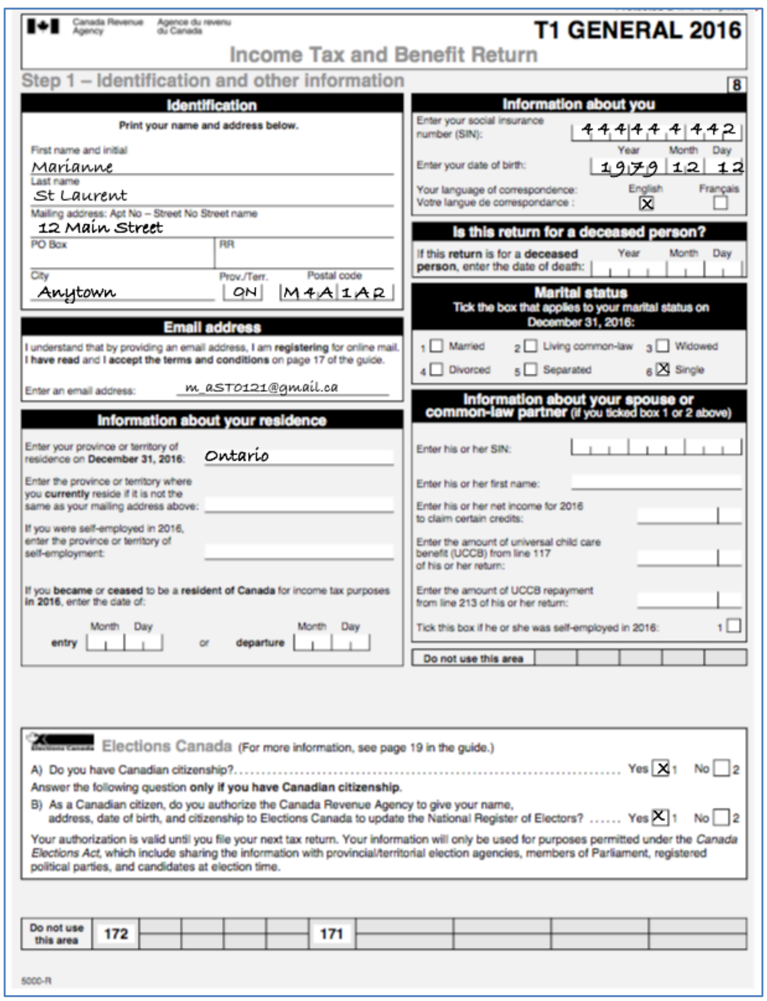
From – De Y – A	From – De M	To – À Y – A	To – À M	A Eligible tuition fees, part-time and full-time sessions / Frais de scolarité admissibles pour études à temps partiel et à temps plein	B Part-time / Temps partiel	C Full-time / Temps plein
				3,499.00	4	0
				4,289.00	4	0
					0	0
					0	0
			Totals / Totaux	7,788.00	8	0

Information for students: See the back of slip 1. If you want to transfer all or part of your tuition, education, and textbook amounts, complete the back of slip 2.
Renseignements pour les étudiants : Lisez le verso du feuillet 1. Si vous désirez transférer une partie ou la totalité de vos frais de scolarité et de vos montants relatifs aux études et pour manuels, remplissez le verso du feuillet 2.

1

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 your name, address and other contact info



Canada Revenue Agency / Agence du revenu du Canada

T1 GENERAL 2016

Income Tax and Benefit Return

Step 1 – Identification and other information 8

Identification

Print your name and address below.

First name and initial: Marianne
Last name: St Laurent
Mailing address: Apt No – Street No Street name: 12 Main Street
PO Box | RR
City: Anytown | Prov./Terr.: ON | Postal code: M4A1A2

Email address

I understand that by providing an email address, I am **registering** for online mail. I **have read** and I **accept the terms and conditions** on page 17 of the guide.

Enter an email address: m_asto121@gmail.ca

Information about your residence

Enter your province or territory of residence on **December 31, 2016**: Ontario

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

If you were self-employed in 2016, enter the province or territory of self-employment:

If you **became** or **ceased** to be a **resident of Canada** for income tax purposes **in 2016**, enter the date of: entry Month Day or departure Month Day

Information about you

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

Enter your date of birth: Year 1979 Month 12 Day 12

Your language of correspondence: / Votre langue de correspondance : English [X] Français [ ]

Is this return for a deceased person?

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

Marital status

Tick the box that applies to your marital status on December 31, 2016:

1 [ ] Married 2 [ ] Living common-law 3 [ ] Widowed
4 [ ] Divorced 5 [ ] Separated 6 [X] Single

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

Enter his or her SIN:

Enter his or her first name:

Enter his or her net income for 2016 to claim certain credits:

Enter the amount of universal child care benefit (UCCB) from line 117 of his or her return:

Enter the amount of UCCB repayment from line 213 of his or her return:

Tick this box if he or she was self-employed in 2016: 1 [ ]

Do not use this area

Elections Canada (For more information, see page 19 in the guide.)

A) Do you have Canadian citizenship? .... Yes [X] 1 No [ ] 2

Answer the following question **only if you have Canadian citizenship**.

B) As a Canadian citizen, do you authorize the Canada Revenue Agency to give your name, address, date of birth, and citizenship to Elections Canada to update the National Register of Electors? ...... Yes [X] 1 No [ ] 2

Your authorization is valid until you file your next tax return. Your information will only be used for purposes permitted under the *Canada Elections Act*, which include sharing the information with provincial/territorial election agencies, members of Parliament, registered political parties, and candidates at election time.

Do not use this area 172 171

5000-R

- On Page 2, enter the employment income amount as indicated on your employer's T4

Step 2 – Total income

As a resident of Canada, you have to report your income from all sources both inside and outside Canada.
When you come to a line on the return that applies to you, go to the line number in the guide for more information.

Employment income (box 14 of all T4 slips)			101	18, 421 00
Commissions included on line 101 (box 42 of all T4 slips)	102			
Wage loss replacement contributions (see line 101 in the guide)	103			
Other employment income			104 +	
Old age security pension (box 18 of the T4A(OAS) slip)			113 +	
CPP or QPP benefits (box 20 of the T4A(P) slip)			114 +	
Disability benefits included on line 114 (box 16 of the T4A(P) slip)	152			
Other pensions and superannuation			115 +	
Elected split-pension amount (**attach** Form T1032)			116 +	
Universal child care benefit (UCCB)			117 +	
UCCB amount designated to a dependant	185			
Employment insurance and other benefits (box 14 of the T4E slip)			119 +	
Taxable amount of dividends (eligible **and** other than eligible) from taxable Canadian corporations (**attach** Schedule 4)			120 +	
Taxable amount of dividends other than eligible dividends, included on line 120, from taxable Canadian corporations	180			
Interest and other investment income (**attach** Schedule 4)			121 +	
Net partnership income: limited or non-active partners only			122 +	
Registered disability savings plan income			125 +	
Rental income	Gross 160		Net 126 +	
Taxable capital gains (**attach** Schedule 3)			127 +	
Support payments received	Total 156		Taxable amount 128 +	
RRSP income (from all T4RSP slips)			129 +	
Other income Specify:			130 +	
Self-employment income				
Business income	Gross 162		Net 135 +	
Professional income	Gross 164		Net 137 +	
Commission income	Gross 166		Net 139 +	
Farming income	Gross 168		Net 141 +	
Fishing income	Gross 170		Net 143 +	
Workers' compensation benefits (box 10 of the T5007 slip)	144			
Social assistance payments	145 +			
Net federal supplements (box 21 of the T4A(OAS) slip)	146 +			
Add lines 144, 145, and 146 (see line 250 in the guide).	=		▶147 +	
Add lines 101, 104 to 143, and 147.		This is your total income.	150 =	18, 421 00

- Next, find Schedule 11 and use the T2202 issued by your learning institution to calculate your eligible tuition credits

T1-2016 **Tuition, Education, and Textbook Amounts** **Schedule 11**

For more information, see line 323 in the guide.

Only the student must complete this schedule and **attach** it to his or her return. Use it to:

- calculate your federal tuition, education, and textbook amounts;
- determine the federal amount available to transfer to a designated individual; and
- determine the unused federal amount, if any, available for you to carry forward to a future year.

Tuition, education, and textbook amounts claimed by the student for 2016

Unused federal tuition, education, and textbook amounts from your 2015 notice of assessment or notice of reassessment				1
Eligible tuition fees paid for 2016		320	7788 00	2

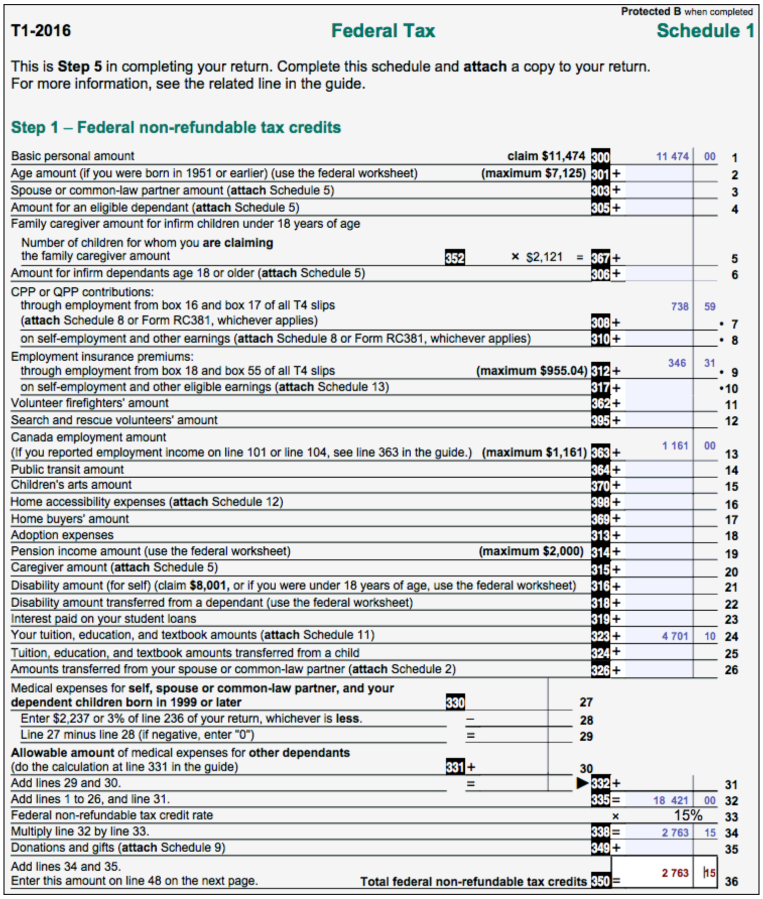
Education and textbook amounts for 2016
Part-time student: use column B of forms T2202A, TL11A, TL11B, and TL11C.
Do not include any month that is also included in column C.
Only one claim per month **(maximum 12 months)**

Education amount: Number of months from column **B**	× $120 =			3
Textbook amount: Number of months from column **B**	× $20 =	+		4
Add lines 3 and 4.	=	▶ 321 +		5

Full-time student: use column C of forms T2202A, TL11A, TL11B, and TL11C.
Only one claim per month **(maximum 12 months)**

Education amount: Number of months from column **C**	8 × $400 =	3200 00		6
Textbook amount: Number of months from column **C**	8 × $65 =	+ 520 00		7
Add lines 6 and 7.	=	▶ 322 +	3720 00	8
Add lines 2, 5, and 8. **Total 2016 tuition, education, and textbook amounts**	=	▶ +	11 508 00	9
Add lines 1 and 9. **Total available tuition, education, and textbook amounts**		=	11 508 00	10
Enter the amount of your taxable income from line 260 of your return if it is $45,282 or less. If your taxable income is more than $45,282, enter instead the result of the following calculation: amount from line 45 of your Schedule 1 divided by 15%.	18421 00			11
Total of lines 1 to 22 of your Schedule 1	– 13 719 00			12
Line 11 minus line 12 (if negative, enter "0")	= 4 701 10			13
Unused tuition, education, and textbook amounts claimed for 2016 Amount from line 1 or line 13, whichever is **less**	–	▶	0 00	14
Line 13 minus line 14	= 4 701 00			15
2016 tuition, education, and textbook amounts claimed for 2016 Amount from line 9 or line 15, whichever is **less**		+	4 701 10	16
Add lines 14 and 16. Enter this amount on line 323 of Schedule 1. **Total tuition, education, and textbook amounts claimed for 2016**		=	4 701 10	17

- You will also need to find Schedule 1 and enter the basic personal amount at line 300, the Canada employment amount at line 363, and the CPP and EI amounts from your T4 slip at lines 308 and 312. Finally, transfer the amount from line 17 of Schedule 11 to line 323 of Schedule 1



Protected B when completed

T1-2016 **Federal Tax** **Schedule 1**

This is **Step 5** in completing your return. Complete this schedule and **attach** a copy to your return.
For more information, see the related line in the guide.

Step 1 – Federal non-refundable tax credits

Basic personal amount	claim $11,474	300	11 474	00	1
Age amount (if you were born in 1951 or earlier) (use the federal worksheet)	(maximum $7,125)	301 +			2
Spouse or common-law partner amount (**attach** Schedule 5)		303 +			3
Amount for an eligible dependant (**attach** Schedule 5)		305 +			4
Family caregiver amount for infirm children under 18 years of age Number of children for whom you **are claiming** the family caregiver amount	352 × $2,121 =	367 +			5
Amount for infirm dependants age 18 or older (**attach** Schedule 5)		306 +			6
CPP or QPP contributions: through employment from box 16 and box 17 of all T4 slips (**attach** Schedule 8 or Form RC381, whichever applies)		308 +	738	59	• 7
on self-employment and other earnings (**attach** Schedule 8 or Form RC381, whichever applies)		310 +			• 8
Employment insurance premiums: through employment from box 18 and box 55 of all T4 slips	(maximum $955.04)	312 +	346	31	• 9
on self-employment and other eligible earnings (**attach** Schedule 13)		317 +			•10
Volunteer firefighters' amount		362 +			11
Search and rescue volunteers' amount		395 +			12
Canada employment amount (If you reported employment income on line 101 or line 104, see line 363 in the guide.)	(maximum $1,161)	363 +	1 161	00	13
Public transit amount		364 +			14
Children's arts amount		370 +			15
Home accessibility expenses (**attach** Schedule 12)		398 +			16
Home buyers' amount		369 +			17
Adoption expenses		313 +			18
Pension income amount (use the federal worksheet)	(maximum $2,000)	314 +			19
Caregiver amount (**attach** Schedule 5)		315 +			20
Disability amount (for self) (claim **$8,001**, or if you were under 18 years of age, use the federal worksheet)		316 +			21
Disability amount transferred from a dependant (use the federal worksheet)		318 +			22
Interest paid on your student loans		319 +			23
Your tuition, education, and textbook amounts (**attach** Schedule 11)		323 +	4 701	10	24
Tuition, education, and textbook amounts transferred from a child		324 +			25
Amounts transferred from your spouse or common-law partner (**attach** Schedule 2)		326 +			26
Medical expenses for **self, spouse or common-law partner, and your dependent children born in 1999 or later**	330	27			
Enter $2,237 or 3% of line 236 of your return, whichever is **less**.	–	28			
Line 27 minus line 28 (if negative, enter "0")	=	29			
Allowable amount of medical expenses for **other dependants** (do the calculation at line 331 in the guide)	331 +	30			
Add lines 29 and 30.	=	▶ 332 +			31
Add lines 1 to 26, and line 31.		335 =	18 421	00	32
Federal non-refundable tax credit rate		×	15%		33
Multiply line 32 by line 33.		338 =	2 763	15	34
Donations and gifts (**attach** Schedule 9)		349 +			35
Add lines 34 and 35. Enter this amount on line 48 on the next page.	Total federal non-refundable tax credits	350 =	2 763	15	36

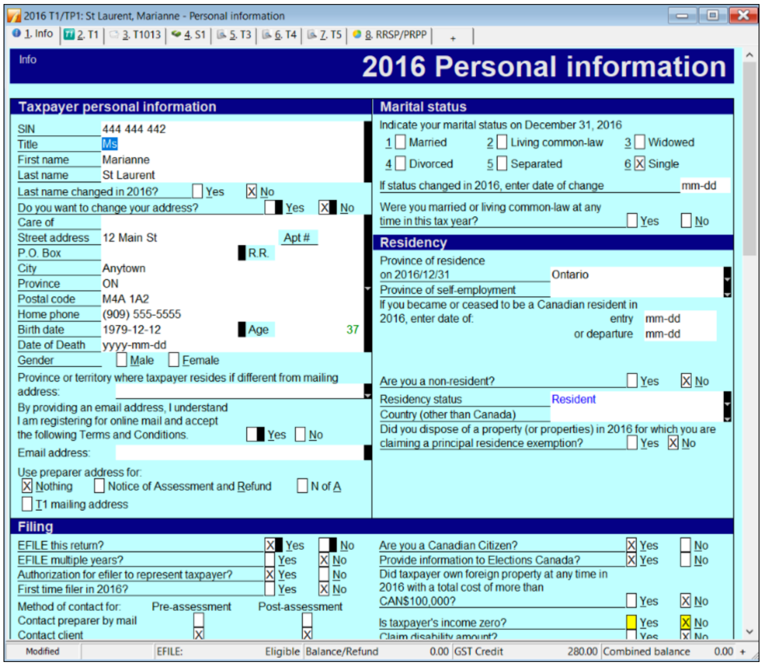
Paper Observations

As you can see from the example above, it quickly becomes evident that manually preparing even the most basic is a protracted and complex affair. The need for complex calculations, the risk of omitting a schedule or form, or of not transferring the proper amounts to said forms, all mean that the probability of errors and omissions is, in fact, quite high.

Once again, in ProFile

Let's now explore how we prepare the same T1 in Profile:

- Launch ProFile and go to *File > New > 2016 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 the image below



2016 T1/TP1: St Laurent, Marianne - Personal information

1. Info | 2. T1 | 3. T1013 | 4. S1 | 5. T3 | 6. T4 | 7. T5 | 8. RRSP/PRPP

Info

2016 Personal information

Taxpayer personal information

SIN	444 444 442
Title	Ms
First name	Marianne
Last name	St Laurent
Last name changed in 2016?	Yes / [X] No
Do you want to change your address?	Yes / [X] No
Care of	
Street address	12 Main St — Apt #
P.O. Box	R.R.
City	Anytown
Province	ON
Postal code	M4A 1A2
Home phone	(909) 555-5555
Birth date	1979-12-12 — Age 37
Date of Death	yyyy-mm-dd
Gender	Male / Female

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

By providing an email address, I understand I am registering for online mail and accept the following Terms and Conditions. Yes / No

Email address:

Use preparer address for: [X] Nothing / Notice of Assessment and Refund / N of A / T1 mailing address

Marital status

Indicate your marital status on December 31, 2016

1 Married — 2 Living common-law — 3 Widowed — 4 Divorced — 5 Separated — 6 [X] Single

If status changed in 2016, enter date of change: mm-dd

Were you married or living common-law at any time in this tax year? Yes / No

Residency

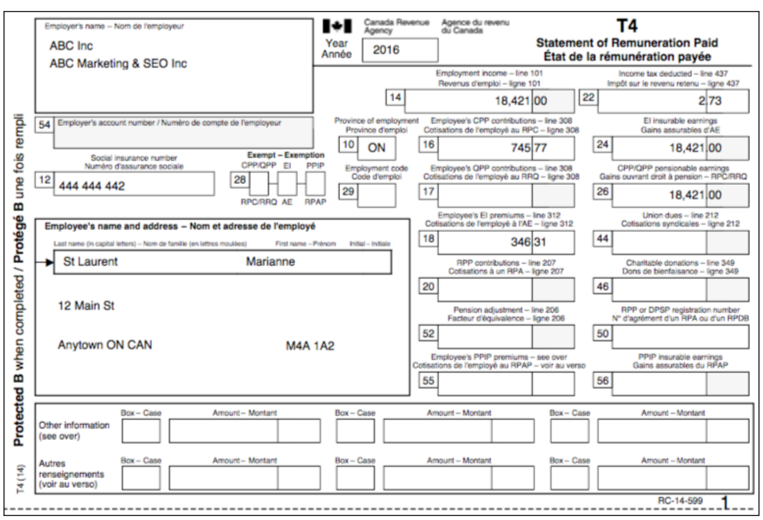
Province of residence on 2016/12/31	Ontario
Province of self-employment	
If you became or ceased to be a Canadian resident in 2016, enter date of: entry	mm-dd
or departure	mm-dd
Are you a non-resident?	Yes / [X] No
Residency status	Resident
Country (other than Canada)	
Did you dispose of a property (or properties) in 2016 for which you are claiming a principal residence exemption?	Yes / [X] No

Filing

EFILE this return?	[X] Yes / No
EFILE multiple years?	Yes / [X] No
Authorization for efiler to represent taxpayer?	[X] Yes / No
First time filer in 2016?	Yes / [X] No
Method of contact for:	Pre-assessment / Post-assessment
Contact preparer by mail	
Contact client	[X] / [X]
Are you a Canadian Citizen?	[X] Yes / No
Provide information to Elections Canada?	[X] Yes / No
Did taxpayer own foreign property at any time in 2016 with a total cost of more than CAN$100,000?	Yes / [X] No
Is taxpayer's income zero?	Yes / [X] No
Claim disability amount?	Yes / [X] No

Modified | EFILE: | Eligible | Balance/Refund 0.00 | GST Credit 280.00 | Combined balance 0.00

- Once again, here is the T4 slip—statement of remuneration—that Marianne received from her employer



Canada Revenue Agency / Agence du revenu du Canada

T4

Statement of Remuneration Paid
État de la rémunération payée

Year / Année: 2016

Employer's name – Nom de l'employeur: ABC Inc, ABC Marketing & SEO Inc

Box	Description	Amount
14	Employment income – line 101 / Revenus d'emploi – ligne 101	18,421 00
22	Income tax deducted – line 437 / Impôt sur le revenu retenu – ligne 437	2 73
10	Province of employment / Province d'emploi	ON
16	Employee's CPP contributions – line 308 / Cotisations de l'employé au RPC – ligne 308	745 77
24	EI insurable earnings / Gains assurables d'AE	18,421 00
29	Employment code / Code d'emploi	
17	Employee's QPP contributions – line 308 / Cotisations de l'employé au RRQ – ligne 308	
26	CPP/QPP pensionable earnings / Gains ouvrant droit à pension – RPC/RRQ	18,421 00
18	Employee's EI premiums – line 312 / Cotisations de l'employé à l'AE – ligne 312	346 31
44	Union dues – line 212 / Cotisations syndicales – ligne 212	
20	RPP contributions – line 207 / Cotisations à un RPA – ligne 207	
46	Charitable donations – line 349 / Dons de bienfaisance – ligne 349	
52	Pension adjustment – line 206 / Facteur d'équivalence – ligne 206	
50	RPP or DPSP registration number / N° d'agrément d'un RPA ou d'un RPDB	
55	Employee's PPIP premiums – see over / Cotisations de l'employé au RPAP – voir au verso	
56	PPIP insurable earnings / Gains assurables du RPAP	

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

12 Social insurance number / Numéro d'assurance sociale: 444 444 442

28 Exempt – Exemption: CPP/QPP, EI, PPIP / RPC/RRQ, AE, RPAP

Employee's name and address – Nom et adresse de l'employé

Last name (in capital letters) – Nom de famille (en lettres moulées): St Laurent — First name – Prénom: Marianne — Initial – Initiale

12 Main St

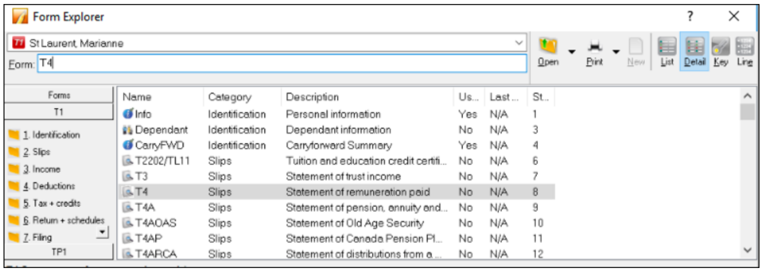
Anytown ON CAN M4A 1A2

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

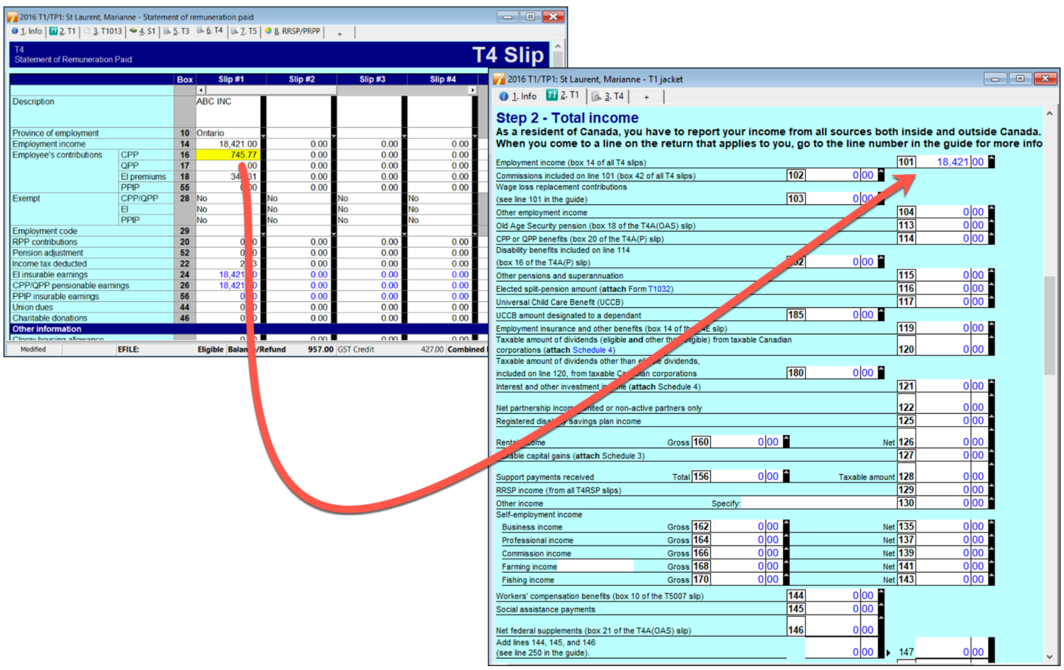
Protected B when completed / Protégé B une fois rempli

T4 (14) — RC-14-599 — 1

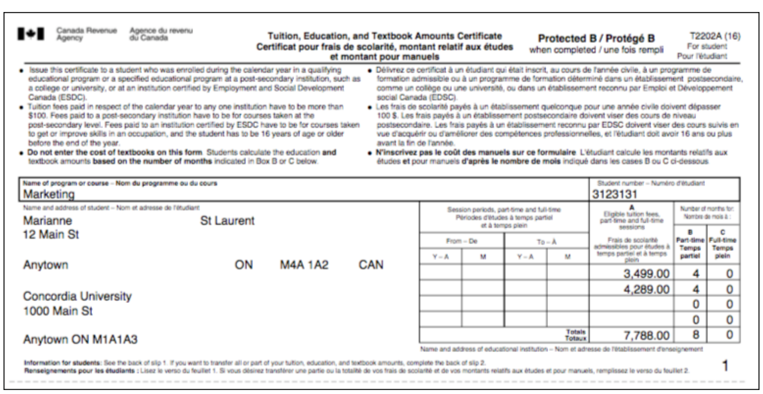
- To record the T4 slip in ProFile, press the *F4* key to open Form Explorer and then, in the Search field, type T4. Double-click the T4 line in the right pane of the Form Explorer window, and ProFile will open that form



- Enter the data on the T4 Slip form line by line
- And ProFile will transfer the T4 amounts to the corresponding line on the T1 return itself (the T1 Jacket)



- And here, again, is Marianne's tuition slip



Canada Revenue Agency / Agence du revenu du Canada

Tuition, Education, and Textbook Amounts Certificate
Certificat pour frais de scolarité, montant relatif aux études et montant pour manuels

Protected B / Protégé B when completed / une fois rempli

T2202A (16)
For student
Pour l'étudiant

- Issue this certificate to a student who was enrolled during the calendar year in a qualifying educational program or a specified educational program at a post-secondary institution, such as a college or university, or at an institution certified by Employment and Social Development Canada (ESDC).
- Tuition fees paid in respect of the calendar year to any one institution have to be more than $100. Fees paid to a post-secondary institution have to be for courses taken at the post-secondary level. Fees paid to an institution certified by ESDC have to be for courses taken to get or improve skills in an occupation, and the student has to be 16 years of age or older before the end of the year.
- **Do not enter the cost of textbooks on this form.** Students calculate the education **and** textbook amounts **based on the number of months** indicated in Box B or C below.

- Délivrez ce certificat à un étudiant qui était inscrit, au cours de l'année civile, à un programme de formation admissible ou à un programme de formation déterminé dans un établissement postsecondaire, comme un collège ou une université, ou dans un établissement reconnu par Emploi et Développement social Canada (EDSC).
- Les frais de scolarité payés à un établissement quelconque pour une année civile doivent dépasser 100 $. Les frais payés à un établissement postsecondaire doivent viser des cours de niveau postsecondaire. Les frais payés à un établissement reconnu par EDSC doivent viser des cours suivis en vue d'acquérir ou d'améliorer des compétences professionnelles, et l'étudiant doit avoir 16 ans ou plus avant la fin de l'année.
- **N'inscrivez pas le coût des manuels sur ce formulaire.** L'étudiant calcule les montants relatifs aux études **et** pour manuels **d'après le nombre de mois** indiqué dans les cases B ou C ci-dessous.

Name of program or course – Nom du programme ou du cours: Marketing

Student number – Numéro d'étudiant: 3123131

Name and address of student – Nom et adresse de l'étudiant:
Marianne St Laurent
12 Main St
Anytown ON M4A 1A2 CAN

Concordia University
1000 Main St
Anytown ON M1A1A3

Session periods, part-time and full-time / Périodes d'études à temps partiel et à temps plein: From – De Y – A	M	To – À Y – A	M	A Eligible tuition fees, part-time and full-time sessions / Frais de scolarité admissibles pour études à temps partiel et à temps plein	B Part-time / Temps partiel	C Full-time / Temps plein
				3,499.00	4	0
				4,289.00	4	0
				0	0	0
				0	0	0
			Totals / Totaux	7,788.00	8	0

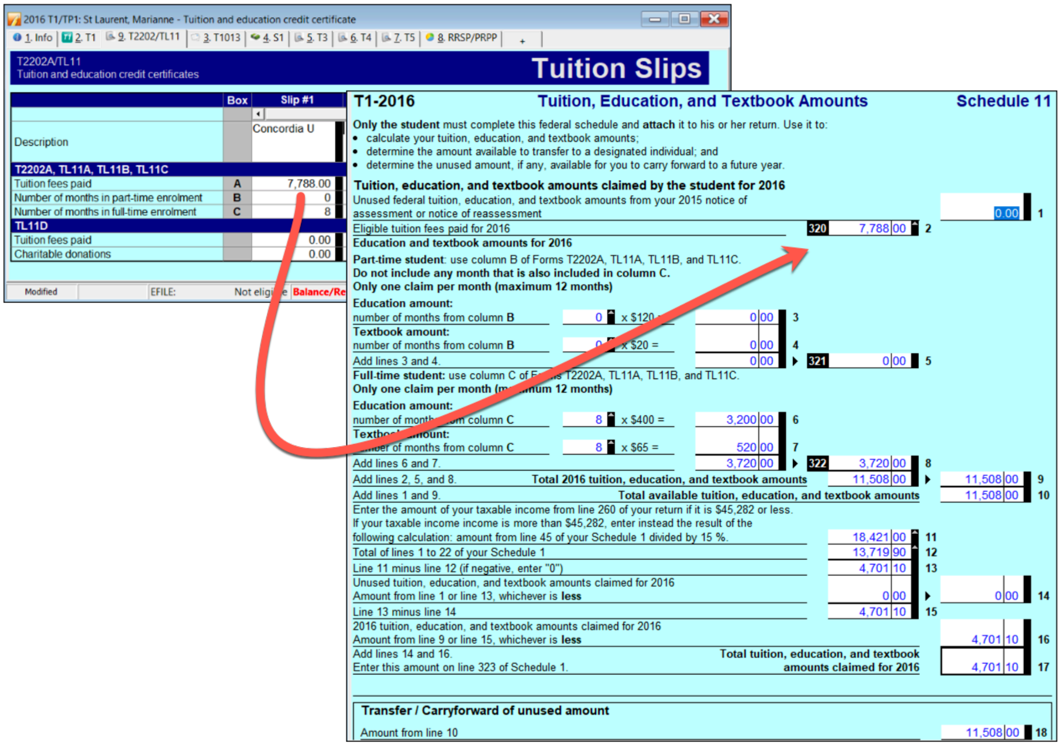
Name and address of educational institution – Nom et adresse de l'établissement d'enseignement

Information for students: See the back of slip 1. If you want to transfer all or part of your tuition, education, and textbook amounts, complete the back of slip 2.
Renseignements pour les étudiants : Lisez le verso du feuillet 1. Si vous désirez transférer une partie ou la totalité de vos frais de scolarité et de vos montants relatifs aux études et pour manuels, remplissez le verso du feuillet 2.

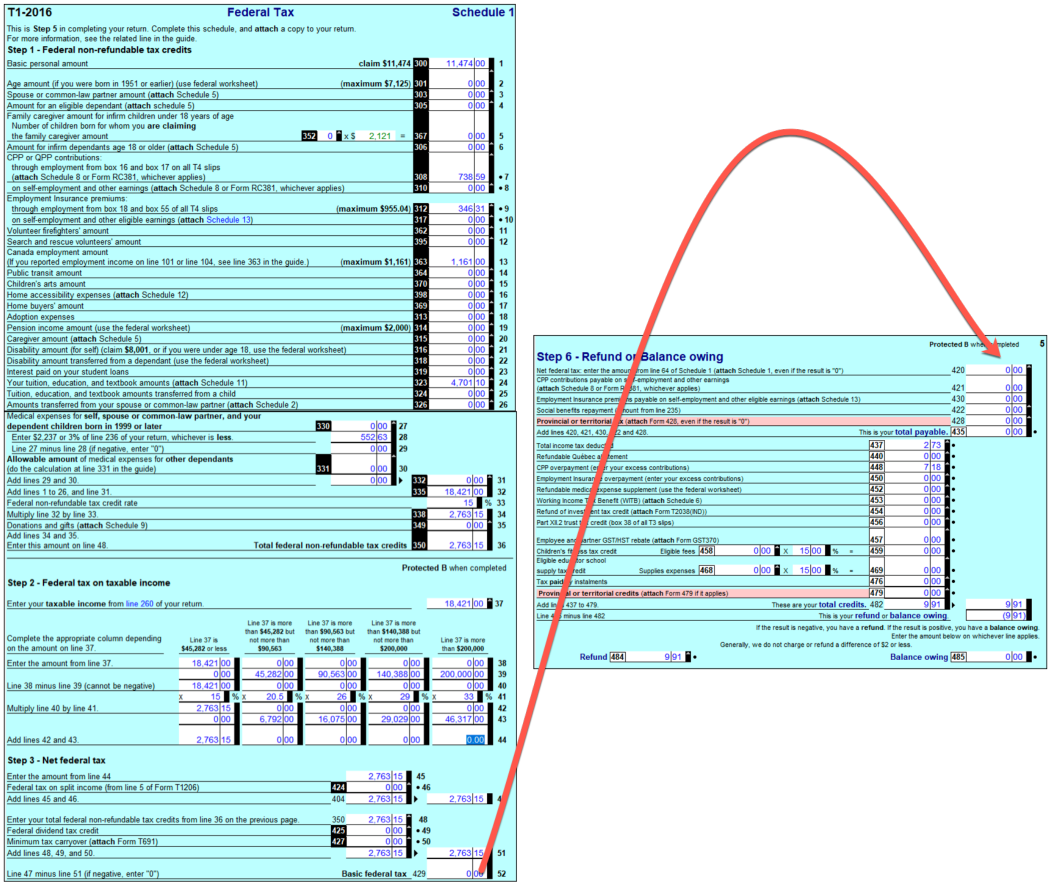
1

- 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



- And ProFile will then transfer the amounts from Schedule 11 to the Schedule 1 and, finally to the T1 Jacket



T1-2016 **Federal Tax** **Schedule 1**

This is **Step 5** in completing your return. Complete this schedule, and **attach** a copy to your return.
For more information, see the related line in the guide.

