

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 <i>fx</i> Tax, Lacerte, and UltraTax CS	✗	✓
Reconciliation Structure		
Per Tax Return	✓	✓
Per Leadsheets	✗	✓
Variance Columns	✗	✓
Designated Forms Tab	✗	✓

Leads/Notes

A	B	C	D	E	F	G	H	I	J	K	L	M	Q	R	S	T	U	V	W	X	Y	Z	AA	AB		
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	11/2002																			
35	STEVE		A	ANDERSON	123-45-6789	SON	10/21/2005																			
36	AMY		A	ANDERSON	321-54-9876	DAUGHTER	06/15/2008																			
45	#	# Line Items #		#	Per Tax Return																					
47	1	Wages, salaries, tips, etc.		1	\$ 161,76																					
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). Attach Schedule D		6	\$ 158,535																					
173	7a	Other income from Schedule 1, line 9		7a	\$ 65,402																					
183	7b	Add lines 1a, 4a, 4b, 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)		SD	\$ 24,400																					
240	10	Qualified business income deduction.		T/R	\$ 189																					
249	11a			11a	\$ 24,589																					
259	11b	Taxable income. Subtract line 11a from line 8b		11b	\$ 534,770																					

SIMPLIFIED

Page 1 (Form 1040) 2019.

* Please Enter Manually.

No Leadsheets prepared for these tax return line items.

* Exists variance for Specific Line item.

LEADS NOTES FORMS FORM 1040 (Pg 1) FORM 1040 (Pg 2) SCHEDULE 1 SCHEDULE 2 SCHEDULE 3 SCHEDULE A ITEMIZED DEDUC

Leads/Notes

G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB					
22																										
23	Player	6/9/1965																								
24	use	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	11/2002																			
35	STEVE		A	ANDERSON	123-45-6789	SON	10/21/2005																			
36	AMY		A	ANDERSON	321-54-9876	DAUGHTER	06/15/2008																			
45	#	# Line Items #		#	Per Tax Return																					
46	1	Wages, salaries, tips, etc.		1	\$ 961,385	1	\$	961,385	\$																	
47	2a	Tax-exempt interest.		2a	\$ 13,159	2a	\$	13,159	\$																	
48	2b	Taxable interest. Attach Schedule B		2b	\$ 24,265	2b	\$	24,265	\$																	
49	3a	Qualified dividends.		3a	\$ 156,120	3a	\$	156,120	\$																	
50	3b	Ordinary dividends. Attach Schedule B		3b	\$ 242,830	3b	\$	242,830	\$																	
51	4a	IRA distributions.		4a	\$ 166,000	6	\$	166,000	\$																	
52	4b	IRA distributions.		4b	\$ 388,627	7a	\$	66,157	\$																	322,470
53	4c	Pensions and annuities.		4c	\$ 1,783,107	7b	\$	1,460,637	\$																(322,470)	
54	4d	Pensions and annuities.		4d	\$ 1,784	8a	\$	1,784	\$																	
55	5a	Social security benefits.		5a	\$ 1,781,323	8b	\$	1,458,853	\$																322,470	
56	5b	Social security benefits.		5b	\$ 49,436	9	\$	24,400	\$																25,036	
57	6	Capital gain or (loss). Attach Schedule D		6	\$ 189	10	\$	189	\$																	
58	7a	Other income from Schedule 1, line 9		7a	\$ 49,625	11a	\$	24,589	\$																25,036	
59	7b	Add lines 1a, 4a, 4b, 5b, 6 and 7a. Total income.		7b	\$ 1,731,698	11b	\$	1,434,264	\$																297,434	

CLASSIC

Page 1 (Form 1040) 2019.

* Please Enter Manually.

No Leadsheets prepared for these tax return line items.

* Exists variance for Specific Line item.

