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# NAIC Club Accounting

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# Getting Started

Before you install the NAIC Club Accounting Version 2 (NCA 2), please do the following:

- Read all the relevant sections in this manual on installing the software.
- Check your computer to see if it meets the minimum hardware requirements
- Check your copy of Internet Explorer to see if it is at least version 5.5 (check this in Help > About Internet Explorer)
- Get all the materials you need
  - The NCA 2 CD-ROM
  - Your serial number, found on a sticker on the back of your manual
  - If you are upgrading from NCA 1.04, you will need an export of your data, a single file called NCADATA.DAT
  - If you are moving from another NCA 2 installation, you will need an export of your data, a single file called “ncadata mm-dd-yy.icd”; where *mm-dd-yy* is the date you saved your club’s data.  
For example: ncadata 05-17-02.icd
- Set aside an hour to install the software.

## **A Note to New Treasurers**

Before embarking on your new duties be sure to read the sections on

- What to Expect as Treasurer (see page 14)
- Important Concepts (see page 17)



# System Requirements

NAIC Club Accounting requires Windows 98 2<sup>nd</sup> edition, NT4, 2000, or XP

## **Minimum System Requirements**

NAIC Club Accounting 2 (NCA 2) requires the following to run, albeit not the most efficiently or speedily:

- processor speed of 350 MHz or better
- 64 MB RAM required
- 40 MB installation space
- an additional 10-20 MB of free disk space
- screen resolution is 800 x 600 or higher

## **Recommended System Requirements.**

For the most efficient and speed we recommend the following:

- processor speed of 1000 MHz or better
- 128 MB of RAM
- 40 MB installation space
- an additional 100 MB of free disk space
- screen resolution is 800 x 600 or higher

## **How do I know whether I meet these requirements?**

- *What version of Windows are you using?*  
On your desktop, right-click on **My Computer** and select **Properties** to find out.
- *How much RAM does your computer have?*  
On your desktop, right-click on **My Computer** and select **Properties** to find out.
- *What version of Internet Explorer (IE) are you running?*  
Start up Internet Explorer, select **Help > About** to find out.

## Notes on the use of Internet Explorer

*To use NCA 2, it is necessary to be running IE.* If you do not have IE 5.5 or higher on your computer, you must install it before installing NCA 2. Instructions for installing Internet Explorer from the CD are included later in this User Guide in the **NCA2 Installation** section (see page 9).

This does not mean that you need to be connected to the Internet to operate NCA 2. The program works perfectly well without an Internet connection.

There are a few operations in NCA 2 that require you to be connected to the Internet:

- Online registration (see page 13)
- Online valuation of securities (see page 63)
- Online updates (see page 22)
- Sending email from within NCA 2. (see page 36)

Starting these tasks does not require an Internet connection, though each of these will remind you that to continue you must be connected, and a procedure to connect can then be started.

NCA 2 operates like a web site running on your computer that only you can access. Internet Explorer must be in "online" mode for you to operate NCA 2 even when you are not connected to the Internet.

Please read the section on **Internet Explorer settings** in this User Guide to make sure Internet Explorer is set up correctly to use NCA 2 without being connected to the Internet. Users with always-on Internet connections such as DSL or cable modems should also read this section (see page 20).

# Installation

The installation and use of NAIC Club Accounting Version 2 (NCA 2) is governed by the **User License and Support Agreement**. Read this Agreement before installing Club Accounting. This agreement appears on screen during the installation process and is reproduced at the end of the User Guide.

The installation itself is in three parts:

1. Installing the NAIC Club Accounting software
2. Installing Adobe Acrobat Reader
3. Installing HTMLDOC

## Installing NCA 2

To install a new user version of NCA 2:

1. Insert the installation CD into the CD-ROM drive of your computer. Setup should start automatically in a few moments. If it does, skip to Step 4.
2. If the setup does NOT start automatically, click the **Start** button and choose **Run**.
3. 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 NCA 2 installation disk is in the drive. Double click the **My Computer** icon on the desktop. The drive with the name beginning **Nca2** 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.

4. Click **Next** in the *Welcome to Install Shield* wizard window.
5. Read the *User License and Support Agreement*, and then click **Yes**. If **No** is clicked installation will stop.
6. In the *Choose Destination Location* window, click **Next** to install in the default location, C:\Program Files\NAIC Club Accounting 2. Do not change this default directory.
7. Choose the appropriate installation type. There are two types of installation, *purchased* and *demo*.

### Select "I have purchased NCA 2" if:

- You will be keeping the books for a club that has never used NAIC Club Accounting products
- Your club is upgrading from NAIC Club Accounting 1.04
- You are a co-treasurer that already owns and uses NCA 2, want to keep a duplicate set of books, and own an 'Additional Copy' license

- You are moving NCA 2 to a new computer
- Select “I would like to try a free 30 day demo version” if:**
- You want to try out the software before buying. This copy is for demonstration purposes and will cease working in 31 days unless your club upgrades its license agreement.
8. For a **Purchased** installation, enter the serial number, which can be found on the back of your manual. For the demo version, skip to Step 8.

The format for the serial number must be

**AAA(blank space)NNNN-NNNNNAAA**

(for example, ABC 1234-567891DEF)

**N** is a number and **A** is a letter. The format is not case-sensitive. An error message will appear if the serial number is not in this format.

In the *Question* window, confirm the serial number by clicking **Yes**. Click **No** to return to the previous window to correct a mistaken entry.

9. In the *Select Program Folder* window click **Next**.
10. In the *Set Up Status* window, a progress bar shows the progress of the installation.
11. In the *NAIC Club Accounting 2 Setup Complete* window, click **Finish**.  
**WARNING** – Do not uncheck the boxes for Adobe Acrobat and HTMLDOC. They must be installed for you to be able to print reports.

## Installing Adobe Acrobat Reader

Adobe Acrobat Reader 5.0 or later is needed to be able to print reports from NCA 2 in PDF format.

1. Read the *Adobe User Agreement* then click **Accept**. Acrobat Reader will not install unless the User Agreement is accepted.
2. In the *Destination* folder window, click **Next** to install in the default location.
3. In the *Setup Complete* window, select **No, I will restart my computer later**.
4. Click **Finish** in the *Thank You for Choosing Acrobat Reader* window.

## Installing HTMLDOC

HTMLDOC can take a few moments to set up. Please be patient while the next window appears.

The program HTMLDOC is used by Club Accounting to generate reports in a printer friendly format (PDF file format). To install this program, do the following:

1. Click **Setup** in the *WinZip Self Extractor* window.
2. Click **Next** in the *Welcome* window.
3. Read the *Software License Agreement* then click **Yes**.
4. In the *Choose Destination Location* window, click **Next** to choose the default location.

5. In the *Select Program Folder* window, click **Next** to choose the recommended default program folder. HTMLDOC installs the files to your computer.
6. In the *Setup Complete* window, click **Finish**. The WinZip Self-Extractor may remain open, but will close shortly. The HTMLDOC icon should now appear on your desktop. HTMLDOC is installed.

## Upgrading from NCA 1

If you are upgrading from NCA 1, you will need an export of your data.

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

### Backing up your data

1. In NCA 1, select **Utilities > Export**.
2. The *Export Task* window opens, prompting you to choose where you want to put the backup.
  - a. To put the backup on a floppy disk, select **A:\**
  - b. To put the backup on your hard drive, select **C:\**
3. Click **OK**. A popup window appears with the message *Your data file for export has been completed successfully*.
4. Click **OK** to confirm. Your backup is complete.

## Moving a NCA 2 Installation

If you are changing computers, you will need an export of your data.

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

### Backing up your data

1. In NCA 2, select **Accounting > Utility Section > Export**.
2. 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.
3. A popup window appears with the message *Export Complete*. Your backup is complete.

## Installing Internet Explorer 5.5 from the CD

Internet Explorer (IE) 5.5 or later is required for the operation of NCA 2. If your computer does not have this program installed, Internet Explorer 5.5 (IE5.5) can be installed from the NCA 2 installation CD. To install Internet Explorer 5.5 from the CD do the following:

1. Place the NCA 2 installation CD in the CD-ROM drive of the computer.
2. If the auto-start for NCA 2 installation begins, click **Cancel** in the first window.
3. Click the **Start** button (usually in the lower left corner of the screen) and choose **Run**.
4. In the Run window, type **X:\ie5\ie5setup**, where X represents the letter designation of your computer's CD-ROM drive. For example, if the CD-ROM drive of your computer is designated D you would type D:\ie5\ie5setup.  
**Hint:** If you do not know the letter designation of your CD drive, it can be found easily while the NCA 2 installation disk is in the drive. Double click the **My Computer** icon on the desktop. The drive with the name beginning **Nca2** 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.
5. Click **OK** to start the IE 5.5 installation.
6. The IE 5.5 installation procedure will start. The first screen will be a Welcome screen with the License Agreement for IE 5.5. Follow the instructions on the installation screens to complete the installation.

# 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 in several ways.

## Online Registration

The easiest and fastest way to register your software is through our registration web site. When NAIC Club Accounting is started, the first screen seen is the registration page. To register from inside the program do the following:

1. On the registration page, click the active link to the registration web site. The link name is <http://www.iclub.com/products/nca2/registration/>.
2. If you are not connected to the Internet, clicking the link will start the process of connecting you and will go to the registration site when connected.
3. Fill in the registration form. The registration site is on a secure server so your information will be as safe as current credit card transactions over the Internet.

The Serial Number and club name on the online registration form should appear exactly as you entered them at installation, including capitalization.

4. After the registration form is completed, click the **Submit** button.
5. Enter the registration code generated by the registration site in the **Registration Code** field in the NAIC Club Accounting registration page.
6. Write the registration code down on the back of your manual, under the serial number, for future use.
7. Click the **Complete My Registration** button on the program's registration page.

You do not need to access the registration web site from within Club Accounting. Use the web address in **Step 1** above to go to the registration web site and receive your registration code.

**Important:** If you access the registration web site outside of NCA 2, you must enter your club name and serial number *exactly* as entered at installation of NCA 2. The online functions of NCA 2 will not work if the registration name and serial number do not match the installation name and serial number.

# What to Expect as Treasurer

NAIC Club Accounting (NCA) has been helping investment clubs track their finances for over 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 tax law.

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 NCA to:

- Enter member, security and cash account identification and transaction data.
- Maintain a historical database of all the club's activities.
- Calculate member contributions and contributions 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.
- Distribute the club's earnings to the members at the end of the year using a choice of distribution methods.
- Audit the transactions in the database and correct inconsistencies in unit calculations automatically.

## 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:

- Installing the NAIC Club Accounting software
- Joining the NAIC if you have not already done so. (Not required, but it's a good idea)
- Obtaining a tax identification number from the IRS.
- Using the appropriate startup method to begin using NCA 2. (See **Help > About > Using the New Club Start Up Method**, or **Startup Methods for Existing Clubs**)

## 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:

- Depositing payments, fees, and petty cash contributions in the appropriate financial institution, then entering the deposits in NCA.



- Printing the following reports immediately before each meeting and distributing them to each member:

Valuation Statement  
Members Status Report

- Entering or importing security valuations at least once a month even if your club meets less frequently than once a month.
- Auditing the database to be sure the data is consistent.
- Backing up the information in the database using the Export function.

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

- Writing checks for operating expenses, account maintenance fees, etc., and entering Cash Account expense transactions for these expenses.
- Depositing money in your club's accounts for cash distributions (interest, dividends, capital gain, and return of capital) on securities, and entering security cash distribution transactions for these distributions.
- Entering reinvested distribution transactions (interest, dividends, capital gain, return of capital, where the club receives additional shares rather than cash).
- Entering transactions for interest and dividends received on the club's cash accounts.
- Deleting and reentering member, security, and cash account transactions if you made a mistake when you first entered them.

