

For myI CLUB.com Investment Clubs

Investment Club Treasurer Quick Start Guide

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START
GUIDE

Estimates Source: Thomson/Zacks

2005

2006

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2008



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Investment Club Treasurer Quick Start Guide

Congratulations on being elected as the Treasurer of your investment club! You must be a dedicated member of your club, with above-average intelligence, a winning personality, and a dash-ing sense of personal style!

The Investment Club Treasurer position does carry a lot of responsibility. Fortunately, myICLUB.com makes the job easy to handle, even if you have little or no accounting expertise.

This *Quick Start Guide* will help you get up and running with the key tasks required of invest-ment club treasurers. In no time, you'll be handling both monthly and occasional chores with ease.

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1. About myICLUB.com Administrators and Treasurers

All myICLUB.com clubs are required to have an **Administrator** who has privileges to change, edit, or delete the invest-ment club's transactions, members, files, or even the entire club website. It's possible that one member may serve as both club **Administrator** and **Treasurer** (although it's generally recommended that clubs share responsibilities among various members).

Member privileges are set in the **People** tab, in each member's **Profile**. An Administrator is any member who has all **Member Position and Permissions** items checked. A **Treasurer** is any member who has the "Record accounting infor-mation / receive renewal notices" item checked under **Manage Treasurer Duties**.



*It is desirable to have a backup or co-treasurer identified for your club. This member should have the **Manage Treasurer Duties** permission checked in their **Profile**. It is a dangerous practice, however, to allow too many club members to have expanded permissions on the myICLUB.com site, especially for tasks such as recording financial information or editing club settings.*

All members on myICLUB.com have rights to view all financial transactions and reports, whereas only club Treasurers and Administrators have rights to edit, delete, or enter financial transactions.

It is possible that some of the tasks in this **Quick Start Guide** extend beyond basic club treasurer responsibilities, and you may find that you do not have access to certain features. If you find that is the case, contact your club Administrator to discuss how your club should handle those tasks and settings.

2. Security Reminders for myICLUB.com Treasurers

Treasurers have more elevated privileges on the myICLUB.com website than any other member other than the Administrator. Treasurers can make enter, delete, or edit many of an investment club's records on myICLUB.com, including accounting records and members' personal information. For this reason, it's important for treasurers to maintain especially good security practices.

Your myICLUB.com password should be unique and not used on any other website. You can update your password at any time on myICLUB.com by selecting **My Account** from the top right corner of any page or from the **Preferences** link next to your name on the **People** tab.

While myICLUB.com uses industry-standard security protocols for the site, it is still a good habit to click the **Logout** link in the top right corner of any page when exiting the website, rather than merely closing your web browser, just as you would from your personal checking account on your bank's website, for example.

For still further added security, we recommend Treasurers utilize **2-Factor Authentication (2FA)** for their myICLUB.com login credentials. Details of how to accomplish this are discussed later in this *Quick Start Guide*.

3. Navigating myICLUB.com

The first page you will see on your investment club's myICLUB.com website after you log in is the **Home page**.

Moving through the myICLUB.com website is easily accomplished by using the top menu bar located under the myICLUB.com logo. Click one of the tabs to open the page related to the name of the tab. The new page will have a navigation column on the left with links for specific tasks, and may also offer a listing of functions at the top.

Tasks are often grouped into categories. For example, clicking the **Accounting** tab will reveal six groups in the left navigation column, **Summary**, **Wizards**, **Securities**, **Members**, **Cash Accounts**, and **Utilities**.

Under each group heading will be a list of tasks related to that group. The group may have more tasks in the group than initially shown. To see all the possible tasks in a group, click the **More** link at the bottom of the group list. You can also access all tasks in a group by clicking the bold group name in the menu. This will open a new page with all tasks in that group displayed in the main central portion of the page.

As the Treasurer, you will use the **Accounting** tab the most. Treasurers also deal with tasks associated with the **People**, **Reports**, and **Taxes** tab.