Step 1 - Federal non-refundable tax credits

Basic personal amount	claim $11,474	300	11,474 00	1
Age amount (if you were born in 1951 or earlier) (use federal worksheet)	(maximum $7,125)	301	0 00	2
Spouse or common-law partner amount (attach Schedule 5)		303	0 00	3
Amount for an eligible dependant (attach schedule 5)		305	0 00	4
Family caregiver amount for infirm children under 18 years of age Number of children born for whom you are claiming the family caregiver amount	352 0 x $ 2,121 =	367	0 00	5
Amount for infirm dependants age 18 or older (attach Schedule 5)		306	0 00	6
CPP or QPP contributions: through employment from box 16 and box 17 on all T4 slips (attach Schedule 8 or Form RC381, whichever applies)		308	738 59	• 7
on self-employment and other earnings (attach Schedule 8 or Form RC381, whichever applies)		310	0 00	• 8
Employment Insurance premiums: through employment from box 18 and box 55 of all T4 slips	(maximum $955.04)	312	346 31	• 9
on self-employment and other eligible earnings (attach Schedule 13)		317	0 00	• 10
Volunteer firefighters' amount		362	0 00	11
Search and rescue volunteers' amount		395	0 00	12
Canada employment amount (If you reported employment income on line 101 or line 104, see line 363 in the guide.)	(maximum $1,161)	363	1,161 00	13
Public transit amount		364	0 00	14
Children's arts amount		370	0 00	15
Home accessibility expenses (attach Schedule 12)		398	0 00	16
Home buyers' amount		369	0 00	17
Adoption expenses		313	0 00	18
Pension income amount (use the federal worksheet)	(maximum $2,000)	314	0 00	19
Caregiver amount (attach Schedule 5)		315	0 00	20
Disability amount (for self) (claim $8,001, or if you were under age 18, use the federal worksheet)		316	0 00	21
Disability amount transferred from a dependant (use the federal worksheet)		318	0 00	22
Interest paid on your student loans		319	0 00	23
Your tuition, education, and textbook amounts (attach Schedule 11)		323	4,701 10	24
Tuition, education, and textbook amounts transferred from a child		324	0 00	25
Amounts transferred from your spouse or common-law partner (attach Schedule 2)		326	0 00	26

Medical expenses for **self, spouse or common-law partner, and your dependent children born in 1999 or later**	330	0 00	27			
Enter $2,237 or 3% of line 236 of your return, whichever is **less**.		552 63	28			
Line 27 minus line 28 (if negative, enter "0")		0 00	29			
Allowable amount of medical expenses for **other dependants** (do the calculation at line 331 in the guide)	331	0 00	30			
Add lines 29 and 30.		0 00	▸	332	0 00	31
Add lines 1 to 26, and line 31.				335	18,421 00	32
Federal non-refundable tax credit rate					15 %	33
Multiply line 32 by line 33.				338	2,763 15	34
Donations and gifts (attach Schedule 9)				349	0 00	35
Add lines 34 and 35. Enter this amount on line 48. **Total federal non-refundable tax credits**				350	2,763 15	36

Protected B when completed

Step 2 - Federal tax on taxable income

Enter your **taxable income** from line 260 of your return. 18,421 00 37

Complete the appropriate column depending on the amount on line 37.	Line 37 is $45,282 or less	Line 37 is more than $45,282 but not more than $90,563	Line 37 is more than $90,563 but not more than $140,388	Line 37 is more than $140,388 but not more than $200,000	Line 37 is more than $200,000	
Enter the amount from line 37.	18,421 00	0 00	0 00	0 00	0 00	38
	0 00	45,282 00	90,563 00	140,388 00	200,000 00	39
Line 38 minus line 39 (cannot be negative)	18,421 00	0 00	0 00	0 00	0 00	40
	x 15 %	x 20.5 %	x 26 %	x 29 %	x 33 %	41
Multiply line 40 by line 41.	2,763 15	0 00	0 00	0 00	0 00	42
	0 00	6,792 00	16,075 00	29,029 00	46,317 00	43
Add lines 42 and 43.	2,763 15	0 00	0 00	0 00	0.00	44

Step 3 - Net federal tax

Enter the amount from line 44		2,763 15	45		
Federal tax on split income (from line 5 of Form T1206)	424	0 00	• 46		
Add lines 45 and 46.	404	2,763 15	▸	2,763 15	47
Enter your total federal non-refundable tax credits from line 36 on the previous page.	350	2,763 15	48		
Federal dividend tax credit	425	0 00	• 49		
Minimum tax carryover (attach Form T691)	427	0 00	• 50		
Add lines 48, 49, and 50.		2,763 15	▸	2,763 15	51
Line 47 minus line 51 (if negative, enter "0") **Basic federal tax**	429			0 00	52

Protected B when completed 5

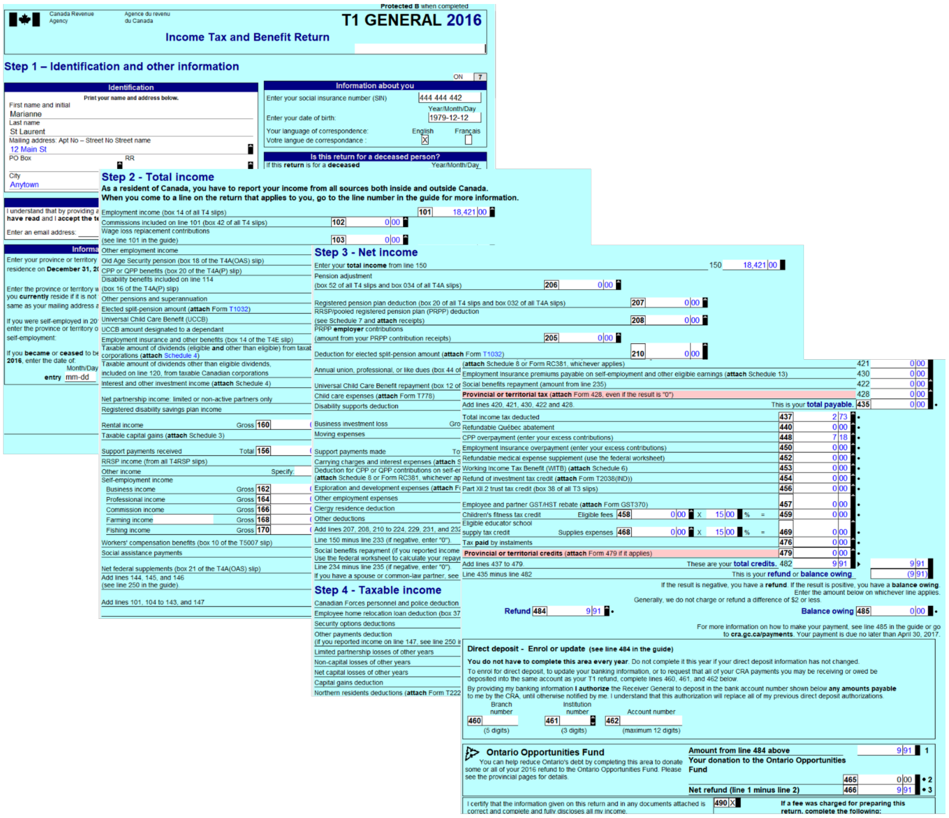
Step 6 - Refund or Balance owing

Net federal tax: enter the amount from line 64 of Schedule 1 (attach Schedule 1, even if the result is "0")			420	0 00
CPP contributions payable on self-employment and other earnings (attach Schedule 8 or Form RC381, whichever applies)			421	0 00
Employment Insurance premiums payable on self-employment and other eligible earnings (attach Schedule 13)			430	0 00
Social benefits repayment (amount from line 235)			422	0 00
Provincial or territorial tax (attach Form 428, even if the result is "0")			428	0 00
Add lines 420, 421, 430, 422 and 428. This is your **total payable.**			435	0 00 •
Total income tax deducted	437	2 73 •		
Refundable Québec abatement	440	0 00 •		
CPP overpayment (enter your excess contributions)	448	7 18 •		
Employment Insurance overpayment (enter your excess contributions)	450	0 00 •		
Refundable medical expense supplement (use the federal worksheet)	452	0 00 •		
Working Income Tax Benefit (WITB) (attach Schedule 6)	453	0 00 •		
Refund of investment tax credit (attach Form T2038(IND))	454	0 00 •		
Part XII.2 trust tax credit (box 38 of all T3 slips)	456	0 00 •		
Employee and partner GST/HST rebate (attach Form GST370)	457	0 00 •		
Children's fitness tax credit — Eligible fees 458 0 00 x 15 00 % =	459	0 00 •		
Eligible educator school supply tax credit — Supplies expenses 468 0 00 x 15 00 % =	469	0 00 •		
Tax paid by instalments	476	0 00 •		
Provincial or territorial credits (attach Form 479 if it applies)	479	0 00 •		
Add lines 437 to 479. These are your **total credits.**	482	9 91	▸	9 91
Line 435 minus line 482 This is your **refund** or **balance owing.**				(9 91)

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 applies.
Generally, we do not charge or refund a difference of $2 or less.

Refund 484 9 91 • **Balance owing** 485 0 00 •

- Because Marianne had no other slips or additional information to record, here is snapshot of her tax return
- Note that the last page of the tax return indicates that Marianne is receiving a refund of $9.91



Conclusion

As can be seen from the illustration above, ProFile—at least with a basic T1—provides guided tax preparation that requires you to simply enter information on the required forms and slip (in this example T4 and T2202) and ProFile will then complete the T1 based on those entries.

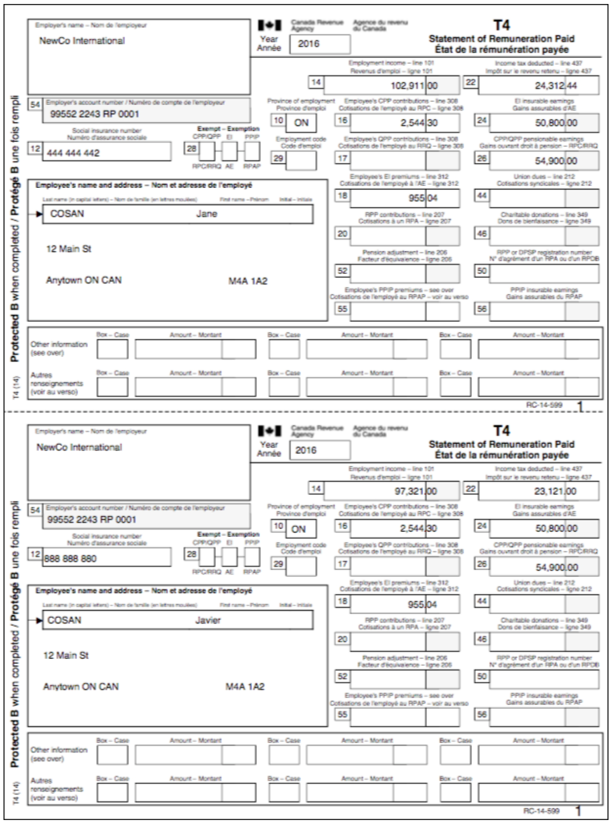
Contrast that with the same hand-written example, and the benefits gained by using tax-preparation software are immediately evident.

A Tax Practitioner Approach

Preparing a T1 for a Married Couple

This section explores how a tax preparer works with a client—in this example, a married couple named Jane and Javier Cosan—who have asked you to file their T1 returns. So that you can proceed, they provide you with the following tax slips:

- T4 slips that itemize each spouse's employment earnings



T4 Statement of Remuneration Paid / État de la rémunération payée

Employer's name – Nom de l'employeur: NewCo International
Year / Année: 2016

Box	Description	Amount
14	Employment income – line 101	102,911.00
22	Income tax deducted – line 437	24,312.44
54	Employer's account number	99552 2243 RP 0001
10	Province of employment	ON
16	Employee's CPP contributions – line 308	2,544.30
24	EI insurable earnings	50,800.00
12	Social insurance number	444 444 442
26	CPP/QPP pensionable earnings	54,900.00
18	Employee's EI premiums – line 312	955.04

Employee's name and address – Nom et adresse de l'employé:
COSAN Jane
12 Main St
Anytown ON CAN M4A 1A2

T4 (14) RC-14-599 1

T4 Statement of Remuneration Paid / État de la rémunération payée

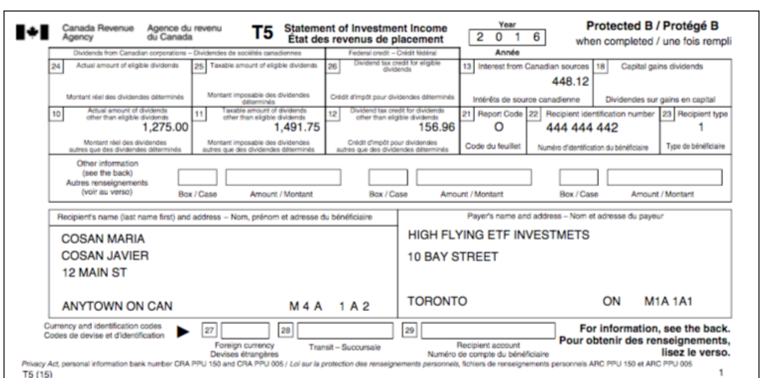
Employer's name – Nom de l'employeur: NewCo International
Year / Année: 2016

Box	Description	Amount
14	Employment income – line 101	97,321.00
22	Income tax deducted – line 437	23,121.00
54	Employer's account number	99552 2243 RP 0001
10	Province of employment	ON
16	Employee's CPP contributions – line 308	2,544.30
24	EI insurable earnings	50,800.00
12	Social insurance number	888 888 880
26	CPP/QPP pensionable earnings	54,900.00
18	Employee's EI premiums – line 312	955.04

Employee's name and address – Nom et adresse de l'employé:
COSAN Javier
12 Main St
Anytown ON CAN M4A 1A2

T4 (14) RC-14-599 1

- There is also a charitable donation receipt and a T5 slip issued by a bank or other financial institution that lists the amount of investment income earned in the tax year. Assume that the investment income was shared equally by each spouse



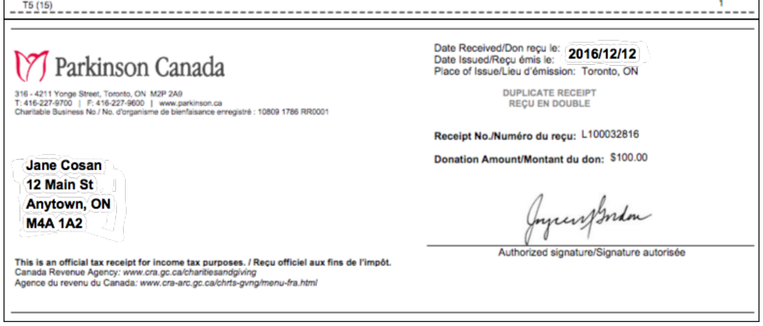
T5 Statement of Investment Income / État des revenus de placement
Year / Année: 2016
Protected B / Protégé B when completed / une fois rempli

Box	Description	Amount
13	Interest from Canadian sources	448.12
10	Actual amount of dividends other than eligible dividends	1,275.00
11	Taxable amount of dividends other than eligible dividends	1,491.75
12	Dividend tax credit for dividends other than eligible dividends	156.96
21	Report Code	O
22	Recipient identification number	444 444 442
23	Recipient type	1

Recipient's name (last name first) and address – Nom, prénom et adresse du bénéficiaire:
COSAN MARIA
COSAN JAVIER
12 MAIN ST
ANYTOWN ON CAN M4A 1A2

Payer's name and address – Nom et adresse du payeur:
HIGH FLYING ETF INVESTMETS
10 BAY STREET
TORONTO ON M1A 1A1

T5 (15)



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

Date Received/Don reçu le: 2016/12/12
Date Issued/Reçu émis le:
Place of Issue/Lieu d'émission: Toronto, ON

DUPLICATE RECEIPT
REÇU EN DOUBLE

Receipt No./Numéro du reçu: L100032816
Donation Amount/Montant du don: $100.00

Jane Cosan
12 Main St
Anytown, ON
M4A 1A2

Authorized signature/Signature autorisée

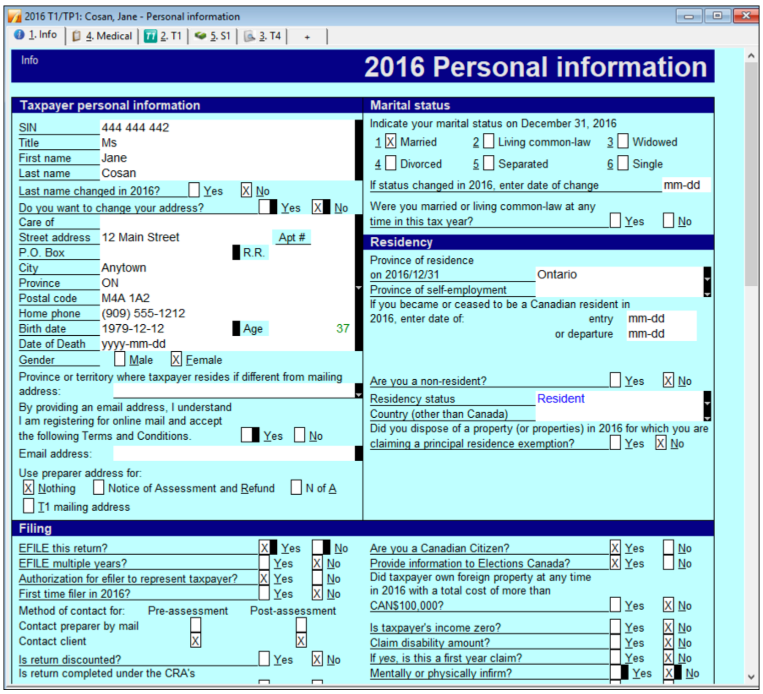
This is an official tax receipt for income tax purposes. / Reçu officiel aux fins de l'impôt.
Canada Revenue Agency: www.cra.gc.ca/charitiesandgiving
Agence du revenu du Canada: www.cra-arc.gc.ca/chrts-gvng/menu-fra.html

With these slips, along with their contact information, you are ready to proceed.

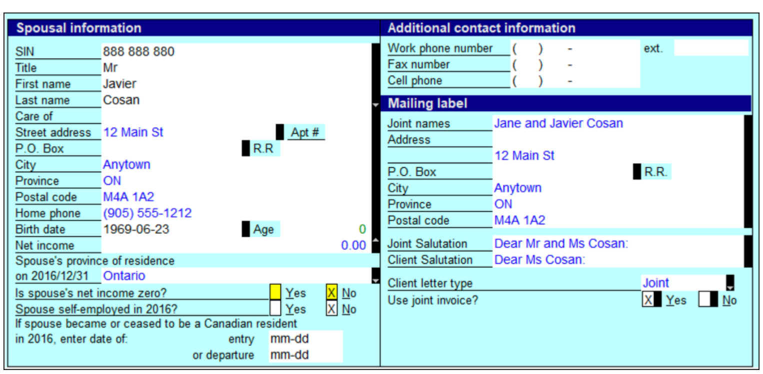
T1013

As a professional tax preparer, you will want all new clients to complete and sign CRA's T1013 authorization form. Think of a T1013 as your T1 Launchpad. With it you can access CRA's website and obtain your clients' tax information. The information that a T1013 provides will include: 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 a T1013

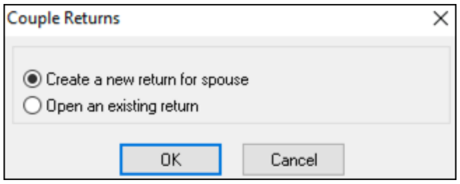
- Create a new tax return in ProFile and fill out the *Personal Information* page. Here's an excerpt of Jane's information page



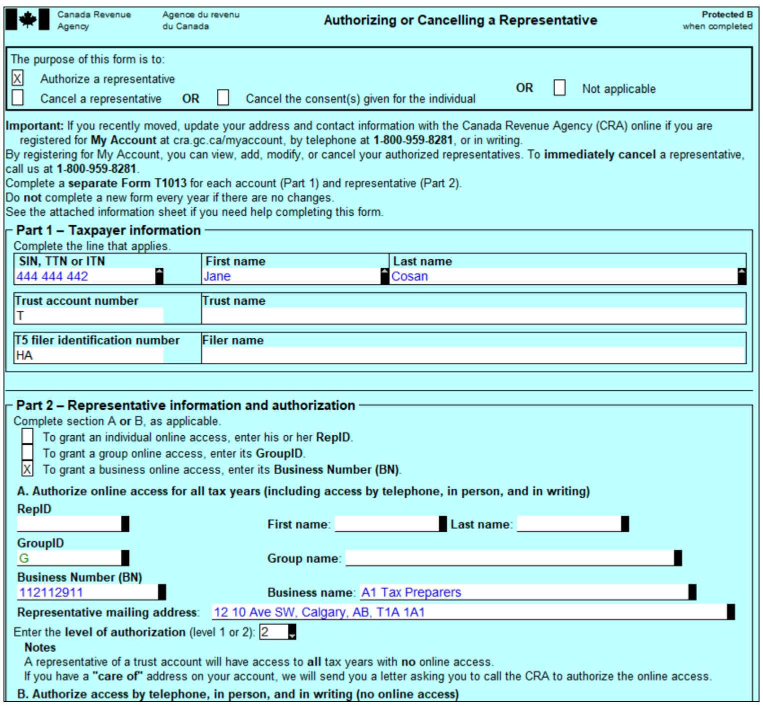
- To enter Javier's spousal information, just scroll to the bottom of Jane's *Personal Information* page



- After entering Javier's information, press F5, or click the toolbar's *Spouse* toggle icon 
- ProFile will ask if you want to open or create a tax return. Because Jane and Javier are new clients, select *Create a new return for spouse*



- Once you enter Jane and Javier’s Personal Information page, press *F4* to open ProFile’s *Form Explorer* and, in the *Search* field, enter *T1013*
- On the T1013, check the *Authorize a representative* box and ensure that the information--including the clients’ names and social insurance numbers, your CRA representative information as well as the authorization level—are all accurate
- Submit the T1013 to your client for signature


Canada Revenue Agency / Agence du revenu du Canada

Authorizing or Cancelling a Representative

Protected B when completed

The purpose of this form is to:
[X] Authorize a representative
[ ] Cancel a representative OR [ ] Cancel the consent(s) given for the individual OR [ ] Not applicable

Important: If you recently moved, update your address and contact information with the Canada Revenue Agency (CRA) online if you are registered for **My Account** at cra.gc.ca/myaccount, by telephone at **1-800-959-8281**, or in writing.
By registering for My Account, you can view, add, modify, or cancel your authorized representatives. To **immediately cancel** a representative, call us at **1-800-959-8281**.
Complete a **separate Form T1013** for each account (Part 1) and representative (Part 2).
Do **not** complete a new form every year if there are no changes.
See the attached information sheet if you need help completing this form.

Part 1 – Taxpayer information
Complete the line that applies.

SIN, TTN or ITN	First name	Last name
444 444 442	Jane	Cosan

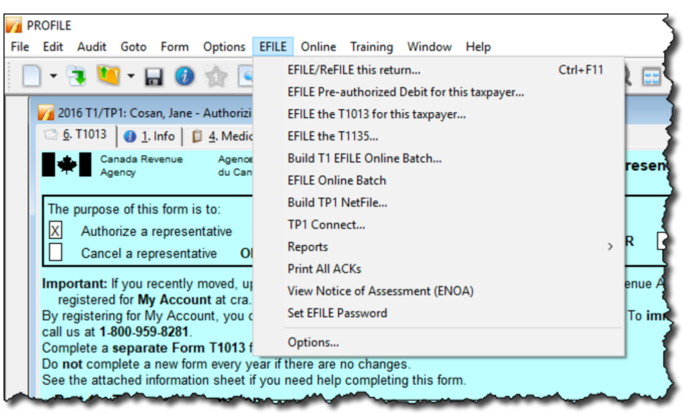
Trust account number	Trust name
T	

T5 filer identification number	Filer name
HA	

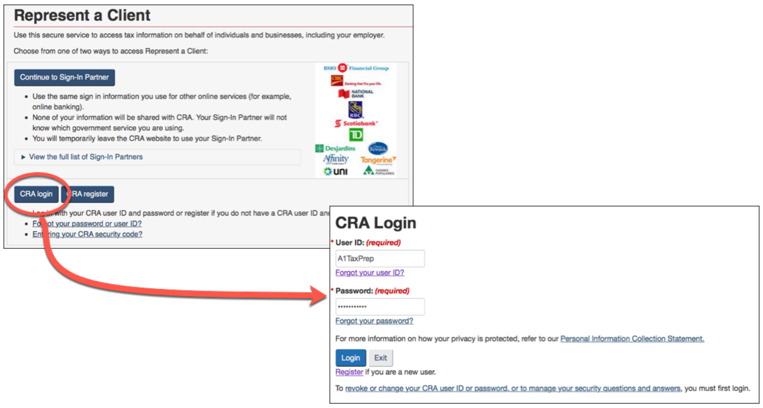
Part 2 – Representative information and authorization
Complete section A **or** B, as applicable.
[ ] To grant an individual online access, enter his or her **RepID**.
[ ] To grant a group online access, enter its **GroupID**.
[X] To grant a business online access, enter its **Business Number (BN)**.

A. Authorize online access for all tax years (including access by telephone, in person, and in writing)
RepID **First name:** **Last name:**
GroupID G **Group name:**
Business Number (BN) 112112911 **Business name:** A1 Tax Preparers
Representative mailing address: 12 10 Ave SW, Calgary, AB, T1A 1A1
Enter the **level of authorization** (level 1 or 2): 2
Notes
A representative of a trust account will have access to **all** tax years with **no** online access.
If you have a **"care of"** address on your account, we will send you a letter asking you to call the CRA to authorize the online access.
B. Authorize access by telephone, in person, and in writing (no online access)

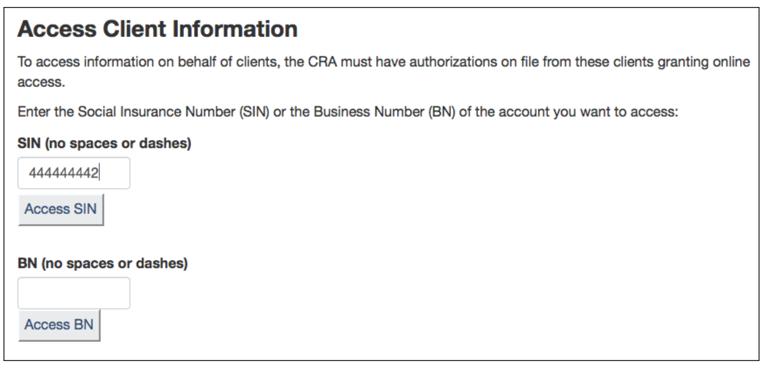
- It is very important that your clients sign their T1013 before you submit them to CRA. Once signed, click *EFILE > EFILE the T1013 for this taxpayer*



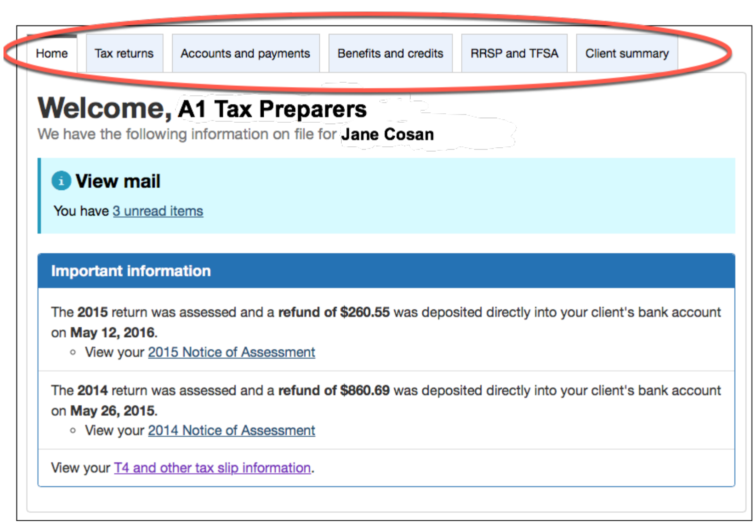
- Once CRA authorizes access, log into CRA's *Represent a Client* portal at www.canada.ca (select the Income Tax dropdown)
- Choose *CRA login* and enter your CRA *Represent a Client* credentials



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



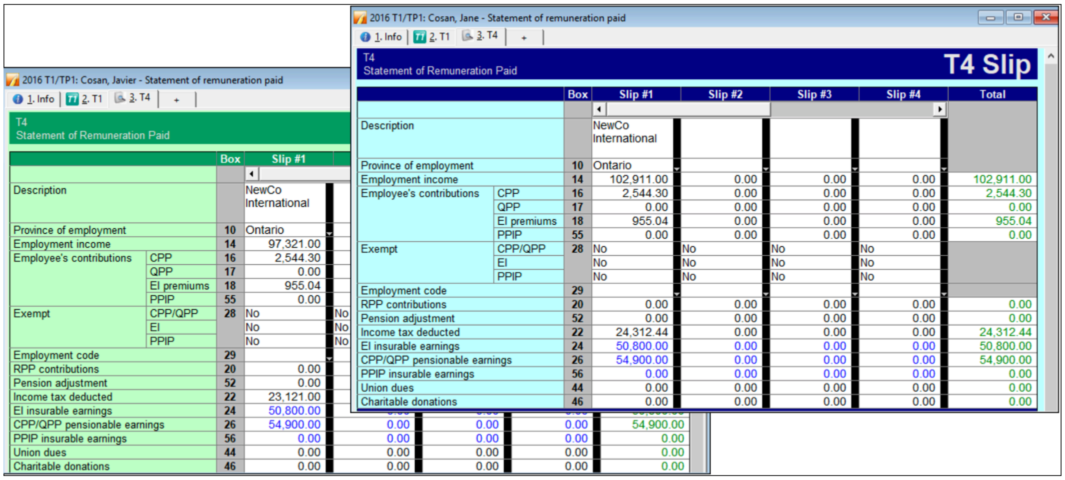
- You are now at Jane's Information page. Note the tabs at the top of the page that give you access to CRA's tax information for that client



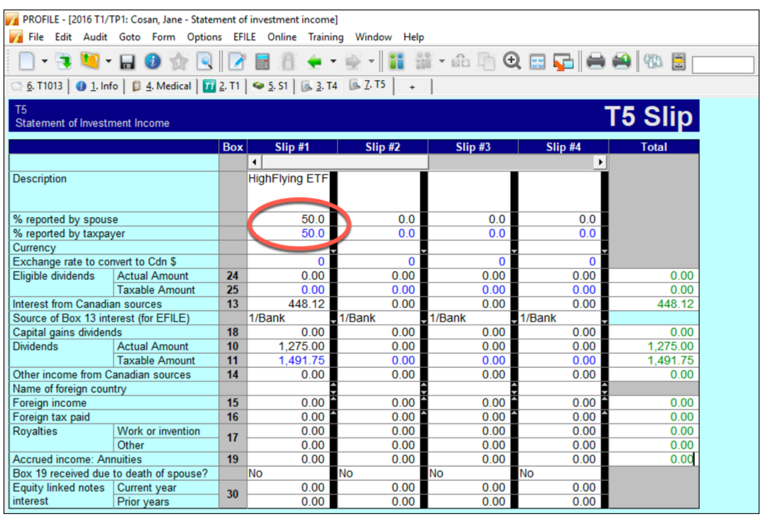
Entering tax data

With Jane's tax return open in ProFile, use *Form Explorer* to open the forms and schedules that you need to record Jane's slip information.

