

THOMSON REUTERS®

TRIAL BALANCE GUIDE

FOR TAX YEAR 2023

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CHAPTER 1: USING TRIAL BALANCE

Trial Balance is browser-agnostic and does not require a client download.

OPENING TRIAL BALANCE

To access Trial Balance:

- 1. Go to **Returns** on the top menu in RS Browser.
- 2. Select a 1065, 1120, or 1120S return.
- 3. The Trial Balance option will appear in the **Returns** menu bar.

Note that Trial Balance is available *only* in 1065 and 1120/1120S returns.

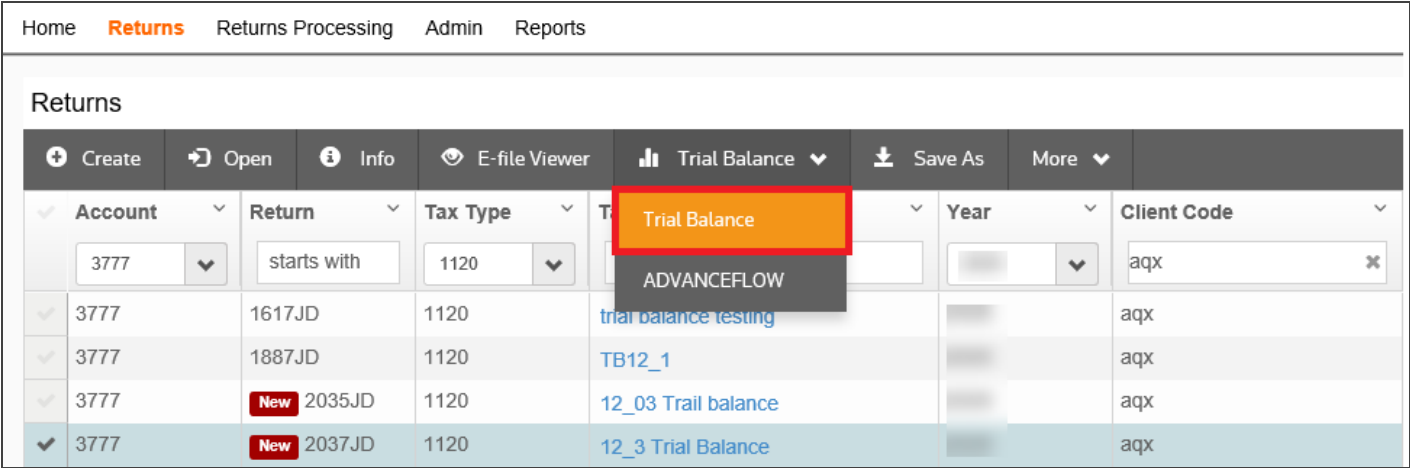


Figure 1:1

There are seven screens in Trial Balance:

- [Preliminary Balances \(page 2\)](#)
- [Adjustments \(page 9\)](#)
- [Schedule M-2 \(page 26\)](#) and [Schedule M-3 \(page 27\)](#)
- [Compute \(page 30\)](#)
- [Working Trial Balance \(page 21\)](#)
- [Charts: Trial Balance Manual Entry \(page 13\)](#)
- [Rolling Over Trial Balance Information from 2019 \(page 32\)](#)

PRELIMINARY BALANCES

When you first open Trial Balance, the **Preliminary Balances** screen appears. You can use **Import** to import the Chart of Accounts (**Trialbal.xls**).

The screenshot displays the 'TRIAL BALANCE' application window. At the top, a dark header bar contains the title 'TRIAL BALANCE' in orange. Below this is a navigation bar with several tabs: 'Preliminary Balances', 'Adjustments', 'Schedule M-2', 'Schedule M-3', 'Compute', 'Working Trial Balance', and 'Charts'. The 'Preliminary Balances' tab is currently selected and highlighted with a red rectangular border. Below the navigation bar is a light gray bar containing three action buttons: 'Import' (with a file icon), 'Export' (with a folder icon), and 'Print' (with a printer icon). At the bottom of the window is a table with four columns: 'Account Number', 'Description', 'Balance', and 'Prior Year Balance'. Each column header has a small downward-pointing arrow icon next to it, indicating that these columns are sortable.

Account Number	Description	Balance	Prior Year Balance
----------------	-------------	---------	--------------------

Figure 1:2

UPLOADING A FILE FOR IMPORT

1. For a user-defined or audit package import, click **Import** on the menu bar to import the chart of accounts.

TRIAL BALANCE				
Preliminary Balances Adjustments Schedule M-2 Schedule M-3 Compute Working Trial Balance Charts				
Import Export Print				
Account Number	Description	Balance	Prior Year Balance	TRC
1	CASH	1,000		10-100 Cash
1001	Wells Fargo Checking 1024			10-100 Cash
1002	Bank of America Checking 6572			10-100 Cash
1003	Bank of America Option Admin 2478			10-100 Cash
1004	Wells Fargo MCA - Singapore 1046			10-100 Cash
1005	Gold			10-100 Cash
1006	Bank of America Money Market 7881			10-100 Cash
1007	Bank of America Patient Refund 8220		(6,425)	10-100 Cash
1008	SVB - Operating 2362	142	20	10-100 Cash
1009	SVB - Payables 6545	(385,471)	(490,643)	10-100 Cash
1011	SVB - Payroll 2419	(1,025)	(20,487)	10-100 Cash

Figure 1:3

2. The **Import Balances** screen appears. Trial Balance will use a drag-and-drop interface for importing balances. You can drag a file to the open area, or click **Browse for File** to import a file.

TRIAL BALANCE				
Preliminary Balances Adjustments Schedule M-2 Schedule M-3 Compute Working Trial Balance Charts				
Import Balances				
1 Upload Choose file and template	2 Template Select or create template	3 Map Identify and map source data	4 Complete Review import status	
<div> <div>Drag a File Here or</div> <div>BROWSE FOR FILE</div> </div>				
<div>CANCEL</div> <div>NEXT</div>				

Figure 1:4

3. Select a file to export from the prior year's Trial Balance Bridge.

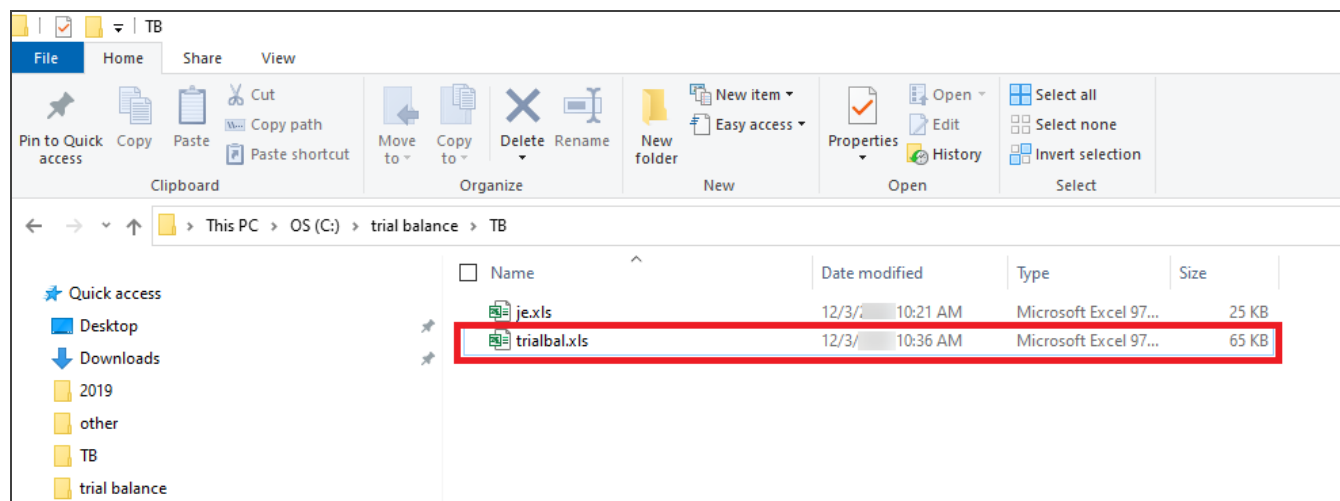


Figure 1:5

4. After you attach the file, click **Next**. The filename of the attached file and its file size appear in the file area beneath **Browse for File**.

