
DATA MINING EXAMPLES

UltraTax CS

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Overview

The examples in this document explain how preparers can use the UltraTax CS Data Mining feature to complete the following tasks.

- Design a custom report that lists the dates of birth for all 1040 clients.
- Generate reports that highlight invoice information for all 1040 clients.
- Identify 1040 clients who are eligible for estimated tax payments and generate a letter that details the amounts to be paid.
- Identify clients who need to participate in an insurance exchange to continue their tax savings under the Credit for Small Employer Health Insurance Premiums (Form 8941).

Creating a birthday report

You can use Data Mining to generate reports based on the information you enter in UltraTax CS. For example, a birthday report could include each client's ID number, name, and date of birth. After you generate a birthday report, you can use Data Mining to generate mailing labels for each of the clients listed in the report.

Note: Custom reports, letters, and searches can be proforma'd from the prior year version of UltraTax CS. To do so, choose Utilities > Proforma and select Data Mining from the drop-down list in the top left corner. Move the documents you want to proforma to the right pane, and then click the Proforma button.

Designing a custom report

The following example shows how to design a custom report that includes each UltraTax CS client's ID number, name, and date of birth.

1. In UltraTax CS, choose Utilities > Data Mining to open the main Data Mining window.

Note: The *Data location* drop-down list is available in the Data Mining window. More than one person can access the same data location at the same time, but only one person can search an entity at one time.

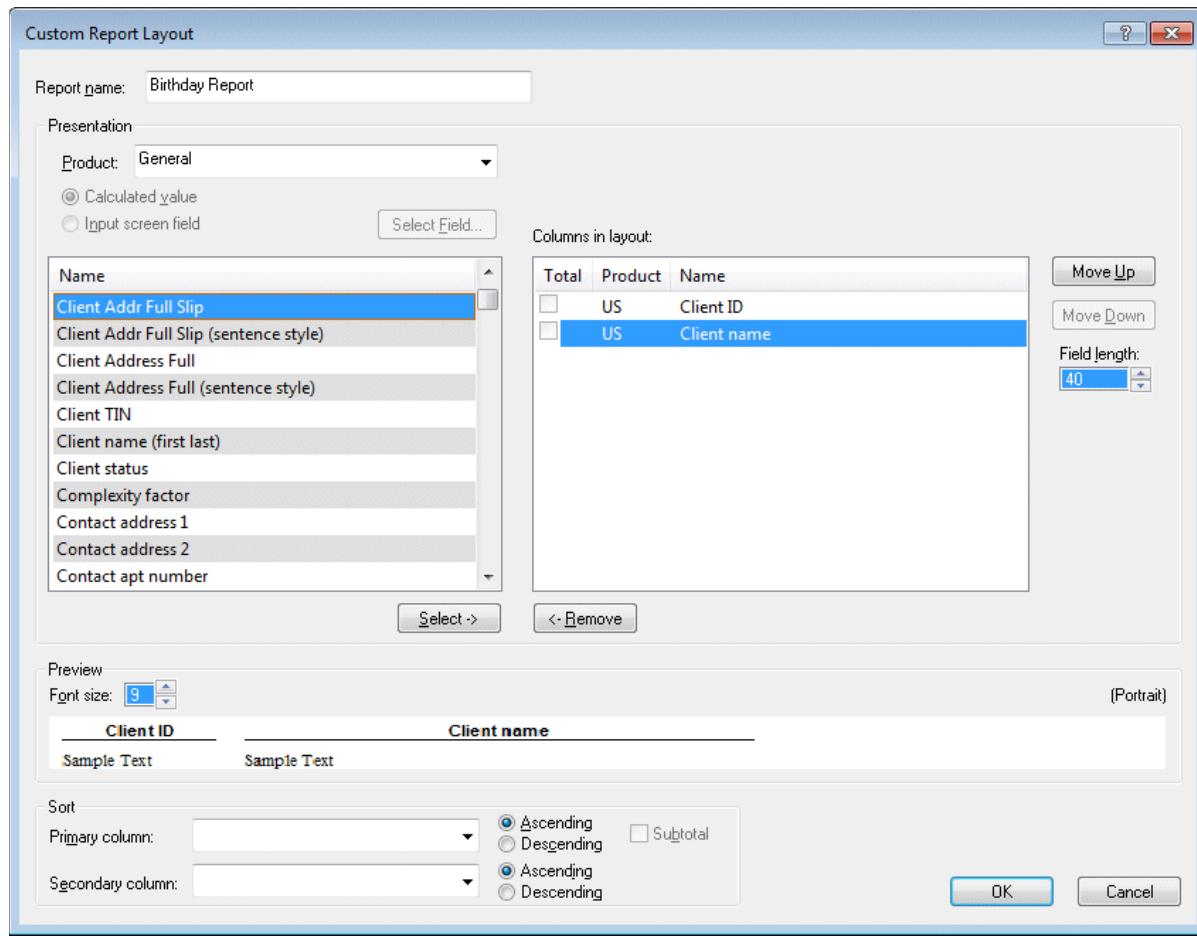
2. In the Data Mining window, select the UltraTax CS database in which to search. For this example, select 1040 Individual from the *Client database* drop-down list, and then click the Continue (Step 2) button.
3. Click the Design Custom Reports button to open the Custom Reports dialog.
4. Click Add to open the Add Custom Report dialog.

Note: You can create new reports that are based on existing templates. To do so, select a template from the *Template* drop-down list.