If you belong to more than one investment club, you can use the same login credentials for all of your myICLUB.com clubs. Select the club you wish to visit after logging in to your myICLUB.com account, or by using the **Your Clubs** dropdown list at the top of every page on the site.

4. Monthly Investment Club Treasurer Tasks

The Treasurer performs a variety of tasks. In general, these can be placed into one of two categories, **Monthly** (or Frequent) tasks and **Occasional** tasks.

Common tasks that an investment club Treasurer will undertake each month include the following:

- Record member deposits.
- Record security transactions, such as buys, sells, and dividends received.
- Create and save a valuation of the club's securities.
- Prepare reports for the meeting.
- Back up the club's data.

To access the links to accomplish the first three items on the above list, click the **Accounting** tab. The following descriptions assumes you have done this and are on the main **Accounting** page.



While it is important to know how to handle each of the monthly tasks by itself, the **Pre-Meeting** and **Post-Meeting Wizards** provide step-by-step guidance to enter transactions and prepare reports. Click the **Wizards** link in the **Accounting** section to get started.

Record Member Deposits

Member Deposits are recorded by clicking the **Deposits** link in the **Members** section of the **Accounting** tab. This opens a page to enter the deposit amount for each member. You can enter a default amount for all members, edit the amount paid by any member if it is different, or leave an amount blank if a member did not make a deposit for that meeting.

Record Security Transactions

Security Transactions are entered by clicking the appropriate transaction name link under **Securities** section of the **Accounting** tab. The more common security transactions appear under the **Securities** heading without the need to expand the list with the **More** link. When you click on a specific transaction name link, a new window appears with fields to enter details about the transaction.



Enter interest received on cash held in your brokerage or bank account by using the **Interest** link in the **Cash** section on the **Accounting** page. Be sure to use the drop-down menu on the entry screen to select the correct account paying the interest.

Create and Save a Valuation of the Club's Securities

Creating and Saving a Valuation is a very important task. The securities valuation determines the club's unit value for that month, which in turn determines how many units are purchased by each member for their deposit in that month.

To create a Valuation, click the **Create new valuation** link in the **Securities** section of the **Accounting** tab, or in the expanded list of actions in the **Securities** section of the left navigation panel.



The myICLUB.com database includes closing prices for North American stocks, ETFs, and mutual funds that trade on major exchanges, but does not include stocks traded on "Pink Sheets." Prices become available on myICLUB.com a few hours after the market closes each day.

In **Step 1**, choose a **Date** for the valuation. The default is the current date, but you can select any date using the convenient pop-up calendar or by typing in a date using MM/DD/YYYY format. Keep in mind that the date on which your club's monthly valuation should be created is usually set in the club's operating documents, and you should not choose a different date without your club's agreement. **In addition, no more than one valuation should be created in any month with the exception of a special year-end valuation.** Click the **Continue** button.

In **Step 2**, a new page with a list of all securities in the club portfolio appears with a price per share for each as of the selected date. Any securities without a price will be flagged and appear at the bottom of the list where you can manually input the price. Review the prices, and click the **Submit** button to save the official valuation.



*You will see that there are two columns with ticker symbols on this page, the **Symbol** and the **Quote Symbol**. In most cases they will be the same, but an advanced feature of myICLUB.com is the ability to track different lots of the same security by editing the **Symbol** in its **Security Setting** for identification purposes, then using the **Quote Symbol** to retrieve the correct price.*

In **Step 3**, a confirmation page appears, if you receive an error message, click the **Edit security values** button on this page to change prices.



*If a security has a price of zero, then the **Quote Symbol** saved in your club's **Security Setting** is not in myICLUB.com's price database. It may be that the security has changed its symbol, or your club bought a security that is not a stock, ETF, or mutual fund, or is traded on a foreign exchange or on the Over-the-Counter market (commonly known as "Pink Sheets").*

Prepare Reports for the Meeting

The **Reports** tab has links to generate any of the more than 40 reports and graphs that are available in myICLUB.com. All are grouped by category, and the categories are listed in the left navigation column and again in the main page. The page also includes a brief description of the contents of each report.

