

WHAT ARE LEADSHEETS?

- ✓ Excel based reconciliations
- ✓ They augment the tax workpapers with auto populating of standard information there-by reducing the amount of time to prepare them
- ✓ Designed to help reduce the review time and increase accuracy
- ❖ Do NOT replace your tax software

Value of Leadsheets?

- Automated summary of multiple amounts that make up a line on 1040/Sch A
- Reduces reviewer time by tracking changes so the reviewer can focus on what has and has not been done
- Reduces time and bottlenecks by focusing on changes rather than re-reviewing the entire return

SIMPLIFIED V/S CLASSIC LEADSHEETS

	Simplified	Classic
Binder Types		
1040 Binders	✓	✓
1041 Binders	✗	✓
Tax Software Compatibility		
GoSystem Tax RS and CCH Axcess Tax	✓	✓
ProSystem fx Tax, Lacerte, and UltraTax CS	✗	✓
Reconciliation Structure		
Per Tax Return	✓	✓
Per Leadsheet	✗	✓
Variance Columns	✗	✓
Designated Forms Tab	✗	✓

Leads/Notes

Hide Changes

A	B	C	D	E	F	G	H	I	J	K	L	M	Q	R	S	T	U	V	W	X	Y	AE
22																						
23	Date of Birth:		Taxpayer	6/9/1965																		
24			Spouse	12/15/1969																		
32	Dependents																					
33	(1) First Name		Middle initial	Last Name	(2) Social security #	(3) Relationship to you	Date of Birth															
34	SUZAN		A	ANDERSON	333-33-3333	DAUGHTER	1/2002															
35	STEVE		A	ANDERSON	123-45-6789	SON	10/21/2005															
36	AMY		A	ANDERSON	321-54-9876	DAUGHTER	06/15/2008															
45																						
46	#	# Line Items #				#	Per Tax Return															
47	1	Wages, salaries, tips, etc.				1	✓	\$	161,786													
57	2a	Tax-exempt interest.				2a	✓	\$	13,159													
67	2b	Taxable interest. Attach Schedule B				2b	✓	\$	9,908													
76	3a	Qualified dividends.				3a	✓	\$	130,850													
86	3b	Ordinary dividends. Attach Schedule B				3b	✓	\$	165,512													
100	4a	IRA distributions.				4a																
110	4b	IRA distributions.				4b																
120	4c	Pensions and annuities.				4c																
130	4d	Pensions and annuities.				4d																
143	5a	Social security benefits.				5a																
153	5b	Social security benefits.				5b																
163	6	Capital gain or (loss).				6	✓	\$	158,535													
173	7a	Other income (loss).				7a		\$	65,402													
183	7b	Add lines 1, 2, 3, 4, 5b, 6 and 7a. Total income.				7b		\$	561,143													
211	8a	Adjustments to income from Schedule 1, line 22				8a		\$	1,784													
220	8b	Subtract line 8a from line 7b. Adjusted Gross Income				8b		\$	559,359													
230	9	Standard deduction or itemized deductions (Schedule A)				9		\$	24,400													
240	10	Qualified business income deduction.				10	✓	\$	189													
249	11a	Add lines 9 and 10				11a		\$	24,589													
259	11b	Taxable income. Subtract line 11a from line 8b				11b		\$	534,770													
280	Page 1 (Form 1040) 2019.																					
281	Please Enter Manually.																					
282	No Leadsheets prepared for these tax return line items.																					
283	Exists variance for Specific Line item.																					
298																						
314																						
FORM 1040 (Pg 1) / FORM 1040 (Pg 2) / SCHEDULE 1 / SCHEDULE 2 / SCHEDULE 3 / SCHEDULE A / ITEMIZED DEDUC																						
LEADS NOTES																						

Forms/Leads/Notes

Hide Changes

G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AE	
22																						
23	Date of Birth:		6/9/1965																			
24			12/15/1969																			
32	Dependents																					
33	Middle initial		Last Name	(2) Social security #	(3) Relationship to you	Date of Birth																
34	A		ANDERSON	333-33-3333	DAUGHTER	1/21/2002																
35	A		ANDERSON	123-45-6789	SON	10/21/2005																
36	A		ANDERSON	321-54-9876	DAUGHTER	06/15/2008																
45																						
46	#	# Line Items #				#	Per Leadsheet				#	Per Tax Return				Variance						
47								\$	961,385	1	✓	\$	961,385	\$	-							
57								\$	13,159	2a	✓	\$	13,159	\$	-							
67								\$	24,265	2b	✓	\$	24,265	\$	-							
76								\$	156,120	3a	✓	\$	156,120	\$	-							
86								\$	242,830	3b	✓	\$	242,830	\$	-							
100								\$	-	4a			\$	-	-							
110								\$	-	4b			\$	-	-							
120								\$	-	4c			\$	-	-							
130								\$	-	4d			\$	-	-							
143								\$	-	5a			\$	-	-							
153								\$	-	5b			\$	-	-							
163								\$	166,000	6	✓	\$	166,000	\$	-							
173								\$	388,627	7a		\$	66,157	\$	322,470							
183								\$	1,783,107	7b		\$	1,460,637	\$	(322,470)							
211								\$	1,784	8a		\$	1,784	\$	-							
220								\$	1,781,323	8b		\$	1,458,853	\$	322,470							
230								\$	49,436	9		\$	24,400	\$	25,036							
240								\$	189	10	✓	\$	189									
249								\$	49,625	11a		\$	24,589	\$	25,036							
259								\$	1,731,698	11b		\$	1,434,264	\$	297,434							
280	Page 1 (Form 1040) 2019.																					
281	Please Enter Manually.																					
282	No Leadsheets prepared for these tax return line items.																					
283	Exists variance for Specific Line item.																					
298																						
314																						
REVIEW SHEETS SUMMARY / FORM 1040 (Pg 1) / FORM 1040 (Pg 2) / SCHEDULE 1 / SCHEDULE 2 / SCHEDULE 3 / SCHEDULE A																						
FORMS LEADS NOTES																						

Forms/Leads/Notes

GeneralIncomeDeductionsTaxesPayments / Penalties /EstimatesCreditsForeignOtherStateUnassociated Forms

Wages , Salaries and Tips (W-2)