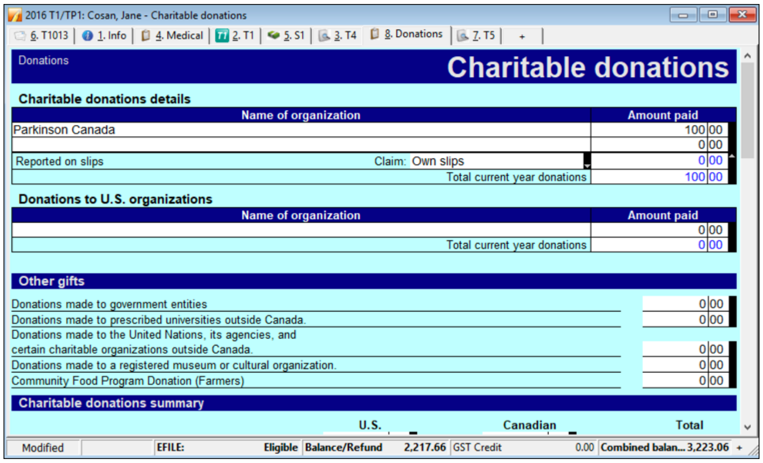
- Press *F4* to open *Form Explorer,* and, in the *Search* field, enter *T4.* Record the slip information on Jane's T4 form. Press *F5* to toggle to Javier's return. Enter Javier's T4 information as well



- Return to Jane's T1 by pressing *F5* again, and press *F4* to find the T5 form and record that slip's information
- Because it was decided that 50% of the investment earning is allocated to each spouse, enter "50" on the line that reads, "*% reported by spouse*"



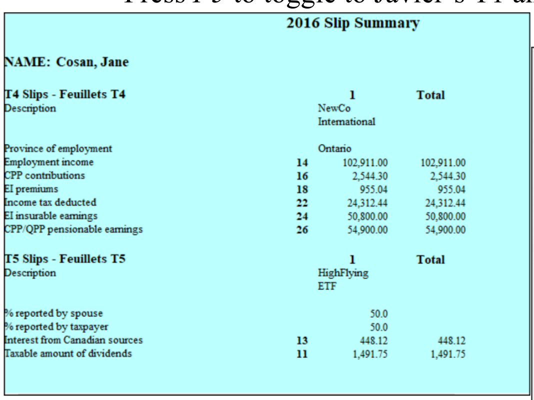
- Press F4 and enter *DON* in the *Search* field to open the *Charitable Donations* form. Record that slip's amount as indicated below



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 about any errors or missing information. In addition to the auditor, you will also 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 find Jane's *Slip Summary* form. Use it to confirm the T4 and other slip amounts
- Press *F5* to toggle to Javier's T1 and to access his *Slip Summary* form as well

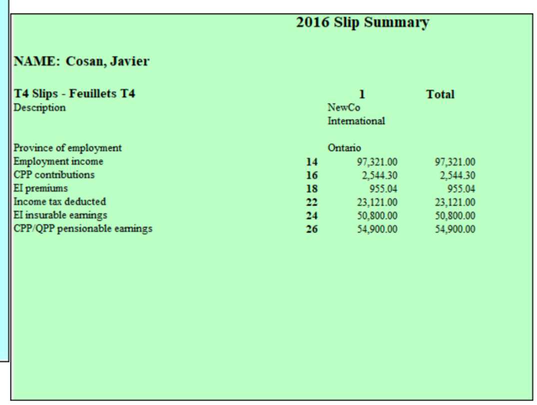


2016 Slip Summary

NAME: Cosan, Jane

T4 Slips - Feuillets T4		**1**	**Total**
Description		NewCo International	
Province of employment		Ontario	
Employment income	14	102,911.00	102,911.00
CPP contributions	16	2,544.30	2,544.30
EI premiums	18	955.04	955.04
Income tax deducted	22	24,312.44	24,312.44
EI insurable earnings	24	50,800.00	50,800.00
CPP/QPP pensionable earnings	26	54,900.00	54,900.00

T5 Slips - Feuillets T5		**1**	**Total**
Description		HighFlying ETF	
% reported by spouse		50.0	
% reported by taxpayer		50.0	
Interest from Canadian sources	13	448.12	448.12
Taxable amount of dividends	11	1,491.75	1,491.75

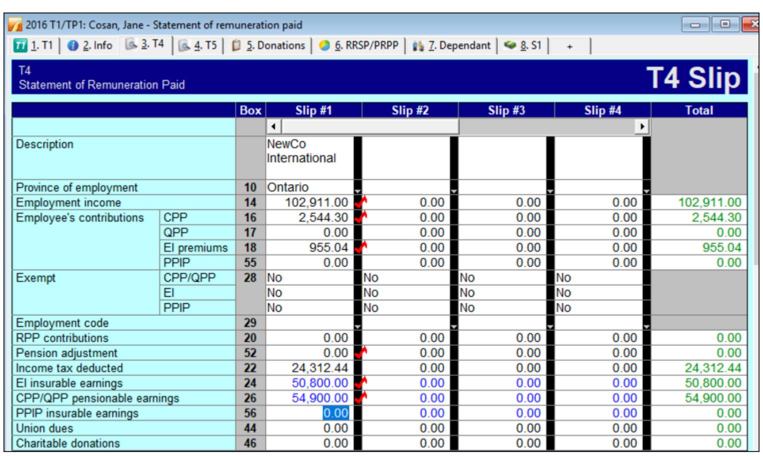


2016 Slip Summary

NAME: Cosan, Javier

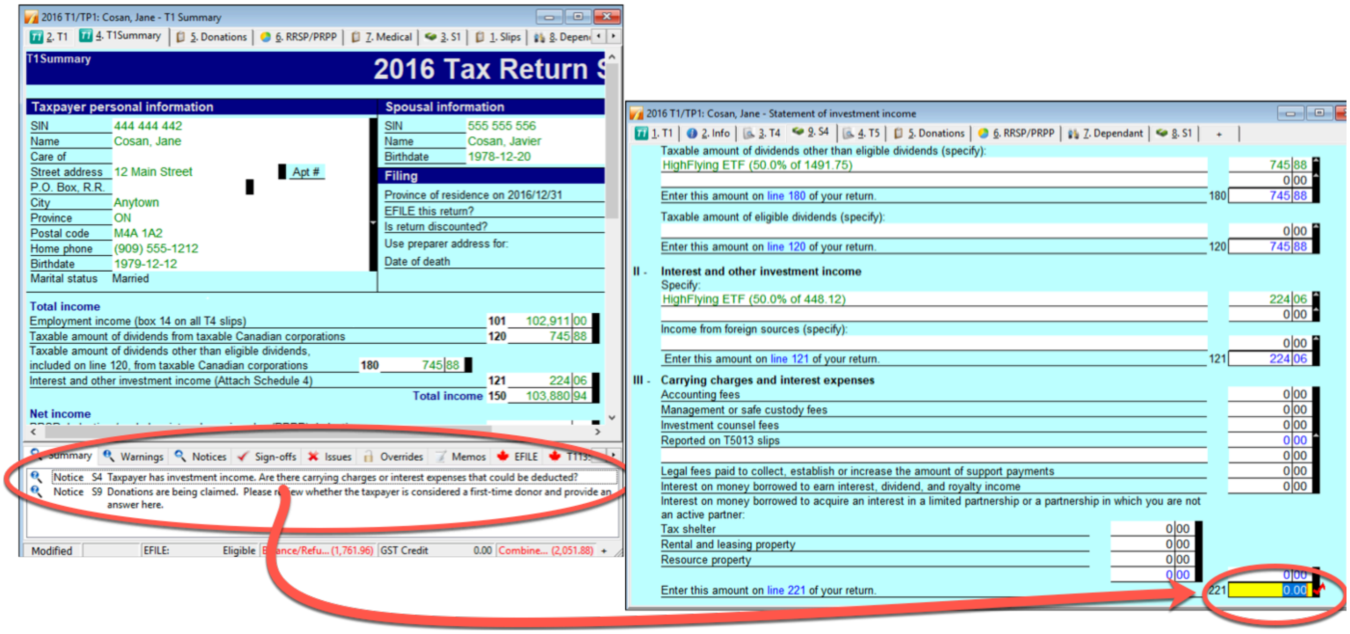
T4 Slips - Feuillets T4		**1**	**Total**
Description		NewCo International	
Province of employment		Ontario	
Employment income	14	97,321.00	97,321.00
CPP contributions	16	2,544.30	2,544.30
EI premiums	18	955.04	955.04
Income tax deducted	22	23,121.00	23,121.00
EI insurable earnings	24	50,800.00	50,800.00
CPP/QPP pensionable earnings	26	54,900.00	54,900.00

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



Using the auditor

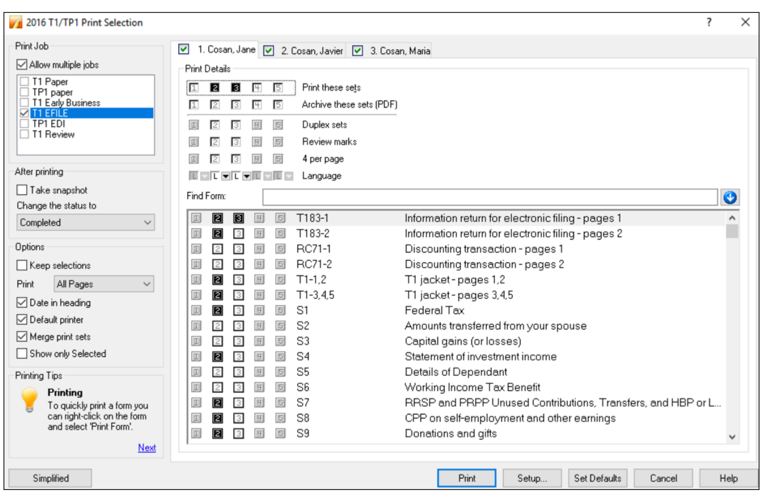
- Press CTRL+F9 to consult ProFile's *Auditor* for errors, omissions and suggestions
- Double-click an audit message to jump to the related form
- Use a sign-off to clear the audit message



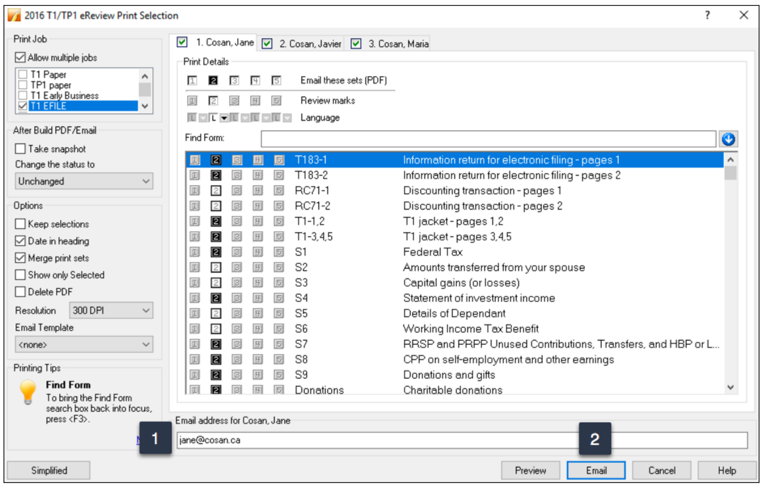
Out the door

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

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



- If you'd rather email a PDF, first enter the client's email address on the *Personal Information* form, then click *Print / Email PDF*
- In the *eReview Print Selection* window, ProFile enters the email address for you
- After confirming the address, 1
- Click *Email* to send the tax file 2

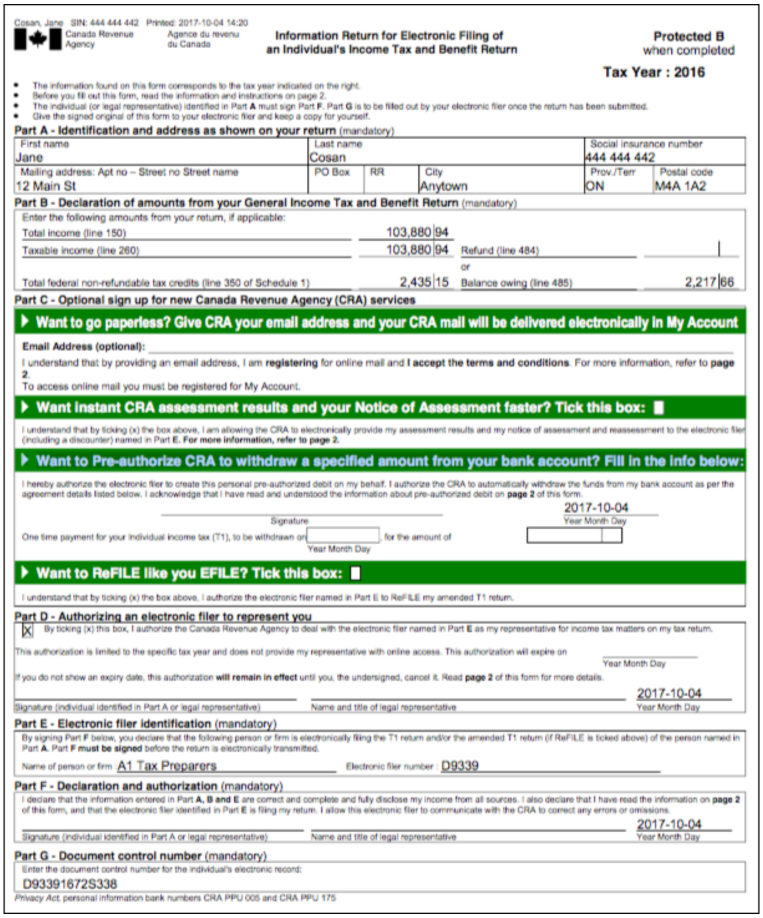


EFILE it

The very last step is to EFILE the return. EFILE is CRA's electronic-filing portal that all professional tax preparers are required to use.

Before a preparer can EFILE a tax return, she will need the client's signature on CRA Form T183. Here are a few additional need-to-know items regarding the T183:

- Ensure that your client signs at Parts D and F of the T183
- Consider checking the box that reads *Want instant CRA assessment results…* Clicking that box will activate CRA's *Express Notice of Assessment,* thereby allowing individuals and authorized representatives to view the result of an assessment immediately after filing a return—and receive a *Notice of Assessment* the next day


Cosan, Jane SIN: 444 444 442 Printed: 2017-10-04 14:20

Canada Revenue Agency / Agence du revenu du Canada

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

Protected B when completed

Tax Year : 2016

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

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

First name	Last name			Social insurance number	
Jane	Cosan			444 444 442	
Mailing address: Apt no – Street no Street name	PO Box	RR	City	Prov./Terr	Postal code
12 Main St			Anytown	ON	M4A 1A2

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

Enter the following amounts from your return, if applicable:

Total income (line 150)	103,880 94		
Taxable income (line 260)	103,880 94	Refund (line 484)	
		or	
Total federal non-refundable tax credits (line 350 of Schedule 1)	2,435 15	Balance owing (line 485)	2,217 66

Part C - Optional sign up for new Canada Revenue Agency (CRA) services

Want to go paperless? Give CRA your email address and your CRA mail will be delivered electronically in My Account

Email Address (optional):

I understand that by providing an email address, I am **registering** for online mail and **I accept the terms and conditions**. For more information, refer to **page 2**.
To access online mail you must be registered for My Account.

Want instant CRA assessment results and your Notice of Assessment faster? Tick this box:

I understand that by ticking (x) the box above, I am allowing the CRA to electronically provide my assessment results and my notice of assessment and reassessment to the electronic filer (including a discounter) named in Part **E**. **For more information, refer to page 2.**

Want to Pre-authorize CRA to withdraw a specified amount from your bank account? Fill in the info below:

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

Signature 2017-10-04 Year Month Day

One time payment for your individual income tax (T1), to be withdrawn on Year Month Day, for the amount of

Want to ReFILE like you EFILE? Tick this box:

I understand that by ticking (x) the box above, I authorize the electronic filer named in Part E to ReFILE my amended T1 return.

Part D - Authorizing an electronic filer to represent you

X By ticking (x) this box, I authorize the Canada Revenue Agency to deal with the electronic filer named in Part **E** as my representative for income tax matters on my tax return.

This authorization is limited to the specific tax year and does not provide my representative with online access. This authorization will expire on Year Month Day

If you do not show an expiry date, this authorization **will remain in effect** until you, the undersigned, cancel it. Read **page 2** of this form for more details.

Signature (individual identified in Part A or legal representative) Name and title of legal representative 2017-10-04 Year Month Day

Part E - Electronic filer identification (mandatory)

By signing Part F below, you declare that the following person or firm is electronically filing the T1 return and/or the amended T1 return (if ReFILE is ticked above) of the person named in Part **A**. Part **F must be signed** before the return is electronically transmitted.

Name of person or firm : A1 Tax Preparers Electronic filer number : D9339

Part F - Declaration and authorization (mandatory)

I declare that the information entered in Part **A, B and E** are correct and complete and fully disclose my income from all sources. I also declare that I have read the information on **page 2** of this form, and that the electronic filer identified in Part **E** is filing my return. I allow this electronic filer to communicate with the CRA to correct any errors or omissions.

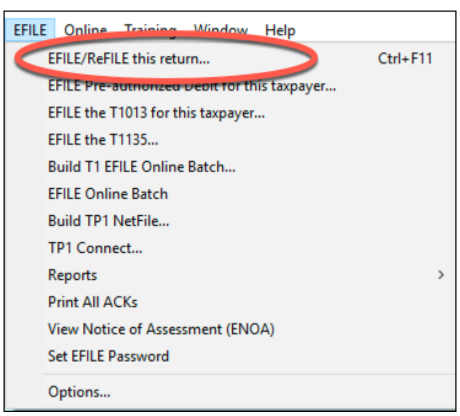
Signature (individual identified in Part A or legal representative) Name and title of legal representative 2017-10-04 Year Month Day

Part G - Document control number (mandatory)

Enter the document control number for the individual's electronic record:
D93391672S338

Privacy Act, personal information bank numbers CRA PPU 005 and CRA PPU 175

- 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

Chapter 5 Learning Objectives

At this chapter's conclusion, students will understand:

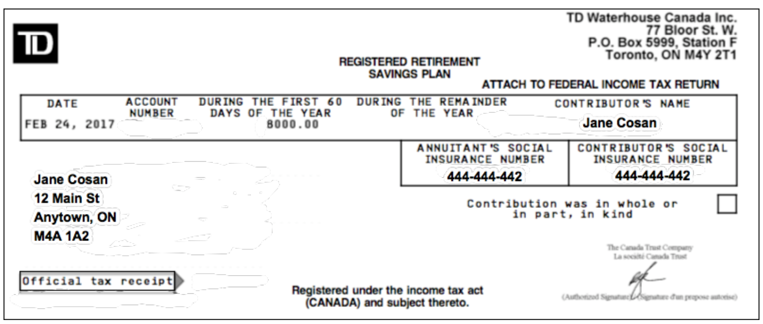
- How to prepare a T1 when there are dependents
- How ProFile optimizes a T1
- How to prepare T1 for the self-employed

Dependants and Deductions

Now that you have learned the basics, let's explore T1 preparation at a more advanced level.

Building on the previous example, assume that a married couple, Jane and Javier Cosan, also submit additional forms.

- These forms include the following RSP slip



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

REGISTERED RETIREMENT SAVINGS PLAN

ATTACH TO FEDERAL INCOME TAX RETURN

DATE	ACCOUNT NUMBER	DURING THE FIRST 60 DAYS OF THE YEAR	DURING THE REMAINDER OF THE YEAR	CONTRIBUTOR'S NAME
FEB 24, 2017		8000.00		Jane Cosan

ANNUITANT'S SOCIAL INSURANCE NUMBER	CONTRIBUTOR'S SOCIAL INSURANCE NUMBER
444-444-442	444-444-442

Jane Cosan
12 Main St
Anytown, ON
M4A 1A2

Contribution was in whole or in part, in kind

Official tax receipt

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

The Canada Trust Company
La société Canada Trust

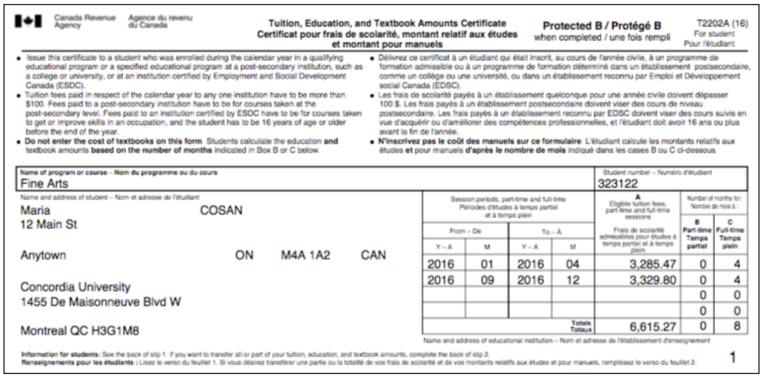
(Authorized Signature/Signature d'un préposé autorisé)

- And a schedule of Medical Expense

Medical Expenses

	Date	Description	Amount
Javier	Jan 12, 2016	Eyeglasses	812.88
Jane	Jan 12, 2016	Eyeglasses	910.44
Jane	Mar 31, 2016	Root Canal	1440.12
Javier	June 14, 2016	Crown	1299.02
TOTAL			**4462.46**

- Further assume that Jane also submitted to you the following T4 and tuition slip for her daughter, Maria, who is a full-time student at Concordia University



Canada Revenue Agency / Agence du revenu du Canada

Tuition, Education, and Textbook Amounts Certificate
Certificat pour frais de scolarité, montant relatif aux études et montant pour manuels

Protected B / Protégé B when completed / une fois rempli

T2202A (16)
For student
Pour l'étudiant

- Issue this certificate to a student who was enrolled during the calendar year in a qualifying educational program or a specified educational program at a post-secondary institution, such as a college or university, or at an institution certified by Employment and Social Development Canada (ESDC).
- Tuition fees paid in respect of the calendar year to any one institution have to be more than $100. Fees paid to a post-secondary institution have to be for courses taken at the post-secondary level. Fees paid to an institution certified by ESDC have to be for courses taken to get or improve skills in an occupation, and the student has to be 16 years of age or older before the end of the year.
- **Do not enter the cost of textbooks on this form**. Students calculate the education **and** textbook amounts **based on the number of months** indicated in Box B or C below.

- Délivrez ce certificat à un étudiant qui était inscrit, au cours de l'année civile, à un programme de formation admissible ou à un programme de formation déterminé dans un établissement postsecondaire, comme un collège ou une université, ou dans un établissement reconnu par Emploi et Développement social Canada (EDSC).
- Les frais de scolarité payés à un établissement quelconque pour une année civile doivent dépasser 100 $. Les frais payés à un établissement postsecondaire doivent viser des cours de niveau postsecondaire. Les frais payés à un établissement reconnu par EDSC doivent viser des cours suivis en vue d'acquérir ou d'améliorer des compétences professionnelles, et l'étudiant doit avoir 16 ans ou plus avant la fin de l'année.
- **N'inscrivez pas le coût des manuels sur ce formulaire**. L'étudiant calcule les montants relatifs aux études **et** pour manuels **d'après le nombre de mois** indiqué dans les cases B ou C ci-dessous.

Name of program or course – Nom du programme ou du cours: Fine Arts
Student number – Numéro d'étudiant: 323122

Name and address of student – Nom et adresse de l'étudiant:
Maria COSAN
12 Main St
Anytown ON M4A 1A2 CAN

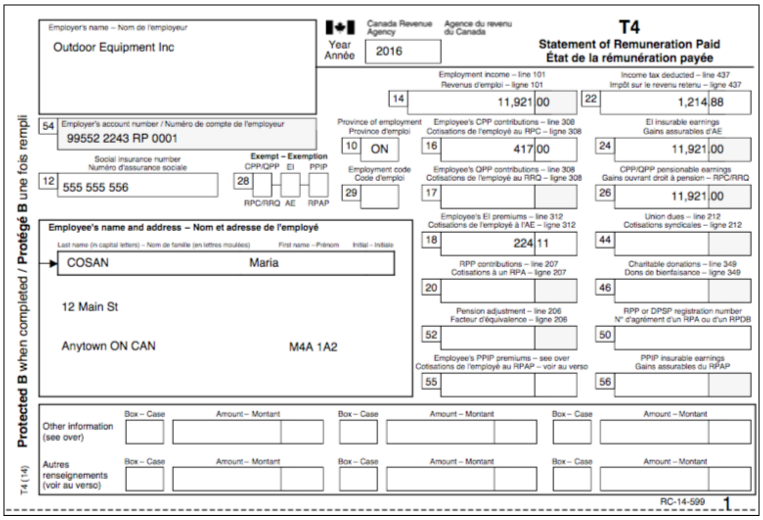
Concordia University
1455 De Maisonneuve Blvd W
Montreal QC H3G1M8

From – De Y – A	From – De M	To – À Y – A	To – À M	A Eligible tuition fees, part-time and full-time sessions / Frais de scolarité admissibles pour études à temps partiel et à temps plein	B Part-time / Temps partiel	C Full-time / Temps plein
2016	01	2016	04	3,285.47	0	4
2016	09	2016	12	3,329.80	0	4
					0	0
					0	0
			Totals / Totaux	6,615.27	0	8

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

Information for students: See the back of slip 1. If you want to transfer all or part of your tuition, education, and textbook amounts, complete the back of slip 2.
Renseignements pour les étudiants : Lisez le verso du feuillet 1. Si vous désirez transférer une partie ou la totalité de vos frais de scolarité et de vos montants relatifs aux études et pour manuels, remplissez le verso du feuillet 2.

1



Canada Revenue Agency / Agence du revenu du Canada

T4
Statement of Remuneration Paid
État de la rémunération payée

Year / Année: 2016

Employer's name – Nom de l'employeur: Outdoor Equipment Inc

54 Employer's account number / Numéro de compte de l'employeur: 99552 2243 RP 0001

12 Social insurance number / Numéro d'assurance sociale: 555 555 556

28 Exempt – Exemption: CPP/QPP (RPC/RRQ), EI (AE), PPIP (RPAP)

10 Province of employment / Province d'emploi: ON

29 Employment code / Code d'emploi:

Employee's name and address – Nom et adresse de l'employé
Last name (in capital letters) – Nom de famille (en lettres moulées): COSAN
First name – Prénom: Maria
Initial – Initiale:
12 Main St
Anytown ON CAN M4A 1A2

Box	Description	Amount	Box	Description	Amount
14	Employment income – line 101 / Revenus d'emploi – ligne 101	11,921 00	22	Income tax deducted – line 437 / Impôt sur le revenu retenu – ligne 437	1,214 88
16	Employee's CPP contributions – line 308 / Cotisations de l'employé au RPC – ligne 308	417 00	24	EI insurable earnings / Gains assurables d'AE	11,921 00
17	Employee's QPP contributions – line 308 / Cotisations de l'employé au RRQ – ligne 308		26	CPP/QPP pensionable earnings / Gains ouvrant droit à pension – RPC/RRQ	11,921 00
18	Employee's EI premiums – line 312 / Cotisations de l'employé à l'AE – ligne 312	224 11	44	Union dues – line 212 / Cotisations syndicales – ligne 212	
20	RPP contributions – line 207 / Cotisations à un RPA – ligne 207		46	Charitable donations – line 349 / Dons de bienfaisance – ligne 349	
52	Pension adjustment – line 206 / Facteur d'équivalence – ligne 206		50	RPP or DPSP registration number / N° d'agrément d'un RPA ou d'un RPDB	
55	Employee's PPIP premiums – see over / Cotisations de l'employé au RPAP – voir au verso		56	PPIP insurable earnings / Gains assurables du RPAP	

Other information (see over) / Autres renseignements (voir au verso)

Box – Case	Amount – Montant	Box – Case	Amount – Montant	Box – Case	Amount – Montant

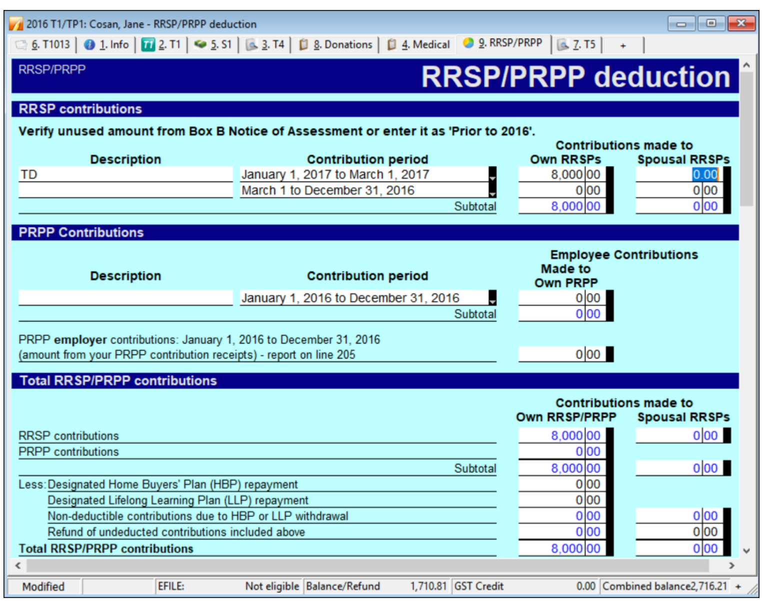
Protected B when completed / **Protégé B** une fois rempli

T4 (14)

RC-14-599 1

Recording RRSP contributions

- With Jane and Javier's tax return open, press F4, enter *RSP* in the *Search* field, and Profile will open the *RRSP/PRPP deduction* form



2016 T1/TP1: Cosan, Jane - RRSP/PRPP deduction

6. T1013 | 1. Info | 2. T1 | 5. S1 | 3. T4 | 8. Donations | 4. Medical | 9. RRSP/PRPP | 7. T5 | +

RRSP/PRPP

RRSP/PRPP deduction

RRSP contributions

Verify unused amount from Box B Notice of Assessment or enter it as 'Prior to 2016'.

Description	Contribution period	Contributions made to Own RRSPs	Contributions made to Spousal RRSPs
TD	January 1, 2017 to March 1, 2017	8,000 00	0 00
	March 1 to December 31, 2016	0 00	0 00
	Subtotal	8,000 00	0 00

PRPP Contributions

Description	Contribution period	Employee Contributions Made to Own PRPP
	January 1, 2016 to December 31, 2016	0 00
	Subtotal	0 00

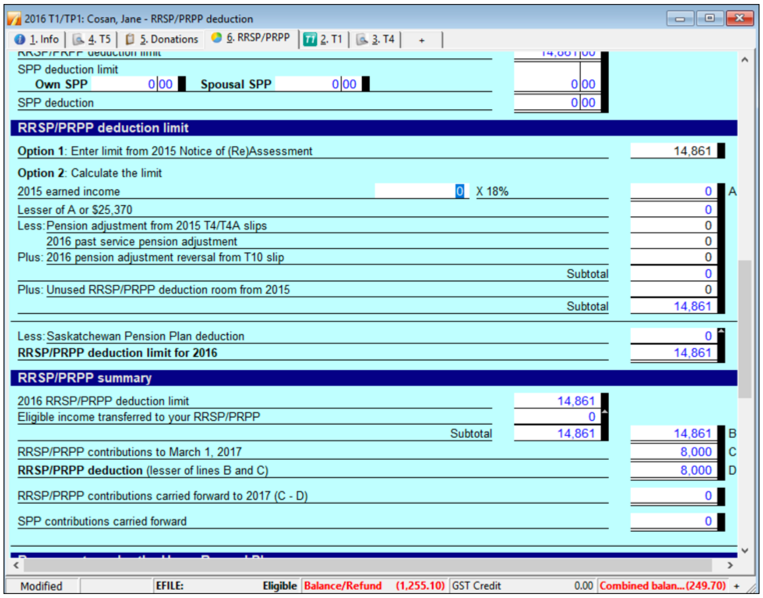
PRPP **employer** contributions: January 1, 2016 to December 31, 2016 (amount from your PRPP contribution receipts) - report on line 205: 0 00

Total RRSP/PRPP contributions

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

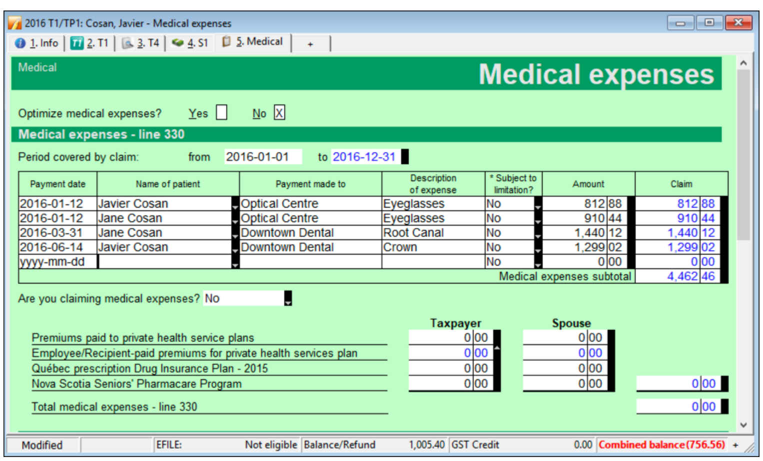
Modified | EFILE: Not eligible | Balance/Refund 1,710.81 | GST Credit 0.00 | Combined balance 2,716.21

- 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



Entering Medical Expenses

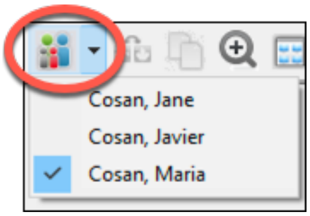
- To optimize a married couple’s tax return, you will want to combine and claim medical expenses on only one of the spouse’s returns. Assume, therefore, that you have decided to enter the medical expenses on Javier’s T1
- On Javier’s T1, press F4, enter *Med* in the *Search* field and ProFile will open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



Recording Dependant Information

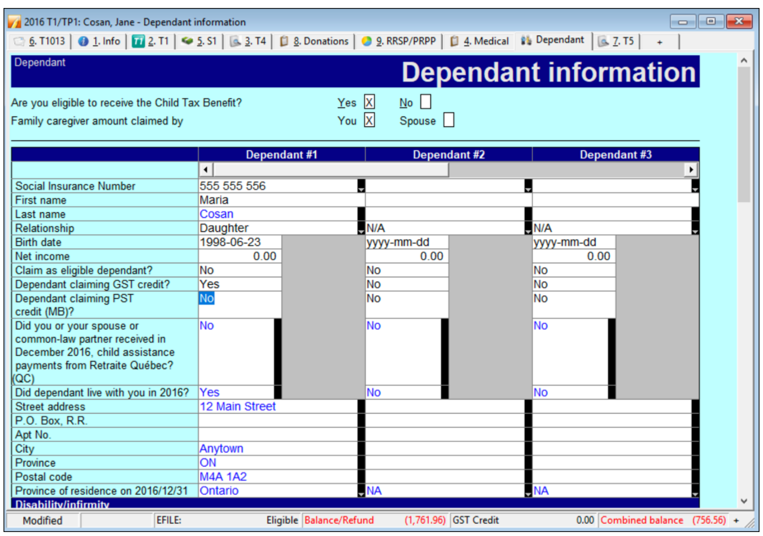
- With all of the spouses' information entered in ProFile, the last step is to record the slip information for the Cosan's daughter, Maria. To do this, you will use a feature called Family Linking.

Family Linking

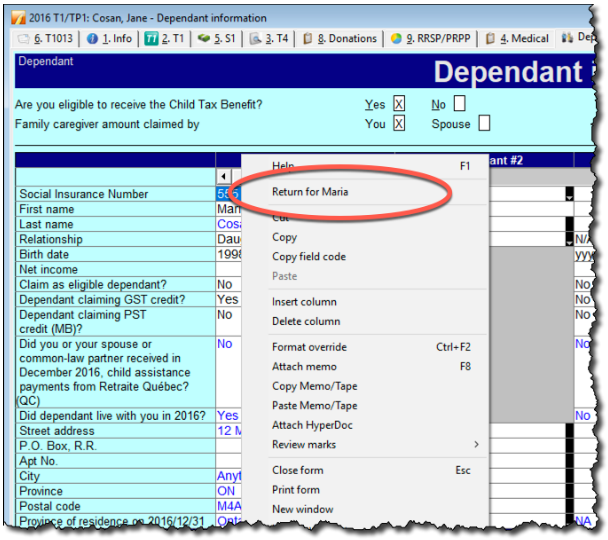


When you create a dependant's tax return, ProFile will link the return with that of the parents. You can tell *Family Linking* is enabled by the toolbar icon and dropdown menu that lets you toggle amongst the family's tax files.

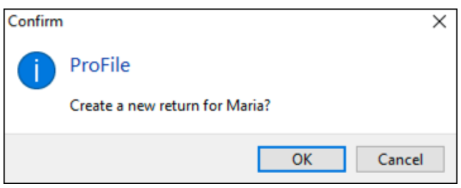
- With the spousal return open, Press *F4* and enter *Dep* in *Form Explorer's Search* field
- Enter Maria's personal information on the *Dependant information* form



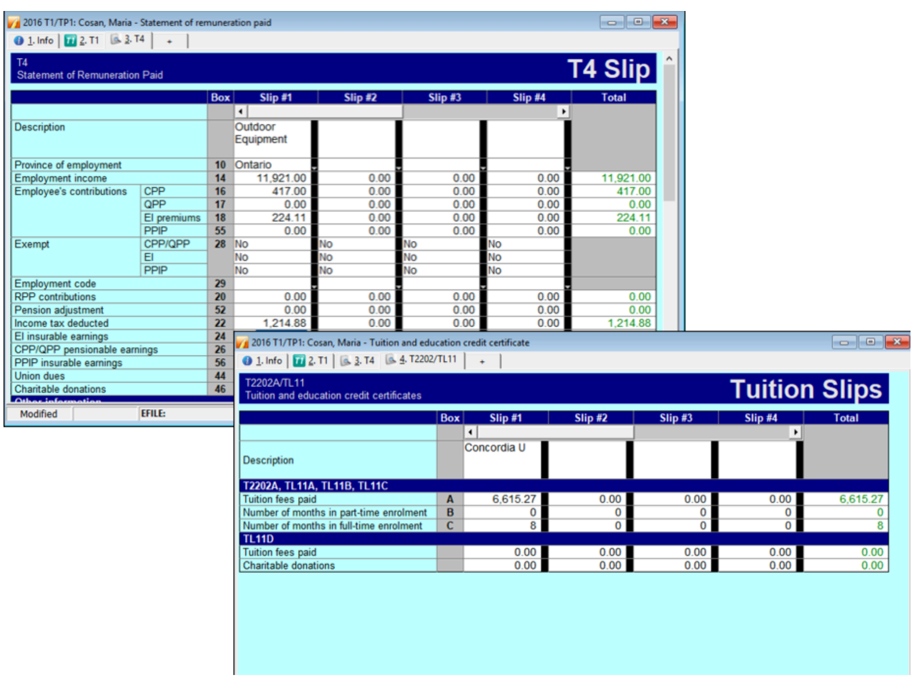
- To create a T1 file for Maria, right-click on any field in the form and select *Return for Maria*



- ProFile will confirm that you want to create a tax file for Maria. Click *OK*



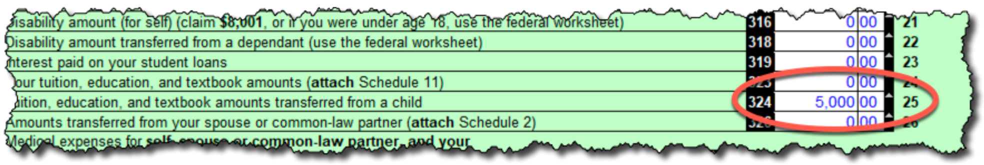
- From Maria's tax file, return to *Form Explorer* and enter Maria's T4 and T2202 (tuition) information



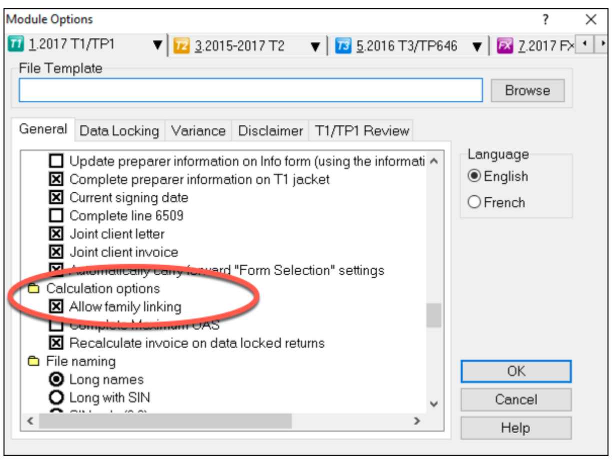
Tuition transfers

When a student's income isn't high enough to use up all of the tuition credit, 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 Maria did indeed have excess tuition expenses, ProFile automatically transfers the applicable tuition credit to the appropriate spouse. A quick glance at line 324 on the S1 form of Javier's T1confirms 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

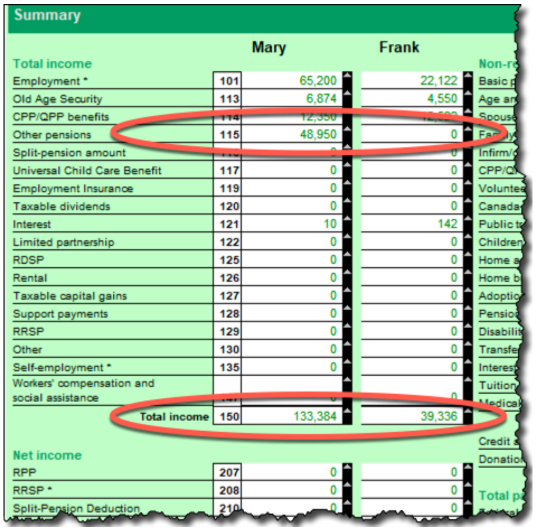
As mentioned in the previous paragraph, ProFile provides seamless, invisible optimization, and it alerts you with audit messages designed to achieve the most beneficial tax results for a tax preparer's clients.