5. Enter **Birthday Report** in the *Description* field, and click Continue to open the Custom Report Layout dialog.



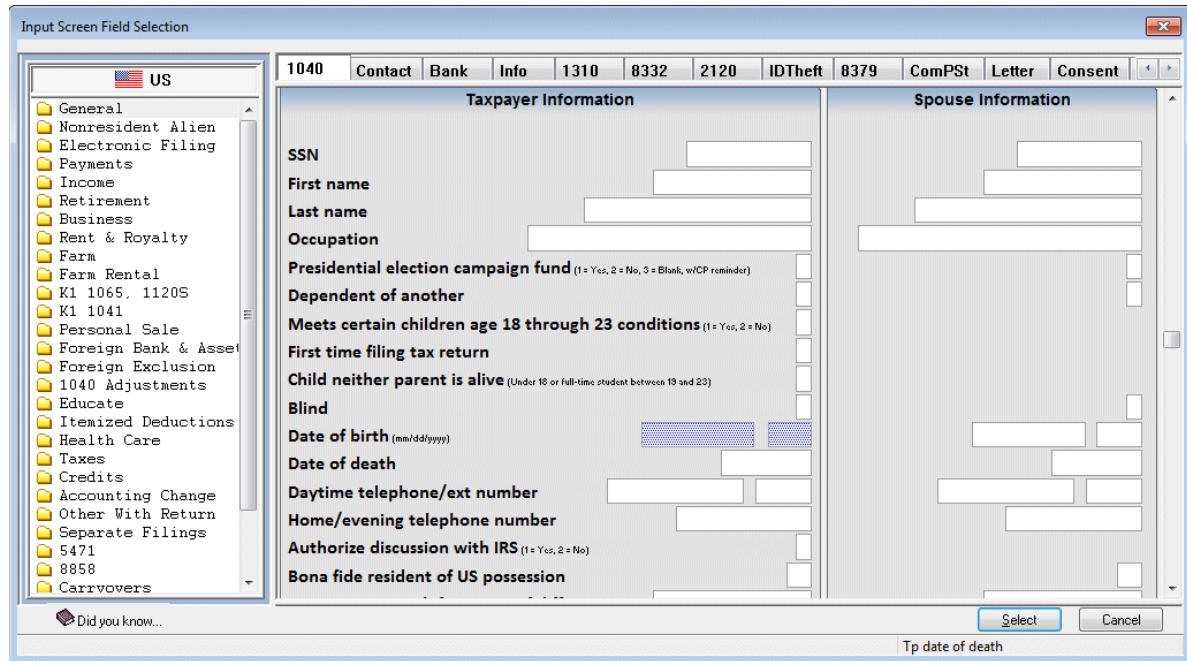
6. Highlight Client ID in the Name list, and click Select to move the item to the Columns in layout pane.
7. Highlight Client name, and click Select.



Note: To change the order in which items appear in the report, highlight an item in the Columns in layout pane, and click either Move Up or Move Down. You can see an example of the report presentation in the Preview group box at the bottom of the Custom Report Layout dialog.

8. Select Federal from the *Product* drop-down list.

- Click the *Input screen field* option, and then click the Select Field button. The Input Screen Field Selection dialog opens.
- In Screen 1040 (in the General folder), scroll to the Taxpayer Information section, and click the *Date of birth* field.



- Click Select to return to the Custom Report Layout dialog. Notice that the **1040, Tp date of birth** item appears in the Columns in layout pane.
- Click OK to finish the custom report.
- Click Done to close the Custom Reports dialog. The Print Selection and Client Search dialog opens.

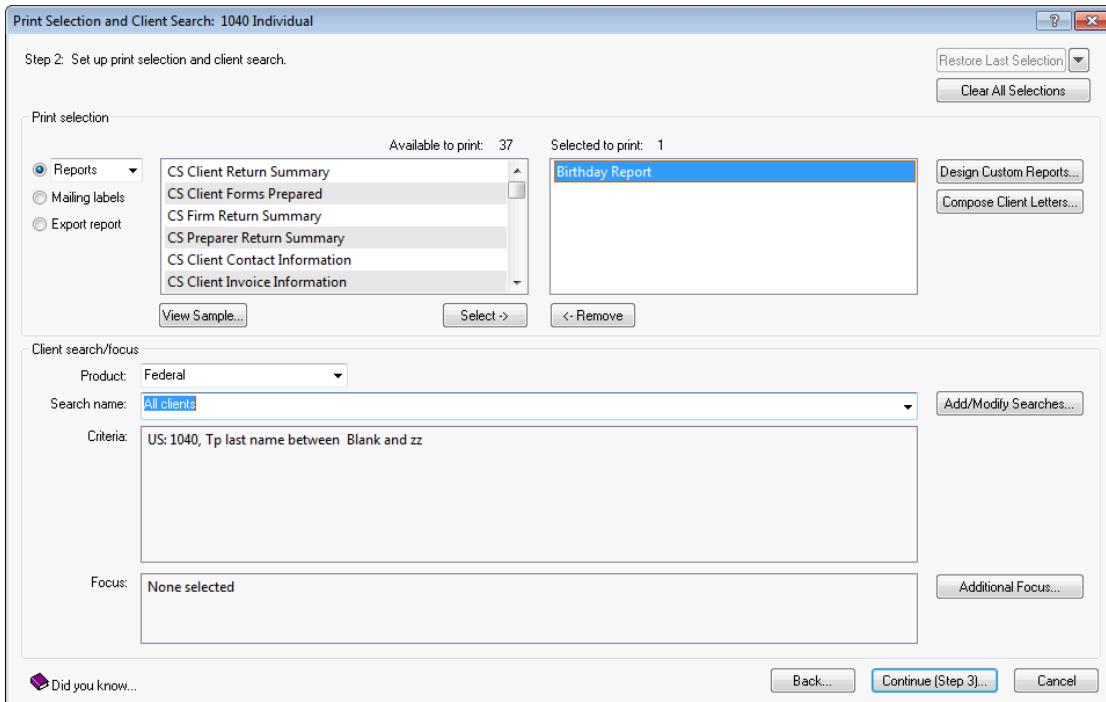
Now that you designed a custom report, you can use the report to perform a search.

Performing a search

The following example shows how to perform a search in Data Mining to generate a birthday report that includes all 1040 clients. The criteria used in the search are based on the items that you selected when you designed the Birthday Report, as described in the previous section.

- In the Print Selection and Client Search dialog, with the *Reports* option selected, highlight Birthday Report in the Available to print pane, and then click Select.

2. In the Client search/focus group box, select All clients from the *Search name* drop-down list, and then click the Continue (Step 3) button.



3. If one or more clients pass the search, the Print dialog opens. Note that all clients that returned positive search results are marked in the Selected to print pane. To view Results by Client and Search Criteria, click the Search Results button.

4. For purposes of this example, click Preview to view the report.

5. Click Close to exit the Preview window. The main Print dialog opens.

6. Click Cancel to close the Print dialog. The main Data Mining window opens.

Note: To export the most recent search results, choose Tools > Export Report from the main Data Mining window, choose the clients to include in the report, click Continue, and then select the desired export options in the Export dialog.

Now that you generated a report, you can create mailing labels based on the search results.