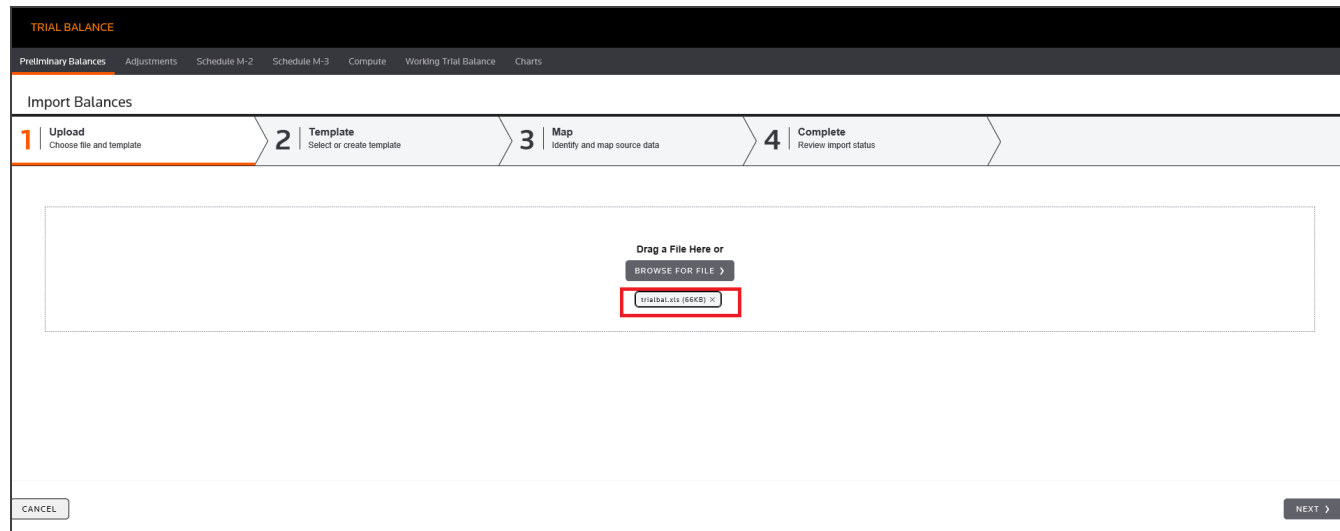


Figure 1:6

USING TEMPLATES

- 1. You can create a new template or use an existing template for mapping.

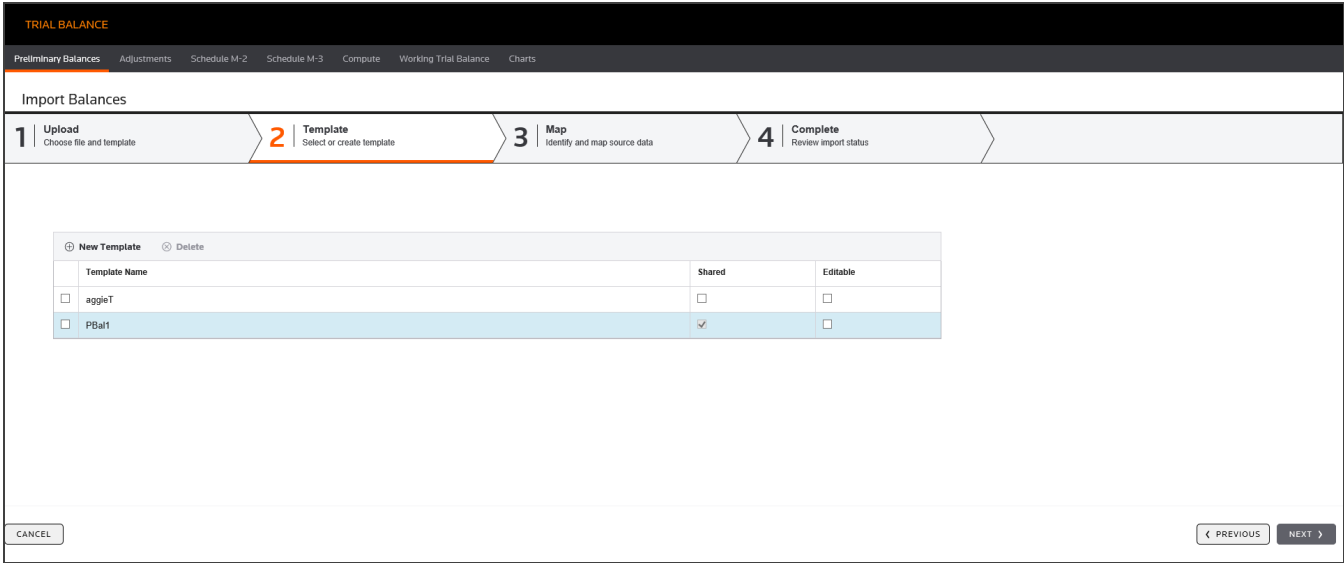


Figure 1:7

2. Map the column with the correct value (for example, Account number, Account description, etc.).

ACCT_NUM → *Account Number

ACCT_DESC → *Account Description

TRC → *TRC

TCC → *TCC

TCC caption (description) → TCC CAPTION

PC number → Activity number (1065 and 1120S) only

PC description → Activity description (1065 and 1120S) only

PY_BAL → Prior Year account balance

CY_BAL → Account balance

MRC → MRC

MCC → MCC

MCC CAPTION (description) → MCC Caption

TRIAL BALANCE

Preliminary Balances | Adjustments | Schedule M-2 | Schedule M-3 | Compute | Working Trial Balance | Charts

Import Balances

1 Upload | Choose file and template | **2** Template | Select or create template | **3** Map | Identify and map source data | **4** Complete | Review import status

Template: Start row: File: trialbal.xls *Required

Row	*Account Numb	*Account Descr	*TRC	*TCC	TCC Caption	Select Header	Prior Year Acc	*Account Balan	MRC	MCC	MCC Caption
	ACCT_NUM	ACCT_DESC	TRC	TCC	TCC CAPTION	PC	PY_BAL	CY_BAL	MRC	MCC	MCC CAPTION
2	1001	Wells Fargo Checkin...	10-100	001			37259222.42	0.00			
3	1002	Bank of America Che...	10-100	002	from company 1		0.00	0.00			
4	1003	Bank of America Opti...	10-100				0.00	0.00			
5	1004	Wells Fargo MCA - SI...	10-100				0.00	0.00			
6	1005	Gold	10-100				0.00	0.00			
7	1006	Bank of America Mon...	10-100				0.00	0.00			
8	1007	Bank of America Pati...	10-100				-6425.94	0.00			
9	1008	SVB - Operating 2362	10-100				20.98	142.00			

Figure 1:8

- Click **Save** to save your mapping.

4. After the mapping is saved, click **Import**.

TRIAL BALANCE

Preliminary Balances Adjustments Schedule M-2 Schedule M-3 Compute Working Trial Balance Charts

Import Balances

1 Upload Choose file and template 2 Template Select or create template 3 Map Identify and map source data 4 Complete Review import status

Template Start row File: trialbal.xls *Required

Row	*Account Num	*Account Des	*TRC	*TCC	TCC Caption	Select Head	Prior Year Ac	*Account Bal	M
1	ACCT_NUM	ACCT_DESC	TRC	TCC	TCC CAPTION	PC	PY_BAL	CY_BAL	MRC
2	1001	Wells Fargo Checki...	10-100	001			37259222.42	0.00	
3	1002	Bank of America Ch...	10-100	002	from company 1		0.00	0.00	
4	1003	Bank of America O...	10-100				0.00	0.00	
5	1004	Wells Fargo MCA ~...	10-100				0.00	0.00	
6	1005	Gold	10-100				0.00	0.00	
7	1006	Bank of America M...	10-100				0.00	0.00	
8	1007	Bank of America Pa...	10-100				-6425.94	0.00	

Figure 1:9

5. Trial Balance will validate the import file and list any errors. If the Excel file is incorrect, it will show *Import completed with errors* on the top of the screen and list all errors on the screen.

TRIAL BALANCE

Preliminary Balances Adjustments Schedule M-2 Schedule M-3 Compute Working Trial Balance Charts

Import Balances

1 Upload Choose file and template 2 Template Select or create template 3 Map Identify and map source data 4 Complete Review import status

Import failed with errors.

Please review the error(s) and/or warning(s) below. If changes are needed, update the binder or import file and import the file again.

Message

Row 285 - [Account Number] Cannot start with AUTO

Figure 1:10

If you are using an audit package, you must perform the import in the preliminary balance. See [Uploading a File for Import \(page 3\)](#).

ADJUSTMENTS

You will be able to add, import, export, or print adjustments (journal entries) on the **Adjustments** screen. You can adjust book basis balances to tax basis balances using various types of adjusting entries (book, reclass, tax).

A separate row appears for each type of adjustment assigned to the binder (Book, Reclass, Tax). Each row contains entries, set up at the chart level, with account numbers and descriptions. Depending on the type of adjustment you select, the system provides different features to assist you with entering, editing, and viewing adjustments.

UPLOADING A FILE FOR IMPORT

Only if you are using a user-defined template do you need to import the Journal Entry file separately.