LEADS NOTES FORMS FORM 1040 (Pg 1) FORM 1040 (Pg 2) SCHEDULE 1 SCHEDULE 2 SCHEDULE 3 SCHEDULE A

Forms/Leads/Notes

General Income Deductions Taxes Payments / Penalties /Estimates Credits Foreign Other State Unassociated Forms

Inactive Mark Amounts as Estimate = Required Field

Wages , Salaries and Tips (W-2)

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

IRS W-2

TS <input type="text" value="T-..."/>	a Employee's social security number <input type="text" value="111-11-1111"/>								
b Employer identification number <input type="text" value="31-0841368"/>		1 Wages, tips, other comp <input type="text" value="129,826"/>							
c Employer's name <input type="text" value="US NATIONAL BANK"/>		3 Social security wages <input type="text" value="132,900"/>							
Address <input type="text" value="4000 W. BROADWAY"/>		5 Medicare wages and tips <input type="text" value="139,660"/>							
City <input type="text" value="NEW YORK"/>	State <input type="text" value="NY-..."/>	Zip or postal cd <input type="text" value="10281"/>	Frn cntry cd <input type="text" value="-(n..."/>	7 Social security tips <input type="text" value=""/>					
d Control number <input type="text" value=""/>		9 Reserved							
e Employee's name (first, middle initial, last) <input type="text" value="JACK ANDERSON"/>		11 Nonqualified plans <input type="text" value=""/>							
1234 MAIN STREET <input type="text" value="DALLAS"/>		13 Statutory employee <input type="checkbox"/> Retirement plan <input checked="" type="checkbox"/> Third-party sick pay <input type="checkbox"/>							
- (no... <input type="button" value="▼"/>		14 Other							
f Employee's address and ZIP or postal code, foreign country code		No.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Other Description	Other Amount	Box# 14 Code		
		1	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value=""/>	<input type="text" value=""/>	- Def...		
		2	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value=""/>	<input type="text" value=""/>	- Def...		
		3	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="text" value=""/>	<input type="text" value=""/>	- Def...		
No.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	State	Employer's State ID	St wages, tips, etc.	St Income tax withheld	Local wages, tips, etc.	Local Income tax withheld	City
1	<input type="checkbox"/>	<input checked="" type="checkbox"/>	- (none... <input type="button" value="▼"/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	- (no...
2	<input type="checkbox"/>	<input checked="" type="checkbox"/>	- (none... <input type="button" value="▼"/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	- (no...



FORMS LEADS NOTES

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 withheld 16762.61 2
c Employer's name, address, and ZIP code US BANK NATIONAL ASSOC. 4000 W BROADWAY NEW YORK, NY 10281	3 Social security wages 83164.44 3 ✓	4 Social security tax withheld 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 ▶ ▶ 207 + ⏪ ⏩

Leads/Notes

A	B	C	D	F	G	H
<input type="checkbox"/> Reviewed						

WAGES

Employer Name	US NATIONAL BANK		TAXPAYER TOTAL	WHYNOT STOP INC		SPOUSE TOTAL	TOTAL
	Amount			Amount			
Ownership code = T/S	T		\$ 81,445	\$ 81,445	\$ 61,208	\$ 61,208	\$ 142,653
(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	\$ -		

