
Club Accounting **3**

Version 3.2.1

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Developed by



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ICLUBcentral Inc. is not responsible for investments made as a result of using this program. The purchaser of the license for use of this program is responsible for assessing the software to insure its suitability.

An investor should be aware that there is no investment method that will work 100% of the time. There will be assumptions, ifs, and maybes in the analysis of stock choices. The techniques in this guide will help you improve investment choices. Look at the many indicators and suggestions as a whole. Because financial analysis is highly interrelated, there are no absolute answers.



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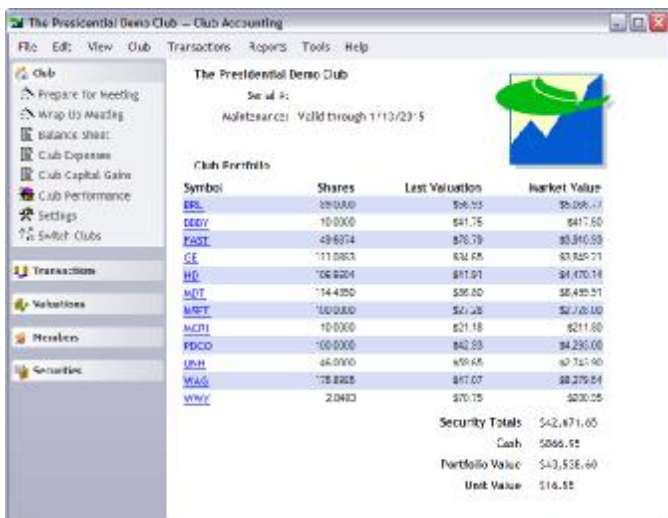
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1

Introduction

Welcome to Club Accounting 3!



Club Accounting 3 introduces new tools and a new user interface that have been designed to greatly simplify the task of club accounting. Whether you've just been elected the new treasurer-

er of your investment club or are an experienced treasurer, you'll find Club Accounting 3 to be the easiest program ever created to aid you in managing your club's books.

What's New in Club Accounting 3

While there are many great new features in Club Accounting 3, a few of the tools are worth your particular attention.

First, the new club accounting **Wizards** provide you with step-by-step processes to carry out common club accounting tasks, such as preparing for your club's monthly meeting, taking care of transactions after the meeting, withdrawing a member and closing your club's books for the year. Each step of the way, your progress is charted on a graphical map that shows you the steps you've completed and how many more you need to undertake. If you stop a Wizard in mid-stream, you can pick it up at the same place the next time you start the Wizard.

Club Accounting 3 also features a **Reconciliation** feature that helps you to reconcile the cash balances in your bank or brokerage accounts to your own records. This will help ensure that you don't miss recording a transaction and smooth the task of preparing your year-end taxes.

Reports are easier than ever to prepare, view and save in Club Accounting 3. The new Reports interface allows you to save reports as PDF files (for convenience in emailing to members) or to export reports to Excel or Word format, as well. Among the new reports in Club Accounting 3 are a **Member Address Report** that is formatted for printing on the most common size of address labels (available at any office supply store), and a **Member Address Export** function that creates a file that you can use to mail-merge with common word processing programs to create letters or labels. The new **Security Dividends Report** and **Capital Gains/Losses Report** will help you reconcile your books at year-end.

Users of NAIC Club Accounting 2 will immediately notice the new, **attractive user interface** of Club Accounting 3. The left navigation panel allows you to access commonly-used functions, while the Windows-standard menu system gives you quick access to all the functions of the program.

Behind the scenes, the **internal accounting engine** used by Club Accounting 3 has been completely rewritten, as well, providing accurate calculations and reports throughout the program. The rounding methods used when necessary to display data has also been improved, and all calculated values will now appear exactly as they do in the myI CLUB.com website. If you transfer data from your myI CLUB.com account to Club Accounting 3 (or vice versa), your club records will appear the same in both places.

Another advantage to Club Accounting 3 is that you no longer need to use the Audit function when you make changes to historical data. The program **updates units for all transactions automatically** as data is entered.

There are many more features of Club Accounting 3 that you will discover as you use the program.

A Note on Petty Cash

Clubs have historically misused Petty Cash, applying it towards organization dues, software payments, and investing research fees, effectively recording their deductible club expenses as non-deductible. As recommended by Treasurers and our accounting advisors, we have removed Petty Cash support in Club Accounting 3.

Because many Treasurers had Petty Cash accounts, we included a Petty Cash report to list your historical transactions and list exactly how much you have in the account now. Petty Cash was never listed in the club's totals, so there is no other change in your club's information.

To enter a non-deductible expense, such as a group dinner or party supplies, select **Transactions > Expense** and enter it as a **Non-deductible** expense.

Help with Club Accounting 3

If you need help using Club Accounting 3, you can find it in many places.

Context-Sensitive Help

At any time as you use Club Accounting 3, you can select **Help > Index** from the main menu of to display the Help system. Once launched, you can select any topic to read more about using the software.

Club Accounting contains extensive context-sensitive help throughout the program. Click the “Help” button on any page or press the F1 function key to trigger context-sensitive for that particular transaction, report or feature.

You may also find specific Help topics using the Search feature of the Help system. Use the online Help system search capability to find all entries dealing with your selected topic. Type in your search word, and click List Topics to see the result of your search. Highlight a topic and click Display to see the explanation.

This Manual

The Club Accounting 3 manual can be useful learning the basics of operation. The complete manual is also installed on your computer in Adobe Acrobat (PDF) format when you install the software. You can launch the manual at any time by selecting **Help > Manual** from the main menu at any time. The manual will open in a separate window in the Adobe Acrobat reader software, and can be searched to find topics of particular interest.

Help from ICLUBcentral

Technical Support is available on our web site at <http://www.iclub.com/>. You may review the “Frequently Asked Questions” section of the web site for answers to common problems, and get general information for using Club Accounting 3.

If these resources do not solve your problem using online help, the most efficient way to contact an ICLUBcentral Technical Support Representative is to use our web help form located at <http://www.iclub.com/support/>. Our experts will then easily be able to retrieve and reply to your question or problem quickly and efficiently.

Technical Support for Club Accounting 3 is included at no charge for one-year starting from the shipment date. After one-year, support is only available to clubs who have a subscription to the Club Accounting Maintenance program. Visit <http://www.iclub.com/> for more information on this program.

Remember, ICLUBcentral Technical Support can help you install your software, diagnose and resolve most software-related problems, and offer tips on using the software. However, we are not CPAs. If you have a detailed accounting question, consult with an accountant.

Additional Sources of Help

Before contacting ICLUBcentral Technical Support, be sure to check these additional resources for help with your questions.

- Select Help from the Main Menu and click the Index and Search tabs to quickly find answers to your questions.
- Check the Table of Contents and Index to see if the answer to your question is in this Manual.
- Use the Glossary in Help or the Manual to look up definitions for any of the terms used in the software or manual that you do not understand.
- Check the README text file that is located in the program directory. It may contain information that was not available when the Manual and Help files were prepared.
- The Club Treasurers list is an online community where treasurers help each other with difficult transactions. Join the list from the link on our Technical Support page or by visiting http://lists.betterinvesting.net/read/all_forums/.

When Requesting Technical Support

Use the following list as a guide to help our experts quickly answer your questions:

1. Write down the precise wording of any error message displayed when you had a problem, including the names of any files mentioned in the message.
2. Be familiar with:

- a) What version (and service pack) of Windows are you using?
 - i. If you are using Windows XP, go to **Start**, right-click on **My Computer** and then left-click **Properties** to find out.
 - ii. If you are using Windows Vista or Windows 7, go to **Start**, right click on **Computer**, and then left-click on **Properties** to find out.
- b) How much RAM does your computer have? This can also be found using the steps listed above.
- c) If you are using Windows Vista or Windows 7, also check the System Type listed on the Properties page to see if it is 32, or 64-bit.
- d) What version of the software are you using? In the program, go to **Help > About**.
- e) What is the exact error that you get? If possible, provide the steps you took prior to the problem, so we can try to re-create the same problem.
- f) What programs do you have running? If you take a look in the lower-right corner of the screen, next to the clock, there are a number of small icons. Hold your mouse over the one closest to the clock, and it will tell you what it is in a popup. Please list all the icons next to the clock on the left. **Note:** If you see a small arrow similar to this: < make sure to click that arrow to show any hidden icons, and list those as well.
- g) What programs have been installed since the last time our software was working? If nothing new has been installed, let us know if you have made any other changes either to the hardware or the software on the computer, just in case.
- h) Is the software installed on a home computer or in an office or networked environment?

Return Policy

For information on ICLUBcentral's return policy, please contact us at 1-877-334-CLUB, or visit the ICLUBcentral website at <http://www.iclub.com/support>.

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Installation

System Requirements

The complex calculations and graphic requirements of Club Accounting and the Windows operating system will benefit from more than a minimal computer configuration. As with any system, each computer component contributes to overall speed. Although computer speed and memory will affect overall performance, newer components like video cards and printers may contribute substantially to overall performance.

Future program enhancements may demand greater computer resources including processor speed, memory, and hard disk space. Users should consider these factors when upgrading their computer systems.

Minimum System Requirements

Club Accounting 3 requires that your personal computer meets the following minimums:

- Windows 2000 operating system
- 600 Mhz processor
- 128 MB RAM
- 800 x 600 screen resolution

- 20 MB of hard drive space
- CD-ROM Drive
- Internet Access

Recommended System Requirements

For the best results when using Club Accounting 3, the following system configuration is highly recommended:

- Windows Vista or Windows 7 operating system
- 1 Ghz processor or better
- 1 GB RAM or greater
- 1024x768 resolution
- 20 MB Hard Drive Space
- CD-ROM Drive
- Internet Access

Determining Your Computer's Requirements

To determine the version of Windows your computer uses, go to **Start**, right click on **Computer** (or **My Computer**), and then left-click on **Properties**. This function can also give you additional information about your computer, including how much RAM is installed on the machine.

Additional Skills You Need

ICLUBcentral software programs use Microsoft Windows, and may also interact with the Internet. A basic level of knowledge is required to use the software.

Before using the software, you should know:

- How to use Microsoft Windows, including:
 - How to use the mouse.
 - How to cut and paste.
 - How to install software.
 - How to search for a file on your hard drive.
 - How to find files saved on your computer.
- How to use the Internet, including:

- How to use a web browser.
- How to go to a specific web site.
- How to download and install a program.
- How to email a file.
- How to use and configure your computer's fire-wall.
- How to use and configure your computer's anti-virus software.

If you do not know how to perform any of these tasks, please arrange to take a class at your local library, adult education center, or computer store before you continue. ICLUBcentral Technical Support cannot provide help for any of these functions.

Installation

Warning: Do not install Club Accounting 3 (CA3) on a second computer without purchasing an additional license. CA3 is licensed for a single user on a single computer. Installing to a second computer automatically invalidates the license on the first computer.

Before you begin installation, please make sure that your computer is connected to the Internet. You will need to be online in order to register the software and fully activate its features, as well as check for any updates that may be available.

To install a new user version of Club Accounting 3, insert the Club Accounting 3 CD in your computer's CD drive. The start-up program will start automatically and display an installation screen.

NOTE: If you are re-installing Club Accounting, or taking over as a new treasurer, and your club originally bought Club Accounting more than a year ago, you may find it easier to download the most recent version from our web site. Please check <http://www.iclub.com/support> for more information.

If the setup program does not start automatically, click the **Start** button in Windows and choose **Run**. In the *Run* window, type **X:setup** (where X is the letter designation of your CD-ROM drive. (The letters D, E and F are common letter designations for a CD-ROM drive.)

Hint: If you do not know the letter designation of your CD drive, it can be found easily while the Club Accounting 3 installation disk is in the drive. Double click the **My Computer** icon on the desktop. The drive with the name beginning **Club Accounting 3** will be the CD drive. A letter in parentheses () will be under or next to the name of the CD. This letter is the letter designation of that drive.

Now, follow the prompts to install the program.

Note: Do not change the default location where the program will be installed. The default location is "C:\Program Files\ICLUBcentral\Club Accounting 3."

For the latest information that could not be included in the manual, review the README.DOC file on the Club Accounting CD. When installing the program, you will see a prompt to access this file. Later it can be accessed using Windows Explorer in the following folder on your computer (assuming you installed the program in the default directory):

/Program Files/ICLUBcentral/Club Accounting 3/ReadMe.doc

After installing Club Accounting, you can remove the CD from the computer.

Post Installation

If you have Windows Vista or Windows 7, there are a few steps you will need to take after installing Club Accounting 3:

1. Go to **Start > Computer > C: > Program Files > ICLUBcentral > Club Accounting 3**
 - a. If you do not see an ICLUBcentral folder in Program files, go back to C:, and check Program Files (x86)
2. Open the Club Accounting 3 folder, and find the Club Accounting.exe file (If you're not sure, it will be the one that has the same blue and green icon as the regular club accounting icon on your desktop or in your start menu.

3. Right-click on the Club Accounting 3.exe file, and then left-click **Properties**.
4. On the Properties window, click the **Compatibility** tab.
5. On the Compatibility tab, click the **checkbox** under the **Privilege Level** for **Run This Program as Administrator**.
6. Click **Apply**, and then **OK** to close the Properties window.

If your computer has the User Account Control (also called UAC) turned on, it will ask you to **Allow** Club Accounting 3 to run each time the program is open; this is normal, and you should click **Allow** each time.

Uninstalling the Program

If you need to remove the Club Accounting program from your system, go to **Start**, select **Control Panel**, then select **Programs and Features (Add or Remove Programs** in Windows XP). With the control panel open, click to select Club Accounting 3. Click the **Uninstall** or **Remove** button near the top of the window and follow the prompts to remove the program files.

Database Backup

Power loss to your computer may cause the program's database file to be corrupted and no longer accessible. Because of such possibility (however small), it is recommended that you backup your database regularly. Back up of this file is possible from the Club Accounting 3 **File > Export** menu item.

Registering the Software

It is important to register your software. The ability to receive security valuations online and the ability to update the program online are only enabled if you register the software.

Registration is easy and can be accomplished by selecting **Help > Register** from the Club Accounting 3 menu. Your computer must be online in order to complete the registration process. The format for the serial number must be as follows:

Serial #:	CAW	0123	-	456789	XYZ
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The format is not case-sensitive. An error message will appear if the serial number is not in this format. You will find the serial number on the back of your CD-ROM packaging. Please keep this serial number in a safe place; you will need it to download updates and get support for the product.

If registration fails or gives you an error such as “*Could not connect to the registration server. Please temporarily disable your internet firewall or try again later,*” it is likely that you have a firewall blocking your registration. Information on how to temporarily disable common firewalls is on your firewall company’s web page. As a courtesy, ICLUBcentral maintains an informal list on the Frequently Asked Questions page at <http://www.iclub.com/support/>.

Checking for Updates

After you have installed and registered the software, you should check for online updates that may be available for the program. Select **Help > Check for Updates** from the Club Accounting 3 menu to find and download any updates that may be available. A list of changes included in recent updates is available at <http://www.iclub.com/support/CA3support.asp>.

Upgrading from Prior Versions

Upgrading from NAIC Club Accounting 2

If you are upgrading from NAIC Club Accounting 2 (NCA 2) to Club Accounting 3, you will need to export your data from the old version and import it into the new program.

To export your data from NAIC Club Accounting 2, open NCA 2 and follow these instructions:

1. In NCA 2, select **Accounting > Utility Section > Audit**.
2. Check the Audit for discrepancies.
3. Continue with the backup.

Backing Up Your Data in NCA 2

4. In NCA 2, select **Accounting > Utility Section > Export**.

5. The *Export Task* window opens, prompting you to choose where you want to put the backup. Select one of the following:
 - a) **Export to floppy disk.** This will put a copy of your club accounting data onto the inserted disk in your computer's A: drive. The file is stored in a:\back-up\[yourclubname]
 - b) **Export to hard drive.** Click to export to your hard drive. This will create an .ICD backup file. This file, named *NCADATA.ICD*, will be placed in the directory/folder where the NAIC Club Accounting 2 is installed, in a folder called "backup." Most commonly, this is in C:\Program Files\NAIC Club Accounting 2\backup\[your club name]
 - c) **Export to custom location.** This will put a copy of your club accounting data into the specified location.
6. A popup window appears with the message *Export Complete*. Your backup is complete.

You may now import your NCA 2 data into Club Accounting 3 as part of the Startup Wizard or manually by using the **File > Import** menu option.

Upgrading from NCA 1

If you are using NAIC Club Accounting version 1.03 or 1.04, ICLUBcentral Technical Support may be able to convert your data set from these versions so that they are compatible with Club Accounting 3. There is a fee for this service; contact ICLUBcentral Technical Support at <http://www.iclub.com/support/> for information.

If you are using NAIC Club Accounting version 1.01 or 1.02, your data cannot be converted. You must use the Switchover method of starting up with Club Accounting 3 or enter all your historical data into Club Accounting 3 by hand.

3

Principles of Club Accounting

What to Expect as Treasurer

Club Accounting has been helping investment clubs track their finances for more than ten years with an easy-to-use interface to help you understand your club finances, print reports, share graphs of club performance with other club members, and prepare club taxes in accordance with federal (and state) tax laws.

Before you install the software, please take the time to read through this introduction to see what the software can do for you and how often you should be updating your club's information.

As treasurer you can use Club Accounting to:

- Enter member, security and cash account identification and transaction data.
- Maintain a historical database of all the club's activities.
- Calculate member payments and payments plus earnings.
- Calculate the number and value of the members' units.
- Value the club's securities by entering valuations from the keyboard or automatically retrieve on-line stock prices from the Internet for securities valuations.

- Allocate the club's income and expenses to the members at the end of the year using a choice of methods.

Startup Tasks

If you are starting to use Club Accounting, you or another member of the club need to do a few one-time tasks to get the club started. These include:

- Install the Club Accounting 3 software.
- Obtain a tax identification number from the IRS.
- Using the appropriate startup method to begin using Club Accounting. (See **Help > Contents** from the Club Accounting menu, or see the related sections in this manual.)

Monthly Tasks

Most clubs meet once a month. Some meet more or less often. The tasks listed below, however, apply to your club's regular meetings. Regular monthly tasks include:

- Deposit payments, fees, and petty cash contributions in the appropriate financial institution, then entering the deposits in Club Accounting.
- Print the following reports immediately before each meeting and distributing them to each member:
 - Valuation Statement
 - Members Status Report
- Enter or download security valuations at least once a month even if your club meets less frequently than once a month.
- Back up the information in the database using the Export function

Depending on your club's situation, monthly tasks can also include:

- Write checks for operating expenses, account maintenance fees, etc., and enter Cash Account expense transactions for these expenses.

- Deposit money in your club's accounts for cash distributions (interest, dividends, capital gain, and return of capital) on securities, and enter cash distribution transactions for these distributions.
- Enter reinvested distribution transactions (interest, dividends, capital gain or return of capital, where the club receives additional shares rather than cash).
- Enter transactions for interest and dividends received on the club's cash accounts.
- Delete and re-enter member, security, and cash account transactions if you made a mistake when you first entered them.

The “Prepare for Meeting” Wizard in Club Accounting will help you to accomplish all of these tasks each month. You may access it in the **Club** section of the left navigation panel or by selecting **Club > Prepare for Meeting** from the Club Accounting menu.

Occasional Tasks

Some events occur relatively infrequently, such as a member withdrawing from the club, or buying or selling a security. In addition to the Monthly Tasks, Occasional Tasks include:

- Enter member profiles and identification information for new members and securities.
- Enter purchases or sales of shares of securities.
- Handle member withdrawals. This includes entering the withdrawal, printing the Withdrawal Report, writing a check and/or transferring shares to the withdrawing member.
- Printing and sharing reports with your members, as needed:
 - Withdrawal Report
 - Individual Valuation Units Ledger
 - Securities Transaction History Report
 - Member Deposits Report
 - Cash Journal Listing

- Complete Journal/Ledger Listing
- Transactions Summary

Year-end Tasks

Important: You may have to wait until the end of February to perform the year-end tasks because it may take that long for the financial institution(s) with which the club does business to get all year-end information to you.

There is no need to stop entering current tax year transactions. Club Accounting will handle year-end tasks for the just ended tax year even if current tax year transactions have been entered.

After the end of the year, you must provide income tax and other information to each member for his or her personal records. In addition to the Monthly Tasks and Occasional Tasks, End-of-Year tasks include:

- Make certain the database is in good order and that it reflects the paper records you have received from the various institutions with which your club does business.
- Enter the information from Form 1099 and other information you receive after the end of the year, if not already entered from statements received earlier.
- Allocate club income and expenses to the members who are still active at the end of the year.
- Print the following reports and distributing them to each member as soon as possible after the last day of the distribution period:
 - Allocation of Income and Expenses Report
 - Income and Expense Statement and Balance Sheet (optional)
- Provide the IRS with a completed Form 1065 and a copy of each member's K-1 Schedule.
- Provide each current member and any member who completely withdrew during the year with a completed K-1 Schedule.

- Make certain that each member understands what he or she needs to know to file his or her income tax return information correctly.

Important Concepts

Reading the information below will help users of Club Accounting understand some of the important concepts embodied in the software. An understanding of these concepts will help avoid entry errors.

Member Units

Club Accounting uses the unit method to represent each member's ownership in the club.

Members acquire units whenever they make Payments to the club. Depending on the current value of a unit, equal payments made at different times may buy more units or fewer units. Fees do not buy units.

The value of a unit increases or decreases as the value of the club (in particular the club's investments) increases or decreases. The value of a unit is determined by calculating the total value of the club, securities plus cash, and dividing this amount by the total number of units held by all members. The total value of the club on a particular day cannot be determined unless price per share values are entered for each security owned on that day.

The unit value and number of units held by each member may change when the treasurer allocates income and expenses at year-end. The total value for each member does not change when earnings are distributed.

Transactions with Tax Consequences

Taxable transactions include gains from sale of shares, income from other sources, distributions on shares owned or on a cash account, etc.

Tax-deductible transactions include foreign tax paid, club operating expenses, loss on the sale of shares, etc.

Nontaxable transactions have no current tax consequences to the club's members. These kinds of transactions include:

Payments and Fees from members. These are capital contributions from the members.

Petty Cash Contributions from members. Petty cash contributions are not considered part of the club's assets.

Beginning Balances. For members these are capital contributions and allocated earnings. Members should have declared and paid tax on any earnings allocated to them in prior years.

Security and Cash beginning balances are a statement of the club's assets at a particular point in time.

Transfer of cash between accounts. This is a rearrangement of the club's cash assets.

Return of Capital (distribution). The tax for this transaction has already paid by members.

Activity in the Petty Cash account. This is not included as part of the operation of the club.

Security purchase. This is a reassignment of the club's assets.

Member withdrawal. Any taxable gain or loss is the responsibility of the individual withdrawn member, not the remaining members of the club. If securities are received in a withdrawal, a portion of the gain or loss is not realized until the securities are sold. Club Accounting calculates the withdrawn member's basis in the transferred securities.

Mergers, Splits, Spinoffs. There is no tax on the reassignment of tax basis in most cases. There are tax consequences if a sale of fractional shares is involved with these transactions. Occasionally, a particular merger, split or spinoff is structured so that the transaction is not tax-free.

Interest on cash accounts and securities. These are only tax-free if the IRS specifies that the interest is tax-free and the cash account or security has been designated as "tax free."

- Securities are designated Federal tax-free when their security ID information is entered or edited. Select **Securities** from the left navigation panel, and then double-click

the account name in the list that appears. Check “Yes” in the **Federal Tax Free** section to designate a security as tax-free.

Unsupported Transactions

Club Accounting operates on a *cash-basis only*. Future transactions cannot be entered until they take place. Club Accounting does not support buying and selling short, on margin, options, or rights.

Security, Member, and Club Basis

A **security's** cost basis is the amount invested in a security or other investment. When a security is sold the difference between the net proceeds from the sale of shares and the cost basis is called Capital Gain (or Loss). Members are responsible to report and pay any tax owed on their share of any Capital Gain in the tax year in which the gain was realized.

A **member's** tax basis consists of all the money the member has invested in the form of Payments and Fees plus all the income that has been allocated to the member for tax purposes. A withdrawing member is responsible for the tax on any cash received in the withdrawal that is greater than the member's tax basis in the club. A member's tax basis is decreased when they withdraw money from the club.

The **club's** tax basis is the combined cost basis of all the club's cash and securities. The club and members never pay tax on the difference between the current value of the club and the club's cost basis. Sometimes the club's tax basis is not equal to the combined members' tax bases as described in the next section.

Undistributed Earnings and Unrealized Gain

The difference between the members' tax bases and the club's tax basis consists of two components: Undistributed Earnings and Unrealized Gain.

Undistributed earnings consist of income such as interest or dividends that have been received, but have not yet been allo-

cated to the members, i.e., have not been added to each member's tax basis.