1. Click **Import** on the menu bar to import the Journal Entry adjustments.

The screenshot shows the 'TRIAL BALANCE' interface. At the top, there's a dark header with 'TRIAL BALANCE' in orange. Below it is a navigation bar with tabs: 'Preliminary Balances', 'Adjustments' (highlighted), 'Schedule M-2', 'Schedule M-3', 'Compute', 'Working Trial Balance', 'Charts', 'Help', and 'Support'. Under the 'Adjustments' tab, there are two buttons: 'Add Adjustment' (with a plus icon) and 'Import' (with a right-pointing arrow icon, highlighted with a red box). Below the buttons is a table with columns: 'Actions', 'Account Number', 'Account Description', 'Debit', and 'Credit'. The table has three rows of adjustment types: 'BOOK Adjustments', 'RECLASS Adjustments', and 'TAX Adjustments'. Each row has a plus icon in the 'Actions' column. The 'Debit' and 'Credit' columns are currently empty.

Actions	Account Number	Account Description	Debit	Credit
+		BOOK Adjustments		
		RECLASS Adjustments		
+		TAX Adjustments		

Figure 1:11

2. You can drag a file to the open area, or click **Browse for File** to import a file.

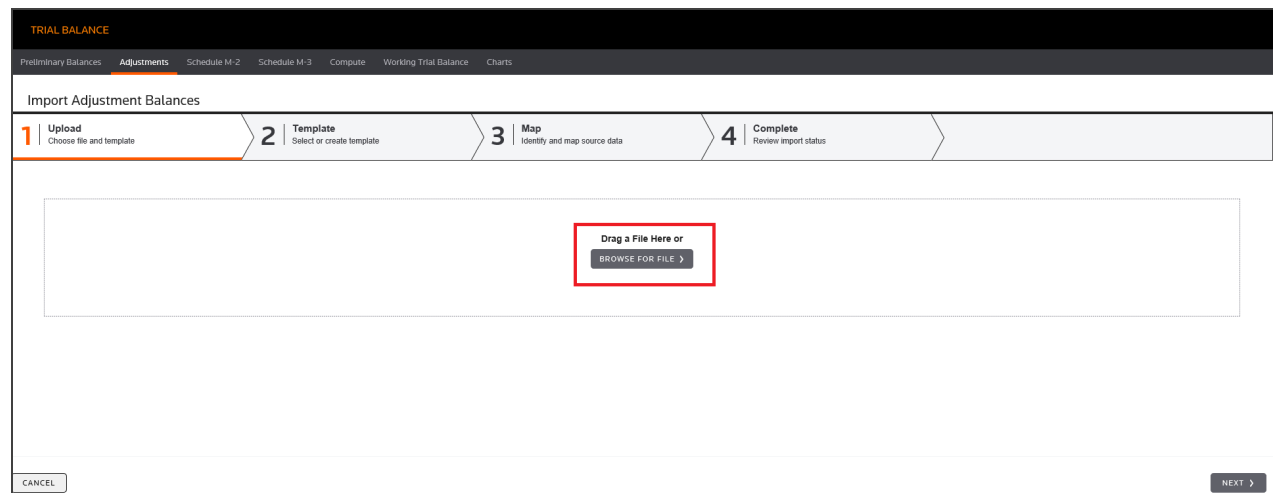


Figure 1:12

3. Select a file to import from the prior year's Journal Entry (**je.xls**).

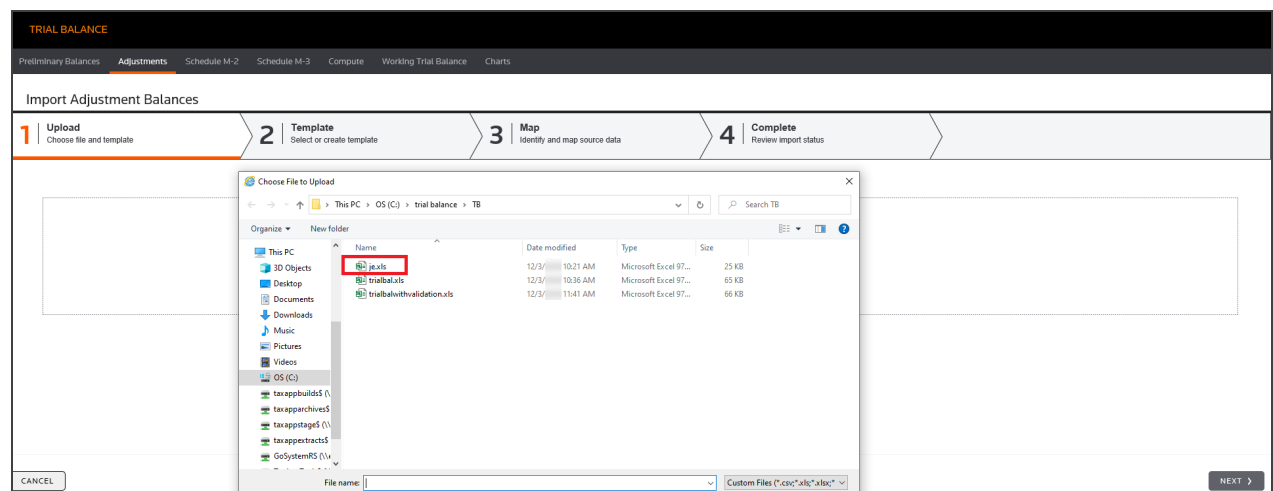


Figure 1:13

4. After you attach the file, click **Next**. The filename of the attached file and its file size appear in the file area beneath **Browse for File**.

USING TEMPLATES

1. Select the **Retained Earning** account before you import Journal Entry.

The screenshot displays the 'TRIAL BALANCE' application interface. At the top, a dark header bar contains the title 'TRIAL BALANCE'. Below this is a navigation bar with tabs: 'Preliminary Balances', 'Adjustments', 'Schedule M-2', 'Schedule M-3', 'Compute' (which is highlighted with an orange underline), 'Working Trial Balance', and 'Charts'. The main content area is divided into sections. The first section shows the 'Status:' as 'Compute Never Finished! Retry.' and a 'COMPUTE' button next to a progress bar. Below this is the 'Last Compute Time:' field. The second section, titled 'Update Organizer', contains a green toggle switch with a checkmark. The third section, titled 'Transfer Prior Year Balances', contains a grey toggle switch. The fourth section, titled 'Close books to Retained Earnings Account:', features a dropdown menu with '3900 Retained Earnings' selected. This entire section is enclosed in a red rectangular box.

Figure 1:14

2. You can create a new template or use an existing template for mapping.

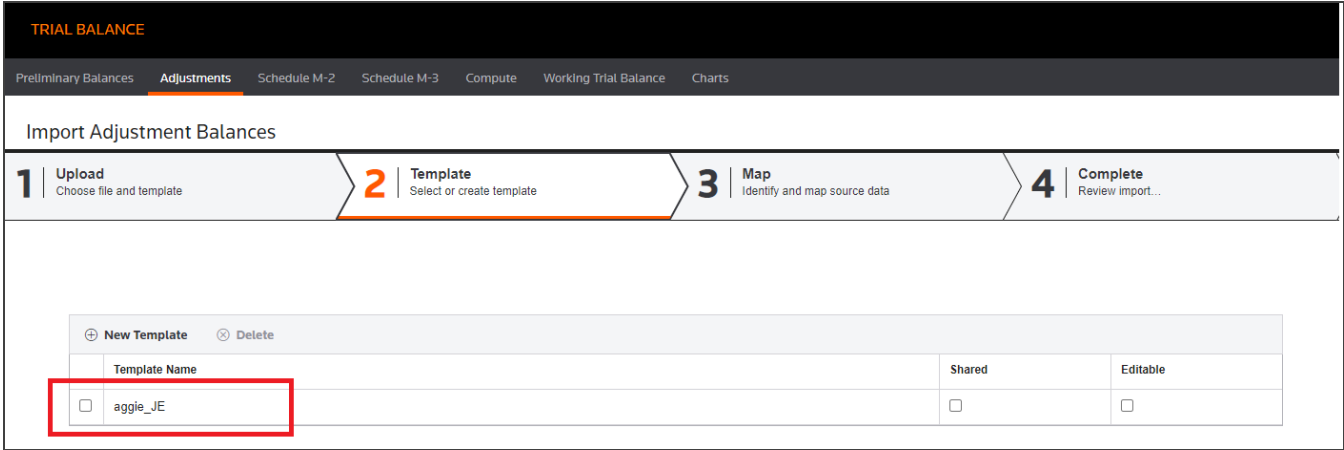


Figure 1:15

3. Map the column with the correct value:
- JE_TYPE → *Adjustment Type
 - JE_NUM → *Adjustment number
 - DESC → Adjustment Name
 - JE_T/P → Temporary/Permanent Indicator
 - AMOUNT → *Adjustment Balance
 - SA_NUM → *Account Number
4. Click **Save** to save your mapping.

- After the mapping is saved, click **Import**.