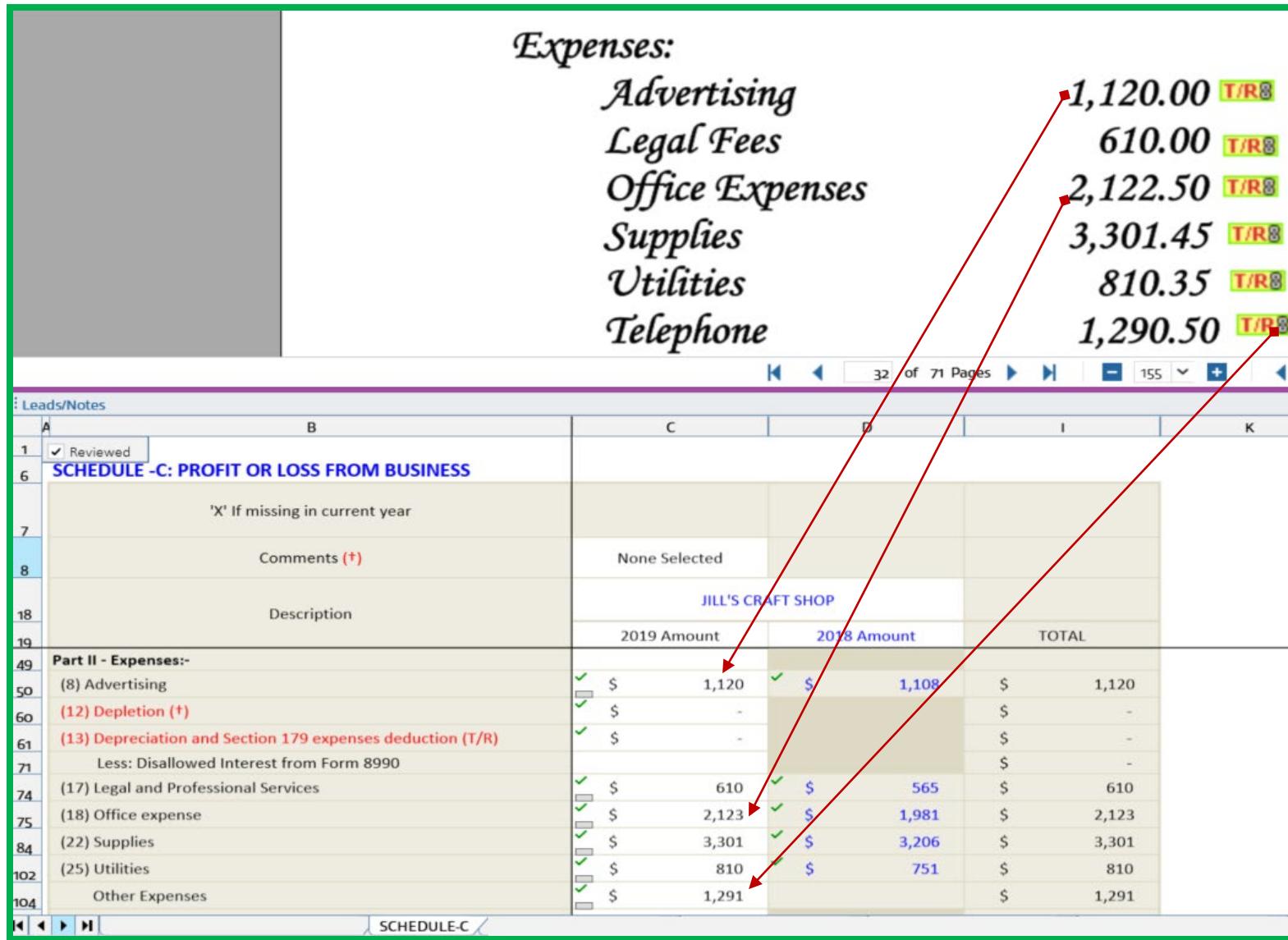
WHAT ABOUT NON-STANDARD DOCUMENTS?

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

Leads/Notes

SCHEDULE -C: PROFIT OR LOSS FROM BUSINESS

'X' If missing in current year

Comments (†)