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.

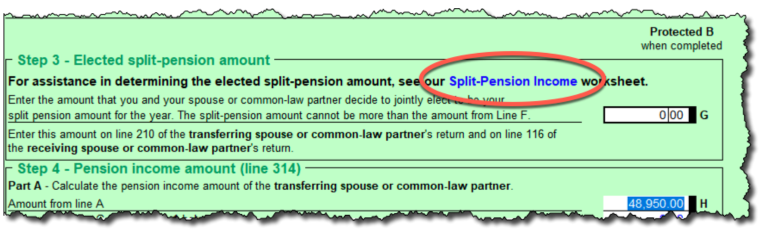
Pension Splitting

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

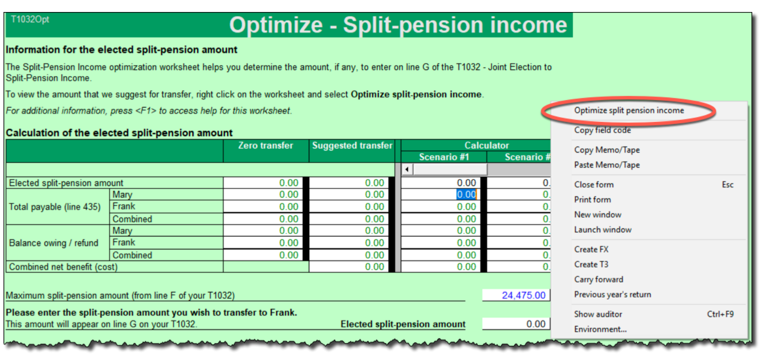
The Tax Summary below shows that Mary earns significantly more that her spouse, Frank, and it also reveals that Mary has pension income of $48,950. There is an opportunity, therefore, to split the pension income and reduce the couple's overall tax liability.



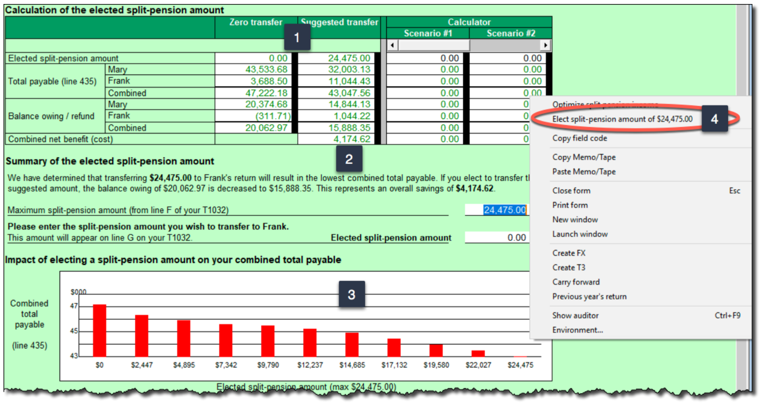
- To optimize pension income, go to the pension-transferor's return and open form *T1032*
- Scroll down the form and click *Split-Pension Income*



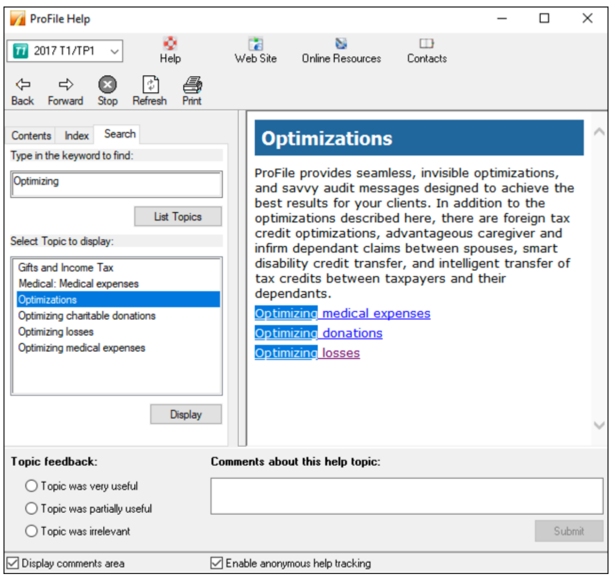
- ProFile opens the *T1032Opt* pension worksheet form. Right-click the form and select *Optimize split pension income*



- As illustrated in the window below, ProFile will run an analysis and then suggest the pension income to transfer [1]
- The form highlights the net benefit of accepting the suggested transfer [2]
- And it also provides a chart outlining the tax liability with different transfer amounts [3]
- To accept ProFile's suggested transfer, right-click the form and select *Elect split-pension amount of $24,475* [4]



You can learn more about optimizing, go to Help > ProFile Help, click the Search tab and enter “Optimizing” in the Search field



PROFILE AND THE SELF-EMPLOYED

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

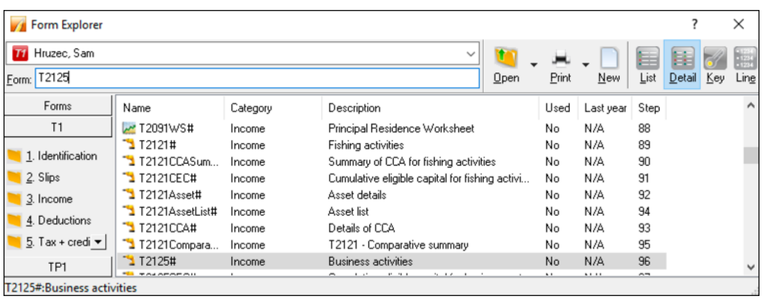
Sam Hruzec, runs an un-incorporated marketing business called SH Marketing Services. Sam has asked you to prepare a T1. Sam has no income or expenses, other than the Statement of Revenue and Expenses below.

SH Marketing Services
Income Statement
Janauary - December 2016

	Total
Total Revenue	$ 91,773.00
Expenses	
Advertising	1,447.47
Interest and bank charges	1,546.84
Membership Dues & Fees	1,573.59
Professional fees	4,800.00
Office Supplies	1,397.70
Travel	4,199.00
Telecommunications	1,634.32
Vehicle lease	6,624.00
Fuel & Oil	2,322.00
Repairs & Maintenance	956.00
Vehicle Insurance	1,433.00
Vehicle Registration	149.00
Condo interest	6,300.00
Condo insurance	375.00
Condo heat	689.00
Condo electricity	498.00
Total Expenses	$ 35,944.92
Profit	$ 55,828.08

T2125

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



Here's how to complete form T2125

- Enter the business contact details and other required information under identification area, and record the gross sales under Part 1 – Business Income

Identification

Name	Hruzec, Sam	Your social insurance number	545 554 115
Business Name	SH Marketing Services	Account Number (15 characters)	RT
Business address: Number 100, Street, P.O. Box Main St, Apartment or suite			
City Anytown	Province or territory ON	Postal code L4R 1R2	
Fiscal Period From: Year/Month/Day 2016-01-01 to: Year/Month/Day 2016-12-31 Calendar Year		Was 2016 your last year of business?	Yes ☐ No ☒
Main product or service	Marketing	Industry code (press F6) (see the appendix in Guide T4002)	541910
Tax shelter identification number	TS	Partnership Business Number (9 digits)	Your percentage of the partnership 100.0000 %

Name and address of person or firm preparing this form

603-900 Greebank Road
Ottawa, Ontario K2J4P6

Internet business activities

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

List below the site addresses (URL addresses) of your main web pages.
http://

What percentage of your gross income is generated from the above web pages? 0.0000 %

T1139: Last year additional business income (T1139 line G) 0|00

Part 1 – Business income

2. ☒ If you have business income, tick this box and complete this part. **Do not complete parts 1 and 2 on the same form.**

Type of income ☒ Business ☐ Commission

Gross sales, commissions, or fees (including GST/HST collected or collectible)		91,773|00	
Income reported on T4 slips		0|00	
Income reported on T4A slips		0|00	
Fees for services (T4A box 28)		0|00	
		91,773|00	1
Minus Goods and services tax and provincial sales tax (GST and PST) or harmonized sales tax (HST) (if included in sales above)	0|00		
Returns, allowances, and discounts (if included in sales above)	0|00		
		0|00	2
Subtotal (line 1 **minus** line 2)		91,773|00	3

- Record all business expenses in Part 5 of the T2125

Part 5 – Net income (loss) before adjustments

Gross business or professional income (from Part 3 line 20) or Gross profit (from Part 4 line 30)				91,773|00	31
Expenses (enter only the business part)					
Advertising		8521	1,447|00		32
Meals and entertainment	0|00 x 50%				
Meals and entertainment (long haul truck drivers)	0|00 x 80%	8523	0|00		33
Bad debts		8590	0|00		34
Insurance		8690	0|00		35
Interest		8710	1,547|00		36
Business tax, fees, licences, dues, memberships, and subscriptions		8760	1,574|00		37
Office expenses		8810	1,398|00		38
Supplies		8811	0|00		39
Legal, accounting, and other professional fees		8860	4,800|00		40
Management and administration fees		8871	0|00		41
Rent		8910	0|00		42
Maintenance and repairs		8960	0|00		43
Salaries, wages, and benefits (including employer's contributions)		9060	0|00		44
Property taxes		9180	0|00		45
Travel (including transportation fees, accommodations, and allowable part of meals)		9200	4,199|00		46
Telephone and utilities		9220	1,634|00		47
Fuel costs (except for motor vehicles)		9224	0|00		48
Delivery, freight, and express		9275	0|00		49
Motor vehicle expenses (not including CCA) (see Chart A) - from worksheet	5,220|00				
Motor vehicle expenses (not including CCA) (see Chart A) - other	0|00	9281	5,220|00		50
Allowance on eligible capital property		9935	0|00		51
Capital cost allowance (from Area A)		9936	0|00		52
	0|00				
Convention fees	0|00				
Private health services plan premiums	0|00				
Reserves	0|00				
Terminal loss	0|00				
Other expenses	= 0|00	9270	0|00		53
Total business expenses (add lines 32 to 53)		9368	21,819|00	21,819|00	54
Net income (loss) before adjustments (line 31 **minus** line 54)				9369 69,954|00	55

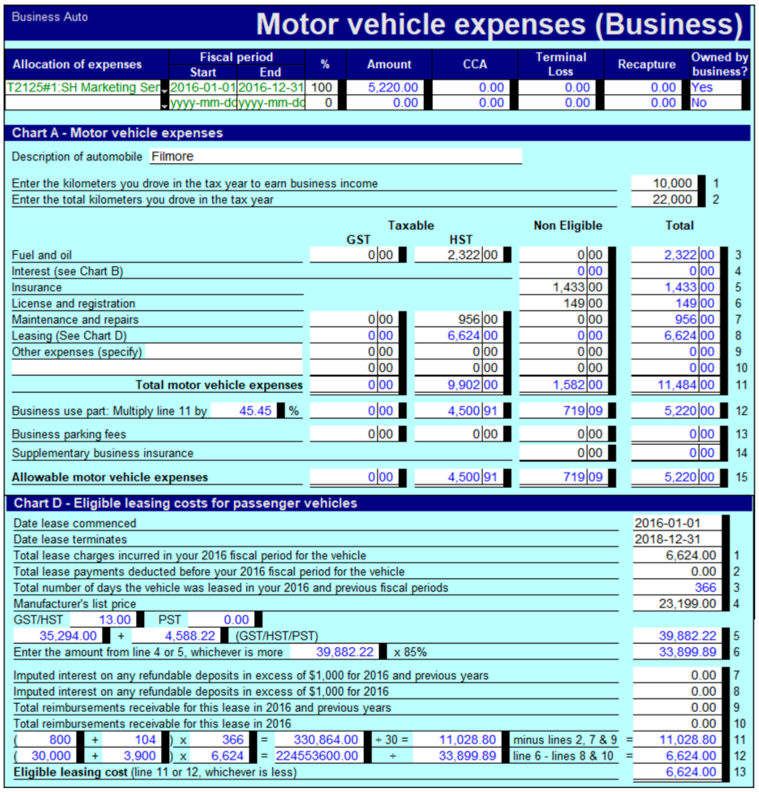
Part 6 – Your net Income (loss)

Your share of net income (loss) before adjustments (from Part 5 line 55) or the amount from Form T5013, *Statement of Partnership Income*		69,954|00	56		
GST/HST rebate for partners that was received in the year	9974	0|00	57		
Subtotal (line 56 **plus** line 57)		69,954|00		69,954|00	58

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

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

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



Business Auto

Motor vehicle expenses (Business)

Allocation of expenses	Fiscal period Start	End	%	Amount	CCA	Terminal Loss	Recapture	Owned by business?
T2125#1:SH Marketing Ser	2016-01-01	2016-12-31	100	5,220.00	0.00	0.00	0.00	Yes
	yyyy-mm-dd	yyyy-mm-dd	0	0.00	0.00	0.00	0.00	No

Chart A - Motor vehicle expenses

Description of automobile: Filmore

Enter the kilometers you drove in the tax year to earn business income	10,000	1
Enter the total kilometers you drove in the tax year	22,000	2

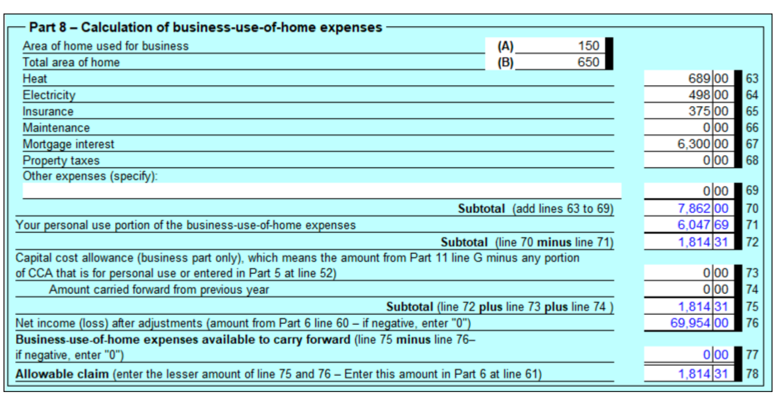
	Taxable GST	Taxable HST	Non Eligible	Total	
Fuel and oil	0 00	2,322 00	0 00	2,322 00	3
Interest (see Chart B)			0 00	0 00	4
Insurance			1,433 00	1,433 00	5
License and registration			149 00	149 00	6
Maintenance and repairs	0 00	956 00	0 00	956 00	7
Leasing (See Chart D)	0 00	6,624 00	0 00	6,624 00	8
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	9,902 00	1,582 00	11,484 00	11
Business use part: Multiply line 11 by 45.45 %	0 00	4,500 91	719 09	5,220 00	12
Business parking fees	0 00	0 00	0 00	0 00	13
Supplementary business insurance			0 00	0 00	14
Allowable motor vehicle expenses	0 00	4,500 91	719 09	5,220 00	15

Chart D - Eligible leasing costs for passenger vehicles

Date lease commenced	2016-01-01	
Date lease terminates	2018-12-31	
Total lease charges incurred in your 2016 fiscal period for the vehicle	6,624.00	1
Total lease payments deducted before your 2016 fiscal period for the vehicle	0.00	2
Total number of days the vehicle was leased in your 2016 and previous fiscal periods	366	3
Manufacturer's list price	23,199.00	4
GST/HST 13.00 PST 0.00		
35,294.00 + 4,588.22 (GST/HST/PST)	39,882.22	5
Enter the amount from line 4 or 5, whichever is more 39,882.22 x 85%	33,899.89	6
Imputed interest on any refundable deposits in excess of $1,000 for 2016 and previous years	0.00	7
Imputed interest on any refundable deposits in excess of $1,000 for 2016	0.00	8
Total reimbursements receivable for this lease in 2016 and previous years	0.00	9
Total reimbursements receivable for this lease in 2016	0.00	10
(800 + 104) x 366 = 330,864.00 ÷ 30 = 11,028.80 minus lines 2, 7 & 9 =	11,028.80	11
(30,000 + 3,900) x 6,624 = 224553600.00 ÷ 33,899.89 line 6 - lines 8 & 10 =	6,624.00	12
Eligible leasing cost (line 11 or 12, whichever is less)	6,624.00	13

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

- To record home expenses, scroll down to Part 8 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 as an eligible business expense on the T2125

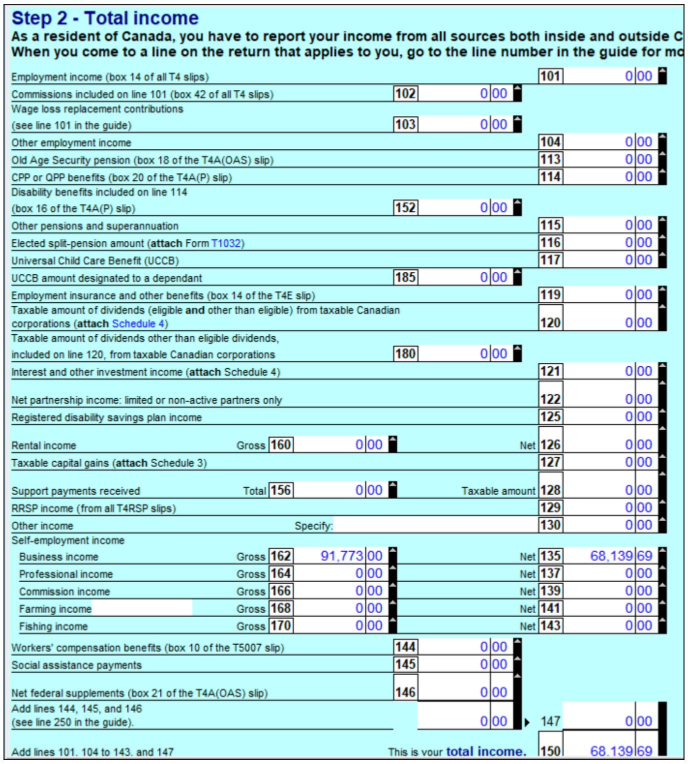


Part 8 – Calculation of business-use-of-home expenses

Area of home used for business	(A) 150		
Total area of home	(B) 650		
Heat		689 00	63
Electricity		498 00	64
Insurance		375 00	65
Maintenance		0 00	66
Mortgage interest		6,300 00	67
Property taxes		0 00	68
Other expenses (specify):		0 00	69
Subtotal (add lines 63 to 69)		7,862 00	70
Your personal use portion of the business-use-of-home expenses		6,047 69	71
Subtotal (line 70 **minus** line 71)		1,814 31	72
Capital cost allowance (business part only), which means the amount from Part 11 line G minus any portion of CCA that is for personal use or entered in Part 5 at line 52)		0 00	73
Amount carried forward from previous year		0 00	74
Subtotal (line 72 **plus** line 73 **plus** line 74)		1,814 31	75
Net income (loss) after adjustments (amount from Part 6 line 60 – if negative, enter "0")		69,954 00	76
Business-use-of-home expenses available to carry forward (line 75 **minus** line 76– if negative, enter "0")		0 00	77
Allowable claim (enter the lesser amount of line 75 and 76 – Enter this amount in Part 6 at line 61)		1,814 31	78

T1 Jacket

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



Step 2 - Total income

As a resident of Canada, you have to report your income from all sources both inside and outside C
When you come to a line on the return that applies to you, go to the line number in the guide for mo

Employment income (box 14 of all T4 slips)				101	0.00
Commissions included on line 101 (box 42 of all T4 slips)		102	0.00		
Wage loss replacement contributions (see line 101 in the guide)		103	0.00		
Other employment income				104	0.00
Old Age Security pension (box 18 of the T4A(OAS) slip)				113	0.00
CPP or QPP benefits (box 20 of the T4A(P) slip)				114	0.00
Disability benefits included on line 114 (box 16 of the T4A(P) slip)		152	0.00		
Other pensions and superannuation				115	0.00
Elected split-pension amount (**attach** Form T1032)				116	0.00
Universal Child Care Benefit (UCCB)				117	0.00
UCCB amount designated to a dependant		185	0.00		
Employment insurance and other benefits (box 14 of the T4E slip)				119	0.00
Taxable amount of dividends (eligible **and** other than eligible) from taxable Canadian corporations (**attach** Schedule 4)				120	0.00
Taxable amount of dividends other than eligible dividends, included on line 120, from taxable Canadian corporations		180	0.00		
Interest and other investment income (**attach** Schedule 4)				121	0.00
Net partnership income: limited or non-active partners only				122	0.00
Registered disability savings plan income				125	0.00
Rental income	Gross 160	0.00	Net	126	0.00
Taxable capital gains (**attach** Schedule 3)				127	0.00
Support payments received	Total 156	0.00	Taxable amount	128	0.00
RRSP income (from all T4RSP slips)				129	0.00
Other income	Specify:			130	0.00
Self-employment income					
Business income	Gross 162	91,773.00	Net	135	68,139.69
Professional income	Gross 164	0.00	Net	137	0.00
Commission income	Gross 166	0.00	Net	139	0.00
Farming income	Gross 168	0.00	Net	141	0.00
Fishing income	Gross 170	0.00	Net	143	0.00
Workers' compensation benefits (box 10 of the T5007 slip)		144	0.00		
Social assistance payments		145	0.00		
Net federal supplements (box 21 of the T4A(OAS) slip)		146	0.00		
Add lines 144, 145, and 146 (see line 250 in the guide).			0.00	147	0.00
Add lines 101, 104 to 143, and 147			This is your **total income.**	150	68,139.69

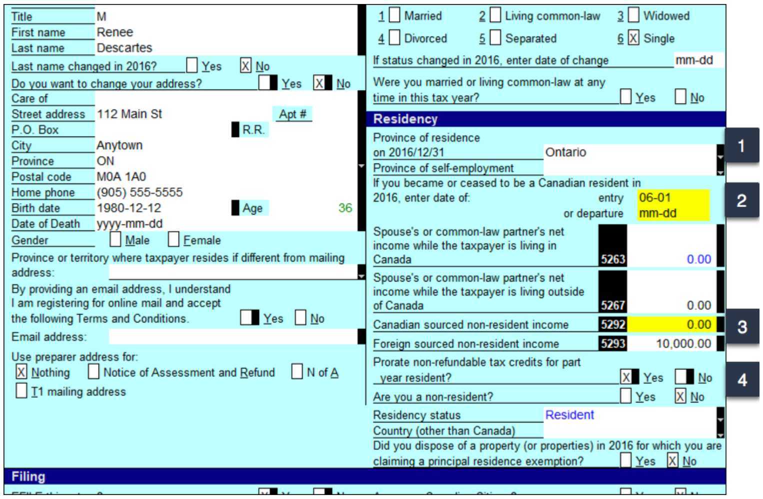
PART-YEAR RESIDENTS

In this section, we'll briefly describe how to set up ProFile for newly-arrived residents.

Working on a part-year resident return

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 1
- Report the date of entry into Canada 2
- After reporting the date of entry, ProFile will open additional fields, including Line 5292 and 5293. In these fields, report Canadian and foreign-sourced non-resident income. In this example, there is $10,000 of foreign-sourced, non-resident income 3
- Once you enter an amount on either Line 5292 or 5293, ProFile will tick the box to prorate non-refundable tax credits 4
- You may then complete the rest of the return as you normally would



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

Chapter 6 Learning Objectives

At this chapter's conclusion, students will understand:

- How to use CRA's AutoFill My Return
- How to ReFile a T1
- How to communicate with clients with ProFile's Hub and Link

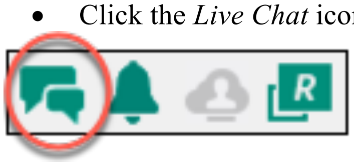
Every day, more and more businesses are taking things online. Online stores; online information; online payments; online communication—all are part of our everyday lives. It should come as no surprise, then, that tax preparers too are increasingly using cloud tools. Canada Revenue Agency, for example, 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 accentuating 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:

Getting Online

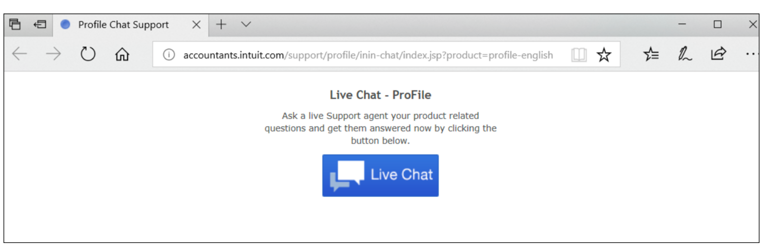
The online toolbar

The *Online* toolbar sits permanently under ProFile's Menu bar. Here's what the four icons in that toolbar do:

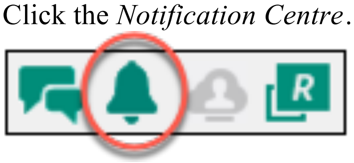
- Click the *Live Chat* icon…



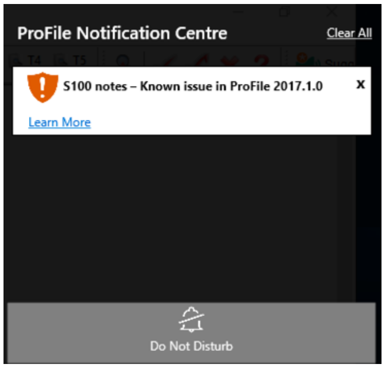
… To engage a ProFile support agent and chat online



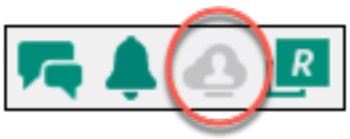
Click the *Notification Centre*…



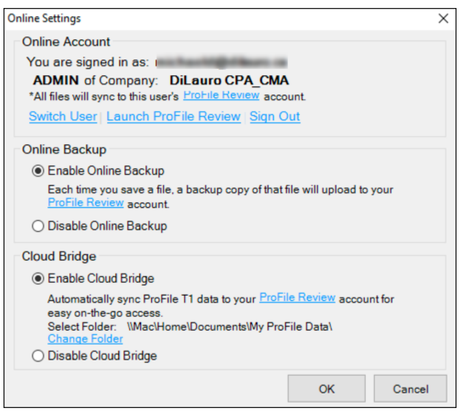
…To view alerts, reminders and other ProFile messages



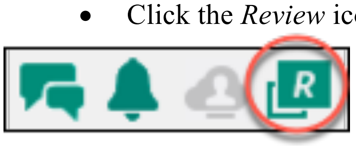
- Click the *Online Settings* to access ProFile's online tools…



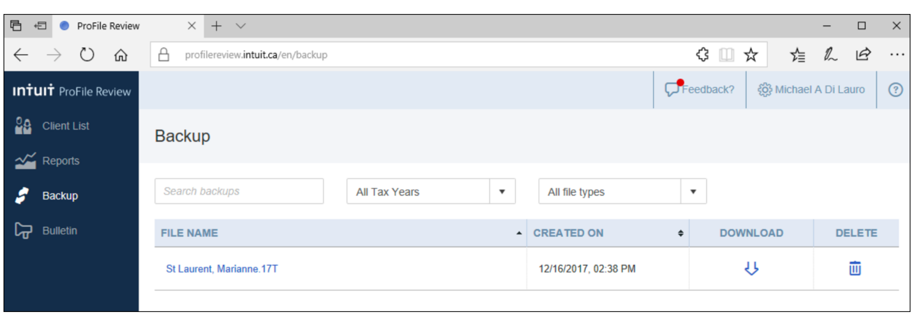
- …Including features for online access and backup of your tax files



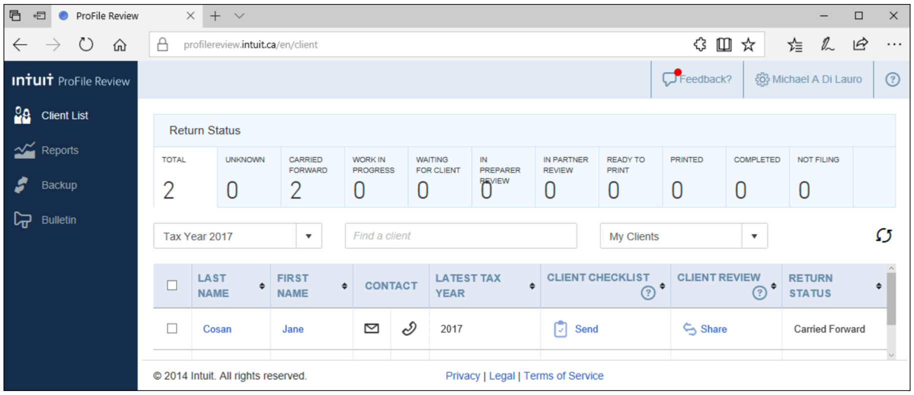
- Click the *Review* icon…



- … To access and download your backups…



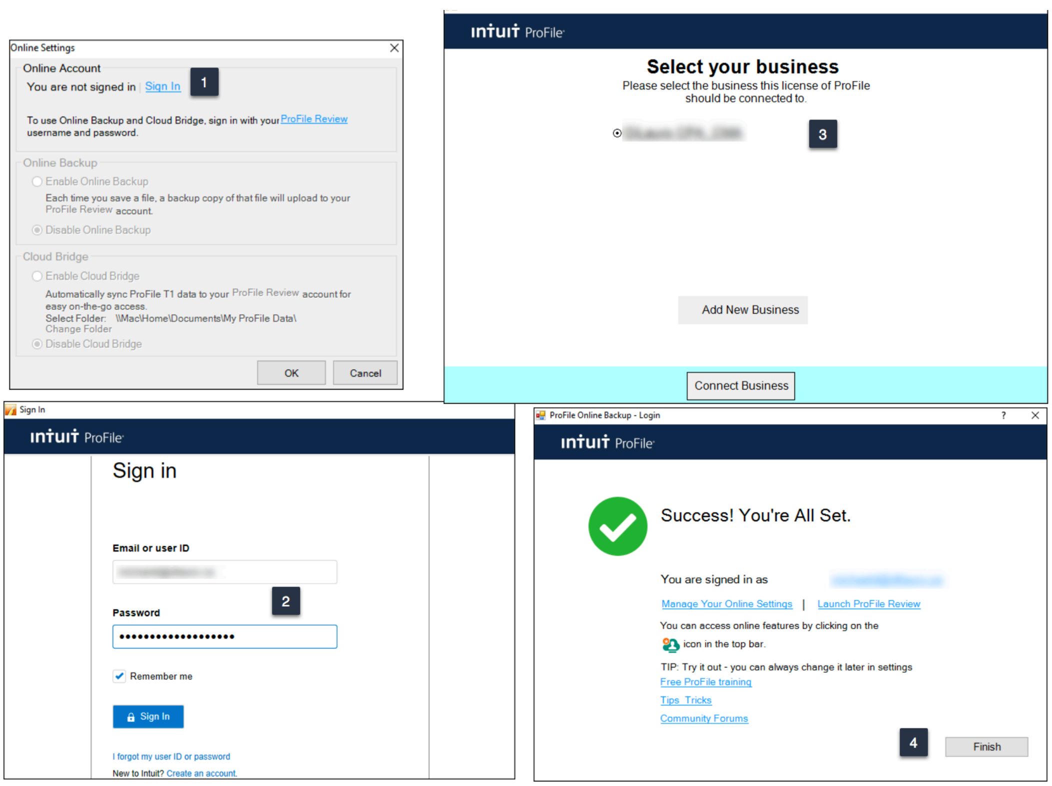
- …And also to view your tax files online



Accessing your online account

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

- From the toolbar, click the *Online Settings* icon and ProFile launches the sign-in window
- Click Sign In 1
- Enter your user ID and password 2
- Select your firm (or add a new one) 3
- Click *Finish* and you're done 4

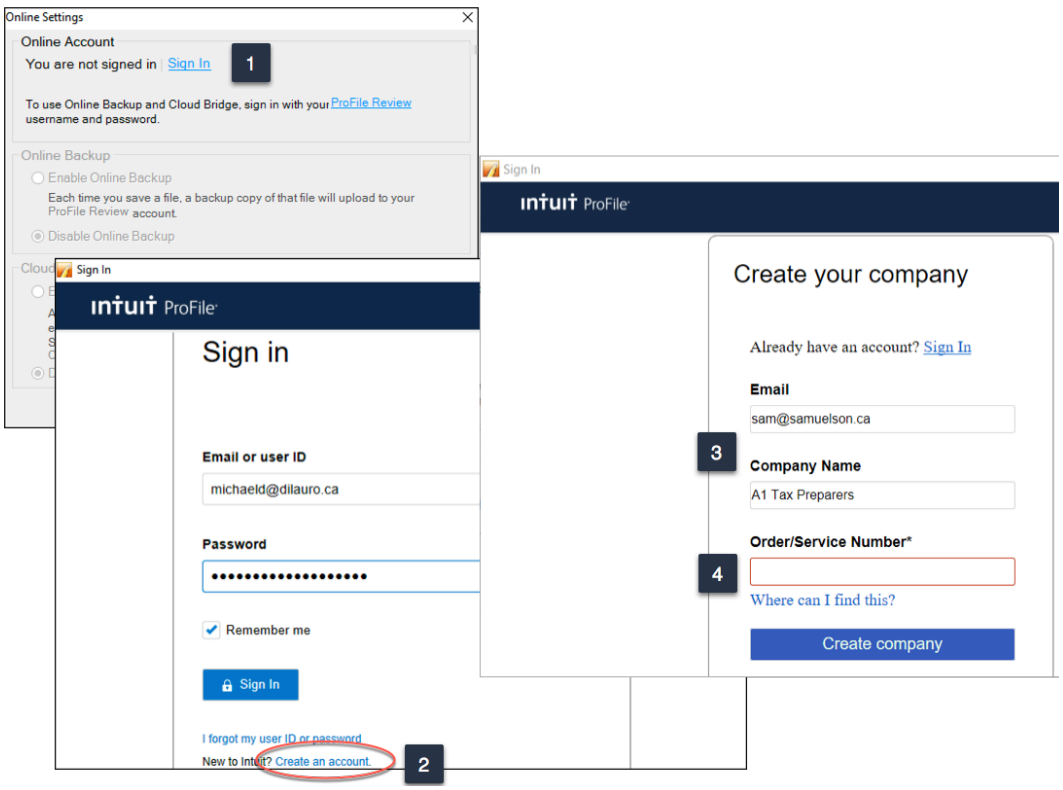


But I don’t have an online account

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

- From the toolbar, click the *Online Settings* icon to launch the sign-in window
- Click Sign In 1
- Click Create an account 2
- Enter your email and company name. 3
- You will also need your order or service number from when you bought ProFile 4
- Follow the prompts, per steps 2 through 4 in the previous example, to complete the process

See the images further below for details on order or services numbers

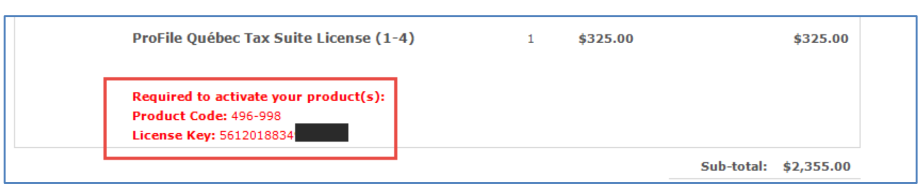


Order/Service Number

Read on if you’re not sure where to find the Order/Service Number 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.