An **asset's unrealized gain** is the difference between the cost of an asset and its current value. If the asset is sold, the gain becomes realized.

The **club's unrealized gain** is the difference between the club's tax basis and the sum of members' tax bases plus any undistributed earnings. These unrealized gains occur only when a member withdraws from the club. Unrealized gain is never allocated to the members; it is merely used as a way to balance the books.

Return Calculations

Certain reports display **Compound Annual Return (CAR)** figures.

Compound Annual Return uses industry-standard internal Rate of Return (IRR) calculations. All cash flows into and out of an investment are considered when making these calculations. Cash flows for a security would include dividends, and returns of capital as well as the amount to purchase the security. For members, cash flows include payments, fees and partial withdrawals. Timing of the cash flows is also a factor in the calculations. These calculations use annual, not daily, compounding. Annual Compounding makes the return figures easier to compare with market index return figures.

Due to the way these calculations are done, it is possible to be confused at times. Below are some times when the return calculations may be confusing.

When a company is acquired through a spinoff or merger, Club Accounting uses the value of the company on the day the club acquired the stock (the spinoff or merger date) as the starting point in the return calculations. The adjusted cost basis is not used as the starting value. It is therefore possible for your cost basis to be less than the current value of the stock but for Club Accounting to show a negative return for the stock.

This occurs when the new stock loses value compared to the spinoff/merger date but is still above the cost basis in the stock.

When a stock makes a large move in price, either higher or lower, within a short time, the return calculations may look wrong. The problem is not the accuracy of the calculations but the usefulness of Compound Annual Return calculations when an investment has been held a short period. In this case, you can think of the CAR as the return you will receive **if** the rate of gain received in the short period continues for a full year.

4

Using Club Accounting 3

How to Start Club Accounting 3

Club Accounting 3 can be started in 2 ways:

Click twice on the Club Accounting 3 shortcut installed on the desktop during the installation of the program.

The icon for this shortcut looks like an accountant's green eyeshade and blue graph with the words **Club Accounting 3** beneath the icon.



OR

Click the **Start** button and choose **Programs**. From the list of installed programs, find Club Accounting 3. Move the pointer over the words “Club Accounting” and click with your mouse.

Checking and Installing Program Updates

Club Accounting 3 will automatically check for program updates each time you start using the software. You may manually check for updates by selecting **Help > Check for Updates** from the Club Accounting 3 menu. If an update is available, you can download and install it automatically from this menu item.

Note: *You must be connected to the Internet in order to check for or install updates.*

To find out which version you have installed, or to ensure that an update has been correctly installed, select **Help > About** from the Club Accounting 3 menu.

A list of changes included in updates is available at <http://www.iclub.com/support/CA3support.asp>.

Home Page

Whenever you open Club Accounting 3, the **Home Page** appears.

At the top of this page, you'll find your club's name and the serial number of your registered copy of Club Accounting.

You'll also find the details of your club's Support and Maintenance Agreement. The Support and Maintenance Agreement is an annual subscription program that provides updates to the software as they are released as well as support from ICLUBcentral by phone or online if you encounter problems while using the software. The **Support and Maintenance Agreement** section of the Home Page includes the following details:

- **Serial #** – The serial number of your club's Support and Maintenance Agreement.
- **Status** – Whether your club's Support and Maintenance Agreement is Active or Inactive.
- **Expires** – The date on which your club's Support and Maintenance Agreement expires. As this date nears, Club Accounting will warn you with a message when you start the program to allow you time to renew your subscription before it lapses.

The **Club Portfolio** section provides a summary of your club's current holdings as of the last official valuation that you created in the software. For each security owned by the club, the following information is provided:

- **"iGuys"** – Click the small blue ICLUBcentral logo icon (the "iGuys") next to any ticker symbol to load more information about the stock from the Internet.
- **Symbol** – The ticker symbol of the stock. Click the ticker symbol to see an editable list of all the transactions connected to that stock in Club Accounting.

- **Shares** – The total number of shares owned by your club as of your last valuation.
- **Current Price** – The share price of the security as downloaded from the internet by Club Accounting.
- **Market Value** – The market value of shares held for the security based on the latest price download.

Below the **Club Portfolio** details, a summary of the club's portfolio value, cash balances and unit value is also provided:

- **Security Totals** – Provides the total market value for all securities held by the club.
- **Cash** – The total of cash held in all accounts by the club.
- **Portfolio Value** – The total value of all cash and securities owned by the club.
- **Unit Value** – The value of each unit in the club as of the last valuation date.

When you have successfully completed many functions in the software (such as entering new transactions or completing a wizard), you will be returned to the **Home Page** where you can choose your next task.

How to Enter or Edit Data

To enter information in a field, click in the field. Then enter the data.

To replace existing information in a field, double-click in the field, and then enter the new data.

To replace part of the information in a field, click in the field. Then drag over the text that you want to replace. Now type the replacement text.

To place a name or date from a list into a field, click the name or date in the list. Some lists are separate from the associated field and some are attached to the field.

To display a list that is attached to a field, click the triangular arrow button at the right of the field.

To select or deselect an option button or checkbox, click it. A selected checkbox contains a checkmark. A selected option

button contains a black dot. A deselected checkbox or option button is empty.

To choose one or more transactions on a transaction list to be deleted, select the checkbox next to the transaction.

To place data you entered in the database, click the **OK** button at the bottom of the form.

To implement the parameters you entered, click the **OK** button at the bottom of the form.

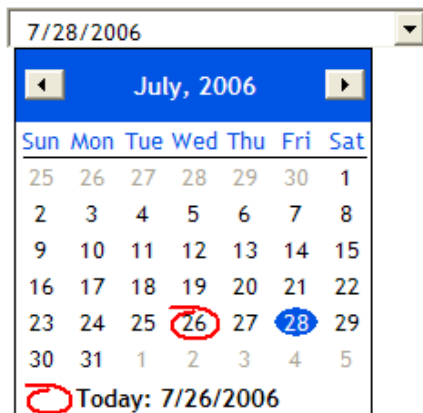
To abandon the data you entered so that you can re-enter data, click the **Cancel** button.

To edit or enter information that appears in lists with shaded rows, click in the field to enter data.

Entering Dates

Club Accounting 3 features a drop-down calendar that allows you to select a date for any transaction or report. You can display the calendar by clicking the arrow at the right of any date field.

When the calendar is displayed, the current date is always highlighted with a red circle, and your selected or default date is highlighted in blue.



You can also change dates in Club Accounting 3 using keyboard and mouse shortcuts. These can be handy if you are entering many transactions at once.

On most pages that contain a drop-down calendar, the month in the first date field will be highlighted, like this:

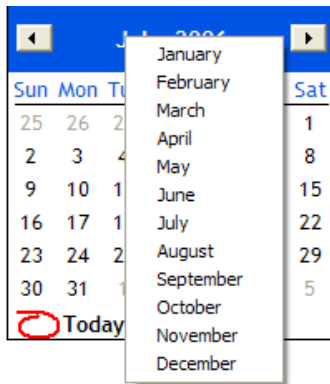
Transaction Date:

(If not, you can click the first digit in the date, or tap the Tab key to navigate to the date field.) Once the month is highlighted, use the Up and Down arrows on your keyboard to quickly move forward or backward in time. Once you've reached the right month, press the Left and Right arrows on your keyboard to move to the day, and repeat for the year. You can also simply type in a number once it's highlighted.

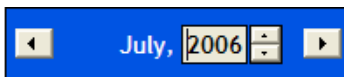
If you are more comfortable typing dates in using the number pad, you can also use that method. Club Accounting will accept entries in either M/D/YY, or MM/DD/YY. Since the calendar does not automatically skip to the next entry, make sure to type the '/' between each number.

Once you've properly entered the date, you can use the Tab key on your keyboard to move to the next field on the screen. You can even tab to the Submit button and hit enter to display the report, all without even touching your mouse.

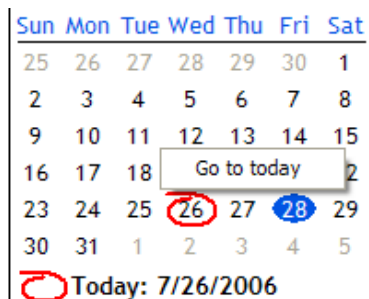
If you click the dropdown arrow to display the calendar, you don't have to use the left and right buttons at the top to change month by month to an earlier period. Instead, use the Page Up and Page Down keys on your keyboard to go back and forward (respectively) a month on the same date. You can also quickly change to a different month by clicking the month itself, and a list appears of all months; just click to select the month you need:



To change to a different year, click the year itself at the top of the calendar, and small arrows appear that allow you to scroll back or forward to a new year:



At any point, you can right-click on the calendar to select the option to “Go to today”:



These shortcuts make it easier to navigate through the date entry screens with a minimum of keystrokes and mouse clicks.

Preventing Errors

Club Accounting has additional error traps to prevent data entry errors not found in earlier versions of Club Accounting. The us-

er will see these features in several ways. The common error traps include:

- Not allowing members or securities with transactions to be deleted.
- An added confirmation screen for all member, security and cash transactions.
- Transaction details can be confirmed before saving.
- A warning window will appear if a transaction will cause a cash account to have a negative balance. A negative balance is allowed but the warning will appear first.
- Allocations of income and expenses can only be done on 12/31 of each year. Partnerships must use the fiscal year of the majority of the partners. For investments clubs, it is very rare for the fiscal year not to be the calendar year.

Deleting Securities, Accounts and Transactions

Delete a security by selecting **Securities** from the left navigation panel. Double-click the name of the security you want to delete, and then click the **Delete Security** button. You may not delete a security if there are any transactions for that security in the database.

Delete an account by selecting **Club > Financial Institution Accounts** from the Club Accounting menu. Click the “Delete” link next to the name of the account you wish to delete and confirm the deletion. You may not delete an account if you previously entered any transactions for that account.

Delete a member transaction, security transaction, or cash transaction and all of its associated transactions by selecting **Transactions** from the left navigation panel. Highlight the transaction you wish to delete by clicking it with your mouse, and then click the **Delete Selected Transactions** button at the bottom of the screen.

Tip: To select multiple transactions, hold the Ctrl key on your computer keyboard while clicking the transactions with your mouse. To select several contiguous transactions, highlight the first transaction with your mouse, press the Shift key on your

computer keyboard, and then highlight the last transaction with your mouse.

Club Accounting updates all accounts with a single set of operations, thus eliminating double-entry bookkeeping by the treasurer. (A double-entry still is used by the software internally.)

Note: *Club Accounting employs the valuation unit accounting method to keep track of each member's share of the club.*

We hope Club Accounting will make the accounting for your club easier than ever! Club Accounting makes it simple for any member of an investment club to be responsible for the club's bookkeeping.

5

Getting Your Club Started

Select the Settings

You should review the **Settings** before you enter any data in Club Accounting, regardless of the startup method you use. Use it if you made a mistake during the startup wizard, or if you want to change how Club Accounting handles certain data or calculations.

The Settings page, available from **Tools > Settings** on the menu, allows you to enter or change the Club Accounting settings for your club. The settings you specify tell Club Accounting how to handle data and calculations. For more information, see the Settings section later in this manual, or the online help.

Choosing a Startup Method

There are several different methods available to you to begin using Club Accounting. Please review these instructions carefully to choose the best method for your needs.

The first time you start Club Accounting, **the Startup Wizard** will appear. The Wizard will prompt you step-by-step through the available startup options and get you up and running in Club Accounting 3 easily and quickly.

If you choose not to use the Wizard, the following instructions will help you begin using Club Accounting.

Startup Method for New Clubs

Use the **New Club Startup Method** if you are starting to use Club Accounting at the same time that you are forming your investment club, and have no (or only a few months' worth of) transactions to record.

Note: *If you are starting to use Club Accounting for an existing club, refer to **Startup Methods for Existing Clubs**.*

Instructions for using the forms and tasks mentioned below appear in the Help windows associated with the specified forms and tasks, as well as in this manual.

1. Use **Tools > Settings** to enter the rules under which you want the software to operate.
2. Add your club members. Use **Add New** from the **Members** section of the left navigation panel, or select **View > Members** and click the **Add New Member** link at the bottom of the screen,
3. Enter member deposits (payments and fees) that your club has collected. Use **Enter Deposits** from the **Members** section of the left navigation panel, or select **Club > Enter Deposits**.
4. When ready to purchase securities, select **Add New** from the **Securities** section of the left navigation panel, to add the security profile, and then select **Enter New** from the **Transactions** section of the left navigation panel to enter the purchase.
5. Continue entering other transactions from the **Enter New** item under the **Transactions** section of the left navigation panel, or from the **Transactions** menu.

Startup Methods for Existing Clubs

This section gives instructions for existing investment clubs that:

1. Are converting from NAIC Club Accounting (NCA) version 2, or
2. Are converting from Club Accounting Online to Club Accounting 3, or

3. Are transferring data from a prior treasurer using Club Accounting 3 (or are installing Club Accounting 3 on a new computer), or
4. Have not used any prior version of ICLUBcentral Club Accounting software.

Startup Method for Existing Clubs Using NAIC Club Accounting 2 gives instructions to use Club Accounting for an existing club that has been using NAIC Club Accounting for Windows version 2.

Startup Method for Existing Clubs Using Club Accounting Online gives instructions on how to start using Club Accounting if your existing club has been using Club Accounting Online.

Startup Method for Existing Clubs Using Club Accounting 3 gives instructions to use Club Accounting for an existing club that has been using Club Accounting version 3.

Startup Method for Existing Clubs Not Using ICLUBcentral Software gives instructions for clubs not currently using NAIC Club Accounting 2, Club Accounting Online or Club Accounting 3.

***Note:** If you are starting to use Club Accounting for a new club, refer to the **Startup Method for New Clubs** section earlier in this chapter.*

Startup Method for Clubs Using NCA 2

If your club uses NAIC Club Accounting 2, follow these instructions to bring your data into Club Accounting 3 and begin using the program.

Instructions for using the forms and tasks in Club Accounting mentioned below appear in the Help screens associated with the specified forms and tasks.

Export Your Data

1. In NCA 2, select Accounting > Utility Section > Audit.
2. Check the Audit for discrepancies.
3. Continue with the backup.
4. In NCA 2, select Accounting > Utility Section > Export.

5. The *Export Task* window opens, prompting you to choose where you want to put the backup. Select one of the following:
 - a) **Export to floppy disk** - This will put a copy of your club accounting data onto the inserted disk in your computer's A drive.
 - b) **Export to hard drive** - Click to export to your hard drive. This will create an .ICD backup file. This file, named *NCADATA.ICD*, will be placed in the directory/folder where the NAIC Club Accounting 2 is installed, in a folder called "backup"
 - c) **Export to custom location** - This will put a copy of your club accounting data into the specified location.
6. A popup window appears with the message *Export Complete*. Your backup is complete.

Import Your Data

1. In Club Accounting 3, use **File > Import** to transfer the data in the *NCADATA.ICD* file to Club Accounting 3.
2. Use **Tools > Settings** to check that the rules under which you want the software to operate were imported with your data. Make any necessary changes.
3. Start to enter new accounting information for your club.

Special Note for NCA 1 Users

If you are using NAIC Club Accounting version 1.03 or 1.04, ICLUBcentral Technical Support may be able to convert your data set from these versions so that they are compatible with Club Accounting 3. There is a fee for this service; contact ICLUBcentral Technical Support at <http://www.iclub.com/support/> for information.

If you are using NAIC Club Accounting version 1.01 or 1.02, your data cannot be converted. You must use the Switchover method of starting up with Club Accounting 3 or enter all your historical data into Club Accounting 3 by hand.

Startup Method for Clubs Using Club Accounting Online

If your club uses Club Accounting Online, you can move your club data from your club's web site into Club Accounting 3.

First, download a copy of your data from Online Club Accounting by following these steps:

1. In Club Accounting Online, select Accounting > Utilities > Export Accounting Records.
2. Click the Export button.
3. The popup window prompts you to "Save this file to disk."
4. Select OK.
5. Select the directory on your computer where you want to save the file, then click Save. A file with an *.ICF extension is now saved on your computer.

Now, import your data into Club Accounting 3:

1. In Club Accounting 3, use **File > Import** to transfer the data in the *.ICF file to Club Accounting 3.
2. Use **Tools > Settings** to check that the rules under which you want the software to operate were imported with your data. Make any necessary changes.
3. Start to enter new accounting information for your club.

Startup Method for Existing Clubs Not Using Club Accounting Software (Switchover Method)

Use this method if you are beginning to use Club Accounting 3 for an existing club that has not used NAIC Club Accounting version 2 or our Online Club Accounting as their accounting system. Your old bookkeeping method may have been the manual accounting method or, perhaps, a spreadsheet that you designed yourself. This method is often called a **switchover method** because you switchover on a particular date, usually 12/31 of the most recently completed tax year.

If you are starting to use Club Accounting 3 at the same time your club is starting, refer to the **Startup Method for New Clubs** section above.

If you are starting to use Club Accounting 3 for an existing club that used NAIC Club Accounting version 2, refer to the **Startup Method for Existing Clubs Using NAIC Club Accounting 2** section above.

If you prefer, you can use the New Club Startup method if all your records are in good order. This can be very time consuming, since you would have to enter **all** of your club's prior transactions, but it does allow you to have a complete history of your club's activities.

Getting Started with the Switchover Method

Instructions for using the forms and tasks mentioned below appear in the Help windows associated with the specified forms and tasks.

1. Use **Tools > Settings** to enter the rules under which you want the software to operate.
2. Now, start to enter accounting information for your club using the following instructions.

Collecting the Information

Close out your old books on the switchover date (12/31/yyyy), have all end-of-period reports for the switchover date available, and other records available for information that may not be included in the reports.

Important: Be sure to retain these reports in case there are ever questions about the switchover procedure.

1. For each security still owned on the switchover date (12/31/yyyy), find:
 - The name, account number, type of security (stock, mutual fund, federal tax free, etc.) and ticker symbol.
 - All information about each block of shares of each security owned by the club on the switchover

date. This includes buys, stock splits, mergers, and reinvested distributions.

2. For each member still active on the switchover date, (12/31/yyyy), find:
 - The name, address and other identification information.
 - The total investment in the club and total taxable earnings reported for the members over the past years, in other words, the member's tax basis in the club. (Each member's tax basis is equal to the sum of the contributed capital plus all earnings distributed to that member.)
 - The total number of units owned by each member on the switchover date.
3. For each cash account still used by the club on the switchover date (12/31/yyyy), find the balance in the account. You also need to know if the interest received on your Broker account is tax-free.

Entering the Data

4. Select **Add New** from the **Securities** section of the left navigation panel to enter identification information for each security owned by the club on the switchover date. You do not have to enter information for securities that the club no longer owns.
5. Use **Tools > Beginning Balances** to enter one Beginning Balance transaction for each block of shares still owned on the switchover date. On each form,
 - The Transaction Date should be the date the block was acquired,
 - The Amount should be the original cost of the block, including commissions and fees, and
 - The Shares should be the original number of shares included in that particular block, if the block has not split between the acquisition date and the switchover date.

Warning: Do not enter buy or sell transactions that occurred before the switchover date. Beginning Balance transactions do not effect cash accounts but buy and sell transactions do. Your cash accounts will likely be out of balance if you enter buy or sell transactions.

Examples:

Suppose you bought 100 shares of Good Foods on 1/6/96, there was a reinvestment of dividends in the form of 10 shares on 12/16/96, and you bought 50 more shares on 2/3/97. In this case, you would enter three Beginning Balance transactions for Good Foods: one for 100 shares, one for 10 shares, and one for 50 shares. Each Beginning Balance transaction would show the number of shares in the block, the cost of the shares (the amount of the dividend minus any charges for the reinvested dividend shares), and a block number assigned by Club Accounting.

Suppose, however, that you sold 25 of the 100 original shares before the switchover date, the Beginning Balance transaction for that block would show 75 shares instead of 100 shares, and the cost shown would be reduced accordingly.

Suppose also that you received a 2-for-1 stock split in Good Foods on 3/8/97. You can choose between two ways to record the stock split:

- *Use **Transactions > Stock Split** to enter a Stock Split transaction for the split date (3/8/97). Enter 2 for 1 in the split ratio fields. In this case, you will receive 160 additional shares. This will appear in the Shares Added field. The Resulting in shares field will have 320 displayed.*
- *Another way to enter a stock split is to adjust the number of shares in each previous block to reflect the added shares. In case of a 2-for-1 split, you would double the number of shares in each block the club owned before the split date. The first block with 100 shares purchased would be entered as 200 shares in the beginning balance transaction.*

4. Select **Enter New / Edit** from the **Valuations** section of the left navigation panel to value each security. Use the switchover date as the valuation date.

Warning: Do not enter valuations dated before the switchover date.

5. Select **Add New** from the **Members** section of the left navigation panel to enter member profile information for all members still active on the switchover date. You do not have to enter information for members who have completely withdrawn from the club.

6. Use **Tools > Beginning Balances** to enter member beginning balances. This should be done twice for each member.

- Use an Investment type transaction to enter the total earnings distributed to the members by the club, up to the switchover date and the number of units the member owns on the switchover date.
- Use an Earnings type transaction to enter the total earnings distributed by the club up to the switchover date. Enter Zero (0) in the Units text box.

Important: *The sum of the Investment type amount and the earnings type amount should **never** be less than zero.*

If a member made a partial withdrawal, do one of the following:

- If the value received was less than the amount paid in, decrease the amount in Beginning Balance Investment by the amount of the value received. The Earnings amount will not change.
- If the value received was greater than the amount paid in but less than the sum of paid in and earnings, subtract the amount received from the paid in amount, the results will be a negative number, and use the result as the Beginning Balance Investment amount. The Beginning Balance Earnings amount will not change.

Example:

John Hancock has paid in \$3000. While a member his share of earnings is \$1000. He made a partial withdrawal of \$3500.

In his Beginning Balance Investment Amount, enter negative 500 (3000 paid in, minus 3500 withdrawn.) The Beginning Bal-

ance Earnings Amount should be 1000. The Paid in Plus Earnings for John Hancock now equals 500 ($-500 + 1000$).

If the value received was more than the amount paid in, plus all accumulated earnings, subtract the amount received from the paid in amount, the results will be a negative number, and use the result as the Beginning Balance Investment amount. The Beginning Balance Earnings will be the same number as the Investment amount but **positive**. The sum of paid in and earnings will now be zero.

Example:

John Hancock has paid in \$3000. While a member his share of earnings is \$1000. He made a partial withdrawal of \$5000.

In his Beginning Balance Investment Amount, enter negative 200 (3000 paid in, minus 5000 withdrawn.) The Beginning Balance Earnings Amount should be 2000. The Paid in Plus Earnings for John Hancock now equals zero ($-2000 + 2000$). The Earnings amount is changed because the sum of the paid in amount and the earnings amount should **never** be less than zero.

7. Use **Tools > Beginning Balances** to enter the amount in each cash account on the switchover date.
8. Use **Club > Financial Institution Accounts** to create new cash accounts as needed.

Reconciling Your Books

If you did not use the manual accounting method for keeping your books before you started to use Club Accounting 3, adapt the instructions below as needed for your previous bookkeeping method.

1. Have your old Valuation Statement and the Members Status Report for the final distribution date from your old books available.
2. Use **Reports > Valuation Statement** to print the Valuation Statement for the switchover date.

3. Use **Reports > Members Status** Report to print the Members Status Report for the switchover date. Enter the switchover date as the start date for the calculations.
4. Compare the following information for the switchover date:
 - On the old and new Valuation Statements, compare the number of shares and price per share for each security. If any are different, circle the errors on the Club Accounting Valuation Statement and write in the correct amounts.
 - On the old and new Valuation Statements, compare the cash account balances. If any are different, circle the differences on the Club Accounting Valuation Statement and note the correct amounts.
 - On the old and new Valuation Statements, compare the cost of each security owned. If any are different, circle the differences on the Club Accounting Valuation Statement and write in the correct amounts.
 - On the old Members Status Report and new Members Status Report, compare the figures in the Units Owned, the Total Paid In To Date, and the Paid In Plus Earnings columns. If any are different, circle the differences on the Club Accounting Members Status Report and write in the correct amounts.
5. Find the transactions that are in error by comparing the old books and the Club Accounting information. Printing the Individual Valuation Units Ledgers and Individual Investment History for specific members and securities may be helpful.
6. Use the Search Transactions screen to display the transactions and edit or delete any incorrect transactions.
7. Re-enter any deleted transaction correctly.
8. Print the Valuation Statement and the Members Status Report again and compare them again.
9. If necessary, repeat all steps until the books are reconciled.

10. If you have club activity that occurred after the switchover date, enter the activity as it occurred up to the present. When your records are completely reconciled, you are ready to add new security, cash, and member transactions as they occur during the year.

6

Working with Members

Adding a Member

Whenever a new member joins the club, you must first add their name and enter the relevant contact details before entering any transactions

To get started, first click the **Members** heading on the left navigation panel, and then click **Add New** to open the **Edit Member Information** Window.