TRIAL BALANCE

Preliminary Balances **Adjustments** Schedule M-2 Schedule M-3 Compute Working Trial Balance Charts

Import Adjustment Balances

1 | Upload Choose file and template 2 | Template Select or create template 3 | Map Identify and map source data 4 | Complete Review import status

Template: aggie_JE Start row: 2 File: je.xls *Required SAVE

Row	*Adjustment Type	*Adjustment Number	Adjustment Name	Temporary/Permanent Indicator	*Adjustment Balance	*Account Number	Select Header
1	JE_TYPE	JE_NUM	DESC	JE_T/P	AMOUNT	SA_NUM	Column
2	BA	001	adjustment of cash				
3		1001	Wells Fargo Checking 1024		2000	1001	
4		1016	Bank of America - Concentration 1406		-2000	1016	
5	TR	001	reclass expense				
6		6101	Health Benefits		-3000	6101	
7		6102	Insurance		3000	6102	
8	M1	1	TO RECORD SBC - NQSO - BOOK	T			
9		6015	Stock Compensation Expense		-111153	6015	

Figure 1:16

CHARTS: TRIAL BALANCE MANUAL ENTRY

ADDING OR EDITING THE CHART OF ACCOUNTS

You can edit the Chart of Accounts through the Charts.

- On the **Charts** screen, select **Federal Chart of Accounts**.

TRIAL BALANCE

Preliminary Balances Adjustments Schedule M-2 Schedule M-3 Compute Working Trial Balance **Charts**

Federal Chart Of Accounts 2037JD 2020 SAVE

FEDERAL CHART OF ACCOUNTS CHART OF ADJUSTMENTS TCC SCHEDULE M-3 LINE CODING SCHEDULE M-3 LINE MAPPING

Tax Return Type 1120 Add Account Import Export Print

Actions	Account Number	Account Description	TCC
	1120	TRC	TCC

Figure 1:17

2. Click **Add Account** to add a new row. Enter the account number and description, select *TRC* from the drop-down list, and enter the TCC number.

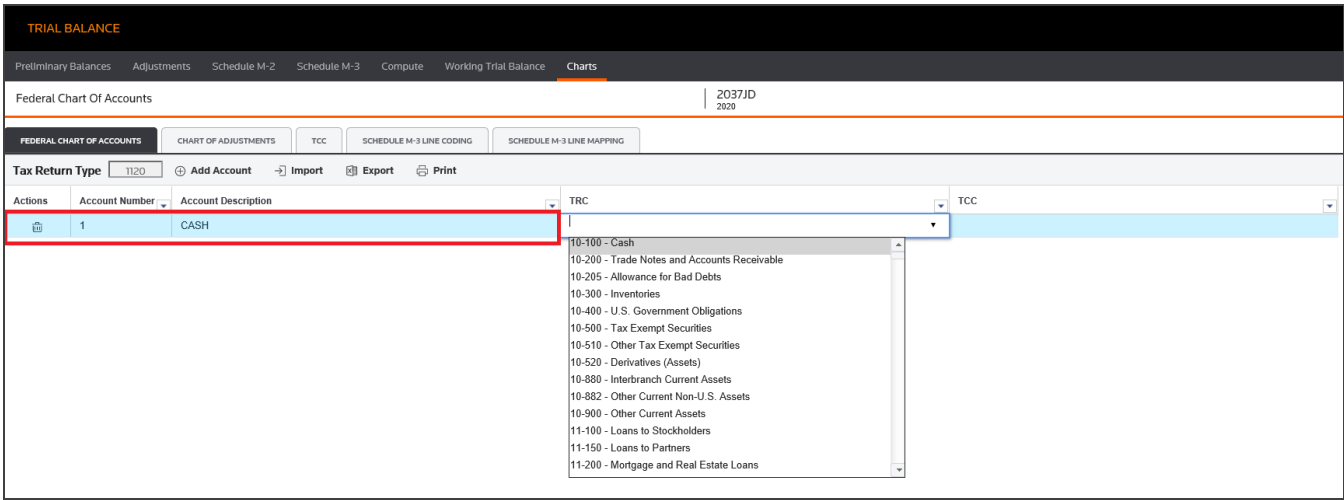


Figure 1:18

3. Modify the account information on the spreadsheet row. When your edits are complete, select **Save** to return to the Preliminary Balances area.

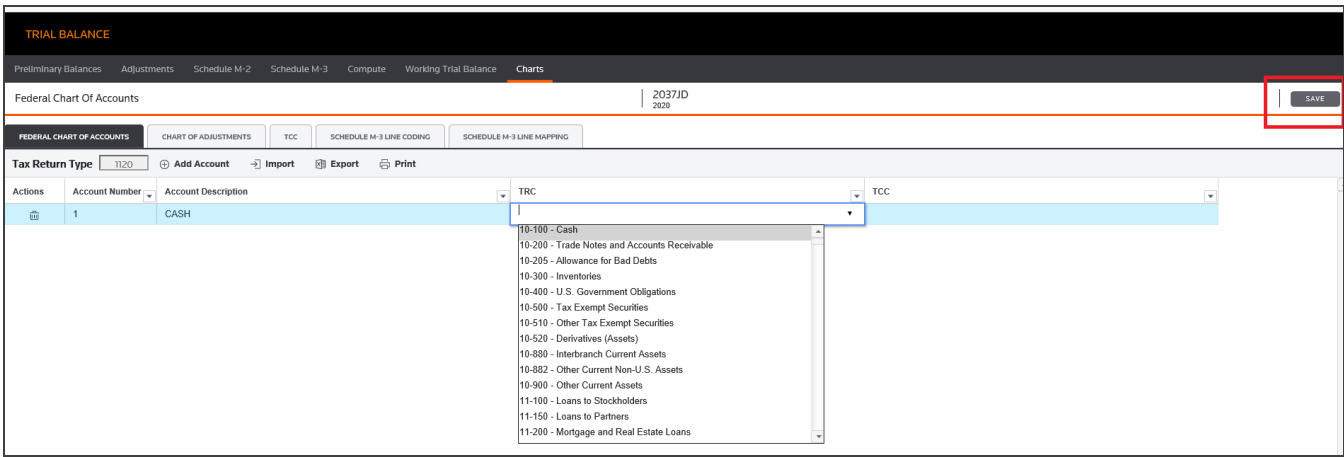


Figure 1:19

- Enter the appropriate balances for your edits and click **Save**.

Account Number	Description	Balance	Prior Year Balance	TRC
1	CASH	1000		10-100 Cash
2	accounts payable			20-100 Accounts Payable

Figure 1:20

ADDING OR EDITING THE CHART OF ADJUSTMENTS

- Determine your adjustment type (book, reclass, tax), then click **Add Adjustment**.

Account Number	Account Description
0001 - reclass expense	
6101	Health Benefits
6102	Insurance

Figure 1:21

2.
- For any account you need to make into an adjustment, check the box to the left of the account, then click **Add**. To delete accounts add on adjustment, click **Remove**. After making an **Add Adjustment** entry, click **Save**.

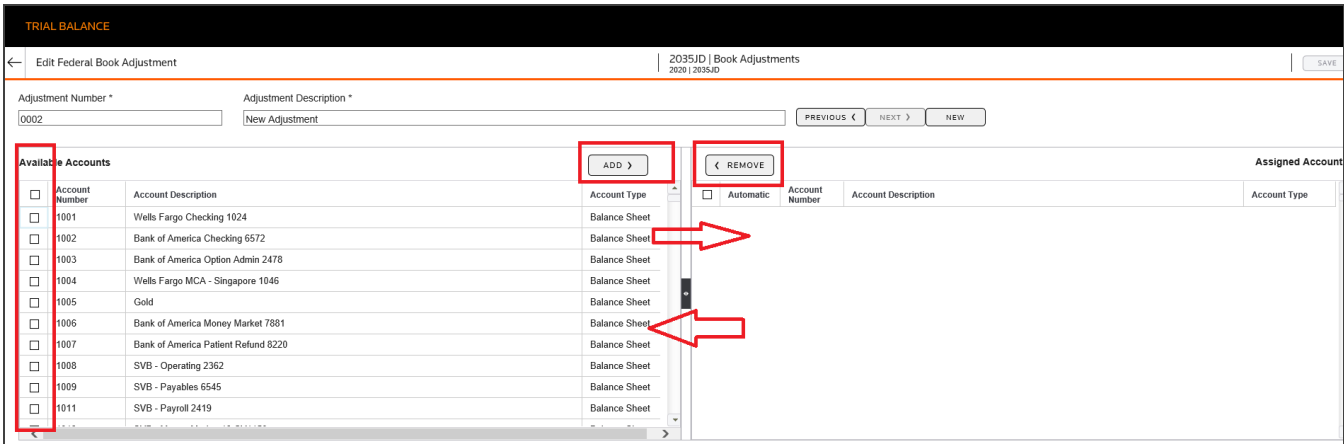


Figure 1:22

3.
- Navigate back to the **Adjustments** screen, and expand the adjustment added. Enter the amount in the debit or credit column. Click **Save**.