Generating mailing labels

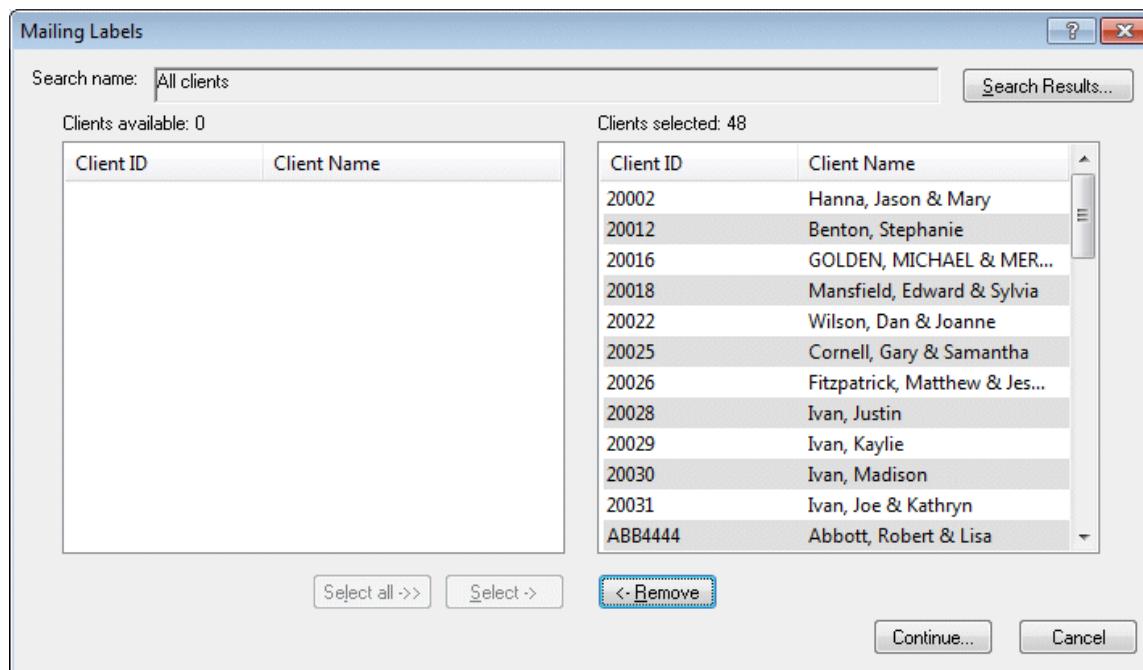
The following example shows how to generate mailing labels for each of the clients listed in the birthday report.

Note: You can complete a search specifically to create mailing labels. To do so, click the *Mailing labels* option in the Print Selection and Client Search dialog before performing a search.

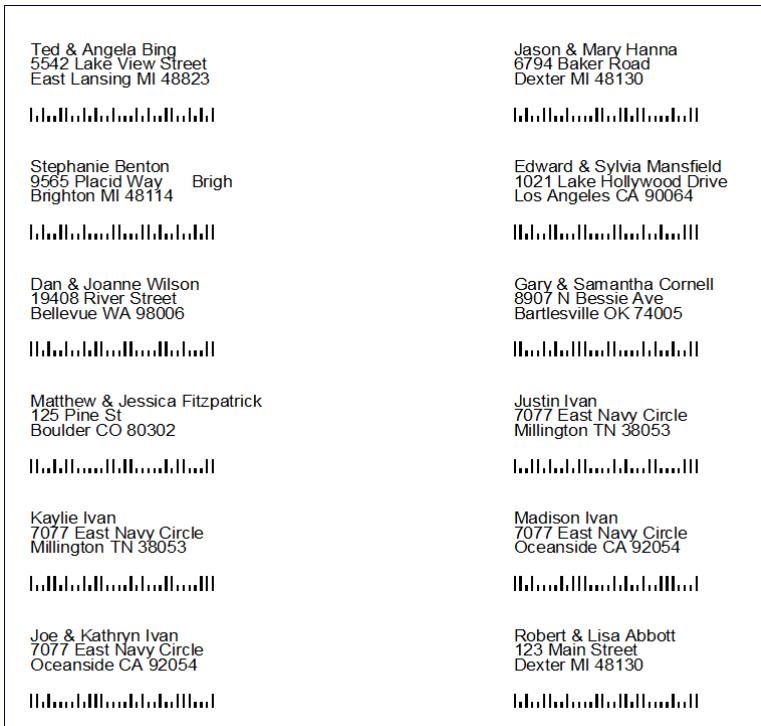
1. In the main Data Mining window, verify that 1040 Individual is selected in the *Client database* drop-down list.

Note: The default client database is the same client database that was used in the most recent search.

2. Choose Tools > Mailing Labels to open the Mailing Labels dialog. Note that the clients that are listed in the birthday report are also listed in the Clients selected pane.



3. Click Continue. Use the Print Data Mining Mailing Labels dialog to select the desired printer and label settings. For this example, use the default settings.
4. Click Preview to view the mailing labels.



5. For purposes of this example, click Close to exit the Preview window.

You have generated a birthday report and mailing labels for clients who passed the search.

Creating an invoice information report

You can use Data Mining to generate invoice information reports that include each client's gross invoice amount, invoice payment total, net invoice amount, and other criteria. You must enter invoice-related data, which includes per-form pricing, per-return pricing, and invoice payments, in UltraTax CS before you can generate a report.

Note: You can generate invoice information reports for all entities available within UltraTax CS.

Entering invoice information in UltraTax CS

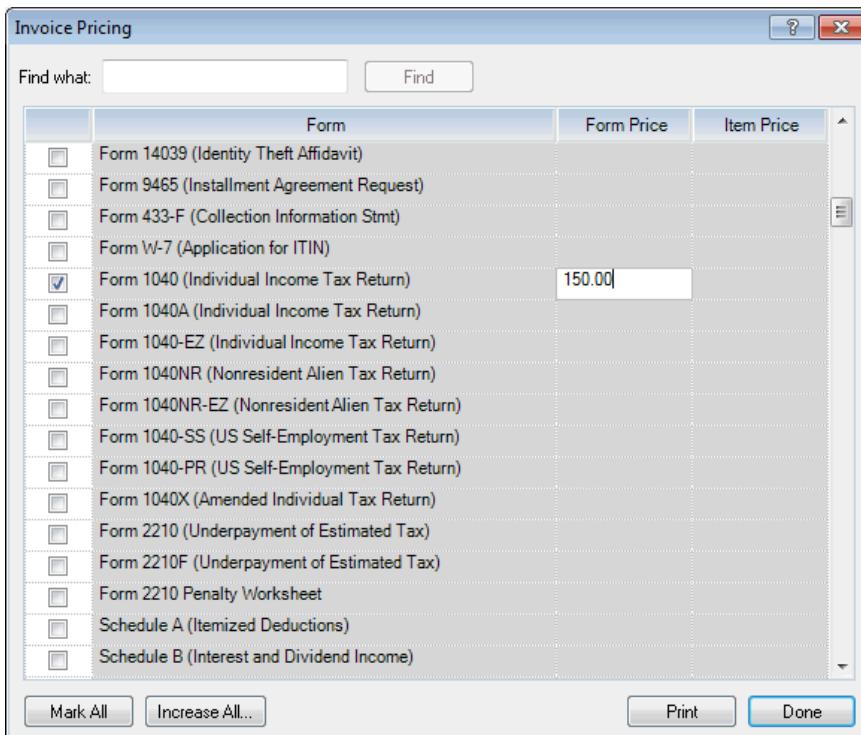
The following example shows how to enter various types of invoice-related data. You can enter per-form prices that are applicable to all 1040 clients or to a specific client, as well as enter a per-return price that is client-specific. You can also enter invoice payments and user-defined invoice items.