Once you have entered the member's information, click the **OK** button to save your changes and return the **Edit Members** screen, or click the Cancel button to close the **Member Information** window without saving any changes.

Important Notes on Adding a Member

You must enter details in the **Member Information** screen for each new member before you can enter any transactions associated with that member.

You can delete **Member Information** only if the member has no associated transactions at any point in the club's history. You may not delete the profile of an inactive member.

Member Information

The **Member Information** screen allows you to view or edit the biographical and contact information for a member of your club.

You can access the Member Information screen by double-clicking on a member's name in the Edit Members screen.

The **Member Information** screen includes the following information:

- **First Name** – The member's first name. If the member is a trust, we recommend entering "Trust" as the first name.
- **Middle Name** – The member's middle name.
- **Last Name** – The member's last name. If the member is a trust, we recommend using the name of the trust as the last name.
- **Address 1** – The member's main address.
- **Address 2** – An additional address line for the member, if applicable.
- **City** – The city in which the partner resides.
- **State/Province** – The State or Province of the member's address.
- **Zip/Postal Code** – The zip or postal code of the member's address.
- **Country** – The country of the member's address.
- **Home Phone** – The member's phone number
- **Work Phone** – The member's phone number.
- **Other Phone** – The member's fax, mobile, wireless or cellular number, if applicable.
- **E-mail** – The member's email address. An address must be entered here for you to send email from the Edit Members screen in Club Accounting 3.
- **Social Security #** – The member's Social Security Number. (This is required for the club's tax returns.)

- **Club Officer Position** – The member's role in the club (such as President, Treasurer or Secretary).
- **Contact** – Space to enter the name or number for an alternate or emergency contact.

Click the **OK** button to save your changes and return the **Edit Members** screen, or click the Cancel button to close the **Member Information** window without saving any changes.

Important Notes on Member Information

You must enter details in the **Member Information** screen for each new member before you can enter any transactions associated with that member.

You can enter or edit **Member Information** at any time.

You can delete **Member Information** only if the member has no associated transactions at any point in the club's history. You may not delete the profile of an inactive member.

If a member completely withdraws from the club (no longer owns units), Club Accounting 3 will the member's activity status to **Inactive**, but the **Member Information** details will remain in the database for the life of the club.

Please note that members are individuals or trusts. For partnerships or other entities, please consult with a CPA or tax attorney.

Edit Members

By default, the **Edit Members** screen displays the name and club role of each active club member. From this screen you can:

- Add new members.
- View and edit the biographical and contact information of your club members.
- Send emails to your members.
- View inactive members.

- Delete false or duplicate member records.

Add a Member

From the Edit Members page, click **Add New** under the members heading on the left hand navigation panel, or the **Add a Member** button near the bottom left-hand corner of the window, and then follow the same steps as listed previously to fill in and save the member's name and information.

View and Edit Member Information

Double-click a member's name to view or edit the information for that member. When you have finished editing, click OK to save any changes.

Email Members

The **Email Members** button near the bottom right-hand corner of the screen allows you to send email to one or more members of your club members using the email software (such as Outlook, AOL or Eudora) installed on your computer. Similar to the Edit Transactions screen, you can click to select a single member, or hold the Ctrl key on your keyboard while clicking several member names. To select several contiguous member names, click to select the first member name with your mouse, press the Shift key on your keyboard, and then click to select the last member with your mouse. With the member names selected, then click the **Email Members** button at the bottom right-hand corner of the screen. Your email software will open with the email addresses of all members entered in the "To:" field of a new email message. Then compose the message and send as you would any other email message. You may add, view or edit a member's email address in their **Member Information** screen.

View Inactive members

Inactive members are individuals who have withdrawn from the club. In order to include inactive members in the list of members, click the checkbox that says "Show Inactives" at the

bottom of the screen. Inactive members are indicated with an asterisk (*) in the list.

Delete False or Duplicate Records

To delete a false or duplicate record, double-click on the blank or duplicate listing on the Edit Members page; this will open the Edit Member Information screen. At the bottom of this screen, click the **Delete** button. If you do not see a Delete button, the member record still has transactions connected to it in the club accounting. This is a safeguard, so that you cannot accidentally delete a current or former member.

Enter Member Deposits

The **Enter Member Deposits** screen allows you to enter payments and fees made to the club from one or more members. Typically, the treasurer will enter this information immediately following a club meeting where dues have been collected.

You can access the **Enter Member Deposits** screen from the Club menu (**Club > Enter Deposits**); from the left navigation panel by clicking the **Members** heading, and then clicking **Enter Deposits**; or from the Pre-Meeting or Post-Meeting Wizards.

Member Deposits come in two varieties:

- **Payments** are made by members for investment purposes. Members receive units for payments, and the number of units purchased depends on the value of a unit on the date the payment is made.
- **Fees** are to be used for penalty transactions such as late fees or reimbursements for bounced checks.
Members do not receive units for fees.

All deposits on one **Member Deposits** form must be for the same date, but the amounts can be different for each member.

To enter **Member Deposits** on this screen:

Select the **Transaction Date**. You may use the dropdown calendar function to select a date, or you can type in the date directly into the **Transaction Date** field. The default is the current date.

Use the **Deposit To:** dropdown menu to select the account to which the amounts will be deposited. If you wish some of the payments or fees to be deposited to a different account, you can always enter another member deposit transaction, and select a different account.

Enter **Remarks** for the Member Deposits (such as “October monthly dues”).

Enter the **Default Amounts** for **Payments** and **Fees**.

***Note:** These can be set on a global basis in the **General Settings** screen so that you don't have to change them each month.*

The list of members that appears on the **Enter Member Deposits** screen includes all **Active Members** of the club. If any member made no payment, or paid a different amount than the default, click in that member's **Payment** or **Fee** column and adjust the amount.

Enter **Remarks** as applicable for any member (such as “includes \$5 late fee” or “includes last month's dues”). Click in the Remarks field to activate it and then enter text.

When you have entered all information, the **Totals** of the Payments and Fees recorded are displayed at the bottom of the screen. Make sure that this amount matches the total of the checks or cash that you have on hand.

Once you have made sure that the amounts entered are correct, click the **OK** button, and club accounting will show a summary of the Payments and Fees, as well as which account they are being directed to. Click **OK** to confirm the transaction, and return to the **Edit Members** screen or **Cancel** to return to the **Enter Member Deposits** screen.

Edit Member Transactions

The **Edit Member Transactions** screen allows you to view or edit any previously-entered member deposits made to the club from one or more members.

You can access the **Edit Member Transactions** screen from the left navigation panel by clicking the **Members** heading, and then **Edit Transactions**.

When you select **Edit Transactions**, the main screen changes to show the following options:

- **Select Member** – Choose the name of the member from the list of all active members that appears in the dropdown list. Check the **Show Inactives** checkbox just under the dropdown list and you will also be able to view or edit transactions made by members who are no longer a part of the club. Inactive members are indicated with an asterisk (*) in the list.
- **Start Date** – Select the earliest date on which you wish to view or edit transactions. You may use the dropdown calendar function to select a date, or you can type in the date directly into the **Start Date** field. The default is January 1st of the current year.
- **End Date** – Select the last date on which you wish to view or edit transactions. You may use the dropdown calendar function to select a date, or you can type in the date directly into the **End Date** field. The default is the current date.

Click the **OK** button to display the selected transactions. Otherwise, click the **Cancel** button.

Now, the list of member transactions appears. The following information appears in the window:

- **More Details** – The far left column will show a small black triangle. Clicking on this triangle will show further details for Member fee and Deposit cash transactions where more than one member was involved.
- **Date** – The date on which the transaction occurred.
- **Type** – The type of transaction. These include:
 - **BBal Earnings** – Beginning Balance of a member's earnings allocated from the club (for clubs using the switchover startup method).

- **BBal Member** – Beginning Balance of a member's deposits to the club (for clubs using the switchover startup method).
- **Deposit cash** – Payments made by the member
- **Distributed earnings** – The sum of income and expenses allocated to the member at year-end.
- **Member fee** – Fees paid by the member.
- **Withdrawal** – This is used for partial withdrawals, or full withdrawals where the announcement and payout dates are the same.
- **Withdrawal announced/valued** – This is used if the two-step withdrawal process was used. Deleting this transaction will also delete the **Withdrawal Paid** portion of a two-step withdrawal.
- **Withdrawal paid** – The date the member was paid, when using a two-step withdrawal. .
- **Units** – The number of units associated with the transaction.
- **Amount** – The amount of the transaction.
- **Remarks** – Any comments recorded with the transaction.

If necessary, use the scroll bar on the right to view all the transactions for the member during the selected period.

To delete a transaction, first click the transaction in the list. To select multiple transactions, hold the Ctrl key on your computer keyboard while clicking the transactions with your mouse. To select several contiguous transactions, highlight the first transaction with your mouse, press the Shift key on your computer keyboard, and then highlight the last transaction with your mouse. Once you have selected one or more transactions, click the **Delete Selected Transactions** button at the bottom of the screen.

To edit a member transaction, double-click it, and Club Accounting will take you to a screen with the details of the transaction. Here you can edit the necessary information for the transactions, and then click the **OK** button to record your changes.

Note: *There are two kinds of member transactions that cannot be edited: member withdrawals and the annual allocation of in-*

come and expenses. If changes to these are necessary, you must delete and re-enter them.

Withdraw a Member

The **Withdraw a Member** screen allows you to process a withdrawal, either partial or full, for a member of your club. Your club can pay out the withdrawal with cash, stock or a mix of both.

You can access the **Withdraw Member** screen from the **Club** menu (**Club > Withdraw Member**); from the left navigation panel by clicking the **Members** heading and then **Withdraw Member**; or as part of the **Prepare for Meeting Wizard (Club > Prepare for Meeting)**.

The terms by which your club will handle full and partial withdrawals (such as the date on which the member's capital account will be valued in order to determine the amount that can be withdrawn, the date on which the member will be paid, and whether the withdrawal should be paid in cash, stock or a mix of both) should be outlined in your club's operating agreements. As treasurer, you should follow these specific terms in processing any member withdrawal.

A member is considered to be legally withdrawn from a club on the date (or shortly thereafter) that club assets are transferred to that member. However, some clubs may decide to value the withdrawal on a date different from the payout date. For example, your club's bylaws may mandate that the payout could occur as many as 90 days after the club meeting where that member's assets were valued. In this case, you must first instruct the software whether the payout date is the same as the date the member's assets were valued for withdrawal, or if the member will be paid at a later date after the club's next meeting. Club Accounting uses a "two-step" withdrawal process to handle withdrawals that will be paid at some point in the future past the date on which the member's assets were valued and the club's next meeting.

When you select **Withdraw Member**, the main window changes to show the parameters of the withdrawal:

- **Select Member** – Choose the name of the withdrawing member from the list of all active members that appears.
- **Transaction Date** – Select the date on which the withdrawal amount is to be calculated. You may use the dropdown calendar function to select a date, or you can type in the date directly into the **Transaction Date** field. The default is the current date.

NOTE: The Transaction Date cannot be the same as a valuation date. In order to use the value from a specific valuation, enter the **Transaction Date** one day later than the valuation that your club wants to use. For more on specific dates and circumstances, please see the **Important Notes on Withdrawing a Member** section later in the manual.

- **Payout Date** – Select the date on which the money to pay the member should be removed from the club account. **NOTE:** If you are entering a partial withdrawal, **always** leave the **Payout Date** blank. You can also leave the Payout Date blank for a full withdrawal, if you do not yet know the exact date; in that case, complete the rest of the withdrawal, and then see the section on **Pending Withdrawals** later in the manual.
- **Withdrawal Type** – Select whether this is a “full” or “partial” withdrawal. A “full” withdrawal completely removes a member from the club, while a “partial” withdrawal removes only a portion of the member’s assets from the club.
- Click the **OK** button to continue recording the withdrawal. Otherwise, click the **Cancel** button.

Next, the **Withdrawal for (Member Name)** screen appears. Here you must enter the specific details of the withdrawal. The following information appears:

- **Withdrawal Date** – The date on which the withdrawal will be calculated, as you determined on the prior window. (This date cannot be edited on this screen.)
- **Amount Withdrawn** – For a full withdrawal, both the amount and number of units will be displayed and cannot

be edited. For a partial withdrawal, enter either the amount to be withdrawn or the number of units to be withdrawn from the member's account.

- **Percent Penalty and Withdrawal Fee** – Per your club's operating agreements, if your club charges a fee for a member withdrawal, you can enter either the percentage or the dollar amount of the fees here. **Note:** *You can set the percentage or dollar amount of a fee on a global basis in the **General Settings** screen so that you don't have to change them each time you process a withdrawal.*
- **Penalty amount** – This shows the total of any figures entered in the Percent Penalty and Withdrawal Fee boxes.
- **Dollars withdrawn** – This shows the total dollar value of the member's withdrawal, minus any penalties and fees applied.
- **Select Type of Withdrawal** – You can select whether or not to pay off a withdrawing member in Cash, Stock or a mix of both.

Note: *There are significant tax advantages to a club in paying off full withdrawals using highly-appreciated stock (stock owned by the club that has increased significantly in price since the original purchase). However, clubs should never pay a full withdrawal with stock that is currently held at a loss (instead, sell the shares to record the capital loss and use the cash to pay the member), nor should they pay a partial withdrawal with stock whether appreciated or held at a loss (again, if necessary, sell the shares and pay the withdrawing member with cash).*

- **Select Cash Account** – Choose the account from which the withdrawal will be paid.

Note: *Even in the case where the club intends to pay a withdrawing member in stock, there will almost always be a small cash balance that will remain and require payment from a cash account.*

- **Remarks** – Enter any additional comments about the withdrawal.

Once you have entered the required information, click the **OK** button.

For an all-cash withdrawal, the **Withdrawal Confirmation** window will appear. Confirm that the details are correct, and then click the **OK** button. If the information is not correct, click the **Edit** button to return to the Withdrawal screen.

For a stock or a cash/stock withdrawal, the **Stock Withdrawal** window will appear. This window includes details on all the securities currently held by the club:

- **Security** – The name of the security.
- **Price per share** – The price per share of the security as of the most recent valuation statement.
- **Shares** – The total number of shares owned of the security as of the most recent valuation statement.
- **Market value**– The total value of the shares owned as of the most recent valuation statement.
- **Value of withdrawn shares** – The value of the shares of a particular security that have been selected to be included in the withdrawal.
- **Withdraw** – Click here to add the number of shares of a security that you wish to transfer to the withdrawing member, then hit the Tab or Enter key on your keyboard to confirm the number. The total value of the shares selected automatically updates at the bottom of the window after you click Tab or Enter.
- **Stock value withdrawn** – The value of shares selected to be transferred to the withdrawing member. This figure changes as you confirm shares in the list above, giving you an easy way to ensure that you have chosen the proper number of shares that will be transferred to the member.

- **Cash withdrawn** – The amount remaining after shares have been selected that will be paid in cash to the member.

Note: If this figure is negative, you have selected too many shares of stock and should adjust the number of shares you wish to transfer.

Once you have selected the necessary number of shares, click the **OK** button.

Next, you will be given the chance to choose from which blocks (or lots) you wish to transfer the selected stock to the member. Each purchase of a security made by the club is recorded in the software as a “tax lot.” Club Accounting defaults to filling in the oldest blocks first, but you can select the shares from multiple tax lots, if they are available.

- **Security** – The name of the security.
- **Price per share** – The price per share of the security as of the most recent valuation statement.
- **Shares in Lot** – The number of shares purchased in a particular tax lot.
- **Date acquired** – The date on which this particular purchase of the security was made.
- **Withdraw** – Click here to edit the number of shares of a security that you wish to transfer from each block. Clicking the Tab or Enter key on your keyboard will confirm any changes.
- **Stock value withdrawn** – The total value of shares selected to be transferred to the withdrawing member.
- **Cash withdrawn** – The amount remaining after shares have been selected that will be paid in cash to the member.

Note: If this figure is negative, you have selected too many shares of stock; if this happens, cancel the transaction, and please re-check your figures.

Once you have selected the necessary number of shares, click the **OK** button. The **Withdrawal Confirmation** window will appear. Confirm that the details are correct, and then click the **OK** button to record the withdrawal. If the information is not correct, click the **Edit** button to return to the Withdrawal screen.

Pending Withdrawals

If you have entered a full withdrawal, but left the payout date blank, this is considered a Pending Withdrawal. When you have a pending withdrawal, keep the following in mind:

The member will no longer be active, so they will not appear on your regular monthly reports.

Any money owed to the member will not be removed from the club books until the withdrawal is complete.

You will see an extra line, **W/D Liability** added to any Valuation statements that come after the Transaction date, until the withdrawal is completed.

You can access the **Complete Pending Withdrawal** screen from the left navigation panel by clicking the **Members** heading and then clicking **Complete Pending Withdrawal**.

On the Complete Pending Withdrawal screen, double-click the pending withdrawal you wish to complete. Fill in the withdrawal details, and follow the steps listed in the **Withdraw a Member** section to complete the withdrawal as normal.

If you need to make changes to the original withdrawal announcement date, the type of withdrawal, or cancel the withdrawal entirely, see the **Edit Member Transactions** section in the manual, and keep in mind that you will need to use the **Show Inactives** option to find the original withdrawal.

Important Notes on Withdrawing a Member

Never use any of the following as the **Transaction Date** for a withdrawal:

- The same date you enter a member deposit.
- A valuation date.
- The first or last day of the year.

If you enter a full withdrawal (i.e., the member no longer owns units in the club after the withdrawal), Club Accounting 3 will automatically make this member inactive when the withdrawal is saved. Should you need to edit or delete a withdrawn mem-

ber's transactions, you must use the **Show Inactive** check-box when searching member transactions for their withdrawal.

You can enter withdrawals for several members on the same day, but you cannot enter two withdrawals for the same person on the same day.

Only one withdrawal involving the transfer of the same stock can be entered on a single day. **Example:** If two members of the club want shares of Home Depot, those withdrawals must be entered on separate days. If one member wants Home Depot, and the other wants Lowes, their withdrawals can be entered on the same date.

There is no such thing as "buying out" a withdrawing member. If they so wish, one or more members may certainly deposit additional cash into the club to allow the club to pay a withdrawing member with cash. However, these deposits are recorded as regular **Member Payments**, and the **Member Withdrawal** is processed in the usual manner.

7

Working with Transactions

Buy Security

The **Enter New Transaction – Buy Security** screen allows you to enter any purchases of a stock, mutual fund or other security, whether for the first time or to add to a position already held by the club.

You can access the **Enter New Transaction - Buy Security** screen by selecting **Enter New** under the **Transactions** heading on the left navigation panel; from the Transactions menu (**Transactions > Buy Security**); or from the Wizards.

Note: *You must enter security identification information before you enter the first purchase of a security (Transactions > Securities > Add Security).*

To enter a new buy security transaction, enter the following details:

- Select the **Transaction Date**. You may use the dropdown calendar function to select a date, or you can type in the date directly into the **Transaction Date** field. The default is the current date.
- If you haven't already done so, select **Buy Security** as the **Transaction Type** from the dropdown list.

- Select the **Account** to which the transaction will be deposited to or withdrawn from. The dropdown list includes all active accounts.

After you select the **Transaction Type**, the screen will change to allow you to enter the details for that specific transaction:

- **Select Security**– Choose the security purchased from the drop down list. If you have recently added a new stock name, make sure to click **Show Inactives**, to make the stock available.
- **Show Inactives** – To include inactive securities in the Security Name dropdown list, check this box.
- **Add New Security** – If this is the first time that your club has purchased this security, click this link to open the **Add New Security** window.
- **Number of Shares Bought** – The number of shares purchased.
- **Net Total of Purchase** – The total amount paid for the entire purchase of shares, before adding commissions and fees.
- **Commission** – Any commission associated with this purchase.
- **Price Per Share** – Club Accounting 3 calculates and displays the net price per share from the number of shares and the total price. This may differ slightly from your confirmation statement for the purchase because of differences in the way that your financial institution and Club Accounting 3 may handle rounding, but this is not a problem.
- **Service Charge** – Enter the total of any service and/or administrative charges associated with this purchase.
- **Total of Purchase** – Club Accounting 3 calculates and displays the total amount that will be taken from the cash account chosen to make the purchase. The amount in this field should match your trade confirmation total amount from your broker.
- **Remarks** – Enter any comment you may have about this purchase.

Click the **OK** button to add the transaction. The Confirm Transaction window appears asking you to review the details of the entry. If the information is correct, click the **OK** button to record the transaction. If not, click the **Cancel** button to return to the **Enter New Transaction – Buy Security** screen to make changes.

Click the **Cancel** button to close the **Enter New Transaction** screen without adding a transaction.

Sell Security

The **Enter New Transaction – Sell Security** screen allows you to enter a sale of all or some of the shares of a security owned by the club.

You can access the **Enter New Transaction - Sell Security** screen by selecting **Enter New** under the **Transactions** heading on the left navigation panel; from the (**Transactions** menu **Sell Security**); or from the Wizards.

***Note:** If the Average Cost Method applies to the security (such as with a mutual fund), Club Accounting 3 applies the average cost of all shares owned to the shares being sold. Members are required to report their share of the capital gain on the sale (the difference between the cost and the proceeds from the sale) and pay any possible personal tax that may result.*

If you sell all shares of a security, Club Accounting 3 automatically makes the security inactive.

To enter a new **Sell Security** transaction, enter the following details:

- Select the **Transaction Date**. You may use the dropdown calendar function to select a date, or you can type in the date directly into the **Transaction Date** field. The default is the current date.
- If you haven't already done so, select **Sell Security** as the **Transaction Type** from the dropdown list.
- Select the **Account** to which the transaction will be deposited to or withdrawn from. The dropdown list includes all active accounts.

After you select the **Transaction Type**, the screen will change to allow you to enter the details for that specific transaction:

- **Select Security**– Choose the security that you wish to sell from the drop down list.
- **Show Inactives** – To include inactive securities in the Security Name dropdown list, check this box.
- **Shares Owned** – Displays the number of shares of the security owned by the club.
- **Shares Sold** – The number of shares you have sold; you can also click the **Sell All** button, and Club Accounting will automatically fill in all the shares the club owns of the security.
- **Sale Total** – The total amount paid for the entire purchase of shares, before adding commissions and fees.
- **Commission and fees** – Any commission or service and/or administrative charges associated with this purchase.
- **Net Proceeds** – Club Accounting 3 calculates and displays the net proceeds received from the sale of shares, after commissions or fees, which will be added to the cash account selected. The amount in this field should match your trade confirmation total amount from your broker.
- **Remarks** – Enter any comment you may have about this sale.

Click the **OK** button to add the transaction.

If you are only selling a portion of your club's existing holdings in a security, the **Stock Withdrawal** window appears. Here you must indicate which tax lots (blocks) you wish to include in this sale. The Stock Withdrawal window includes the following information for each purchase of a security that your club has made:

- **Date Purchased** – The purchase date for each block of shares the club has purchased.
- **Cost basis** – The total amount of the purchase for that block of shares.

- **Cost basis per share** – The per share cost of shares in a particular tax lot.
- **Shares available** – The number of shares in that tax lot available for sale.
- **Shares sold** – The number of shares you wish to sell from a particular tax lot. Click in the column to make changes to this number.

Note: *If the Identified Cost Method applies to the shares, be sure to tell your broker which shares to sell when you place the order. If you have not specified to your brokerage firm which shares to sell when you placed the order, they will sell the oldest blocks first (using the First In-First Out, or FIFO, method) and you must record the sale in this way in your club's books.*

After you have selected the tax lots you wish to sell, or if you are selling all of your club's shares in a security, click the **OK** button.

The Confirm Transaction window appears asking you to review the details of the entry. If the information is correct, click the **OK** button to record the transaction. If not, click the **Cancel** button to return to the **Enter New Transaction – Sell Security** screen to make changes.

Click the **Cancel** button to close the **Enter New Transaction** screen without adding a transaction.

Dividend or Distribution

The **Enter New Transaction – Dividend or Distribution** screen allows you to enter dividends or distributions received from a security (such as a stock or mutual fund) or from a money market fund. You may also enter Interest, Tax-free interest, Return of capital, Short-term capital gain, Medium-term capital gain, Long-term capital gain, and Five-year capital gain.

You can access the **Enter New Transaction - Dividend or Distribution** screen by selecting **Enter New** under the **Transactions** heading on the left navigation panel; from the Transactions menu (**Transactions > Dividend or Distribution**); or from the Wizards.

Note: *Do not use this transaction to enter the capital gain from the sale of a security. Do not use this form for dividends or dis-*

*tributions that are automatically reinvested in additional shares of the security; use the **Reinvested Dividend or Distribution** form instead.*

To enter a new **Dividend or Distribution** transaction, enter the following details:

- Select the **Transaction Date**. You may use the dropdown calendar function to select a date, or you can type in the date directly into the **Transaction Date** field. The default is the current date.
- Select **Dividend or Distribution** as the **Transaction Type** from the dropdown list.