STANFORD GROUP COMPANY (S)
US NATIONAL BANK (T)
ADP TOTALSOURCE FL XXIX INC (T)
BLOOMFIELD COLLEGE & SEMINARY (T)

AddDeleteMove To

Sections

IRS-W2: Wages
Compensation Breakdown

FORMSLEADSNOTES

InactiveMark Amounts as Estimate

IRS W-2

TS

a Employee's social security number

T...111-11-1111

b Employer identification number

31-0841368

1 Wages, tips, other comp

129,826

c Employer's name

US NATIONAL BANK

3 Social security wages

132,900

Address

4000 W. BROADWAY

5 Medicare wages and tips

139,660

CityStateZip or postal cdFrn cntry cd

NEW YORKNY...10281

7 Social security tips

d Control number

9 Reserved

e Employee's name (first, middle initial, last)

JACK ANDERSON

11 Nonqualified plans

1234 MAIN STREET
DALLAST...75202

13 Statutory employee
Retirement plan
Third-party sick pay

f Employee's address and ZIP or postal code, foreign country code

14 Other

No. StateEmployer's State IDSt wages, tips, etc.St income tax withheldLocal wages, tips, etc.Local income tax withheldCity

1- (none...- (none...- (none...

2- (none...- (none...- (none...

FORMS TAB
ONLY IN CLASSIC
LEADSHEET BINDER

GoSystem Tax RS



THOMSON REUTERS™



CCH Axcess™

At the Center of the Firm in Motion

**SIMPLIFIED
LEADSHEETS
INPUT IN TAX
SOFTWARE**

WHAT CREATES THE LEADSHEETS?

- ✓ OCR captured and verified Standard document data automatically creates the initial leadsheets
- ★₁ Reviewer does not have to spend time in finding where standard document amounts are picked from

STANDARD DOCUMENTS

Department of the Treasury - Internal Revenue Service

OMB

a Employee's social security number 111-11-1111	1 Wages, tips, other compensation 81444.72 1	2 Federal income tax with 16762.61 2
c Employer's name, address, and ZIP code US BANK NATIONAL ASSOC. 4000 W BROADWAY NEWYORK, NY 10281	3 Social security wages 83164.44 3 ✓	4 Social security tax with 5156.20 4 ✓
	5 Medicare wages and tips 83164.44 5 ✓	6 Medicare tax withheld 1205.88 6 ✓
	7 Social security tips	8 Allocated tips

2 of 60 Pages

Leads/Notes

☐ Reviewed

WAGES

Employer Name	US NATIONAL BANK	TAXPAYER TOTAL	WHYNOT STOP INC	SPOUSE TOTAL	TOTAL
	Amount		Amount		
Ownership code = T/S	T		S		
(1) Wages, Tips, Other Compensation	\$ 81,445	\$ 81,445	\$ 61,208	\$ 61,208	\$ 142,653
(2) Federal Income Tax Withheld	\$ 16,763	\$ 16,763	\$ 6,776	\$ 6,776	\$ 23,539
(3) Social Security Wages	\$ 83,164	\$ 83,164	\$ 65,203	\$ 65,203	\$ 148,367
(4) Social Security Tax Withheld	\$ 5,156	\$ 5,156	\$ 4,043	\$ 4,043	\$ 9,199
(5) Medicare Wages	\$ 83,164	\$ 83,164	\$ 65,203	\$ 65,203	\$ 148,367
(6) Medicare Tax Withheld	\$ 1,206	\$ 1,206	\$ 945	\$ 945	\$ 2,151
(13) Retirement Plan	X		X		
		\$ -		\$ -	

WHAT ABOUT NON-STANDARD DOCUMENTS?

✓ Non-standard document data is manually updated by preparer

➤ In Simplified Leadsheet binders

- Directly in the tax return
- Preparer manually links the data on the document to the leadsheets

➤ In Classic Leadsheet binders

- Using the Forms tab in SPbinder
- This feature directly links the data on the document to the leadsheets

Reviewer does not have to spend time in finding where non-standard document amounts are picked from



NON-STANDARD ARE MANUALLY LINKED

Expenses:

<i>Advertising</i>	1,120.00 T/R 8
<i>Legal Fees</i>	610.00 T/R 8
<i>Office Expenses</i>	2,122.50 T/R 8
<i>Supplies</i>	3,301.45 T/R 8
<i>Utilities</i>	810.35 T/R 8
<i>Telephone</i>	1,290.50 T/R 8

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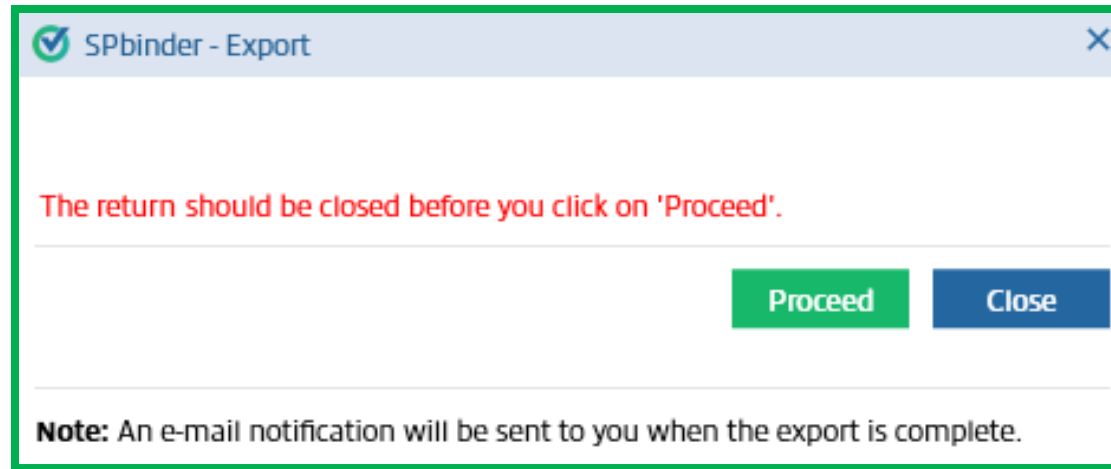
Leads/Notes

