Instructions: Year End 2011 Tax Reporting for StockTrack

The 2011 version of Account Ability works with **StockTrack version 14.5** and higher. The StockTrack version number appears on the **Login** screen and also on the **Help | About** screen. If you are using a version previous to 14.5, go to www.StockTrackSoftware.com/downloads.htm; review the StockTrack Update Instructions; and run the StockTrack Install before proceeding.

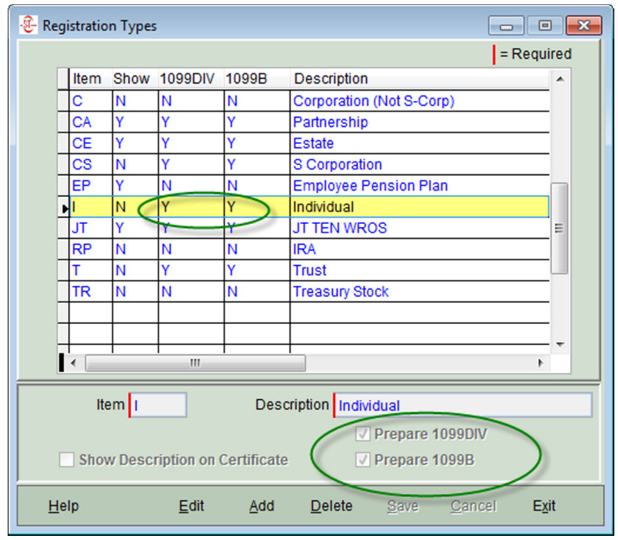
Install Account Ability from the setup program that launches when you insert the system CD**. Peel-off the label from the back of the paper envelope and place it on the CD holder. You will need the serial # to complete the installation.**

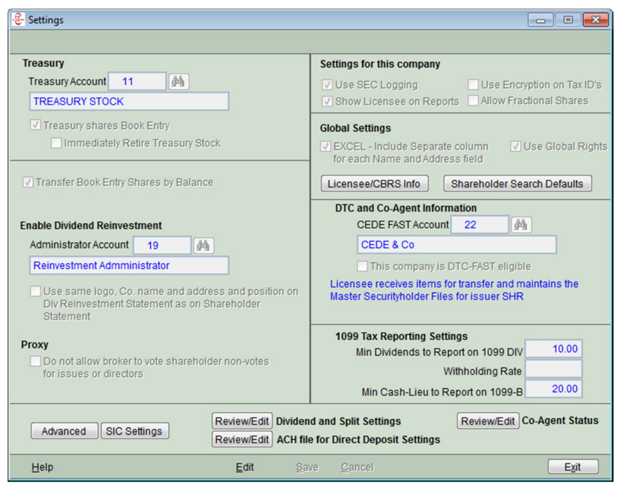
Windows Vista and Windows 7 users should install Account Ability to a location other than "C:\Program Files\Account Ability\Tax Form Preparation\" (the default location). When prompted for the "Destination Folder" during installation, click the "Change" button and select a new folder. The folder "C:\Account Ability" is strongly recommended.

Check if there is an update to Account Ability that should be downloaded and installed. You can use Account Ability Help | Check for updates. To be informed of any postings automatically, turn on the "Check for Updates at Startup" option. You will find this option on the "Preferences" menu.

Account Ability provides many other features in addition to the ability to produce 1099-DIV, 1099-B reports, and electronic reporting from StockTrack dividends. Your license entitles you to use all of the Account Ability features. See the box below for instructions to order discounted additional user seats.

Once you complete the Account Ability installation, you can generate the tax-reporting file in StockTrack and import it into Account Ability using the following procedure.





Preparation for 1099 Information Returns

The following steps must be performed in order to ensure that all 1099-DIV and 1099-B information returns are prepared correctly.

Registration Types

1099's (1099-DIV and 1099-B) will only be prepared for Shareholders with Registration Types that have 1099 set as Yes. Registration Types can be edited from the ***Maintain* | *Registration Types*** menu. You may not be required to prepare 1099's for all tax entities. Consult your tax or legal advisor on which entities require filing 1099 information returns.

1099-DIV RETURNS

Dividends

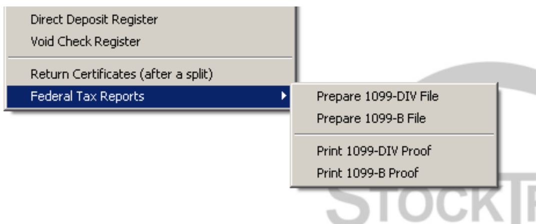
Dividends will produce a 1099-DIV provided the amount exceeds the Minimum Dividends to Report entered on the ***Utilities* | *Settings*** screen.

1099-B RETURNS

Consult your tax or legal advisor to determine if you are required to issue 1099-B.

If you need to prepare 1099-B reports only for sales to treasury, the Treasury Holder ID must be identified on the ***Utilities* | *Settings*** screen.

Cash In Lieu of Fractional Shares will produce a 1099-B return providing the appropriate Registration types have been set to prepare 1099 returns and the amount exceeds the Minimum Cash in Lieu to Report.



In StockTrack, select ***Federal Tax Reports*** under the ***Dividends/Splits*** menu. Select prepare **1099-DIV** or prepare **1099-B** data files as appropriate. The default file name will include your Company ID. If you change the name, be careful to name the file with a unique name if you have multiple companies on the StockTrack System. Answer Y, if your company participates in the Combined Federal/State Filing Program (CFSFP).

Start Account Ability

Start Account Ability from the Start Menu. Select **Programs | Account Ability | Tax Form Preparation for 2011**.

1. At the prompt, enter the serial number located on the yellow package label. Select the **Client Filer Management** from the **Module** menu.
2. If you used Account Ability for 2010 returns, you can roll forward your company information. To Roll forward your company information open the **Client (Filer) Management** screen and select *Roll Forward* under the *Import/Export* section.

   If you did not use Account Ability for 2010, or no longer have it installed, open the **Client (Filer) Management** screen, select *New*, and enter your company's information. After your company information is complete, click OK.
3. Use **Select** or double-click on the client. A list of Forms will appear to the right of the screen.
4. Click on **1099-DIV** or **1099-B**.

   Click OK on the 'Important Please Read' notice.
5. From the Main Menu select **File | Import | ASCII text file**.

   Use the browser to find the file you created in StockTrack. It will be in the top-level StockTrack folder on the drive where you run StockTrack.
6. Click **Open.** Click **OK** on the confirm message.
7. Select **Append** and **Erase Existing Records.**

Account Ability will complete the import process. You can use Account Ability to check totals and print additional control reports.

Account Ability supports direct electronic transmission using the IRS F.I.R.E. system. If you elect to submit paper forms, you can order the special red scannable forms from Account Ability. See the IDMS Forms Division entry on the Help menu.

Account Ability will print the recipient copies of 1099 forms on plain paper with a laser jet printer. Account Ability also sells laser or dot matrix forms to be filled in. See the IDMS Forms Division entry on the Account Ability Help menu or use the link in the box below.

If you have questions, please call Figtree Consulting, Inc. at 973-539-9311.

For additional user seats, forms, envelopes, or other supplies, contact Account Ability at (888) 436-7462

http://www.idmsinc.com.

http://www.AccountAbilityTaxForms.com

Use Priority Discount Code **FIGTREE** (all uppercase, no spaces)

All orders for FORMS, ENVELOPES, FOLDERS, etc. of at least $25.00, will be discounted by 10%.