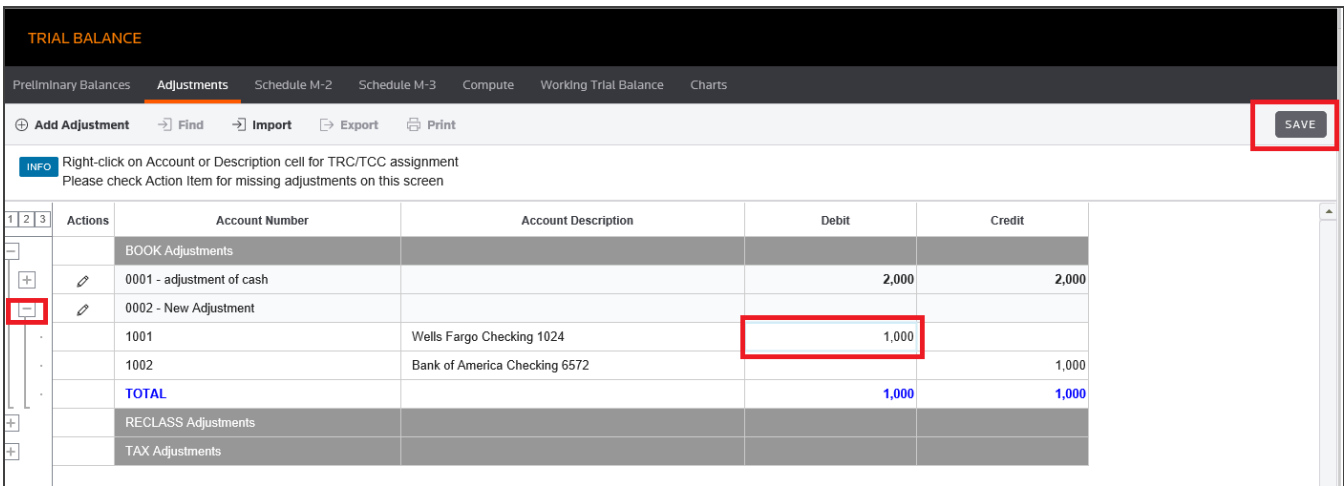


Figure 1:23

4. In the M-1/M-3 tax adjustment, make sure that the tax adjustment includes at least **one** balance sheet account. Fill out the tax return presentation area. Debit or credit the same M-1 account. Click **Save**.

Adjustment Number *
0001
Adjustment Description *
TO RECORD SBC - NQSO - BOOK
PREVIOUS <
NEXT >
NEW

Available Accounts
ADD >

<input type="checkbox"/>	Account Number	Account Description	Account Type
<input type="checkbox"/>	1001	Wells Fargo Checking 1024	Balance Sheet
<input type="checkbox"/>	1002	Bank of America Checking 6572	Balance Sheet
<input type="checkbox"/>	1003	Bank of America Option Admin 2478	Balance Sheet
<input type="checkbox"/>	1004	Wells Fargo MCA - Singapore 1046	Balance Sheet
<input type="checkbox"/>	1005	Gold	Balance Sheet
<input type="checkbox"/>	1006	Bank of America Money Market 7881	Balance Sheet
<input type="checkbox"/>	1007	Bank of America Patient Refund 8220	Balance Sheet
<input type="checkbox"/>	1008	SVB - Operating 2362	Balance Sheet
<input type="checkbox"/>	1009	SVB - Payables 6545	Balance Sheet
<input type="checkbox"/>	1011	SVB - Payroll 2419	Balance Sheet
<input type="checkbox"/>	1013	SVB - Money Market 19-SV1150	Balance Sheet

< REMOVE

<input type="checkbox"/>	Automatic	Account Number	Account Description	Account Type
<input type="checkbox"/>	<input checked="" type="checkbox"/>	3900	Retained Earnings	Balance Sheet
<input type="checkbox"/>	<input checked="" type="checkbox"/>	5108	Direct Labor Lab - Stock Comp	Income Statement
<input type="checkbox"/>	<input checked="" type="checkbox"/>	6015	Stock Compensation Expense	Income Statement

Assigned Accounts

Tax Return Presentation

Debit TRC: *
60-240 - Other Book Expenses Not Deducted on Return

Debit TCC:
025 - TAX60-240 025 - STOCK COMP EXPENSE - NQSO

Credit TRC: *
60-240 - Other Book Expenses Not Deducted on Return

Credit TCC:
025 - TAX60-240 025 - STOCK COMP EXPENSE - NQSO

Options
☐ Permanent
☒ Temporary

Figure 1:24

5. Navigate back to the **Adjustments** screen, and expand the adjustment added. Input the amount in the debit or credit column. Click **Save**. (M-1 accounts do not require an amount input and will be automatically updated.)

TRIAL BALANCE					
Preliminary Balances Adjustments Schedule M-2 Schedule M-3 Compute Working Trial Balance Charts					
Add Adjustment Find Import Export Print					
INFO Right-click on Account or Description cell for TRC/TCC assignment Please check Action Item for missing adjustments on this screen					
1 2 3	Actions	Account Number	Account Description	Debit	Credit
		BOOK Adjustments			
		RECLASS Adjustments			
		TAX Adjustments			
		0001 - TO RECORD SBC - NQSO - BOOK		123,883	123,883
		0002 - tax adjustment			
			Options: Temporary, Taxable, Non Current		
			Debit TRC: 60-240 - Other Book Expenses Not Deducted on R		
			Debit TCC: 0001 - Other Book Expenses Not Deducted on R		
			Credit TRC: 60-240 - Other Book Expenses Not Deducted on R		
			Credit TCC: 0001 - Other Book Expenses Not Deducted on R		
		3900	Retained Earnings	200	
		5010	Outsourced Lab Fees		200
		TOTAL		200	200

Figure 1:25


Automatic Adjustments

Adjusting entries can be set to automatically adjust certain items of taxable income and expense based on selected limitations or computations. Automatic calculations include the following:

- Reverse account balances to zero
- Adjust for differences between beginning and ending balances
- Close net income
- Reduce amounts by a user defined percentage.

Adding new automatic adjustments or changing existing automatic adjustments impacts all associated entities and locators.

SETTING AUTOMATIC ADJUSTMENTS

1. Open the **Adjustments** screen.
2. Expand the adjustments.
3. Select an adjusting entry and click **Edit** .
4. Select the **Account** radio button on the **Automatic Adjustment** dialog box and make the following selections:
 - **Accounts** (first drop-down list): The target journal entry account. This account comes from the journal entry.
 - **Source Account** (second drop-down list): The balance for the target account used in the journal entry comes from this source account. Use the drop-down list to choose the appropriate source account.
 - **Balance Type** (third drop-down list): Select the balance type of the source account (for example, preliminary, book, reclassification, or tax).
 - **Percentage**: This allows you to indicate a percent of an account to be adjusted and thus create custom calculations.
 - **Reversing and Balance Options**: You must select *Ending*, *Beginning*, or *Difference* first, and then *Negate*, if applicable.
 - **Beginning/Ending**: This applies the automatic adjustment to the beginning or ending account balance (commonly used for tax exempt income).
 - **Difference**: This takes the difference in target and source account balances to calculate the adjustment (commonly used for reserve liability accounts).
 - **Negate**: This reverses the amount in the selected target account (commonly used to reverse the FIT general ledger account).

An individual account can be used in only one “account” type automatic adjustment per chart type (book, reclass, tax, and so on). The offsetting account must be marked as Balance Entry.

TRIAL BALANCE

← Edit Federal Book Adjustment

2035JD | Book Adjustments
2020 | 2035JD

SAVE

Adjustment Number *

Adjustment Description *

0001

adjustment of cash

PREVIOUS <

NEXT >

NEW

Available Accounts

ADD >

<input type="checkbox"/>	Account Number	Account Description	Account Type
<input type="checkbox"/>	1002	Bank of America Checking 6572	Balance She
<input type="checkbox"/>	1003	Bank of America Option Admin 2478	Balance She
<input type="checkbox"/>	1004	Wells Fargo MCA - Singapore 1046	Balance She
<input type="checkbox"/>	1005	Gold	Balance She
<input type="checkbox"/>	1006	Bank of America Money Market 7881	Balance She
<input type="checkbox"/>	1007	Bank of America Patient Refund 8220	Balance She
<input type="checkbox"/>	1008	SVB - Operating 2362	Balance She
<input type="checkbox"/>	1009	SVB - Payables 6545	Balance She
<input type="checkbox"/>	1011	SVB - Payroll 2419	Balance She
<input type="checkbox"/>	1013	SVB - Money Market 19-SV1150	Balance She

< REMOVE

Assigned Accounts

<input type="checkbox"/>	Automatic	Account Number	Account Description	Account Type
<input type="checkbox"/>	<input checked="" type="checkbox"/>	1001	Wells Fargo Checking 1024	Balance Sheet
<input type="checkbox"/>	<input checked="" type="checkbox"/>	1016	Bank of America - Concentration 1406	Balance Sheet

Figure 1:26

Common Automatic Adjustments

Commonly used automatic adjustments are identified below along with their corresponding setup instructions.