One category of reports that you will use most frequently is the Monthly group. This group includes the **Valuation Statement** and the **Member Status Report**, the two reports commonly shared at each club meeting.

Monthly Reports also include a unique feature of myICLUB.com, the **Unified Monthly Report**. The Unified Monthly Report combines into one report the Valuation Statement, Member Status Report, and a Complete Journal of all transactions since the previous valuation date. This single large report simplifies the task of preparing for a club's meeting, though it does sacrifice some customizability in the process. If the Unified Monthly Report doesn't serve your club's needs, each report can be accessed individually

One of the big advantages of using myICLUB.com is that all Members have access to the club's **Reports** at any time, so once the monthly **Securities Valuation** has been created, the Treasurer no longer needs to "generate" or print copies of reports for all members to bring to a club meeting. To make it easy for the Treasurer to remind Members that the club's monthly **Valuation Statement**, **Member Status**, or any other report is available on myICLUB.com, there is a link to e-mail members from any Report on the site. Click the **Envelope** icon in the top right of a Report, customize the text and recipients, and then click the **Send** button.



*The **Printer Friendly** view of any myICLUB.com **Report** often works well for copying and pasting the data into a Microsoft Word document or Excel spreadsheet. Click the **Printer** icon at the top of any Report page to pop up a page with the report in a simplified format.*

Reports may also be printed or downloaded as PDF files that can be read on any computer or device. The Printer Friendly

view is accessed from the Printer icon at the top of any report, while the PDF icon starts a download of an Adobe PDF version of the report to your computer or device. Programs or applets that display PDF files, such as the Adobe Reader, are freely available for all computer operating systems and mobile devices.

Back up the Club's Data

Backing up the club's data on a regular basis is very important.

Even though your data is backed up continuously on myICLUB.com servers, this protects your club from data loss due to technological failures. If your club's data becomes corrupted due to a Treasurer's or club member's actions, then the system backup on myICLUB.com's database server can't help you.

For this reason, it's important that clubs utilize regular backup procedures and use the myICLUB.com **Backup Manager**. This feature is found in the **Utilities** section of the **Accounting** tab and allows a copy of the club's data to be saved at any point in time. We suggest making a backup once every 90 days (in fact, if it's been more than 90 days since a club last made a backup, we will create a backup for the club). For past years, it's really only necessary to save a single backup file per year.

Backup files can be created, deleted, and even downloaded from the **Backup Manager** page. It's also a good practice to save occasional backups in a secure location offline.



New Treasurers are often afraid of making errors that are difficult to correct. Make a backup of the club data before making new entries, especially for complex transactions. With the backup saved, it is very easy to restore the club's data to how it was before new entries were made.

Many investment club treasurers have been saved from hours of transaction reconstruction by having a current backup file available to them. Like any insurance policy, it's easy to forget about until you need it. Use the Backup Manager regularly to add that additional level of protection to your club data.

5. Occasional Investment Club Treasurer Tasks

In addition to the regular monthly tasks, there are other jobs that a Treasurer will be called upon to complete on an occasional or annual basis. These include:

- Add a new member to the club.
- Withdraw a member from the club.
- Record other income or an expense.
- Creating or editing a Security's Settings
- Allocate income and expenses at year-end.
- Procure Federal and state tax preparation modules.
- Prepare and file club tax returns.
- Transfer duties to a new Treasurer.

Adding a New Member

Adding or removing members is completed on the **People** tab. Before you can enter transactions for a **Member**, they must be added to your club records. Click the **Add a member** link in the left navigation column. On the next page, enter the first and last name of each member being added.



*New club members should be directed to the **myICLUB.com New Member Quick Start Guide**, available in the **Free Resources from ICLUBcentral** folder in the club's **Fire Storage**. This PDF e-book is also sent to members when they are invited to your club's website. It includes lots of helpful tips about navigating the member features of your club's myICLUB.com website.*

While not required when adding a member, entering an email address will send an invitation to this member so they can join the club's website at myICLUB.com. If no email address is entered, no invitation is sent, and this member will not have access to the club's myICLUB.com website even though they are "members" of the club.

