

ONESOURCE INCOME TAX™

FBAR FINCEN 114 E-FILE GUIDE

FOR TAX YEAR 2022

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CHAPTER 1: FBAR FINCEN 114 E-FILE

The FinCEN Report 114, *Report of Foreign Bank and Financial Accounts (FBAR)*, is used to report a financial interest in or signature authority over a foreign financial account. The FBAR is an annual report that must be received by the Department of the Treasury on or before April 15 of the year immediately following the calendar year being reported. The April 15 filing date may not be extended.

The FBAR is not filed with a tax return and is not filed with the IRS. FinCEN (Financial Crimes Enforcement Network) is the Treasury Department bureau responsible for administering FBAR requirements. The FBAR must be filed electronically through FinCEN's BSA E-Filing System, or e-filed through FinCEN's batch filing process using a third-party transmitter.

CHAPTER 2: GENERAL REQUIREMENTS

In e-filing your FBARs through our software, you will be using some of the same basic steps used when e-filing a tax return.

ORGANIZER

1. **Complete and review your FBAR(s) within a return.** Only one FBAR can be prepared in a return. Multiple financial accounts can be included on a single FBAR.
2. **Generate a validation file.** In the e-file folder within the FBAR Organizer, generate the validation file. Rather than programming an extensive list of reject diagnostics, input errors and omissions are detected using the validation process. With an XML file generated for validation, errors are accessed through the **View > Diagnostics > Efile XML Validations Errors > FBAR menu**. Each error explains the specific item that must be completed, and double-clicking takes you to the specific field in the FBAR for correction. Repeat this process until all errors are eliminated.
3. **Create FBAR e-file and review using the e-File Viewer.** After eliminating all errors through the validation process, create the FBAR e-file in the e-file folder within the FBAR Organizer. The e-File Viewer displays the contents of the FBAR. While the e-file that is transmitted to FinCEN is a *text-based file*, the e-File Viewer displays information as an *XML file*. The FBAR information can also be viewed as a PDF file.

INCOME TAX HOME PAGE

1. Submit the qualified FBAR e-file.

A. In the **Income Tax** menu bar, select **E-file > Submission**.

The screenshot shows the 'E-file' section of the Income Tax Home Page. At the top, there is a navigation bar with links: Binders, Entities, Batch, Workpapers, E-file, Charts, Tools, Help, and Support. Below this, the 'E-file' section has two tabs: 'STATUS' and 'SUBMISSION'. The 'SUBMISSION' tab is active. Below the tabs, there are filters for 'Workarea' (SLEE), 'Year' (2018), 'Binder Type' (Income Tax), and 'Filing Status' (Federal and State). Below these filters is a table with columns: Entity Number, Entity Name, Binder Name, Return, File Name, and Created Date. The table contains four rows of data for 'Friendly01'.

<input type="checkbox"/>	Entity Number	Entity Name	Binder Name	Return	File Name	Created Date
<input type="checkbox"/>	Friendly01	1120 Friendly Food Corporation	Fed States 01	CO Return	C0060OA8.XCO	10-29-2019 05:04:17 PM
<input type="checkbox"/>	Friendly01	1120 Friendly Food Corporation	Fed States 01	Federal Return	C0060OA8.XML	10-29-2019 05:02:49 PM
<input type="checkbox"/>	Friendly01	1120 Friendly Food Corporation	Fed States 01	FL Return	C0060OA8.XFL	10-29-2019 05:03:58 PM
<input type="checkbox"/>	Friendly01	1120 Friendly Food Corporation	Fed States 01	Form 114 FinCen	C0060OA8.FBA	01-06-2020 04:40:02 PM

Figure 2:1

B. Select the **Workarea**, **Binder Type**, **Year**, and **Filing Status**.

C. Select the return you wish to e-file.

2. Monitor e-file status.

A. On the **Income Tax** menu bar, select **E-file > Status**.

Year	Status	Entity Number	Entity Name	Binder Name	Return	Transmitted Date	Acknowledged Date	Accepted/Rejected Date
2019	Not qualified		Cross-tie Topcon	New Binder 1	Federal Return			
2019	Not qualified		Subsidiary A	Stress Testing	AL Return			
2019	Not qualified	DSPSE_NR	P.DSPSE_NR	2019005_1065 Source Binder	Federal Return			
2019	Not qualified	DSPSE_NR	P.DSPSE_NR	JP2019019_1065 Source Binder	AL Return			
2019	Not qualified	DSPSE_NR	P.DSPSE_NR	JP2019019_1065 Source Binder	AL PTEC			
2019	Not qualified	DSPSE_NR	P.DSPSE_NR	JP2019019_1065 Source Binder	AL PPT			
2019	Waiting for Acknowledgement	DSPSE_NR	P.DSPSE_NR	JP2019019_1065 Source Binder	AR Return			
2019	Qualified	DSPSE_NR	P.DSPSE_NR	JP2019019_1065 Source Binder	CO Return			
2019	Accepted	DSPSE_NR	P.DSPSE_NR	JP2019045_1065 Source Binder	DC Extension			

