

PREPARING FOR K-1 SEASON

An IMS Best Practice Guide

IMS provides Sponsors a simple and effective tool to bulk upload K-1 documents to your Investor Portals. To ensure a smooth and seamless K-1 season, please follow the best practices and requirements outlined below.

IN IMS

1. Investors that qualify for a K-1 need to have a SSN/EIN added to their profile in CRM.
Tip: Consider sending a reminder email to your investors to ensure that their contact info is up to date on your portal. Keep in mind that if an investor has multiple investment vehicles, they will need to update the SSN/EINs for each investment profile.
2. Issuing Entities that qualify for a K-1 need to have an EIN added to their profile in Entities.
Tip: Leverage the 'Export by Investment' option on the Entities tab to download all K-1 and investor information.
3. Once uploaded, admins can locate K-1 documents directly on the Investor's CRM profile or by navigating to Documents > Personal and Project Documents > Investor Profiles. Investors can locate K-1 documents directly on their Investor Portal under the Documents tab.
4. Best practice is to **ALWAYS** download and review the audit log prior to publishing the batch. This will catch any potential mismatched documents caused by duplicate or incomplete tax IDs

FOR TAX PREPARER

Please ensure the following:

1. That you have a separate file for each investor's K-1.
 - The system cannot process batched files (i.e., 1 PDF with multiple K-1s in each document).
 - If there are additional tax documents (state, foreign, etc.) amended to the file, these will need to be positioned after the federal K-1; otherwise, IMS will not be able to upload these documents.
2. That documents are in a readable PDF format.
 - K-1s cannot be scanned or copied from an original paper document; the IMS system requires the documents to be in a readable format.
3. That your documents include the full SSN/EIN number on the K-1.
 - The system is unable to process encrypted documents where asterisks are used to replace the digits.

IF THERE ARE PASS-THROUGH ENTITIES

- If there are more than two unique tax IDs in the K-1, like in the case of a pass-through entity, the documents will not match. To bypass this, utilize the below toggle to ignore pass-through entity IDs.

ON Ignore K-1 Pass Through Entities

Controls whether the pass-through entity tax identification numbers on K-1 documents should be ignored when attempting to match documents to investors. If you select ON, then the match rates on K-1s with pass-through entities should improve but could result in false positive matches. If OFF, then K-1s with additional pass-through entity tax identification numbers will need to be manually matched.

Please don't hesitate to reach out to Customer Support with any questions at support@imscre.com



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