A	B	C	D	I	K
1	<input checked="" type="checkbox"/> Reviewed				
6	SCHEDULE -C: PROFIT OR LOSS FROM BUSINESS				
7	'X' If missing in current year				
8	Comments (+)	None Selected			
18	Description		JILL'S CRAFT SHOP		
19		2019 Amount	2018 Amount		TOTAL
49	Part II - Expenses:-				
50	(8) Advertising	✓ \$ 1,120	✓ \$ 1,108		\$ 1,120
60	(12) Depletion (+)	✓ \$ -			\$ -
61	(13) Depreciation and Section 179 expenses deduction (T/R)	✓ \$ -			\$ -
71	Less: Disallowed Interest from Form 8990				\$ -
74	(17) Legal and Professional Services	✓ \$ 610	✓ \$ 565		\$ 610
75	(18) Office expense	✓ \$ 2,123	✓ \$ 1,981		\$ 2,123
84	(22) Supplies	✓ \$ 3,301	✓ \$ 3,206		\$ 3,301
102	(25) Utilities	✓ \$ 810	✓ \$ 751		\$ 810
104	Other Expenses	✓ \$ 1,291			\$ 1,291

SCHEDULE-C

HOW IS TAX RETURN UPDATED?

- ✓ One-click export to tax software
 - With one click, all binder data is exported to tax software.
 - Tax return numbers are either manually or automatically brought back into leadsheets.



#		Per Tax Return
1	✓	\$ 161,786
2a	✓	\$ 13,159
2b	✓	\$ 9,908
3a	✓	\$ 130,850
3b	✓	\$ 165,512
4a		
4b		
4c		
4d		
5a		
5b		
6	✓	\$ 158,535
7a		\$ 65,402
7b		\$ 561,143
8a		\$ 1,784
8b		\$ 559,359
9		\$ 24,400
10	✓	\$ 189
11a		\$ 24,589
11b		\$ 534,770



No more transposition errors.

WHAT SIGNIFICANCE DO COLORS HAVE?

✓ Cut down on review time

★ Focus on attention demanding areas

BLACK, GREEN, BLUE, RED

Manually keyed
amounts (black)

Amounts captured
using OCR (green)

SCHEDULE -C: PROFIT OR LOSS FROM BUSINESS

Description	JILL'S CRAFT SHOP	TOTAL
Ownership code = T/S/J	S	
(1) Gross receipts or sales	\$ 33,155	
(3) Subtract line 2 from line 1	\$ 33,155	\$ 33,155
(5) Gross profit	\$ 33,155	\$ 33,155
(7) Gross income	\$ 33,155	\$ 33,155
Part II - Expenses:-		
(8) Advertising	\$ 1,108	\$ 1,108
(12) Depletion (T/R)		\$ -
(13) Depreciation and Section 179 (T/R)		\$ -
Less: Disallowed Interest from Form 8990		\$ -
(17) Legal/professional service	\$ 565	\$ 565
(18) Office expense	\$ 1,981	\$ 1,981
(22) Supplies	\$ 3,206	\$ 3,206
(25) Utilities	\$ 751	\$ 751
Other Expenses	\$ 1,240	\$ 1,240

WAGES

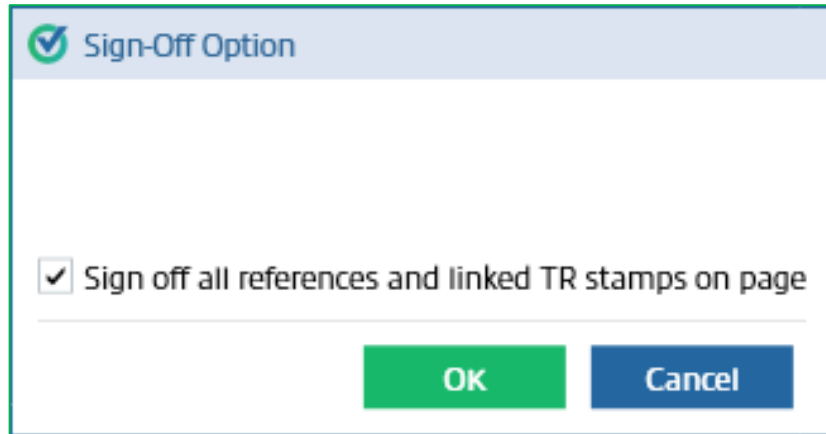
Employer Name	US NATIONAL BANK	TAXPAYER TOTAL
Ownership code = T/S	T	
(1) Wages, Tips, Other Compensation	\$ 81,445	\$ 81,445
(2) Federal Income Tax Withheld	\$ 16,763	\$ 16,763
(3) Social Security Wages	\$ 83,164	\$ 83,164
(4) Social Security Tax Withheld	\$ 5,156	\$ 5,156
(5) Medicare Wages	\$ 83,164	\$ 83,164
(6) Medicare Tax Withheld	\$ 1,206	\$ 1,206
(13) Retirement Plan	X	
		\$ -

DOES SIGN-OFF HELP IN LEADSHEET REVIEW?

- ✓ Signing-off the document on any level puts a green tick mark next to each amount on the leadsheet

DOES SIGN-OFF HELP IN LEADSHEET REVIEW?

- ✓ Signing-off the document on any level puts a green tick mark next to each amount on the leadsheet



- ★ This tells you that you do not have to review the input in tax software!

SCHEDULE -C: PROFIT OR LOSS FROM BUSINESS

Description	JILL'S CRAFT SHOP	TOTAL
Ownership code = T/S/J	S	
(1) Gross receipts or sales	<input type="checkbox"/> \$ 33,155	
(3) Subtract line 2 from line 1	\$ 33,155	\$ 33,155
(5) Gross profit	\$ 33,155	\$ 33,155
(7) Gross income	\$ 33,155	\$ 33,155
Part II - Expenses:-		
(8) Advertising	<input type="checkbox"/> \$ 1,108	\$ 1,108
(12) Depletion (T/R)		\$ -
(13) Depreciation and Section 179 (T/R)		\$ -
Less: Disallowed Interest from Form 8990		\$ -
(17) Legal/professional service	<input type="checkbox"/> \$ 565	\$ 565
(18) Office expense	<input type="checkbox"/> \$ 1,981	\$ 1,981
(22) Supplies	<input type="checkbox"/> \$ 3,206	\$ 3,206
(25) Utilities	<input type="checkbox"/> \$ 751	\$ 751
Other Expenses	<input type="checkbox"/> \$ 1,240	\$ 1,240