Description

None Selected

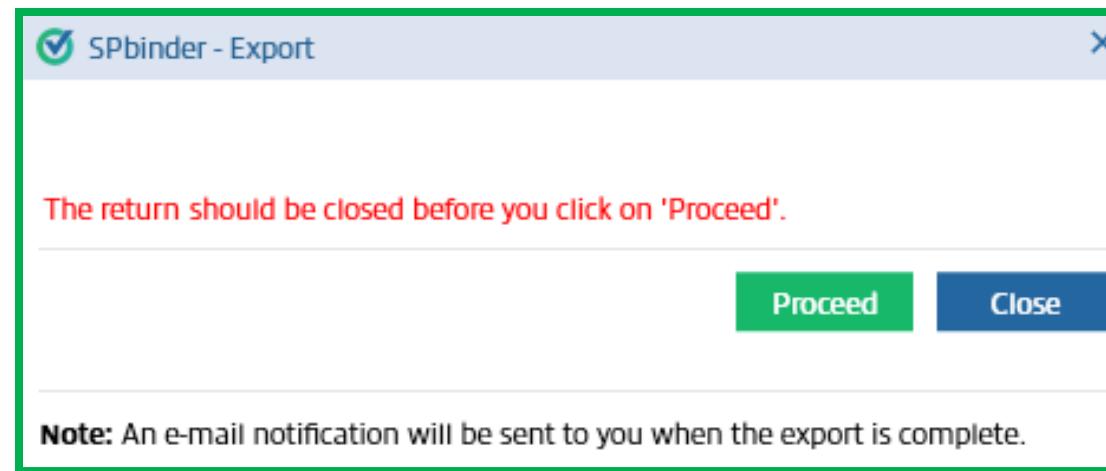
JILL'S CRAFT SHOP

	2019 Amount	2018 Amount	TOTAL
(8) Advertising	\$ 1,120	\$ 1,108	\$ 1,120
(12) Depletion (†)	\$ -	\$ -	\$ -
(13) Depreciation and Section 179 expenses deduction (T/R)	\$ -	\$ -	\$ -
Less: Disallowed Interest from Form 8990			
(17) Legal and Professional Services	\$ 610	\$ 565	\$ 610
(18) Office expense	\$ 2,123	\$ 1,981	\$ 2,123
(22) Supplies	\$ 3,301	\$ 3,206	\$ 3,301
(25) Utilities	\$ 810	\$ 751	\$ 810
Other Expenses	\$ 1,291		\$ 1,291

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.

3

WHAT SIGNIFICANCE DO COLORS HAVE?

- ✓ Cut down on review time
- ★⁴ Focus on attention demanding areas

BLACK, GREEN, BLUE, RED

Manually keyed amounts (black)

Amounts captured using OCR (green)

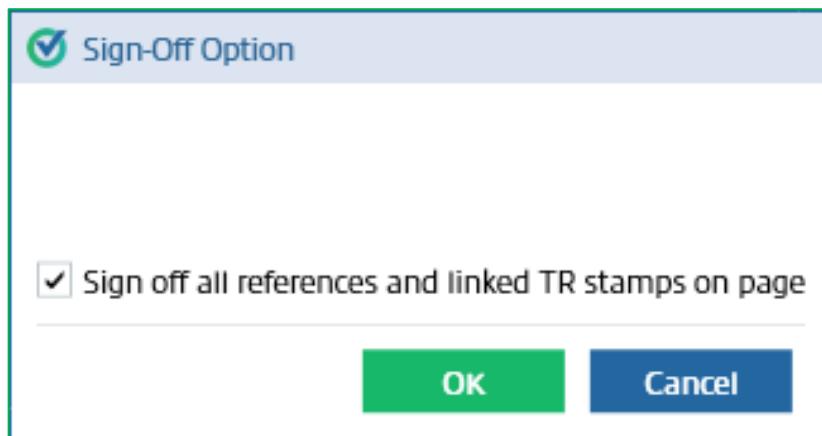
SCHEDULE -C: PROFIT OR LOSS FROM BUSINESS			WAGES		
Description	JILL'S CRAFT SHOP	TOTAL	Employer Name	Amount	TAXPAYER TOTAL
Ownership code = T/S/J	S		US NATIONAL BANK		
(1) Gross receipts or sales	\$ 33,155	\$ 33,155			
(3) Subtract line 2 from line 1	\$ 33,155	\$ 33,155			
(5) Gross profit	\$ 33,155	\$ 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			

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



★ 5 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	\$ 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
	Amount	
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	
		\$ -

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

Description	JILL'S CRAFT SHOP	TOTAL
Ownership code = T/S/J	\$ 33,155	
(1) Gross receipts or sales	\$ 33,155	\$ 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

 Reviewed**WAGES**

Employer Name	US NATIONAL BANK	TAXPAYER TOTAL
	Amount	
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	
	\$ -	\$ -

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

Description	JILL'S CRAFT SHOP	TOTAL
Ownership code = T/S/J		
(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

 Reviewed**WAGES**

Employer Name	US NATIONAL BANK	TAXPAYER TOTAL
	Amount	
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	
		\$ -

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.
- ★⁶ 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.