## 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:

- Entering member profiles and identification information for new members and securities.
- Entering purchases or sales of shares of securities.
- Handling member withdrawals. This includes entering the withdrawal, printing the Withdrawal Distribution Report, writing a check and/or transferring shares to the withdrawing member.
- Printing or distributing reports, as needed:
  - Withdrawal Distribution Report
  - Individual Valuation Units Ledger
  - Individual Investment Histories Report
  - Members Cash Contributions 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. NCA 2 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-distribution-period tasks include:

- Making 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.
- Entering the information from Form 1099 and other information you receive after the end of the year, if not already entered from statements received earlier.
- Distributing club earnings to the members who are still active at the end of the year.
- Printing the following reports and distributing them to each member as soon as possible after the last day of the distribution period:
  - Distribution of Earnings Statement
  - Income and Expense Statement and Balance Sheet (optional)
- Providing the IRS with a completed Form 1065 and a copy of each member's K-1 Schedule.
- Providing each current member and any member who completely withdrew during the year with a completed K-1 Schedule.
- Making 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 NCA 2 understand some of the important concepts embodied in the NCA 2 software. An understanding of these concepts will help avoid entry errors.

## Member Units

NCA 2 uses the NAIC 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 and Petty Cash contributions 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 uses the Distribute utility. 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 distributed earnings. Members should have declared and paid tax on any earnings distributed. 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. NCA 2 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. Use **Accounting > Security Section > Enter New Security** or **Accounting > Security Section > Edit Delete Security Profile** to designate a security as tax-free.
- Cash Accounts are designated tax-free by clicking in the checkbox **Cash Account Tax Free** in the Cash Account information page when the account information is entered or edited. Use **Accounting > Cash Section > New Cash Account** or **Accounting > Cash Section > Edit/Delete Cash Account** to designate a cash account as tax-free.

## Unsupported Transactions

NCA 2 operates on a *cash-basis only*. Future transactions cannot be entered until they take place. NCA 2 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. NAIC Club Accounting version 1.04 and NCA 2 treat service fees charged as part of a security purchase differently. Version 1.04 treats these fees as an expense. NCA 2 includes these fees in the cost basis of the security. Importing data from NCA 1.04 into NCA 2 will not change the historical records entered in NCA 1.04. If you keep double books, in NCA 1.04 and NCA 2, the cost basis of securities may be different in the two versions because of the different treatment of these fees. NCA 2 accurately reflects current tax regulations in the treatment of these fees.

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 distributed 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 distributed 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 distributed to the members; it is merely used as a way to balance the books.

## Return Calculations

Certain reports display return figures, Compound Annual Return and Total Return. Compound Annual Return and Total Return are calculated differently.

**Compound Annual Return (CAR)** figures use 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 compounding, not daily compounding. Annual Compounding makes the return figures easier to compare with market index return figures.

**Total Return** is calculated from the Compound Annual Return. NCA 2 first calculates the compound annual return. Total Return is then calculated by applying the Compound Annual Return for the entire holding period of the investment.

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

- When a company is acquired through a spinoff or merger, NCA 2 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 NCA 2 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. This is especially true of the Compound Annual Return. 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.

# Using NCA 2

This program requires the use of Microsoft Internet Explorer, version 5.5 or higher. Microsoft Internet Explorer version 5.5 is provided on the installation CD. To print in PDF format, Adobe Acrobat Reader version 5.0 or higher is required. Acrobat Reader 5.0 is provided on the installation CD. The program HTMLDOC generates the PDF formatted reports. The installation process for NCA 2 allows for easy installation of these two programs.

## Internet Explorer Settings

NAIC Club Accounting Version 2 (NCA 2) operates within Microsoft Internet Explorer. NCA 2 operates as a local web site. As far as Internet Explorer is concerned, Internet Explorer is in **Online** mode as it navigates the "web site", NAIC Club Accounting. Internet Explorer will not be able to navigate the pages of NCA 2 if Internet Explorer is set to work **Offline**. However, your computer does not need to be connected to the Internet while operating NCA 2.

The Internet Options, Dial-up settings and Advanced Dial-up Settings of Internet Explorer can effect the operation of Club Accounting. The proper settings allow Internet Explorer to navigate NCA 2 while the computer is either connected, or not connected, to the Internet.

## Internet Options

To check the Internet Options of Internet Explorer do the following:

1. Right click (use the right mouse button to click) on the Internet Explorer icon on the desktop.
2. Choose Properties.
3. **OR** launch Internet Explorer, go to the **Tools** menu and choose **Internet Options**.
4. The window that appears will be named Internet Properties or Internet Options depending on whether you navigated there by steps 1 and 2 or by step 3. The windows are identical except for the name.
5. Click the **Connections** tab. In the Dial-up settings window are three option buttons. Here are the consequences for NCA 2 of the options.
  - a) **Never dial a connection** – NCA works fine. No trying to go online at start up.
  - b) **Dial whenever a network connection is not present** – IE will try to go online at start up of NCA 2. If the work offline option is chosen, NCA will not display. A **web page cannot be displayed offline** message is seen. User cannot get to main NCA screen. Cannot use Exit tab. Must close NCA with the X button in the window.
  - c) **Always dial my default connection** – NCA starts without trying to go online. If the Advanced dial-up settings of IE have a **disconnect after x minutes** option checked, the user will receive **web page cannot be displayed offline** messages after x minutes of no activity with NCA 2.
6. Leave this window open to check the Internet Settings

## Internet Settings

To check the Internet Settings of Internet Explorer do the following:

1. In the **Connections** tab of the **Internet Options/Properties** window select the default connection in the Dial-up settings section.
2. Click the **Settings** button.
3. In the **Proxy server** section of the **Internet Settings** window make sure the checkbox **use a proxy server** is unchecked.
4. In the **Dial-up settings** section click the **Advanced** button to check the Advanced Dialup Settings. Leave the **Advanced Dial-Up** window open.

## Advanced Dial-Up

1. Look at the check box **Disconnect if idle for**  **minutes**.
2. Adjust the number of minutes higher if you think you might have NCA 2 open without using it for more time than is now set.

**Note:** You will receive a message that the web page cannot be displayed offline if Club Accounting is idle for longer than the time set here. Just exit Club Accounting and restart it to continue using Club Accounting.

## How to Start NCA 2

NCA 2 can be started in 2 ways:

- Click twice on the NCA 2 shortcut installed on the desktop during the installation of NCA 2. The icon for this shortcut looks like a bar graph with the words **NAIC Club Accounting 2** beneath the icon.

OR

- Click the **Start** button and choose **Programs**. From the list of installed programs find NAIC Club Accounting 2. Move the pointer over the words NAIC Club Accounting. A button with the NCA 2 icon and the words **Start NCA** appears. Click on the **Start NCA** button.

If Internet Explorer tries to connect you to the Internet or you receive messages that this page cannot be displayed your Internet Explorer Settings need to be changed. See the previous section for information on how to change these settings.

## Checking for Program Updates

It's a good idea to periodically check for program updates. You may check for updates to NAIC Club Accounting Version 2 by clicking on the words "Check For Updates" in the lower left hand corner of the screen.

You may also check for updates to NAIC Club Accounting Version 2 by using your Internet browser, go to <http://www.iclub.com/products/nca2/update>.

To find out which version you have installed;

- click on the Help Tab

- locate the “About” section
- locate “Version” and click

## Installing Program Updates Online

**WARNING** - Make sure that NCA 2.x is **closed** (i.e. not running) before you attempt to install the update.

1. Click on **Download**.
2. In the *File Download* window, click **Open**.  
Please be patient while the upgrade downloads. For people with DSL or Cable connections, this will be very fast. For 56.6 kbps modems, this can be a considerable length of time.
3. In the *NAIC Club Accounting* window, click **Yes**.
4. In the *InstallShield Wizard* screen, click **Next**.
5. In the *Maintenance Complete* screen, click **Finish**. Installing the upgrade should only take a few seconds.

Your installation is complete. Please note that the icon and title bar do not change. To check the version, go to **Help > Version**.

## Common problems

There are a few common issues that can prevent NCA from operating as expected. Please try these solutions before calling customer service.

### NCA 2 does not start when you click on the icon

In general, this is due to a personal firewall installed on your computer. Because NCA 2 operates as a web page, your firewall may prevent access. How do you know if you have a personal firewall? 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. If you see McAfee Firewall, Zone Alarm, or Symantec's Norton Personal Firewall, you have a firewall. You will need to contact your firewall's technical support and let them know you have a web server on your machine running on port 10259. They can help you reconfigure your firewall to not interfere with NAIC Club Accounting.

### The Report window appears, but is empty

HTMLDOC has not been installed or needs to be reinstalled.

1. Put the NCA 2.x CD into your CDROM drive.
2. If a popup window appears prompting you to uninstall NCA 2.x, click CANCEL.
3. On the Start bar at the bottom-left of your screen, select START > RUN.
4. In the Run window, click BROWSE.
5. In the Browse window, click MY COMPUTER.
6. Still in the Browse window, double-click NCA2\_X (D:).
7. Next, double-click HTMLDOC 1.8.8.
8. Click HTMLDOC-1.8.8-WINDOWS.EXE.
9. Back in the Run window, click OK. The WinZip Self-Extractor window appears.
10. Click SETUP. The HTMLDOC setup begins.



11. Click NEXT>.
12. Read the Software License Agreement and click YES.
13. In the Choose Destination window, click NEXT>.
14. In the Select Program Folder window, click NEXT>. HTMLDOC installs the files to your computer.
15. In the Setup Complete window, click FINISH. The WinZip Self-Extractor may remain open. If so, you can click FINISH to close it. The HTMLDOC icon should now appear on your desktop. HTMLDOC is installed.

### **The Report window does not appear when I select Preview or Printer-Friendly**

In recent years, popup messages have caused many customers to install popup-blocking programs. Such programs prevent the Report window from opening. Shut down the popup blocker to allow the reports to appear.

#### **“This page cannot be displayed”**

If a **Yahoo!**™ tool bar is installed on the computer where NAIC Club Accounting Version 2 is to be used, it may interfere with the operation of Club Accounting. A symptom of this problem is a **This page cannot be displayed message** when NCA 2 is started. Sometimes, waiting at least 15 seconds and then choosing View> Refresh will correct this problem. However, it may be necessary to remove the **Yahoo!**™ tool bar. Refer to the Yahoo! Toolbar help for uninstall instructions.

### **How to Navigate in NCA 2**

- To choose a club from multiple clubs being managed, click the name of the club in the **Club Manager**.
- To display a NCA 2 page, click the **Accounting, Reports, Graphs** or **Help** tab.
- To close NCA 2, click the **Exit** tab. This is important, as not all components of NCA 2 may close by using the **X** button in the top right of the window.
- To display a form or list, click its name on the associated page.
- To return to the previously displayed window, click your browser's **Back** arrow or button.
- To display a Help screen, click Help once, or find the link on the Help page. Access the Help page by clicking the **Help** tab
- To view parts of a page that do not appear in your browser window, maximize the size of your browser window, or use the scroll bar at the right side of the window to scroll down the page.  
**Hint:** Here are some ways to minimize the amount of scrolling needed during the use of NCA 2.
  - Many reports and transaction lists allow you to set a time frame for the report or list. If the default time frame gives a long report/list, change the time frame on the report/list parameter page by typing in different dates for the starting and ending dates of the report so the report/list will be shorter. For detailed instructions see the description of the report later in this User Guide or click the name of the report in the Reports section of the Help tab. (**Help> Reports> [name of report]**)

- A change in your browser display font setting can reduce the size of the display font, allowing more information to be displayed per page.
  - ❖ In Internet Explorer 5.5, click the **View** menu and choose **Text Size**. The current size will be denoted with a dot next to the text size. Choose a smaller size.
- A change in your monitor resolution can also increase the amount of information displayed per page.
  - Go to **Start > Settings > Control Panel > Display**. In the Display window, click the **Settings** tab. In the **Screen Area** part of the window move the slide bar to the right for higher resolution. This will decrease the size of text and icons displayed. The smaller size will allow more information to be displayed per page. The Video Graphics Adapter and the monitor determine the resolutions available on your computer system. It is possible your slide bar cannot be changed.

## 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 **Reset** button.

## Preventing Errors

NAIC Club Accounting Version 2 has additional error traps to prevent data entry errors not found in earlier versions of Club Accounting. The user 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.
- To help prevent transaction date errors, a warning window appears if a transaction is saved with a date 90 or more days before the current date or 90 or more days after the current date. The current date Club Accounting uses is the Windows system date.
- Distributions can only be done on 12/31 of each year. IRS regulations require earnings to be distributed on the last day of the fiscal 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.
- A reminder to distribute earnings will appear starting 12/1 of the current year and ending 12/31, before certain transaction entry forms appear. There are only five such transactions where the reminder appears so the reminder should not get too annoying.