After you select the **Transaction Type**, the screen will change to allow you to enter the details for that specific transaction:

- Select the **Account** to which the transaction will be deposited to or withdrawn from. The dropdown list includes all active accounts.
- **Amount** – The amount of the income received.
- **Ex-Dividend Date** – For a security dividend or distribution, enter the ex-dividend date for the transaction. This is not the same as the transaction date! The ex-dividend date is the last date on which owners of a security will receive an announced dividend. Your financial institution may provide this date, or you may need to get it directly from the company. The ex-dividend date is used in preparing your club's tax filings in order to determine if the dividend qualifies for the lower tax rate.
- **Type** – Select the type of dividend or distribution from the dropdown list. The following types are supported:
 - **Dividend** – A cash dividend received from a security.
 - **Interest** – Interest received from a security (such as a mutual fund or money market fund).
 - **Tax-free Interest** – Tax-free interest received from a security (such as a mutual fund or money market fund).
 - **Return of capital** – a return of the original money invested in the security by the security.

- **Short-term capital gain** – A distribution of capital gains made by a security (such as a mutual fund) for sales made that are subject to the short-term capital gains tax rate.
- **Medium-term capital gain** – A distribution of capital gains made by a security (such as a mutual fund) for sales made that are subject to the medium-term capital gains tax rate. **Note:** *this applies only to distributions received in 1997 and is no longer used.*
- **Long-term capital gain** – A distribution of capital gains made by a security (such as a mutual fund) for sales made that are subject to the long-term capital gains tax rate.
- **Five-year capital gain** – A distribution of capital gains made by a security (such as a mutual fund) for sales made that are subject to the five-year capital gains tax rate. **Note:** *This tax rate is no longer in effect.*
- **Select Security** – Choose the security that you wish to sell from the drop down list.
- **Show Inactives** – To include inactive securities in the Security Name dropdown list, check this box.
- **Remarks** – Enter any comment you may have about this transaction.

Click the **OK** button to add the transaction.

The Confirm Transaction window appears asking you to review the details of the entry. If the information is correct, click the **OK** button to record the transaction. If not, click the **Cancel** button to return to the **Enter New Transaction – Dividend or Distribution** screen to make changes.

Click the **Cancel** button to close the **Enter New Transaction** screen without adding a transaction.

Reinvested Dividend or Distribution

The **Enter New Transaction – Reinvested Dividend or Distribution** screen is used when a dividend or distribution that is received from a security is automatically reinvested in the purchase of additional shares. Reinvested dividends are made up of two transactions – the receipt of the cash dividend and the

purchase of additional shares. For your convenience, however, you need only record the details on a single screen in Club Accounting 3 using this transaction type.

Similar to a standard dividend transaction, the Reinvested Dividend can also be classified as Interest, Tax-free interest, Return of capital, Short-term capital gain, Medium-term capital gain, Long-term capital gain, and Five-year capital gain.

You can access the **Enter New Transaction - Reinvested Dividend or Distribution** screen by selecting **Enter New** under the **Transactions** heading on the left navigation panel; from the Transactions menu (**Transactions > Reinvested Dividend or Distribution**) or from the Wizards.

***Note:** All reinvested dividends or distributions except Return of Capital are taxable in the year they are received. Return of Capital is a return of money that the club invested and is not taxable.*

To enter a new **Reinvested Dividend or Distribution** transaction, enter the following details:

- Select the **Transaction Date**. You may use the dropdown calendar function to select a date, or you can type in the date directly into the **Transaction Date** field. The default is the current date.
- Select **Reinvested Dividend or Distribution** as the **Transaction Type** from the dropdown list.

After you select the **Transaction Type**, the screen will change to allow you to enter the details for that specific transaction:

- **Amount** – The amount of the dividend or distribution received.
- **Select Security** – Choose the security that you wish to sell from the drop down list.
- **Show Inactives** – To include inactive securities in the Security dropdown list, check this box.
- **Ex-Dividend Date** – For a security Reinvested Dividend or Distribution, enter the ex-dividend date for the transaction. This is not the same as the transaction date! The ex-dividend date is the last date on which owners of a security will receive an announced dividend. Your finan-

cial institution may provide this date, or you may need to get it directly from the company. The ex-dividend date is used in preparing your club's tax filings in order to determine if the dividend qualifies for the lower tax rate.

- **Shares Received** – The number of shares received from the reinvestment.
- **Price per Share** – This field is automatically calculated as you enter the number of shares, amount received, commission and service charges. **Note:** *This amount may differ slightly from the statement you receive from your financial institution because of differences in rounding, but you can disregard any differences. As long as the **Amount** and **Shares Received** match the statement, your club accounting records will be accurate.*
- **Commission** – Any commission associated with this purchase.
- **Service Charge** – Enter the total of any service and/or administrative charges associated with this purchase.
- **Type** – Select the type of dividend or distribution from the dropdown list. The following types are supported:
 - **Dividend** – A cash dividend received from a security.
 - **Interest** – Interest received from a security (such as a mutual fund or money market fund).
 - **Tax-free Interest** – Tax-free interest received from a security (such as a mutual fund or money market fund).
 - **Return of capital** – a return of the original money invested in the security by the security.
 - **Short-term capital gain** – A distribution of capital gains made by a security (such as a mutual fund) for sales made that are subject to the short-term capital gains tax rate.
 - **Medium-term capital gain** – A distribution of capital gains made by a security (such as a mutual fund) for sales made that are subject to the medium-term capital gains tax rate. **Note:** *this applies only to distributions received in 1997 and is no longer used.*

- **Long-term capital gain** – A distribution of capital gains made by a security (such as a mutual fund) for sales made that are subject to the long-term capital gains tax rate.
- **Five-year capital gain** – A distribution of capital gains made by a security (such as a mutual fund) for sales made that are subject to the five-year capital gains tax rate. **Note:** *This tax rate is no longer in effect.*
- **Remarks** – Enter any comment you may have about this transaction.

Click the **OK** button to add the transaction.

The Confirm Transaction window appears asking you to review the details of the entry. If the information is correct, click the **OK** button to record the transaction. If not, click the **Cancel** button to return to the **Enter New Transaction – Reinvested Dividend or Distribution** screen to make changes.

Click the **Cancel** button to close the **Enter New Transaction** screen without adding a transaction.

Money Market Dividend

The **Enter New Transaction – Money Market Dividend** screen allows you to record Money Market Dividends received by the club.

You can access the **Enter New Transaction - Money Market Dividend** screen by selecting **Enter New** under the **Transactions** heading on the left navigation panel; from the **Transactions** menu (**Transactions > Money Market Dividend**); or from the Wizards.

To enter a new Money Market Dividend transaction, enter the following details:

Select the **Transaction Date**. You may use the dropdown calendar function to select a date, or you can type in the date directly into the **Transaction Date** field. The default is the current date.

Select **Money Market Dividend** as the **Transaction Type** from the dropdown list.

After you select the **Transaction Type**, the screen will change to allow you to enter the details for that specific transaction:

Select Account – Select the account into which the Money Market Dividend was received.

Amount – Enter the amount of the Money Market Dividend received.

Remarks – Add any applicable notes for this transaction.

Click the **OK** button to add the transaction. The Confirm Transaction window appears asking you to confirm the details of the entry. Click the **OK** button to record the transaction. If not, click the **Cancel** button to return to the **Enter New Transaction – Money Market Dividend** screen to make changes.

Click the **Cancel** button to close the **Enter New Transaction** screen without adding a transaction.

Stock Split

The **Enter New Transaction – Stock Split** screen allows you to enter a regular or reverse stock split that affects a holding in your portfolio, or a stock dividend received (a dividend that is paid as shares in the same company instead of as cash).

You can access the **Enter New Transaction - Stock Split** screen by selecting **Enter New** under the Transactions heading on the left navigation panel; from the Transactions menu (**Transactions > Stock Split**) or from the Wizards.

In an ordinary stock split, the club receives additional shares based on the number of shares owned. For example, in a 3-for-2 split, the shareholders receive one additional share for every two shares owned. A stock split can include a fractional share that is sold and cash is paid to the club. This cash often appears on statements as cash-in-lieu.

In a reverse stock split, the issuing company replaces the currently owned shares with fewer shares.

Note: *Stock splits do not affect a security's total cost basis because the original cost is just spread over a different number of shares. You can think of a stock split as a making change for a dollar – a 4:1 split is no different than changing a dollar for four quarters. In both cases, you still have \$1 in your hand, whether*

it's four quarters or a single dollar bill. Also, a stock split does not affect the returns of your club portfolio.

To enter a new Stock Split transaction, enter the following details:

- Select the **Transaction Date**. You may use the dropdown calendar function to select a date, or you can type in the date directly into the **Transaction Date** field. The default is the current date.
- Select **Stock Split** as the **Transaction Type** from the dropdown list.

After you select the **Transaction Type**, the screen will change to allow you to enter the details for that specific transaction:

- Select the **Account** to which the transaction will be deposited to or withdrawn from. The dropdown list includes all active accounts.
- **Select Security**– Choose the security purchased from the drop down list.
- **Show Inactives** – To include inactive securities in the Security Name dropdown list, check this box.
- **Shares Before Split** – Shows the number of shares the club held before the stock split
- **Split ratio** – Enter the first ratio number in the first field, and enter the second ratio number in the second field. For example, if this is a 2-for-1 split, enter 2 in the first field and 1 in the second field. If this is a 3-for-5 reverse split, enter 3 in the first field and 5 in the second field.

In the case of a Stock Dividend, you should convert the dividend ratio to a decimal and add it to 1 as the first ratio number. For example, a 5% stock dividend should be entered as a 1.05-to-1 stock split.

- **Shares After Split** – Automatically displays the total number of shares now owned by the club. **Note:** *If your statement shows a whole number of shares but this field shows a whole number plus a fractional amount, such as 17.2, the program is not wrong. You should have received cash for the fractional share, which is entered in the next field below. Club Accounting 3 will record the sale of the fractional share for the amount entered in the*

Cash for Fractional Share field and the club will be left with a whole number of shares.

- **Cash for Fractional Share** – Enter the amount of any cash received for a fractional share. **Note:** *Some financial institutions will only reinvest dividends towards the purchase of whole shares. If this is the case, your institution will automatically sell any fractional share on your behalf and credit you with the cash from that sale. This is often known as receiving cash-in-lieu of a fractional share.*
- **Remarks** – Enter any comment you may have about this transaction.

Click the **OK** button to add the transaction. The Confirm Transaction window appears asking you to review the details of the entry. If the information is correct, click the **OK** button to record the transaction. If not, click the **Cancel** button to return to the **Enter New Transaction – Stock Split** screen to make changes.

Click the **Cancel** button to close the **Enter New Transaction** screen without adding a transaction.

Merger

The **Enter New Transaction – Merger** screen allows you to enter merger between a security owned by the club and one or more other securities that may or may not already be owned by the club.

You can access the **Enter New Transaction - Merger** screen by selecting **Enter New** under the **Transactions** heading on the left navigation panel; From the Transactions menu (**Transactions > Merger**) or from the Wizards.

In a merger (also called a "takeover"), a company in which the club owns stock is merged into one or more companies. After the merger the club owns shares of the new company(ies) and no longer owns any shares of the old company. Club Accounting transfers the dollar cost basis from the company being merged into the acquiring company(ies).

To enter a new Merger transaction, enter the following details:

- Select the **Transaction Date**. You may use the dropdown calendar function to select a date, or you can type in the date directly into the **Transaction Date** field. The default is the current date.
- Select **Merger** as the **Transaction Type** from the dropdown list, and the screen will change show the following selections:
- **Account** – The account in which any cash received as part of the transaction will be deposited.
- **Select Old Security** – Choose the security that is being merged into the new company(ies) from the drop down list.
- **Show Inactives** – To include inactive securities in the Security Name dropdown list, check this box.
- **Old Security Price Per Share / Remaining basis percentage** – Enter the price per share of the old company on the day of the merger, or the Remaining basis percentage. Only one of these boxes needs to be filled in.
- **Cash Received** – Enter any cash received in place of fractional shares. When the merger transaction is completed, Club Accounting will automatically enter a Sell transaction for the fractional share for this amount and any fractional share entered in the **Shares Received** field. The transaction cannot be saved if an amount is entered here but no fractional shares are included in the **Shares Received** field.

Note: *If your statement shows cash-in-lieu of a fractional share, but does not give the size of the fractional share, you can calculate the fractional share in two ways:*

- 1) *By dividing the cash received by the price per share of the new company on the day of the merger.*
- 2) *By multiplying your shares owned of the old company by the merger ratio. The ratio should be in the information packet sent by the old company. It is nearly always posted on the web sites of both the old and new companies, also.*

For example:

- 1) *Suppose you received a \$5.00 cash-in-lieu payment and the price-per-share of the merger company on the merger date was*

\$25. You would then divide \$5.00 by \$25 to arrive at .20 shares (one-fifth of a share). If your statement says the club received 17 shares, plus cash in-lieu, you would enter 17.2 shares in the Shares Received field.

2) You own 150 shares of the parent company. The merger ratio is .3814 shares of the new company for each parent company share. Multiply 150 by 0.3814 to get the merger company shares. In this case it would be $150 \times 0.3814 = 57.21$. Using the merger ratio method is more accurate as fractional shares are not always sold on the merger date. This makes the first method subject to errors from share price fluctuation.

- **Select New Security** – The name of the security(ies) that is/are acquiring the old security from the list of securities. If you did not already own shares of the new security before the merger, you must click the **Add New Security** button to add a security profile for the new company before you can enter the Merger transaction in Club Accounting.
- **Shares Received** – Click in the field to enter the number of shares received by each acquiring company. You must include any fractional share if cash was received for that fractional share. Club Accounting will then automatically enter a Sell transaction for the fractional share for you for the amount entered in the **Cash Received** field.
- **Price per Share** – Click in the field to enter the price of a single share of each acquiring company on the date of the merger.
- **Add New Security** – Click to add a new security profile for the acquiring company. This must be done if the acquiring company does not already appear in the list.

Click the **OK** button to add the transaction. The Confirm Transaction window appears asking you to review the details of the entry. If the information is correct, click the **OK** button to record the transaction. If not, click the **Cancel** button to return to the **Enter New Transaction – Merger** screen to make changes.

Click the **Cancel** button to close the **Enter New Transaction** screen without adding a transaction.

Spinoff

The **Enter New Transaction – Spinoff** screen allows you to record shares in a new stock or stocks received (“spun off”) from a stock already owned by the club.

You can access the **Enter New Transaction - Spinoff** screen by selecting **Enter New** under the Transactions heading on the left navigation panel; from the Transactions menu (**Transactions > Spinoff**) or from the Wizards.

In a Spinoff, the club receives shares in one or more securities (companies) in proportion to the number of shares owned by the club of the parent security. The parent security's cost basis is reduced and the difference in basis is transferred to the new shares.

To enter a new Spinoff transaction, enter the following details:

- Select the **Transaction Date**. You may use the dropdown calendar function to select a date, or you can type in the date directly into the **Transaction Date** field. The default is the current date.
- Select **Spinoff** as the **Transaction Type** from the dropdown list.

After you select the **Transaction Type**, the screen will change to allow you to enter the details for that specific transaction:

- Select the **Account** in which the security is held. The dropdown list includes all active accounts.
- **Select Parent Security** – Choose the security parent company that issued the spinoff shares.
- **Show Inactives** – To include inactive securities in the Security Name dropdown list, check this box.
- **Old Security Price Per Share / Remaining basis percentage** – Enter the price per share, or the Remaining basis percentage of the parent security. You only need to enter one of these figures.
- **Spinoff Security** – The name of the security(ies) that is being spun off from the parent company. You must click the **Add New Security** button to add a security profile for

the new company before it appears on this list and you can enter the spinoff transaction in Club Accounting.

- **Shares Received** – Click in the field to enter the number of shares received of each spinoff company. You must include any fractional share if cash was received for that fractional share. Club Accounting will then automatically enter a Sell transaction for the fractional share for you for the amount entered in the **Cash Received** field.
- **Price per Share** – Click in the field to enter the price of a single share of each spinoff company on the date of the spinoff.
- **New Security** – Click to add a new security profile for the acquiring company. This must be done if the acquiring company does not already appear in the list.
- **Remarks** – Enter any remarks regarding the transaction.
- **Cash Received** – Enter any cash received in place of a fractional share. Club Accounting will then automatically enter a Sell transaction for the fractional share for you for this amount and any fractional share entered in the **Shares Received** field. The transaction cannot be saved if an amount is entered here but no fractional share is included in the **Shares Received** field.

Note: *If your statement shows cash-in-lieu of a fractional share, but does not give the size of the fractional share, you can calculate the fractional share in two ways:*

1) *By dividing the cash received by the price per share of the spinoff company on the day of the spinoff.*

2) *By multiplying your shares owned of the parent company by the spinoff ratio. The ratio should be in the information packet sent by the parent company. It is nearly always posted on the web sites of both the parent and new companies, also.*

For example:

1) *Suppose you received a \$5.00 cash-in-lieu payment and the price-per-share of the spinoff company on the spinoff date was \$25. You would then divide \$5.00 by \$25 to arrive at 0.20 shares (one-fifth of a share). If your statement says the club received 17 shares, plus cash in-lieu, you would enter 17.2 shares in the Shares Received field.*

2) You own 150 shares of the parent company. The spinoff ratio is .3814 shares of the new company for each parent company share. Multiply 150 by 0.3814 to get the spinoff company shares. In this case it would be $150 \times 0.3814 = 57.21$. Using the spinoff ratio method is more accurate as fractional shares are not always sold on the spinoff date. This makes the first method subject to errors from share price fluctuation.

- Click the **OK** button to add the transaction. The Confirm Transaction window appears asking you to review the details of the entry. If the information is correct, click the **OK** button to record the transaction. If not, click the **Cancel** button to return to the **Enter New Transaction – Spinoff** screen to make changes.
- Click the **Cancel** button to close the **Enter New Transaction** screen without adding a transaction.

Transfer Cash

The **Enter New Transaction – Transfer Cash** screen allows you to Transfer Cash from one of the club's cash accounts to another.

You can access the **Enter New Transaction - Transfer Cash** screen by selecting **Enter New** under the Transactions heading on the left navigation panel; from the Transactions menu (**Transactions > Transfer Cash**) or from the Wizards.

To enter a new Transfer Cash transaction, enter the following details:

Select the **Transaction Date**. You may use the dropdown calendar function to select a date, or you can type in the date directly into the **Transaction Date** field. The default is the current date.

Select **Transfer Cash** as the **Transaction Type** from the dropdown list.

After you select the **Transaction Type**, the screen will change to allow you to enter the details for that specific transaction:

Amount of Transfer – Enter the amount you would like to transfer.

“**Transfer from**” account – Select the account from which you wish to transfer cash.

“**Transfer to**” account – Select the account to which you wish to transfer cash.

Click the **OK** button to add the transaction. The Confirm Transaction window appears asking you to confirm the details of the entry. Click the **OK** button to save the transaction.

Interest

The **Enter New Transaction – Interest** screen allows you to enter any new cash income transaction for your club.

You can access the **Enter New Transaction - Interest** screen by selecting **Enter New** under the Transactions heading on the left navigation panel; from the Transactions menu (**Transactions > Interest**) or from the Wizards.

Interest is for interest received on a cash account, such as your bank account or your money market account with the broker.

***Note:** If your club receives dividends from a money market fund, they can be recorded in two ways: as interest received, or as a dividend/reinvested dividend from a security. It is usually much easier to record money market dividends as interest, and there are no adverse consequences on the club’s tax reporting from recording them in this fashion. However, never record dividends paid by other securities as interest.*

To enter a new **Interest** transaction, enter the following details:

- Select the **Transaction Date**. You may use the dropdown calendar function to select a date, or you can type in the date directly into the **Transaction Date** field. The default is the current date.
- Select **Interest** as the **Transaction Type** from the dropdown list.

After you select the **Transaction Type**, the screen will change to allow you to enter the details for that specific transaction:

- Select the **Account** to which the transaction will be deposited to. The dropdown list includes all active accounts.

- **Amount** – The amount of the interest received.
- **Tax Free** – Check this box if the interest received is non-taxable for Federal income tax purposes.
- **Remarks** – A description of the transaction or any comments relating to it.

Click the **OK** button to add the transaction. The Confirm Transaction window appears asking you to review the details of the entry. If the information is correct, click the **OK** button to record the transaction. If not, click the **Cancel** button to return to the **Enter New Transaction – Interest** screen to make changes.

Click the **Cancel** button to close the **Enter New Transaction** screen without adding a transaction.

Expense

The **Enter New Transaction – Expense** screen allows you to enter any new cash income transaction for your club.

You can access the **Enter New Transaction - Expense** screen by selecting **Enter New** under the Transactions heading on the left navigation panel; from the Transactions menu (**Transactions > Expense**) or from the Wizards.

Expense is for any expenses related to the operation of the club.

An **expense** can be **deductible** (if it is considered an allowable investment expense by the IRS) or **non-deductible** (if it is not related to the operation of the club.) Deductible expenses include items such as printing, postage, office supplies, club accounting and tax printer software, organization membership dues, subscriptions and research services. Non-deductible expenses include flowers for a hospitalized member, pizza, parties, cookies, greeting cards or costs in attending a company's annual meeting.

Expenses can be allocated **equally** or **proportionately** according to each member's unit ownership in the club. The default is proportionately by unit ownership, however Club Accounting 3 gives you the option to allocate any expense on a fixed dollar amount to all members.

To enter a new **Expense** transaction, enter the following details:

- Select the **Transaction Date**. You may use the dropdown calendar function to select a date, or you can type in the date directly into the **Transaction Date** field. The default is the current date.
- Select **Expense** as the **Transaction Type** from the dropdown list.

After you select the **Transaction Type**, the screen will change to allow you to enter the details for that specific transaction:

- Select the **Account** from which the money will be withdrawn from. The dropdown list includes all active accounts.
- **Amount** – The amount of the expense.
- **Equal Allocation** – Check this box to allocate the ownership changes and tax consequences of an expense across all members equally instead of in proportion to unit ownership.
- **Deductible or Non-Deductible** – Check whether the expense is a deductible investment expense or non-deductible.
- **Remarks** – A description of the transaction or any comments relating to it.

Click the **OK** button to add the transaction. The Confirm Transaction window appears asking you to review the details of the entry. If the information is correct, click the **OK** button to record the transaction. If not, click the **Cancel** button to return to the **Enter New Transaction – Expense** screen to make changes.

Click the **Cancel** button to close the **Enter New Transaction** screen without adding a transaction.

Charges Paid by Company

The **Enter New Transaction – Charges Paid by Company** screen allows you to record shares in a new stock or stocks received (“spun off”) from a stock already owned by the club. You can access the **Enter New Transaction – Charges Paid By Company** screen by selecting **Enter New** under the Transac-

tions heading on the left navigation panel; from the Transactions menu (**Transactions > Charges Paid By Company**) or from the Wizards.

In most cases, treasurers use this form to enter charges that appear on a 1099 form that the club receives from a company or financial institution. The company or financial institution also sends a copy of the 1099 form to the IRS. Charges that can appear on the 1099 form include service or administrative charges, and commissions paid by the company for reinvested dividends or distributions. If a company pays these charges, the IRS considers the payment income to the club, and this income is usually taxable.

Be sure that you have not already entered all or part of the charge on a security transaction form (most commonly, a Reinvested Dividend or Distribution) before you enter this kind of transaction. This can be checked by looking at the transaction list for the security in question or by looking at the Individual Investment History report for the security.

To enter a new **Charges Paid by Company** transaction, enter the following details:

- Select the **Transaction Date**. You may use the dropdown calendar function to select a date, or you can type in the date directly into the **Transaction Date** field. The default is the current date. **Note:** *If you do not know the date the charge was paid, enter the transaction for 12/30 of the tax year.*
- Select **Charges Paid by Company** as the **Transaction Type** from the dropdown list.

After you select the **Transaction Type**, the screen will change to allow you to enter the details for that specific transaction:

- Select the **Account** in which the security is held. The dropdown list includes all active accounts.
- **Select Security** – Choose the security for which the Charges Paid by Company apply.
- **Show Inactives** – To include inactive securities in the Security Name dropdown list, check this box.
- **Charges Paid** – Enter the amount of the charges paid by company.

- **Remarks** – Enter any comment you may have about this sale, such as a note about the corresponding reinvested dividend or distribution to which the charges apply.

Click the **OK** button to add the transaction. The Confirm Transaction window appears asking you to review the details of the entry. If the information is correct, click the **OK** button to record the transaction. If not, click the **Cancel** button to return to the **Enter New Transaction – Charges Paid by Company** screen to make changes.

Click the **Cancel** button to close the **Enter New Transaction** screen without adding a transaction.