3b	\$	737,968	*
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3a	\$	689,713	*
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REVIEW METHOD USING LEADSHEETS

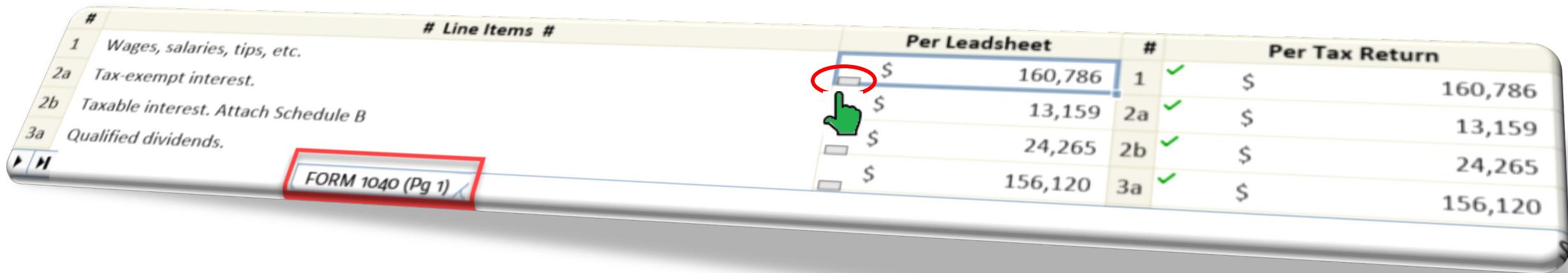
Know how leadsheets can assist in reviewing the tax return

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.	\$ 160,786	1	\$ 160,786
2a	Tax-exempt interest.	\$ 13,159	2a	\$ 13,159
2b	Taxable interest. Attach Schedule B	\$ 24,265	2b	\$ 24,265
3a	Qualified dividends.	\$ 156,120	3a	\$ 156,120

JUMP TO THE WAGES LEADSHEET

'X' If missing in current year		None Selected		Taxpayer confirmed this account is N/A	
Comments (t)	Employer Name	US NATIONAL BANK	TAXPAYER TOTAL	STANFORD GROUP COMPANY	TOTAL
2018 Box 1 Wages Amount	\$ 203,541		\$ 40,000		
2019 Amount			2019 Amount		
Ownership code = T/S		T	S		
(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	\$ 160,786				
	\$ -				

WAGES

FINALLY TO THE W2 DOCUMENT

a Employee's social security number 111-11-1111	1 Wages, tips, other compensation 129825.95 1			
c Employer's name, address, and ZIP code US BANK NATIONAL ASSOC. 4000 W BROADWAY NEWYORK, NY 10281	2 Social security wages 132900.00 3			
	5 Medicare wages and tips 139660.34 5			
	7 Social security tips 0.00			
s/Leads/Notes				
B	C	D	E	G
Reviewed				
WAGES				
'X' If missing in current year				
Comments (t)	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		\$ 40,000	TOTAL
Ownership code = T/S				
(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			

✓ 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

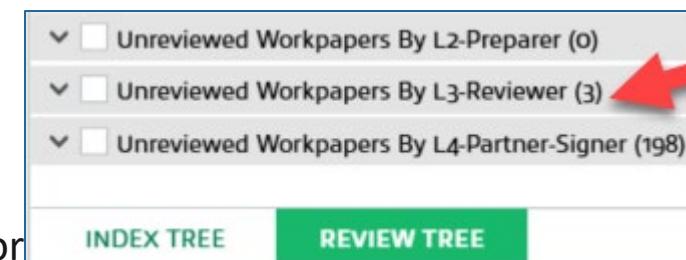
2YR COMPARISON LEADSHEET

TWO YEAR COMPARISON		Tax Year		2018		2019		Leadsheet Variance	Difference	Difference %	Prior Year Accounts			New Accounts	Comments (†)
		1040 pg 2 #	Schedule #	Amount	Amount Per Tax Return	Help	Missing				Received	N/A			
Filing Status				MFJ		MFJ			\$ (20,501)	-16.74%	1	2	1	1	
Wages, salaries, and tips etc	1			\$ 122,500		\$ 101,999		*	\$ 20,840	60.01%	4	4	1	2	
Schedule B - taxable interest	2b			\$ 34,726		\$ 55,566		*	\$ 16,366	26.10%					
Schedule B - qualified dividends	3a			\$ 62,698		\$ 79,064		*	\$ (3,281)	-3.54%	2	2	0	2	
Schedule B - ordinary dividends	3b			\$ 92,697		\$ 89,416		*	\$ (39,500)	-60.77%	5	4	0	1	
IRAs, pensions and annuities (Gross amount)	4a							*	\$ -	-					
IRAs, pensions and annuities (Taxable amount)	4b			\$ 65,000		\$ 25,500		*	\$ (44,200)	-100.00%					
Social security benefits	5a							*	\$ (1,037,403)	-66.14%					
Taxable social security benefits	5b			\$ 44,200		\$ -		*							
Total income	6			\$ 1,568,404		\$ 531,001		*							
<u>Additional Income</u>															
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%					