ENTRY	DROP-DOWN LIST	BALANCE ENTRY ACCOUNT	REVERSE OPTION	END/BEG DIFF	% OF DIFF
Reverse federal income tax Provision (FIT)	Target Account: Fed Income Tax Provision Source Account: Fed Income Tax Provision	Retained Earnings (Unappropriated)	Negate	Ending	100%
Meals and Entertainment	Target Account: Meals & Entertainment Source Account: Meals & Entertainment	Retained Earnings (Unappropriated)	Negate	Ending	50%
Allowance for Bad Debt	Target Account: Bad Debt Reserve Source Account: Bad Debt Reserve	Bad Debt Expense	Negate	Difference	100%

WORKING TRIAL BALANCE

Working Trial Balance (WTB) enables you to review your tax information in an accounting working trial balance format and displays prior year historical balances for comparison. The WTB shows the flow of the amounts on the books to the amounts on your tax return in a spreadsheet format conveniently on one page.

You can view the trial balance in two ways:

- TRC: View all information by the list of TRCs
- Account Number: View all information by account.

You can also view underlying levels of detail by expanding lines on the WTB.

TRIAL BALANCE

Preliminary Balances Adjustments Schedule M-2 Schedule M-3 Compute Working Trial Balance Charts Help

View by:

Income Statement

Income Statement

1125-A Cost of Goods Sold

Schedule C Dividends

Balance Sheet

Schedule M-1

By TRC

By Account

7 - Gross Royalties

8 - Capital Gains

9 - Ordinary Gains

10 - Other Income

11 - Total Income

12 - Compensation of Officers

13 - Salaries and Wages (net of credits)

14 - Repairs

15 - Bad Debt

16 - Rents

Export

Print

		Prior Year Preliminary Book Balance	Preliminary Book Balance	Book Adjustments	Adjusted Book Balance
1	2	3	4		
+					
+					
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+					
+					

Figure 1:27

You can also view underlying levels of detail by expanding lines on the WTB. The Working Trial Balance information is not updated until you perform a compute inside Trial Balance using **Compute** on the **Compute** screen.

TRIAL BALANCE

Preliminary Balances

Adjustments

Schedule M-2

Schedule M-3

Compute

Working Trial Balance

Charts

Status:

Compute Never Finished! Retry.

COMPUTE

Last Compute Time:

Update Organizer

✓

Transfer Prior Year Balances

Close books to Retained Earnings Account:

3900 Retained Earnings

Figure 1:28

Listed below are the available tax return or schedule you can view.

TAX RETURN	SCHEDULES	TAX RETURN	SCHEDULES
1065	1065 Page 1 1125-A Cost of Goods Sold Schedule K Schedule L Schedule M-1 By TRC By Account	1120PC	Schedule A Taxable Income Schedule C Dividends Balance Sheet By TRC By Account

TAX RETURN	SCHEDULES	TAX RETURN	SCHEDULES
1120	Income Statement 1125-A Cost of Goods Sold Schedule C Dividends Balance Sheet Schedule M-1 By TRC By Account	1120REIT	Part I - REIT Taxable Income Schedule L Schedule M-1 By TRC By Account
1120F	Not Effectively Connected 1125-A Cost of Goods Sold Schedule C Dividends Effectively Connected Schedule L Schedule M-1 By TRC By Account	1120S	1120S Page 1 1125-A Cost of Goods Sold Schedule K Schedule L Schedule M-1 By TRC By Account
1120L	Page 1 Taxable Income Schedule A Dividends Schedule B Investment Income Schedule F Reserves Schedule L By TRC By Account		

USING THE WORKING TRIAL BALANCE

The WTB displays debits as positive amounts and credits as negative amounts. As a result, income appears as negative and losses and expenses appear as positive.

There are many options for reviewing your tax information through Working Trial Balance.

1. Select the tax return or schedule you want to view by selecting the **View by** drop-down list.

TRIAL BALANCE

Preliminary Balances Adjustments Schedule M-2 Schedule M-3 Compute Working Trial Balance Charts Help

View by: Income Statement Export Print

	Prior Year Preliminary Book Balance	Preliminary Book Balance	Book Adjustments	Adjusted Book Balance
Income Statement				
1125-A Cost of Goods Sold				
Schedule C Dividends				
Balance Sheet				
Schedule M-1				
By TRC				
By Account				
7 - Gross Royalties				
8 - Capital Gains				
9 - Ordinary Gains				
10 - Other Income				
11 - Total Income				
12 - Compensation of Officers				
13 - Salaries and Wages (net of credits)				
14 - Repairs				
15 - Bad Debt				
16 - Rents				
17 - Taxes				

Figure 1:29

2. Review the WTB by line and by the column headings.

- Prior Year Preliminary Book Balance
- Preliminary Book Balance
- Book Adjustments
- Adjusted Book Balance
- Tax Reclass
- Balance After Tax Reclass
- Prior Year Balance after Tax Reclass
- Tax Adjustments
- Historical Tax Adjustments
- Adjusted Tax Balance
- Prior Year Adjusted Tax Balance

3. Expand the lines to view detail for each entry by selecting 1, 2, 3, or click the plus (+) sign.

4. Click 4 and 5 to display detailed adjustments with the JE number.

5. Select **Print** to print a copy of the WTB.

6. Select **Export** to export the workpaper.

OTHER SCHEDULES

SCHEDULE M-2

You will be able to review Schedule M-2 line items with the TRC/TCC and accompanying amounts.

TRIAL BALANCE				
Preliminary Balances Adjustments Schedule M-2 Schedule M-3 Compute Working Trial				
	Description	TRC/TCC	Amount	
1	Balance at beginning of year			
2	Net income (loss) per books		(44,806,585)	
3	Other increases (itemize):			
	Other Increases	62-300.1		
	Total Other increases (itemize):			
4	Add lines 1, 2, and 3		(44,806,585)	
5a	Distributions: Cash			
	Distributions: Cash	62-308.1		
	Total Distributions: Cash			
5b	Distributions: Stock			
	Distributions: Stock	62-310.1		
	Total Distributions: Stock			
5c	Distributions: Property			
	Distributions: Property	62-306.1		
	Total Distributions: Property			
6	Other decreases (itemize):			
	Other Decreases	62-302.1		
	Total Other decreases (itemize):			
7	Add lines 5 and 6			
8	Balance at end of year (line 4 less line 7)		(44,806,585)	

Figure 1:30

SCHEDULE M-3

TRIAL BALANCE

Preliminary Balances Adjustments Schedule M-2 **Schedule M-3** Compute Working Trial Balance Charts Help

Select Line:

Account Detail

Part II, Line 1: Income (loss) from equity method foreign corporations

Part II, Line 2: Gross foreign dividends not previously taxed

Part II, Line 3: Subpart F, QEF, and similar income inclusions

Part II, Line 4: Gross-up for foreign taxes deemed paid

Part II, Line 5: Gross foreign distributions previously taxed

Part II, Line 6: Income (loss) from equity method U.S. corporations

Part II, Line 7: U.S. dividends not eliminated in tax consolidation

Part II, Line 8: Minority interest for includible corporations

Part II, Line 9: Income (loss) from U.S. partnerships

Permanent Differences

Account Allocation

Actions	Company	EIN	Reason for Missing EIN	Balance After Tax Reclass	Temporary Differences	Permanent Differences

Figure 1:31

CHARTS: TAX COMBINATION CODES

Add and modify the TCC number and description under the **TCC** screen. Click **Add** to add a new TCC number and description. Direct edit the TCC number and description on the row.

