

Electronic Tax Return Reader

Reduce data entry for credit spreads

For underwriting, review and stress testing, a common obstacle is keying in data. Data entry – especially complex returns with multiple properties – can take more than 20 minutes per return. Sageworks uniquely offers the Electronic Tax Return Reader (ETRR), a patented technology to import information from tax returns that are electronically produced by a tax and accounting software.

Form 1120S U.S. Income Tax Return for an S Corporation 2015

Department of the Treasury Internal Revenue Service

Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation. Information about Form 1120S and its separate instructions is at www.irs.gov/form1120s.

For calendar year 2015 or tax year beginning ending

A S election effective date

B Business activity code number (see instructions) 541600

C Check if Sch. M-3 attached

TYPE OR PRINT

Name Lugar Logistics

Number, street, and room or suite no. if a P.O. box, see instructions. 123 Oak St

City or town, state or province, country, and ZIP or foreign postal code. Raleigh NC 27606

D Employer identification number 99-1823456

E Date incorporated

F Total assets (see instructions) \$ 1,543,937

G Is the corporation electing to be an S corporation beginning with this tax year? Yes No If "Yes," attach Form 2553 if not already filed

H Check if: (1) Final return (2) Name change (3) Address change (4) Amended return (5) S election termination or revocation

I Enter the number of shareholders who were shareholders during any part of the tax year 2

Caution. Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.

1a	Gross receipts or sales	1a	1,458,194
b	Returns and allowances	1b	0
c	Balance. Subtract line 1b from line 1a	1c	1,458,194
2	Cost of goods sold	2	296,551
2a	Depreciation included above (COGS related)	2a	0
3	Gross profit. Subtract line 2 from line 1c	3	1,161,643
4	Net gain (loss) from Form 4797, line 17 (attach Form 4797)	4	0
5	Other income (loss) (see instructions—attach statement)	5	1,787,807

Electronic tax return from a business client

Form 1120S U.S. Income Tax Return for an S Corporation 2015

CORPORATE TAX RETURN: LUGAR LOGISTICS

1a	Gross receipts or sales	1a	1,458,194
1b	Returns and allowances	1b	0
1c	Balance. Subtract line 1b from line 1a	1c	1,458,194
2	Cost of goods sold	2	296,551
2a	Depreciation included above (COGS related)	2a	0
3	Gross profit. Subtract line 2 from line 1c	3	1,161,643
4	Net gain (loss) from Form 4797, Part II, line 17	4	0
5	Other income (loss)	5	1,787,807

Financial data ready for analysis

BENEFITS

- ✓ Save up to 20 minutes per return
- ✓ Reduce the risks of manual data entry errors, including skipped lines or transposed numbers
- ✓ Ensure consistency of data entry
- ✓ Import properties from the Form 8825 and Schedule E, Part 1 automatically
- ✓ Make electronic tax returns part of underwriting policies to bolster data quality and efficiency
- ✓ Eliminate bottlenecks with data entry for underwriting or annual reviews
- ✓ Use with Sageworks solutions or other spreading systems

96% of accountants who provide tax returns said they are able to provide this type of electronic file to business clients.



Barlow Research names
Sageworks Electronic Tax
Return Reader the Overall
Most Innovative of the year

HEAR FROM A CLIENT

“I can process 3 returns in the time it takes someone else to do 1, which is a huge difference. The quicker these numbers can be delivered to the officer, the quicker the bank can get answers to customers.

It really gives us that step ahead of our competitors, it frees up time that loan officers would be spending on underwriting and allows them to get out there and meet with customers and build the portfolio.”

Lisa Kerschner
VP
Union State Bank

Electronic Tax Return Reader

How it works

Sageworks Electronic Tax Return Reader uses X-Y coordinates of the PDF to extract information from tax returns produced by accounting tax programs and map the information to corresponding fields in spreads. The data is then instantly accessible for spreading, global cash flow analysis, risk rating and stress testing.



85%*

of accountants that use tax accounting software use one supported by ETRR:

- Drake©
- Lacerte©
- ProSeries®
- ProSystem fx®
- UltraTax CS

COVERAGE

Sageworks ETRR is compatible with all the main tax returns used in commercial analysis:

- 1040: Individual
- 1065: Partnership
- 1120: C-Corporation
- 1120S: S-Corporation

OTHER KEY CAPABILITIES

- ✓ Imports financial data for farms from 1040
- ✓ Generates properties from 1065 and 1120S
- ✓ Uploads Shareholder information from Schedule K-1s from the business tax return and automatically creates the 1040 for each shareholder's K-1
- ✓ Stores the PDF for documentation

IS THIS OCR?

ETRR is different from Optical Character Recognition (OCR) because of the accuracy it provides. OCR can read any tax return, even those that are scanned, but with less precision and consistency. The Sageworks technology can only examine electronic returns but is much more precise, meaning bankers use the right data for their analysis.

*<http://www.journalofaccountancy.com/issues/2016/aug/2016-tax-software-survey.html>

Electronic Tax Return Reader

Hear from our clients

“ The biggest and easiest benefit to quantify with the ETRR for us is the time saved on basic data entry. We currently have only two individuals in our institution who handle spreading financials and writing both front-end credit request memos, as well as on-going loan reviews. The **amount of time we are able to save on simple data entry with tax returns is enormous**; I know I personally am able to utilize that time to go significantly **more in depth with my actual analysis**. That has been the biggest benefit to us – the ability to save time on simple data entry in a fairly small institution. ”

Amy Righter

Assistant Vice President, Credit Administration Officer
First Neighborhood Bank

“ I think the greatest benefit from using the ETRR is the time saved from not having to manually key in the data. For me the ETRR paves the way to efficiency, accuracy and increased productivity. The time saved from using the ETRR could possibly **create a competitive advantage** by allowing the Loan Officer to quickly get back to the customer with a loan decision. ”

Tiajuana J. Chestnut

Credit Analyst
First State Bank

“ The most tedious part of our job is data entry. The fact that there’s a product that cuts that part out so we can **focus on analysis, and ultimately Member Service, is fantastic.** ”

Joshua Valentine

Credit Analyst, Commercial Services
Orange County’s Credit Union

“ With the time savings provided I am able to double/triple check the analysis to make sure all questions are asked and all proper documentation has been received **for a more precise and accurate analysis**. The extra time also allows us to go into more detail in explanations and write ups for the analysis as well as stress test and really know the credit quicker, without having to rush to get something out under a certain time. ”

Carlos Lopez

Credit Officer
Greater State Bank

“ I now have more time to put loan requests together and **focus on the customer** more as a whole versus just focusing on separate returns. ”

Annie Zellmer

Credit Analyst
Bank of Deerfield