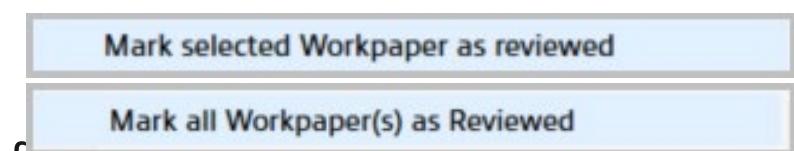
8 **Explained** or **unreconciled** variances have the potential to reveal the **accuracy** or **errors** made during return preparation when compared with prior year amounts.

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

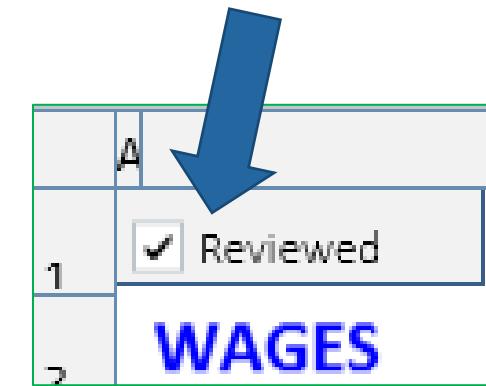
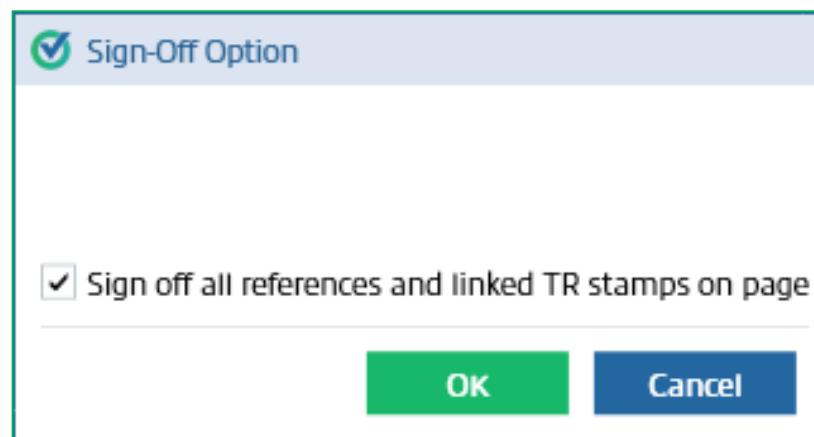


CHANGE TRACKING IN LEADSHEETS

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

HHHMMMM..... 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 Checkmark = **Reviewed** , Change Icon = **Modified**