TRIAL BALANCE

Preliminary Balances
Adjustments
Schedule M-2
Schedule M-3
Compute
Working Trial Balance
Charts

Tax Combination Codes

FEDERAL CHART OF ACCOUNTS

CHART OF ADJUSTMENTS

TCC

SCHEDULE M-3 LINE CODING

SCHEDULE M-3 LINE MAPPING

Delete

	Actions	TRC / TCC	TCC Description
<input type="checkbox"/>	<input style="border: 2px solid red;" type="button" value="+"/>	10-100	Cash
<input type="checkbox"/>		001	Cash
<input type="checkbox"/>		002	from company 1
<input type="checkbox"/>	<input style="border: 1px solid black;" type="button" value="+"/>	10-200	Trade Notes and Accounts Receivable
<input type="checkbox"/>		001	Trade Notes and Accounts Receivable
<input type="checkbox"/>	<input style="border: 1px solid black;" type="button" value="+"/>	10-205	Allowance for Bad Debts
<input type="checkbox"/>		001	Allowance for Bad Debts
<input type="checkbox"/>	<input style="border: 1px solid black;" type="button" value="+"/>	10-300	Inventories
<input type="checkbox"/>		001	Inventories
<input type="checkbox"/>	<input style="border: 1px solid black;" type="button" value="+"/>	10-400	U.S. Government Obligations
<input type="checkbox"/>		001	U.S. Government Obligations
<input type="checkbox"/>	<input style="border: 1px solid black;" type="button" value="+"/>	10-500	Tax Exempt Securities
<input type="checkbox"/>		001	Tax Exempt Securities

Figure 1:32

SCHEDULE M-3 LINE CODING

Add/edit MCC numbers and descriptions under **Schedule M-3 Line Coding**.

TRIAL BALANCE

Preliminary Balances Adjustments Schedule M-2 Schedule M-3 Compute Working Trial Balance **Charts**

Schedule M-3 Line Coding
2035JD
2020

FEDERAL CHART OF ACCOUNTS
CHART OF ADJUSTMENTS
TCC
SCHEDULE M-3 LINE CODING
SCHEDULE M-3 LINE MAPPING

1	2	3	Actions	Form Line	Code	Description
PART II: INCOME (LOSS) ITEMS						
			⊕	1	I100	Income (loss) from equity method foreign corporations
			⊖		002	income from equity
			⊕	2	I110	Gross foreign dividends not previously taxed
			⊖		001	gross foreign dividends
			⊕	3	I120	Subpart F, QEF, and similar income inclusions
			⊕	4	I130	Gross-up for foreign taxes deemed paid
			⊕	5	I140	Gross foreign distributions previously taxed
			⊕	6	I150	Income (loss) from equity method U.S. corporations
			⊕	7	I160	U.S. dividends not eliminated in tax consolidation
			⊕	8	I170	Minority interest for includible corporations
			⊕	9	I180	Income (loss) from U.S. partnerships
			⊕	10	I190	Income (loss) from foreign partnerships
			⊕	11	I200	Income (loss) from other pass-through entities
			⊕	12	I210	Items relating to reportable transactions
				13		Interest Income
			⊕	13.1	I220.01	Tax-exempt interest income
			⊕	13.2	I220.02	Interest income from hybrid securities

Figure 1:33

MAPPING ACCOUNTS INTO SCHEDULE M-3 LINES

Select the accounts you need to map into Schedule M-3. Then select which line item the account should flow to. Click **Map**, and then click **Save**.

TRIAL BALANCE

Preliminary Balances Adjustments Schedule M-2 Schedule M-3 Compute Working Trial Balance Charts

Schedule M-3 Line Mapping 2035JD 2020 **SAVE**

FEDERAL CHART OF ACCOUNTS CHART OF ADJUSTMENTS TCC SCHEDULE M-3 LINE CODING **SCHEDULE M-3 LINE MAPPING**

MAP

Account Number	Account Description	TRC	TCC	1	2	3	4	Actions	Form Line	Code	Description
<input type="checkbox"/> 5001	Lab Inventory	40-120	001								
<input checked="" type="checkbox"/> 5002	Kits	40-120	001								
<input checked="" type="checkbox"/> 5003	Inventory Freight/Taxes	40-150	006								
<input checked="" type="checkbox"/> 5004	Phlebotomy	40-150	002								
<input type="checkbox"/> 5005	Waste Disposal Services	40-150	007								
<input type="checkbox"/> 5007	Royalties	40-150	003								
<input type="checkbox"/> 5008	Lab Supplies & Consumables	40-150	004								
<input type="checkbox"/> 5009	Fulfillment Supplies & Consumables	40-150	004								
<input type="checkbox"/> 5010	Outsourced Lab Fees	40-150	013								
<input type="checkbox"/> 5011	Outbound Freight (Kits)	40-150	006								
<input type="checkbox"/> 5012	Inbound Freight (Kits)	40-150	006								
<input type="checkbox"/> 5013	Lab Equipment <\$2,500	40-150	004								
<input type="checkbox"/> 5014	Kit Fulfillment Expense	40-150	006								
<input type="checkbox"/> 5101	Direct Labor Lab - Salaries & Wages	40-130	001								
<input type="checkbox"/> 5102	Direct Labor Lab - Overtime	40-130	001								
<input type="checkbox"/> 5103	Direct Labor Lab - Sick & Vacation	40-130	001								
<input type="checkbox"/> 5104	Direct Labor Lab - Payroll Taxes	40-130	001								
<input type="checkbox"/> 5105	Direct Labor Lab - Performance Based Bonus	40-130	001								
<input type="checkbox"/> 5106	Direct Labor Lab - Benefits	40-130	001								

PART II: INCOME (LOSS) ITEMS

Form Line	Code	Description
1	I100	Income (loss) from equity method foreign corporations
	002	Income from equity
2	I110	Gross foreign dividends not previously taxed
	001	gross foreign dividends
3	I120	Subpart F, QEF, and similar income inclusions
4	I130	Gross-up for foreign taxes deemed paid
5	I140	Gross foreign distributions previously taxed
6	I150	Income (loss) from equity method U.S. corporations
7	I160	U.S. dividends not eliminated in tax consolidation
8	I170	Minority interest for includible corporations
9	I180	Income (loss) from U.S. partnerships
10	I190	Income (loss) from foreign partnerships
11	I200	Income (loss) from other pass-through entities
12	I210	Items relating to reportable transactions
13		Interest Income
13.1	I220.01	Tax-exempt interest income
13.2	I220.02	Interest income from hybrid securities
13.3	I220.03	Sale/lease interest income

Figure 1:34

COMPUTE

After you finish reviewing, go to the **Compute** screen to transfer the amounts in the trial balance into the tax application.

TRIAL BALANCE

Preliminary Balances

Adjustments

Schedule M-2

Schedule M-3

Compute

Working Trial Balance

Charts

Status:

Compute Ready

COMPUTE

Last Compute Time:

12/3/ , 3:52:56 PM

Update Organizer

Transfer Prior Year Balances

Close books to Retained Earnings Account:

3900 Retained Earnings

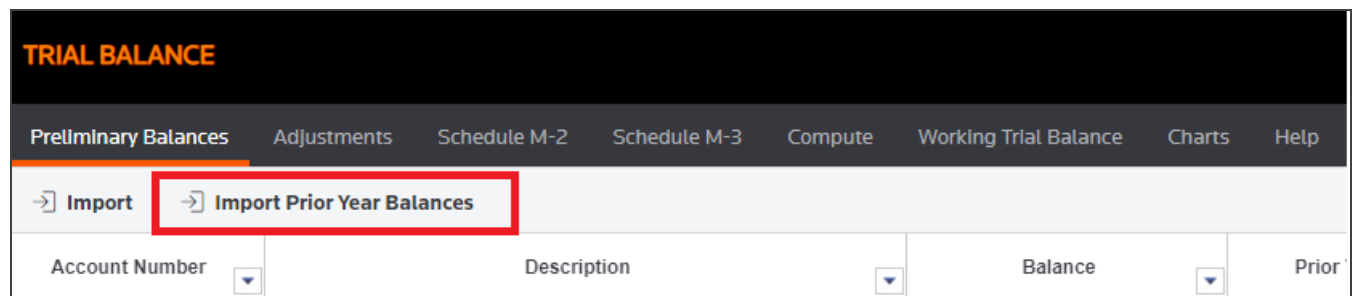
Figure 1:35

CHAPTER 2: ROLLING OVER TRIAL BALANCE INFORMATION FROM 2019

Rollover from 2019 is available after 2/5/2021.

IMPORT PRIOR YEAR BALANCE

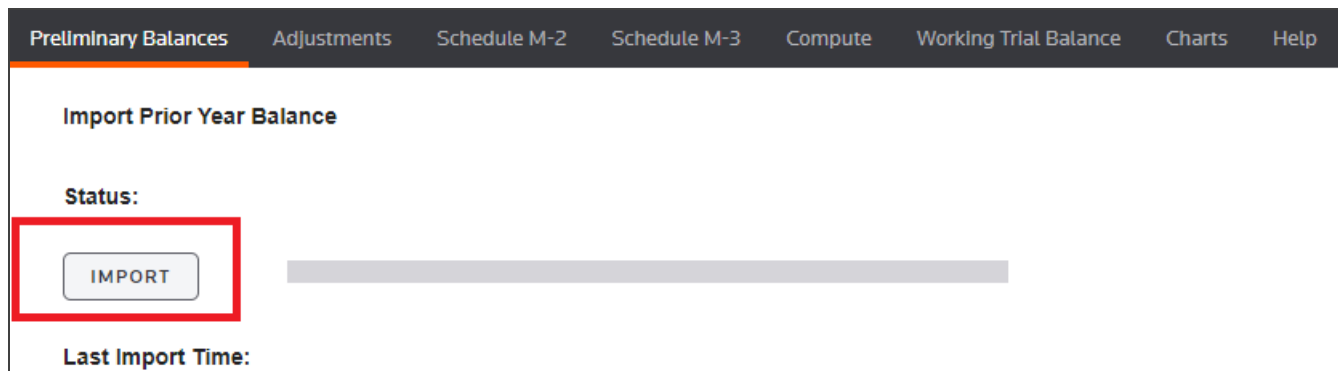
1. In RS Browser, select **Returns > Access > Trial Balance**.
2. On the **Preliminary Balances** screen, you will see the **Import Prior Year Balances** button on the top left corner.