## How to Delete Profile Information and Transactions

**Important:** Never delete the profile of a member, security or cash account with valid transactions even if the member, security or cash account is inactive. To do so will cause inaccurate calculations in the future.

Delete a member profile by clicking the **Accounting** tab and then the **Member Section** link. Next, click **New/Edit/Delete Member Profile**. Click **Profile** for the member to be deleted. On the Edit/Delete Member page click the **Delete** button. (The **Delete** button does not appear if the profile has associated transactions.) When prompted **Are you sure?** click **OK**.

Delete a security ID record by clicking **Accounting > Security Section > Edit/Delete Security Profile**. Select the name of the security you want to delete, and then click the **Delete** button. (The **Delete** button does not appear if the profile has associated transactions.)

Delete a Cash account ID record by clicking **Accounting > Cash Section > Edit/Delete Cash Account**. Select the name of the account you want to delete, and then click the **OK** button. On the Edit/Delete Cash Account page click the **Delete** button. (The **Delete** button does not appear if the account has associated transactions.)

Delete a member transaction, security transaction, or cash transaction and all of its associated transactions by clicking **View/Edit/Delete (Member, Security or Cash) Transactions** under the appropriate section (Member, Security, or Cash) on the **Accounting** page. Choose the member, security or cash account associated with the transaction to be deleted. Select the checkbox next to the transaction(s) you want to delete. Then click the **Delete** button at the bottom of the list.

We hope NAIC Club Accounting Version 2 (called NCA 2 for short) will make the accounting for your club easy - even fun. NCA 2 makes it easy for any member of an investment club to be responsible for the club's bookkeeping.

NCA 2 updates all accounts with a single set of operations, thus eliminating double-entry bookkeeping by the treasurer. (Double-entry still exists; the software performs it.)

**Note:** **NCA 2 employs the valuation unit accounting method used by the National Association of Investors Corporation to keep track of each member's share of the club.**

# Getting Your Club Started

## Select the Settings

Use the Settings utility before you enter any data in NCA 2, regardless of the startup method you use. Use it also if you made a mistake on the form, or you want to change how NCA 2 handles certain data or calculations.

The **Settings** page allows you to enter or change the NCA 2 settings for your club (parameters in earlier versions of NAIC Club Accounting). The settings you specify tell NCA 2 how to handle data and calculations. For a more detailed description of the settings see the section **The Utility Section-Specifying the Settings** later in this User Guide.

Use **Accounting > Utility Section > Settings** to display the Settings page. The following items appear on the Settings page:

1. **Product Serial Number** – The serial number entered during installation appears here. The serial number cannot be edited.
2. **Tax Identification Number** – Enter your club's IRS tax identification number when you first begin to use NCA 2 or when your club receives its tax ID number. Never change or delete this number unless you entered it incorrectly in the first place.
3. **NAIC Club Number** – Enter your NAIC club number. You can find it on your *Better Investing* mailing label. It is usually a letter followed by four numbers. In the example below it is in **bold** type. The number after the hyphen (-) is the personal NAIC number.

i. **Example:** **Z9889000** - 123456

Josephine Investor  
3150 Almaden Expressway

4. **Initial Unit Value at Startup (\$)** – Enter the beginning value of a unit when you first begin to use NCA 2 for a new club or if you are switching over from using an earlier version of NAIC Club Accounting.
5. **Time based earnings distribution** – This is the default method of distributing earnings.
6. **Petty Cash Account** – Check this box to activate the Petty Cash Account in NCA 2.  
**NOTE** – Petty cash is only for *non tax-deductible items*. It is not part of the valuation report and is carried on a separate journal within the system. Money cannot be transferred into or out of this account.
7. **Withdrawal Fee** – An automatic withdrawal fee can be set here. The fee can be a percentage of the withdrawal or a set amount. The fee can still be edited on the withdrawal entry form.
8. **Amount** – Choose this option to have a set amount automatically entered as a withdrawal fee for all withdrawals
9. **Percentage** – Choose this option to have a set percentage of the withdrawal automatically entered as the withdrawal fee for all withdrawals. You must enter the

percentage as well as choose the option. Enter the percent directly and not the decimal equivalent, for example, 5% would be entered as 5 and not .05.

10. **Consol. Monthly Report Maintenance** – Click in this checkbox to add the **Consolidated. Monthly Report** to the Reports tab. This report allows up to four reports to be generated with one click.
11. Click **OK** to save the information
12. If the **Consol. Monthly Report Maintenance** checkbox was checked, a page will appear to allow you to choose the reports to be included in the consolidated report and the order in which the reports are displayed.
  - i. **Display Sequence** – Use this column to choose the order in which a chosen report will be display in the consolidated report. Click in this column next to the name of the report to add it to the Consolidated Monthly Report. You may choose up to four reports
  - ii. **Report Title** – This column gives the names of all reports.
  - iii. **Parameters** – This column allows you to set the parameters for he chosen report. The most common parameters are the start data and end date of the report. A list of choices appears in the column to help you choose the appropriate parameter setting for each report chosen.
13. For more information on the Consolidated Monthly Report, see the Consolidated Monthly Report section in the Reports Chapter in the User Guide.
14. Click **OK** to save the report choices and display order. Or click **Close Screen** to abandon the report choices and display order.

## Startup Method for New Clubs

Use the New Club Startup Method if you are beginning using NCA 2 at the same time you are forming your club.

**Note: If you are starting to use NCA 2 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.

1. Use **Accounting> Utility Section> Settings** to enter the rules under which you want the Web site software to operate.
2. Use the form found at **Accounting> Member Section> New/Edit/Delete Member Profile> Add a Member** to enter member profiles for each member of the club.
3. Use the form at **Accounting> Member Section> Enter Deposit Transactions** to enter any member deposits.
4. When ready to purchase securities use the form at **Accounting> Security Section >Enter New Security** to enter the security ID information before entering a security transaction.

5. To enter a security transaction use the appropriate transaction form displayed at **Accounting> Security Section> Enter New Transaction**. There are ten types.

Begin entering accounting information for your club, using the items on the **Accounting** page.

## Startup Methods for Existing Clubs

This section gives instructions for clubs converting from NAIC Club Accounting (NCA) version 1.04 and for clubs not using NAIC Club Accounting. In addition it contains a web address for instructions to convert from NAIC Online Club Accounting to NCA version 2.

**Startup Method for Existing Clubs Using NAIC Club Accounting** gives instructions to use NCA 2 for an existing club that has been using the NAIC Club Accounting for Windows or NAIC Club Accounting for Macintosh,

**Startup Method for Existing Clubs Not Using NAIC Club Accounting** gives instructions for clubs not currently using NAIC Club Accounting.

**Startup Method for Existing Clubs Using NAIC OnLine Club Accounting (NOCA)** gives a link to instructions on how to start using NCA version 2.0 if your existing club has been using NAIC On-line Club Accounting (NOCA).

**Important:** Your earlier version of NAIC Club Accounting must be Version 1.04 CR 26.

**Note:** If you are starting to use NCA 2 for a new club, refer to the New Club Startup.

### Startup Method for Existing Clubs Using NAIC Club Accounting

Instructions for using the forms and tasks in NCA 2 mentioned below appear in the **Help** screens associated with the specified forms and tasks. In NCA version 1.04, context sensitive help can be accessed by pressing the **F1** key on the keyboard.

### Export Your Data

1. Check the operating parameters for your club. This information is imported with the data. In NCA version 1.04, go to **Utilities> Parameters** to find the parameters. Make any necessary changes and save the changes.
2. Audit your data. In NCA version 1.04 use **Utilities> Audit**.
3. Export your data. In NCA version 1.04 use **Utilities> Export** to create an export file (NCADATA.DAT) on your hard disk or a floppy disk.

### Import Your Data

1. In NCA 2, use **Accounting> Utility Section> Import** to transfer the data in the NCADATA.DAT file to NCA 2.
2. Use **Accounting> Utility Section> Settings** (Parameters in NAIC Club Accounting) to check that the rules under which you want the software to operate were imported with your data. Make any necessary changes.
3. In NCA 2, use **Accounting> Utility Section> Audit** to make sure the transactions in the database are consistent. You may find that the Audit utility wants to make changes. Allow it to do so because some of the calculations in NCA 2 may have been updated since version 1.04.

4. Start to enter new accounting information for your club using the items on the Accounting page.

## Startup Method for Existing Clubs Not Using NAIC Club Accounting

Use this method if you are beginning to use NCA 2 for an existing club that did not use NAIC Club Accounting for Windows or Macintosh as their accounting system. Your old bookkeeping method may have been the manual NAIC 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.

**Note 1:** If you are starting to use NCA 2 at the same time your club is starting, refer to the New Club Startup Help window. If you are starting to use NCA 2 for an existing club that used NAIC Club Accounting for Windows or Macintosh, refer to the **Startup Method for Existing Clubs Using NAIC Club Accounting** section above.

**Note 2:** 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, but it does allow you to have a complete history of your club's activities.

## Getting Started

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

1. Use **Accounting > Utility Task > Settings** to enter the rules under which you want the accounting software to operate.
2. Start to enter accounting information for your club using the items on the Accounting menu.

## 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

1. Use the **Accounting > Utility Task > Settings** to enter the rules under which you want the software to operate, if not done earlier.
2. Use **Accounting > Security Section > Enter New Security** 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.
3. Use **Accounting > Security Section > Enter New Transaction > Beginning Balance** 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 **Accounting > Security Section > Enter New Transaction > 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. Use **Accounting> Security Section> Enter/Edit Valuation** to value each security. Use the switchover date as the valuation date.  
**Warning: Do not enter valuations dated before the switchover date.**
  5. Use **Accounting> Member Section>New/Edit/Delete Member Profile>Add a Member** 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 **Accounting> Member Section> Enter Beginning Balance** to enter member beginning balances. This should be done twice for each member.
    - Use an Investment type transaction to enter the total amount the member invested in 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.**  
**Note: 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 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, 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 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.**

7. Use **Accounting > Cash Section > New Cash Transaction** and choose **Beginning Balance** as the **Transaction Type** to enter the amount in each cash account on the switchover date.
8. Use **Accounting > Cash Section > New Cash Account** to create new cash accounts as needed.

## Reconciling Your Books

If you did not use the manual NAIC accounting method for keeping your books before you started to use NCA 2, 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 **Accounting > Utility Task > Audit** to make sure your books are consistent.
3. Use **Reports > Valuation Statement** to print the Valuation Statement for the switchover date.
4. 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.
5. 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.

6. 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.
7. Use **Accounting> View/Edit Delete Security Transactions**, **Accounting> View/Edit/Delete Member Transactions**, and **Accounting> Edit/Delete Cash Transactions** to display the transaction lists and edit or delete any incorrect transactions.
8. Re-enter any deleted transaction correctly.
9. Use **Accounting> Utility Task> Audit** to make sure that member units reflect any changes you made.
10. Print the Valuation Statement and the Members Status Report again and compare them again.
11. If necessary, repeat all steps until the books are reconciled.
12. If you have club activity that occurred after the switchover date, enter the activity as it occurred up to the present. Be sure to use **Accounting> Utility Task> Audit** after you enter each month's activity. When your records are completely reconciled, you are ready to add new security, cash, and member transactions as they occur during the year.

# The Accounting Tab

The **Accounting** tab gives access to four sections. The items named in each section enable the user to update and maintain the club's database. Click the **Accounting** tab to display the Accounting page.

## **Member section**

The items in this section allow you to:

- view, edit and delete member profile information
- enter transactions for one or all members.
- view, edit and delete member transactions.

## **Securities section**

The items in this section allow you to:

- enter, view, edit, and delete security ID information.
- enter transactions for one or all securities.
- view, edit and delete security transactions.
- enter and edit valuations.
- view and delete valuations for one or all securities.