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

* To Unreview a sheet, 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

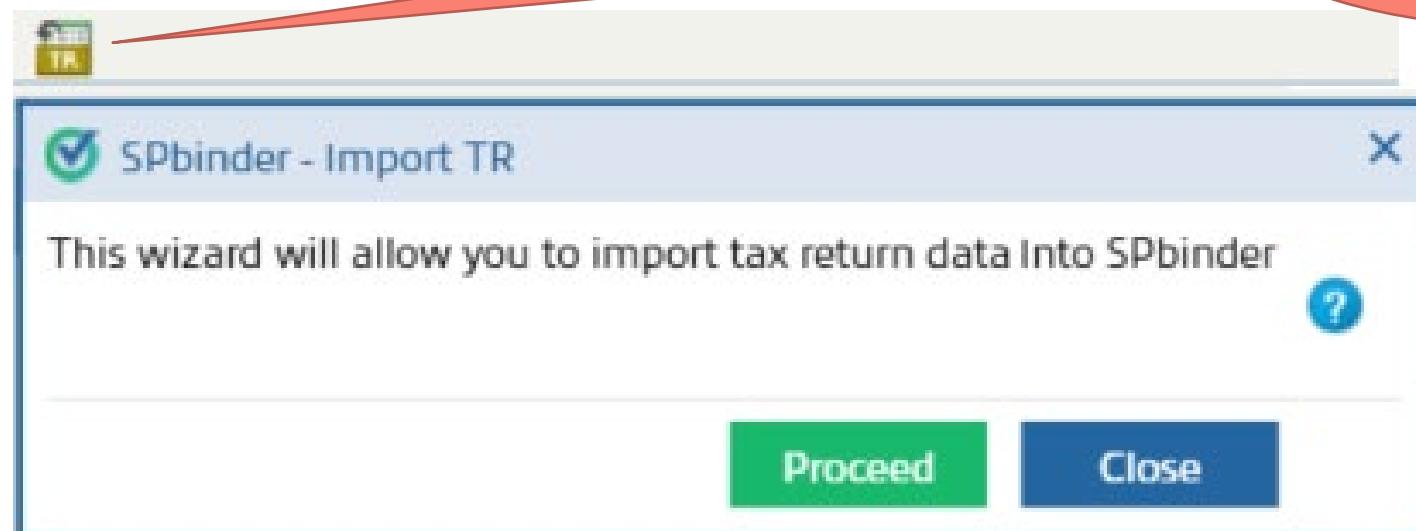
**DATE AND
TIME UNIQUE
TO YOU**

GREAT!! BUT HOW DOES TRACKING WORK?

✓ After your initial review,

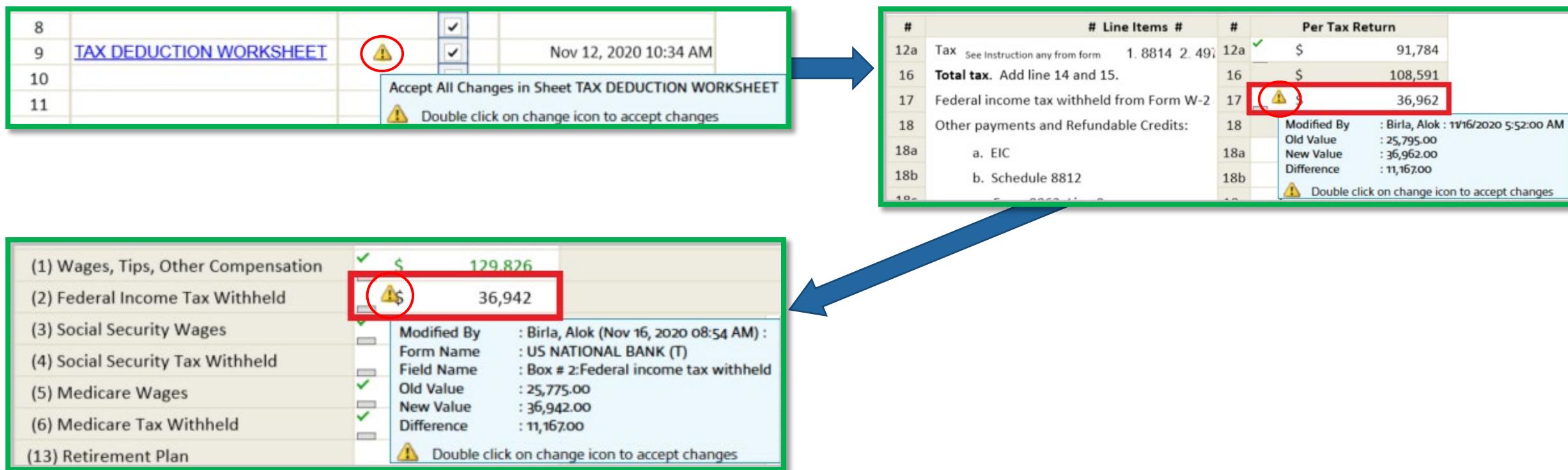
- any changes made by anyone in tax software and/or the leadsheets,
- will trigger tracking of all the changes
- via the Import T/R process

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



GREAT!! BUT HOW DOES TRACKING WORK?