Foreign Tax Paid

The **Enter New Transaction – Foreign Tax Paid** screen allows you to enter foreign taxes paid by a company out of a cash or reinvested dividend.

You can access the **Enter New Transaction – Foreign Taxes Paid** screen by selecting **Enter New** under the Transactions heading on the left navigation panel; from the Transactions menu (**Transactions > Foreign Tax Paid**) or from the Wizards.

***Note:** No amount entered on this transaction form is added to any cash account or security account. Whenever you enter a Foreign Taxes Paid by Company transaction, you must also enter a cash or reinvested dividend transaction for the amount received.*

To enter a new Foreign Tax Paid transaction, enter the following details:

- Select the **Transaction Date**. You may use the dropdown calendar function to select a date, or you can type in the date directly into the **Transaction Date** field. The default is the current date.
- Select **Foreign Tax Paid** as the **Transaction Type** from the dropdown list.

After you select the **Transaction Type**, the screen will change to allow you to enter the details for that specific transaction:

- **Select Security** – Choose the security for which the transaction applies from the drop down list.

- **Show Inactives** – To include inactive securities in the Security Name dropdown list, check this box.
- **Tax Paid** – Enter the amount of the foreign tax paid on the dividend
- **Remarks** – A description of the transaction or any comments relating to it.

Click the **OK** button to add the transaction. The Confirm Transaction window appears asking you to review the details of the entry. If the information is correct, click the **OK** button to record the transaction. If not, click the **Cancel** button to return to the **Enter New Transaction – Foreign Tax Paid** screen to make changes.

Click the **Cancel** button to close the **Enter New Transaction** screen without adding a transaction.

Charitable Donation

The **Enter New Transaction – Charitable Donation** screen allows you to make a charitable donation of from the club. You can choose to donate either stock or cash, and allocate the donation's tax consequences either by ownership in the club or split equally among all members.

You can access the **Enter New Transaction - Charitable Donation** screen by selecting **Enter New** under the Transactions heading on the left navigation panel; from the Transactions menu (**Transactions > Charitable Donation**) or from the Wizards.

To enter a new Charitable Donation transaction, enter the following details:

- Select the **Transaction Date**. You may use the dropdown calendar function to select a date, or you can type in the date directly into the **Transaction Date** field. The default is the current date.
- Select **Charitable Donation** as the **Transaction Type** from the dropdown list.

After you select the **Transaction Type**, the screen will change to allow you to enter the details for that specific transaction:

- Select the **Account** in which you wish to enter the transaction. The dropdown list includes all active accounts.
- **Amount of Donation** – Enter the amount you would like to contribute, including the total value of any donated stocks.
- **Distribution method** – Choose whether to allocate the donation's tax consequences either split equally By Member or By Ownership Share in the club.
- **Remarks** – Enter any remarks you wish to record for the transaction.
- **Select Stocks** – Check this box to select the stocks you wish to transfer to the charity.

Click the **OK** button to add the transaction. If you do not wish to transfer stocks in this donation, the Confirm Transaction window appears confirming that the entry has been saved.

If the Select Stocks box is checked, then clicking OK will open the **Record Charitable Donations** window, with a list of all of the club's currently owned stocks. The following information appears:

- **Security** – The name of the security.
- **Price per share** – The price per share of the security as of the most recent valuation statement.
- **Total shares owned** – The total number of shares owned of the security as of the most recent valuation statement.
- **Market value of security** – The total value of the shares owned as of the most recent valuation statement.
- **Shares to donate** – Click here to add the number of shares of a security that you wish to donate, then hit the Tab or Enter key on your keyboard to record the number and exit the field. The total value of the shares selected automatically updates at the bottom of the window.
- **Stock value**– The value of shares selected to be donated. This figure changes as you select shares in the list above, giving you an easy way to ensure that you have chosen the proper number of shares that will be donated.
- **Cash contribution** – The amount remaining after shares have been selected that will be paid in cash to the mem-

ber. **Note:** *If this figure is negative, you have selected too many shares of stock and should adjust the number of shares you wish to transfer.*

Once you have selected the necessary number of shares, click the **OK** button.

Next, you will be given the chance to choose from which blocks (or lots) you wish to transfer the selected stock to the member. Each purchase of a security made by the club is recorded in the software as a “tax lot;” you can select the shares from one or more tax lots

- **Security** – The name of the security.
- **Price per share** – The price per share of the security as of the most recent valuation statement.
- **Shares in this lot** – The number of shares purchased in a particular tax lot.
- **Date acquired** – The date on which this particular purchase of the security was made.
- **# of Shares** – Click here to select the number of shares from each block of a security that you wish to donate, then hit the Tab or Enter key on your keyboard to record the number and exit the field. The total value of the shares selected automatically updates at the bottom of the window.
- **Stock value** – The total value of shares selected to be donated. This figure changes as you select shares in the list above, giving you an easy way to ensure that you have chosen the proper number of shares that will be donated.
- **Cash contribution** – The amount remaining after shares have been selected that will be donated in cash. **Note:** *If this figure is negative, you have selected too many shares of stock and should adjust the number of shares you wish to transfer.*

Once you have selected the necessary number of shares, click the **OK** button to add the transaction. The Confirm Transaction window appears when the transaction is complete. Click the **OK** button again to confirm the transaction; Club Accounting

will display the Edit Transactions page, showing the new transaction.

Other Income

The **Enter New Transaction – Other Income** screen allows you to enter any new cash income transaction for your club.

You can access the **Enter New Transaction – Other Income** screen by selecting **Enter New** under the Transactions heading on the left navigation panel; from the Transactions menu (**Transactions > Other Income**) or from the Wizards.

Other Income is for miscellaneous income not associated with any security or member transactions. For investment clubs this is fairly rare and might include raffle proceeds, or fees received from a seminar that your club held to help others.

Note: *Never enter Member Deposits as Income.*

To enter a new **Other Income** transaction, enter the following details:

- Select the **Transaction Date**. You may use the dropdown calendar function to select a date, or you can type in the date directly into the **Transaction Date** field. The default is the current date.
- Select **Other Income** as the **Transaction Type** from the dropdown list.

After you select the **Transaction Type**, the screen will change to allow you to enter the details for that specific transaction:

- Select the **Account** to which the transaction will be deposited to or withdrawn from. The dropdown list includes all active accounts.
- **Amount** – The amount of the income received.
- **Remarks** – A description of the transaction or any comments relating to it.

Click the **OK** button to add the transaction. The Confirm Transaction window appears asking you to review the details of the entry. If the information is correct, click the **OK** button to record the transaction. If not, click the **Cancel** button to return to the **Enter New Transaction – Other Income** screen to make changes.

Click the **Cancel** button to close the **Enter New Transaction** screen without adding a transaction.

8

Working with Valuations

Enter Security Valuations

The **Enter/Edit Security Valuations** screen allows you to enter new valuations for all the securities held in your club portfolio, as well as edit or remove previously saved valuations. A valuation is the price of a share on a specific date. Club Accounting uses the most recent valuations that you entered or downloaded to calculate the value of a unit and the value of the club.

Note: *If the price per share of **all securities** owned on a valuation date is not entered, then the unit value calculation for that month will be incorrect, which will also make the member status, and any reports that show or include unit value incorrect as well.*

Note: *You should enter security valuations for all securities owned by the club at least once a month, as well as on December 31 of each year. The monthly valuations should be entered as close to the meeting date as possible. The December 31 valuations must be entered before you allocated the club's income and expenses for the year. If the last trading day of the year was not 12/31, use the prices of the last trading day but date the Valuation to be used for allocating income and expenses on 12/31.*

You can enter valuations two ways:

1. By manually typing in the prices for a particular date.
2. By downloading online prices. **Note:** *You must have registered your copy of Club Accounting to initially have access to online prices, and then subscribe to Club Accounting Maintenance to continue to have access to online prices.*

You can access the **Enter/Edit Security Valuations** screen by clicking the **Valuations** heading in the left navigation panel; from the **Club** menu (**Club > Enter Valuation**) or from the Wizards.

To enter new Security Valuations, enter the following details:

- Select the **Date of Valuation**. You may use the dropdown calendar function to select a date, or you can type in the date directly into the **Date** field. The default is the current date.
- Click the **Download Prices** button to automatically retrieve prices for the selected date from the Internet. The prices will appear in the grid below for each stock owned on the selected date. **Note:** *To successfully import valuations from the Internet, the ticker symbol you enter on the Security profile screen (**View > Securities > Edit Securities**), must be exactly the same as the ticker symbol assigned by the exchange on which the security trades. These symbols are not necessarily the same as those that appear in the newspaper or your financial institution's statements. You may also download historical prices going back to 8/1/01.*

After you click the **Download Prices** button, the **Price** field for the securities held on that date will update in the grid. The grid includes the following information

- **Security** – The name of a security held on the selected date.
- **Shares** – The number of shares of each security owned by the club on the selected date.
- **Price** – The per-share price of the security as entered manually or downloaded from the Internet. If you wish to enter prices manually, click in the **Price** field to enter the

price for each security. You may use the Tab key on your keyboard to move from one field to the next.

Click the **OK** button to add the valuations. **Note:** *You must click the OK button after downloading prices in order to save the valuations to your database!* Click the **Cancel** button to close the **Enter Security Valuations** screen without adding any valuations.

Note: After clicking OK to confirm the valuation, the figures in the **Price** column will reset to 0.00; this is normal, and does not mean that the valuation has been deleted, or saved with 0.00 for all of your stocks.

Once you have created valuations for your securities, you can print a **Valuation Statement** for that date by going to **Reports > Valuation Statement**.

Editing Security Valuations

The **Enter/Edit Security Valuations** screen also allows you to change or delete your saved valuations.

Editing By Date

To search and edit your valuations specifically by date, click the **Valuations** heading in the left navigation panel, or choose **Enter Valuation** from the **Club** menu.

The **Select Date** column will show an option for a new valuation, as well as listing the dates of all previously saved valuations. Depending on the number of saved valuations your club has, the list may have a scroll bar, and a set of arrows at the top and bottom; you can use the arrows, or click and drag the scroll bar to quickly move through the list of past valuations.

When you reach the valuation you are looking for, click once to select it, and Club Accounting will display the stock prices from that valuation on the Confirm/Enter Valuations section to the right of the list of dates.

With the prices displayed, you can:

- Click the **Download Prices** button; as long as the valuation is not dated earlier than 08/01/01, Club Ac-

counting will download and update the prices from that day

- Click the price listed for any stock, and manually type in the price.
- Click **Delete Valuation** if you wish to remove the valuation.

Since Club Accounting relies on regular valuations to correctly calculate the value of the club, we do not recommend removing a valuation unless it was originally entered in error (ex: entering a valuation for the 1st of the month when you meant to type the 10th)

Once you are done editing the valuation, click **OK** to save the changes. Click OK again to confirm the change once Club Accounting saves the change.

Editing By Security

You can also edit your valuations by searching for specific securities. To do this, select “**Search Valuations**” from **Valuations** section in the left navigation panel.

First, set the parameters for the valuations you wish to review:

- **Select Security** – Choose the security you wish to edit from the dropdown list. Choose **All Securities** to view valuations for all securities for a particular date range.
- **Show Inactives** – To show currently inactive securities in the Security dropdown list, check this box.
- **Start Date** – You may use the dropdown calendar function to select the first date of the date range for the valuations you wish to view or change, or you can type in the date directly into the **Date** field. The default is one year prior to the current date.
- **End Date** – You may use the dropdown calendar function to select the last date of the date range for the valuations you wish to view or change, or you can type in the date directly into the **Date** field. The default is the current date.

Click the **OK** button to display the list of all valuations for the selected securities and dates, with the following information:

- **Date** – The date of the valuation for a security.
- **Security** – The name of a security.
- **Price/Share** – The per-share price of the security as recorded on the date.
- **Value** – The total value of the shares held on the date using the price displayed.

To delete a valuation, click one of the security names next to the date of the valuation you wish to delete, then click the **Delete Selected Valuations** button at the bottom of the screen, to delete any marked valuations, and then confirm the deletion.

***Note:** Even though you might only select one security, clicking the **Delete Selected Valuations** button will delete the entire valuation for that date, removing it from your club records.*

To edit a valuation, double-click the valuation in the grid and the Edit Security Valuations screen appears, with all valuations on the same date as the valuation that you selected.

Click the **OK** button to record any changes to the valuations; click **Delete Valuation** to remove the entire valuation for that date, or click the **Cancel** button to close the **Edit Security Valuations** screen without changing a valuation.

9

Working with Accounts

Select **Club > Financial Institution Accounts** from the Club Accounting 3 menu to display the current accounts and balances of all of your active accounts. Click the “Show inactive” box at the bottom of the screen to display any accounts that are no longer in use.

Add a New Account

You can add a new account by selecting the **Club > Financial Institution Accounts** menu item and clicking the “New Account” button.

Note: *You must have at least one account active before you can record any transactions in.*

In the dialog box that appears, you must enter the following details:

- **Financial Institution Account Name** – The full name of the institution where your club has an account.
- **Account Name** – The “nickname” for the account as it will appear in the various screens and lists in Club Accounting. This may be the same as the full Financial Institution Account Name, or you may wish to use a shorter variation of it for your convenience.

Click the **OK** button to close the **Add a New Account** window and record the new information, or click the **Cancel** button to close the window without adding an account.

Edit/Delete a Financial Institution Account

The **Accounts** screen allows you to view or edit the details of any financial institutions with which your club has an account. You may also add a new financial institution account from this screen.

You can access the **Accounts** screen by selecting the **Club > Financial Institution Accounts** menu item.

From this screen, you may:

- Double-click an active account to view or change details of a particular account. A new window will appear with details about the account; make the necessary changes and click the **OK** button to save the changes. Click the **Cancel** button to close with window without making any changes.
- **Show inactive** – check this box on the Accounts screen if the account is no longer in use.
- Click the **Delete** button to remove an account from the list. **Note:** *You may not delete an account that has any associated records in your club's books.*

Suspense Accounts

The Suspense Account is not a “real” financial institution account. It is a bookkeeping convention that allows you to segregate funds that will be used for a specific purpose while still showing your actual account balances on your club's valuation statement and other reports.

A Suspense Account is used to track money in transit, such as cash sent to purchase shares in a dividend reinvestment plan. You may choose to create a Suspense Account to enable you to keep track of money that has been set aside for some purpose but cannot yet be entered in the club's books.

For example, if your club decided to buy shares of stock in a dividend reinvestment plan or direct purchase plan, the treasurer writes a check in approved purchase amount and records the transaction as a transfer of cash from the club's cash account to the suspense account. Typically, these plans require a check to be received by the DRP manager by a certain date

prior to the scheduled purchase date. The DRIP administrator will then send a confirmation to the club with the number of shares purchased and any fees charged. When the treasurer receives this confirmation, he or she will enter the transaction in Club Accounting by funding the purchase from the suspense account.

The suspense account is also sometimes used when a member withdrawal is pending but not yet paid. The treasurer can transfer cash from the appropriate accounts in Club Accounting to the suspense account. When the withdrawal is finalized, the member is paid with funds from the suspense account.

10

Working with Reports and Graphs

Club Accounting 3 can provide a variety of reports for use by your investment club.

Some of the reports should be prepared each month for your club's regular meeting (such as the Valuation Statement and Members Status Report). Other reports may be prepared to assist the treasurer in verifying the club's books (such as the Complete Journal/Ledger or the Individual Investment History).

Each of the reports can be viewed on screen, printed or saved in Adobe Acrobat Reader (PDF) format for ease in emailing to members. The Adobe Acrobat Reader program is required in order to view PDF files; your club members can download a free copy from the Adobe web site (<http://www.adobe.com>). Each report can also be exported to Microsoft Word (.doc), Microsoft Excel (.xls) or Rich-Text Format (.rtf).

Using Reports



To view, export, or print a report, go to the toolbar at the top of the report page, as shown above. From left to right, the buttons are.

- **Export Report** – Clicking this button will open a new window, allowing you to select a name, location and format to for any report. The available formats are:
 - *Adobe Acrobat (pdf)* – requires the Adobe Acrobat Reader, free from www.adobe.com.
 - *Microsoft Excel (xls)* – standard spreadsheet format
 - *Microsoft Excel Data Only (xls)* – standard spreadsheet, without the bold, italics, underlining, or other formatting.
 - *Microsoft Word (doc)* – standard document format
 - *Rich-text Format (rtf)* – plain text, with bold, italics, and other formatting
 - *Crystal Reports (rpt)* – proprietary Crystal Reports format. Unless you have a copy of Crystal Reports™, it is unlikely that you will use this format.
- **Print Report**– click here to print the report.
- **Navigation arrows** – select either of the two inside arrows to move forward or back one page (of multi-page reports), or one of the outside arrows to jump to the beginning or end of the report.
- **Go to page** – select a page number to jump to directly.
- **Find Text** – search the entire report for a specific word.
- **Zoom** – select the size of the text in the report.

Valuation Statement

The **Valuation Statement** describes the performance of each security owned by the club, and of the club as a whole. The statement shows the values of each of the club's investments for any date on which valuations were entered for all active securities.

Use this report to track investment values. You should print and distribute it to every club member at each meeting.

You can access the **Valuation Statement** report by selecting “Valuation Statement” from the Club Accounting 3 Reports menu.

To display a **Valuation Statement**, first enter the following details:

- **Report Date** – Select the valuation date you wish to use for the Valuation Statement. To change the report date, click a different valuation date on the Valuation Dates drop down list. You must have already entered complete valuations for a date (at **Valuations > Enter Valuations**) for it to appear in the dropdown list of dates.
- **Start Return Calculations From** – Enter the date to use as the start date for the return calculations. The default date is the first member transaction date. **Note:** *This will appear only if you have selected to **Show Compound Annual Return for Member Status Report and Valuation Statement in the settings (Tools > Settings)**.*
- **Printer friendly paper orientation** – Choose the paper orientation you wish to use for the report, either portrait or landscape.

Click the **Preview** button to display the report.

Valuation Statement Report Description

Columns

- **Security** – The full name of the security as entered in its Security profile.
- **Ticker** – The ticker symbol as entered in Security profile.
- **First Buy or Valuation Date** – The day of the first purchase of the security. If the security was acquired through a merger or spinoff, the first valuation date for that security appears.
- **Shares Owned This Date** – Displays the total number of shares of the security owned on the valuation date.
- **Cost Per Share/Price Per Share** – Displays the average cost per share of the shares owned on the valuation date.
- **Total Cost** – Displays the total amount paid for the shares owned. Total Cost includes commissions, fees and administrative costs.
- **Price Per Share This Valuation** – Displays the price per share of the security on the valuation date.

- **Total Value This Valuation** – Displays the total value of the security (number of shares times the price per share) on the valuation date.
- **% of Total** – Displays the percent of the total value of the club represented by the value of the security or cash account. $[(\text{Total Value of Security or Cash account} / \text{Total Club Value}) \times 100]$.
- **Compound Annual Return** – Displays the Compound Annual Return for a security. This figure uses financial industry standard Internal Rate of Return (IRR) calculations. The “Since” date indicates the date on which the return calculations start. You must click the appropriate box to show CAR in the General Setting screen for this column to appear on the Valuation Statement. **Note:** *For stocks that the club once owned and sold, and then re-purchased, you can choose to include or exclude the original holding from CAR calculation in the General Settings screen.*

Rows

- **Total this Date** – Displays the total cost for all securities, the total value of all securities, and percent of the total value all securities to the total value of the club $[(\text{Total value of all securities} / \text{Total value of the club}) \times 100]$. It also displays the Compound Annual Return of the portfolio as a whole.
- **All-inclusive Club Return** – Displays the return from the *Member Status* report. This figure differs from the CAR because it includes all expenses and income associated with the club.
- **Cash in Accounts** – Displays balance and other information for each active account.
- **Cash in WD Liability Account** – If a member withdrawal has been processed but not yet paid at the time of the valuation, the amount of the withdrawal is displayed here as a liability.
- **Total Cash Accounts this Date** – Displays the total cash balance and the percent of the total value of the club that is in cash.

- **Total Securities and Cash Accounts this Date** – Displays the total cost of all investments, securities and cash, and the total value of the club on the valuation date.
- **Total number of Valuation Units to Date** – Displays the sum of all units owned by all members of the club.
- **Value of Each Unit This Date** – Displays the value of one unit on the valuation date.
- **Number of Units Each \$10.00 will Purchase** – Displays the number of units \$10 will purchase. The amount displayed is the beginning unit value set in the General Settings screen.

Member Status Report

The **Member Status Report** describes each member's participation in the club over a specified period. Use this report to help members track their participation in the club. Print and distribute to every club member at each meeting.

You can access the **Member Status Report** by selecting "Member Status Report" from the Club Accounting 3 Reports menu.

To display a **Member Status Report**, first enter the following details:

Report Date – Select the valuation date you wish to use for the Member Status Report. To select a different valuation date, select a date from the dropdown list. You must have already entered complete valuations for a date (at **Valuations > Enter Valuations**) for it to appear in the dropdown list of dates.

Show Members Contributions Since – By default, the Member Status Report will include contributions that have been made since the valuation date just prior to the selected valuation date. This allows you to display contributions since the last meeting. If you wish to include contributions since another date, select it here.

Start Return Calculations From – Enter the date to use as the start date for the return calculations. The default date is the first member transaction date. **Note:** *This will appear only if you have selected to **Show Compound Annual Return for Mem-***

ber Status Report and Valuation Statement in the settings (Tools > Settings).

Printer friendly paper orientation – Choose the paper orientation you wish to use for the report, either portrait or landscape.

Click the **Preview** button to display the report.

Member Status Report Description

Columns

- **Name** – Names of the members in alphabetical order by last name. Only members who have units on the report date appear in the list.
- **Paid In Since mm/dd/yyyy** – Amount paid in by members since the date specified in the **Show Member Contributions Since** text box. *This column does not include amounts paid on the displayed date.*
- **Total Paid In** – Total payments and fees minus withdrawals from the first payment or fee to the report date. Beginning Balances are included. If a member withdraws more than the amount they paid into the club the amount in this column will be negative.
- **Paid In Plus Earnings** – Includes the **Total Paid In To Date** plus (or minus) any income (or expenses). Beginning Balance—Earnings are included. This figure is the tax-paid basis of each member in the club. If a member withdraws more their tax basis, this value may be negative or zero.
- **Units Since mm/dd/yy** – Shows the units added for the same period described above for the **Paid in Since mm/dd/yyyy** column. Income and expense allocations are included. Negative units may appear if the member withdrew more value than they made in payments during the specified time period.
- **Units Owned** – Total number of units owned by the member on the report date.
- **Current Value** – Value of the units owned on the report date. Club Accounting uses the most recent securities valuation date to determine the value of each unit. That

unit value is then multiplied by the number of units owned to get the current value.

- **Percent Ownership** – Member's units divided by the total of all units owned by all members.
- **Compound Annual Return** – Displays the Compound Annual Return for the member's investment in the club. This figure uses financial industry standard Internal Rate of Return (IRR) calculations. The "Since" date indicates the date on which the return calculations start. You must click the appropriate box to show CAR in the **Tools > Settings** screen for this column to appear on the Member Status Report.

Rows

- **Totals** – The total for each column. The **Compound Annual Returns total** is calculated from the total amount invested by all members. CAR also includes the timing of member investments in its calculation using financial industry Internal Rate of Return (IRR) calculations.

Transactions Summary

The **Transactions Summary** lists all the security and cash transactions that occurred during a specified time period. Use this report to check security and cash transactions against your other records such as bank and broker statements. In this way, you can be sure that you have entered all the required transactions correctly. Members can use this report to review club activities since the last meeting or for any time period specified. Print as needed.

You can access the **Transactions Summary** report by selecting "Transactions Summary" from the Club Accounting 3 Reports menu.

To display a **Transactions Summary**, first enter the following details:

- **Start Date** – You may use the dropdown calendar function to select the first date of the date range for the transactions you wish to include in the report, or you can type in the date directly into the **Date** field.

- **End Date** – You may use the dropdown calendar function to select the last date of the date range for the transactions you wish to include in the report, or you can type in the date directly into the **Date** field. The default is the current date.
- **Prev. Full Year / Year To Date** – You can click either of these buttons to set the start and end dates to the Previous year, or the current year to date.

Subtotal Tax Allocation – Check this box if you want the "Cash and Reinvested Allocations" section of the report to be itemized by security rather than listed by date.

Printer friendly paper orientation – Choose the paper orientation you wish to use for the report, either portrait or landscape.

Click the **Preview** button to display the report.

Transactions Summary Report Description

The Transactions Summary report is divided into several sections:

Buy, Sell & Transfer Transactions Section

Columns

- **Date** – Date on which the transaction occurred.
- **Security Name** – Name of the security involved in the transaction.
- **Type** – Kind of transaction: Buy, Sell, or Transfer
- **Shares** – Number of shares involved in the transaction.
- **Cost** – Total cost of the shares including commissions.
- **Price** – Original price (excluding commissions and fees) of all the shares bought, sold, or transferred.
- **Comm/Fees** – Total amount of expenses associated with the transaction.
- **MTCG** – Mid-term Capital Gain on the transaction. (Applicable only to 1997). This column is replaced by the 5-Year capital gain category if the time period included in the report includes the year 2001 or later.