## **Cash section**

The items in this section allow you to:

- enter cash account transactions.
- transfer funds between cash accounts.
- view, edit and delete transactions in one or all cash accounts.
- create, view, edit and delete cash accounts

## **Utility Section**

The items in this section allow you to:

- audit the database to make sure that all transactions are consistent and that all units are correct.
- distribute the club's earnings to the members.
- export your club's data for storage outside the program
- specify the settings (operating parameters) under which NCA 2 should operate.
- import data from NAIC Club Accounting for Windows or Macintosh.
- clear (remove) all data from the database.
- create or delete additional clubs

# The Member Section

The Member Section contains the forms to enter all types of member transactions. This ranges from entering the member's profile information to withdrawing the member. Use the member section to:

- view, edit and delete member profile information
- enter transactions for one or all members.
- view, edit and delete member transactions.

## Entering, Editing and Deleting Member Profiles

The **Member Profile** page allows you to create a new member profile and view, edit or delete current member profiles.

### What You Need to Know

- You must enter a Profile for each new member before you can enter any transactions associated with that member.
- You can enter or edit profile information at any time.
- You can delete a member profile only if the member has no associated transactions.
- If a member completely withdraws from the club (no longer owns units) you should immediately display the profile and change the member's activity status to Inactive.
- You should never delete the profile of an inactive member. To do so will cause incorrect calculations in the future.

### How to Add a New Member Profile

Use **Accounting > Members Section > New/Edit/Delete Member Profile > Add a Member** to display the **Enter New Member** form.

1. **First Name** – Enter the member's first name.
2. **Middle Name** – Enter the member's middle name.
3. **Last Name** – Enter the member's last name.
4. **SSN** – Enter member's Social Security Number here.
5. **Contact** – Enter the name of a contact person if any.
6. **Responsibility** – Enter member's responsibility in the club.
7. **Address 1** – Enter the member's main address.
8. **Address 2** – Enter an alternate address for the member, if applicable.
9. **City** – Enter the city in which the partner resides.
10. **State/ Province** – Enter the State or Province of the member's address.
11. **Zip/ Postal code** – Enter the zip or postal code of the member's Address1.
12. **Country** – Enter the country of the member's address.

13. **Zip/ Postal code** – Enter the zip or postal code of the member's Address1.
14. **Home phone** – Enter the member's phone number.
15. **Work phone** – Enter the member's phone number.
16. **Fax** – Enter the member's fax number, if applicable.
17. **E-mail** – Enter the member's e-mail address. An address must be entered here for members to be able to send e-mail from the Member Profile page of NCA 2.
18. **Active** – Leave the checkbox selected if the member will own units in the club.
19. Click the **OK** button to save the new information and return you to the Member list. Or click **Reset** to clear the form.

### How to View a Profile

1. Use **Accounting> Members Section> New/Edit/Delete Member Profile** to display the Member Profile page. Click **Show Inactives** to include inactive members in the member list. An asterisk (\*) in front of a name indicates that the person is inactive. Inactive members appear after all active members.
2. Click the word **Profile** next to the name of a member to display that member's profile.
3. When you finish looking at the profile information, click the **OK** button.

### How to Edit an Existing Member Profile

1. Use **Accounting> Members Section> New/Edit/Delete Member Profile** to display the **Member Profile** page. Click **Profile** next to the name of the member whose information is to be edited.
2. Edit any information, as necessary.
3. Click the **OK** button to replace the old information and return to the Member list. Or click **Reset** to clear the form.

### How to Delete an Existing Member Profile

**Important: Never delete the profile or transactions of an inactive member. To do so will result in incorrect calculations in the future.**

1. Use **Accounting> Members Section> New/Edit/Delete Member Profile** to display the **Member Profile** page. Click **Profile** next to the name of the member whose profile is to be deleted. If the profile has no associated transactions, the **Delete** button appears on the form.
2. Click the **Delete** button.
3. Click **Yes** to delete the profile when prompted **Are you sure?** This returns you to the Member list. Or Click **Cancel** to keep the profile. This returns you to the member profile form of the member you considered deleting.

## Emailing Members from NCA 2

The Member Profile page has links that allows you to email members from within Club Accounting. To email members from Club Accounting do the following:

1. Use **Accounting > Members Section > New/Edit/Delete Member Profile** to display the **Member Profile** page.
2. In the column **email selected members** check the box for each member to receive email. Or click on **Select all** to send email to all members.  
**Note:** An email address must have been entered in the member's profile for a checkbox to appear in the email selected members column. Email can only be sent to members with a valid email address entered in their profile.
3. When the members to receive email are selected, click **email selected members**.
4. Your email program will start. Compose your email and send as you normally would.

**Important For AOL Users:** Because AOL does not allow access to its email utility by outside programs, this function will not work if you use AOL.

**Note:** Some email programs, such as Eudora, may need to be loaded into memory before they can be called by NCA 2.

## Entering Member Deposits

Use the **Enter Member Deposit** transaction form to enter payments, fees and petty cash contributions to the club from one or more members.

Use **Accounting > Member Section > Enter Deposit Transactions** to display this form.

### What You Need to Know

All deposits on one form must be for the same type and the same date, but the amounts can be different. You can enter three kinds of deposits:

1. Payments usually are for investment purposes only. The number of units purchased depends on the value of a unit on the date the payment is made. Members receive units for payments
2. Fees usually are for legitimate (deductible) club expenses such as rent on a meeting place, investment periodicals, NAIC dues, returned check charges, etc. If preferred, you can use Payments for these kinds of expenses. Members do not receive units for fees.
3. Petty cash contributions are for nondeductible expenses such as parties, greeting cards, cookies, and flowers. Never use petty cash contributions for any of the items mentioned under Fees, above. Petty Cash contributions can be entered only in the Petty Cash account. Members do not receive units for PC contributions. Petty cash contributions are not added to the value of the club. Unlike earlier versions of Club Accounting nondeductible expenses can now be directly paid from **any** cash account and still be tracked separately for tax purposes. This is more convenient for users but does make the petty cash account less useful.

### How to Enter the Information

1. **Payment, Fee, Petty cash contribution** option buttons – Select the option button that indicates the deposit type.

2. **Cash Account** – Choose the account to receive the deposit. A Petty Cash contribution can only be put in the Petty Cash account. Be sure to use the cash account field immediately opposite the deposit type chosen.
3. **Default Amount** – An amount entered here will be entered in the Amount column next to all members in the Member list.
4. **Member** – A list of the active members.
5. **Amount** – Enter an amount next to each member who made a deposit. Deposits can be for different amounts. If Default Amount was used, the Default Amount is displayed here.  
**Note:** The **Total** field automatically adds the deposit amounts. Press the Tab key, or click the **Total** field to include the last amount entered in the Total.
6. **Total** – Displays the sum of all deposit amounts.
7. **Remarks** – Enter any note or comment you may have.
8. **Transaction Date** – Enter the date the deposits were received by the treasurer. The default date is the current date.
9. Click **OK** to save the transaction.
  - Or click **Reset** to clear the form.
  - Or click **Close Screen** to return to the main **Accounting> Member Section** page. The transaction will be abandoned.
10. If **OK** was chosen in previous step, a confirmation screen appears with the deposit information displayed.
  - Click **Accept** to save the transaction.
  - Click **Edit** to return to the transaction entry form to correct mistakes
  - Or click **Close Screen** to return to the main **Accounting> Member Section** page. The transaction will be abandoned.

## Entering Member Withdrawals

A member is legally withdrawn from a club the date (or shortly thereafter) that club assets are transferred to that member. However, some clubs decide to value the withdrawal on a date different from the payout date. For example, many clubs have bylaws that mandate a payout *that could occur as much as 90 days after the club meeting where that member's assets were valued*. Therefore, you must first instruct the software whether the payout date is the same as the date the member's assets were valued for withdrawal.

### If the payout date is the same or near the withdrawal date:

1. Choose the option titled: 'I will pay off this member before the next club meeting, and my next club meeting does not take place in the next fiscal year.'
2. On the next screen, select the withdrawing member, the date of the withdrawal, and whether the member is withdrawing all (**Full**) or only part (**Partial**) of his/her assets in the club. Proceed to the next screen.

**IMPORTANT: Do not enter a withdrawal on a date with any other transactions, including valuations. Withdrawals must be done on their own**



**day, so make sure the date you enter for the Withdrawal has no other dividends, payments, or valuations.**

3. On the next screen, you will need to enter several values:
  - a. Enter the **Value to be withdrawn** - The default amount first displayed in this field is the total value of the member's ownership in the club on the withdrawal date. If you chose a full withdrawal on the first screen, this amount cannot be changed. If you are entering a partial withdrawal, change this to the amount that is being deducted from the club. The program automatically calculates the number of units to be withdrawn whose value equals the **Value to be withdrawn**.
  - b. Enter the **Withdrawal Fee**: To enter the withdrawal fee, do one of the following (if none, leave the field blank):
    - i. *Amount (\$)* - If your club charges a flat fee for withdrawals, enter the dollar amount here.
    - ii. *Percentage* - If your club charges a percentage of the withdrawal amount, enter that percentage here. (10% would be entered as 10.)
  - c. **Type of Withdrawal**: - Choose whether the member is receiving all cash or is receiving some part of the disbursement in stock.
  - d. **Cash Account** - Choose the cash account from which to take the cash for the withdrawal. If no cash is involved, you can ignore this field. (Even full stock withdrawals usually have some residual cash.)
  - e. **Remarks** - Enter any remarks you may have about the withdrawal.
4. Click 'Ok' to proceed. If this is a cash withdrawal, the transaction is almost complete. Review the confirmation screen, and **accept** the transaction. To save the transaction. If this is a cash and/or stock withdrawal, you will instead be brought to the '**Shares Selection Form**'. Enter the number of shares and price per share for each company's shares (at the time of the withdrawal) that the member is receiving (you may need to select specific blocks of stock). Any discrepancy between the full value of the withdrawal and the value of withdrawn stock will be automatically treated as a cash portion of the withdrawal.

### **If the payout date differs dramatically from the withdrawal date:**

This withdrawal can be entered on two separate dates. Part one, the '**withdrawal announcement**', can be entered even if you haven't paid out the member yet. You can enter part two after the member has actually been distributed his/her assets.

#### **Part One: The Withdrawal Announcement**

1. Choose the option titled: 'I will not pay off this member before the next club meeting, or my next club meeting takes place in the next fiscal year.'
2. On the next screen, select the valuation date on which the withdrawal should be valued as well whether the member is withdrawing all (**Full**) or only part (**Partial**) of his/her assets in the club.
3. On the next screen, you will need to enter several values:
  - a. Choose the withdrawing **member**.

- b. Enter the **Value to be withdrawn** - The default amount first displayed in this field is the total value of the member's ownership in the club on the withdrawal date. If you chose a full withdrawal on the first screen, this amount cannot be changed. If you are entering a partial withdrawal, change this to the amount that is being deducted from the club. The program automatically calculates the number of units to be withdrawn whose value equals the **Value to be withdrawn**.
- c. Enter the **Withdrawal Fee**: To enter the withdrawal fee, do one of the following (if none, leave the field blank):
  - i. *Amount (\$)* - If your club charges a flat fee for withdrawals, enter the dollar amount here.
  - ii. *Percentage* - If your club charges a percentage of the withdrawal amount, enter that percentage here. (10% would be entered as 10.)
- d. **Type of Withdrawal**: - Choose whether the member is receiving all cash or is receiving some part of the disbursement in stock.
- e. **Remarks** - Enter any remarks you may have about the withdrawal.

After completing the withdrawal announcement, you will see this on the **Accounting > Member Section** of the program.

**You have one or more pending withdrawal(s) to complete. When you have paid out the withdrawing member(s) and would like to record the withdrawal payout (s), select the 'complete withdrawal payout' button**

**Complete withdrawal payout(s)**

#### Part Two: The Withdrawal Payment

1. To complete the payout, click on the button

**Complete withdrawal payout(s)**

on the **Accounting > Member Section** of the program.