WAGES

Employer Name	US NATIONAL BANK	TAXPAYER TOTAL
	Amount	
Ownership code = T/S	T	
(1) Wages, Tips, Other Compensation	<input type="checkbox"/> \$ 81,445	\$ 81,445
(2) Federal Income Tax Withheld	<input type="checkbox"/> \$ 16,763	\$ 16,763
(3) Social Security Wages	<input type="checkbox"/> \$ 83,164	\$ 83,164
(4) Social Security Tax Withheld	<input type="checkbox"/> \$ 5,156	\$ 5,156
(5) Medicare Wages	<input type="checkbox"/> \$ 83,164	\$ 83,164
(6) Medicare Tax Withheld	<input type="checkbox"/> \$ 1,206	\$ 1,206
(13) Retirement Plan	X	
		\$ -

☒ Reviewed

SCHEDULE -C: PROFIT OR LOSS FROM BUSINESS

Description	JILL'S CRAFT SHOP	TOTAL
Ownership code = T/S/J	S	
(1) Gross receipts or sales	<input checked="" type="checkbox"/> \$ 33,155	
(3) Subtract line 2 from line 1	\$ 33,155	\$ 33,155
(5) Gross profit	\$ 33,155	\$ 33,155
(7) Gross income	\$ 33,155	\$ 33,155
Part II - Expenses:-		
(8) Advertising	<input checked="" type="checkbox"/> \$ 1,108	\$ 1,108
(12) Depletion (T/R)		\$ -
(13) Depreciation and Section 179 (T/R)		\$ -
Less: Disallowed Interest from Form 8990		\$ -
(17) Legal/professional service	<input checked="" type="checkbox"/> \$ 565	\$ 565
(18) Office expense	<input checked="" type="checkbox"/> \$ 1,981	\$ 1,981
(22) Supplies	<input checked="" type="checkbox"/> \$ 3,206	\$ 3,206
(25) Utilities	<input checked="" type="checkbox"/> \$ 751	\$ 751
Other Expenses	<input checked="" type="checkbox"/> \$ 1,240	\$ 1,240

☒ Reviewed

WAGES

Employer Name	US NATIONAL BANK	TAXPAYER TOTAL
	Amount	
Ownership code = T/S	T	
(1) Wages, Tips, Other Compensation	<input checked="" type="checkbox"/> \$ 81,445	\$ 81,445
(2) Federal Income Tax Withheld	<input checked="" type="checkbox"/> \$ 16,763	\$ 16,763
(3) Social Security Wages	<input checked="" type="checkbox"/> \$ 83,164	\$ 83,164
(4) Social Security Tax Withheld	<input checked="" type="checkbox"/> \$ 5,156	\$ 5,156
(5) Medicare Wages	<input checked="" type="checkbox"/> \$ 83,164	\$ 83,164
(6) Medicare Tax Withheld	<input checked="" type="checkbox"/> \$ 1,206	\$ 1,206
(13) Retirement Plan	X	
		\$ -

☒ Reviewed**SCHEDULE -C: PROFIT OR LOSS FROM BUSINESS**

Description	JILL'S CRAFT SHOP	TOTAL
Ownership code = T/S/J	S	
(1) Gross receipts or sales	<input checked="" type="checkbox"/> \$ 33,155	
(3) Subtract line 2 from line 1	\$ 33,155	\$ 33,155
(5) Gross profit	\$ 33,155	\$ 33,155
(7) Gross income	\$ 33,155	\$ 33,155
Part II - Expenses:-		
(8) Advertising	<input checked="" type="checkbox"/> \$ 1,108	\$ 1,108
(12) Depletion (T/R)		\$ -
(13) Depreciation and Section 179 (T/R)		\$ -
Less: Disallowed Interest from Form 8990		\$ -
(17) Legal/professional service	<input checked="" type="checkbox"/> \$ 565	\$ 565
(18) Office expense	<input checked="" type="checkbox"/> \$ 1,981	\$ 1,981
(22) Supplies	<input checked="" type="checkbox"/> \$ 3,206	\$ 3,206
(25) Utilities	<input checked="" type="checkbox"/> \$ 751	\$ 751
Other Expenses	<input checked="" type="checkbox"/> \$ 1,240	\$ 1,240

☒ Reviewed**WAGES**

Employer Name	US NATIONAL BANK	TAXPAYER TOTAL
	Amount	
Ownership code = T/S	T	
(1) Wages, Tips, Other Compensation	<input checked="" type="checkbox"/> \$ 81,445	\$ 81,445
(2) Federal Income Tax Withheld	<input checked="" type="checkbox"/> \$ 16,763	\$ 16,763
(3) Social Security Wages	<input checked="" type="checkbox"/> \$ 83,164	\$ 83,164
(4) Social Security Tax Withheld	<input checked="" type="checkbox"/> \$ 5,156	\$ 5,156
(5) Medicare Wages	<input checked="" type="checkbox"/> \$ 83,164	\$ 83,164
(6) Medicare Tax Withheld	<input checked="" type="checkbox"/> \$ 1,206	\$ 1,206
(13) Retirement Plan	X	
		\$ -

BUT WHY VARIANCES?

WHAT ARE LEADSHEETS?

- ✓ Excel based reconciliations
- ✓ They augment the tax workpapers with auto populating of standard information there-by reducing the amount of time to prepare them
- ✓ Designed to help reduce the review time and increase accuracy
- Do NOT replace your tax software

BUT WHY VARIANCES?

- ✓ Variances, *if any*, indicate differences in the input versus the complex calculated output from tax software.
- ★ Learning opportunity for preparers to explain differences so reviewers do not have to

TELL ME VARIANCES CAN BE CLEARED!!

Schedule E Page 2 - Income or Losses from Schedule K-1's			(± - Refer to K-1 Reconciliation for details)
Description	1065, 1120S and PTP	1041	
(f) Passive Loss Allowed	\$ -	\$ -	
(g) Passive Income	\$ 4,294	\$ -	
(h) Nonpassive Loss	\$ (3,371)	\$ -	
(i) Section 179 expenses deduction	\$ -		
(j) Nonpassive Income	\$ -	\$ -	
30. Add line (g) & (j)	\$ 4,294	\$ -	
31. Add lines (f) (h) & (i)	\$ (3,371)	\$ -	
Total income or Loss (I+II)	\$ 923	\$ -	
SUB TOTAL			\$ 923
GRAND TOTAL			\$ 14,279
Schedule E & Schedule K-1 Summary Variance Analysis			
Per Lead	\$	14,279	
Due to Form 8582- Disallowed Passive Losses.	\$	721	
Due to Vacation Home.			
Due to At-Risk Carryover.			
Due to Form 8582- Disallowed Passive Losses.			
Due to Prior year Unallowed Losses.			
Due to Disallowed Section 179 Expense.			
Due to Calc of Form 8829 based on Home No.			
Adjusted Lead	\$	15,000	
Per Return (Schedule 1, Line 17)	\$	15,000	
Unreconciled Variance	\$	-	

NOW WHAT ARE THESE ASTERISKS FOR?