Withdraw a Member

When it comes time to process a **Member Withdrawal**, either a full or partial withdrawal, click the **Member Withdrawal** link on the **Members** area of the **Accounting** section.

Enter the effective date of the withdrawal, choose the correct member from the drop-down menu of member names, select whether this is a partial or full withdrawal, and check the box if securities are to be transferred. Note that withdrawals must not be effective on any date on which an official valuation has been created; instead, choose the next day.

Follow the prompts to enter any withdrawal fee that may be required in your club's operating documents (but note that today's best practices recommendation for investment clubs is to only require withdrawing members pay actual expenses related to their withdrawal, and not be assessed any additional penalty or fee).



*Member withdrawals and related transactions have tax consequences for both the club and the withdrawing member, depending on whether cash or cash plus securities is used for the payout. Fortunately, the myICLUB.com **Withdrawal Scenario Calculator** provides guidance on the optimal methods the club should consider for any full or partial member withdrawal.*

A link to the **Withdrawal Scenario Calculator** can be found just under the link to enter a member withdrawal in the **Members** section of the main **Accounting** page. The **Withdrawal Scenario Calculator** is available to all members.

Record Other Income or Expenses

It is rare that clubs will record **Other Income** on their books; most income will be classified as interest, distributions, or dividends. It is more common that clubs will have the occasional **Expense** to enter. Both of these transactions can be entered in the **Cash Accounts** section of the **Accounting** tab. Be sure to select the correct **Cash Account** involved in the transaction.

For **Expense** transactions, select from the drop-down menu to categorize the expense as **Investment** related or **Non-Investment** related. Investment expenses are directly related to managing the club and its portfolio, and include printing, postage, tax preparation, your myICLUB.com subscription, investment research, and BetterInvesting memberships. Non-Investment expenses include snacks, flowers for ill members, or condolence cards. Tax law changes in 2017 make this selection less important today as most individuals will be unable to record any personal tax deduction for investment expenses, but the distinction is maintained for legacy purposes.

Creating or Editing a Security's Settings

Each security that your club owns or has owned in the past will have **Security Settings** available in the **Securities** section of the **Accounting** tab. Here you can edit the Security's **Name**, **Symbol**, **Exchange**, **Country**, and **Type**.

When the club first purchases a security, it will be added to the club's database with default values, and it is up to the Treasurer to adjust the details for all securities. For instance, it is imperative that the **Country** be set accurately for

American Depositary Receipts (ADRs) or securities that trade on non-U.S. exchanges. It is also vital that the **Security Type** be set correctly for Exchange Traded Funds, mutual funds, real estate investment trusts (REITs), publicly-traded partnerships, and stocks that don't represent operating companies.

It's a good idea to review the Security Settings after any new security is purchased by the club, and before preparing the club's final tax return.

Allocate Income and Expenses

According to IRS regulations in the U.S., a partnership is considered a "pass-through" tax entity and is not required to pay federal taxes on income as long as individual partners report the income on their personal returns. To satisfy this requirement, each year partnerships must distribute their income and expenses to their partners.

In myICLUB.com, this procedure is undertaken in the **Allocate Income and Expenses** function, found in the **Utilities** section of the **Accounting** page.



*Two methods can be used for allocations, **Time-Based** or **Non-Time-Based**. The default, **Time-Based**, determines amounts allocated based on each member's percentage ownership as of each transaction date. This method is much fairer than **Non-Time-Based**, which uses year-end percentage ownership and doesn't account for swings in ownership that may have occurred in the year. Check that **Time-Based** allocations are being used under **Allocation Settings** in the **Accounting Utilities** page.*

Prior to running the Allocation function, a year-end **Securities Valuation** should be created with securities prices and account balances as of December 31. (This year-end Valuation is the only exception to the rule that only one valuation should be created per month.)

Once the Valuation has been generated, use the **Allocate Income and Expenses** link in the **Utilities** section of the **Accounting** page to generate the allocation. Select the year, and enter any comments you wish to save as part of the Allocation Report.