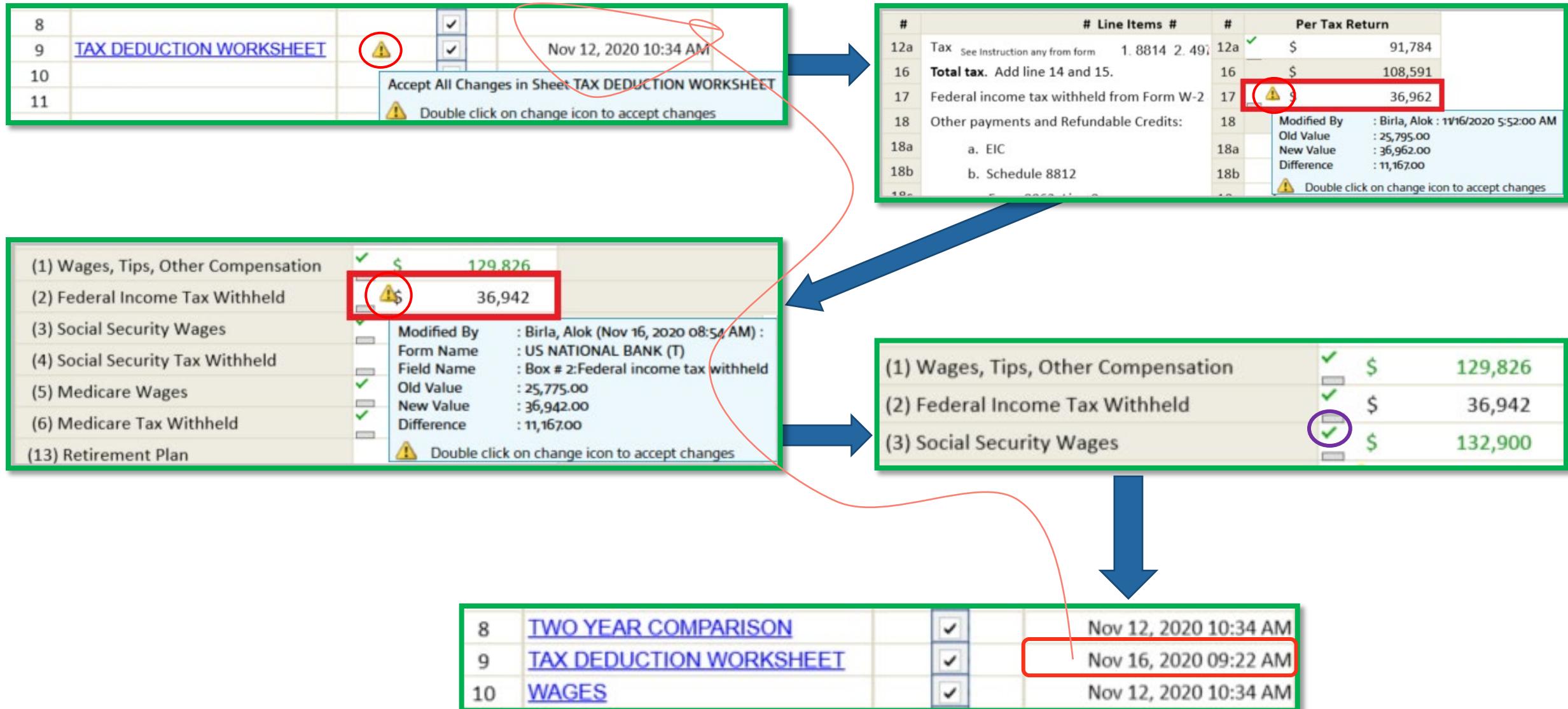
- ✓ After your initial review, any changes made in tax software and/or the leadsheets, will trigger tracking of all the changes via the Import T/R process



MATERIALITY MATTERS?

- ✓ If you are satisfied with the output, accept the changes at the highest level,
- 10  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 ONNNNN



ALL LEADSHEET BENEFITS LISTED FOR YOU

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