- **5 Year** – Five year capital gains on the transaction. This column replaces the MTCG column, if the time period covered by the report includes the year 2001 or later.
- **LTCG** – Long-term Capital Gain on the transaction.
- **STCG** – Short-term Capital Gain on the transaction.

Rows

- **Totals** – Totals of the LTCG, MTCG or 5 Year, and STCG columns.

Cash and Reinvested Distributions Section

Columns

- **Date** – Date the transaction occurred.
- **Security Name** – Name of the security involved in the transaction.
- **Type** – Kind of dividend or distribution (Cash, Reinvested, etc.).
- **Shares** – Number of shares received, if any.
- **Dividends** – Value of the shares received, or cash amount received. This amount includes commissions and Expenses of reinvested distributions after 1/1/01.
- **Interest** – Value of the shares received, or cash amount received.
- **MTCG** – Mid-term Capital Gain on the transaction. (Applicable only to 1997). This column is replaced by the 5-Year capital gain category if the time period included in the report includes the year 2001 or later.
- **5 Year** – Five year capital gains on the transaction. This column replaces the MTCG column if the time period covered by the report includes the year 2001 or later.
- **LTCG** – Long-term Capital Gain received as a distribution or as the result of a sale.
- **STCG** – Short-term Capital Gain received as a distribution or as the result of a sale.
- **Other** – The amount of foreign taxes paid by the company on dividends received and the amount of any administrative fee or service charge for the distribution prior to 1/1/01 are displayed here.

Rows

- **Totals** – Totals for the Dividends, Interest, LTCG, MTCG or 5 Year, STCG, and Other columns.

Stock Dividends, Spinoffs and Mergers Section

Columns

- **Date** – Date the transaction occurred.
- **Security Name** – Name of the security involved in the transaction.
- **Type** – Kind of transaction.
- **Shares** – Number of shares involved in the transactions.
- **Cash** – Fractional share payment involved in the transaction, if any.
- **MTCG** – Mid-term Capital Gain on the transaction. (Applicable only to 1997). This column is replaced by the 5-Year capital gain category if the time period included in the report includes the year 2001 or later.
- **5 Year** – Five year capital gains on the transaction. This column replaces the MTCG column if the time period covered by the report includes the year 2001 or later.
- **LTCG** – Long-term Capital Gain portion of the fractional share.
- **STCG** – Short-term Capital Gain portion of the fractional share.

Rows

- **Totals** - Totals for the Cash, LTCG, MTCG or 5 Year, and STCG columns.

Member Deposits and Withdrawals Section

Columns

- **Date** – Date the deposit or withdrawal occurred.
- **Description** – Type of transaction: Payment, Fee, or Withdrawal.
- **Cash Amount** – Amount of cash involved in the transaction.
- **Units** – Number of units associated with the deposit or withdrawal.

- **WD Fee** – Any fee associated with the withdrawal.
- **Stock Val Trsfr** – Cash value of the stock transferred to the withdrawing member.

Rows

- **Totals** – Totals of the Cash Amount, Units, WD Fee, and Stock Val Trsfr. Columns.

Cash Income and Expenses section

Columns

- **Date** – Date the transaction occurred.
- **Source** – Reason for the movement of the cash into or out of the cash account.
- **Account** – Cash account involved in the transaction.
- **Income** – Amount added to the cash account as miscellaneous income.
- **Expense** – Amount removed from the cash account as a miscellaneous expense.
- **Non Deductible Expense** – Amount removed from the cash account as a nondeductible expense.
- **Interest** – Interest received on the cash account.
- **Dividends** – Dividends received on the cash account.

Rows

- **Totals** – Totals of the Income, Expense, Nondeductible Expense Interest, and Dividends columns.

Cash Journal

The **Cash Journal** contains a list of all cash transactions within a time period you specify. Use this report to assist you in reconciling your financial institution accounts. Print as needed.

You can access the **Cash Journal** report by selecting “Cash Journal” from the Club Accounting 3 Reports menu.

To display a **Cash Journal** report, first enter the following details:

- **Include Accounts** – Check the accounts you wish to include in the report. Check the “Check All Accounts” checkbox to include all accounts in the report.
- **Check All Accounts / Uncheck All Accounts** – Click either of these links to select all or none of the club accounts.
- **Include inactive accounts** – Click this check-box to show any accounts that have been marked as inactive in the **Club > Financial Institution Accounts** page.
- **Start Date** – You may use the dropdown calendar function to select the first date of the date range for the transactions you wish to include in the report, or you can type in the date directly into the **Date** field. The default is the beginning of the current year.
- **End Date** – You may use the dropdown calendar function to select the last date of the date range for the transactions you wish to include in the report, or you can type in the date directly into the **Date** field. The default is the current date.
- **Previous Full Year** – Click this to set the Start and End Date to cover just the previous full year.
- **Printer friendly paper orientation** – Choose the paper orientation you wish to use for the report, either portrait or landscape.

Click the **Preview** button to display the report.

Cash Journal Report Description

- **Date** – Date of the transaction.
- **Type** – Type of transaction.
- **Description** – Shows the name of any stocks involved in the transaction, or any notes/remarks entered for the transaction.
- **Expenditure** – Cash paid out by the club. Examples include a security purchase, a member withdrawal, and payment of expenses.
- **Receipt** – Cash received by the club. Examples include dividends, interest, member payments and fees, and proceeds from the sale of securities. **Note:** *You may*

have negative receipts, such a returned check. These transactions would have a minus sign (–) in front of the amount.

- **Account Names** – Balance in the type of account after the amount in the Expenditure or Receipt column is subtracted or added to the account.

Individual Valuation Units Ledger

The **Individual Valuation Units Ledger** lists all member transactions for one or more members within a specified time period. You can print this detailed activity history for one, several, or all members. Use this report to assist you in reconciling your member records, or to provide a member with his or her personal record. Print and distribute as needed.

You can access the **Individual Valuation Units Ledger** report by selecting “Individual Valuation Units Ledger” from the Club Accounting 3 Reports menu.

To display an **Individual Valuation Units Ledger** report, first enter the following details:

- **Members** – Check the members you wish to include in the report. Check the “Check All Inactive Members” and/or “Check All Active Members” links to include all those members in the report.
- **Start Date** – You may use the dropdown calendar function to select the first date of the date range for the transactions you wish to include in the report, or you can type in the date directly into the **Date** field. The default is the first member transaction.
- **End Date** – You may use the dropdown calendar function to select the last date of the date range for the transactions you wish to include in the report, or you can type in the date directly into the **Date** field. The default is the current date.
- **Printer friendly paper orientation** – Choose the paper orientation you wish to use for the report, either portrait or landscape
- **One member per page** – Check this box to prepare the report with the information for each member appearing

on its own page. This is useful for distributing copies to each member individually.

- .
- Click the **Preview** button to display the report.

Individual Valuation Units Ledger Report Description

Columns

- **Date** – Date of the transaction.
- **Transaction** – Type of transaction.
- **Unit Value** – The price of a unit on the date of a member payment.
- **Paid In This Date** – Amount of the transaction.
- **Total Paid In To Date** – Total payments and fees minus withdrawals paid as of the report date.
- **Paid In Plus Earnings** – Total Paid In to date plus allocated income and expenses. Beginning Balance transactions are included. This figure is the tax basis for each member in the club.
- **Valuation Units Purchased** – Number of units associated with the transaction.
- **Total Valuation Units** – Cumulative total units to the date of each transaction.

Rows

- **Value as of the Latest Valuation date** – Dollar value of the units owned on the most current valuation date.

Security Transactions History

The **Security Transactions History** lists all transactions for each specified security from the first purchase, beginning balance date or any date you enter to a specified report date. Use this report to review the activity, cost basis, and shares of each block of a security, including the effects of stock splits, stock dividends and returns of capital.

You can access the **Security Transactions History** report by selecting “Security Transactions History” from the Club Accounting 3 Reports menu.

To display a **Security Transactions History** report, first enter the following details:

- **Securities** – Check the securities you wish to include in the report. Check the “Include inactive securities” checkbox to include all those securities in the list.
- **Select/Deselect All Securities** – Use these links to quickly check or un-check all securities from the Securities list.
- **Start Date** – You may use the dropdown calendar function to select the first date of the date range for the transactions you wish to include in the report, or you can type in the date directly into the **Date** field.
- **End Date** – You may use the dropdown calendar function to select the last date of the date range for the transactions you wish to include in the report, or you can type in the date directly into the **Date** field.
- **Printer friendly paper orientation** – Choose the paper orientation you wish to use for the report, either portrait or landscape.

Click the **Preview** button to display the report.

Security Transactions History Report Description

Columns

- **Date** – Date of the transaction.
- **Transactions** – Type of transaction.
- **Shares** – Amount of shares in transaction.
- **Cost/share** – The cost of the shares divided by the total price paid
- **Block** – Block number of the shares involved in the transaction, if applicable
- **Amount** – Dollar amount involved in the transaction.
- **Total Shares** – Cumulative total shares up to the date of each transaction.

- **Total Cost** – Cumulative total cost up to the date of each transaction.

Security Dividends

The **Security Dividends** report lists every dividend for the date range selected, the ex-dividend date you've entered, and whether that dividend qualifies for a lower tax rate according to the *Jobs and Growth Tax Relief Reconciliation Act of 2003*. More information about ex-dividend dates and how you determine what to enter is available on our Technical Support web site at <http://www.iclub.com/support>.

Use this report at the end of the year to make sure all of your dividends are entered correctly.

You can access the **Security Dividends** report by selecting "Security Dividends" from the Club Accounting 3 Reports menu. By default, the date range is from the start of the current year, up to the current date.

To display a **Security Dividends** report, first enter the following details:

- **Securities** – Check the securities you wish to include in the report. Check the "Include inactive securities" checkbox to include all those securities in the list.
- **Select/Deselect All Securities** – Use these links to quickly check or un-check all securities from the Securities list.
- **Start Date** – You may use the dropdown calendar function to select the first date of the date range for the transactions you wish to include in the report, or you can type in the date directly into the **Date** field.
- **End Date** – You may use the dropdown calendar function to select the last date of the date range for the transactions you wish to include in the report, or you can type in the date directly into the **Date** field.
- **Sub-total by Security** – Check this box to add a sub-total of the qualifying and non-qualifying dividends for each stock.

- **Printer friendly paper orientation** – Choose the paper orientation you wish to use for the report, either portrait or landscape.

Click the **Preview** button to display the report.

Security Dividends Report Description

Columns

- **Date Paid** – Date the dividend was paid out
- **Ex-Div Date** – Date the dividend was announced.
*Note: Look up the ex-dividend date, if your broker did not provide it for you. A general rule of thumb is if your **ex-div** date is the same as your **date paid**, that would be incorrect, and you should look it up online.*
- **Security** – Name of the security providing the dividend.
- **Qualifying Amount** – If you owned the stock for over 60 days before the dividend, and did not sell it until 60 days after the dividend, the dividend is qualified for a lower tax rate. *Note: This is an oversimplification of the rule. Refer to the **Jobs and Growth Tax Relief Reconciliation Act of 2003** mentioned above for more information.*
- **Non-Qualifying Amount** – see *qualifying, above.*
- **Remarks** – Any remarks you entered with the dividend.

Rows

- **Sub-Total** – The total of the dividends for the selected stock.

Complete Journal/Ledger

The **Complete Journal/Ledger** contains a double-entry ledger of transactions that change the value of the club during the period you specify. Transactions that change the value of the club include all transactions except stock dividends, mergers, and reinvested returns of capital. Because this report is a double-entry ledger, each transaction must balance to zero. That is,

each transaction must have the same amount entered as a credit as is entered as a debit.

Use this detailed report to check the balances shown in other reports. You can, for example, check the Paid In Plus Earnings Columns in the Members Status Report, the Net Profit in the Distribution of Earnings Statement, the figures in the Income and Expense Statement and Balance Sheet against the figures in this report. Print as needed.

Note: *If the report date is an earnings distribution date, the totals for the three earnings columns (Dividends Received, Misc. Received, and Gain on Sales) should each be zero. If they are not, then income and expenses were not fully allocated. This condition is caused by changes made during the period after the Allocate Income and Expenses task was run. You may have to redo prior allocations in order to correct the problem.*

You can access the **Complete Journal/Ledger** report by selecting "Complete Journal/Ledger" from the Club Accounting 3 Reports menu.

To display a **Complete Journal/Ledger** report, first enter the following details:

- **Start Date** – You may use the dropdown calendar function to select the first date of the date range for the transactions you wish to include in the report, or you can type in the date directly into the **Date** field.
- **End Date** – You may use the dropdown calendar function to select the last date of the date range for the transactions you wish to include in the report, or you can type in the date directly into the **Date** field.
- **Previous Full Year** – Click this button to set the Start Date to January 1st, and the End Date to December 31st of the previous year.
- **Printer friendly paper orientation** – Choose the paper orientation you wish to use for the report, either portrait or landscape.

Click the **Preview** button to display the report.

Complete Journal/Ledger Report Description

Columns

- **Date** – Date of the transaction.
- **Type** – Type of transaction.
- **Description** – Description of the transaction.
- **Cash DR** – Change in the balance of the cash accounts.
- **Investment DR** – Change in the total cost of securities.
- **Paid in by Members CR** – Change in the tax basis of members' accounts.
- **Dividends and Interest Received CR** – Dividends and interest received (both taxable and tax-free).
- **Misc. Received CR** – Income and expenses entered by the user.
- **Gain on Sales CR** – Short-term and long-term capital gains received.
- **Withdrawal Liability CR** – Withdrawal that have been processed and paid at a later date.
- **Unrealized Gains CR** – The capital gain or loss applied to a member at the time of their withdrawal. Listed as Unrealized because the gain or loss is applied to the member, not the club.

Rows

- **Ending Balance** – The total value of the transactions in each column.

Allocation of Income and Expenses

The **Allocation of Income and Expenses** report shows the income and expenses that were allocated to every person who was a member of the club at any time during the tax year.

These earnings are added to each member's tax basis in the club (Paid in Plus Earnings in the Members Status Report). The earnings are taxable income that each member should report on his or her personal tax return. Use this report to provide tax information for the IRS Form 1065 and Schedule K-1 forms for all members of the club for the full calendar year.

Print this report at the end of each allocation period, after you run the Allocate Income and Expenses task. The allocation period is one calendar year (from January 1 to December 31). Distribute this report to each member so the information can be incorporated into his or her tax return.

You can access the **Allocation of Income and Expenses** report by selecting “Allocation of Income and Expenses Report” from the Club Accounting 3 Reports menu.

To display an **Allocation of Income and Expenses** report, first enter the following details:

- **Select Date** – Select the date of the year-end Valuation Statement from the dropdown list. **Note:** *You must have already created a Valuation Statement for the year and completed the Allocate Income and Expenses task before you view an Allocation of Income and Expenses report.*
- **Printer friendly paper orientation** – Choose the paper orientation you wish to use for the report, either portrait or landscape.

Click the **Preview** button to display the report.

Allocation of Income and Expenses Report Description

Total Income Section

The first section (**Total Income**) shows total amounts allocated from the sources listed in the columns

Columns

- **Dividends/Qualified Dividends** – Dividends allocated. This also includes dividends on which foreign taxes were paid.
- **Taxable Interest** – Taxable interest allocated. This includes all interest except tax-free mutual securities.
- **Federal Tax Free Interest** – Tax-free interest allocated.
- **Short Term Capital Gain** – STCG allocated.

- **Mid Term Capital Gain** – MTCG allocated (Applicable only to 1997, and only displayed for reports dated prior to 12/31/2000).
- **5 Year Cap. Gain** – Total five-year capital gain amounts.
- **Long Term Capital Gain** – LTCG allocated.
- **Misc. Income/Expense** – Income received into, and/or expenses paid out of a cash account.
- **Non Deductible Expense** – Nondeductible expenses paid out of a cash account.
- **Foreign Taxes Paid** – Amount of foreign taxes paid out of dividends by the company making the distribution.
- **Net Profit** – Sum of the previous eight columns.
- **Valuation Units Purchased** – Units added to each member's account as a result of the allocation. **Note:** *You may choose whether or not to reinvested allocated income and expenses as purchases/credits of additional units by members in the club in the General Settings screen (**Tools** > **Settings**). If reinvestment is selected, Club Accounting assumes the allocated earnings leave the club and are immediately reinvested. When earnings are positive, members receive additional units but unit value drops. When earnings are negative, members' total units decrease but unit value increases. In both cases, the current value for each member remains the same before and after the allocation.*

Withdrawals During the Period Section

A row appears for each member who withdrew (full or partial withdrawal) during the year and their share of each of the items in the columns is displayed.

- **Balance To Be Allocated** – Difference between the total income allocated and the amounts already allocated to all members who withdrew during the year.

Remaining Income Allocation Section

Columns

Amounts allocated to each member who is active on the allocation date in each of the categories listed in the columns described above.

Rows

- **Total Allocated** – Total amounts allocated to all persons who were members at any time during the allocation period. These totals should match the amounts in the Total Income row.

Income/Expense and Balance Sheet

The **Income and Expense Statement** and **Balance Sheet** are produced as a pair. Together, they summarize the ledger totals shown in the Complete Journal/Ledger. You can specify the start and end dates for the reports (only allocation dates appear on the menu). If the report date is an allocation date, these reports are also a summary of the Income/Expense and Balance Sheet Report.

Use this report to provide a summary of the club's realized profits (earnings), and the status of the club's assets and equities. Print and distribute at the end of each allocation period.

You can access the **Income/Expense and Balance Sheet** report by selecting "Income/Expense and Balance Sheet Report" from the Club Accounting 3 Reports menu.

To display an **Income/Expense and Balance Sheet** report, first enter the following details:

- **Create report for year ending** – Displays a list of distribution dates. Choose the date representing the end of the year for which you want the report, or select "New Date" and enter the start and end dates in the next fields. **Note:** *You must have already created a Valuation Statement for the year and completed the Allocate Income and Expenses task before you view an Income/Expense and Balance Sheet report.*
- **Or enter new start date** – If you do not wish to create a report for a previous year, enter the desired date. You may use the dropdown calendar function to select the date, or you can type in the date directly into the Date field. The default is the current date.
- **And end date** – Enter the end date if you have selected "New Date" and entered the new start date above. You may use the dropdown calendar function to select the

date, or you can type in the date directly into the Date field. The default is the current date.

- **Exclude unrealized gains and unallocated earnings in member capital accounts?** – Click this checkbox if you would like the "Capital Account – Members" and "Unrealized Gains + Unallocated Income" to appear separately on the Balance Sheet. Leave this checkbox blank if you want the "Capital Account – Members" to include the unrealized gains and unallocated income.
- **Printer friendly paper orientation** – Choose the paper orientation you wish to use for the report, either portrait or landscape.

Click the **Preview** button to display the report.

Income/Expense and Balance Sheet Report Description

Income and Expense Statement: Income Section

Rows

- **Non-Qualifying Dividends** – Total dividends (cash and reinvested) that do not qualify for the lower tax rate for qualifying dividends. This includes dividends for the securities and cash accounts.
- **Qualifying Dividends** – Total dividends (cash and reinvested) that qualify for the lower tax rate for qualifying dividends. This includes dividends for the securities and cash accounts.
- **Interest** – Total interest (cash and reinvested). This includes interest received on securities and on the Bank, Broker, and Suspense accounts.
- **Short term Cap. Gain** – Total STCG (cash and reinvested).
- **Mid Term Capital Gain** – MTCG allocated (Applicable only to 1997, and only displayed for reports dated prior to 12/31/2000).
- **5 Year Cap. Gain** – Total five-year capital gain amounts.
- **Long term Cap. Gain** – Total LTCG (cash and reinvested).

- **Miscellaneous Income** – Total miscellaneous income posted in the Bank, Broker, and Suspense accounts.
- **Total Income** – Total of the lines above.

Income and Expense Statement: Expenses Section

Rows

- **Expenses** – Total deductible expenses posted in the cash accounts.
- **Non-deductible Expenses** - Total non-deductible expenses posted in the cash accounts.
- **Foreign Taxes** – Total Foreign Taxes paid.
- **Charities** – Total of any charitable donations made by the club.
- **Net Profit** – Total income minus expenses.

Balance Sheet: Assets Section

Rows

- **Cash** – Balance in each cash account on the report date.
- **Total Cash** – The sum of the cash balances of all listed cash accounts.
- **Investments** – Cost basis of the securities held on the report date. This figure is the same as the Total Investment in the Complete Journal/Ledger. It is also the total of the security Total Cost column on the Valuation Statement.
- **Total Assets** – Total cash value of the club's cash accounts and cost basis of the securities held on the report date.

Balance Sheet: Equities Section

Rows

If you selected the **After Allocation** checkbox on the parameter form, this section contains the following information:

- **Capital Account – Members** – Total basis of the active members as of the report date. This figure is the same as the Total Paid In By Members column in the Complete Journal/Ledger. It is also the same as the Total Paid In Plus Earnings column in the Members Status Report.

- **Unrlzd Gains + Undist Earns** – Unrealized gains due to member withdrawals. This figure is the same as the Total Unrealized Gains Columns in the Complete Journal/Ledger.
- **Total Equities** – This figure should match the Total Assets figure in the Assets section. It is the sum of the member capital accounts and the unrealized gains

If you did not select the **After Distribution** checkbox on the parameter form, this section contains the following information:

- **Capital Account - Members** – Total basis of the active members plus the unrealized gains posted on the report date. This figure is the same as the sum of the Total Paid In By Members and the Unrealized Gains columns in the Complete Journal/Ledger Listing.
- **Total Equities** – This figure should match the Total Assets figure in the Assets section. It is the sum of **Capital Accounts - Members** and the **Profit for the Period**.

Club Expenses

The **Club Expenses** report summarizes the club's expenses for the selected period.

You can access the **Club Expenses** report by selecting "Club Expenses Report" from the Club Accounting 3 Reports menu.

To display a **Club Expenses** report, first enter the following details:

- **Include accounts** – Check the accounts that you wish to include in the report. Click "Check all Accounts" or "Uncheck All Accounts" to quickly check or uncheck all listed accounts.
- **Include inactive accounts** – Click this check-box to show or hide any inactive accounts.
- **Start Date** – You may use the dropdown calendar function to select the first date of the date range for the transactions you wish to include in the report, or you can type in the date directly into the **Date** field. The default is the start of the current year.

- **End Date** – You may use the dropdown calendar function to select the last date of the date range for the transactions you wish to include in the report, or you can type in the date directly into the **Date** field. The default is the current date.
- **Printer friendly paper orientation** – Choose the paper orientation you wish to use for the report, either portrait or landscape.

Click the **Preview** button to display the report.

Club Expenses Report Description

Columns

Date – Date on which the transaction occurred.

Type – Kind of transaction.

- **Deductible Expenses** – If the transaction is marked as a deductible expense, the total will appear in this field.
- **Non-Deductible Expenses** – If the transaction is marked as a non-deductible expense, the total will appear in this field.

Account – The account to which the transaction was posted.

Description – Any remarks entered with the transaction.

Rows

Total – The total of the transactions displayed in the Deductible Expense and Non-Deductible Expense columns.

Grand Total – The sum of all non-deductible and deductible expenses for the period selected.

Club Capital Gains

The **Club Capital Gains** report lists all of your capital gains for the date range selected, similar to your Schedule D, published by the IRS for tax purposes. By default, it shows you the gains for this year.

You can access the **Club Capital Gains** report by selecting “Club Capital Gains” from the Club Accounting 3 Reports menu.

To display a **Club Capital Gains** report, first enter the following details:

- **Start Date** – You may use the dropdown calendar function to select the first date of the date range for the transactions you wish to include in the report, or you can type in the date directly into the **Date** field. The default is January 1st of the current year.
- **End Date** – You may use the dropdown calendar function to select the last date of the date range for the transactions you wish to include in the report, or you can type in the date directly into the **Date** field. The default is the current date.
- **Previous Full Year** – Click this button to have the Start and End dates set to January 1st and December 31st of the previous year.
- **Printer friendly paper orientation** – Choose the paper orientation you wish to use for the report, either portrait or landscape.

Click the **Preview** button to display the report.

Club Capital Gains Report Description

Sections

- **Long Term Capital Gain** – All of the security sales that count as Long Term Capital Gains are grouped together in the first section.
- **Short Term Capital Gain** – All of the security sales that count as Short Term Capital Gains are grouped together in the second section

Columns

- **Security Name** – Name of the security involved in the transaction.
- **Purchase Date** – Date the stock was purchased.
- **Sale Date** – Date on which the stock was sold.
- **Sale Basis** – How much the stock was sold for.
- **Cost Basis** – How much was paid for the stock, including fees and commissions.