The screenshot displays the 'TRIAL BALANCE' interface. At the top, there is a dark header bar with the title 'TRIAL BALANCE' in orange. Below this is a navigation bar with several tabs: 'Preliminary Balances', 'Adjustments', 'Schedule M-2', 'Schedule M-3', 'Compute', 'Working Trial Balance', 'Charts', and 'Help'. The 'Preliminary Balances' tab is currently selected and highlighted with an orange underline. Below the navigation bar, there is a light gray bar containing two buttons: 'Import' and 'Import Prior Year Balances'. The 'Import Prior Year Balances' button is highlighted with a red rectangular box. Below this bar, the main content area is visible, showing a table with columns: 'Account Number', 'Description', 'Balance', and 'Prior'. Each of these columns has a small downward arrow icon next to it, indicating they are dropdown menus.

Figure 2:1

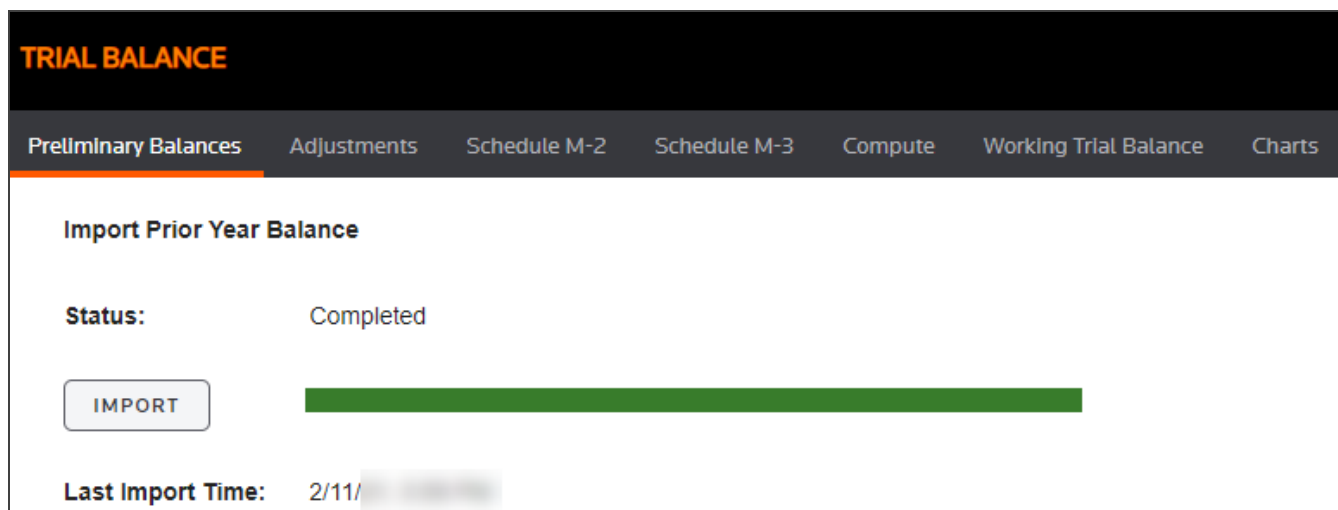
3. Click the **Import** push button.



The screenshot shows a software interface with a dark navigation bar at the top containing the following tabs: Preliminary Balances, Adjustments, Schedule M-2, Schedule M-3, Compute, Working Trial Balance, Charts, and Help. The 'Preliminary Balances' tab is selected and highlighted with an orange underline. Below the navigation bar, the main content area is titled 'Import Prior Year Balance'. Under this title, there is a 'Status:' label followed by a long, empty grey progress bar. To the left of the progress bar is a button labeled 'IMPORT', which is enclosed in a red rectangular box. Below the progress bar, there is a 'Last Import Time:' label followed by a blurred area.

Figure 2:2

4. Wait for the prior year financial data to transfer.



The screenshot shows the same software interface as Figure 2:2. The 'Preliminary Balances' tab is still selected. The 'Status:' label now shows the word 'Completed'. The 'IMPORT' button is still present. The progress bar, which was grey in Figure 2:2, is now a solid green bar, indicating that the import process is complete. The 'Last Import Time:' label now shows the date '2/11/' followed by a blurred area.

Figure 2:3

5. When the status shows *Completed*, click **Preliminary Balances** to return to the **Preliminary Balances** screen.

The screenshot displays the 'TRIAL BALANCE' interface. At the top, a dark header bar contains the title 'TRIAL BALANCE' in orange. Below this is a navigation bar with several tabs: 'Preliminary Balances', 'Adjustments', 'Schedule M-2', 'Schedule M-3', 'Compute', 'Working Trial Balance', and 'Charts'. The 'Preliminary Balances' tab is highlighted with a red border. The main content area is titled 'Import Prior Year Balance'. It shows a 'Status:' field with the value 'Completed'. Below this is an 'IMPORT' button and a green progress bar. At the bottom, the 'Last Import Time:' is displayed as '2/11/' followed by a blurred date.

Figure 2:4

CHAPTER 3: TAX RETURN CODES (TRCS)

Select the appropriate link below to view a list of Tax Return Codes (TRCs) for the type of return you are preparing.

- Tax return codes for Form 1065:
https://www.riahelp.com/html/2023/reports/trial_balance/1065_TRC_MRC.pdf
- Tax return codes for Form 1120:
https://www.riahelp.com/html/2023/reports/trial_balance/1120_TRC_MRC.pdf
- Tax return codes for Form 1120-C:
https://www.riahelp.com/html/2023/reports/trial_balance/1120-C_TRC_MRC.pdf
- Tax return codes for Form 1120-F:
https://www.riahelp.com/html/2023/reports/trial_balance/1120-F_TRC_MRC.pdf
- Tax return codes for Form 1120-L:
https://www.riahelp.com/html/2023/reports/trial_balance/1120L_TRC_MRC.pdf
- Tax return codes for Form 1120-PC:
https://www.riahelp.com/html/2023/reports/trial_balance/1120PC_TRC_MRC.pdf
- Tax return codes for Form 1120-REIT:
https://www.riahelp.com/html/2023/reports/trial_balance/1120-REIT_TRC.pdf
- Tax return codes for Form 1120-RIC:
https://www.riahelp.com/html/2023/reports/trial_balance/1120-RIC_TRC.pdf
- Tax return codes for Form 1120S:
https://www.riahelp.com/html/2023/reports/trial_balance/1120S_TRC_MRC.pdf
- Tax return codes for Form 1125A:
https://www.riahelp.com/html/2023/reports/trial_balance/1125A_TRC.pdf
- Tax return codes for Form 8825:
https://www.riahelp.com/html/2023/reports/trial_balance/8825_TRC.pdf
- Tax return codes for Schedule F:
https://www.riahelp.com/html/2023/reports/trial_balance/SchF_TRC.pdf

CHAPTER 4: M-3: RETURN CODES (MRCS)

Select the appropriate link below to view a list of MRCs for the type of return you are preparing.

- 1065 Schedule M-3 MRCs:
https://www.riahelp.com/html/2023/reports/trial_balance/1065_MRC.pdf
- 1120 Schedule M-3 MRCs:
https://www.riahelp.com/html/2023/reports/trial_balance/1120_MRC.pdf
- 1120-C Schedule M-3 MRCs:
https://www.riahelp.com/html/2023/reports/trial_balance/1120-C_MRC.pdf
- 1120-F Schedule M-3 MRCs:
https://www.riahelp.com/html/2023/reports/trial_balance/1120-F_MRC.pdf
- 1120-L Schedule M-3 MRCs:
https://www.riahelp.com/html/2023/reports/trial_balance/1120L_TRC_MRC.pdf
- 1120-PC Schedule M-3 MRCs:
https://www.riahelp.com/html/2023/reports/trial_balance/1120PC_TRC_MRC.pdf
- 1120S Schedule M-3 MRCs:
https://www.riahelp.com/html/2023/reports/trial_balance/1120S_MRC.pdf
- Form 8916A MRCs:
https://www.riahelp.com/html/2023/reports/trial_balance/8916A_MRC.pdf