2. Select the **withdrawal announcement** for which this is the payoff, the **date** of the payoff, the **type** of withdrawal (cash or cash and stock), and the **cash account** to which the cash component of any withdrawal should go, and any **remarks** for the withdrawal.
3. Click 'Ok' to proceed. If this is a cash withdrawal, the transaction is almost complete. Review the confirmation screen, and **accept** the transaction. to save the transaction. If this is a cash and/or stock withdrawal, you will instead be brought to the '**Shares Selection Form**'. Enter the number of shares and price per share for each company's shares (at the time of the payout) that the member is receiving (you may need to select specific blocks of stock). Any discrepancy between the full value of the withdrawal and the value of withdrawn stock will be automatically treated as a cash portion of the withdrawal.

## What You Need to Know

- Never enter a withdrawal on the same date you enter a member deposit, a valuation date, or a distribution date.
- If you enter a complete withdrawal, i.e., the member no longer owns units in the club after the withdrawal, NCA 2 will automatically make this member inactive when the withdrawal is saved. Should you need to edit or delete a withdrawn member's transactions, you must first reactivate the member.
- 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.
- No more than one withdrawal involving the transfer of stock can be entered on the same day.
- Do not enter withdrawals on an earnings distribution date.

## Entering Member Beginning Balances

Use the **Enter Beginning Balance Transaction** form to enter beginning balances for each member of an existing club when you switch over from an accounting method other than NAIC Club Accounting (See **Startup Methods for Existing Clubs**).

If any current member took a partial withdrawal at any time, be sure to check the **Special Case - Partial Withdrawal** section of this Help screen.

Use **Accounting > Members Section > Enter Beginning Balance** to display this form.

## What You Need to Know

- 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 the Beginning Balances

### Enter Beginning Balance Transaction form

1. **Select Member** – Select the member for whom you want to enter a beginning balance transaction from the drop down menu.

2. **Transaction Date** – Enter the 12/31/yy switchover date.
3. **Type** – Choose Investment or Earnings.
4. **Amount** – Enter the investment or earnings amount (see above).
5. **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.
6. **Remarks** – Enter any comment you may have (optional).
7. Click **OK** to save the transaction. Or click **Reset** to clear the form. Or click Close Screen to abandon the transaction and return to the **Accounting> Member Section** page.
8. If **OK** was chosen in the previous step, a confirmation screen appears with the beginning balance information. Select one of the following:
  - a) Click **Accept** to save the transaction.
  - b) Click **Edit** to return to the transaction entry form to correct mistakes
  - c) Or click **Close Screen** to return to the main **Accounting> Member Section** page. The transaction will be abandoned.

## 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 the three possible scenarios are given below.

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

1. 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.
2. 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 balance Earnings Amount should be 1000. The Paid in Plus Earnings for John Hancock now equals 500 ( $-500 + 1000$ ).
3. 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 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.

## View, Edit, and Delete Member Transactions

Use the **View/Edit/Delete Transactions List** and its associated **Select member** box to view, edit and/or delete member transactions.

Use **Accounting>Member Section> View/Edit/Delete Member Transactions** to display the name selection list and the transaction list.

### How to Use This Transaction List

1. **Select Member**– A drop down list of all members. Click **All Members** to view all members' transactions or click the name of the one member for whom you want to see the transactions. To include inactive members in the list, click in the **Show inactive members** checkbox. Inactive members are indicated with an asterisk (\*) and appear after all active members.
2. **Start Date** – The first date to be included on the report. The default start date is the first member transaction date. If the default date is not the desired start date, change the date to the desired start date. (mm/dd/yyyy or m/d/yy format)
3. **End Date** – The last date to be included in the report. The default end date is the current date. If the default date is not the desired start date, change the date to the desired start date. (mm/dd/yyyy or m/d/yy format)
4. Click **OK** to view the Transaction List.

### View/Edit/ Delete Member Transaction List

This transaction list shows the following:

- checkbox to select a transaction to be deleted,
- the date the transaction occurred,
- the transaction type,
- the dollar amount associated with the transaction,
- the number of units associated with the transaction,
- any remark entered on the transaction form,
- the name of the member associated with the transaction.

### How to Delete a Transaction

1. If necessary, use the scroll bar to see all the transactions.

2. **Checkboxes** – If you want to delete one or more transactions, select the checkbox to the left of the transaction date for each transaction to be deleted.
3. Click the **Delete** button to delete any transaction(s) checked in its checkbox. When you delete a transaction, all associated transactions are also deleted automatically.
4. When asked **Are you sure?** Click **Yes**. To change your mind and keep the selected transaction, click **Close Screen**.
5. It is usually a good idea to Audit the database after deleting transactions. The Audit function is accessed at **Accounting> Utility Section> Audit**.

### How to Edit a Transaction

1. Find the transaction you wish to edit.
2. Click the **Type** column for the transaction to be edited.  
The original entry screen for the transaction will appear.
3. Make the changes to the transaction.
4. Click the **OK** button on the data entry screen to save the edited transaction.
5. Click **Accept** in the transaction confirmation screen to save the edited transaction.
6. It is usually a good idea to Audit the database after editing transactions. The Audit function is accessed at **Accounting> Utility Section> Audit**.

There are three transactions that cannot be edited. If necessary, you can delete and re-enter them. They are:

- Sell transactions
- Withdrawals that include a transfer of stock
- Distributions

# Security Section

The security section of the Accounting tab is used to enter security related profile information and security transactions. Use the security section to:

- enter, edit, and delete security ID information
- enter, edit, and delete security transactions
- enter, edit, and delete security valuations.

The security transactions included in NCA 2 are listed below in the order in which they appear on the **Enter New Security Transactions** page.

- **Buy**
- **Sell**
- **Cash Distribution**
- **Reinvested Distribution**
- **Stock Split**
- **Merger**
- **Spinoff**
- **Charges Paid By Company**
- **Foreign Tax Paid**
- **Beginning Balance**

## **Unsupported Transactions**

NCA 2 operates on a *cash-basis only*. Future transactions cannot be entered until they take place. NCA 2 does not support buying and selling short, on margin, options, or rights.

## **Entering a New Security**

Use the **Enter New Security** form to enter security identification information before you enter the first transaction for a newly acquired security.

Use **Accounting> Security Section> Enter New Security** to display this form.

## **What You Need to Know**

You need to enter new security information before you enter:

- the first purchase of shares of a new security.
- a stock owned by the club is merged into a security not currently owned by the club.
- a stock owned by the club spins off shares in one or more new securities that are not currently owned by the club.

## How to Enter the Security Profile Information

1. **Security name** – Enter name of the new security.
2. **Account number** – Enter the brokerage or other account number for the new security.
3. **Ticker symbol** – Enter the ticker symbol for the new security in this field. If you plan to import valuations from the Internet, the ticker symbol **must** be the official exchange–assigned symbol to import correctly.
4. **Remarks** – Enter any comment you may have (optional).
5. **Type of Security** – Select the option button next to Stock, Mutual Fund, or Fixed Cash Investment.  
**Note:** Fixed cash investments include such instruments as Certificates of Deposits.
6. **Checkboxes** – Select as many checkboxes as apply to the security type that you specified with the option button.
  - **Average Cost Method** – Select this checkbox if you want to use average cost calculations for determining cost basis of a mutual fund or fixed cash investment. This method cannot be used for stocks, so the choice is not available for stocks.  
**Note:** For ordinary stock, NCA 2 uses the identified cost calculation method. For more information about cost methods, see **Important Concepts**.
  - **DRP Plan** – Select this checkbox if the shares of this security are purchased through a Dividend Reinvestment Plan. This type of plan is set up through the company itself rather than your broker.
  - **Federal Tax Free** – Select this checkbox if interest received on this security is not subject to federal taxes.
7. **Active** – Make sure this checkbox remains selected until the club no longer owns any shares of this security.
8. Click the **OK** button to save the information. Or click **Reset** to clear the form.

## How to Edit or Delete a Security Profile

The **Edit/Delete Security Profile** page allows you to edit security identification information or to delete a security from the database.

Use **Accounting> Security Section> Edit/Delete Security Profile** to use this feature.

**Important:** NCA 2 will only allow securities to be deleted if they have no transactions or valuations associated with the security.

### How to Edit a Security

1. Select **Accounting> Security Section> Edit/Delete Security Profile**.
2. Choose a security from the **Select Security** drop down menu.
  - Click in the checkbox **Show inactive securities** to included inactive securities in the drop down menu. Inactive securities are listed after active securities.



3. Click **OK**. Or click **Reset** to clear the field.
4. Make the necessary changes to the security profile information.
5. Click **OK** to save the changes. Or click **Reset** to clear the field.

### How to Delete a Security

1. Select **Accounting> Security Section> Edit/Delete Security**.
2. Choose a security from the **Select Security** drop down menu.
  - Before selecting a security, click in the checkbox **Show inactive securities** to include inactive securities in the drop down menu. Inactive securities are listed after active securities.
3. Click **OK**. Or click **Reset** to clear the field.
4. Click the **Delete** button. This button is only displayed if a security with no transactions or valuation dates was selected in step 2.
5. Click **Yes** when prompted **Are you sure?**
6. Or, click **Close Screen** to keep the transaction and return to the **Edit/Delete Security** screen.

### Buy a Security Transactions

Use the **Buy Security Transaction** form to enter the purchase of shares of a security.

Use **Accounting> Security Section> Enter New Transaction> Buy** to display this form.

### What You Need to Know

- You must enter security identification information before you enter the first purchase of a security (**Accounting> Security Section> Enter New Security**).
- If you are entering the first purchase of a security DRP, you need to set up the DRP account before you enter the purchase.
- If you buy new shares of a currently inactive security, enter a new Security ID with a slightly different name. For example, if the security name was Persimmon on the first ID record, you can call it Persimmon, Inc. on the second ID record. If you use the first ID record, the return calculations for this security will include all transactions for this security including the first purchase and the sell transaction that made the security inactive. By making a new Security ID the return calculations will show how well the security has done since the repurchase date only.

### How to Enter the Share Purchase

1. **Security Name** – Choose the security purchased from the drop down list.
2. **Include Inactives** – To include inactive securities in the Security Name drop down list, check this box.
3. **Transaction Date** – If the current date is not the purchase date, enter the correct date.

4. **Number of shares bought** – Enter the number of shares purchased.
5. **Net Price of shares** – The total price paid for all shares bought, before adding commissions and fees.
6. **Price Per Share** – Club Accounting will calculate the price per share from the number of shares and the total price.
7. **Commission** – Enter any commission associated with this purchase.
8. **Service/Administrative charges** – Enter the total of any service and/or administrative charges.
 

**Important:** If this is an NAIC DRP purchase, do not enter the setup fee here. The setup fee should be entered as an expense at **Accounting>Cash Section>New Cash Transaction**.
9. **Total amount of this buy** – Displays the total amount that will be taken from the cash account chosen in step 9. The amount in this field should match your trade confirmation total amount from your broker.
10. **Cash Account** – Choose the cash account from which to take the funds to pay for the shares.
11. **Remarks** – Enter any comment you may have about this purchase (optional).
12. Click **OK** to save the transaction.
  - a) Or click **Reset** clear the form.
  - b) Click **Close Screen** to return to the main **Accounting> Security Section** page. The transaction will be abandoned.
13. If **OK** was chosen in the previous step, a confirmation screen appears with the buy information. Select one of the following:
  - a) Click **Accept** to save the transaction.
  - b) Click **Edit** to return to the transaction entry form to correct mistakes
  - c) Or click **Close Screen** to return to the main **Accounting> Security Section** page. The transaction will be abandoned.

## Sell Security Transactions

Use the **Enter Sell Security Transactions** page and its associated **Sell Security Transaction** to enter a sale of all or some of the shares of a security owned by the club.

Use **Accounting> Security Section> Enter New Transaction> Sell** to display the **Enter Sell Security Transactions** page, to select the security to sell and date the transaction.

### What You Need to Know

- If the Average Cost Method applies to the security, as in a Mutual Fund, NCA 2 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 the Identified Cost Method applies to the security, and you are selling only a portion of the shares, you must specify the block from which to take the shares being sold. Members are required to report their share of the capital gain on the

sale (the difference between the cost of the blocks sold and the proceeds from the sale) and pay any possible personal tax that may result.