Note: If you want to include sales tax in all 1040-client invoices, in UltraTax CS, choose Setup > 1040 Individual, click the Invoice button, select Text & Format Options from the drop-down list, click the Options button, enter a sales-tax percentage in the *Sales tax rate* field, and then click OK.

Pricing per form

Prices entered on a per-form basis are applied to all 1040 clients.

1. In UltraTax CS, choose Setup > 1040 Individual.
2. In the 1040 Product Information dialog, click the Invoice button, and select Pricing from the drop-down list.
3. In the Invoice Pricing dialog, mark the checkbox next to each form for which you want to assign a price, and then enter an amount in the corresponding *Form Price* field. If applicable, enter an amount in the *Item Price* field.



4. Click Done to close the Invoice Pricing dialog.
5. Click OK to close the 1040 Product Information dialog.

The form pricing will apply to all 1040 clients. However, UltraTax CS provides a way to bill one particular client on a per-return basis, as detailed in the next section.

Pricing per return

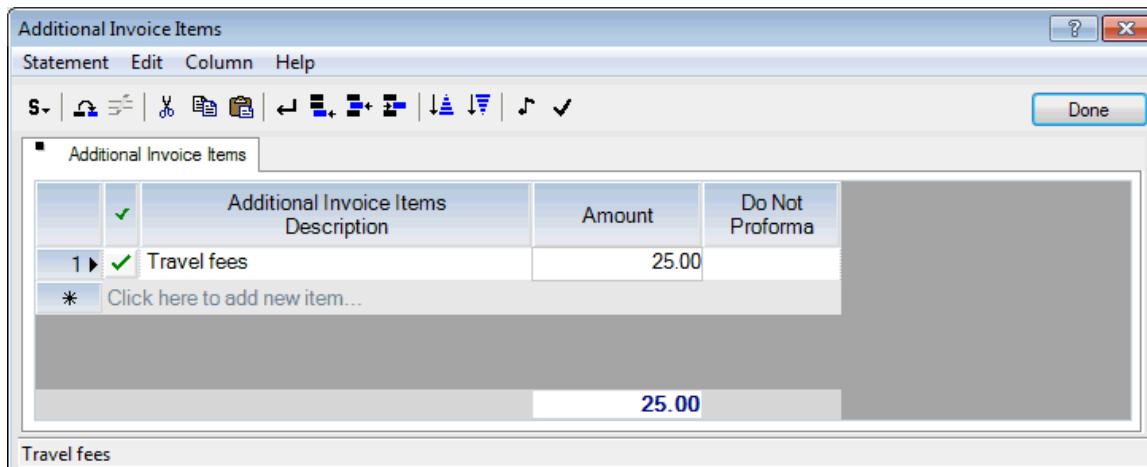
Prices entered on a per-return basis are applied to specific 1040 clients.

1. In UltraTax CS, open a client's return to charge on a per-return basis.
2. Click the Letter tab in the General folder.
3. In the Invoices section, enter **450** in the *Invoice Amount (Force)* field. This amount should be the gross invoice amount before additional invoice items, prior payments received, discounts, or taxes. Any amount entered in this field overrides pricing-per-form amounts.

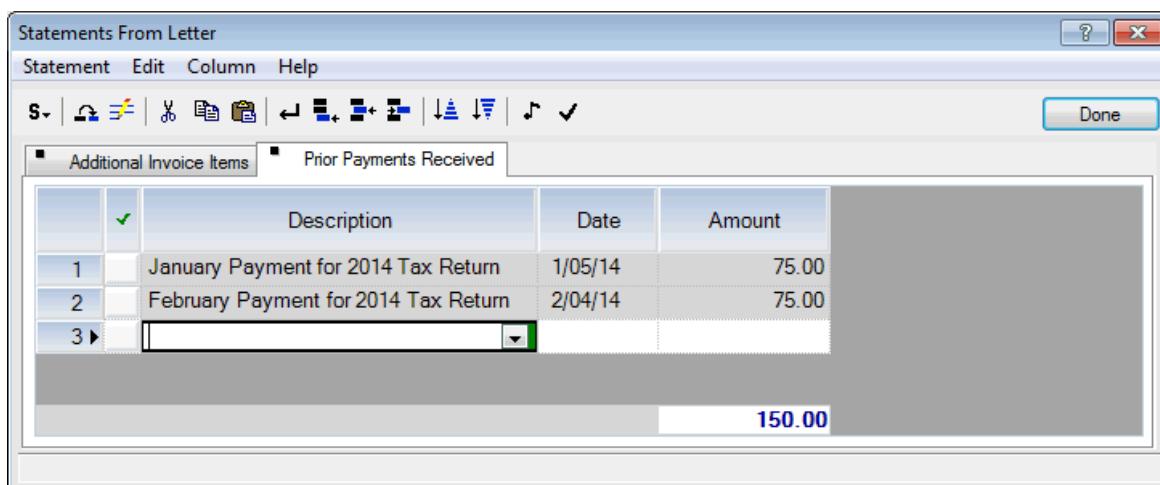
The screenshot shows the 'Invoices' screen in UltraTax CS. The 'Invoices' tab is selected. In the 'Invoice amount (Force)' field, the value '450.00' is entered in red, indicating it is a forced value. Other fields include 'Custom invoice number' (Replaces 1040 default invoice), 'Prior year gross invoice amount' (Before prior payments received, discounts, or sales tax), 'Additional invoice items', 'Prior payments received', 'Apply a discount of dollars OR percent to invoice', 'Dollar discount', 'Percent discount (xxxx.xx)', 'New referral' (checkbox), 'Referred by' (dropdown), 'Client invoice number', and 'Suppress client invoice printing'. Below the main section is a 'Miscellaneous Variables and Mailing Slipsheet' section with fields for 'Miscellaneous text variable #1', 'Miscellaneous text variable #2', 'Miscellaneous amount variable #1', 'Miscellaneous amount variable #2', 'Attention' (If mailing address different from Screen 1040), 'Slipsheet name (Force)', 'Slipsheet address and apartment (Force)', 'Slipsheet city, state, zip code (Force)', and 'Slipsheet foreign country code/name (Force)'.

Note: If a client is proforma'd from the previous year, the gross amount of the previous year's invoice displays in the *Prior year gross invoice amount* field. If an amount is present when you generate an invoice information report, the amount displays as a line item in the report.

4. Open the statement dialog for the *Additional invoice items* field to enter additional user-defined, billable items. In this example, travel fees in the amount of \$25.00 were incurred and are billable.



5. Click the Open Statement Tab button and select Prior Payments Received from the drop-down list. In this example, two prior payments of \$75 were received.



- Click Done to close the statement dialogs. Note that UltraTax CS automatically adds the amounts and enters the total in the *Prior payments received* field.