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

ORDER DETAILS

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

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

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 return 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 filling in key tax 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)
- Have a valid Form T1013 Authorization Form (described in Chapter 3) for each client

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

- 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
- Home Buyers' Plan repayment amount
- Non-capital losses
- Capital gains deductions
- Provincial tuition, education, and textbook carryover amounts

Client Data Enquiry (CDE)

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

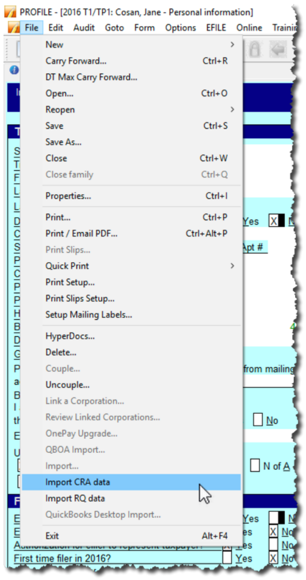
AFR Download

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

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

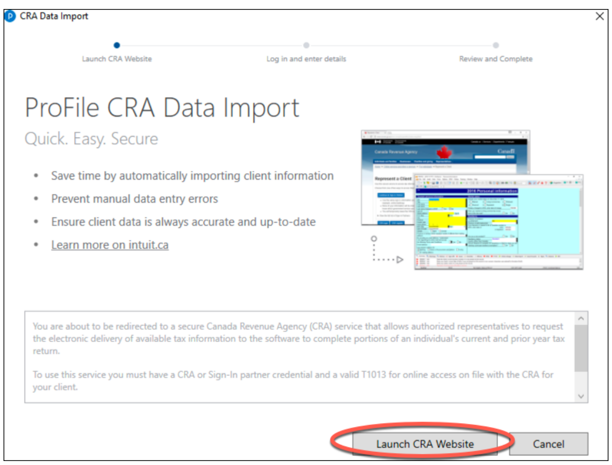
If you notice a mistake in the tax-related information, have an account-specific question about other tax-related information, or need additional information, call the individual income tax and trust enquiries line at 1-800-959-8281.

Using AutoFill My Return

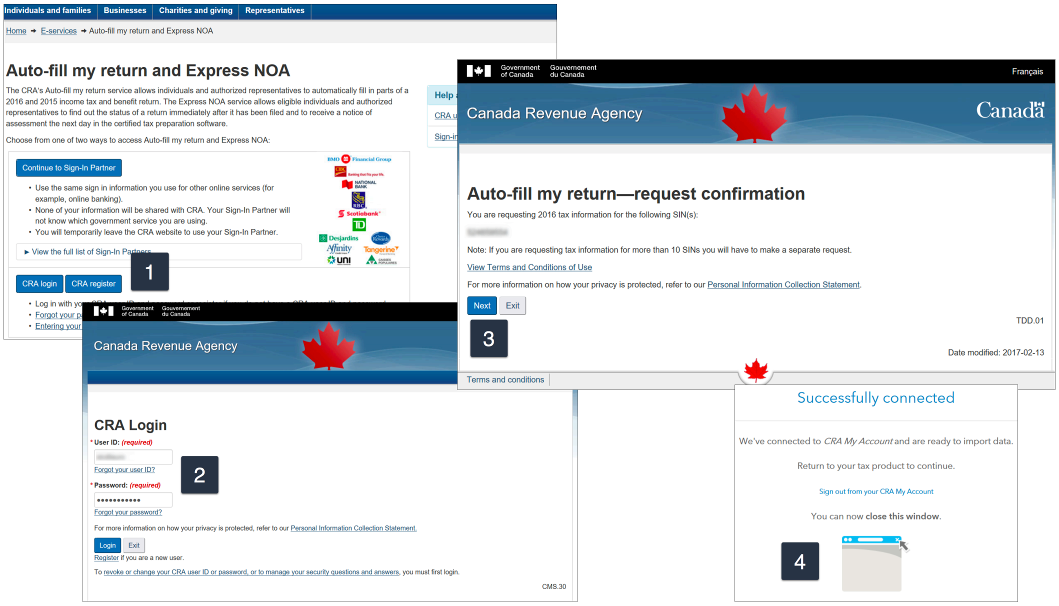


- With a client file open in ProFile, click *File>Import CRA Data*

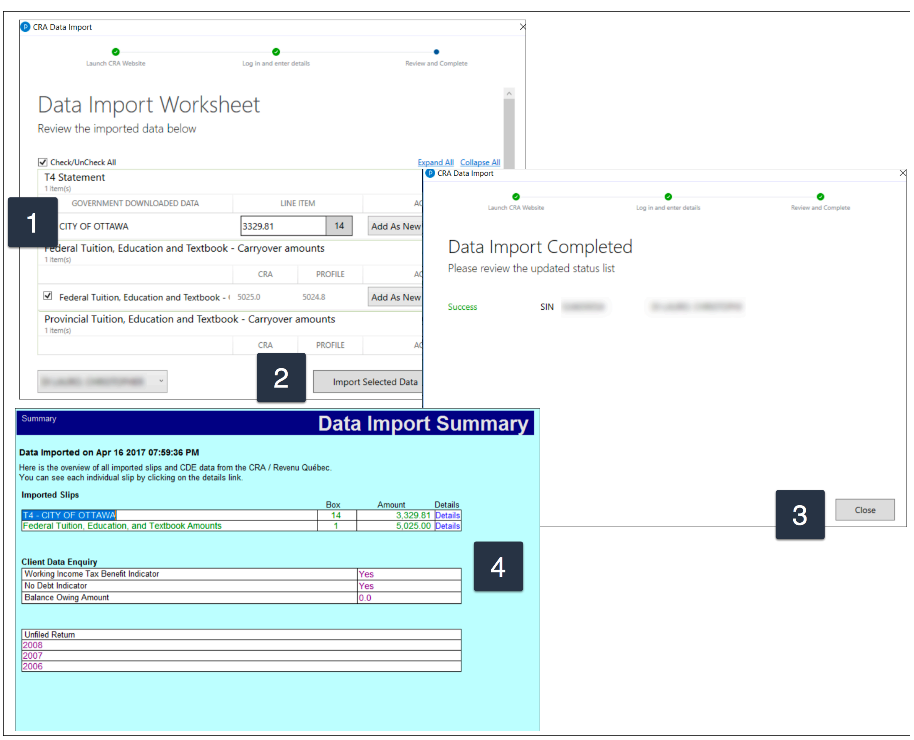
- Click *Launch CRA Website*



- ProFile will open a browser and take you to CRA's website
- Click CRA Login 1
- Enter your credentials 2
- Confirm CRA's request then click *Next* 3
- Close the window to return to ProFile 4



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



All About ReFILE

If you are an EFILE service provider, you can use ReFILE to make changes to T1 that was previously filed with CRA. These online adjustments only apply for the 2015 and 2016 tax years.

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 year 2015 and 2016 ReFILE)
- You have T1013 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:

- Subject to provincial or territorial income tax in more than one jurisdiction
- Waiting for either an initial Notice of Assessment or a Reassessment
- Amending an election or wants to make an election (for example, Form T2057, Election on disposition of property by a taxpayer to a taxable Canadian corporation)
- Applying for child and family benefits
- Allocating the refund, if applicable, to other CRA accounts
- Applying for the disability tax credit
- In the position of having been arbitrarily filed by CRA

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

- marital status
- address
- direct deposit
- email address

Service limitations

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

If you have any questions or concerns about the ReFILE service, contact CRA's EFILE Helpdesk at

Winnipeg Tax Centre
66 Stapon Road
Winnipeg MB R3C 3M2

Local and long distance calls:
1-800-461-1806
Fax: 204-984-5302

Sudbury Tax Centre
1050 Notre-Dame Avenue
Sudbury ON P3A 5C1
Local calls: 705-670-6499
Long distance calls: 1-800-361-6283
Fax: 705-670-6500 or 1-855-338-5495

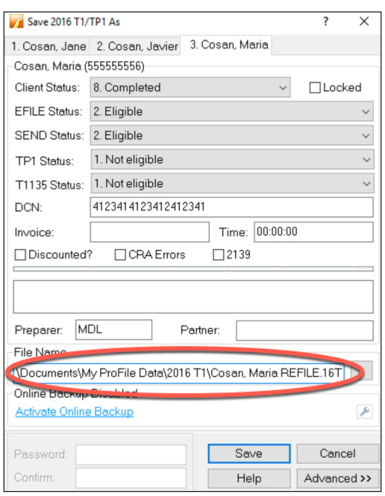
Jonquière Tax Centre
2251 René-Lévesque Blvd
Jonquière QC G7S 5J2
Local and long distance calls:
1-855-699-4640
Fax: 418-699-0203 or 1-800-497-5806

Using ReFILE

Before attempting to ReFILE a return, verify that you have a valid T1013 form—with level 2 authorization—on file with CRA. If CRA already has the authorization information on file another filing of the T1013 is not required.

To ReFILE a return

- Open a T1 return that has already been EFILED and for which a CRA Notice of Assessment has been received.
- Save the return as a new file, using the *Save As*... option from the File drop-down menu in the top toolbar



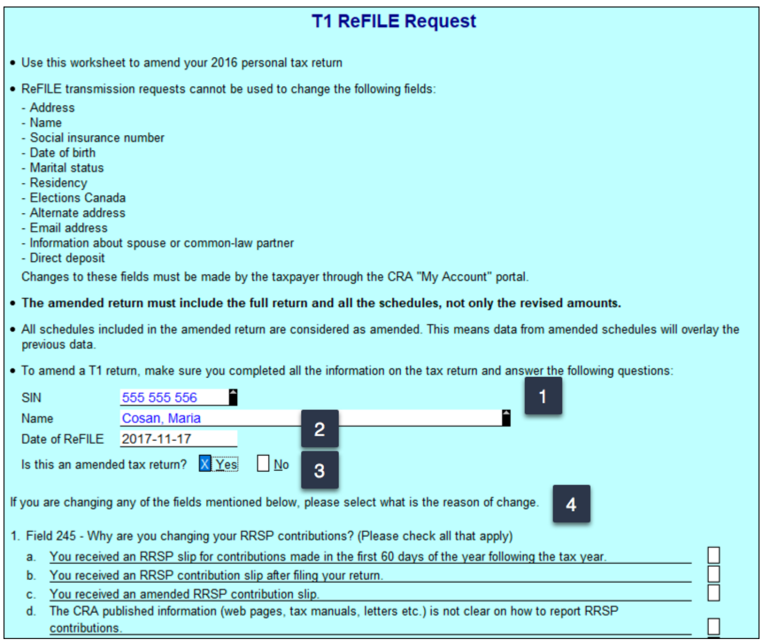
- In the tax file, enter the new information that mandates a ReFILE. If, for example, a client has received an unexpected T4, then enter that new information on ProFile's *T4 Slip*

- After making the necessary changes to the tax file, press *F4* to open *Form Explorer* and, in the Search field, enter *T1ReFILE*
- Ensure the client information (SIN and Name) is correct in their respective fields [1]
- Enter the current date in the Date of ReFILE field [2]
- Select the *Yes* option in the "Is this an amended tax return?" field: [3]

Note: failing to select the "yes" option will produce an error when attempting to ReFILE.

- Answer the subsequent questions in the form [4]

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



T1 ReFILE Request

- Use this worksheet to amend your 2016 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:

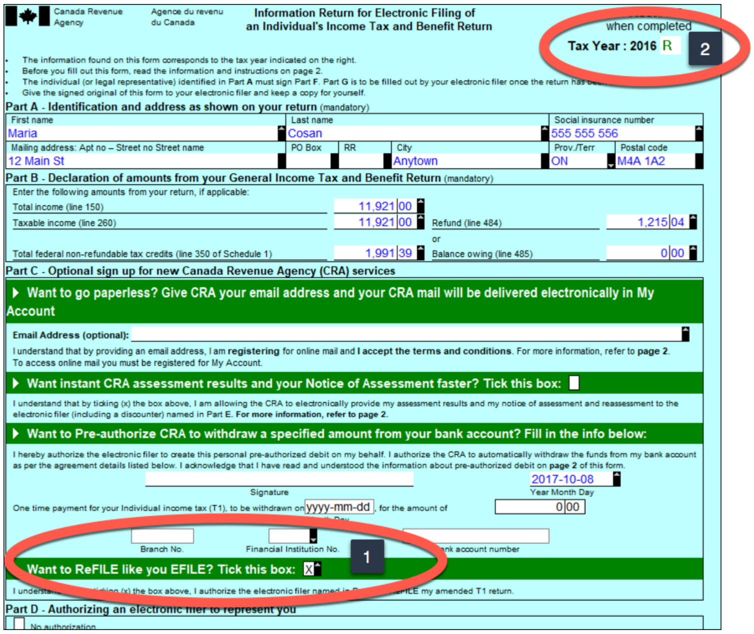
SIN 555 555 556 1
Name Cosan, Maria 2
Date of ReFILE 2017-11-17
Is this an amended tax return? X Yes ☐ No 3

If you are changing any of the fields mentioned below, please select what is the reason of change. 4

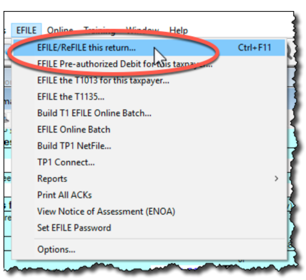
1. Field 245 - Why are you changing your RRSP contributions? (Please check all that apply)
   a. You received an RRSP slip for contributions made in the first 60 days of the year following the tax year. ☐
   b. You received an RRSP contribution slip after filing your return. ☐
   c. You received an amended RRSP contribution slip. ☐
   d. The CRA published information (web pages, tax manuals, letters etc.) is not clear on how to report RRSP contributions. ☐

Before completing the submission, you must update the T183 Form (as described in Chapter 4).

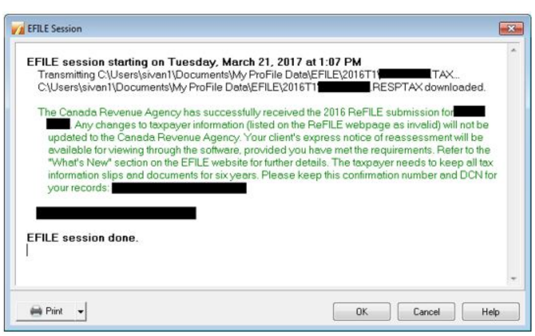
- Open the T183 used for the initial EFILE of the return:



- Tick the checkbox that asks *Want to ReFILE like you EFILE?* Note that this checkbox displays only for tax year 2016 and later 1
- A letter "R" now displays in the Tax Year field indicating the form was referenced for the ReFILE 2 This new designation is permanent and cannot be rescinded from the form
- Acquire a new sign-off from the client on the updated T183 form prior to your ReFILE attempt
- After the client signs the updated T183, click *EFILE/ReFILE this return…*

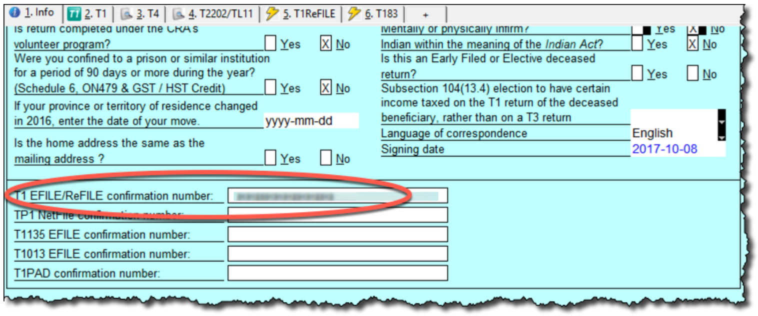


- After the ReFILE process is successfully completed, ProFile will display a confirmation window

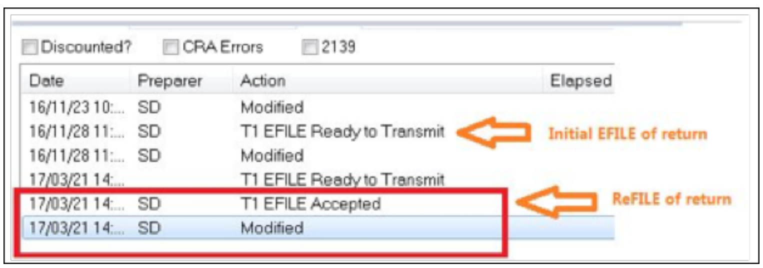


Confirming the ReFILE submission

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



- You can also confirm the history of the submission by selecting *Properties* option under the *File* menu
- Review the history of the return; the ReFILE displays as an "EFILE" with the date of the ReFILE displayed in the "Date" field



Client Communication

Gathering and disseminating client information used to be straightforward. When paper was the only option, clients would stop by the tax preparer's office to drop off their documents, and come back later to pick up their completed tax returns.

Now, thanks to online tools, clients rarely visit their tax preparer's office, oftentimes preferring to email their documents. Email, though, comes with two inherent risks—privacy and efficiency. The fact is that regular email is a bad idea for sending private and sensitive data. In addition, controlling the influx of emailed attachments, especially during a very busy tax season, can lead to lost or misplaced documents, and erroneous or incomplete tax returns.

What tax preparers need, then, is a safe and efficient method for sending information to and requesting documents from their clients. And now, with Hub and Link, ProFile has that very thing built in.

Introducing Hub & Link

Hub is a document-management dashboard that helps you access customer information quickly and seamlessly. Hub works effortlessly with Link, a user-friendly online portal that lets you collaborate more effectively with your clients to gather their information. Together, Intuit Hub & Link will streamline document management in ProFile.

Link makes data collection a breeze. As described in the paragraphs below, Link lets you simplify client data collection, invite clients to collaborate, create customized client requests and track the status of all your requests.

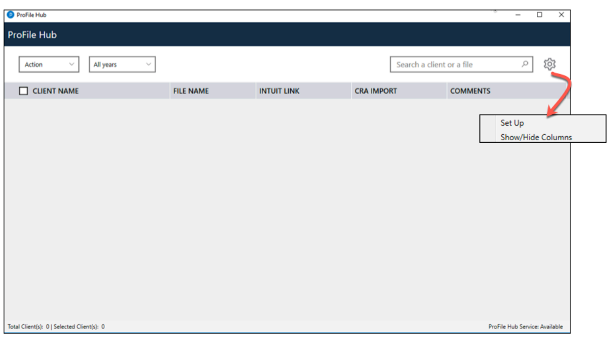
Once logged-in, you are ready to use Hub and Link, ProFile's latest online tools that make client communication a breeze.

Using Hub

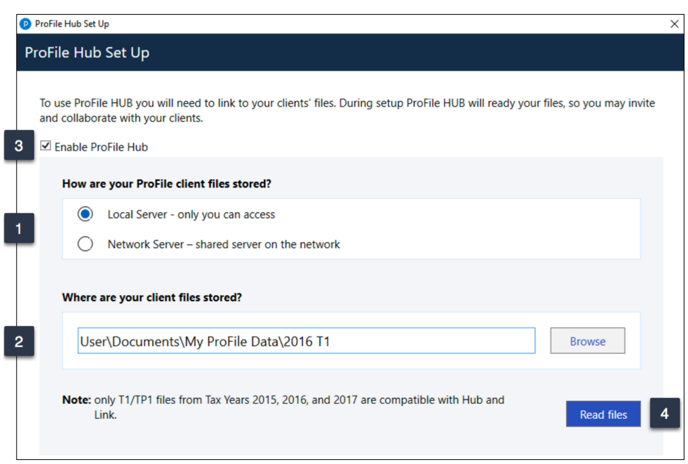
Hub is a dashboard within ProFile that gives you a bird's eye view of your client documents and information. You can access client contact information, check the status of a return and review any notes that may have been added.
Within Hub you have access to document management sources, such as Link, to help you gather information from your clients in one secure place.
And now, CRA's Auto-fill my return is available through Hub.

To launch Hub:

- Click *Go to* and select *Hub*
- Click the *Gear* icon and choose *Set Up*

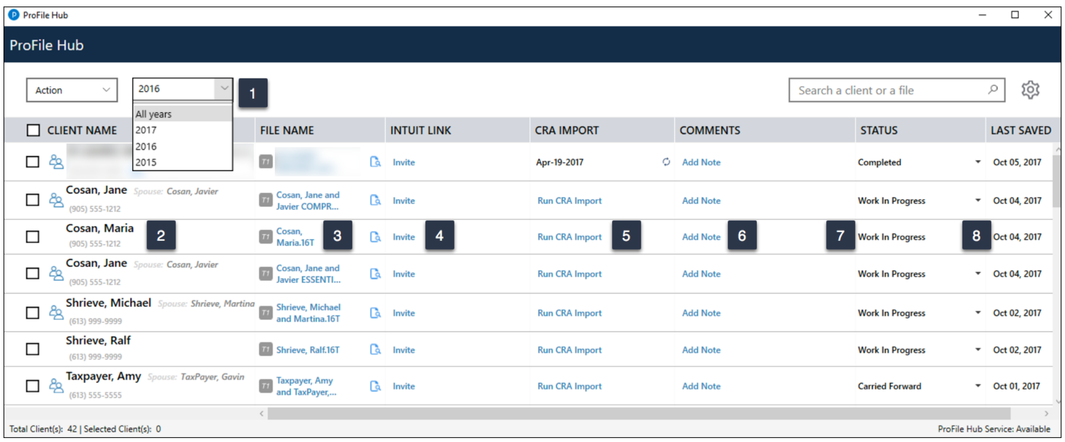


- Confirm whether your files are on a local drive or network server 1
- Indicate the file location 2
- Click the *Enable ProFile Hub* checkbox 3
- Click *Read Files* and ProFile will then index your tax files 4



The Hub window, below, provides at-a-glance information for all your client tax files, including:

- A dropdown window to filter tax years 1
- Client name column with phone numbers readily displayed 2
- Clickable file-name column for opening tax files 3
- Intuit Link column (discussed later) 4
- CRA Import column that displays the date of the import or the ability to import from CRA 5
- A comments column for recording notes 6
- Status column 7
- Date the tax file was last saved 8

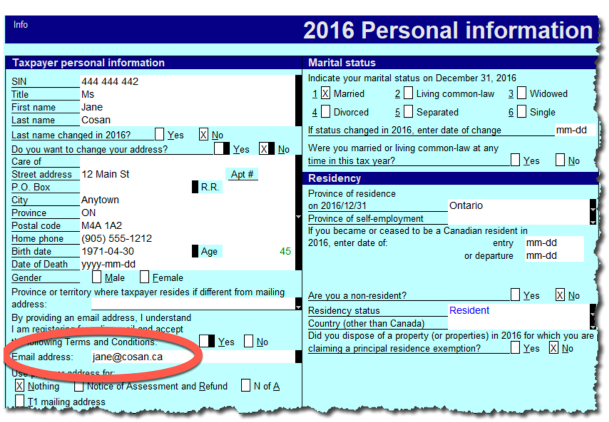


Using Link

Link is ProFile's online portal that opens a communication channel to your clients. With Link, you can personalize and electronically send client documentation such as questionnaires and checklists. With Link, your clients can also send you their tax data in a timely and organized way. And with Link, you can personalize—with your own logos—the documents you send to your clients.

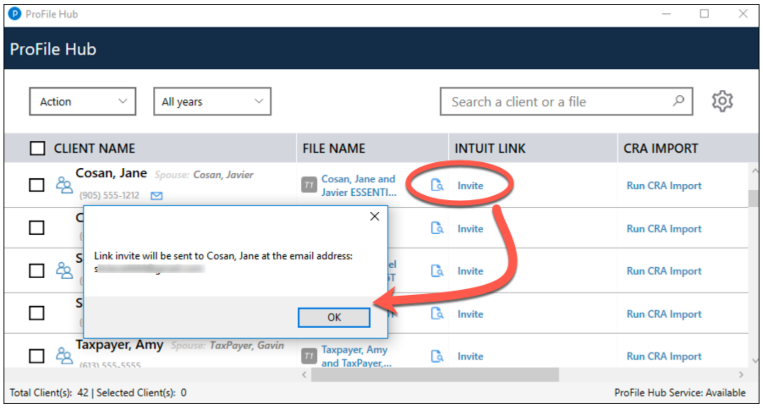
Inviting your clients

For all this to work, it's important to enter, on the Personal Information page, a valid email addresses for your clients.

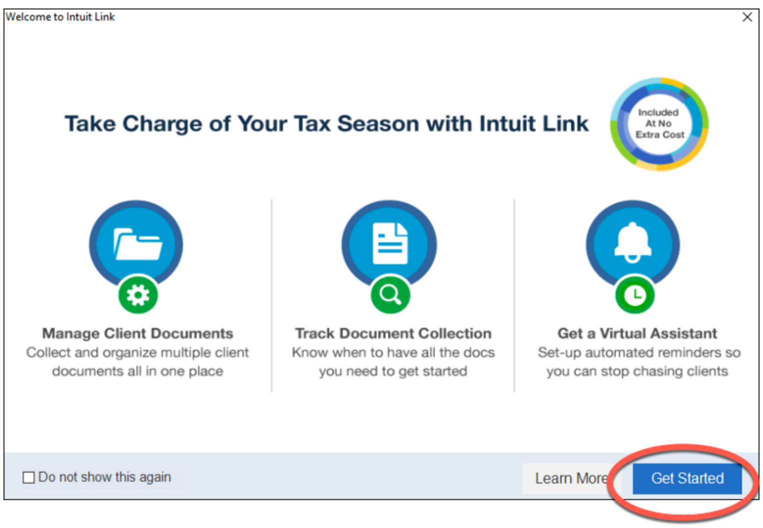


To launch Link:

- From Hub, click *Invite,* next to the desired client
- Confirm the email address, and click *OK*

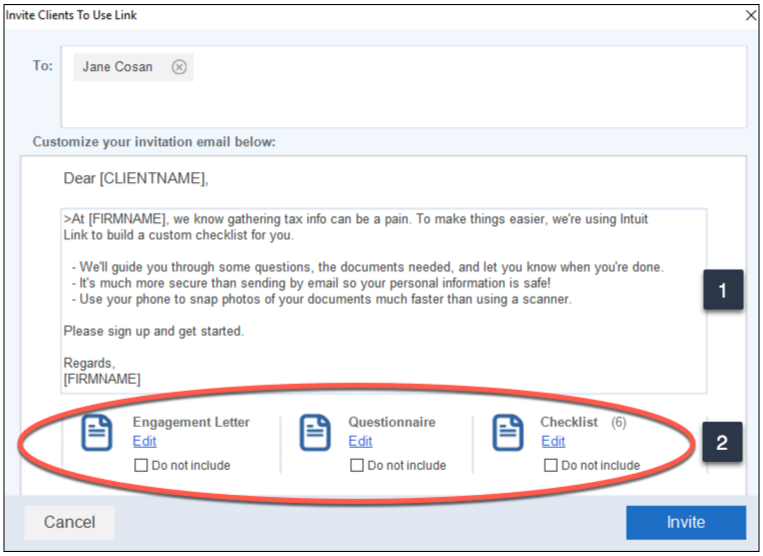


Click *Get Started* in the splash screen that opens



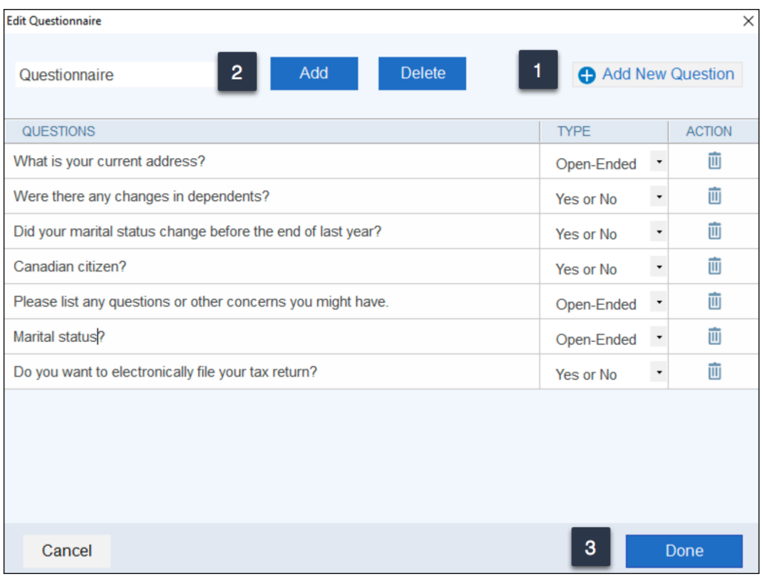
From the window below, you can choose to:

- Edit the invitation email that your client will see [1]
- View, edit or select to send ProFile's default Engagement Letter, Questionnaire and Checklist [2]



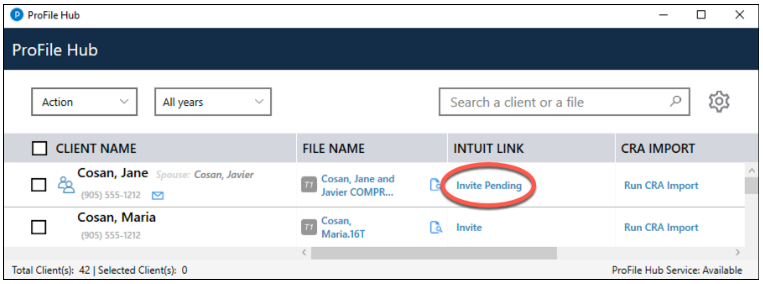
To modify the default questionnaire template, in the window above, click *Edit:*

- Click *Add New Question* to insert a question in a new row 1
- Click *Add* to create your own document 2
- Click *Done* to return to the invitation window 3
- Then, from the invitation window (above), click *Invite* to send the selected documents to your client



Meanwhile back at Hub

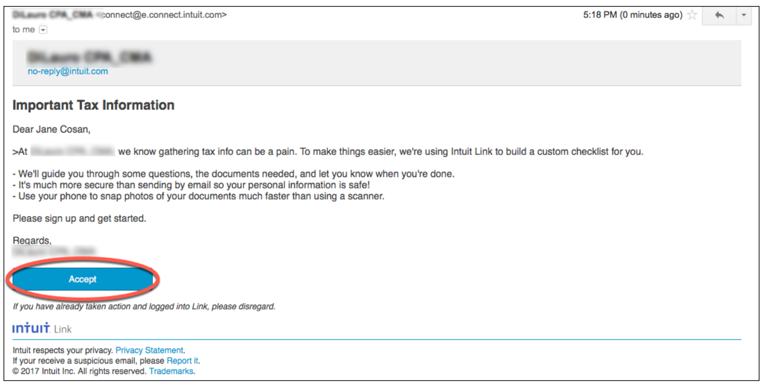
A return visit to Hub reveals an *Invite Pending* status for that client, thereby keeping you up to date with all your client requests.



What your client sees

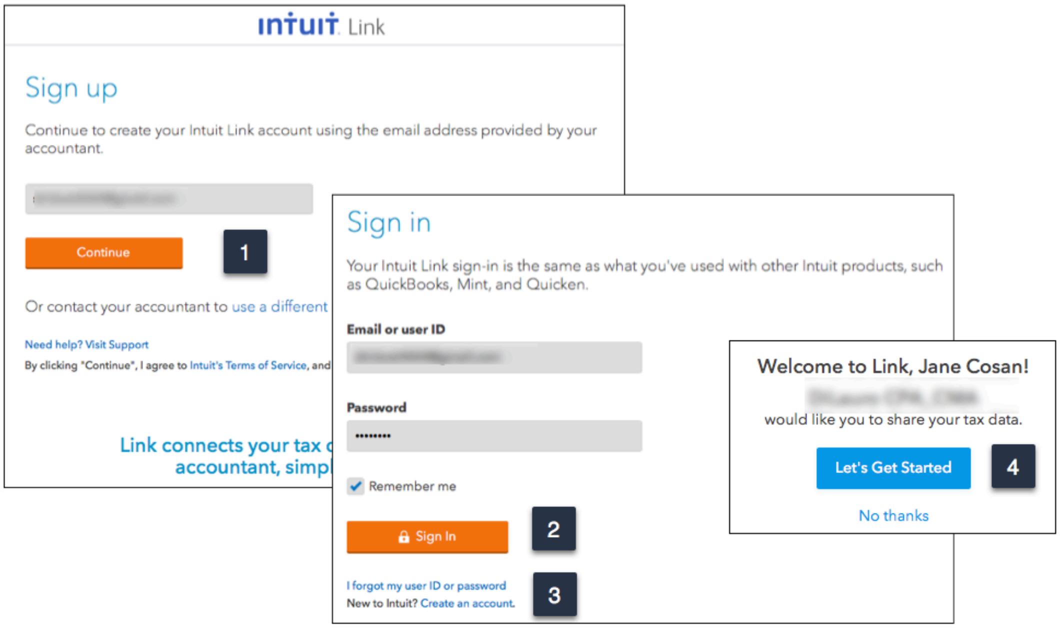
Here is the email your client receives.

- Your client launches Link by clicking on *Accept.*



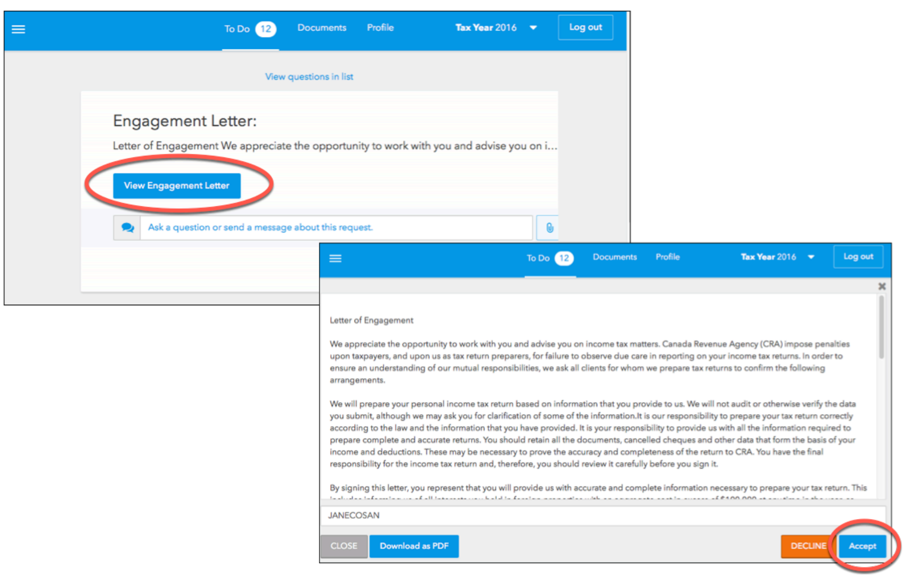
After your client clicks *Accept* in the window above:

- Link opens a *Sign up* page where your client clicks on *Continue* 1
- If your client has an Intuit account (QuickBooks or Mint, for example), she can use that account's ID and password 2
- If your client has no Intuit account, she can set one up by clicking Create Account 3
- You client then clicks *Get Started* 4

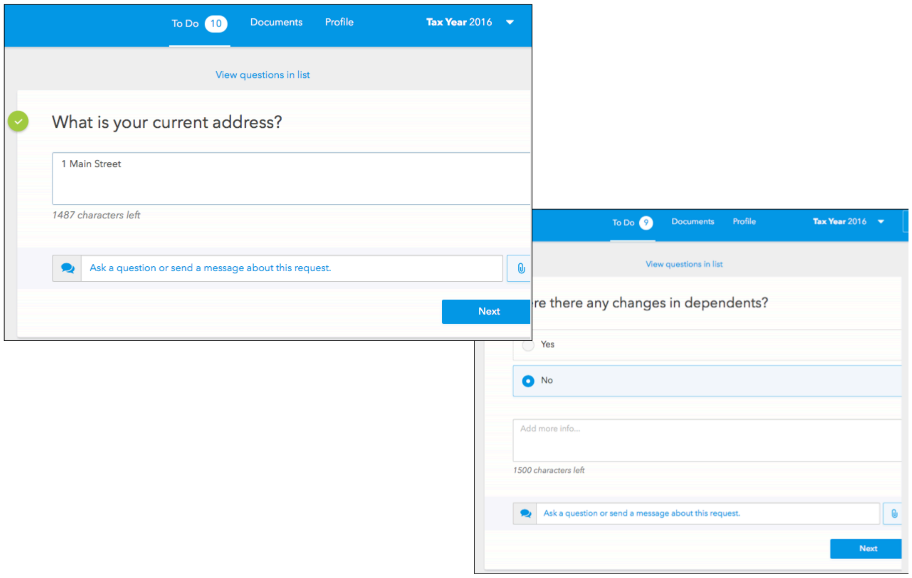


You client now only needs to scroll through the documents and answer the questions that you sent.