**Note:** If the Identified Cost Method applies to the shares, be sure to tell your broker which shares to sell. If you do not, they will sell the oldest blocks first (First in–first out, or FIFO). This may result in a discrepancy between your tax records and the brokerage's tax records for the sale.

- If you sell all shares of a security, NCA 2 automatically makes the security inactive.
- If shares become worthless, sell all the shares for zero (0) dollars.

### How to Enter the Sale:

#### Enter Sell Security Transactions – Security and Date Selection page

1. **Select Security** – Choose the security being sold.
2. **Transaction Date** – Enter the date of the transaction.
3. Click one of the following buttons:
  - a) **OK** to display the **Sell Security Transaction** form.
  - b) **Reset** to clear this form.
  - c) **Close Screen** to abandon transaction and return to the **Accounting> Security Section** page.

#### Sell Security Transaction form

1. **Security Name** – The name of the security chosen is displayed here.
2. **Date** – The date selected on the previous form is displayed.
3. **Shares Owned** – Displays the number of shares owned on the transaction date.
4. **Shares** – Enter the number of shares being sold.
5. **Sale price (Total)** – Enter the total price of the shares you want to sell (price of shares sold X number of shares sold). Do not subtract the commission and/or fees, if any. If the security is worthless, enter zero (0). Do not enter the price per share.
6. **Commis. + Fees** – Enter the total amount of any commissions and/or fees charged for the sale.
7. **Proceeds** – Displays the net proceeds from the sale, Sale price minus **Commis. + Fees**. This field should match the cash received for the sale.
8. **Cash Account** – Choose the cash account to receive the proceeds of the sale.
9. **Remarks** – Enter any comment you may have about the sale (optional).
10. Click one of these buttons:
  - a) **OK** to save the transaction. A confirmation screen appears if you are selling all the shares of the security. The **Block Selection Form** appears if you need to select the blocks sold.
  - b) **Reset** to clear this form.
  - c) **Close Screen** to abandon transaction and return to the **Accounting> Security Section** page.
11. The **Confirmation Screen** allows you to check the data entered before saving the transactions. Click one of the following buttons on the **Confirmation Screen**.

- a) Click **Accept** to save the transaction.
- b) Click **Edit** to return to the transaction entry form to correct mistakes
- c) Or click **Close Screen** to return to the main **Accounting> Security Section** page. The transaction will be abandoned.

## Choosing the Blocks to Sell

Use the **Block Selection form** to specify the blocks from which to take the shares to be sold. This form appears only after you save a Sell transaction where you sell a portion of the shares to which the Identified Cost Method applies.

Use **Accounting> Security Section> Enter New Transaction> Sell** to display the **Enter Sell Security Transaction** form. The **[Security Name] Block Selection** Form will appear after a Sell transaction is saved if, the security being sold has multiple blocks, the entire holding is not being sold, and the Identified Cost Method applies to the sold security.

## What You Need to Know

Selecting the blocks from which to sell shares provides the club with control over the reportable capital gain from the sale. Considerations should include the long- and short-term holding period and the original price of the shares in a block.

**Important: You need to inform your broker which shares to sell. If you do not do this, the broker will sell the shares from the oldest block(s).**

## How to Select the Blocks

1. **Date** – Displays the date the block was acquired.
2. **Shares** – Displays the number of shares in the block.
3. **Cost/Share** – Displays the adjusted per share cost basis of the shares.
4. **Block** – The block number.
5. **Shares Selected** – Enter the number of shares to be sold from the block. Or use the associated buttons to enter the number of shares.
  - **Full** – Click this button to enter the full number of shares in the block in the **Shares Selected** field.
  - **Rest** – Click this button to enter the amount in the **To Be Selected** field into the **Shares Selected** field for this block. Use this button if the number of shares in the block is larger than the amount in the **To Be Selected** field
6. **Selected** – Displays the total number of shares selected. This field appears on the bottom of the form.
7. **To Be Selected** – Displays the number of shares needed to be selected to complete the sale. This field appears on the bottom of the form.
8. Click **OK** to enter the information in the database. Or click **Close Screen** to abandon the transaction.
9. If **OK** was chosen in the previous step, a confirmation screen appears with the sell information. Select one of the following:
  - a) Click **Accept** to save the transaction.

- b) Click **Edit** to return to the transaction entry form to correct mistakes
- c) Or click **Close Screen** to return to the main **Accounting> Security Section** page. The transaction will be abandoned.

## Cash Distributions from Companies

Use the **Enter Cash Distribution Transaction** form to enter interest, dividends, short-term capital gain, mid-term capital gain, long-term capital gain, 5 year capital gain and return of capital received by the club in the form of cash. Do not use this transaction to enter the capital gain from the sale of a security. Enter sell transactions at **Accounting> Security Section> Enter New Transaction> Sell**.

Use **Accounting> Security Section> Enter New Transaction> Cash Distribution** to display the **Enter Cash Distribution Transaction** form.

### What You Need to Know

- All cash distributions, except return of capital, are taxable in the year they are received. Return of capital is a return of money invested and on which the members have already paid tax. Mid-term capital gain applies only to distributions received in 1997.
- If foreign taxes were paid out of a dividend, enter the actual cash received after taxes on this form and be sure to enter a **Foreign Taxes Paid by Company Transaction** dated the same day as the cash distribution. (See **Accounting> Security Section> Enter New Transaction> Foreign Tax Paid**).

## How to Enter the Cash Distribution

### Cash Distribution transaction form

1. **Select Security** – Choose the name of the security for this transaction from the drop down list of securities. Inactive securities are indicated by an asterisk (\*). Inactive securities only appear in the drop down list if the **Include Inactives** box is checked and they appear after all active securities.
2. **Transaction Date** – If the current date is not the date the transaction occurred, enter the correct date.  
**Note:** If the club receives a cash distribution for a currently inactive security, use a date prior to the sale or merger date.
3. **Type** – Choose the type of distribution from the drop down list. A broker or mutual fund statement may be helpful in determining the type of transaction.
4. **Cash Account** – Choose the cash account to which you wish to place the cash received.
5. **Amount** – Enter the amount of the distribution. If foreign taxes were paid out of this distribution, be sure to enter the actual amount received, after the tax was withheld, not the before tax amount.
6. **Remarks** – Enter any comment you may have about this distribution (optional).

7. Click **OK** to save the transaction, or click **Reset** to clear the form, or click the **Close Screen** button to return to the **Accounting> Security Section** page and abandon the transaction.
8. If **OK** was chosen in the previous step, a confirmation screen appears with the transaction information. Select one of the following:
  - a) Click **Accept** to save the transaction.
  - b) Click **Edit** to return to the transaction entry form to correct mistakes
  - c) Or click **Close Screen** to return to the main **Accounting> Security Section** page. The transaction will be abandoned.

## Reinvested Distributions

Use the **Reinvested Distribution Transaction** form to enter reinvested distributions.

Use **Accounting> Security Section> Enter New Transaction> Reinvested Distribution** to display the form.

### What You Need to Know

All reinvested distributions except Return of Capital are taxable in the year they are received. Return of Capital is a return of money the club invested and on which the members have already paid tax.

### How to Enter the Reinvested Distribution

#### Reinvested Distribution Transaction form

1. **Select Security** – Click the triangular arrow to display the drop down security list. Choose the security involved in this transaction. Inactive securities are indicated by an asterisk (\*). Inactive securities only appear in the drop down list if the **Include Inactives** box is checked. They appear after all active securities.
2. **Date** – If the current date is not the date the distribution occurred, enter the correct date.
3. **Type** – Choose the type of distribution. A broker or mutual fund statement may be helpful in determining the type of transaction.
4. **Amount Received**– Enter the total cash value of the shares received.
5. **Shares Received** – Enter the total number of shares received.
6. **Price per share** – NCA 2 calculates the price of a single share of this reinvested distribution.
 

**Important:** Make sure the **Amount Received** and the **Shares Received** match your statement. The Price per share calculated by NCA 2 may be different from your statement because:

  - o Statements often report the average price per share for all reinvested distributions for the reinvestment period.
  - o Statements round the number of shares received to the nearest .001 or .0001 shares.
7. **Commission** – Enter the commission on the reinvested distribution, if any.

8. **Service Charge** – Enter a service charge on the reinvested distribution, if any.
9. **Remarks** – Enter any comment you may have about this reinvested distribution (optional).
10. Click **OK** to save the transaction. Or click **Reset** to clear the form. Or click **Close Screen** to abandon the transaction and return to the **Accounting> Security Section** page
11. If **OK** was chosen in the previous step, a confirmation screen appears with the transaction information. Select one of the following:
  - a) Click **Accept** to save the transaction.
  - b) Click **Edit** to return to the transaction entry form to correct mistakes
  - c) Or click **Close Screen** to return to the main **Accounting> Security Section** page. The transaction will be abandoned.

## Stock Split or Stock Dividend

Use the and **Stock Split/Dividend in the Same Company Transaction** form and its associated **Select Security** and **Date** page to enter a regular or a reverse stock split, or a dividend received as shares in the same company.

Use **Accounting> Security Section> Enter New Transaction> Stock Split** to display the box and form.

### What You Need to Know

- 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.
- Stock splits do not affect a security's total cost basis because the original cost is just spread over a different number of shares.

**Important: Do not enter more than one Stock Split/Dividend on the same date for the same security.**

### How to Enter a Stock Split

#### Select Security and Date page

1. **Select Security** – Choose the security for which you want to enter the transaction from the drop down list of securities. Inactive securities will not appear unless the checkbox, **Show inactive securities**, is checked. Inactive securities begin after all active securities on the list.
2. **Transaction Date** – Enter the date of the split.

3. Click **OK** to display the next form. Or click **Reset** to return the form to the default settings. Or click **Close Screen** to abandon the transaction and return to the **Accounting> Security Section** page

### Stock Split/Dividend in the Same Company transaction form

1. **Security Name** – The name of the chosen security is displayed.
2. **Shares currently owned** – Displays the number of shares owned by the club on the transaction date.
3. **Date** – The date previously entered is displayed.
4. **Split ratio \_\_\_\_ for: \_\_\_\_** – Enter the first ratio number in the first field. 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.
5. Press the Tab key or
6. Click the **Shares Added** button to display the number of shares added.
7. **Resulting in shares** – displays the total number of shares now owned by the club.  
**Hint:** 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. This amount is entered in Step 8. NCA 2 will sell the fractional share for the amount entered in Step 8 and the club will be left with a whole number of shares.
8. **Fractional share payment** – Enter any cash received in lieu of a fractional share.
9. **Cash account** – Select the account to receive the fractional share cash payment, if any.
10. **Price per share** – Enter the price of a single share of the security. This price must be the price after the split.  
**Note:** NCA 2 will calculate a price per share based on the split ratio and the most recent valuation. Leave this price or edit it to a more recent price.
11. **Remarks** – Enter any comment you may have about the stock split/dividend (optional).
12. Click **OK** to save the transaction. Or click **Reset** to clear the form. Or click **Close Screen** to abandon the transaction.
13. If **OK** was chosen in the previous step, a confirmation screen appears with the transaction information. Select one of the following:
  - a) Click **Accept** to save the transaction.
  - b) Click **Edit** to return to the transaction entry form to correct mistakes
  - c) Or click **Close Screen** to return to the main **Accounting> Security Section** page. The transaction will be abandoned.

## Spinoff Transactions

Use the **Enter Spinoff Transaction** form and its associated **Date Entry** page to enter the receipt of shares (a spinoff) in one or more different company(ies) from another company.



Use **Accounting> Security Section> Enter New Transaction> Spinoff** to display the **Date Entry** page of the **Enter Spinoff Transaction** form.

## What You Need to Know

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.

**Important:** If a spinoff company is a new security for the club, first go to **Accounting> Security Section> Enter New Security** to enter the new security's ID information.

## How to Enter the Spinoff

### Date Entry page

1. **Transaction Date** – Enter the date the spinoff occurred.
2. Click the **OK** button to display the next page of the **Enter Spinoff Transaction** form. Or click **Close Screen** to return to the **Accounting> Security Section** page and abandon this transaction.

### Parent Security Entry page

1. **Select Parent Company** – Select the option button next to the name of the parent company that issued the spinoff shares.
2. Click the **OK** button to display the next page of the **Enter Spinoff Transaction** form. Or click **Close Screen** to return to the **Accounting> Security Section** page and abandon this transaction.