If any transactions are added, deleted, or edited for the tax year, the Allocation should be regenerated. Brokers do not send out 1099 information until around the second week in February, so you may wish to wait until this information is available before creating a final allocation for a tax year. It is not uncommon for treasurers to generate a "preliminary" allocation so that members can get a head start on preparing their personal tax returns.



A little extra work may be required for the allocation if your club owns a Real Estate Investment Trust (REIT) or any publicly traded partnership. You will be prompted to add information to the allocation from the Form 1099 or Schedule K-1 issued by those securities.

The Allocation function must be undertaken prior to using the myICLUB.com Club Tax Preparation plugins.

Procure Tax Preparation Modules for myICLUB.com

Each year, the team at ICLUBcentral develops customized tax preparation plugins for myICLUB.com users to assist in preparing the required Federal and (for 15 states) state tax returns. These use the data in your myICLUB.com books to generate tax returns on a much more cost-effective basis than professional tax preparers usually charge for partnership returns, and take much less time to prepare than for forms prepared manually.

In addition, many states now mandate electronic filing for partnerships, and returns prepared by hand for these states are often rejected or subject to penalties.



Since the myICLUB.com tax preparation modules must be updated each year to accommodate current year tax forms, purchase is required each year. The club tax printers often go on pre-sale in November or December. Watch your email inbox or check the Taxes tab on myICLUB.com for regular updates during the tax season.

Prepare and File Club Tax Returns

Once purchased, the club's tax preparation can begin in the **Taxes** tab. Both new and experienced treasurers should review the **Club Tax Printer User Guide** and a **Club Tax Printer Quick Start Guide**, which are linked from the Taxes tab. Each year, there may be important changes to tax laws about which you should be aware.

The purchased tax modules appear on the **Taxes** tab along with a **Go** button. Click the button to start the process to complete the selected Federal or state tax return. This will start a tax preparation wizard to walk you thru the process.



ICLUBcentral is an approved e-file provider for the IRS and several states. We strongly recommend that you consider e-filing your tax returns as it is quick, easy, provides proof of filing, and saves on printing and postage costs.

Transfer Duties to a New Treasurer

While you may be doing a terrific job as your club's Treasurer, all good things have to end at some point. Additionally, it's a good idea to have a backup treasurer who is familiar with the position and its responsibilities in case of an emergency. Some clubs even split the job of treasurer into two co-treasurer positions.

To grant Treasurer permissions to another member, an Administrator must edit the **Member Profile** in the **People** tab. Click the **Edit Profile** icon on the new Treasurer's listing on the page, then scroll to the bottom section, **Member Position and Permissions**. Click the check box next to "Record accounting information / receive renewal notices." If your club's Treasurer is responsible for other items, be sure check those also. Click the **Save changes** button.

If you do not have permission to make changes to member profiles, inform the Administrator of your club's website and ask them to make these changes. You can find the **Administrator(s)** by clicking the **People** tab, then click on the **Administrators** tab on the page.



After leaving the role of Treasurer in the club, make sure that you or an Administrator removes the applicable Treasurer permissions in your Member Profile! Many past Treasurers serve a role as a "Treasurer Emeritus," able to assist if the current Treasurer encounters difficulty. However, since permissions can easily be adjusted, it's best not to grant too many permissions to too many members.

6. Added Website Security

The myICLUB.com site uses industry standard security procedures and updates these security measures as standards evolve. You can review our Data Security policies by following the link at the bottom of any myICLUB.com page.

For added security for your club, you can activate **2-Factor Authentication (2FA)** for your personal login to myICLUB.com. When this is activated in your account, there will be an extra step whenever you wish to access the club's myICLUB.com website, and a one-time code will be emailed to you. This code must be entered along with your password on the login page. The code is time sensitive and will expire within a certain period if not used.

Since Treasurers and Administrators can change accounting records and have access to personal information on other

members, we recommend that Treasurers and Administrators activate 2-factor authentication. To activate, click the **People** tab, then click the **My preferences** link in the left navigation panel. In the next window, click **Change authentication settings**. Check the box to **Enable 2-step authentication** and click the **Save Settings** button.