★ Reviewers are made aware if preparers **explained** the differences, or **not**, via colored asterisk.

3a	\$	689,713	*
----	----	---------	---

3b	\$	737,968	*
----	----	---------	---

REVIEW METHOD USING LEADSHEETS

Know how leadsheets can assist in
reviewing the tax return

TOP-DOWN REVIEW METHOD

- ✓ Demystify the source of each tax return amount with a top-down review
- 1. Firstly, make sure the pg. 1, 2 and Schedule amounts in tax return match the leadsheets.

START ON 1040 PG 1

2. Drill-down from the 1040 / Schedule A leadsheet numbers to the underlying source documents. Compare this with tax return ###

#	# Line Items #		Per Leadsheet	#	Per Tax Return
1	Wages, salaries, tips, etc.	<input type="checkbox"/>	\$ 160,786	1	\$ 160,786
2a	Tax-exempt interest.	<input type="checkbox"/>	\$ 13,159	2a	\$ 13,159
2b	Taxable interest. Attach Schedule B	<input type="checkbox"/>	\$ 24,265	2b	\$ 24,265
3a	Qualified dividends.	<input type="checkbox"/>	\$ 156,120	3a	\$ 156,120

FORM 1040 (Pg 1)

JUMP TO THE WAGES LEADSHEET

WAGES

'X' if missing in current year

Comments (+)

None Selected

Taxpayer confirmed this account is N/A

Employer Name: US NATIONAL BANK

TAXPAYER TOTAL: STANFORD GROUP COMPANY

2018 Box 1 Wages Amount: \$ 203,541

2019 Amount: \$ 40,000

Ownership code = T/S: T

(1) Wages, Tips, Other Compensation	\$ 129,826	\$ 129,826	\$ 129,826
(2) Federal Income Tax Withheld	\$ 25,775	\$ 25,775	\$ 25,775
(3) Social Security Wages	\$ 132,900	\$ 132,900	\$ 132,900
(4) Social Security Tax Withheld	\$ 8,240	\$ 8,240	\$ 8,240
(5) Medicare Wages	\$ 139,660	\$ 139,660	\$ 139,660
(6) Medicare Tax Withheld	\$ 2,025	\$ 2,025	\$ 2,025
(13) Retirement Plan	X		

SUB TOTAL (T & S) \$ 129,826

Add : Wages from Form 8919 ✓ \$ 30,960

GRAND TOTAL \$ 160,786

Wages Variance Analysis

Per Lead	\$ 160,786
Adjusted Lead	\$ 160,786
Per Tax Return (TYC & FORM 1040 (Pg 1) # 1)	\$ 160,786
Unreconciled Variance	\$ -

WAGES

FINALLY TO THE W2 DOCUMENT

a Employee's social security number
111-11-1111

c Employer's name, address, and ZIP code
US BANK NATIONAL ASSOC.
4000 W BROADWAY
NEWYORK, NY 10281

1 Wages, tips, other compensation
129825.95 **1**

3 Social security wages
132900.00 **3** ✓

5 Medicare wages and tips
139660.34 **5** ✓

7 Social security tips
0.00

1 of 198 Pages 205

WAGES

'X' If missing in current year

Comments (+)

Employer Name

2018 Box 1 Wages Amount

Ownership code = T/S

	None Selected	TAXPAYER TOTAL	Taxpayer confirmed this account is N/A	TOTAL
2019 Amount	US NATIONAL BANK		STANFORD GROUP COMPANY	
	\$ 203,541		\$ 40,000	
(1) Wages, Tips, Other Compensation	T 129,826	\$ 129,826		\$ 129,826
(2) Federal Income Tax Withheld	25,775	\$ 25,775		\$ 25,775
(3) Social Security Wages	132,900	\$ 132,900		\$ 132,900
(4) Social Security Tax Withheld	8,240	\$ 8,240		\$ 8,240
(5) Medicare Wages	139,660	\$ 139,660		\$ 139,660
(6) Medicare Tax Withheld	2,025	\$ 2,025		\$ 2,025
(13) Retirement Plan	X			

✓ Remember color coding !! Look at **black** amounts and not **green**

TOP-DOWN REVIEW METHOD

3. Sign-off the document using the L2/L3/L4 levels

✓ Review the Specials:

- Two-year comparison
- 1040 Schedules, Schedule A
- Schedule D & 8949 reporting
- Schedule K-1 reconciliation
- Business & Rental Property Summary
- Mortgage Interest Limitation Calculation
- Foreign Income Summary
- Tax Exempt Interest/Dividends
- Tax Deduction Worksheet
- PTP Disposition
- Statements and LISTS