Figure 2:2

- B. Select the **Year** from the drop-down list. The system generates a list on the screen.
- C. The report shows the returns that have e-file XMLs for the selected year. To see a different year, select the year from the year drop-down list at the top.
- D. Use the sort/filter features on each column header (**Company, Entity, Binder, Return, Status, Transmission Date, Acceptance Date**) to customize the returns you see on the screen. The system maintains all your settings by default.
- E. You can use the following features to display the information you want to see:
- Click the **Refresh** button to update status, dates, and time on the report.
 - Click **Clear Filters** to reset the fields.
 - Click **Export** to download the information to an Excel file.

- F. If a return shows *Rejected*, *Error-Not Submitted*, or *Conditionally Accepted* as the status, click the hyperlink to see the error messages.

Electronic Return Acknowledgement	
Tax Year : 201	Return No : 77777
Taxpayer : C Corp / 20 0313	
EFIN : 757714	
Return Identification Number	: 20140313141650
Return Type	: 1120
Filing Type Description	: Form 114
Tax Period Begin Date	: 3/10/
Tax Period End Date	: 01/01/
Return Status	: Conditionally Accepted
Transmission Date and Timestamp	: 03/13/2014 14:13.45
IRS Received Date	: 1/1/
IRS Processed Date	: 03/13/
<div>Print Close</div>	

Figure 2:3

The acknowledgment information is shown on the screen. The *BSA Identifier* is issued by FinCEN. The *BSA Identifier* is needed if filing a corrected FBAR.

These messages identify the reason for the rejection. If the situation causing the rejection can be corrected, open the return and modify the errant information. Then repeat the steps to file returns electronically. If the situation causing the rejection cannot be corrected, contact ONESOURCE Support.

CHAPTER 3: E-FILING DIFFERENCES BETWEEN FBAR AND MEF

The following table shows some of the basic differences between filing a MeF return and FBAR

	MEF	FBAR
TRANSMISSION	Federal and states transmitted to IRS	Through the FinCEN batch filing system
FORMAT	XML	XML
ATTACHMENTS	PDF attachments may be included	Attachments are not allowed
EFIN	Required to e-file	Not applicable
SIGNATURE	PIN signature or attached Form 8453 PDF	When filing through the FinCEN batch filing system using a third party, Form 114a is signed and retained by the filer and the third party.
ERRORS	The IRS and states may reject returns for validation errors and business rule validations.	Two types: 1. Fatal Error – the FBAR will be rejected. 2. File Error – the FBAR will be accepted, but must be refiled as a corrected report.

FORMAT

Unlike XML files used by the IRS MeF system, FBARs e-filed through the FinCEN batch filing process utilize a text-based, fixed-length file format. A condensed sample of an FBAR text file is shown below:

```

2A000012013 C
751234567A
                                TOH - Imperial Importers
                                46504 Main
                                TX 75404
                                Dallas
                                USB B
                                xChief signor 06102014
2B00001Preparer
                                Joe
                                P12345678
                                D214-539-3475
                                International
                                Accounting Group
                                45-
                                4572541
                                A1400 Broadway
                                New York
                                NY 12487 US
3A00001000000000450000 A
Bank of Canada
                                7897700004178
                                1400 Maple Leave Drive
Toronto
                                ON 987877 CA

3A000010000000000330040 A
Banco de Portugal
                                41719999990141
                                15416 Calle Mayor
Lisbon
                                984440007PT

```

Figure 3:1

To simplify the validation process and to display the FBAR e-file using the existing EFile Viewer, we first create an XML file of the FBAR information. When the FBAR efile is transmitted to FinCEN, we then convert this XML file to the required text-based format.