- Right-click and choose View/Customize Invoice from the context menu. Previewing the invoice calculates the invoice and ensures that the invoice totals include all invoice-related information.
- Click Close to exit the preview window. The Custom Invoice Amounts dialog opens.
- In this example, prices for specific forms do not need to be entered or modified because a flat fee is charged for the return rather than billing the client for each form. Click Done to close the Custom Invoice Amounts dialog.

Note: When you create an invoice for a specific client, you can include a list of all forms used in the return even when the client is billed on a per-return basis. To do this, choose Setup > 1040 Individual, click the Invoice button, select Text & Format Options from the drop-down list, click the Options button, and mark the *List all forms billed for* checkbox in the Invoice Options dialog. Then, open the desired client, choose View > View/Customize Invoice from the main UltraTax CS menu, click Close to exit the preview window, and then click the Mark All button in the Custom Invoice Amounts dialog to mark all forms.

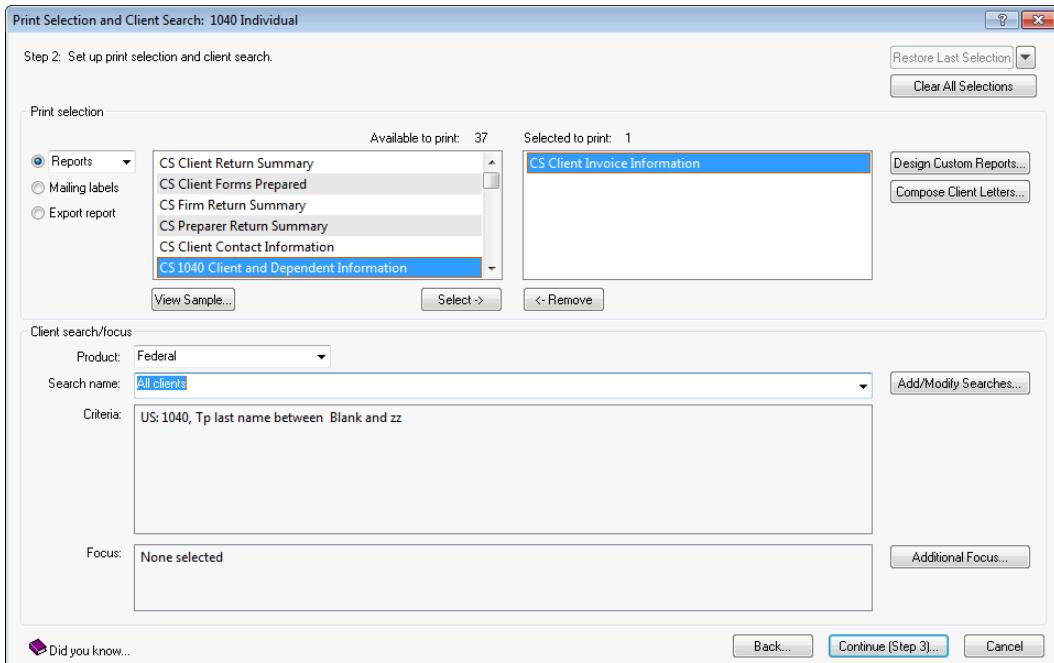
Now that you entered per-return-pricing information in UltraTax CS, you can generate an invoice information report in Data Mining.

Generating an invoice information report

You can use Data Mining to generate an invoice information report based on the information you entered in UltraTax CS. An invoice information report is based on a predefined template that is included with Data Mining. The following example shows how to perform a search in Data Mining that retrieves invoice-related data for all 1040 clients in UltraTax CS and displays the results in a report.

- In UltraTax CS, choose Utilities > Data Mining.

2. In the Data Mining window, select 1040 Individual from the *Client database* drop-down list, and click the Continue (Step 2) button to open the Print Selection and Client Search dialog.
3. Highlight the CS Client Invoice Information report in the Print Selection pane, and click Select.



4. Select All Clients from the *Search name* drop-down list in the Client search/focus group box, and click the Continue (Step 3) button to perform the search.

5. After the search is complete, Data Mining reacts in one of two ways.
 - If no clients passed the search, the Search Results dialog automatically opens.
 - If one or more clients passed the search, the Print dialog opens where you can print letters and reports, send letters to clients via email, or view the search results (if necessary) by clicking the Search Results button.
6. After you review the search results, click Preview to view the CS Client Invoice Information report.
7. Click Close to exit the preview window.

Creating an estimated tax payment letter

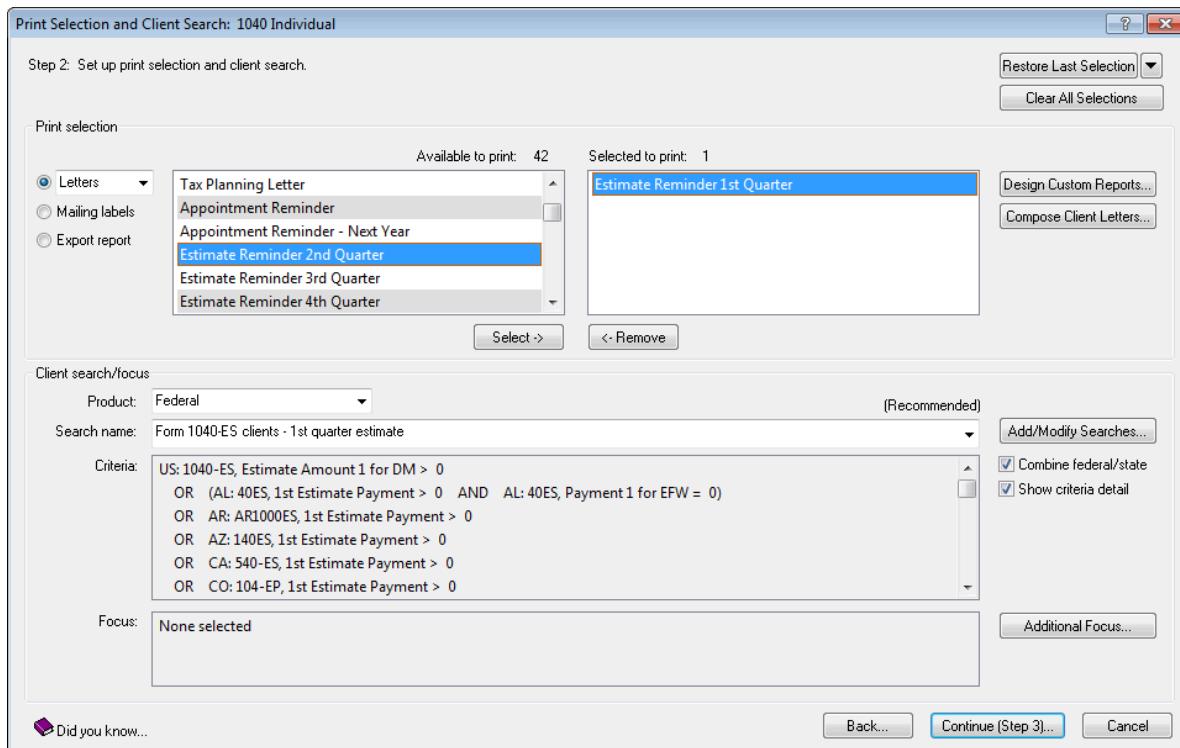
You can use Data Mining to identify 1040 clients who are eligible for estimated tax payments and to generate a letter that details the amounts to be paid. Taxpayers may be required to make estimated tax payments if the taxpayer expects to owe more than a certain amount, as specified by the Internal Revenue Service. Performing this search in Data Mining automatically identifies which clients are eligible and produces a standardized letter that you can customize for your clients and either print or send via email.