- For example, your client can view your Engagement Letter
- And then accept it with just a click

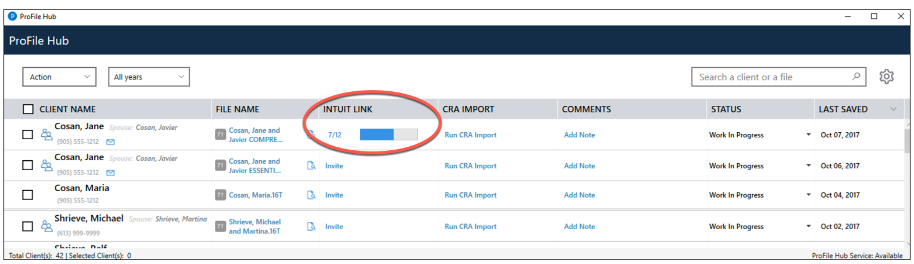


- Your client then cycles through and responds to your questionnaire

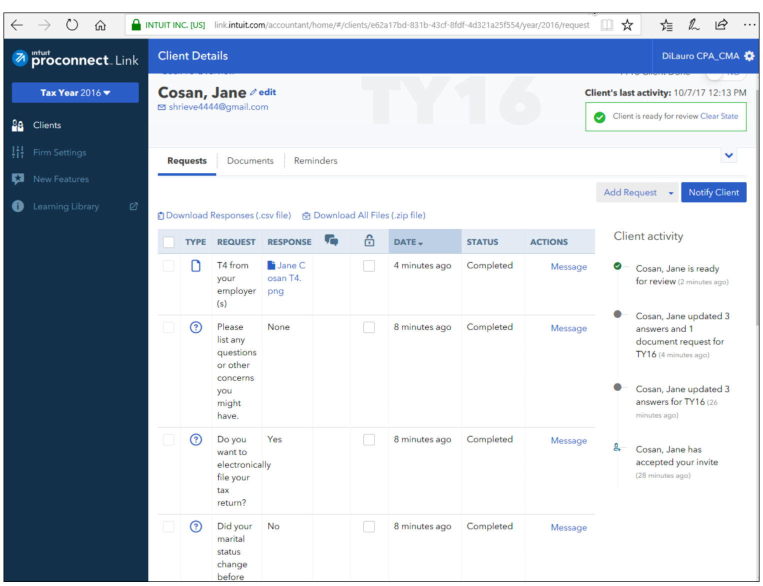


And all the while…

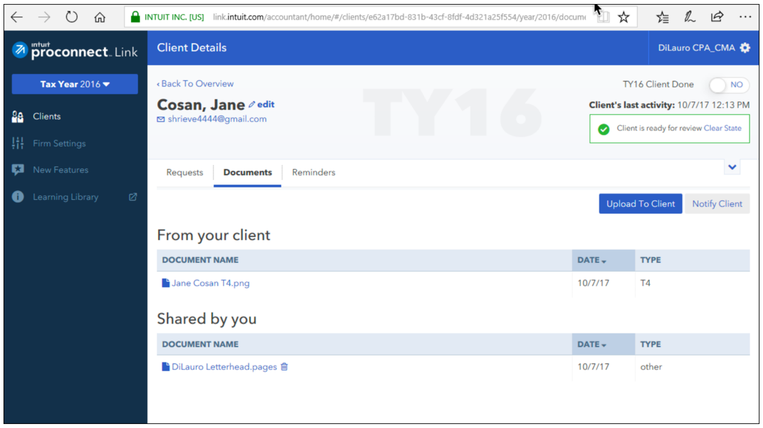
- Hub keeps track of your client's Link status and updates you with the number of addressed questions and accepted documents



- Plus, when you click on the progress number in the Intuit Link column, Link takes you to its online portal where you can view responses and access your client's submitted documents

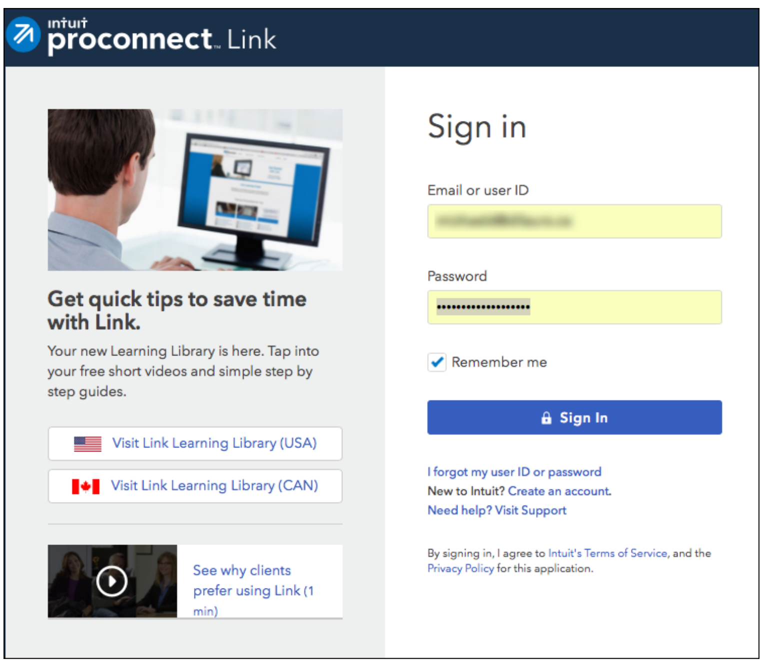


- Click the *Documents* tab (window below) to view both sent and received documents
- Send your client additional documents by clicking on *Upload to Client*
- And click *Notify Client* to let them know that your submitted documents are waiting for them in Link

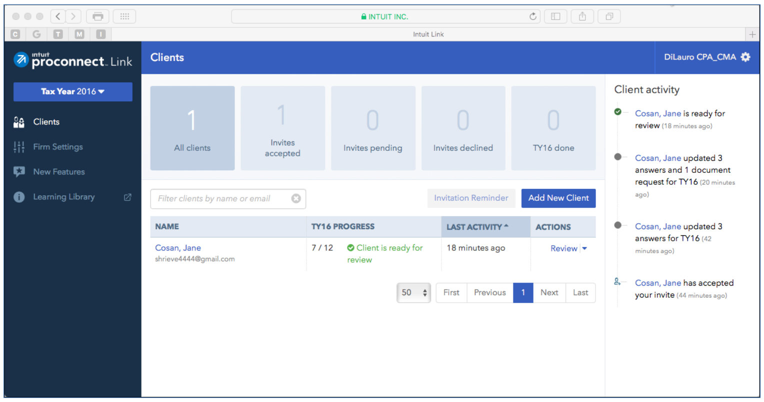


One more thing

You can log into Link from any browser by visiting http://link.intuit.com/accountant



- Once logged in you can view and deal with all your client correspondence


INTUIT INC.
Intuit Link
intuit proconnect. Link
Clients
DiLauro CPA_CMA
Tax Year 2016
Clients
Firm Settings
New Features
Learning Library
1
All clients
1
Invites accepted
0
Invites pending
0
Invites declined
0
TY16 done
Filter clients by name or email
Invitation Reminder
Add New Client
NAME
TY16 PROGRESS
LAST ACTIVITY
ACTIONS
Cosan, Jane
shrieve4444@gmail.com
7 / 12
Client is ready for review
18 minutes ago
Review
50
First
Previous
1
Next
Last
Client activity
Cosan, Jane is ready for review (18 minutes ago)
Cosan, Jane updated 3 answers and 1 document request for TY16 (20 minutes ago)
Cosan, Jane updated 3 answers for TY16 (42 minutes ago)
Cosan, Jane has accepted your invite (44 minutes ago)

Chapter 6 Quiz

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

A. Hub and Link
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: Mining data with ProFile's Powerful Client Explorer

Chapter 7 Learning Objectives

At this chapter's conclusion, students will understand:

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

Introducing Client Explorer

Client Explorer is a database, built into ProFile, that helps you view and manage your clients and their files. With Client Explorer, you can create custom filters that let you open, carryforward and batch EFILE tax returns, and export and print information on your client and their tax files.
The first time you save a new client file, Client Explorer automatically adds a record for that client to the database. And 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. Also, you must use Client Explorer to print groups of returns or to file groups of returns by EFILE.

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 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.

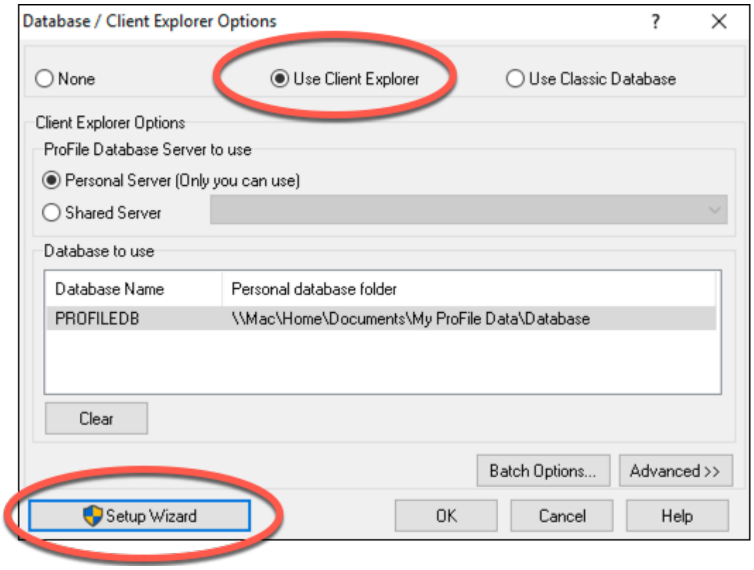
Setting up

You must first setup Client Explorer, and the set-up options depend on whether the tax preparer works alone as a sole practitioner, or works with other in a shared network environment.

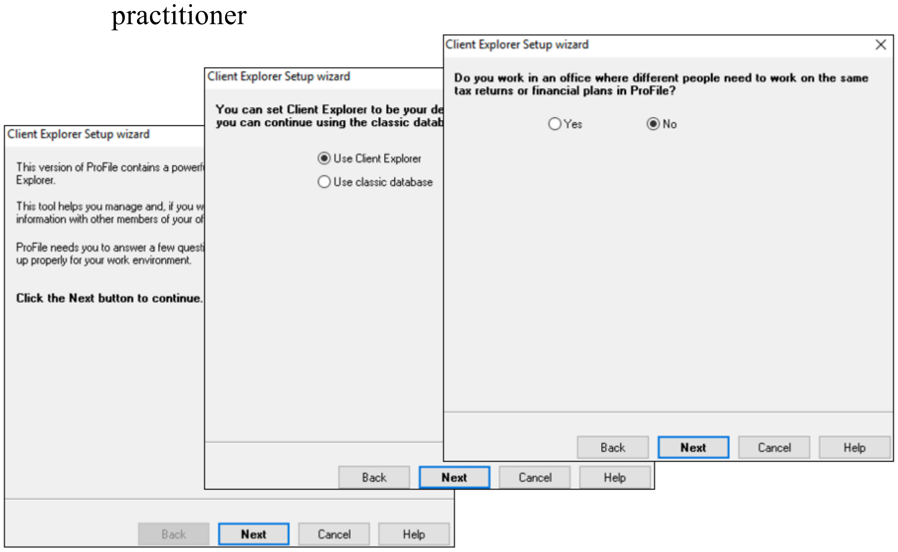
Setting up Client Explorer for a Sole Practitioner

- Click Options -> Database

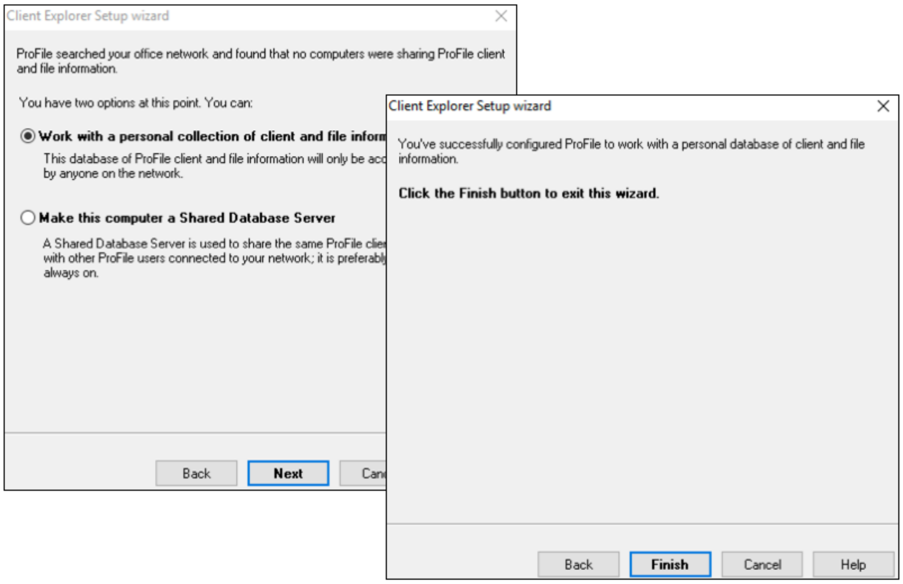
- Select the *Client Explorer* radio button.
- Click Setup Wizard



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

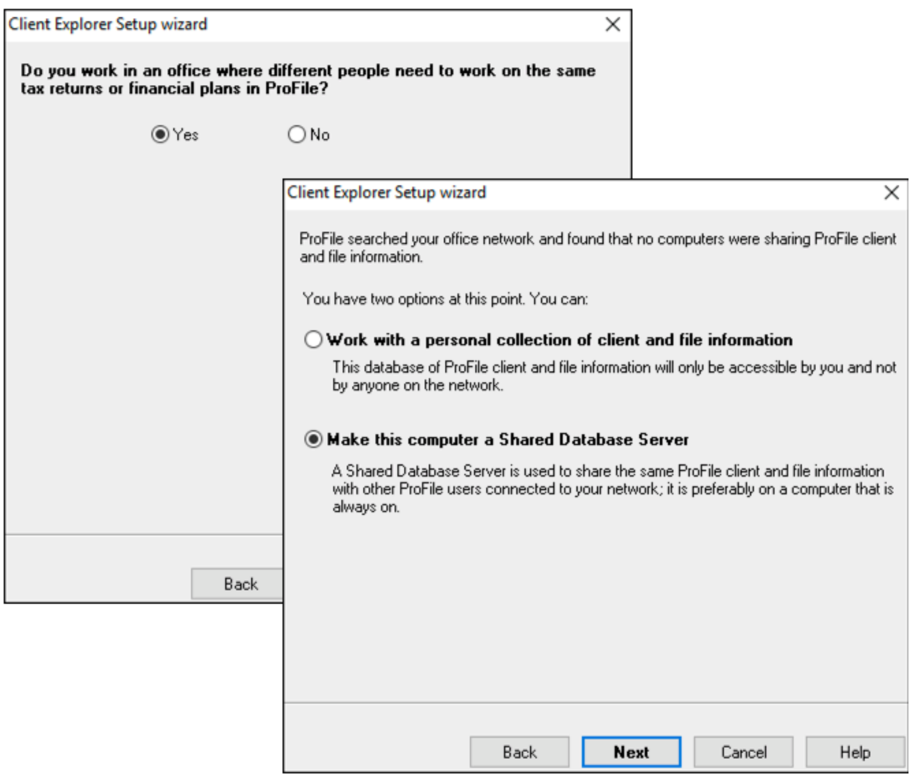


- As a sole practitioner, select the first radio button and click *Next*
- Finally, click *Finish*

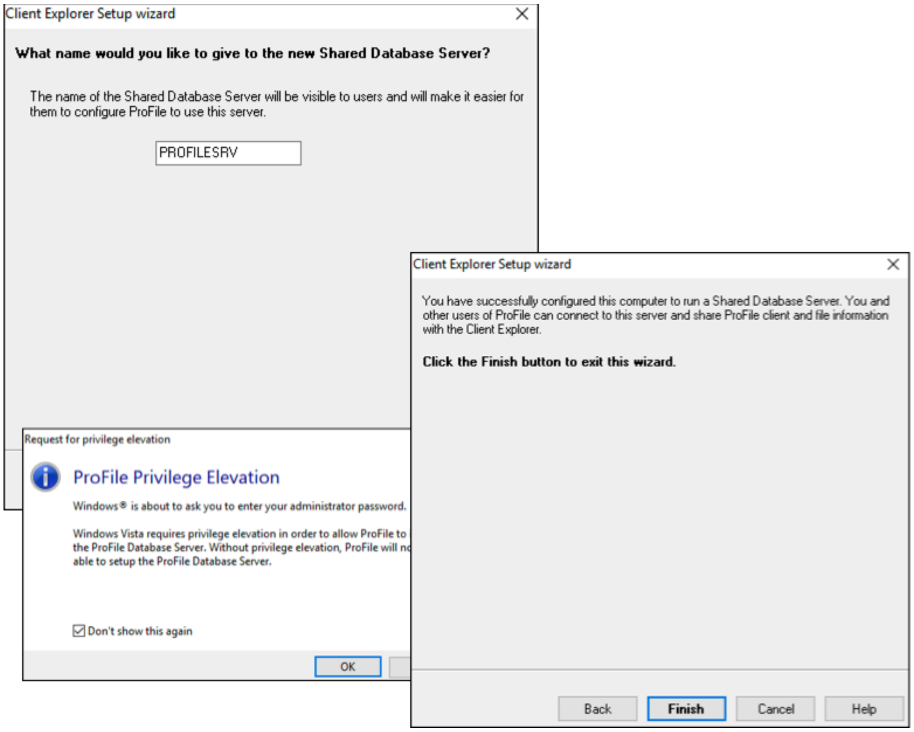


Setting up Client Explorer for a Shared Database

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

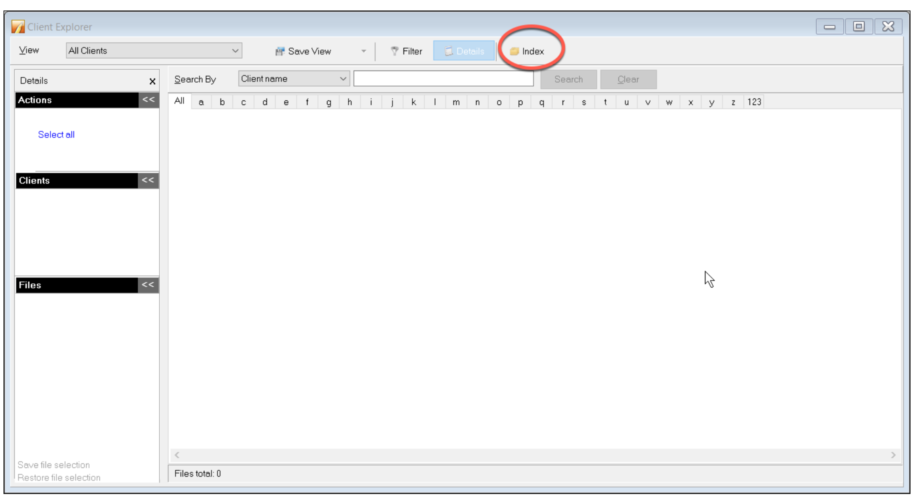


- Name your shared database, click *OK* to accepts any Windows prompts (such as ProFile Privilege Elevation), and click *Finish* to complete the process

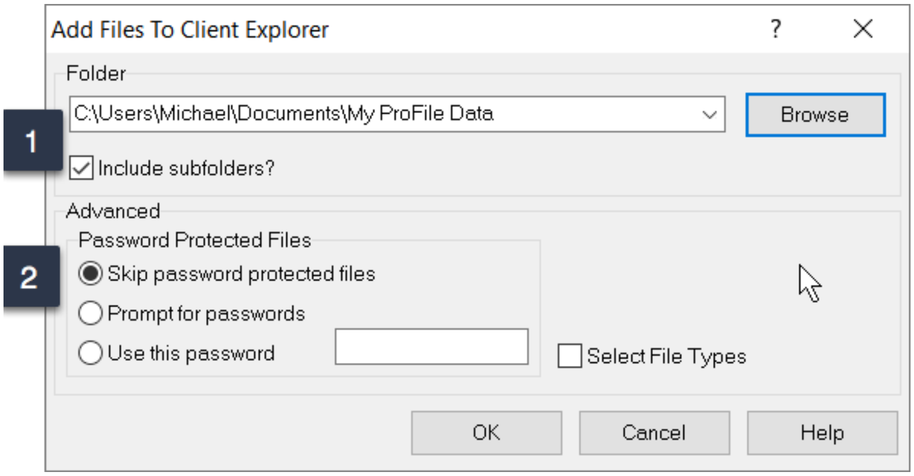


Using Client Explorer

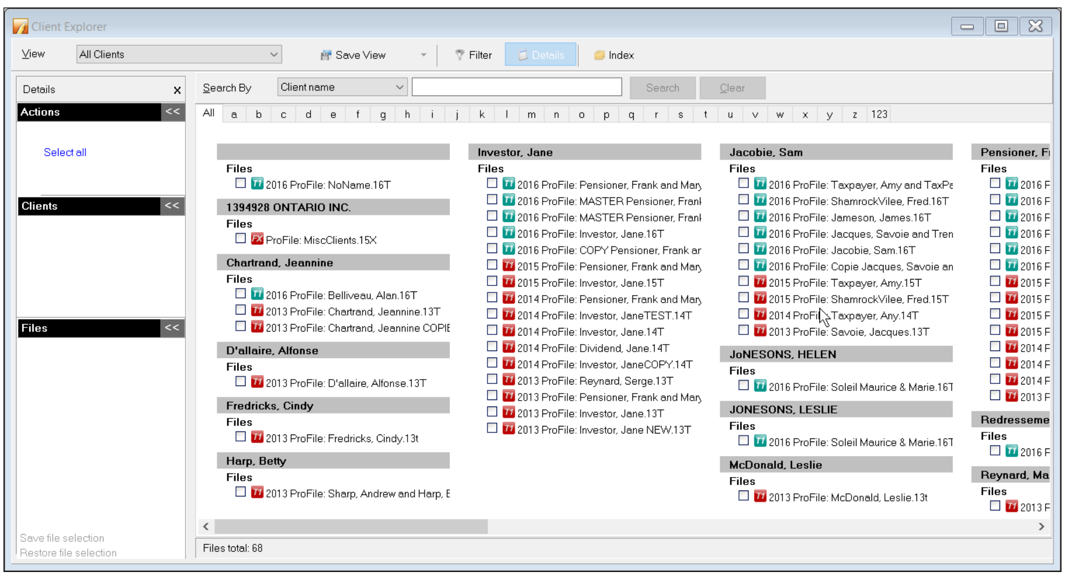
- To open *Client Explorer* just press the F3 key. The first time it launches, Client Explorer displays an empty window
- To load existing files, just click *Index*



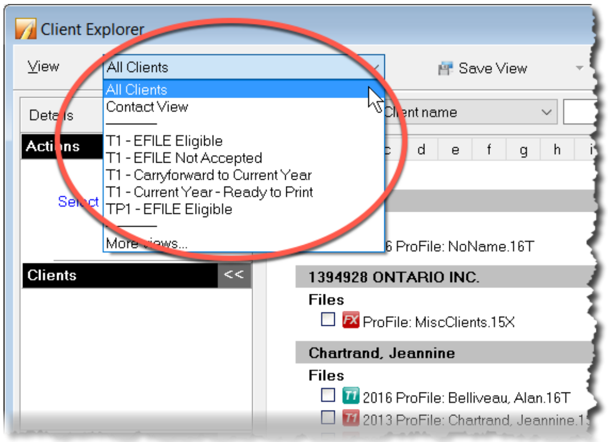
- Browse to the file location (usually *My ProFile Data*) and click *Include subfolders* [1]
- Indicate how you want Client Explorer to handle password protected files [2]
- Click *OK*



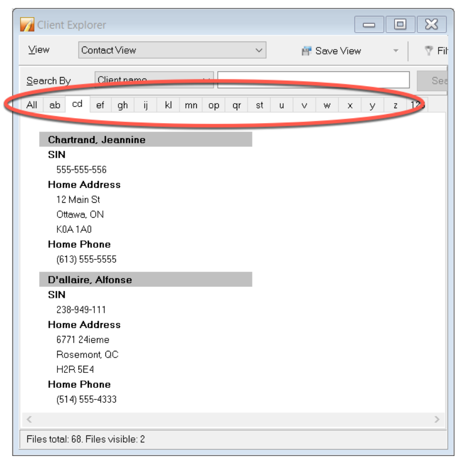
- After the indexing process is finished, Client Explorer displays all tax files stored in the designated folder



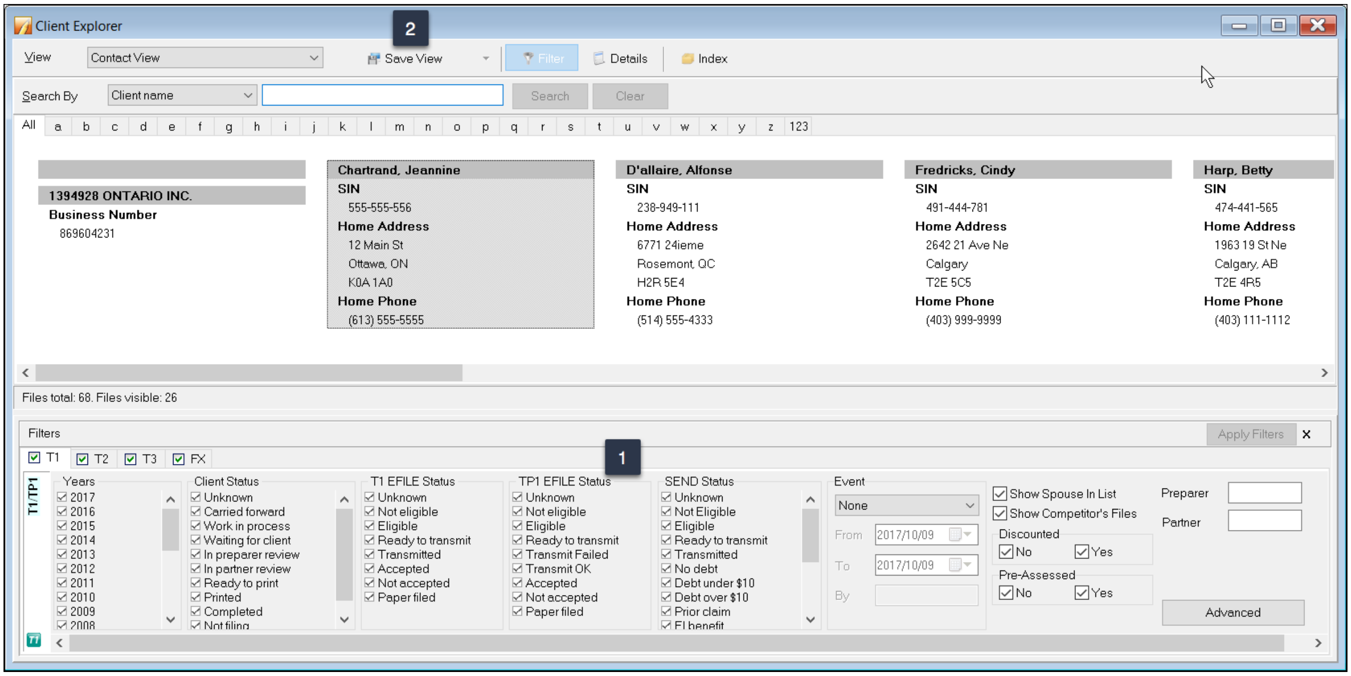
- By default, View is set for *All Clients*. To change that view, just click the dropdown



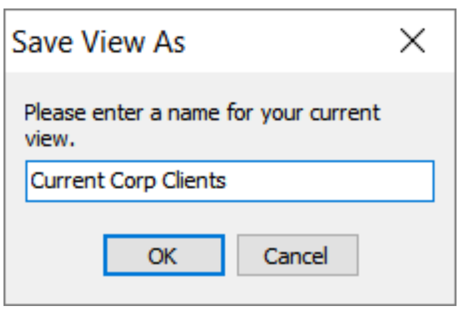
- The *Contact View,* for example, displays full contact information for all your clients
- Use the tabs to narrow your search parameters



- *Client Explorer* lets you customize views by setting filters
- Click *Filter* to open the bottom panel and customize 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, date-range and so on [1]

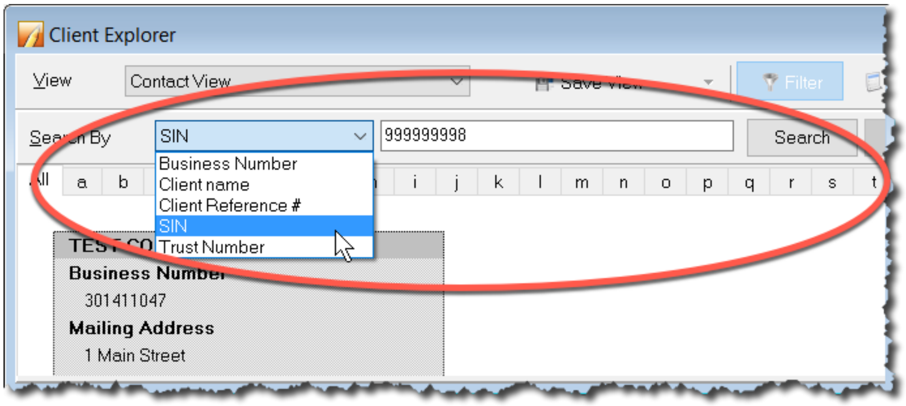


- Once you create a view that suits your working style, in the window above, click *Save View* 2
- In the dialog box that opens, name your customized view and click *OK*.



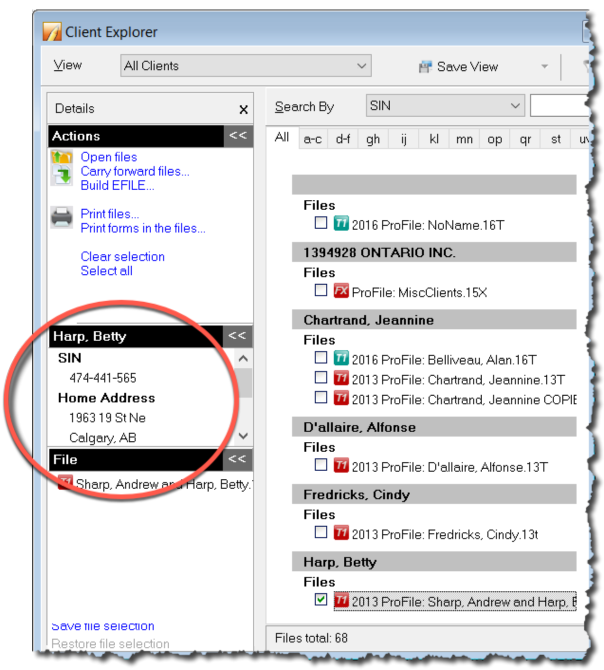
Using *Client Explorer* to find files

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

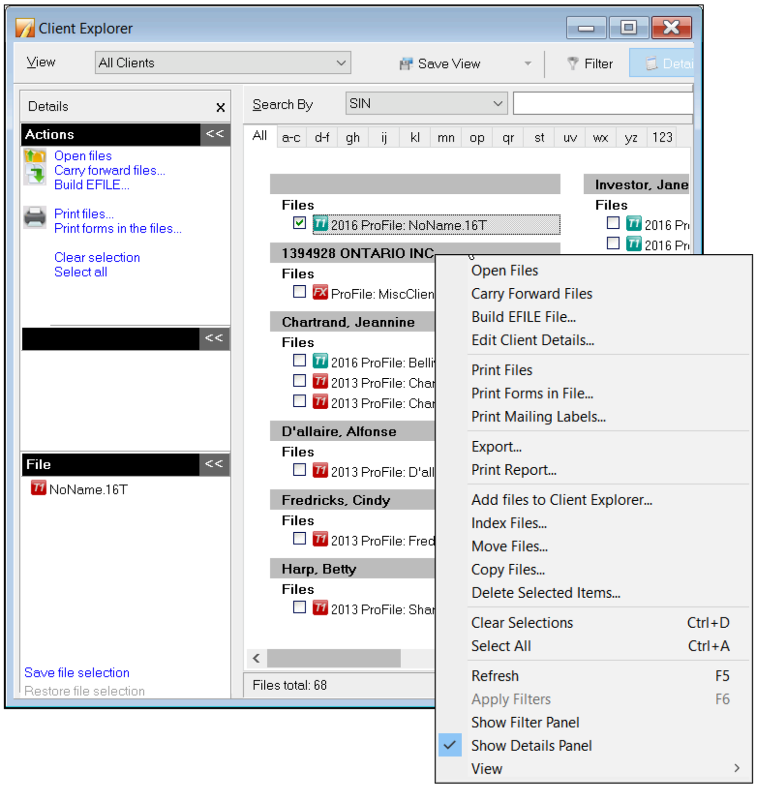


Client Explorer as a Contact Manger

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



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



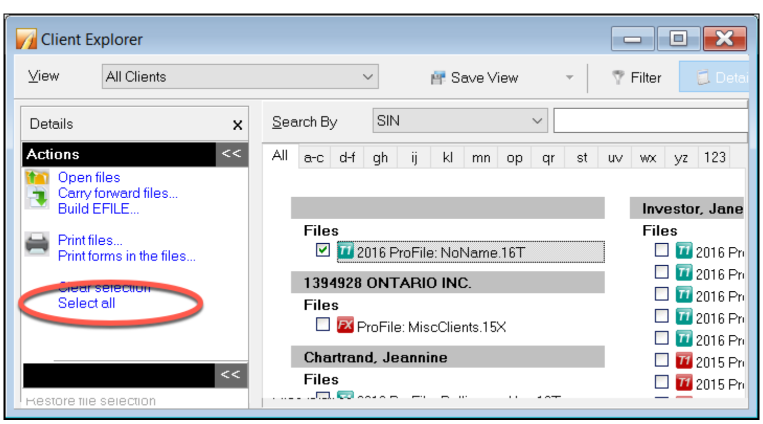
EFILE WITH CLIENT EXPLORER

Chapter 4 introduced CRA's EFILE system and described how a tax prepare 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

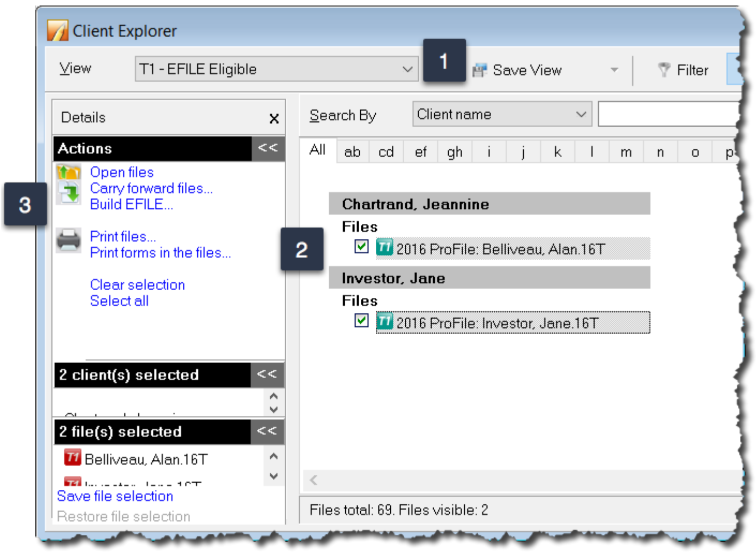
To create EFILE files for a group of returns:

- Press *F3* to open Client Explorer
- In the client list pane, click the Select all tab (on the left)

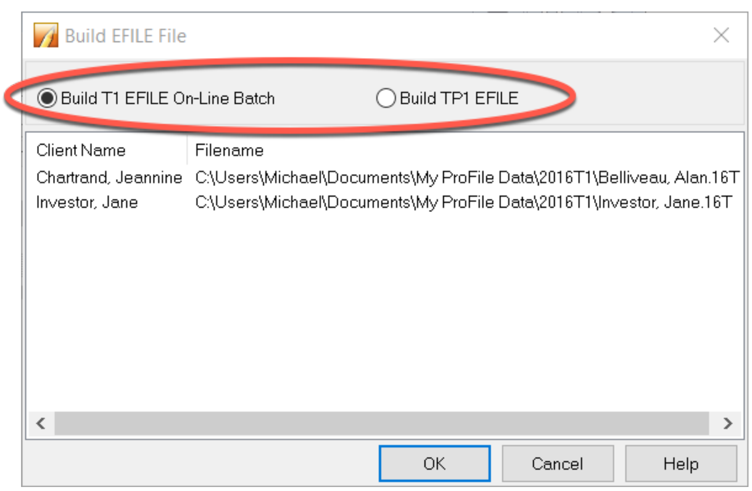


In the View drop-down list, select the type of EFILE operation that you want to perform. ProFile filters the list to display only files with the selected status.