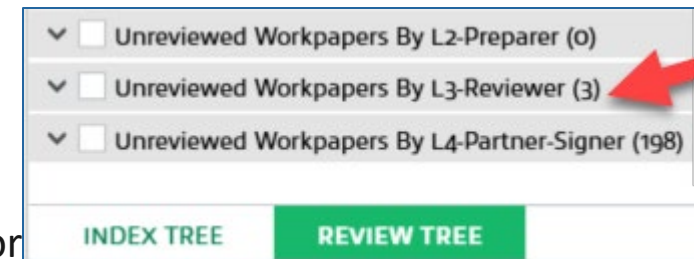
2YR COMPARISON LEADSHEET

TWO YEAR COMPARISON												
Description	Tax Year		2018	2019	Leadsheet Variance	Difference	Difference %	Prior Year Accounts			New Accounts	Comments (†)
	1040 pg 2 #	Schedule #	Amount	Amount Per Tax Return				Missing	Received	N/A		
Filing Status			MFJ	MFJ	Help							
Wages, salaries, and tips etc	1		\$ 122,500	\$ 101,999	* ?	\$ (20,501)	-16.74%	1	2	1	1	
Schedule B - taxable interest	2b		\$ 34,726	\$ 55,566	* ?	\$ 20,840	60.01%	4	4	1	2	
Schedule B - qualified dividends	3a		\$ 62,698	\$ 79,064		\$ 16,366	26.10%					
Schedule B - ordinary dividends	3b		\$ 92,697	\$ 89,416		\$ (3,281)	-3.54%	2	2	0	2	
IRAs, pensions and annuities (Gross amount)	4a					\$ -	-					
IRAs, pensions and annuities (Taxable amount)	4b		\$ 65,000	\$ 25,500		\$ (39,500)	-60.77%	5	4	0	1	
Social security benefits	5a					\$ -	-					
Taxable social security benefits	5b		\$ 44,200	\$ -		\$ (44,200)	-100.00%					
Total income	6		\$ 1,568,404	\$ 531,001		\$ (1,037,403)	-66.14%					
Additional Income			Schedule 1									
Taxable refunds of state/local tax		10				\$ -	-					
Alimony received		11	\$ 100,000	\$ 162,500		\$ 62,500	62.50%	0	1	0	0	
Schedule C or C-EZ (business income or loss)		12	\$ 420,094	\$ 166,973	* ?	\$ (253,121)	-60.25%					
Schedule D (capital gain or loss)		13	\$ 36,421			\$ (36,421)	-100.00%					
Form 4797 (other gains or losses)		14	\$ (9,931)			\$ 9,931	-100.00%					
Schedule E (rental and passthrough)		17	\$ 311,184	\$ (70,953)		\$ (382,137)	-122.80%	1	1	1	1	
Schedule F (farm income or loss)		18	\$ 294,067			\$ (294,067)	-100.00%					

★ 8 Explained or unreconciled variances have the potential to reveal the accuracy or errors made during return preparation when compared with prior year amounts.

TOP-DOWN REVIEW METHOD: SUMMARIZED

1. Firstly, make sure the 1040 pg. 1, 2 and Schedule amounts in tax return match the leadsheets. This confirms the preparer completed the tax return and imported the final numbers back into leadsheets
2. Drill-down from the 1040 / Sch A leadsheet numbers to the underlying source documents
3. Sign-off the document using the L2/L3/L4 levels
4. Go to the Review Tree
5. These Unreviewed Workpapers either;
 - did not have data flowing into the leadsheets, hence were not reviewed, or
 - have data that flowed only to the tax return, or
 - are supporting documents/information, or
 - were excluded from tax return, hence need to be addressed
6. Identify any high-risk items or reasonableness on these workpapers. Sign-off using the L2/L3/L4 levels or bulk sign-off in Index / Review tree
7. Lastly, review the tax return for diagnostics, state returns and any filing requirements

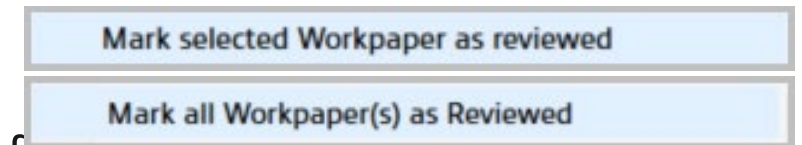


▼ ☐ Unreviewed Workpapers By L2-Preparer (0)

▼ ☐ Unreviewed Workpapers By L3-Reviewer (3)

▼ ☐ Unreviewed Workpapers By L4-Partner-Signer (198)

INDEX TREE REVIEW TREE



Mark selected Workpaper as reviewed

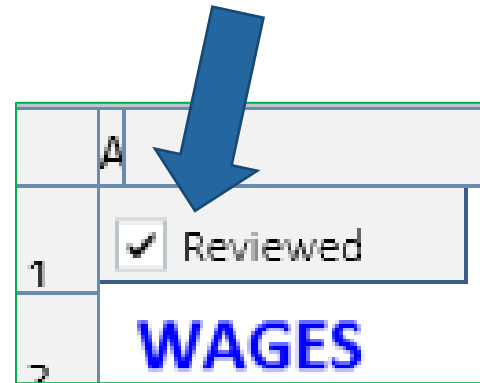
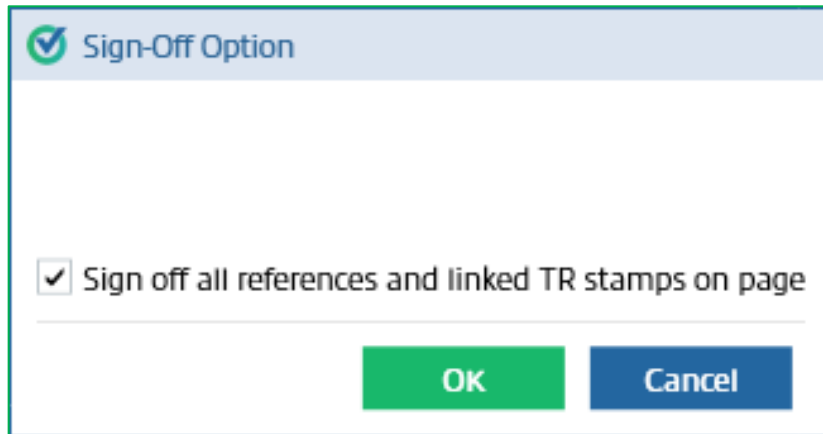
Mark all Workpaper(s) as Reviewed

CHANGE TRACKING IN LEADSHEETS

Review only the changes in numbers
from your last review; **instead of**
everything {all-over again}

HHHMMM..... TRACK CHANGES

- ✓ Signing-off documents and/or leadsheets enables the SPbinder to track future changes for you



- ✓ Changes can be tracked at different levels of review.
- ★ 9 Uniqueness of everyone's review time is maintained in the REVIEW SHEETS SUMMARY