Searching for clients subject to estimated tax payments

The following example shows how to perform a search in Data Mining, which includes selecting search criteria and choosing the format in which results are displayed.

1. In UltraTax CS, choose Utilities > Data Mining to open the main Data Mining window.
2. In the Data Mining window, select the UltraTax CS database in which to search. For this example, select 1040 Individual from the *Client database* drop-down list, and then click the Continue (Step 2) button.

3. In the Print Selection and Client Search dialog, select Letters from the drop-down list in the Print selection group box, highlight the Estimate Reminder 1st Quarter letter, and click Select.



4. Select Form 1040-ES clients – 1st quarter estimate from the *Search name* drop-down list in the Client search/focus group box.
5. Click the Continue (Step 3) button to perform the search.
6. After the search is complete, Data Mining reacts in one of two ways.
 - If no clients passed the search, the Search Results dialog automatically opens.
 - If one or more clients passed the search, the Print dialog opens where you can print letters and reports, send letters to clients via email, or view the search results (if necessary) by clicking the Search Results button.

Notes

- From the Print dialog, you can send the estimated tax payments letter via email to any client with an email address that is marked in the Selected to print pane. To do so, mark the Electronic delivery checkbox and then select the *Email client letters...* option in the Print where group box, enter a subject in the *Subject of email* field, and then click the Email / Print button.
- You can enter email information in several locations: (1) in Data Mining, choose Setup > Email Addresses, (2) in UltraTax CS, open Screen Contact in the General folder, and (3) in UltraTax CS, choose Setup > Client Communications.

7. Click Preview to view the estimated payment reminder letter.

Note: To print the letter from the preview window, click the Print Page  or Print All  button. When you close the preview window, the main Data Mining window opens.

Modifying a letter

Data Mining offers several predefined letters from which to choose; however, you may need to customize an existing letter. Modifying a letter in Data Mining's Document Editing window is similar to modifying a letter in any other word-processing application. You can enter and delete text, change font attributes, insert images, modify the layout of the page, and make numerous other modifications. However, a primary advantage of creating and editing Data Mining letters is the ability to insert variables that pull specific information from UltraTax CS.

The following example shows how to modify an existing letter to include estimated tax payment amounts for all four quarters.

1. In UltraTax CS, choose Utilities > Data Mining to open the main Data Mining window.
2. Choose Setup > Compose Client Letters to open the Data Mining Letters dialog.

Note: You can also click the Compose Client Letters button in the Print Selection and Client Search dialog to open the Data Mining Letters dialog.

3. With Federal selected from the *Product* drop-down list, highlight the Estimate Reminder 1st Quarter letter and click Open to edit the letter in the Document Editing window.



4. Press CTRL+A to highlight all the text in the letter and then choose Edit > Copy to copy the text.

5. Choose Document > New.
6. Enter **Estimate Reminder 4 Quarters** in the *Document name* field, and click OK.
7. Place your cursor at the end of the text in this document and press and hold BACKSPACE until all of the text is gone. Then, choose Edit > Paste to paste the text from the Estimate Reminder 1st Quarter letter into the new document.
8. Notice the first paragraph in the Federal Estimate section. The segments of red text in brackets are Data Mining variables that relate to specific information within UltraTax CS. When this letter is printed, this paragraph will show the due date and estimated payment amount for the first quarter.

Your first [US: Tax year - next] federal estimated tax payment of \$[US: 1040-ES, Estimate Amount 1 for DM] is due on [US: Date due for 1040-ES Estimate 1 (full text)].

You may use any of the following options to make the federal estimated tax payment:

Check - Make the check payable to the United States Treasury. Write your social security number and "[US: Tax year - next] Form 1040-ES" on the check. Mail to [US: Estimate address before]

Credit or Debit Card - Click on **Credit or Debit Card** at www.irs.gov/e-pay for the list of **IRS** e-pay service providers and associated convenience fees. You may be able to deduct convenience fees paid on next year's taxes so be sure to store the amount with your [US: Tax year - next] tax information.

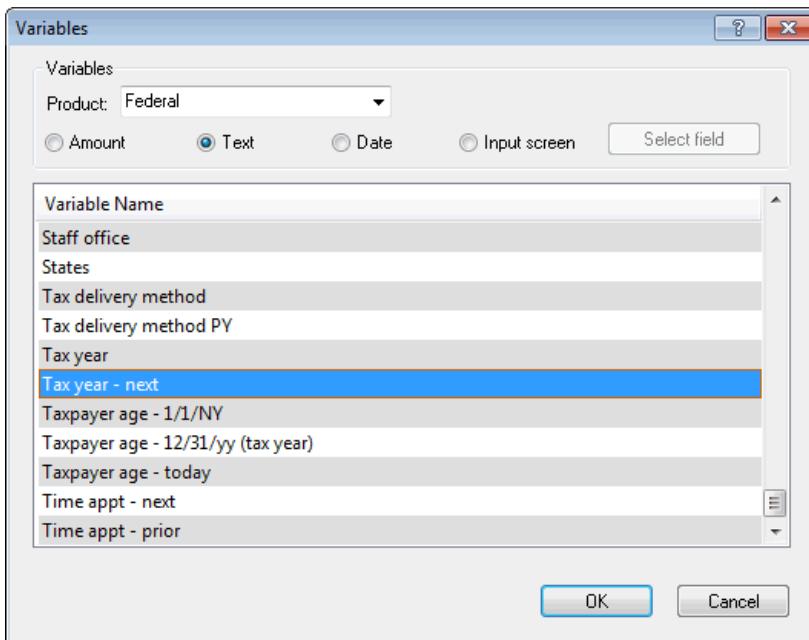
Electronic funds transfer or phone - Enroll in the Electronic Federal Tax Payment System® (EFTPS) to pay electronically or via phone. There is no charge for using EFTPS. Contact EFTPS for payment information by calling 1-800-555-4477 (Customer Service) or accessing www.eftps.gov.