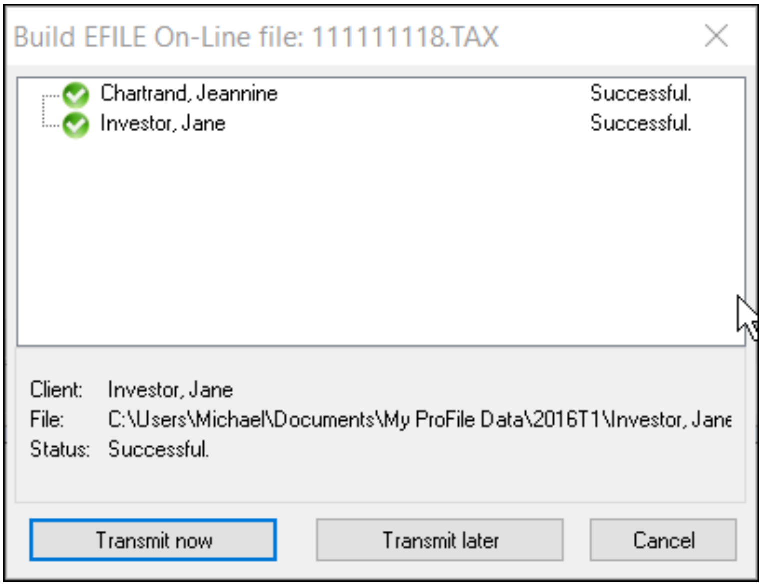
- To view tax files eligible for EFILE, select *T1 – EFILE Eligible* [1]
- From the list of eligible files, select the files that you want to include in the next transmission [2]
- To prepare the files for submission, choose *Build EFILE* [3]



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



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



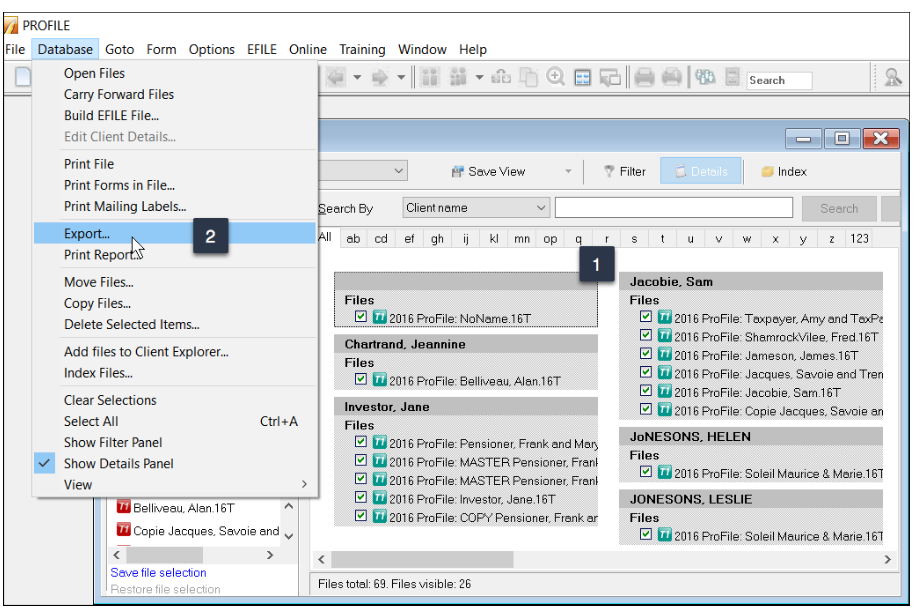
For more details on transmitting T1 and TP1 returns that you prepared in this way, go to ProFile Help and search for "Transmit a batch of EFILE Online files"

PRINTING AND EXPORTING WITH *CLIENT EXPLORER*

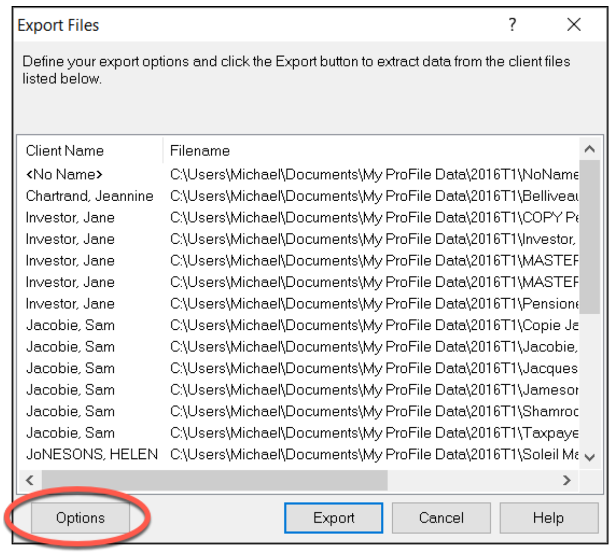
Export to Excel

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

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

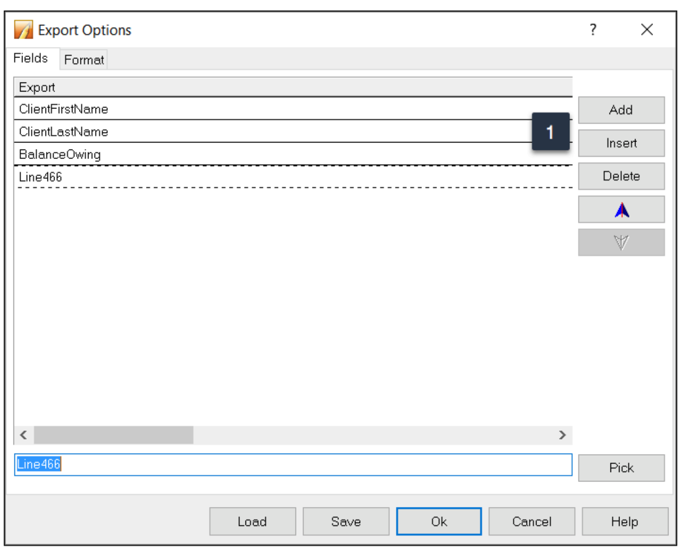


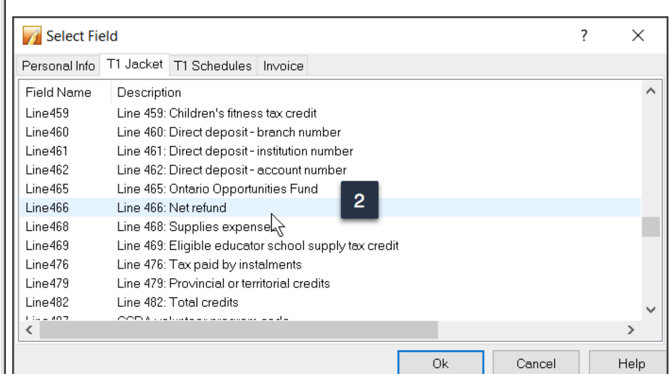
- From the *Export Files* dialog box, click *Options*



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

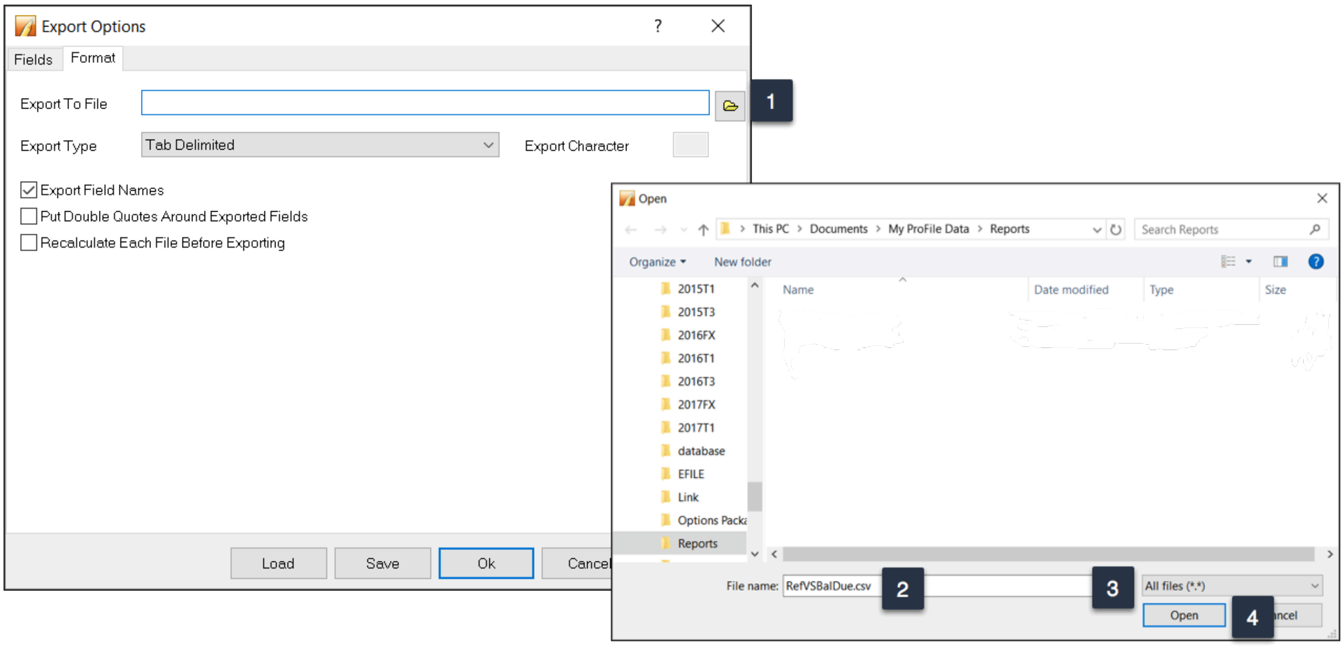
- Click *Add* to begin selecting the fields you'd like to export [1]
- Select the field to add in your export, then click OK [2]
- To include more fields, keep clicking Add [1]





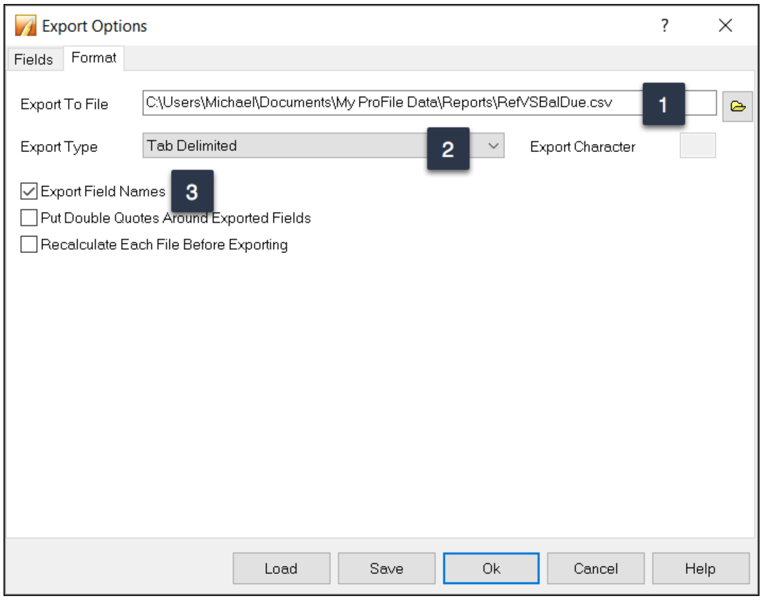
There are two files you need to create. One is the design of the export which indicates what information you need to extract from the ProFile tax files. This file is saved as a .qex file and it is configured on the *Fields* tab of the Export Options window above. The second file stores the actual information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

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

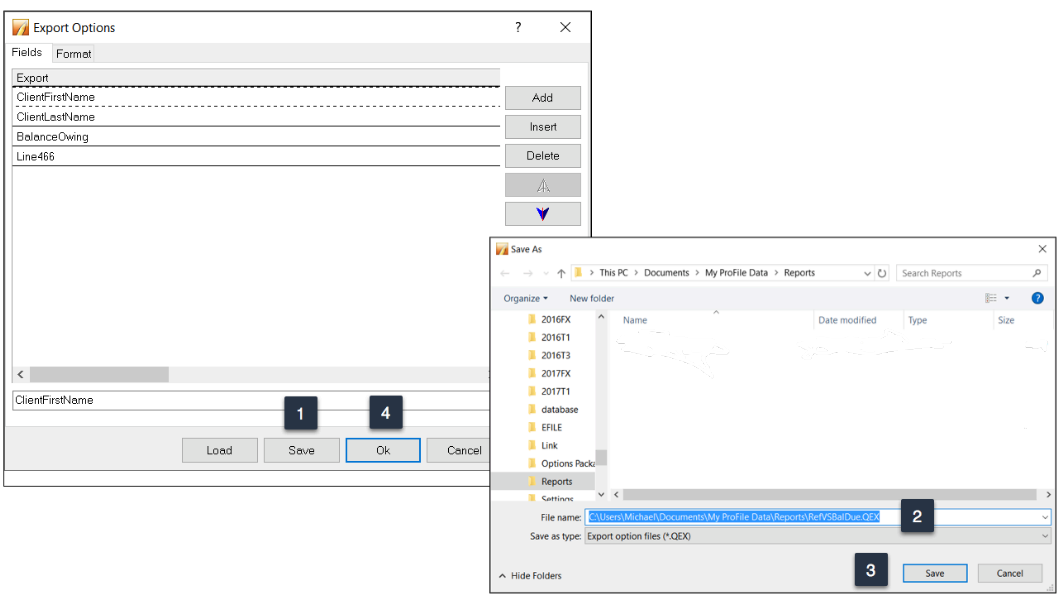


ProFile will return to the Export Options window where you can finalize your setup options

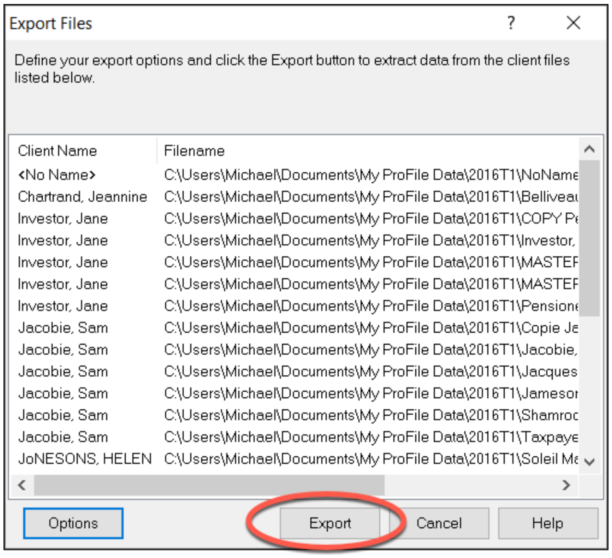
- Note that the file is saved in MyProFile Data\Reports and it is here that you will browse to later to import the data into Excel 1
- Choose the export type, Tab Delimited, for example 2
- Check *Export Field Names*, which will put the field code at the top of each column in Excel 3



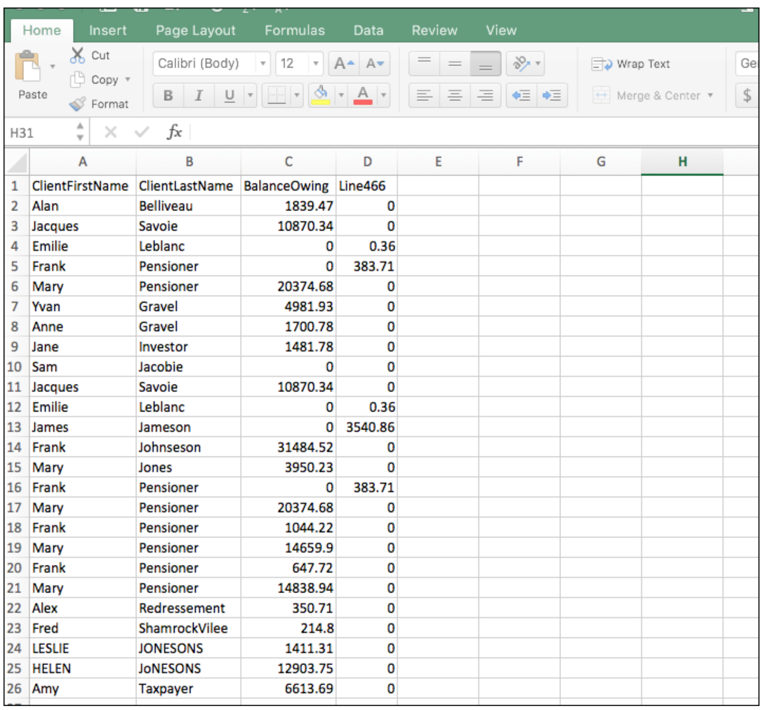
- Go back to the Field tab and click *Save* [1]
- ProFile will save the design of the report as a .qex file [2]
- Click Save once more to save the .qex file [3]
- Click OK, and you'll be taken back to the main export window [4]



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



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

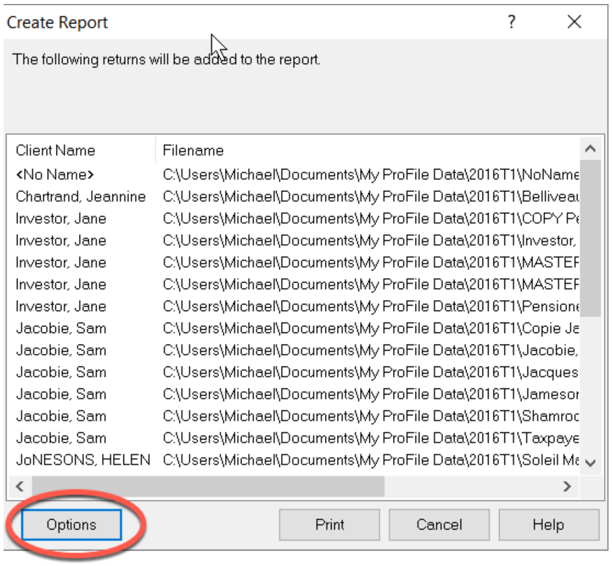


	A	B	C	D
1	ClientFirstName	ClientLastName	BalanceOwing	Line466
2	Alan	Belliveau	1839.47	0
3	Jacques	Savoie	10870.34	0
4	Emilie	Leblanc	0	0.36
5	Frank	Pensioner	0	383.71
6	Mary	Pensioner	20374.68	0
7	Yvan	Gravel	4981.93	0
8	Anne	Gravel	1700.78	0
9	Jane	Investor	1481.78	0
10	Sam	Jacobie	0	0
11	Jacques	Savoie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

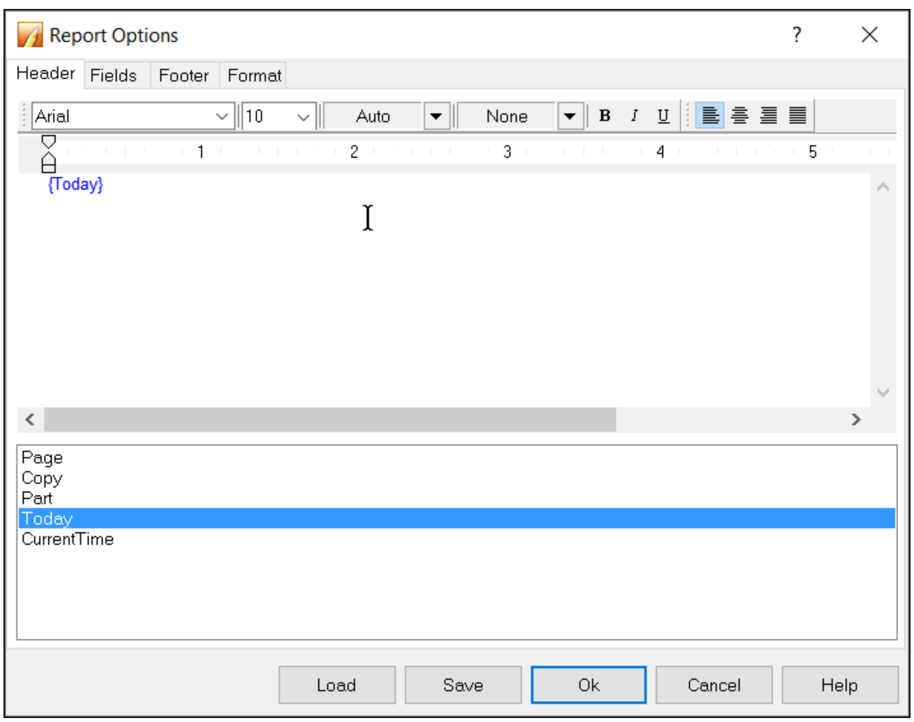
Printing Reports

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

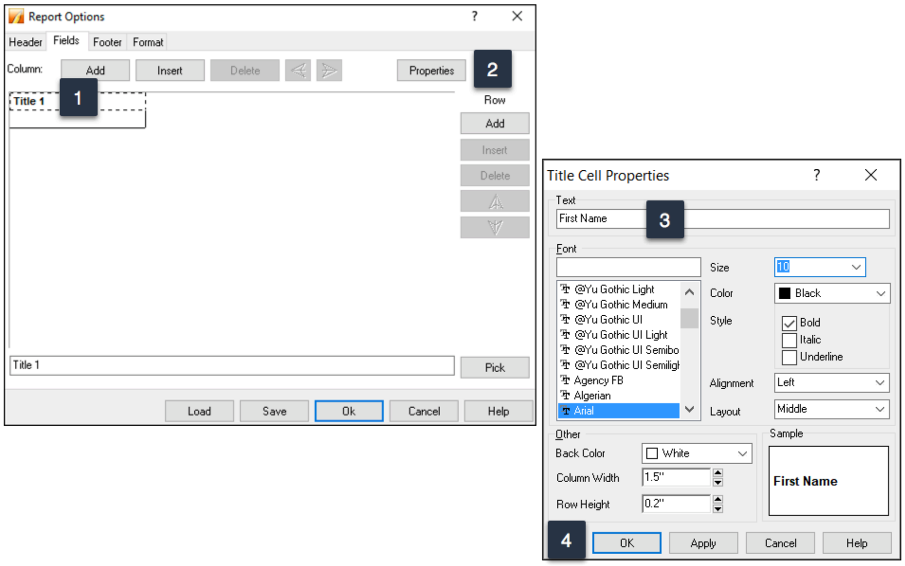
- In the Create Report window, click Options.



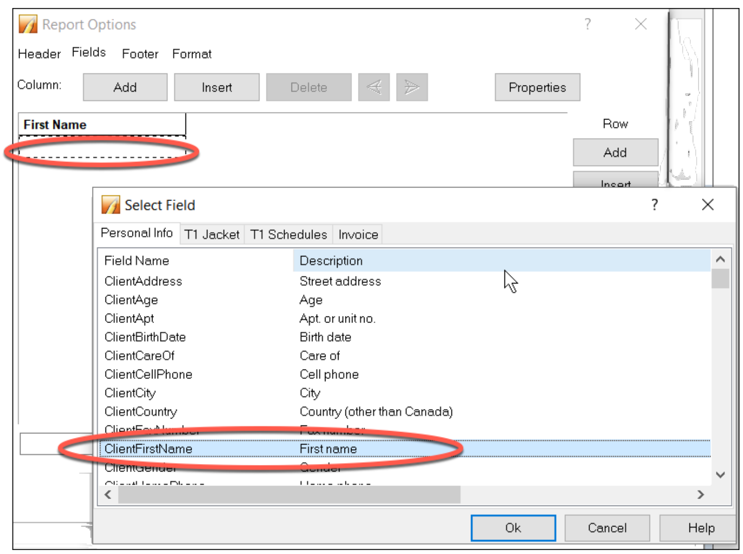
- On the *Header* tab, select text that will appear on all pages. For example, to use today's date, double-click on *Today*



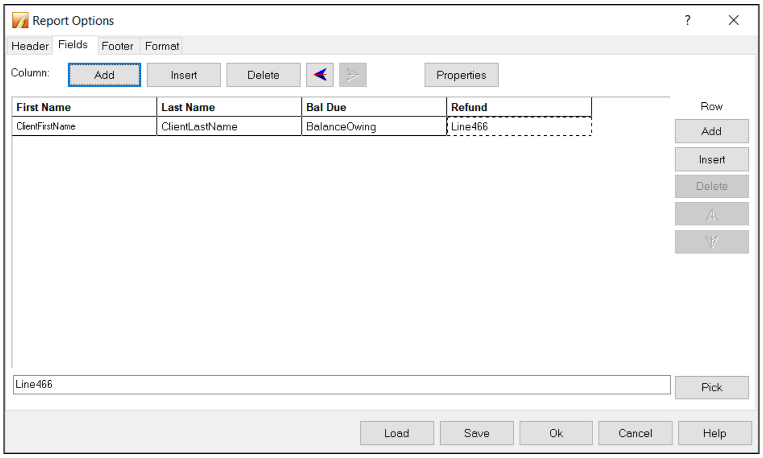
- The top row of the *Fields* tab displays column headings. Select the first cell and then click *Properties*
- In the *Title Cell Properties* window, you can set up text formatting and enter the text for Title 1
- Click *OK* to close the window



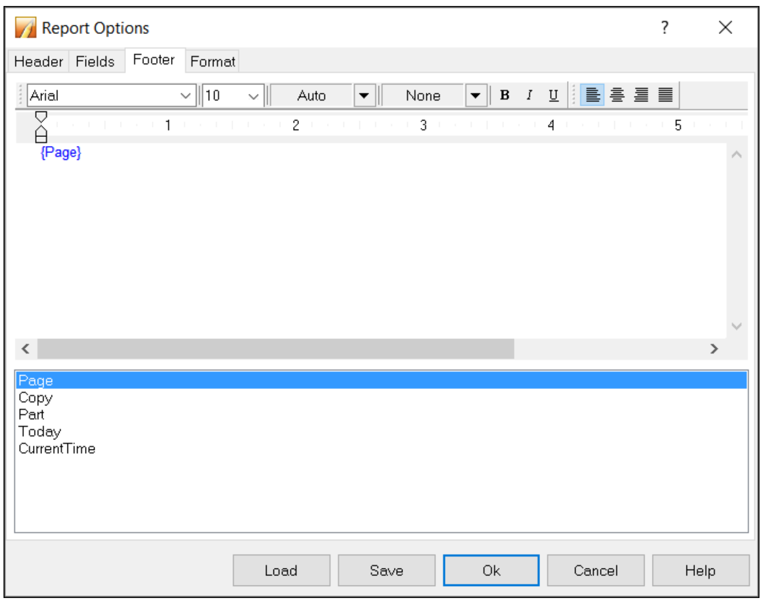
- You now need to input data for the report. Double-click the cell directly under *First Name* and choose from a list of *Field Codes.*
- In the *Select Field* window, choose *ClientFistName* and click *OK*



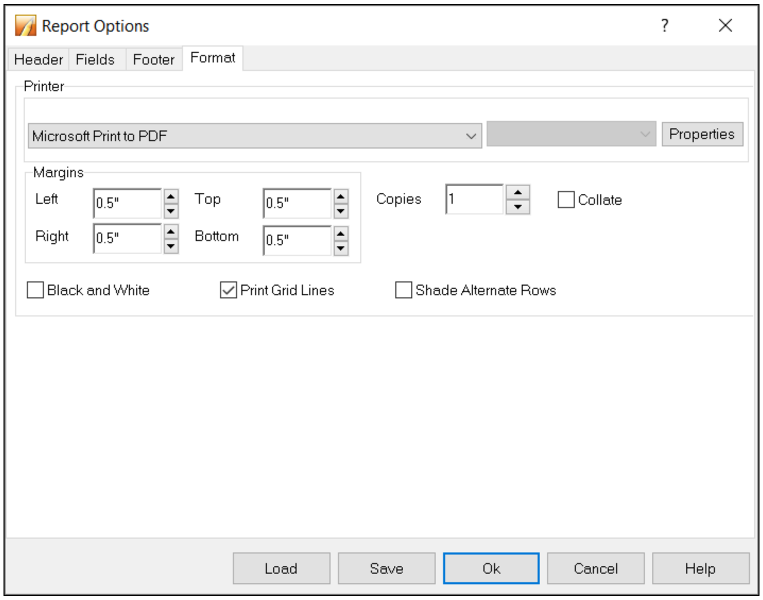
- Click *Add* and repeat the step above to add more fields. Once done, your report template will look like this



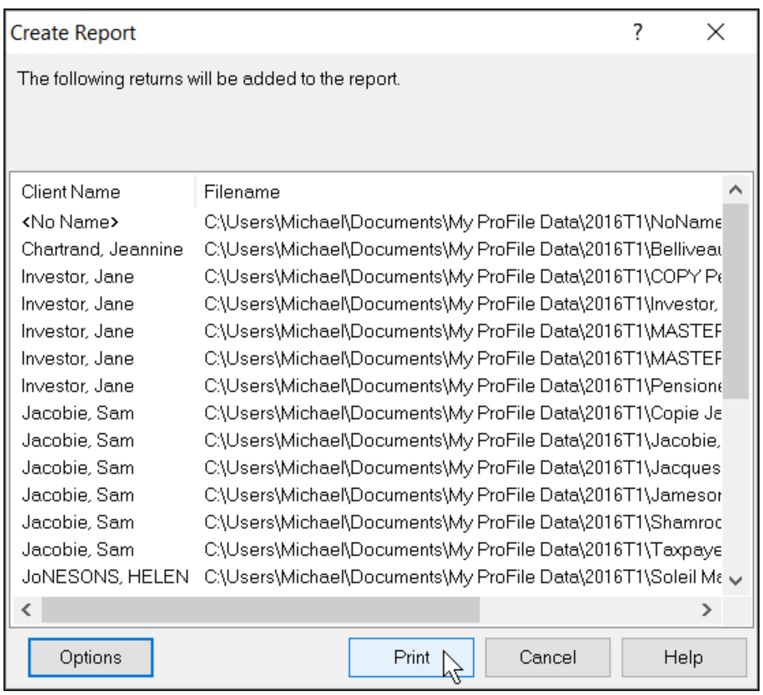
- Use the Footer tab to set up footnotes that appear at the bottom of each page.



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



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



- Here is your report

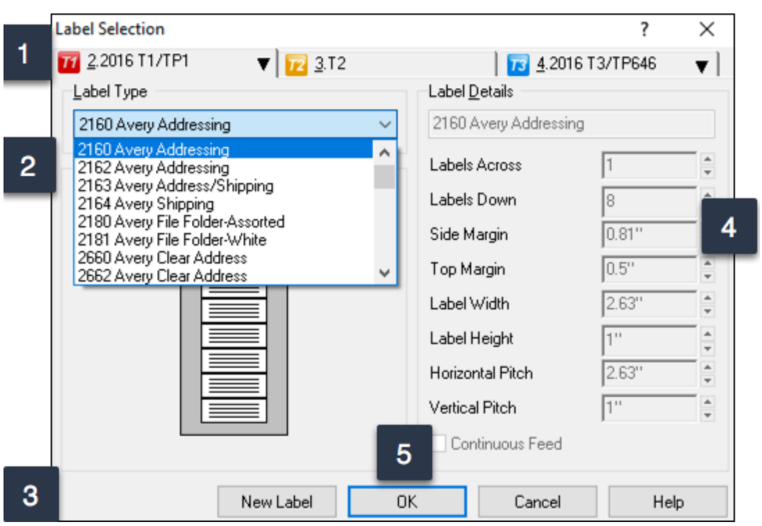
Monday, October 9, 2017

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

Creating Mailing Labels with Client Explorer

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

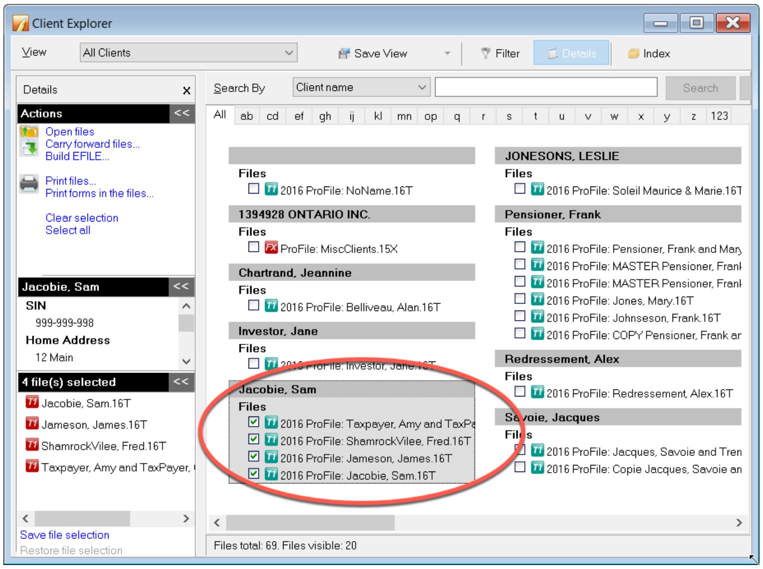
- Go to the File menu and select Setup Mailing Labels [1]
- Click a Module tab [2]
- Click the dropdown to choose your label type [3]
- If you'd like to format your own label, click New Label (ProFile will designate it as User Label 1) and enter the label rows, columns on the right side of the window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



- To print mailing labels, follow these steps.