### Enter Spinoff Transaction form

The name of the Parent Security should appear at the top of this page.

1. Choose **one** of the following:
  - **Rem. Basis Fraction** – Click this option button and enter the parent company's remaining percentage of cost basis after the spinoff, if you know it. This information can often be found on the parent company web site and in the spinoff information packet sent to shareholders.
  - **Parent Price/Sh** – Click this option button and enter the price of a share of the parent company after the spinoff. NCA 2 will use this and other information entered to calculate the percentage of the parent cost basis that stays with the parent and how much is transferred to the spinoff company.
2. **Select Spinoff Companies** column – Use the drop down menu to find the spinoff security name. Use a different row for each spinoff company.
3. **Shares Received** column – Enter the number of shares received of each spinoff company. Be sure to include the fractional share represented by any cash received.

**Hint:** 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 two ways: 1.) By dividing the cash received by the price per share of the spinoff company on the

day of the spinoff. 2.) 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 parent company web site also.

**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 divided \$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 column.

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 .3814 to get the spinoff company shares. In this case it would be  $150 * .3814 = 57.21$ . 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.

4. **Price Per Share** – Enter the price of a single share for each spinoff company. The price you enter must be the after-spinoff price.
5. **Cash Received** – Enter any cash received in lieu of a fractional share.
6. **Cash Account** – Choose the account to receive the fractional share cash payment, if a fractional share payment was received.
7. **Date** – The date chosen on the Date entry page is displayed here.
8. **Comments** – Enter any comment you may have about the spinoff (optional).
14. Click **OK** to save the transaction. Or click **Reset** to reset the form to the default settings. Or click **Close Screen** to abandon the transaction.
15. If **OK** was chosen in the previous step, a confirmation screen appears with the transaction information. Select one of the following:
  - a) Click **Accept** to save the transaction.
  - b) Click **Edit** to return to the transaction entry form to correct mistakes.
  - c) Or click **Close Screen** to return to the main **Accounting> Security Section** page. The transaction will be abandoned.

## Mergers

Use the **Enter Company Merger Transaction** form and its associated **Date Entry** page to enter a 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.

**Note:** If the acquiring company is a new security for the club, first go to **Accounting> Security Section>Enter New Security** to enter the new security identification before you use this form.

Use **Accounting> Security Section> Enter New Transaction> Merger** to display the **Date Entry** page and the **Enter Company Merger Transaction** form.

## What You Need to Know

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.

NCA 2 transfers the dollar cost basis from the company being merged into the acquiring company(ies).

## How to Enter the Merger

### Date Entry box

1. **Enter Date of Transaction** – Enter the date of the merger.
2. Click the **OK** button to continue. Or click **Close Screen** to abandon the transaction.

### Merger Transaction Form

1. **Select Old Security Shares** – Select the option button next to the name of the company that is being merged into the new company(ies).
  2. **Shares** – The number of shares owned of the old security is displayed here.
  3. **Select New Securities** – Choose the name of the security(ies) that is/are acquiring the old security from the drop down list. If more than one company is acquiring the old company use a different row for each company.
- Shares Received** – enter the number of shares received by each acquiring company. You must include the fractional share represented by any cash received. NCA 2 automatically sells the fractional share for you, if an amount is entered at Step 6 – Cash Received.

**Hint:** 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 two ways: 1.) By dividing the cash received by the price per share of the new company on the day of the merger. 2.) 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.

#### 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 column.

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 .3814 to get the merger company shares. In this case it would be  $150 * .3814 = 57.21$ . 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.

4. **Price Per Share** column – enter the price of a single share of each acquiring company on the date of the merger.
5. **Cash Received** – Enter any cash received in place of a fractional share. NCA 2 sells the fractional share in Step 4 for this amount. The transaction cannot be saved if an amount is entered here but no fractional share was entered in Step 3.
6. **Cash Account** – Choose the account to receive the fractional share cash payment, if any.
7. **Date** – The date chosen in the Date entry box is displayed here.
8. **Comments** – Enter a comment you may have about the merger (optional).
9. Click the **OK** button to save the transaction. Or click the **Reset** button to reset the form to the default settings.
10. If **OK** was chosen in the previous step, a confirmation screen appears with the transaction information. Select one of the following:
  - a) Click **Accept** to save the transaction.
  - b) Click **Edit** to return to the transaction entry form to correct mistakes.
  - c) Or click **Close Screen** to return to the main **Accounting> Security Section** page. The transaction will be abandoned.

## Charges Paid by Company

Use the **Charges Paid by Company Transaction** form to enter charges paid by a company.

Use **Accounting> Security Section> Enter New Transaction> Charges Paid by Company** to display this form.

### What You Need to Know

In most cases, treasurers use this form to enter charges that appear on a 1099 form that the club receives from a company. The company 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 commission paid by the company for reinvested distributions. If a company pays these charges, the IRS considers the payment income to the club.

Be sure that you have not already entered all or part of the charge on a security transaction form (Reinvested Distribution is the most common) 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.

### How to Enter the Charges Paid

#### Charges Paid by Company Transaction

1. **Name** – Choose the name of the security from the drop down menu.
2. **Transaction Date** – Enter the date the company paid the charge, or if you do not know the date the charge was paid, enter the transaction for 12/30/yy of the tax year.

3. **Charges Paid** – Enter the amount of the charges paid.
4. **Remarks** – Enter any comment you may have about the charges paid (optional).
5. Click **OK** to save the transaction. Or click **Reset** to return the form to the default settings. Or click **Close Screen** to abandon the transaction.
6. If **OK** was chosen in the previous step, a confirmation screen appears with the transaction information. Select one of the following:
  - a) Click **Accept** to save the transaction.
  - b) Click **Edit** to return to the transaction entry form to correct mistakes.
  - c) Or click **Close Screen** to return to the main **Accounting> Security Section** page. The transaction will be abandoned.

## Foreign Taxes Paid

Use the **Enter Foreign Taxes Paid by Company Transaction** form to enter foreign taxes paid by a company out of a cash or reinvested dividend.

Use **Accounting> Security Section> Enter New Transactions> Foreign Taxes Paid** to display this form.

## What You Need to Know

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. (See **Accounting> Security Section> Enter New Transaction> Cash Distribution** or **Reinvested Distribution**).

You can enter this transaction every time the company pays a foreign tax out of dividends received, or all at one time when you receive the associated 1099 form from the company after the end of the year.

## How to Enter the Information

1. **Name** – Choose the security for which you want to enter the foreign tax paid from the drop down menu. Click the checkbox **Include Inactives** to include inactive securities in the list.
2. **Transaction Date** – Enter the date the tax was paid. If you are entering the foreign tax from the 1099 form, enter a date near the end of the year.
3. **Tax Paid** – Enter the amount of the tax paid.
4. **Dividend (for tax records)** – Enter the full amount of the dividend. If your broker does not include the total dividend amount, add the tax paid to the cash received/reinvested to find the total dividend.
5. **Remarks** – Enter any comment you may have about foreign taxes paid (optional).
6. Click **OK** to save the transaction. Or click **Reset** to return the form to the default settings. Or click **Close Screen** to abandon the transaction.
7. If **OK** was chosen in the previous step, a confirmation screen appears with the transaction information. Select one of the following:
  - a) Click **Accept** to save the transaction.

- b) Click **Edit** to return to the transaction entry form to correct mistakes.
  - c) Or click **Close Screen** to return to the main **Accounting> Security Section** page. The transaction will be abandoned.
8. Go to **Accounting> Security Section> Enter New Transaction> Cash Distribution** or **Reinvested Distribution** to enter the cash portion of the dividend received or reinvested, if it has not yet been entered. Your cash balance or shares owned will not be correct until you enter this additional information.

## Beginning Balance Transactions for Securities

The **Enter Beginning Balance Transaction** form is for entering beginning balances for the securities owned by the club on the switchover date.

Use **Accounting> Security Section> Enter New Transaction> Beginning Balance** to display the **Enter Beginning Balance Transaction** form.

### What You Need to Know

- Use this form only when you use **Startup Method for Existing Clubs Not Using NAIC Club Accounting** to start using NCA 2 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 reinvested 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 **Accounting> Security Section> Enter New Transaction> 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 the Information

1. **Name** – Choose the security for which you want to enter the transaction.
2. **Transaction Date** – Enter the date the acquisition of the shares occurred.
3. **Amount** – Enter the cost of the block (include commission).
4. **Shares** – Enter the number of shares in the block.
5. **Remarks** – Enter any comment you wish (optional).
6. Click **OK** to save the transaction. Or click **Reset** to return the form to the default settings Or click **Close Screen** to return to the **Accounting> Security Section** main page.

# How to View, Edit, and Delete Security Transactions

The security **View/Edit/Delete Security Transactions** list and its associated **View/Edit/Delete/Security Transactions** selection page, allow you to view, edit and delete security transactions.

Use **Accounting > Securities > View/Edit/Delete Security Transactions** to display the selection page and the transaction list.

## How to Use This Transactions List

### Security Selection page

1. **Select Security** – Click the triangular arrow at the end of the name field to see the drop down list of securities. The default setting is to include all active securities in the list. Choose **All Securities** to view all transactions in the database or click the name of one security to view the transactions of that security. Inactive securities have an asterisk (\*) in front of their name.
2. **Start date** – Enter the date of the first transaction to appear in the transaction list. The default date is the date of the first club transaction.
3. **End date** – Enter the date of the most recent transaction to be included in the transaction list. The default date is the current date.
4. **Show inactive securities** – Check this box to include inactive securities in the Select Security field drop down list. If this box is not checked, only active securities appear in the Select Security list.
5. Click **OK** to display the security transaction list. Or click **Reset** to return the form to the original settings.

### View/Edit/Delete Security Transactions List

Each row of this list represents one transaction. The columns of the list describe different aspects of the transaction.

#### Columns

**To delete check this box** – a checkbox to select transactions to be deleted.

**Date** – The date of the transaction.

**Type** – A description of the type of transaction, for example buy, sell, or split. This column is also used to select transactions for editing.

**Shares** – The number of shares involved in this transaction.

**Amount** – The amount of money involved with this transaction.

**Block** – The block assigned to this transaction, if any.

**Remarks** – The remarks entered at the time the transaction was entered, if any.

**Name** – The name of the security involved in this transaction.

**Total Shares** – The total number of shares of the named security owned by the club after the completion of this transaction.

## How to Delete a Transaction

1. To delete one or more transactions, click in the checkbox next to each transaction to be deleted.
2. Click the **Delete** button at the bottom of the list to delete any transaction(s) that has a checkmark in its checkbox. When you delete a transaction on the list, all associated components of the transactions are also deleted automatically.
3. When prompted **Are you sure?** click **Yes** to delete the transaction or click **Close Screen** to return to the **View/Edit/Delete Security Transaction** list.

## How to Edit a Transaction

1. Find the transaction you wish to edit.
2. Click the **Type** column for the transaction to be edited.  
The original entry screen for the transaction will appear.
3. Make the changes to the transaction.
4. Click the **OK** on the data entry screen to save the edited transaction.
5. Click **Accept** in the data entry confirmation screen to save the change after reviewing the changes for errors.

There are three transactions that cannot be edited. They are:

- Sell transactions
- Withdrawals that include a transfer of stock
- Distributions



# Valuations

Use the **Enter New Valuations** page and its associated **Enter/Edit Valuations** Date selection page to enter new or edit existing valuations for all securities. A valuation is the price of a share on a specific date. For complete valuations to appear on valuation selection lists of reports needing valuations, the price per share of all securities owned on the valuation date must be entered.

Use **Accounting> Security Section> Enter/Edit Valuations** to display the **Enter/Edit Valuations** Date selection page and the **Enter New Valuations** page.

## What You Need to Know

You can enter valuations two ways:

1. From your computer's keyboard.
2. From the Internet whenever you request it.

**Important: You must have registered your copy of NCA 2 to have access to online valuations.**

**Note:** To successfully import valuations from the Internet, the ticker symbol you enter on the Security ID form (**Accounting> Security Section> Enter New Security**), 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 broker's statements.