7. Finding and Fixing Transaction Mistakes

A big concern for Treasurers, especially new ones, is making a mistake. Rest assured, it is easy to recover from a mistake. Nearly all transactions entered on myICLUB.com can be edited after they have been entered. Those that cannot be edited can be deleted and re-entered.

Search for a Transaction to Edit or Delete

To find a specific transaction, use the **View/edit transactions** link in the **Summary** section of the **Accounting** page. (The **Securities**, **Members**, and **Cash** sections have their own View/edit transactions link.) The default date range is one year from the current date, but this can be changed to a different range.

Once the transactions from the date range appear, click on the transaction to be reviewed, edited, or deleted. This will bring up the entry window for the transaction with buttons to edit or delete the transaction. If you choose to delete a transaction, you must confirm you desire to delete it in order to prevent accidentally deleting a transaction.

8. Getting Help

While we have strived to make myICLUB.com as easy to use as possible, ICLUBcentral provides several ways to get help when you need it.

myICLUB.com Help Pages

The **Help** tab puts assistance just a click away no matter where you are on the myICLUB.com website. Clicking the Help tab will open a new window and take you to the **ICLUBcentral** website or FAQ with context-sensitive information on the myICLUB.com page you were just viewing.

Answers to Frequently Asked Questions

Visit www.iclub.com/faq/ to access answers to **Frequently Asked Questions (FAQ)**. Here you will find hundreds of entries that cover every aspect of the myICLUB.com website. Chances are good that you are not the first Treasurer to have a question about a particular task or item, so the FAQ is a valuable resource. A search function is available on the FAQ site to help you find relevant information.

The FAQ is also where you'll find help with security mergers, spin-offs, or acquisitions. These transactions are often complex and unique to each occurrence, but the ICLUBcentral team will generally prepare instructions for entering them in your myICLUB.com books.

Support from ICLUBcentral

The **ICLUBcentral** website offers other ways to get help with your investment club or myICLUB.com. Go to www.iclub.com/support/ for information to access to all of our help resources. Click the envelope in the right column to submit a ticket by email to our support representative. If you prefer to call, the phone number and hours of operation are also listed on this page.

Investment Club Webinars

ICLUBcentral's team produces a monthly Investment Club webinar series, which often cover accounting issues. At year-end and during tax filing season, webinars are dedicated to the tasks of closing the club's books and preparing the club's

tax returns. Go to www.iclub.com/webinars to find the signup link to attend future live webinars, an upcoming schedule of events, and a link to the archive of past webinars on the ICLUBcentral YouTube channel (www.youtube.com/ICLUBcentral).

9. A Few Final Tips

ICLUBcentral has been producing investment club accounting tools for more than 30 years, so our team has plenty of experience with helping Treasurers of investment club do the best job possible.

If you adhere to the following few recommendations, you can ensure that your investment club's books will be accurate and your stress levels will be as low as possible.

1. Do not enter transactions (including withdrawals) with the same date as your official monthly valuation.
2. Have the club elect an Assistant Treasurer who is trained prior to taking over as Treasurer. Allow the Assistant Treasurer observe or help with tax preparation and filing before taking over the task.
3. Do not change Treasurers just before or in the middle of tax filing season.
4. Regularly back up your data on the myICLUB.com site, and periodically save a remote data backup offline.
5. Before entering any complex transactions (including member withdrawals), back up your data in the Backup Manager. This way, you can always get back to where you started, if needed.
6. Conduct regular mini-audits of the club's books to prevent errors from accumulating. Reconcile cash balances in the books with bank and brokerage statements. Reconcile shares owned with brokerage records (don't worry if the share prices don't match).
7. Don't be afraid to ask ICLUBcentral for help. Even experienced Treasurers need help with complex corporate transactions, for instance.
8. Attend (or watch the replays) of our year-end and tax preparation webinars. Tax laws and procedures may change, so don't assume that last year's experience will be the same as this year's.
9. Relax! Club members can expect a lot of a Treasurer, but we know that you are up to the task! Never panic and know that ICLUBcentral has your back.

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