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

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



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

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

Chapter 7 Quiz

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

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

Correct answer is D

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

Correct answer is False

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

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

Correct answer is A

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

Correct answer is False

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

Correct answer is True

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

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

Correct answer is D

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

Correct answer is True

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

Correct answer is True

Question 9: Client explorer lets you:

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

Correct answer is D

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

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

Correct answer is A

Chapter 8: Advanced Features

Chapter 8 Learning Objectives

At this chapter's conclusion, students will understand:

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

File Template

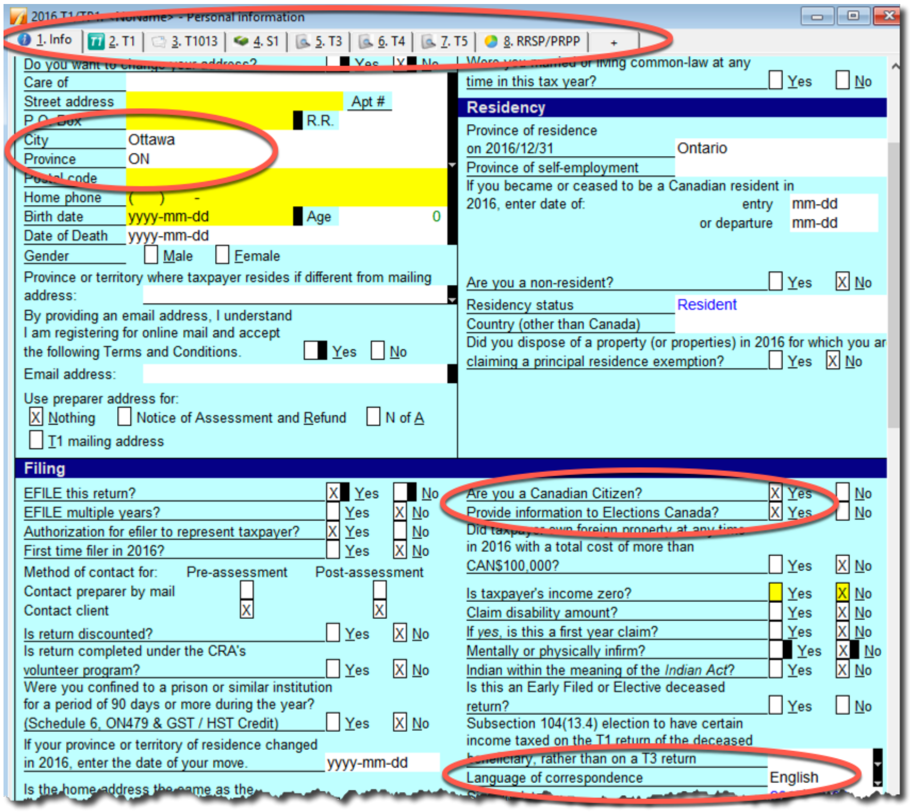
If you find that you are constantly checking the same boxes on ProFile's Info page (for example, the Elections Canada question), or if you find that most of your clients live in the same city or province, you can setup a file template that automatically fills in certain fields with a uniform set of data. This capability is called a file template and, once you've set it up, Profile automatically fills in the fields of any new tax as specified in that template.

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

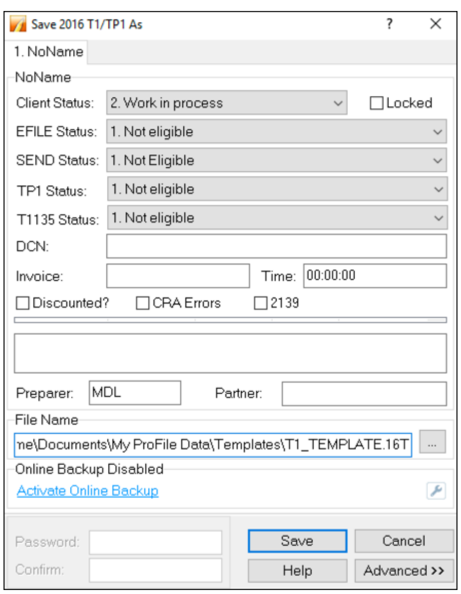
Note: When you carry forward prior-year files, information from the previous year will always overwrite any file template data.

To create a file template:

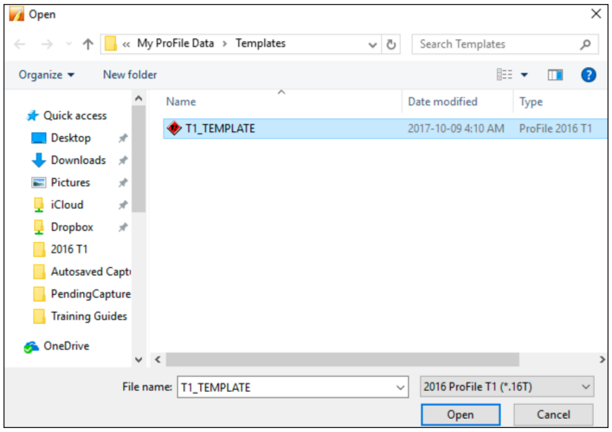
- Create a new tax return.
- Enter data into any field on any form. The example below has data for City and Province, as well as Canadian Resident, Elections Canada, and Language fields
- Open any forms that you want ProFile to open automatically when you create a new client file that is based on this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



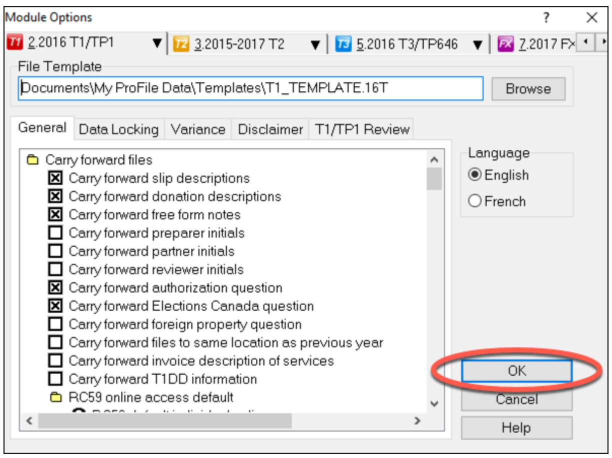
- Save the file. Name it something like *T1_Template*



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



- Click *OK*



- ProFile will use the default settings in this template file whenever you create a new file of the same type. If you want to share the template with other users on a network, save the template into a shared server folder.
- In Client Explorer, files display by client name or SIN. On a template, both these fields are blank, so, 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

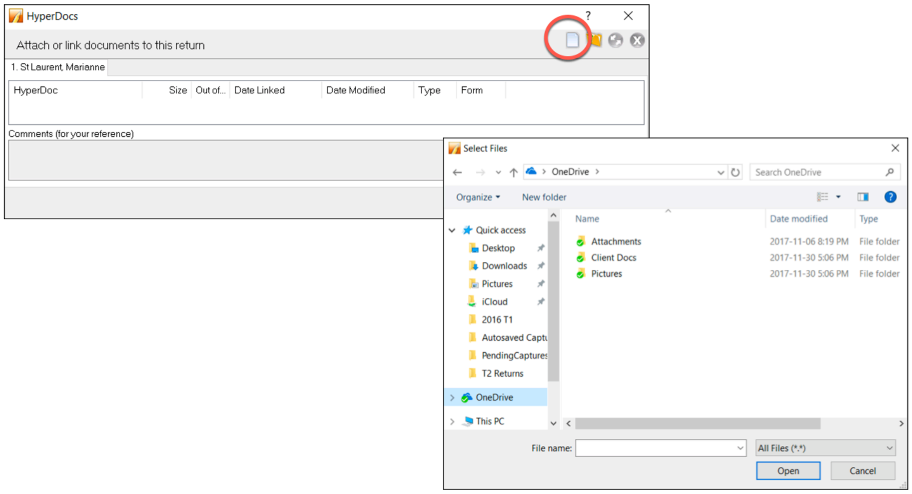
It may happen that you'd like to attach or link an electronic document to a tax file. You may, for example, want to attach a PDF of a CRA document such as a tax ruling or an interpretation bulletin. Or you may want to link to an image file itemizing details of charitable donations or medical receipts. With ProFile's HyperDocs, you can do exactly that. In other words, you can 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.

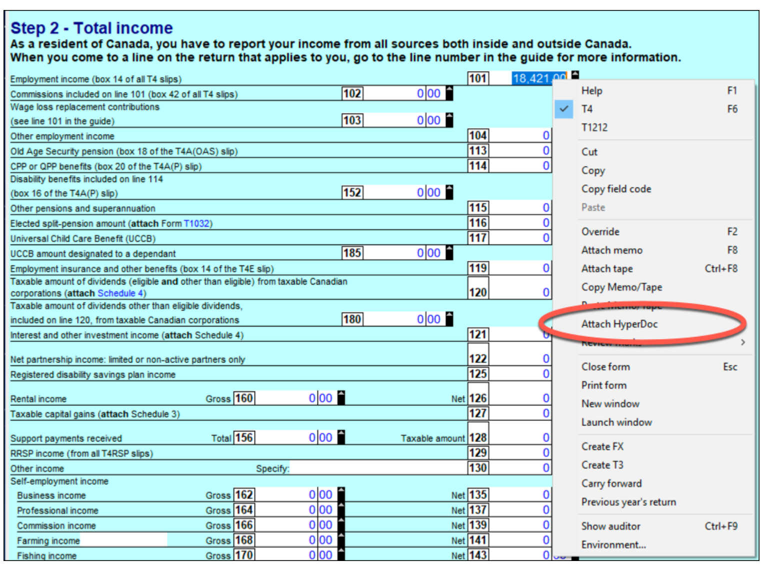
Adding a HyperDocs document

You can choose to attach a HyperDocs to a tax file or to a specific form—or any line on a form—in a tax file.

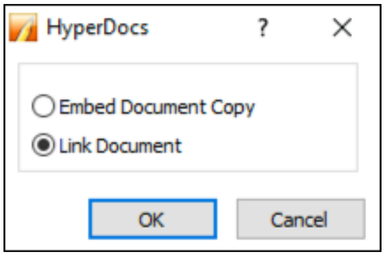
- To add a new HyperDocs document to the tax file itself, go to *File* > *HyperDocs* and click the *Add* icon (circled in the image below)
- A window will then open, letting you select the file you wish to add



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



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

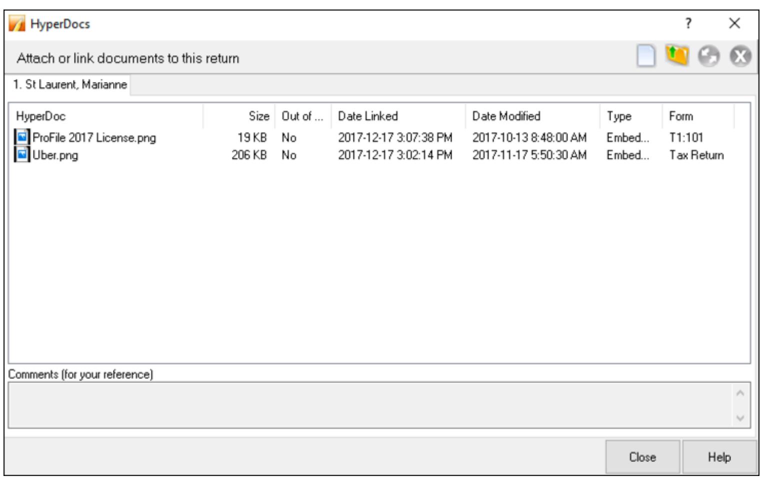


- Embedded documents open as read-only and cannot be edited in ProFile
- Linked documents open from the source, so you can edit them directly in ProFile, and your changes will be saved to the source document on your computer

Managing attached documents via HyperDocs

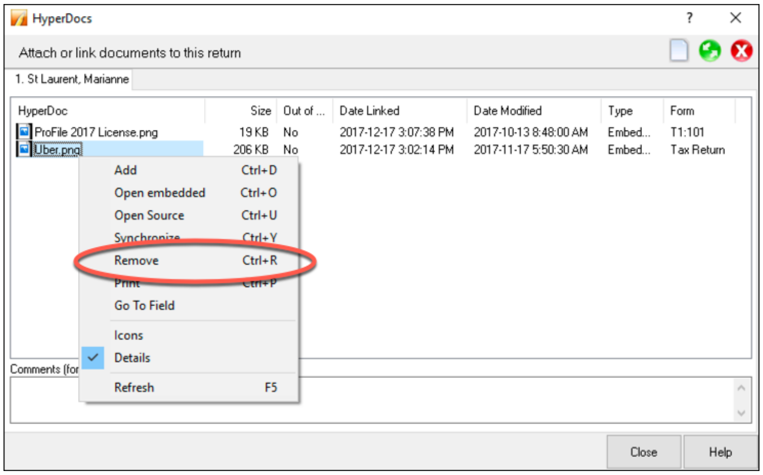
Whether you add a HyperDocs to the tax file in general or to a specific area of the tax file, you will find all attached documents in the HyperDocs window. To view all attached documents:

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



Removing a HyperDocs document

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



Deleted forms

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

Opening attached documents

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

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

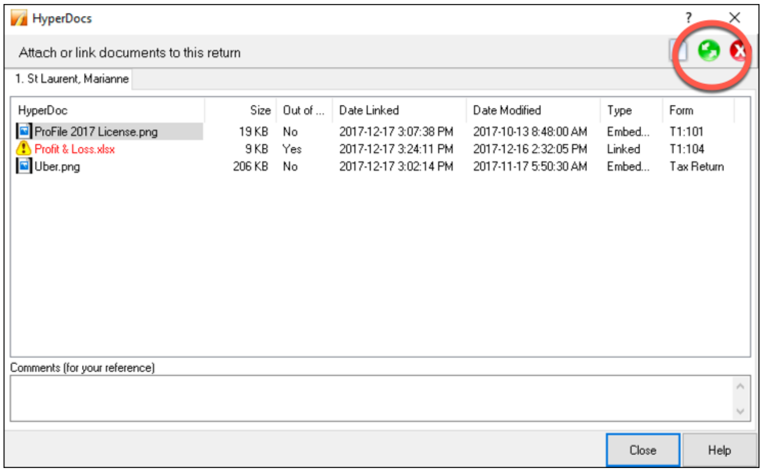
Synchronizing out-of-date documents via HyperDocs

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

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

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

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



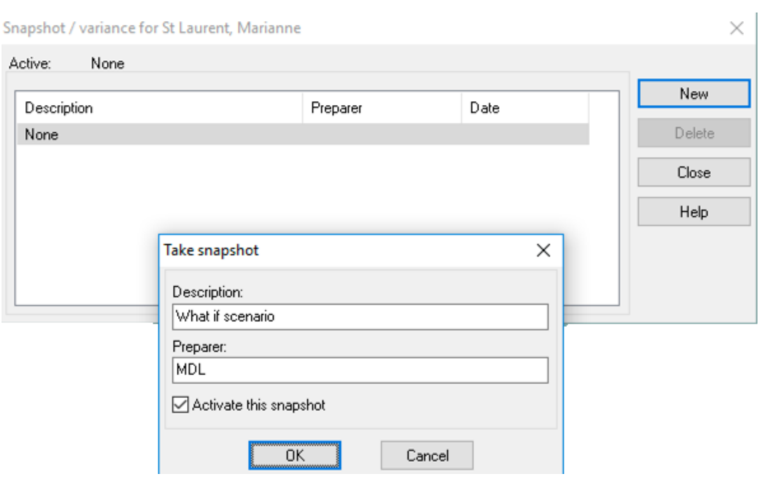
- Once ProFile has synchronized the document, the exclamation point will disappear, and any red lettering will revert to black font

Variance and Snapshot

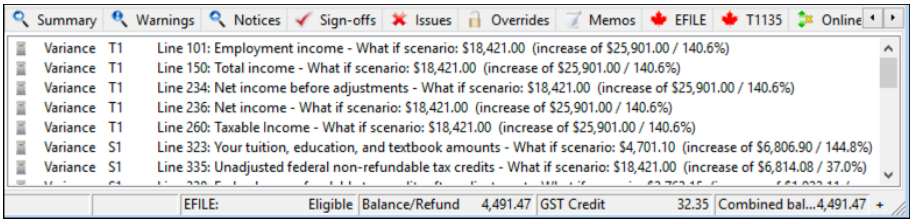
Variance is a feature that you use to highlight significant changes on a tax return. Variance lets you experiment with different scenarios and quickly identify the impact of a change on many key fields. Variance is only calculated for fields with CRA line numbers. So, not all fields (for example on worksheets)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

To take a snapshot of your current return

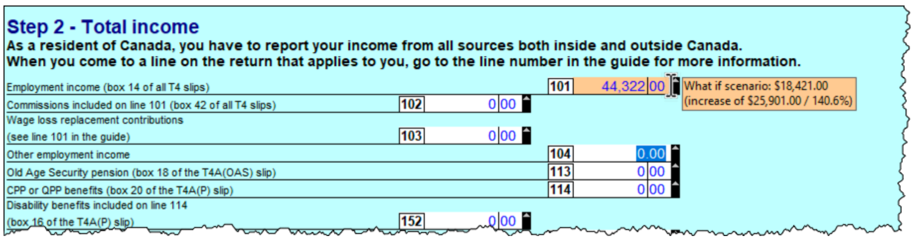
- From the Audit menu, select *Snapshot/variance* and click the *New* button. This will take a picture of the current contents of the tax return
- Give the snapshot a name that will remind you of the purpose of the scenario
- Select the *Activate this snapshot* option to have ProFile compare any changes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



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



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



Shelf-life of a snapshot

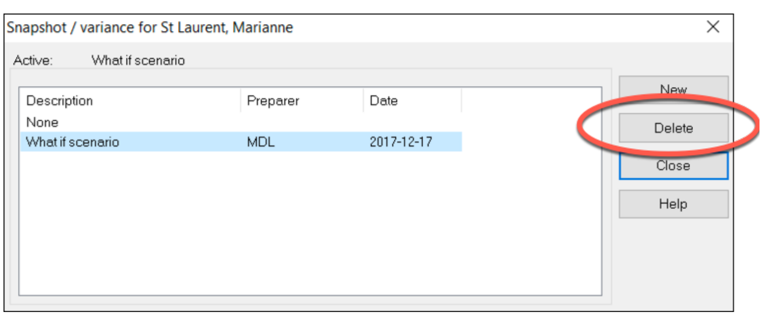
Snapshots may have a short self-life. For example, you may have created a snapshot last week using a client RRSP contribution of $5000. This week you may want to evaluate the impact of reducing that contribution to $3000.

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 contribution change. To best use variance, make sure you carefully manage which data fields you've changed since taking a snapshot that you want to use for comparison.

Deleting a snapshot

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

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

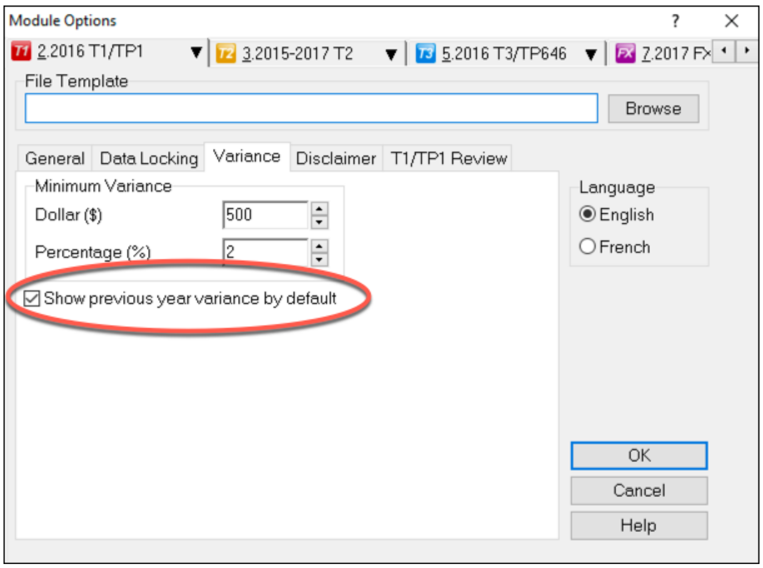


Previous year variance

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

To turn on previous year variance:

- Go to the Options menu and select Module
- Click a module tab, for example, *2016T1*
- Click the *Variance* tab.
- Select the *Show previous year variance by default checkbox*
- Click *OK*

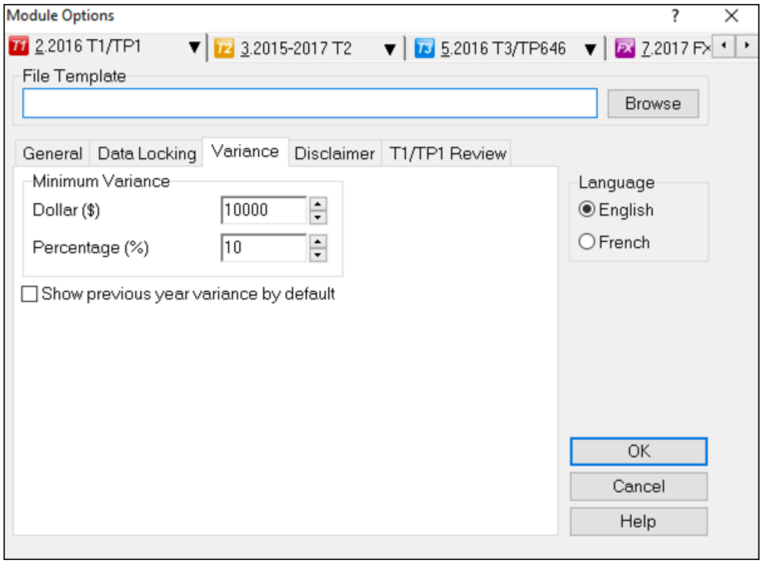


When you carry forward a return and there is a difference between the previous and current year amounts, ProFile highlights the changed fields with an orange background. Move your cursor over the field to see the message associated with that field.

Variance thresholds

You can set variance thresholds to meet your own requirements. Go to the *Options* > *Module* and click the *Variance* tab.

Set a minimum dollar value or percentage of change that will trigger a variance calculation. If you set both a dollar and a percentage amount, ProFile calculates a variance only when the amount differs by more than the dollar value and the minimum percentage.

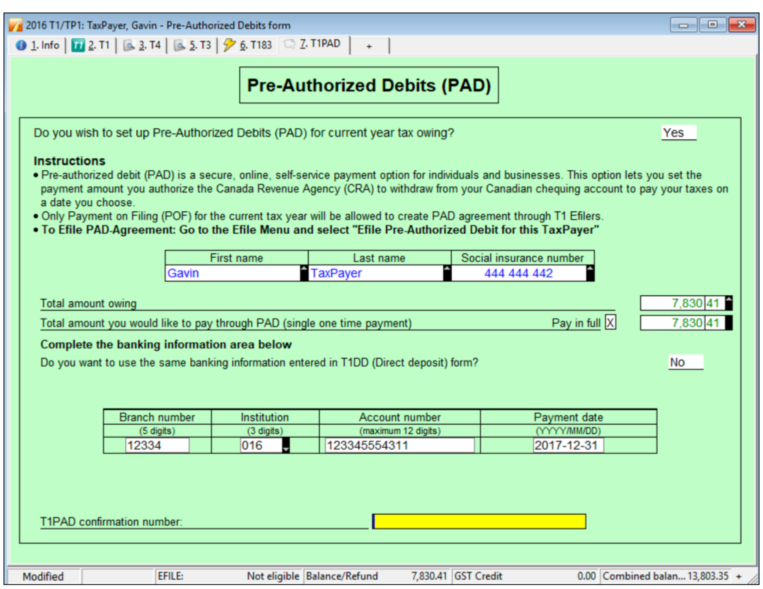


T1 PAD

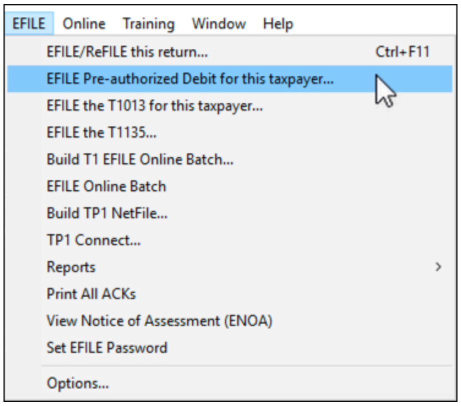
Pre-authorized debit (PAD) is a secure, online, self-service payment option for individuals and businesses. This option lets you set the payment amount you authorize CRA to withdraw from a Canadian chequing account to pay taxes on a date, or multiple dates.
Due to the processes that must take place between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

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

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



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



Chapter 8 Quiz

Question 1: A file template is used to:

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

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 website
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

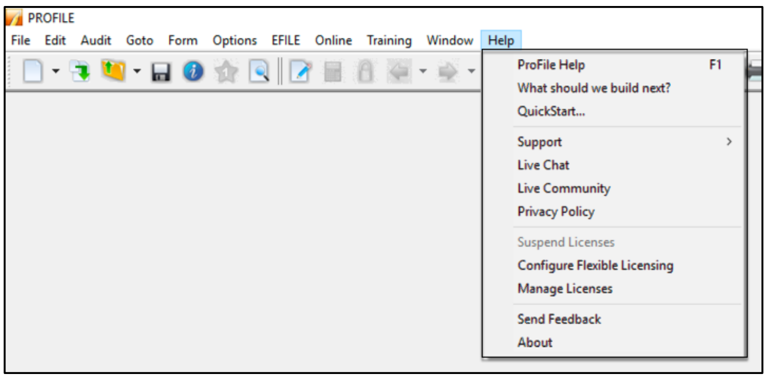
Correct answer is A

Appendix A: How to Get Help

Whether it's online or by telephone, ProFile supports you in a whole bunch of ways. And with a vast selection of webinars, videos and live training, ProFile's got your back! The best place to start is from ProFile itself.

In-product Help

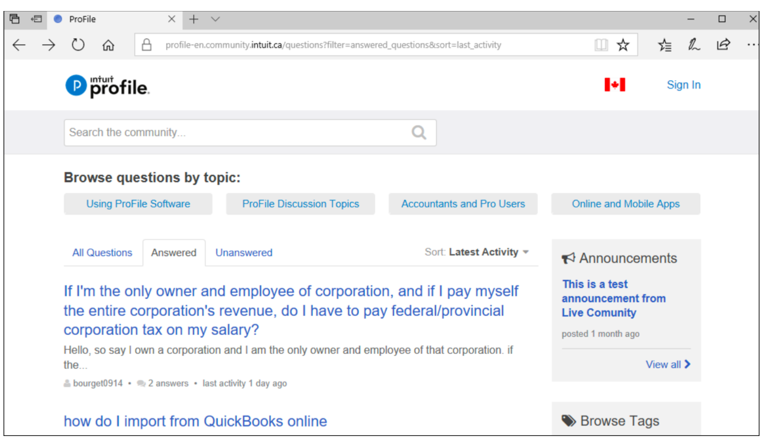
In-product "Help" provides an easy way to learn about forms, slips, schedules, ProFile's functions, and many other topics. Simply press the <F1> key, or click *Help* from the Menu bar.



Community and Support Site

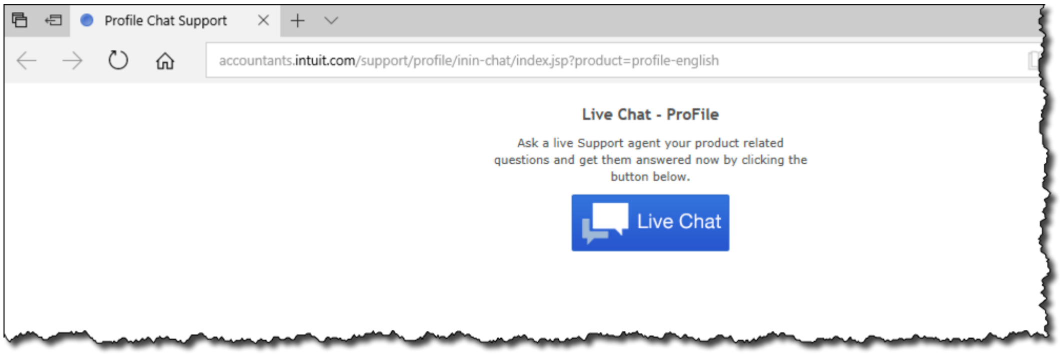
The ProFile Community and Support Site has recently undergone a redesign in order to serve our customers more effectively. You can now search both our support articles and forum questions at the same time, in order to return the best possible answer to your product question. Available 24-hours a day, our Community and Support Site has more than 800 articles designed to improve your ProFile experience.

https://profile-en.community.intuit.ca/profile-ca-en



Live Chat

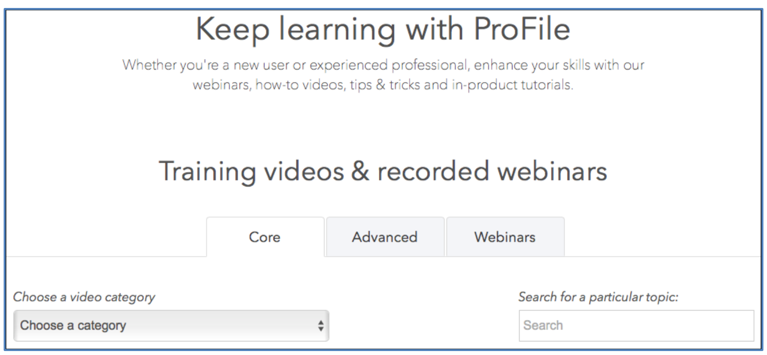
Inside the ProFile software (and on many of our support pages) you will find the "Live Chat" feature. This quick and convenient tool lets you immediately begin speaking to one of our support representatives online, without having to wait on the phone or interrupt your work. Available during our regular support hours. You can access the Live Chat feature by selecting the "Live Chat" option under the "Help" menu in ProFile.



Training and Tutorials Site

Whether you are a new ProFile user or an experienced professional, you can enhance your skills with our training resources, video tutorials, and "Tips & Tricks" site. Updated regularly, this site includes both core and advanced information to help throughout the return preparation process.

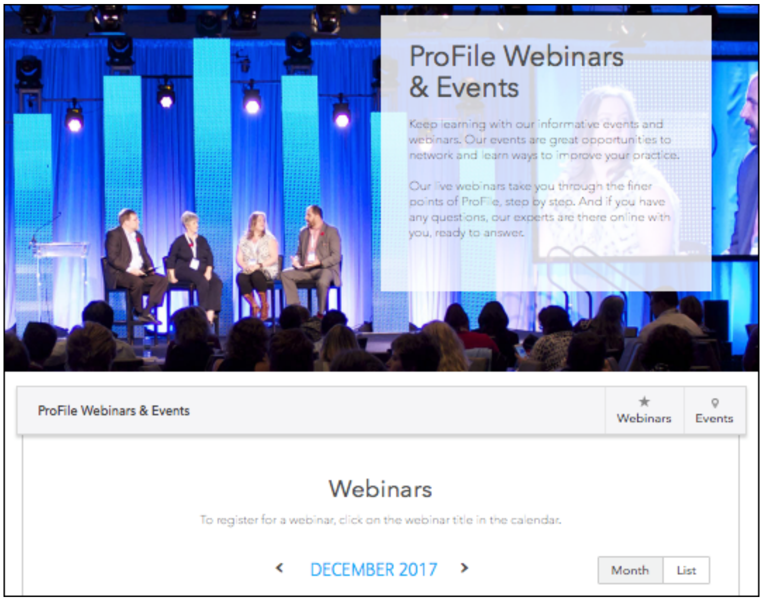
http://profile.intuit.ca/professional-tax-software/training.jsp



Webinars Calendar

Keep learning with our informative webinars, held weekly throughout the year. Live webinars take you through the finer points of ProFile, and if you have any questions, our experts are there online with you, ready to answer. You can join an upcoming webinar through our online calendar:

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


ProFile Webinars
& Events
Keep learning with our informative events and webinars. Our events are great opportunities to network and learn ways to improve your practice.
Our live webinars take you through the finer points of ProFile, step by step. And if you have any questions, our experts are there online with you, ready to answer.
ProFile Webinars & Events
Webinars
Events
Webinars
To register for a webinar, click on the webinar title in the calendar.
DECEMBER 2017
Month
List

QUICK REFERENCE CHART

Box numbers on common information slips and the related line numbers on the income tax and benefit return.

Slip Type	Box No.	Box Title	Line No.
T4		**Statement of Remuneration Paid**	
	14	Employment income	101
	16	Employee's Canada Pension Plan contributions	308
	17	Employee's Quebec Pension Plan contributions	308
	18	Employee's employment insurance premiums	312
	20	Registered pension plan contributions	207
	22	Income tax deducted	437
	55	Employee's provincial parental insurance plan (PPIP) premiums (if province of employment is Quebec)	375
T4A		**Statement of Pension, Retirement, Annuity, and Other Income**	
	016	Pension or superannuation	115 and 314
	018	Lump-sum payments	130
	020	Self-employed commissions	166 and 139
	022	Income tax deducted	437
	028	Other income	Various
	040	RESP accumulated income payments	130 and 418
	042	RESP educational assistance payments	130
T5		**Statement of Investment Income**	
	25	Taxable amount of eligible dividends	120
	26	Dividend tax credit for eligible dividends	425
	11	Taxable amount of dividends other than eligible dividends	180 and 120
	12	Dividend tax credit for dividends other than eligible dividends	425
	13	Interest from Canadian sources	121
	14	Other income from Canadian sources	121
	15	Foreign income	121
T4E		**Statement of Employment Insurance and Other Benefits**	
	7	Repayment rate	235 and 422
	14	Total benefits paid	119
	20	Taxable tuition assistance	not entered on return
	22	Income tax deducted	437

intuit PROFILE

intuit ACCOUNTANTS

Quick Reference Guide

This reference guide provides you with tips, shortcuts and other useful information on using ProFile.

Activating ProFile Software

To activate ProFile tax year 2014 products, open ProFile and go to Help > License > Add New License and follow the instructions. Your Product Codes and License Keys can be found on your receipt.

Updates

Our automatic Check for Updates feature (Options > Environment > System) ensures that you have the latest ProFile version throughout the year. If you turn this feature off, be sure to regularly select Online > Check for Updates.

For greater control of updates on network installations, clear the checkbox Enable automatic check for updates under Options > Environment > System.

Backup Options

A regular backup routine could prove to be your best business practice!

- Options > Environment > File > Keep backup will always keep a copy of your next-to-last file save (recoverable through Windows® Explorer).
- Options > Environment > File > Auto save files every X minutes will save your current file at regular intervals.

Keyboard Shortcuts

	Function key only	Ctrl +	Shift +	Alt +
F1	Help	Field help (if available)	Form help	
F2	Override/restore calculation	Override format		
F3	Client Explorer			
F4	Form Explorer	Close current file	Form Explorer (Line No.)	Exit ProFile
F5	Switch to spouse (T1/TP1)	Switch to RSI view (T2)	Switch federal/QC forms	Switch family file (T1/TP1)
F6	Jump to first source form	Next open file	List of source forms	
F7	Form Explorer (Detail)		Form Explorer (Keyword)	Backtrack to prior form
F8	Attach memo	Attach calculator tape		Snapshot/variance
F9	Display next audit message	Show/Hide Auditor	Display prior audit message	Quick print audit messages
F10	Tax summary	Non-zero T1 summary	Two-year tax summary	Quick print tax summary
F11		EFILE return	Instant SEND	Quick print T183
F12	Print current form			

*ProFile also supports standard Microsoft Windows® shortcuts.

And More...

File properties	<Ctrl+I>
T1, T2 jacket	<Ctrl+J>
Carry forward a file	<Ctrl+R>
Pause/start timer	<Ctrl+T>
Next form	<Ctrl+Tab>
Previous form	<Ctrl+Shift+Tab>
Top of next slip	<Ctrl+Enter>
Top of previous slip	<Ctrl+Shift+Enter>
Ditto key	` (back apostrophe)
Next form Form Explorer checklist	<Ctrl+Alt+PgDn>
Last form Form Explorer checklist	<Ctrl+Alt+PgUp>
Next page on form	<Ctrl+PgDn>
Previous page on form	<Ctrl+PgUp>
Next section on form	<Alt+PgDn>
Previous section on form	<Alt+PgUp>
Clear review mark on field	<Ctrl+Alt+0>
Preparer sign-off	<Ctrl+Alt+1>
Partner sign-off	<Ctrl+Alt+2>
Correction required mark	<Ctrl+Alt+3>
Question review mark	<Ctrl+Alt+4>
End review	<Ctrl+E>
Erase highlighter	<Ctrl+H>
Close current form	<Esc>
Open form in new window	<Ctrl+Alt+F6>
Quick print non-zero summary	<Ctrl+Alt+F10>

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Additional Resources

Latest Product News

For What's New, What's Fixed, Known Issues and News/Alerts, go to Online > Update Information.

QuickStart

For central access to many ProFile resources, go to the QuickStart window. If you do not see this window when you start ProFile, go to Help > QuickStart.

Online Community

Get help from other tax professionals in ProFile's online forum by visiting community.intuit.ca.

<F1> Help

Press <F1> on any form or field to display related info from the in-product help.

Free Training

For all our training options, visit profile.intuit.ca/training.

Self-Serve Support

Visit ProFile's support website at profile.intuit.ca/support for answers to FAQs, hot topics and more. In ProFile, choose Help > Support > InfoBase.

Contact our Support Team

Call 1-800-452-9970 or email pas_support@intuit.com.