- **Gain** – How much money was gained (or lost) in the sale.
- **Shares** – The number of shares involved in the sale.
- **Gain Type** – Short-term gains are for stocks that have been held one year or less. Long-term gains are for stocks that have been held more than one year.

Rows

- **Total** – The total of the transactions displayed in the Gain column for the particular section.
- **Grand Total** – The total capital gain for both the Short and Long Term Capital Gain sections.

Member Deposits

The **Member Deposits** report lists each member's total deposits by date within the selected period.

You can access the **Member Deposits** report by selecting "Member Deposits Report" from the Club Accounting 3 **Reports** menu.

To display a **Member Deposits** report, first enter the following details:

- **Members** – Check the members that you wish to include in the report. Click "Select all" to select all members. Click "Select all active members" or "Select all inactive members" to include or exclude those members from the report.
- **Start Date** – You may use the dropdown calendar function to select the first date of the date range for the transactions you wish to include in the report, or you can type in the date directly into the **Date** field. The default is January First of the current year.
- **End Date** – You may use the dropdown calendar function to select the last date of the date range for the transactions you wish to include in the report, or you can type in the date directly into the **Date** field. The default is the current date.

- **Previous Full Year** – Click this button to have the Start and End dates set to January 1st and December 31st of the previous year.
- **Printer friendly paper orientation** – Choose the paper orientation you wish to use for the report, either portrait or landscape.

Click the **Preview** button to display the report.

Member Deposits Report Description

Columns

- **Member Name** – The name of the member making the deposit.
- **Date** – Date on which the transaction occurred.

Rows

- **Total** – The sum of all deposits on a particular date.

Member Information

The **Member Information** report contains all member profile information for one or more selected members. The default setting for this report does not include Social Security Numbers in the report. Use this report to provide address and identification information to the members. Print as needed.

You can access the **Member Information** report by selecting “Information” from the Club Accounting 3 **Reports** menu.

To display a **Member Information** report, first enter the following details:

- **Members** – Check the members that you wish to include in the report. Click “Show Inactive Members” to include former members. Click “Select all” to select all members.
- **Show Social Security Numbers** – Check to include Social Security numbers on the report. If you initially entered Social Security Numbers on the Member Profile screen they will appear on the report.
- **One Member Per Page** – Check to print each member’s information on a separate page. This is useful to distribute contact information for a new member.

- **Printer friendly paper orientation** – Choose the paper orientation you wish to use for the report, either portrait or landscape.

Click the **Preview** button to display the report.

Member Information Report Description

- **First Name** – The member's first name.
- **Middle Name** – The member's middle name.
- **Last Name** – The member's last name.
- **Address 1** – The member's main address.
- **Address 2** – An additional address line for the member, if applicable.
- **City** – The city in which the partner resides.
- **State/Province** – The State or Province of the member's address.
- **Zip/Postal Code** – The zip or postal code of the member's address.
- **Country** – The country of the member's address; only displayed if something other than United States.
- **Work Phone** – The member's phone number.
- **Home Phone** – The member's phone number.
- **E-mail** – The member's email address. An address must be entered here for you to send email from the **Edit Members** screen in Club Accounting 3.
- **Other Phone** – The member's fax, mobile, wireless or mobile number, if applicable.
- **Club Position** – The member's role in the club (such as President, Treasurer or Secretary).
- **Member Since** – The date of the member's first transaction with the club.
- **Emergency Contact** – Any extra contact information.
- **Social Security #** – The member's Social Security Number. (This is required for the club's tax returns.)

Member Address Labels

The **Member Address Labels** report is formatted to print mailing labels for members on Avery 5160 (or compatible) address labels. These labels can be printed on your printer to allow you to send reports by mail to members.

You can access the **Member Address Labels** report by selecting “Address Labels” from the Club Accounting 3 **Reports** menu.

To display **Member Address Labels**, first enter the following details:

- **Members** – Check the members that you wish to include in the report. Click “Check all” to select all members. Check or uncheck “Show Inactive Members” to include or exclude those members from the report.

Click the **Preview** button to display the report. Click **Reset** to return the request form to the default settings.

Member Address Labels Report Description

The following fields are included in the mailing labels:

- **First Name** – The member's first name.
- **Last Name** – The member's last name.
- **Address 1** – The member's main address.
- **Address 2** – An additional address line for the member, if applicable.
- **City** – The city in which the partner resides.
- **State/Province** – The State or Province of the member's address.
- **Zip/Postal Code** – The zip or postal code of the member's address.

Export Member Addresses

The **Export Member Addresses** report allows you to export member mailing address information to a file that can be used by Microsoft Word and other programs to generate mail-merged letters and labels. The data is exported in Comma-

Separate Values (CSV) format which can be opened by any text editor (such as Notepad), spreadsheet (such as Microsoft Excel) or word processing program (such as Microsoft Word).

Consult the help files and documentation for your word processing or other program to learn how to use the mail-merge function with the CSV file created by NCA.

You can access the **Export Member Addresses** report by selecting "Export Member Addresses" from the Club Accounting 3 Reports menu.

To **Export Member Addresses**, first enter the following details:

- **Members** – Check the members that you wish to include in the report. Click "Select all" to select all members. Check or uncheck "Show Inactive Members" to include or exclude those members from the report.
- **Export Directory** – Select the directory where you would like NCA to save the CSV file.

Click the **Export** button to save the file "MemberAddresses.csv" to the designated location; Club Accounting will report that the file has been exported. Click **OK** and Club Accounting will return to the club home page.

Export Member Addresses Report Description

The following fields are included in the export file. Each field is separated by a comma in the file.

- **First Name** – The member's first name.
- **Last Name** – The member's last name.
- **Address 1** – The member's main address.
- **Address 2** – An additional address line for the member, if applicable.
- **City** – The city in which the partner resides.
- **State/Province** – The State or Province of the member's address.
- **Zip/Postal Code** – The Zip or postal code of the member's address.
- **Country** – The country of the member's address.
- **Home Phone** – The member's phone number.

- **Work Phone** – The member's phone number.
- **E-mail** – The member's email address.

Member Withdrawal

The **Member Withdrawal** shows the earnings and capital gains that may be taxable when a member completely or partially withdraws from the club. Use this report to provide a withdrawing member with information about his or her withdrawal for his or her tax records. Print whenever a member withdraws from the club and give it to the withdrawing member.

***Note:** The figures in this report are not a definitive description of the tax consequences of a member's withdrawal, but are provided to support the member's own records.*

You can access the **Member Withdrawal** report by selecting "Member Withdrawal Report" from the Club Accounting 3 Reports menu. You will also be prompted to print the report after processing a full or partial member withdrawal.

To display a **Member Withdrawal** report, first enter the following details:

- **Select Member** – Select the member for whom you would like to print a Withdrawal Report. A list of all members for which the software has recorded a full or partial withdrawal will appear. The withdrawals are dated and in reverse chronological order and the date of the withdrawal is displayed next to the member's name, so if a member had more than one withdrawal, it is easy to choose the correct withdrawal.
- **Printer friendly paper orientation** – Choose the paper orientation you wish to use for the report, either portrait or landscape.

Click the **Preview** button to display the report. Click **Reset** to return the request form to the default settings.

Member Withdrawal Report Description

Member's Share of Distributions Section

The information in this section appears for both partial and full withdrawals. The Column headings in this section show the

withdrawing member's share of the club's earnings between the last distribution date and the withdrawal date.

Columns

- **Dividends/Qualifying Dividends** – Dividends distributed. This also includes dividends on which foreign taxes were paid.
- **Taxable Interest** – Taxable interest distributed. This includes all interest except on Petty Cash and tax-free mutual funds.
- **Federal Tax Free Interest** – Tax-free interest distributed.
- **Short Term Capital Gain** – STCG distributed.
- **Mid Term Capital Gain** – MTCG distributed (Applicable only to 1997). This item is replaced by the 5-Year Cap. Gain item if the report date is after 12/31/00.
- **5 Year Cap. Gain** – Five year capital gain distributed. This item replaces the Mid Term Cap Gain item, if the report date is after 12/31/00.
- **Long Term Capital Gain** – LTCG distributed.
- **Misc. Income** – Income received into a cash account other than Petty Cash.
- **Misc. Expense** – Expenses paid out of a cash account other than Petty Cash.
- **ND Expense** – Distributed Nondeductible expenses paid from a cash account other than a Petty Cash account.
- **Charitable Donation** – Member's share of any charitable donation the club made.
- **Foreign Taxes Paid** – Amount of foreign taxes paid out of dividends by the company making the distribution.

Partner Information section

The following information appears for all cash-only withdrawals, partial and full.

- **Fair Value Units Withdrawn** – Value of the units withdrawn by the member. The number of units withdrawn and unit value are given in parentheses ().

- **Less Withdrawal Fee** – Withdrawal fee that is deducted from the withdrawal value.
- **Net Proceeds** – Value distributed to the withdrawing member.
- **Cash** – Amount of cash given to the withdrawing member.
- **Total Withdrawal at Fair Value** – The total value of the cash (and stock if appropriate) given to the withdrawing member. This equals the net proceeds.
- **Tax Basis prior to Withdrawal** – The withdrawing member's tax (cost) basis in the club prior to this withdrawal.
- **Current Year Earnings/(Loss)** – The total amount of earnings allocated to the member for the year the member withdrew (from the last allocation date to the withdrawal date).

The following information appears only for full cash withdrawals.

- **Adjusted Tax Basis** – The member's tax basis adjusted for the current year earnings.
- **Less Cash** – The reduction of the tax basis for the cash portion of the allocation.
- **Realized Gain/(Loss)** – Taxable gain or loss realized by the member as a result of the withdrawal.

Securities Transferred

This section appears only for a withdrawal that involves a transfer of shares to the withdrawing member.

Columns

- **Date Purchased** – Date of purchase of the block of transferred shares.
- **Symbol** – The ticker symbol of the stock being transferred to the member.
- **Company** – Names of the securities transferred to the withdrawing member.
- **Shares** – Number of shares in the transferred block.
-

- **Fair Market. Value** – Value of the block of securities transferred, based on the stock price entered as art of the withdrawal.
- **Club's Cost Basis** – Cost basis on the club's books of the transferred block of securities.
- **Partner's Adjusted Basis**– Withdrawing member's adjusted tax basis in the block of securities transferred.

Rows

- **Totals** – Fair Market Value, Club's Cost Basis and Partner's Adjusted Basis of all securities transferred to the withdrawing member.

Portfolio Performance Graph

This graph plots the changes in Cost Basis and Value for an individual, or the entire club over time.

You can access the **Portfolio Performance Graph** by selecting "Portfolio Performance" from the Club Accounting 3 Reports menu. To view the graph, select from the following details:

Select Member – By default this is set to Overall Club; click the dropdown menu to select a specific member's information to display.

Graph Size – Click the "Full page (for printing)" box to display the graph on a full page, or enter the desired width and height of the graph in the "Customize size" boxes below. **Note:** *if you check the box to display the box on a full page, the options for Width and Height will be grayed-out and you will be unable to enter any size parameters.*

Or customize size – Enter the desired width and height of the graph in pixels. You may need to experiment to find the best size settings for your desired purpose.

- **Width** – Use this field to set the width of the graph.
- **Height** – Use this field to set the height of the graph.

Printer friendly paper orientation – Choose the paper orientation you wish to use for the report, either portrait or landscape.

- Click the **Preview** button to display the graph.

Viewing the Portfolio Performance Graph

The **Portfolio Performance Graph** plots the changes in Cost Basis and Value for an individual, or the entire club over time.

Once you have set the parameters for the **Portfolio Performance Graph** (from **Reports > Portfolio Performance Graph**), the graph appears on the screen.

The left side of the graph (the “y” axis”) shows the dollar value for the Cost Basis and Overall Value of the member or entire club

The bottom of the graph (the “x” axis) includes the dates of the club’s valuation statements from which the member values are taken in order to calculate the returns.

The Lines - The red line shows the change in the member or club value over time. The blue line shows the change in the member or club basis over time.

Security Performance Graph

This graph plots the Cost Basis and Value (taken from the club’s valuation reports) for a selected security over the specified time period. The time period start and report dates are selected from the club’s valuation dates.

You can access the **Security Performance** by selecting “Security Performance Graph” from the Club Accounting 3 Reports menu. To view the graph, select from the following details: .

Select Security – Select the security you wish to graph.

Show inactive securities – Check the checkbox to show inactive securities in the Select Security list; uncheck the checkbox to only view currently active securities.

Start Date – Choose a date from the list as the beginning date of the calculations for this graph. You may use the dropdown calendar function to select the first date of the date range for the transactions you wish to include in the report, or you can type in the date directly into the **Date** field. The default is first club transaction.

End Date – Enter or choose the ending date of the calculations for this graph. You may use the dropdown calendar function to

select the ending date of the date range for the transactions you wish to include in the report, or you can type in the date directly into the **Date** field. The default is the current date.

Year To Date – Click this button to have Club Accounting automatically set the start and end dates to January first, and the current date, respectively.

Graph Size – Click the “Full page (for printing)” box to display the graph on a full page, or enter the desired width and height of the graph in the “Customize size” boxes below. **Note:** *if you check the box to display the box on a full page, the options for Width and Height will be grayed-out and you will be unable to enter any size parameters.*

Or customize size – Enter the desired width and height of the graph in pixels. You may need to experiment to find the best size settings for your desired purpose.

- **Width** – Use this field to set the width of the graph.
- **Height** – Use this field to set the height of the graph.

Printer friendly paper orientation – Choose the paper orientation on which the graph will be created:

- **Landscape** – The graph will be displayed on a horizontally-oriented (“sideways”) page.
- **Portrait** – The graph will be displayed on a vertically-oriented page.

Click the **Preview** button to display the graph.

Viewing the Security Performance Graph

This **Security Performance Graph** plots the change in Cost Basis and Value for an individual stock over time.

Once you have set the parameters for the **Security Performance Graph** (from **Reports > Security Performance Graph**), the graph appears on the screen.

The left side of the graph (the “y” axis”) is the dollar value for the shares of the security held since the start date of the report, or the date of the first purchase of the security.

The bottom of the graph (the “x” axis) includes the dates of the club’s valuation statements from which the security values are taken.

The Lines - The red line shows the change in the security value over time. The blue line shows the change in the security basis over time.

Club Assets Graph

The **Club Assets Graph** plots the percent of the total portfolio that each asset represents on a particular valuation date. Each security plus the cash total are plotted separately in the graph. The graph can be displayed as either a bar chart or a pie chart.

You can access the **Club Assets Graph** by selecting “Club Assets Graph” from the Club Accounting 3 Reports menu. To view the graph, select from the following details:

Select Valuation Dates – Select the desired date from the list of valuation dates.

Select graph type – Click in the appropriate option button to select either a bar chart or a pie chart for this graph.

Graph Size – Click the “Full page (for printing)” box to display the graph on a full page, or enter the desired width and height of the graph in the “Customize size” boxes below. **Note:** *if you check the box to display the box on a full page, the options for Width and Height will be grayed-out and you will be unable to enter any size parameters.*

Or customize size – Enter the desired width and height of the graph in pixels. You may need to experiment to find the best size settings for your desired purpose.

- **Width** – Use this field to set the width of the graph.
- **Height** – Use this field to set the height of the graph.

Printer friendly paper orientation – Choose the paper orientation on which the graph will be created:

- **Landscape** – The graph will be displayed on a horizontally-oriented (“sideways”) page.
- **Portrait** – The graph will be displayed on a vertically-oriented page.

Click the **Preview** button to display the graph.

Viewing the Club Assets Graph

The **Club Assets Graph** displays the percent of the total portfolio that each asset represents on a particular valuation date. Each security plus the cash total are plotted separately in the graph. The graph can be displayed as either a bar chart or a pie chart.

Once you have set the parameters for the **Club Assets Graph** (from **Reports > Club Assets Graph**), the graph appears on the screen.

Each holding of the club (including cash and liabilities) on the selected valuation date is displayed on the graph, along with the percentage of each holding of the club's total assets.

The Total Club Value is displayed at the bottom of both types of Club Assets Graphs.

Member Ownership Graph

The **Member Ownership Graph** plots each member's percent ownership of the club at a selected valuation date. The graph can be displayed as a bar, or pie chart. Each section or bar shows the member's percent ownership in text. The total number of units owned by all members combined is also displayed for the date selected.

You can access the **Member Ownership Graph** by selecting "Member Ownership Graph" from the Club Accounting 3 Reports menu.

Select Valuation Date – Select a desired date from the list of valuation dates.

Select graph type – Click either a Bar chart or Pie chart to select how you would like the information displayed for this graph.

Graph Size – Click the "Full page (for printing)" box to display the graph on a full page, or enter the desired width and height of the graph in the "Customize size" boxes below. **Note:** *if you check the box to display the box on a full page, the options for Width and Height will be grayed-out and you will be unable to enter any size parameters.*

Or customize size – Enter the desired width and height of the graph in pixels. You may need to experiment to find the best size settings for your desired purpose.

- **Width** – Use this field to set the width of the graph.
- **Height** – Use this field to set the height of the graph.

Printer friendly paper orientation – Choose the paper orientation you wish to use for the report, either portrait or landscape.

Click the **Preview** button to display the graph.

Viewing the Member Ownership Graph

The **Member Ownership Graph** displays the percentage of the total club value that each member owns on a particular valuation date. The graph can be displayed as either a bar chart or a pie chart.

Once you have set the parameters for the **Member Ownership Graph** and clicked **Preview**, the graph appears on the screen.

Each member of the club on the selected valuation date is displayed on the graph, along with the percentage of each individual's ownership of the club's total assets.

The number of Total Units owned by members on the selected date is displayed at the bottom of both types of Club Assets Graphs.

Petty Cash Reports

See Chapter One, *A Note on Petty Cash*.

11

Pre- and Post-Meeting Tasks

Prepare for Meeting Wizard

The **Prepare for Meeting Wizard** makes sure that you'll always take care of all necessary tasks before each monthly club meeting.

If you use the Prepare for Meeting Wizard prior to each meeting, you'll always be sure that your records are up-to-date and all transactions are properly entered.

You can access the **Prepare for Meeting Wizard** from the **Club > Prepare for Meeting Wizard** menu.

The following steps are undertaken in the **Prepare for Meeting Wizard**:

- **Add New Members** – if any members have joined your club since the last meeting, enter them now.
- **Member Deposits** – enter any member payments or fees received since or at the last meeting.
- **Member Withdrawals** – enter any member withdrawals that have happened since the last meeting.
- **Enter New Transactions** – enter any new cash or securities transactions.

- **Reconcile Books** – reconcile all account balances in Club Accounting with your financial institution statements.
- **Security Valuations** – download or enter securities valuations for your club holdings.
- **Print Reports** – You are now ready to go to the **Reports** section and print a Valuation Statement and Member Status Report to distribute to your club members.

Wrap Up Meeting Wizard

After each meeting, the **Wrap Up Meeting Wizard** helps you to enter your member deposits, purchase securities and enter other transactions.

If you use the **Wrap Up Meeting Wizard** after each meeting, you'll always be sure that your records are up-to-date and all transactions are properly entered.

You can access the **Wrap Up Meeting Wizard** from the **Club > Wrap Up Meeting Wizard** menu.

The following steps are undertaken in the **Wrap Up Meeting Wizard**:

- **Add New Members** – if new members joined your club at the meeting, enter them now.
- **Member Deposits** – enter any member payments or fees received at the meeting.
- **Enter New Transactions** – enter any new cash or securities transactions.

12

Tools

Year-End Tasks

The **Year-End Tasks Wizard** greatly simplifies the task of closing your club's books for the year. The Wizard will step you through each function that you'll need to complete at the end of each year.

You can access the **Year-End Tasks Wizard** by going to **Tools > Year-End Tasks Wizard**.

Before you begin the **Year-End Tasks Wizard**, make sure that you have all year-end statements and Forms 1099 from your financial institutions.

The following steps are undertaken in the **Year-End Tasks Wizard**:

- **Member Deposits** – enter any remaining member deposits for the year.
- **Withdraw Members** – process any member withdrawals.
- **Enter Final Transactions** – enter all transactions prior to the end of the year.
- **Reconcile Accounts** – reconcile all account balances in Club Accounting with your financial institution statements, and check your totals against the 1099 from your bank or broker.

- **Year-End Valuations** – download or enter securities valuations as of 12/31. **Note:** *use the 12/31 date even if the last trading day of the year is prior to that date. You must also enter any additional information for mutual fund or REIT dividends or distributions that may only be provided on Form 1099.*
- **Identify Securities** – Use the drop down menu next to each stock to mark if it is a Common Stock, Mutual Fund, etc. **Note:** *If any of the securities are selected as something other than a common stock, and had a dividend during the year, the next screen will ask you to identify what part of those dividends were qualified, or non-qualified; if all stocks were listed as common, this page will not have any figures, and can be skipped.*
- **Print Reports** – Club Accounting will remind you to print a Valuation Statement, Allocation of Income and Expenses, Member Status Report and Income/Expenses and Balance Sheet reports.

Allocate Income and Expenses

Note: *Prior versions of Club Accounting referred to the process of allocating income and expenses as the “distribution of earnings.”*

Use the **Allocate Income and Expenses** form to allocate the club's annual income and expenses to all members according to the allocation method specified on the Settings page.

Allocations calculate members' share of the club's earnings for the calendar tax year and adjust the members' Paid in Plus Earnings.

You can access the Allocate Income and Expenses screen by going to **Tools > Allocate Income and Expenses**.

What You Need to Know

You are required by the IRS to allocate the club's income and expenses to the members at the end of each year.

Income includes interest, income, dividends, long term capital gain, and short term capital gain. Income is reduced by the amount of expenses and losses incurred by the club. Members

must report their share of these items on their personal income tax return.

You can delete a year-end allocation by deleting one allocation transaction of any one on the member transaction list. When you delete one allocation transaction, all allocation transactions for all members on that date are also deleted.

Allocations of income and expenses cannot be edited, and do not automatically update if you have made changes to transactions in prior years. If you have made changes to transactions from prior years, or otherwise need to re-do the Allocation for a year, simply follow the steps below to perform the allocation for that year again.

If your club is dissolving, it is not necessary to allocate income and expenses. Simply withdraw all members. The allocation will be done for each member as part of the withdrawal.

You should only allocate income and expenses at the end of the year.

How to Prepare for the Allocation

Make sure that you have entered all transactions for the year. You may have to wait until late February to receive all the information you need.

Create a valuation 12/31/yy. The valuations must be dated 12/31/yy even if that date is not the last business day of the year.

Your data will be automatically audited before you allocate income and expenses.

How to Enter the Allocation

Year of Allocation – Choose a year for which you wish to allocate (or re-allocate) income and expenses.

If any securities that received dividends during the year were marked as something other than Common Stock on the Edit Securities page, the allocation will display a list of those securities, and ask you to enter what part of those dividends were qualified and non-qualified.

Click OK to start the allocation. The software will perform the allocation and display a confirmation dialog box when complete.

Beginning Balances

Beginning Balances – Account

Use the **Beginning Balance – Account** form to enter beginning balances for a financial institution account when you switch over from an accounting method other than Club Accounting (See Startup Methods for Existing Clubs).

Use **Tools > Beginning Balances** to display this form.

Enter Beginning Balance transactions only for accounts that are active on the switchover date. The switchover date must be 12/31/yy.

How to Enter Beginning Balances – Account

- **Beginning Balance Date** – Enter the 12/31/yy switchover date. You may use the dropdown calendar function to select a date, or you can type in the date directly into the Transaction Date field. The default is the current date.
- **Select Beginning Balance Type** – Choose “Account” to enter beginning balances for a particular account.

After you select the Beginning Balance Type, the remainder of the fields will be displayed.

- **Select Account** – Select the account for which you want to enter a beginning balance transaction from the dropdown menu.

If you have not yet created the account, select **Club > Financial Institution Accounts** from the Club Accounting menu, then select the “Add New Account” item to create the account.

- **Amount** – Enter the balance of the account as of the switchover date. **Note:** *If you enter more than one beginning balance transaction, they will add together; they do not cancel out, or over-ride one another.*
- **Remarks** – Enter any comment you may have (optional).

Click **OK** to save the transaction, or click **Cancel** to abandon your entry.

If **OK** was chosen in the previous step, a confirmation screen appears with the beginning balance information. Select one of the following:

- Click **OK** to save the transaction.
- Click **Cancel** to return to the transaction entry form to correct mistakes

Beginning Balances – Member

Use the **Beginning Balance – Member** form to enter beginning balances for each member of an existing club when you switch over from an accounting method other than Club Accounting (See **Startup Methods for Existing Clubs**).

Use **Tools > Beginning Balances** to display this form.

Enter Beginning Balance transactions only for persons who were still members of the club on the switchover date. The switchover date must be 12/31/yy.