{End If: US: Form 1040-ES check - 1st quarter estimate}

In the following steps, we'll add paragraphs for the 2nd, 3rd, and 4th quarter due dates and estimated tax payment amounts, using the first one as a guide.

9. Press ENTER twice and enter **Your second** on a line beneath the "Your first..." paragraph. Note that you should enter a space after the word "second" to provide proper spacing between the word and the variable to be inserted in the following step.
10. Choose Insert > Variable to open the Variables dialog.

11. Click the *Text* option, and highlight the Tax year – next variable in the Variable Name list.



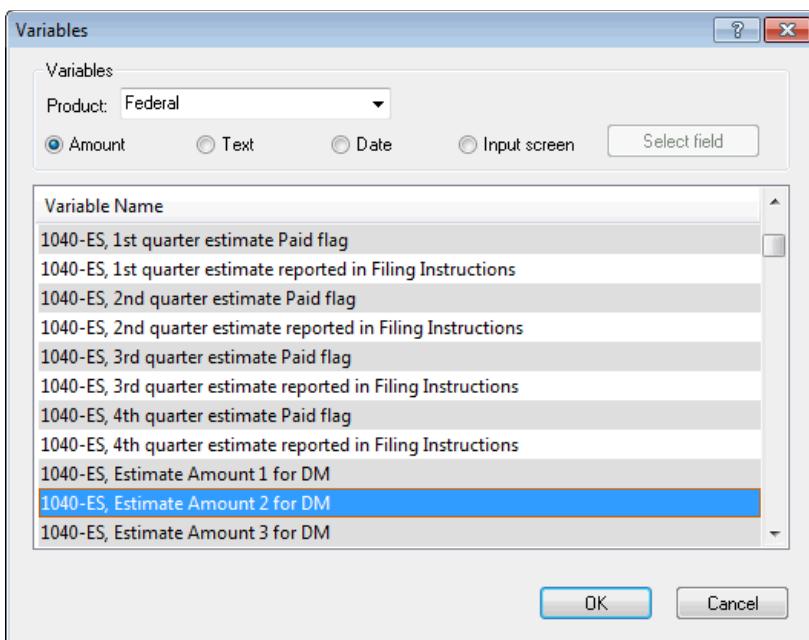
12. Click OK to insert the highlighted variable into the letter.

13. Press SPACE and enter **federal estimated tax payment of \$**, and enter a space.

14. Choose Insert > Variable.

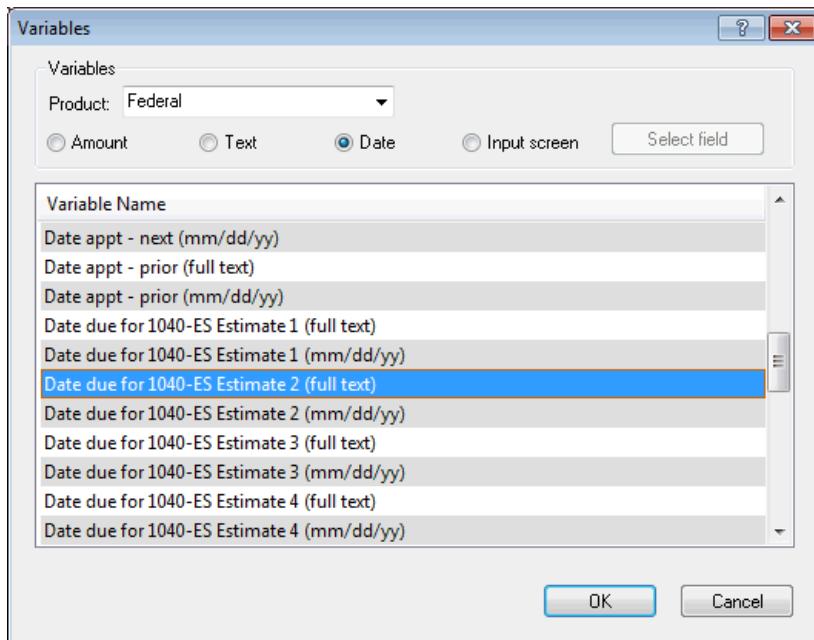
15. From the Variables dialog, verify that the *Amount* option is selected.

16. Scroll through the Variable Name list, and highlight 1040-ES, Estimate Amount 2 for DM.



17. Click OK to insert the variable into the letter and enter a space.

18. Enter **is due on**, and enter a space.
19. Choose Insert > Variable to open the Variables dialog.
20. Click the *Date* option, and highlight the Date due for 1040-ES Estimate 2 (full text) variable in the Variable Name list.



21. Click OK to insert the highlighted variable into the letter and enter a period after the variable.
22. Use Steps 9 through 21 as a guide to enter text, date, and amount variables for 3rd and 4th quarter estimated tax payments.

23. Edit other text in the letter as appropriate.

[US: Label name]
[US: 1040, Address] [US: 1040, Apartment number]
[US: 1040, City], [US: 1040, State postal code] [US: 1040, Zip code]
[US: 1040, Foreign province or county] [US: 1040, Foreign postal code]
[US: 1040, Foreign country]

Dear [US: 1040, Salutation]:

{Begin If US: Form 1040-ES check - 1st quarter estimate}

Federal Estimate

Your first [US: Tax year - next] federal estimated tax payment of \$[US: 1040-ES, Estimate Amount 1 for DM] is due on [US: Date due for 1040-ES Estimate 1 (full text)].

Your second [US: Tax year - next] federal estimated tax payment of \$[US: 1040-ES, Estimate Amount 2 for DM] is due on [US: Date due for 1040-ES Estimate 2 (full text)].

Your third [US: Tax year - next] federal estimated tax payment of \$[US: 1040-ES, Estimate Amount 3 for DM] is due on [US: Date due for 1040-ES Estimate 3 (full text)].

Your fourth [US: Tax year - next] federal estimated tax payment of \$[US: 1040-ES, Estimate Amount 4 for DM] is due on [US: Date due for 1040-ES Estimate 4 (full text)].

You may use any of the following options to make the federal estimated tax payment:

Check - Make the check payable to the United States Treasury. Write your social security number and "[US: Tax year - next] Form 1040-ES" on the check. Mail to [US: Estimate address before]

Credit or Debit Card - Click on **Credit or Debit Card** at www.irs.gov/e-pay for the list of IRS e-pay service providers and associated convenience fees. You may be able to deduct convenience fees paid on next year's taxes so be sure to store the amount with your [US: Tax year - next] tax information.

Electronic funds transfer or phone - Enroll in the Electronic Federal Tax Payment System® (EFTPS) to pay electronically or via phone. There is no charge for using EFTPS. Contact EFTPS for payment information by calling 1-800-555-4477 (Customer Service) or accessing www.eftps.gov.