Part of the FBAR text file is shown below in XML format:

```
- <PartII>
  <RecordType>3A</RecordType>
  <SequenceNumber>1</SequenceNumber>
  - <FBARMax>
    <Amount>450000</Amount>
  </FBARMax>
  - <FBARTypeofAccount>
    <Bank>A</Bank>
  </FBARTypeofAccount>
  <FinancialInstitutionNameItem17>Bank of Canada</FinancialInstitutionNameItem17>
  <AccountNumberItem18>7897700004178</AccountNumberItem18>
  <AddressItem19>1400 Maple Leave Drive</AddressItem19>
  <CityItem20>Toronto</CityItem20>
  - <Country>
    - <NorthAmericanCountry>
      <StateItem21>ON</StateItem21>
      <t>987877</t>
      <CountryItem23>CA</CountryItem23>
    </NorthAmericanCountry>
  </Country>
</PartII>
- <PartII>
  <RecordType>3A</RecordType>
  <SequenceNumber>1</SequenceNumber>
  - <FBARMax>
    <Amount>330040</Amount>
  </FBARMax>
  - <FBARTypeofAccount>
    <Bank>A</Bank>
  </FBARTypeofAccount>
  <FinancialInstitutionNameItem17>Banco de Portugal</FinancialInstitutionNameItem17>
```

Figure 3:2

SIGNATURE

FBARs may be completed and filed on behalf of the filer and/or owner of the foreign account(s) by a third party preparer. The filer or owner, who is using a third party preparer, should complete and maintain a record of FinCEN Form 114a, *FinCEN BSA E-Filing Signature Authorization Record*, to authorize the third party filing. Copies of Form 114a must be retained by the filer/owner and the person authorized to file on behalf of the filer/owner for a period of five years, and be made available to FinCEN or IRS on request.

ACKNOWLEDGMENTS

The acknowledgment information shown in the **Cumulative e-File History** shows the **Status** and the **Submission ID**. The **Submission ID**, also known as the *BSA Identifier*, is issued by FinCEN. The BSA Identifier will be needed if filing a corrected FBAR.

1. On the **Income Tax** menu bar, select **Batch > Electronic Filing Status**.
2. On the **Electronic Filing Status** screen, select the tax year from the drop-down list. The system generates a report on the screen.
3. The report shows the returns that have electronic filing XMLs for the selected year. To see a different year, select the year from the year drop-down list at the top.
4. Select an **Accepted Status** to see the **Acknowledgment** screen as shown below:

The screenshot displays the 'Electronic Return Acknowledgement' window. It contains the following information:

Tax Year	20	Return No	20 4520180895000001
Taxpayer	P.DSPSE_NR/JP20 045_1065 Source Binder		
EFIN	20 45		
Return Identification Number	20 520180895000001		
Filing Type Description	DC Extension		
Tax Period Begin Date	01/01/		
Tax Period End Date	12/31/		
Return Status	Accepted		
Transmission Date and Timestamp	03/30/		

At the bottom of the window are two buttons: **PRINT** and **CLOSE**.

Figure 3:3

ERRORS

There are two types of FBAR e-file errors.

Fatal Error A **fatal error** is an error that prevents the e-file from being processed. A fatal error occurs when a required record is missing from the submitted file, or the number of records included in the e-file does not match the record count. FBAR e-files with fatal errors will be rejected by FinCEN and must be corrected before resubmitting. Our error checking should prevent FBARs from being submitted with fatal errors.

File Error A **file error** is an error in data entered in individual fields, or missing data from individual fields. A file error example would be a country field that is left blank. A file error does not prevent the FBAR from being accepted, but the FBAR must be corrected and refiled as an *amended FBAR*. FinCEN recommends that corrected FBARs be filed within 30 days after receiving the error acknowledgment.



Regarding foreign country: While the foreign country of the financial institution is a required entry, the Canadian Province or Mexican State is also a required entry, if applicable.

Corrected Reports

An FBAR will be rejected if it contains a **fatal error**. Filers must correct all fatal errors and resubmit. As a rejected FBAR has not been accepted by FinCEN, a resubmission is still considered an initial report. Do not indicate that a resubmission of a rejected FBAR is a corrected report unless it was originally filed as a corrected report.

An accepted FBAR having **file errors** should be corrected and resubmitted as an amended report. Select the **Amended** check box in Organizer, and enter a new signature date. The *BSA Identifier* number of the original submission in the transmission is included automatically.

CHAPTER 4: AMENDING AN FBAR RETURN

REJECTED

1. Correct the error.
2. Regenerate the e-file.
3. Resubmit the original binder to FinCEN.

CONDITIONALLY ACCEPTED STATUS (ALL RETURN TYPES)

1. Correct the error.
2. Select the **Amended** check box.
3. Regenerate the e-file.
4. Resubmit the original binder to FinCEN.

ACCEPTED STATUS (FORMS 1065/1120)

1. Create a copy of the original binder.
2. Select the **Amended** check box in that binder.
3. Regenerate the e-file in the copied binder.
4. Submit the new e-file to FinCEN.