REVIEW SHEETS SUMMARY				Review All sheets
Sr No	Leadsheets	Sheet Reviewed	Date & Time	
1	FORM 1040 (Pg 1)	<input checked="" type="checkbox"/>	Nov 12, 2020 10:34 AM	
2	FORM 1040 (Pg 2)	<input checked="" type="checkbox"/>	Nov 12, 2020 10:34 AM	
3	SCHEDULE 1	<input checked="" type="checkbox"/>	Nov 12, 2020 10:34 AM	
4	SCHEDULE 2	<input checked="" type="checkbox"/>	Nov 12, 2020 10:34 AM	
5	SCHEDULE 3	<input checked="" type="checkbox"/>	Nov 12, 2020 10:34 AM	
6	SCHEDULE A	<input checked="" type="checkbox"/>	Nov 12, 2020 10:34 AM	
7	ITEMIZED DEDUCTIONS	<input checked="" type="checkbox"/>	Nov 12, 2020 10:34 AM	
8	TWO YEAR COMPARISON	<input checked="" type="checkbox"/>	Nov 12, 2020 10:34 AM	
9	TAX DEDUCTION WORKSHEET	<input checked="" type="checkbox"/>	Nov 12, 2020 10:34 AM	
10	WAGES	<input checked="" type="checkbox"/>	Nov 12, 2020 10:34 AM	
11	INTEREST	<input checked="" type="checkbox"/>	Nov 12, 2020 10:34 AM	
12	TAX EXEMPT INTEREST	<input checked="" type="checkbox"/>	Nov 12, 2020 10:34 AM	
13	DIVIDEND	<input checked="" type="checkbox"/>	Nov 12, 2020 10:34 AM	
14	ALLOCATION OF INVESTMENT FEES	<input checked="" type="checkbox"/>	Nov 12, 2020 10:34 AM	
15	SCHEDULE-C	<input checked="" type="checkbox"/>	Nov 12, 2020 10:34 AM	
16	SCHEDULE-D SUMMARY	<input checked="" type="checkbox"/>	Nov 12, 2020 10:34 AM	
17	1099 B-RECONCILIATION	<input checked="" type="checkbox"/>	Nov 12, 2020 10:34 AM	
18	FORM 8949 SHORT-TERM A	<input checked="" type="checkbox"/>	Nov 12, 2020 10:34 AM	
19	FORM 8949 SHORT-TERM B	<input checked="" type="checkbox"/>	Nov 12, 2020 10:34 AM	
20	FORM 8949 LONG-TERM B	<input checked="" type="checkbox"/>	Nov 12, 2020 10:34 AM	
21	IRA	<input checked="" type="checkbox"/>	Nov 12, 2020 10:34 AM	
22	SCHEDULE-E SUMMARY	<input checked="" type="checkbox"/>	Nov 12, 2020 10:34 AM	
23	SCHEDULE K-1 RECONCILIATION	<input checked="" type="checkbox"/>	Nov 12, 2020 10:34 AM	
24	OTHER INCOME	<input checked="" type="checkbox"/>	Nov 12, 2020 10:34 AM	
25	SCH SE	<input checked="" type="checkbox"/>	Nov 12, 2020 10:34 AM	
26	REAL ESTATE TAXES	<input checked="" type="checkbox"/>	Nov 12, 2020 10:34 AM	
27	MORTGAGE INTEREST	<input checked="" type="checkbox"/>	Nov 12, 2020 10:34 AM	
28	MORTGAGE INTEREST LIMITATION	<input checked="" type="checkbox"/>	Nov 12, 2020 10:34 AM	
29	MOR INT LIMITATION - REFINANCE	<input checked="" type="checkbox"/>	Nov 12, 2020 10:34 AM	
30	FORM 1098-MIS	<input checked="" type="checkbox"/>	Nov 12, 2020 10:34 AM	
31	CASH CONTRIBUTION	<input checked="" type="checkbox"/>	Nov 12, 2020 10:34 AM	
32	FOREIGN SOURCE INCOME SUMMARY	<input checked="" type="checkbox"/>	Nov 12, 2020 10:34 AM	
33	FORM 1116-FOREIGN TAX CREDIT	<input checked="" type="checkbox"/>	Nov 12, 2020 10:34 AM	
34	FORM 1116-PAGE1	<input checked="" type="checkbox"/>	Nov 12, 2020 10:34 AM	
35	FORM 1116-PAGE2	<input checked="" type="checkbox"/>	Nov 12, 2020 10:34 AM	
36	UNREPORTED TIP INCOME	<input checked="" type="checkbox"/>	Nov 12, 2020 10:34 AM	
37	LIST	<input checked="" type="checkbox"/>	Nov 12, 2020 10:34 AM	
38	STATEMENTS	<input checked="" type="checkbox"/>	Nov 12, 2020 10:34 AM	

Green ☒ = Reviewed, Change Icon = Modified

* The Review mark against the sheet's name indicates that all fields/Sheets from the main sheet have been reviewed.

* To Unreview all sheets, uncheck 'Sheet Reviewed' column and To unreview all sheets, check the 'Unreview All sheets' button.

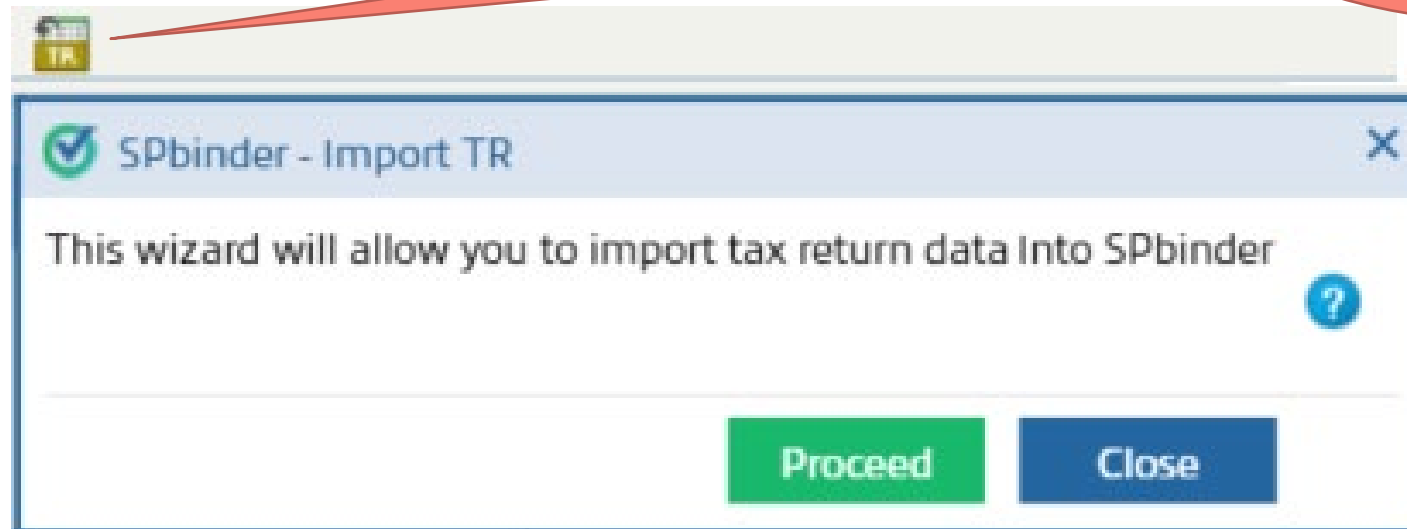
REVIEW SHEETS SUMMARY FORM 1040 (Pg 1) FORM 1040 (Pg 2) SCHEDULE 1 SCHEDULE 2