{End If US: Form 1040-ES check - 1st quarter estimate}

24. Choose Document > Save, and then choose Document > Exit to return to Data Mining.

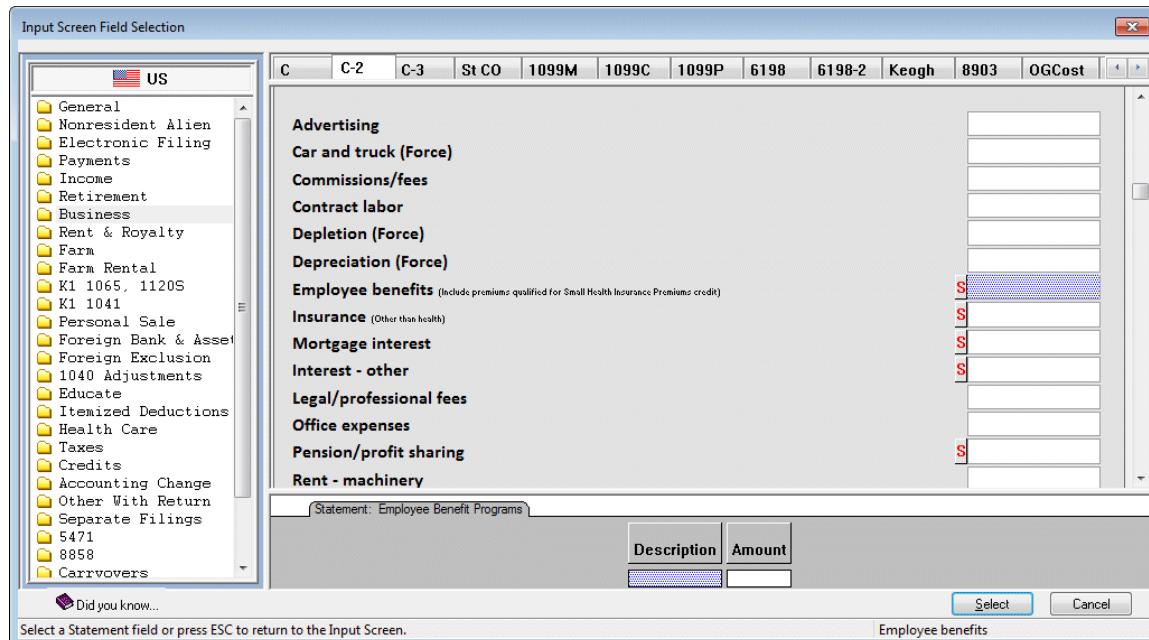
Notice that the Estimate Reminder 4 Quarters letter displays in the list of letters that are available to print.

Identifying sole proprietors who pay employee health benefits or file Form 8941

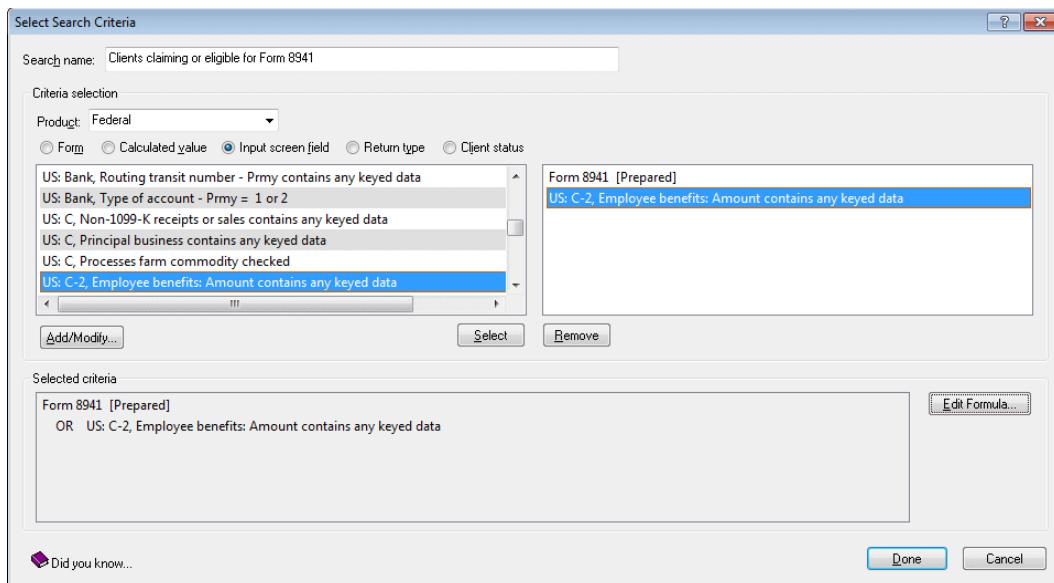
Sole proprietors who are paying employee benefits or filing Form 8941 are almost certain to benefit from tax savings under the Credit for Small Employer Health Insurance Premiums (Form 8941). But to continue to benefit from this credit, they will need to participate in an insurance exchange, and they may want to start investigating such exchanges now.

Your clients are likely to appreciate a proactive call from you about this change, and it also provides you with a good opportunity to offer them additional services. You can use Data Mining to quickly identify these clients and to find their actual Schedule C net profits. Here's how:

1. In UltraTax CS, choose Utilities > Data Mining.
2. Select the 1040 Individual database if it is not already selected, then click Continue (Step 2).
3. Click the Add/Modify Searches button.
4. Click Add.
5. Enter **Clients claiming or eligible for Form 8941** in the *Search name* field.
6. With the *Form* option marked, scroll through the list, highlight Form 8941 [Prepared], and click Select.
7. Click the *Input screen field* option and click the Add/Modify button.
8. In the Add/Modify Search Criteria dialog, click the Add button.
9. In the Input Screen Field Selection dialog, navigate to the Business folder and click the C-2 tab.
10. Click the statement "S" button for the *Employee benefits* field.



11. Click the *Amount* field, then click *Select*.
12. In the Add/Modify Search Criteria dialog, select Any Keyed Data from the *Operator* drop-down list and click *Enter*.
13. Click *Done*.
14. With the *Input screen* field option still selected, highlight US: C-2, Employee benefits: Amount contains any keyed data and click *Select*.



15. Click the *Edit Formula* button, then click the *OR* option.
16. Click *Done* to finish editing the formula, click *Done* a second time to finish defining the custom search, and click *Done* a third time to close the list of searches.
17. The Print Selection and Client Search dialog displays and automatically selects the new search. At this point, you need to decide whether to:
 - Generate a letter for each impacted client.
 - Generate a report listing each impacted client.
 - Generate both.
18. In the Print selection group box, expand the drop-down list to choose Reports or Letters and to select the appropriate items to print from either category. If you simply want to generate a list of impacted clients, the CS Client Return Summary, CS Client Contact Information, or 1040 Client List w/Invoices report should suffice.
19. After selecting the appropriate output, click *Continue*. Data Mining will determine which clients fit the criteria and will provide you with the opportunity to print any selected output items.