The number of units owned by each member on the switchover date is needed.

You must enter **two** kinds of beginning balance transactions for each member:

- **Investment beginning balance** is the total amount the member contributed to the club (not including any Petty Cash contributions) from the date the member joined the club up to the 12/31/yy switchover date.
- **Earnings beginning balance** is the sum of all net earnings distributed to the member (at the end of all tax years) from the date the member joined the club up to and including the 12/31/yy switchover date.

The sum of the Investment beginning balance and the Earnings beginning balance must never be less than zero.

If a member took a partial withdrawal, the value received by that member is needed to accurately enter their beginning balance.

How to Enter Beginning Balances – Member

- **Beginning Balance Date** – Enter the 12/31/yy switchover date.
- **Select Beginning Balance Type** – Choose “Member” to enter beginning balances for a particular member.

After you select the Beginning Balance Type, the remainder of the fields will be displayed.

- **Select Member** – Select the member for whom you want to enter a beginning balance transaction from the drop down menu.
- **Show Inactives** – Check the checkbox to show inactive members in the Select Member list; uncheck the checkbox to only view currently active members.
- **Amount** – Enter the investment or earnings amount (see above).
- **Units** – Enter the number of units owned by the member on the switchover date. If you are entering an *Earnings* type beginning balance, leave this field blank.

Hint: If you do not know the number of units owned, but do know the percent ownership of each member, choose a convenient number for the total units and multiply this number by the percent ownership to get units owned for each member. For example, you choose 1000 units for the total units. One member owns 8% of the club. The number of units for this member would be $1000 \times .08$ or 80 units.

- **Type** – Choose “Paid In” or “Earnings.” “Paid In” represents a member’s contributions of capital to the club; “Earnings” are that part of the club’s income that may have been distributed to the member at the end of the year. If a member has both “Paid In” and “Earnings” transactions, you must enter them separately using this form.
- **Remarks** – Enter any comment you may have (optional).

Click **OK** to save the transaction, or click **Cancel** to abandon your entry.

If **OK** was chosen in the previous step, a confirmation screen appears with the beginning balance information. Select one of the following:

Click **OK** to save the transaction.

Click **Cancel** to return to the transaction entry form to correct mistakes

Special Case – Partial Withdrawal

Entering the **Beginning Balance** transaction for a member who made a partial withdrawal can pose problems for the treasurer. Instructions for possible scenarios are given below.

If a member made a partial withdrawal, do one of the following:

- If the value received was less than the amount paid in, decrease the amount in Beginning Balance Investment by the amount of the value received. The Earnings amount will not change.
- If the value received was greater than the amount paid in but less than the sum of paid in and earnings, subtract the amount received from the paid in amount. The results will be a negative number; use that result as the Beginning Balance Investment amount. The Beginning Balance Earnings amount will not change.

Example:

John Hancock has paid in \$3000. While a member, his share of earnings is \$1000. He made a partial withdrawal of \$3500. In his Beginning Balance Investment Amount enter negative 500. (3000 paid in, minus 3500 withdrawn.) The Beginning Balance Earnings Amount should be 1000. The Paid in Plus Earnings for John Hancock now equals 500 (-500 + 1000).

*If the value received was more than the amount paid in, plus all accumulated earnings, subtract the amount received from the paid in amount. The results will be a negative number; use the result as the Beginning Balance Investment amount. The Beginning Balance Earnings will be the same number as the Investment amount but **positive**. The sum of paid in and earnings will now be zero.*

Example:

*John Hancock has paid in \$3000. While a member, his share of earnings is \$1000. He made a partial withdrawal of \$5000. In his Beginning Balance Investment Amount, enter negative 2000. (3000 paid in, minus 5000 withdrawn.) The Beginning Balance Earnings Amount should be 2000. The Paid in Plus Earnings for John Hancock now equals zero (-2000+2000). The Earnings amount is changed because the sum of the paid in amount and the earnings amount should **never** be less than zero.*

Beginning Balances – Security

The **Beginning Balances – Security** form is for entering beginning balances for the securities owned by the club on the switchover date.

Use **Tools > Beginning Balances** to display the Enter Beginning Balance form.

Use this form only when you use Startup Method for Existing Clubs Not Using NAIC Club Accounting to start using Club Accounting for an existing club (see Startup Methods for Existing Clubs).

Enter a separate beginning balance for each block of shares that the club acquired and that the club still owned on the switchover date. An acquisition can be a share purchase, a re-invested distribution, a spinoff, or a merger.

Note: Do not use a Beginning Balance transaction form to enter a stock split that occurred before the switchover date. Use **Transactions > Stock Split** instead. Accounting for stock splits can also be accomplished by entering the split adjusted shares for each block affected by the split. See the Startup Method for Existing Clubs Not Using NAIC Club Accounting section of the Startup Methods for Existing Clubs.

The switchover date must be 12/31/xx. Most clubs choose 12/31/xx of the most recent tax year.

How to Enter Beginning Balances – Security

- **Beginning Balance Date** – Enter the 12/31/yy switch-over date.
- **Select Beginning Balance Type** – Choose “Security” to enter beginning balances for a particular security.

After you select the Beginning Balance Type, the remainder of the fields will be displayed.

- **Select Security** – Select a security from the dropdown list. If the security does not appear in the list, click the “Add New Security” text below the box.
- **Show inactive securities** – Check the checkbox to show inactive securities in the Select Security list; uncheck the checkbox to only view currently active securities.
- **Add New Security** – Click the “Add New Security” text to add a new security.
- **Security Lot Acquisition Date** – Enter or choose the date of the purchase for this security. You may use the dropdown calendar function to select the ending date of the date range for the transactions you wish to include in the report, or you can type in the date directly into the Date field. The default is the current date.

Note: *You must enter each purchase and reinvestment for each security separately.*

- **Shares** – Enter the number of shares acquired with this purchase.
- **Price per Share** – Enter the price per share paid for this purchase (including commissions and fees).
- **Total of Purchase** – No entry is required here; the program will calculate the total from the Number of Shares and the Price per Share.
- **Remarks** – Enter any comment you wish (optional).

Click **OK** to save the transaction, or click **Cancel** to abandon your entry.

Reconcile Accounts

The **Reconcile Accounts** screen helps you to identify transactions that have not been entered or were mis-entered into the software, and allows you to match your balances to those shown on the accounts statements provided by your financial institutions.

You can access the **Reconcile Accounts** screen from the **Tools > Reconcile Accounts** menu or from the Wizards.

Before attempting to reconcile an account, please make sure that all transactions have been entered into the program.

To reconcile an account, perform the following:

1. Select an account from the dropdown list of all active accounts. A list of all unreconciled transactions for that account will appear on the screen.
2. Enter the ending cash balance from the most recent statement from that financial institution account. If you have not already performed a reconcile during the year, Club Accounting will start with the first transaction of the year.
3. Check each transaction on the list that matches a transaction on your account statement. The “Cleared Balance” and “Difference” fields at the bottom of the screen will change as you select transactions on the list. In order to select multiple transactions, hold down the Ctrl key on your keyboard, and click each transaction you want to select; you can also click the **Select All** button to quickly select all transactions. ***Note:** If you select a transaction, and click the **Delete** button, this will remove the transaction from your records, not just from the reconcile screen.*
4. When all transactions have been matched, the Difference should be \$0.00. If it is not, your records do not match your financial institution’s statement and you must edit or enter transactions and return to the Reconcile Accounts screen. The amount of the difference provides you with a clue to help you find one or more transactions that have not yet been entered.

5. When all transactions are matched and the Difference is \$0.00, click “Done.” A confirming dialog box will appear.

Stock Quote

The Stock Quote / Information screen gives a quick way to check the last closing price for almost any ticker symbol.

You can access the **Stock Quote / Information** screen from the **Tools > Stock Quote** menu.

The Stock Quote / Information screen will first show a box for a ticker symbol, and a **Get Quote** button. Entering a ticker symbol, and clicking the Get Quote button will show the following information:

- **Stock symbol** – The exact ticker symbol as displayed on the stock exchange.
- **Company name** – The company name, as recognized on the stock exchange.
- **Type** – The type of security (Stock, REIT, Mutual Fund, etc.)
- **Exchange** – Alternate exchange, if appropriate.
- **Last price** – The last closing price for the stock, as well as the date of that last closing.

Settings

You can access the **Settings** screen from the **Tools > Settings** menu.

The following items appear on the **Settings** page:

General

- **Product Serial Number** – The serial number of your copy of Club Accounting 3. (This field may not be edited.)
- **Tax ID Number** – Your club’s tax ID number acquired from the Internal Revenue Service.

- **Club Name** – The name of your club. (This field may not be edited.)
- **Startup Unit Value (\$)** – The beginning unit value established when you started your club.
- **Round all decimals** – Clicking this button will give an option to have Club Accounting re-check the historical rounding of all cash transactions.

Default Monthly Member Payment and Fees

Default Monthly Payment – The default monthly amount that members pay into the club. Your club may not have a regular monthly payment amount, in which case this field should be zero.

Default Monthly Fee – The default monthly amount that members pay as fees into the club. Your club may not have a monthly fee, in which case this field should be zero.

Reports and Return Calculations

Use time-based earnings allocation – Check this box to allocate income and expenses at year-end using the time-based method, which calculates the percentage ownership of each member at the time each income and expense item was recorded in the books. If unchecked, the software will allocate income and expenses based solely on the percentage ownership of members at year-end.

- The non-time-based **earnings allocation** method looks at the total of the club's earnings or losses at the end of the year. It then distributes the tax liabilities on those earnings to each member according to the number of units owned by the member at the end of the year. The length of time the person has been a member during the year is not a consideration.
- The time-based **earnings allocation** method takes into consideration the length of time a person has been a member of the club during the tax year. Thus, if a member joins on September 1, only his or her portion of those earnings or losses that occurred from September 1 to

December 31 is allocated to that member. This is the allocation method approved by the IRS.

Show Compound Annual Return for Member Status Report and Valuation Statement – Check this box to display Compound Annual Return figures on these reports. Even though this figure uses financial industry standard Internal Rate of Return (IRR) calculations to extrapolate the rate of return for an investment for a one-year period, Compound Annual Returns can be “distorted” for new investments. New clubs, and those using the Switchover method of starting to use Club Accounting 3, should leave this box unchecked for their first year using the program.

Do not distribute units at end of year starting from –NAIC Club Accounting versions 1 and 2 always reinvested units at year-end, but Club Accounting 3 allows you to choose which method you prefer. Based on advice from our accounting advisors, this option was made available for previous years, up to 2010. Any allocation after 2010 will no longer distribute units at the end of the year.

Withdrawal Defaults

Withdrawal Fee – Enter either the default amount for the fee or percentage charged to withdrawing members, as outlined in your club’s operating agreements. You can override these defaults when processing a member withdrawal.

Amount – Enter an amount if your club has a fixed fee charged to withdrawing members.

Percentage – Enter a percentage if your club charges a percentage of a member’s ownership as a withdrawal fee.

Other

Automatically check for updates at startup – Club Accounting will attempt to contact the ICLUBcentral servers to see if there are any program updates available; if you do not select this, it’s possible to check for updates manually by going to **Help > Check For Updates**.

Home page to download online prices – If selected, Club Accounting will attempt to connect to the internet when it is first

opened, and download the most recent closing prices for all the stocks currently in the club's portfolio.

Enable Left Bar Menu Animation – Check this box to enable animation in the left bar when you select a section. If you change this option, you must close and reopen the software for it to take effect.

Show Backup warning on exit – If selected, Club Accounting will always ask if you would like to make a backup whenever you go to **File > Exit**, or otherwise close the Club Accounting window.

Switch Clubs

You can manage the books of several investment clubs in Club Accounting 3. The **Switch Clubs** screen is used to create new clubs and to select the club you want to view or update. You can access the **Switch Clubs** screen by selecting **Tools > Switch Clubs** from the menu.

This screen displays all of the clubs that you have registered and can manage in the program.

- To switch to another club in the software, double-click the Club Name on the list that appears.
- To remove a club from the program, click one club to select it, and then click the **Delete** button. *Note: If you only have one club registered to use the software, you may not delete it from the program.*
- To add a club to the program, click the “Create New Club” link at the bottom of the screen. Follow the prompts to enter your club name and serial number and register the program.

Note: You must have a valid serial number for each club in order to use the program for more than one club.

Acquiring Multiple Serial Numbers

A serial number is proof that you have paid for the right to use Club Accounting 3. One serial number comes with every copy of the program sold. To acquire another valid serial number,

you must purchase another copy of the program by calling 877-334-2852 or by visiting <http://www.iclub.com/> .

13

Importing and Exporting Data

The **Import** and **Export** utilities enable data to be saved in a file outside Club Accounting program files, and for this data to be retrieved at a later time.

As a precaution, you should establish a regular routine to back up your data using the Export function

Use **File > Import** to import data files into the program.

Use **File > Export** to export data out of the program.

What You Need to Know

The purpose of these utilities is to provide extra protection against data loss. You should use the Export utility after every major data entry session.

Use the Import utility to replace your current data with the exported data. If you entered any data after the export date, you will have to re-enter that data.

The Club Accounting 3 export file cannot be imported into earlier versions of Club Accounting.

The Club Accounting 3 export file can be used to upload your club data into your Club Accounting Online web site.

Club Accounting 3 will import data exported from NAIC Club Accounting version 2 or from your Club Accounting Online web site.

How to Export Your Data

1. In Club Accounting 3, select **File > Export** from the menu. This will open the **Export Data** dialog box.
2. Click the **Browse** button to select a location on a disk or drive where the file will be saved, and click the **OK** button.
3. Click the **OK** button. A status indicator will display the progress of the import function.
4. When complete, a confirmation dialog box will appear.

Tip: It's a good idea to back up your club accounting data on a regular basis. In addition, you should always keep a copy that's no more than a few months old in some location other than on your computer's hard drive. This way, if your computer crashes, you will only need to enter relatively few transactions to bring the backup up to date.

Note: If you wish to export your club data to a CD or DVD, you must first Export the data to a location on your computer (such as your Desktop), and then use Windows, or another piece of software to copy the file to a blank CD.

It is also a good idea to keep a copy of your club data in a secure location away from your home or office, such as in your bank safety deposit box, or with another member of the club. If your computer is stolen or damaged by fire or some other natural disaster, then you will still have a fairly recent copy with which you can reconstruct your club's books.

Other Options

On the internet – Several companies such as Google, Microsoft, and Dropbox offer the ability to store files on a remote server; many of these options are free, and allow you to access the files from more than one location with the correct ID and password. You might also find it useful to email a copy of the file to yourself; Club Accounting backup files are small enough

that the storage capabilities of free email services from Google, Yahoo! And others can make it convenient to send a copy of the file to yourself through email.

Another backup option, if your club also uses ICLUB's online accounting is to save a copy of your data to the Club Accounting Online web site. See the instructions in the "Club Accounting Online" chapter of this manual for more information.

How to Import Data

***Note:** When you import data into Club Accounting 3, it will overwrite all existing data in the software. Example: If you enter transactions through July of a given year, and then import a backup originally made in January, all of the entries past the January date will be removed as part of the Import process. This cannot be undone; so double-check the date on the import file!*

1. In Club Accounting 3, select **File > Import** from the menu. This will open the **Import Data** dialog box.
2. Click the **Browse** button to select a valid Club Accounting data file (with a *.ICD, *.DAT or *.ICF extension) on your computer's hard drive, or on another disk or drive connected to the computer, and click the **Open** button.
3. Click the **OK** button. A status indicator will display the progress of the import function.
4. When complete, a confirmation dialog box will appear.

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Updates

Program Updates

Club Accounting 3 includes a built-in Program Updater function that will automatically download and install any updates from ICLUBcentral's Internet server.

The Program Updater allows users to download small "patch" files that correct problems or add new features to the software without requiring you to download and re-install a complete new copy of the software.

Updates are a benefit that is available to clubs with a valid Club Accounting Support subscription. The Support program is provided to clubs with updates as they are released (such as to support any changes in tax laws) as well as premium support from ICLUBcentral Technical Support, and is the best way to protect your club accounting software. For more information on Club Accounting Support, visit <http://www.iclub.com/products/>.

Every time you start the program, it automatically checks for updates (as long as your computer is connected to the Internet). If an update is available, you will have the option to download and install the update.

To check for updates manually, select **Help > Check for Updates** from the Club Accounting 3. If you're not connected to the Internet, Club Accounting will display a warning message

asking you to try again after you establish an online connection with your Internet Service Provider.

Then, follow the instructions in the dialog boxes that will appear on your screen to download and install the update.

While you can check for updates at any time, ICLUBcentral will announce the availability of updates on its web site, in its email newsletter and/or via email to Club Accounting users.

A list of changes included in recent updates is available at <http://www.iclub.com/support/CA3support.asp>.

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Club Accounting Online

Club Accounting Online is an online club web site with much more than just accounting. Club Accounting Online includes the following features:

- Private, personalized club website.
- Industry-standard Secure Socket Layer (SSL) encryption for security.
- Full investment club **Accounting** -- editable only by authorized officers.
- Multiple detailed performance **Reports** -- viewable by any registered club member.
- Multiple levels of **access** (for officers, members or visitors).
- End-of-day **stock quotes** to help you track your portfolio's performance.
- **File Storage** area for sharing stock studies, meeting minutes, club bylaws, pictures and more.
- **Message boards** that provide private communication by for your club.
- **Calendar** for scheduling meetings, events and presentations.
- **Watch List** to allow members to track stocks of interest.
- **Tax form** preparation (requires additional purchase).

Transferring Data to and from myCLUB.com

You can export your **Club Accounting 3** data to **myCLUB.com**, or import your **myCLUB.com** data to **Club Accounting 3**.

***Note:** Frequently moving data back and forth between the software and web site is not recommended.*

To download a copy of your data from your **myCLUB.com** account, follow these steps:

1. In **myCLUB.com**, select **Accounting > Utilities > Export Accounting Records**.
2. Click the **Export** button.
3. The popup window prompts you to "Save this file to disk."
4. Select **OK**.
5. Select the directory on your computer where you want to save the file, then click **Save**. A file with an ***.ICF** extension is now saved on your computer. You may now import this file into Club Accounting 3 using the **File > Import** menu.

To upload data from Club Accounting 3 on your computer to **myCLUB.com**, first export a copy of your data from **Club Accounting 3** (from the **File > Export** menu, as described previously) and then follow these steps:

***Warning:** Importing new accounting records will destroy your club's current online accounting records in order to replace them with the imported records. This process cannot be undone.*

1. In **myCLUB.com**, select **Accounting > Utilities > Import Accounting Records**.
2. Click the **Browse** button.
3. Find the ***.ICF** file exported from **Club Accounting 3** and double-click on it. It will appear in the "data file" field.
4. You have the option to not upload Social Security numbers. Remove the check in the checkbox to not import the social security numbers.

5. Click the **Import** button. The import is now complete.

Glossary

active A member who owns units in the club, or a security in which the club owns shares.

allocate To assign the earnings of the club, consisting of dividends, interest, capital gain, and expenses to individual members. (**Note:** The “distribution of earnings” procedure is now known as the “allocation of income and expenses.”)

average cost method A calculation method that uses the average cost of all blocks of the security owned by the club in determining the cost basis of mutual funds the shares being sold.

backup To copy your datafiles to another location for the purpose of protecting the data. In Club Accounting, the Export task accomplishes this.

bank account An account that holds cash associated with buying and selling securities, and other club expenses or income.

basis (tax basis, tax-paid basis, cost basis) A calculation that subtracts cost from value to arrive at the capital gain. Members pay tax on the capital gain. See also cost basis, club tax basis, and member tax basis.

beginning balance The cash value of a member's investment, a security, or cash account on the switchover date.

block (lot) Shares of a security bought using a single transaction. Club Accounting numbers blocks so they can be identified when the club sells shares.

broker account An account that holds cash associated with buying and selling securities, and other club expenses and income.

capital gain The difference between the current price of an investment that is being sold and the cost basis of the investment. Members must pay taxes on their share of the capital gain. Securities that were purchased during various capital gain periods may be taxed differently according to whatever federal tax regulations are in force.

checkbox A rectangle into which you can place a checkmark or remove a checkmark by clicking it or the text next to it. Example: "Select the checkbox." Example: "Select the Show Inactives checkbox."

choose To click or drag to an item. When you release the mouse button, an action associated with the chosen item occurs immediately.

close To leave a screen, or to exit from Club Accounting.

club tax basis The sum of all the members' tax bases.

compound annual return The difference in the value of a fixed investment from the beginning of the current year to the end of the current year expressed as a percentage. Alternatively, the percent return on a fixed investment for a period other than a year, extrapolated to one year.

cost The price of a share or block of shares plus any commission or charge.

cost basis (cost) The cost of an investment. For a security, this includes the price paid for the security plus associated expenses allowed by the IRS such as commissions. When you sell shares, you must pay tax on the difference between the cost basis and the actual amount received.

current files (data files) The data files that contain the member, security, and cash account information for your club. You place information in these files when you save the information you enter on the Club Accounting forms. Club Accounting uses the information in these files to perform calculations and produce reports.

default A value Club Accounting uses unless you change that value.

dialog box A window that appears on the screen to ask for information.

directory See folder.

distribution of earnings See **allocate**.

Dividend Reinvestment Plan (DRP) A stock purchase plan in which the club buys shares directly from the issuing company, and in which the company automatically reinvests dividends for the club as additional shares.

earnings distribution See **distribute**.

fee An amount of money received from a member for which the member receives no units.

file A group of related data stored in the computer under a name to identify the data.

folder A named area on a disk that contains files.

form A window in which you can enter new information or edit existing identification, transaction, or parameter information.

fractional share payment (cash-in-lieu) A cash amount received from a company instead of a partial share.

home page The first display when you start Club Accounting 3.

icon For Club Accounting 3, a representation of an accountant's green eyeshade over a blue graph. Double-click the Club Accounting icon to open Club Accounting.

identified cost method A calculation method that uses the actual cost of each block of shares being sold to determine the cost basis of the shares being sold.

inactive Any member who has withdrawn all his or her holdings in the club, or any security for which the club no longer owns shares.

list A window that contains lines of information you can select for the purpose of entering, editing, viewing, or deleting.

list box (list window, window, box, field) A box that has an attached drop-down list from which you select an entry to ap-

pear in the box. You display the attached list by clicking the arrow box at the right of the list box.

menu A list of tasks associated with the name you choose on the menu bar. You can select one item on a menu. Example: "**Select Help > About** on the Club Accounting 3 menu to find the version number of the software."

open To start Club Accounting. You open Club Accounting 3 by double clicking the Club Accounting icon.

option button (radio button) A circle into which you can place a dark spot or remove the dark spot by clicking it or the text next to it. You can select only one option button in a Group. Examples: "Select the Mutual Fund option button to cause Club Accounting to treat this security as a mutual fund" or "Click the Mutual Fund option button to deselect it." parameters The rules for performing a task. See also: settings payment An amount of money received from a member for which the member receives units Petty Cash account An account used to record non-deductible expenses that are kept outside the club's assets.

petty cash An amount of money received from a member for which the accounting must be kept completely separate. Petty Cash contributions are no longer supported.

price The amount paid for an investment, not counting any associated expenses such as commissions or service charges.

price per share The amount paid for a single share, not including any commission or service charge.

save To put the member, security or cash information you entered into the current files.

select To highlight an item on a menu or list. After selecting one or more items, you must do something else to cause an action that is associated with the selected item.

software The operating system and program that cause your computer to perform the Club Accounting tasks.

suspense account An imaginary account into which you can transfer money temporarily. This has the effect of making some of the cash in the Bank or Broker account unavailable until removed from the Suspense account.

switchover procedure For an existing club, the tasks involved in changing from a manual (or different software) accounting system to Club Accounting.

tax-paid basis The amount paid in by a member plus the earnings distributed to him/her. This is the portion of the value of a member's share of the club on which taxes have been paid.

tax basis Includes capital gains on securities and cash, plus the difference between miscellaneous income and miscellaneous expenses in the cash accounts, plus all money paid in by the member and all money already distributed to the member. Members pay tax on the difference between the tax basis and the current realized gain in the club's total value.

text box (text box, box, field) A rectangular area into which you can type information, or that displays information.

transaction Any Club Accounting event that concerns a member, security, or cash account.

transaction list A list of all the transactions in the current files for one or all members, one or all securities, or all cash accounts.

unit (member unit, valuation unit) A method of measuring a member's ownership in the club. The number of units owned by a member increases as the member makes payments to the club. The value of units increases and decreases as the value of the club's investments increase and decrease.

valuation A value assigned to a single share. You must enter periodic valuations for the shares owned by the club in order to keep the calculation of the club's value current. Also refers to the saving of a price per share for all securities owned on a specific date

withdrawal The situation in which a member withdraws all or part of his or her holdings (units) in the club receiving all cash, all securities, or a combination of the two. If a member completely withdraws, he or she becomes inactive.

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