

Route to: ① \_\_\_\_\_ ② \_\_\_\_\_ ③ \_\_\_\_\_ ④ \_\_\_\_\_ ⑤ \_\_\_\_\_

# ***TEdec Topics***

***- a monthly news flash for June 2009***

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## **Alternate Valuation with TEdec - Updated with v. 6.3.9.i**

- 1. IRS General Rule.** The value of assets subject to Alternate Valuation is the value of the asset six months after the date of death, unless the asset has been disposed of (e.g. sold or distributed) prior thereto, in which case the Alternate Value date is the date of disposition and the Alternate Value amount is the value on the date of disposition.
- 2. TEdec Alternate Valuation Process.** TEdec has designed a special program for Alternate Valuation, which is found from the Main Menu → Activities → Alternate Valuation.
  - ⇒ The **purpose** of this Alternate Valuation program is two fold:
    - ① To provide the user with a convenient process to enter Alternate Value for any asset – TEdec will automatically place the Alternate Value date and the Alternate Valuation amount in the Security/Other Folder of the inventory transaction record for the asset; and
    - ② To update the asset tax basis, if appropriate, and automatically update any sale or disposition, so that the proper gain/loss is realized.
- 3. Start Alt Value.** When starting the Alt Value Program, TEdec will automatically save your existing data each time you enter the Alt Value Program. Alt Value is non-reversible operation – once you enter the alternate value amounts and select the “Apply Alt Value for this folder” action button, TEdec will automatically update your transactions and that operation is non-reversible. If you decide not to use Alternate Value, TEdec can restore your data from a backup prior to Alt Value.
- 4. New Transactions.** If you have entered **new transactions** as of the date of death, TEdec provides a specific method to update the Alt Value Program.
- 5. Program Operations.** Once you have started the Alt Value Program:
  - ⇒ You can select any asset to enter Alternate Valuation by double clicking on the asset or by selecting the “Enter Alt Value” action button at the bottom of the screen.
  - ⇒ If TEdec has found a sale/disposition within six months of the date of death, TEdec will display the date of the sale (which will become the Alternate Value date) and the sale/disposition amount (which will become the Alternate Value).
  - ⇒ If TEdec finds a sale after the six month date, TEdec will display the date for information only. The Alternate Value date should be the six month date and you should enter the value of the asset on the six month date.
  - ⇒ When you select the “Apply Alt Value for this Folder” action button at the bottom of the screen, TEdec will apply the Alt Value to the inventory journal records, update the tax basis, and update any sale so that the correct tax basis is being used and automatically recalculate the gain or loss records.

- ⇒ Once Alt Value has been applied to all assets, print the Estate Tax Schedule for confirmation that the Alt Valuation process has been applied to all assets. Go to Court/Tax Menu → Federal Tax Reports → Estate Tax Schedules (706), select "Include Alternate Value" and print the report.
- ⇒ In the Lacerte estate tax software enter any additional description you may want to justify each asset Alt Value.

**Free User Webinar** → TEdec has scheduled a **Free User Webinar** for **Tuesday, June 30, 2009** at 4:30 p.m. DST, which will last approximately 30 minutes. We will highlight: ① how to use TEdec Alternate Value Program; ② how to bridge to Lacerte to include Alternate Valuation on the Estate Tax Return. Call TEdec support for your Webinar reservation. Space is limited, so call today! You'll be glad you did! We look forward to having you join our next user Webinar!

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