DATE AND
TIME UNIQUE
TO YOU

GREAT!! BUT HOW DOES TRACKING WORK?


- ✓ After your initial review,
 - any changes made by anyone in tax software and/or the leadsheets,
 - will trigger tracking of all the changes
 - via the Import T/R process


Preparer should have completed this for you. But feel free to do this yourself too!!







GREAT!! BUT HOW DOES TRACKING WORK?

- ✓ After your initial review, any changes made in tax software and/or the leadsheets, will trigger tracking of all the changes via the Import T/R process

8			<input checked="" type="checkbox"/>		
9	TAX DEDUCTION WORKSHEET		<input checked="" type="checkbox"/>		Nov 12, 2020 10:34 AM
10					
11					

Accept All Changes in Sheet TAX DEDUCTION WORKSHEET
 Double click on change icon to accept changes


#	#	Line Items	#	#	Per Tax Return
12a	Tax	See instruction any from form 1. 8814 2. 49	12a	✓	\$ 91,784
16	Total tax.	Add line 14 and 15.	16		\$ 108,591
17	Federal income tax withheld from Form W-2		17		36,962
18	Other payments and Refundable Credits:		18		
18a	a. EIC		18a		Modified By : Birla, Alok : 11/16/2020 5:52:00 AM
18b	b. Schedule 8812		18b		Old Value : 25,795.00
					New Value : 36,962.00
					Difference : 11,167.00
					 Double click on change icon to accept changes


(1) Wages, Tips, Other Compensation	✓	\$	129,826	
(2) Federal Income Tax Withheld		\$	36,942	
(3) Social Security Wages	✓			Modified By : Birla, Alok (Nov 16, 2020 08:54 AM) :
(4) Social Security Tax Withheld				Form Name : US NATIONAL BANK (T)
(5) Medicare Wages	✓			Field Name : Box # 2:Federal income tax withheld
(6) Medicare Tax Withheld	✓			Old Value : 25,775.00
(13) Retirement Plan				New Value : 36,942.00
				Difference : 11,167.00
				 Double click on change icon to accept changes



MATERIALITY MATTERS?


- ✓ If you are satisfied with the output, accept the changes at the highest level,
- ★ Based on materiality, you either perform a detail review or accept the changes.
This updates your new date/time of review


ACCEPT THE CHANGES AND MOVE ONNNNNN

8			<input checked="" type="checkbox"/>		
9	TAX DEDUCTION WORKSHEET		<input checked="" type="checkbox"/>		Nov 12, 2020 10:34 AM
10					
11					

Accept All Changes in Sheet TAX DEDUCTION WORKSHEET
 Double click on change icon to accept changes

#	# Line Items #	#	Per Tax Return
12a	Tax See Instruction any from form 1. 8814 2. 491	12a	✓ \$ 91,784
16	Total tax. Add line 14 and 15.	16	\$ 108,591
17	Federal income tax withheld from Form W-2	17	 \$ 36,962
18	Other payments and Refundable Credits:	18	
18a	a. EIC	18a	Modified By : Birla, Alok : 11/16/2020 5:52:00 AM Old Value : 25,795.00 New Value : 36,962.00 Difference : 11,167.00
18b	b. Schedule 8812	18b	
18c		18c	 Double click on change icon to accept changes

(1) Wages, Tips, Other Compensation	✓	\$ 129,826	
(2) Federal Income Tax Withheld		\$ 36,942	
(3) Social Security Wages	✓		Modified By : Birla, Alok (Nov 16, 2020 08:54 AM) :
(4) Social Security Tax Withheld			Form Name : US NATIONAL BANK (T)
(5) Medicare Wages	✓		Field Name : Box # 2: Federal income tax withheld
(6) Medicare Tax Withheld	✓		Old Value : 25,775.00
(13) Retirement Plan			New Value : 36,942.00
			Difference : 11,167.00

 Double click on change icon to accept changes

(1) Wages, Tips, Other Compensation	✓	\$ 129,826
(2) Federal Income Tax Withheld	✓	\$ 36,942
(3) Social Security Wages		\$ 132,900

8	TWO YEAR COMPARISON	<input checked="" type="checkbox"/>		Nov 12, 2020 10:34 AM
9	TAX DEDUCTION WORKSHEET	<input checked="" type="checkbox"/>		Nov 16, 2020 09:22 AM
10	WAGES	<input checked="" type="checkbox"/>		Nov 12, 2020 10:34 AM

ALL LEADSHEET BENEFITS LISTED FOR YOU

- 1 ★ Reviewer does not have to spend time in finding where standard document amounts are picked from.
- 2 ★ Reviewer does not have to spend time for non-standard document amounts either.
- 3 ★ With one click export, no more transposition errors.
- 4 ★ Color coding guides reviewers to narrow their focus to areas that need attention.
- 5 ★ Green tick in the leadsheet tells you that you do not have to review the input in tax software!
- 6 ★ Variances provide an opportunity for preparers to explain the differences, thus concentrating more on how the tax return is generated instead of simply keying numbers.
- 7 ★ Reviewers are made aware if preparers explained the differences, or not, via colored asterisks.
- 8 ★ Explained or unreconciled variances reveal the accuracy or errors made during return preparation. Also, catch overrides made in tax software.
- 9 ★ For change tracking purposes, uniqueness of everyone's review time is maintained in the Review Sheets summary.
10. ★ Based on materiality, you either perform a detail review or accept the changes. This updates your new date/time of review