NCA 2 uses the most recent valuations that you manually entered, or imported from online, to calculate the value of a unit and the value of the club.

You should enter security valuations for all securities owned by the club at least once a month, and on December 31 of each year. The monthly valuations should be done as close to the meeting date as possible. The December 31 valuations must be entered before you distribute the club's earnings. 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 distributing earnings on 12/31.

You can also download historical valuations for securities as of 8/1/01. To do so, make sure that the 'online prices' box is checked and the proper date is assigned.

## How to Enter New Valuations

### Enter/Edit Valuations Date page

1. **To edit: select from dates of existing valuations** – This field should display **New Valuation** to enter new valuations.
2. **Or enter date for a new valuation** – Use the displayed current date or replace that date with the desired valuation date.
3. **Online prices** – Leave this checkbox unchecked if you want to manually enter valuations from the keyboard. Check the box to import valuations from the Internet. Prices will be imported only for recognized symbols. If no value is returned for a symbol, you will have to enter a value in manually.

**Note:** You can only import prices if you have registered NCA 2.

4. Click **OK** to continue. Or click **Close Screen** to return to the **Accounting> Security Section** page.

## Enter New Valuations Transaction Form

1. **Name** – Displays the names of all securities owned on the valuation date. (This is the date you specified in the Date box, and that is shown above.)
2. **Shares Held** – Displays the number of shares of the security owned by the club on the valuation date.
3. **Price** – Several situations apply:
  - a) If the **Online prices**<sup>1</sup> checkbox was not checked in the Date box, the fields in this column are blank, enter the price per share for each security on the valuation date from the keyboard.
  - b) If you selected the Online prices checkbox in the Date box, the fields contain either imported new valuations from the Internet or are blank. The blank space means that the Web site that contains the valuations was not available, or the valuation for the ticker symbol you entered could not be found. To correct this, check that you entered the ticker symbol on the Security ID form correctly. You can enter a valuation manually from the keyboard for those securities with no price.
  - c) If the database for online prices cannot find a particular ticker symbol, the ticker symbols not found will appear at the top of the list of securities.
4. Click **OK** to save the valuation. Or click **Close Screen** to abandon the valuation and return to the **Accounting> Security Section** page.

## How to Edit Valuations

### Enter/Edit Valuations Date page

1. **To edit: select from dates of existing valuations** – Click the triangular arrow and select a date from the list of existing valuation dates.
2. Ignore the other field and the **Online prices** checkbox.
3. Click **OK** to continue. Or click **Close Screen** to return to the **Accounting> Security Section** page.

### Edit/Enter Valuations Form (step 2)

1. **Name** – Displays the names of all securities owned on the valuation date. (This is the date you specified in the Date box, and that is shown above the security list.)
2. **Shares Held** – Displays the number of shares of the security owned by the club on the valuation date.

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<sup>1</sup> Online stock prices are provided only as a convenience to our customers. ICLUBcentral does not represent, warrant, or guarantee the accuracy of any downloaded securities information, and shall have no liability of any kind whatsoever to ICLUBcentral customers, or to any other party, on account of any incompleteness of, inaccuracies in or timeliness of the data provided.

3. **Price** – If necessary, edit the valuation (or enter a new valuation, if there is none) for any security on the list.
4. Click **OK** to save the valuations. Or click **Close Screen** to return to the **Accounting> Security Section** page.

## How to View and Delete Valuations

The **View/Delete Valuations** list and its associated **Security and Date Selection** page allow you to view and delete valuations. This valuation list shows the date of the valuation, name of the security, the price per share (valuation), and the total value of all shares owned on the valuation date.

Use **Accounting> Security Section> View/Delete Valuations** to view the security selection page and the valuation list.

## How to Use The Valuation List

### Security Selection page

1. **Select Security** – Click the triangular arrow at the end of the name field to see the drop down list of securities.
  - Choose **All Securities** to view all valuations in the database or click the name of one security to view the valuations of that security only.
  - Click the **Show inactive securities** checkbox to include inactive securities in the security list. Inactive securities have an asterisk (\*) in front of their name and appear after all the active securities.
2. **Start date** – Enter the date of the first valuation to appear in the valuation list. The default date is the first transaction date.
3. **End date** – Enter the date of the most recent valuation to be included in the valuation list. The default date is the current date.
4. Click **OK** to display the valuation list. Or click **Reset** to clear the form.

### View/Delete Valuation Transaction List

To view the valuations, use the scroll bar to see all the valuations if necessary.

To delete valuations, do the following:

1. **Checkboxes** – To delete one or more valuations, select the checkbox in the first column of the list in the same row as the valuation to be deleted. This column is labeled **To delete – check this box**.
2. Click the **Delete** button to delete any valuation(s) that has a checkmark in its checkbox.

**Important:** If you delete a valuation and the club owned the security on the date of the valuation, you will make the valuation incomplete, that is, not all securities owned have a price per share entered. Incomplete valuations do not appear in the valuation date lists for viewing some reports, especially the Valuation Statement and the Members Status Report. Edit the valuation rather than delete it, if a complete valuation is needed for that date.

3. Click **Yes** when prompted **Are You Sure?** Click **Close Screen** to return to the **View/Delete Valuations** page.

# The Cash Section

The Cash Section tab of the Accounting area gives the user access to the forms needed to enter cash transactions not associated with a member or a security. Examples of transactions entered in this section include interest or dividends paid by a broker account, operating and nondeductible expenses paid from a cash account and transfers of cash between accounts.

## Creating and Editing Cash Account Information

Use the **Enter New Cash Account** form to create new cash accounts to use in NCA 2. Use the **Edit/Delete Cash Account** form to edit cash account information or to delete an account. Only accounts that have no transactions posted to the account can be deleted.

Use **Accounting > Cash Section > New Cash Account** to display the Enter New Cash Account form.

Use **Accounting > Cash Section > Edit/Delete Cash Account** to display the Edit/Delete Cash Account, account selection page.

## How to Create a New Cash Account

Use **Accounting > Cash Section > New Cash Account** to display the **Enter New Cash Account** form.

1. **Banking Institution Name** – Enter the name of the company/institution where the account is located.
2. **Account Number** – Enter the club's account number, if known.
3. **Account Name** – Enter the name, as you want it to appear on reports and account lists. There is a limit of 11 characters for the account name.
4. **Account type** – Choose one of the following types of accounts from the drop down list.
  - **Bank** – Select this type if the account is with a bank.
  - **Broker** – Select this type if the account is with a broker.
  - **Suspense** – Select this type if the account is to be used to track money in transit, such as cash sent to a DRP plan.
  - **Petty Cash** – This is not a traditional petty cash account. Amounts in this type of account are not considered assets of the club. In earlier versions of Club Accounting this account was used to track nondeductible expenses. In NCA 2, nondeductible expenses can be paid from any regular cash account. Select this type if you want to track nondeductible expenses, outside of the club's assets.
5. **Cash Account Tax Free** – Check this box if interest and dividends paid by this account are non-taxable for Federal income tax purposes.
6. Click **OK** to save the new account, or click **Reset** to reset the form to the default settings.

## How to Edit an Existing Cash Account

Use **Accounting> Cash Section> Edit/Delete Cash Account** to display the **Edit/Delete Cash Account**, account selection page.

1. Choose the name of the account from the **Select account** drop down list.
2. Click **OK** to view the account information
3. Change any of the following fields as needed.
  - **Banking Institution Name** – Edit the name of the company where the account is located, if needed.
  - **Account Number** – Edit the club's account number, if needed.
  - **Account Name** – Edit the name to the name desired to appear on reports and account lists, as needed.
  - **Account type** – Choose a different account type, if needed, from the drop down list.
    - **Bank** – Select this type if the account is with a bank.
    - **Broker** – Select this type if the account is with a broker.
    - **Suspense** – Select this type if the account is to be used to track money in transit, such as cash sent to a DRP plan.
    - **Petty Cash** – This is not a traditional petty cash account. Amounts in this type of account are not considered assets of the club. In earlier versions of Club Accounting this account was used to track nondeductible expenses. In NCA 2, nondeductible expenses can be paid from any regular cash account. Select this type if you want to track nondeductible expenses, or other items, outside of the club's assets.
  - **Active** – Uncheck this box to make the account inactive. The default setting is **active**. If the account is inactive, it will not appear on the Valuation Statement.
  - **Cash Account Tax Free** – Check this box if interest and/or dividends paid by this account are non-taxable for Federal income tax purposes.
4. Click **OK** to save the edited account information, or click **Reset** to reset the form to the default settings.

## How to Delete Cash Accounts

Use **Accounting> Cash Section> Edit/Delete Cash Account** to display the account selection page for the **Edit/Delete Cash Account** form.

1. Choose the name of the account from the **Select account** drop down list.
2. Click **OK** to display the **Edit/Delete Cash Account** form.
3. Click the **Delete** button in the **Edit/Delete Cash Account** form.  
**Note:** Only accounts that have no transactions posted to the account can be deleted. The **Delete** button will not appear if the account has transactions associated with it.
4. When prompted **Are you sure?**, click **Yes** to delete the account. Click **Close Screen** to keep the account and return to the **Edit/Delete Cash Account** page.

## Entering Cash Transactions

Use the **New Cash Transaction** form to enter all transactions that are associated only with a cash account. Do not use this form to enter cash dividends or interest received from a company. To enter a **charitable contributions** transaction, choose the '**new charity donations transaction**' and follow the wizard that will allow you to determine the amount of cash or stock out of the account.

A warning screen now appears before a cash transaction can be saved if the transaction will cause the cash account to have a negative balance. Negative balances are allowed but only after confirming the transaction in the warning screen.

Use **Accounting> Cash Section> New Cash Transaction** to display the form.

### What You Need to Know

**Important:** Do not enter interest or dividends associated with securities on this form. (See **Accounting> Security Section> Enter New Transaction> Cash Distribution** for these transactions.)

Cash account transactions include interest, dividends, operating expenses (deductible), nondeductible expenses, income, and beginning balances associated with the cash accounts only.

There are two kinds of expenses associated with cash accounts: deductible and nondeductible. Enter deductible expenses only in Bank, Broker, and Suspense type accounts. Do not enter deductible expenses in Petty Cash type accounts.

The **Equal Allocation** checkbox applies only to expenses. When checked, it will allocate the ownership changes and tax consequences of an expense across all members equally instead of in proportion to unit ownership.

**Deductible expenses** include such items as rent, office supplies, dues, and subscriptions.

**Nondeductible expenses** include such items as flowers, parties, cookies, and greeting cards.

NCA 2 treats **Bank**, **Broker**, and **Suspense** type accounts the same way. Transactions in these accounts affect the club's total value and usually have tax consequences. Bank and Broker type accounts are meant to mirror the accounts the club keeps at their bank(s) and brokerage(s). You can create new Bank and Broker type accounts if the club has multiple accounts. Go to **Accounting> Cash Section> New Cash Account** to do this.

Suspense type accounts are meant as a place to transfer money to provide the effect of making funds in transit not available. Use of Suspense accounts is optional.

NCA 2 keeps the accounting for Petty Cash type accounts completely separate from the rest of its accounting. Transactions in this type of account do not affect the club's total value and never have a tax consequence. Use of the Petty Cash account is optional. The Petty Cash type of account is not a traditional petty cash account. In a traditional petty cash account, small expenses are paid from the account but the balance in the account is part of the assets of the club. If you have a traditional petty cash account, and want to track it in NCA 2, create a new account for this at **Accounting> Cash Section> New Cash Account**.

## How to Enter the Information

1. **Transaction Date** – Enter the date of the transaction. The default date is the current date.  
**Important:** If this is a Beginning Balance transaction (see below) enter the 12/31/yy switchover date.
2. **Transaction Type** – Choose the type of cash transaction from the list.  
**Note: Never enter a member withdrawal as an Expense; never enter member payments as Income.**
  - Income** is for miscellaneous income not associated with any security or member transactions. For investment clubs this is fairly rare, it might include raffle proceeds, or a seminar your club held to help others.
  - Interest** is for interest received on a cash account, such as your bank account or your money market account with the broker.
  - Charitable donation** is for charitable donations of either stock or cash. 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.
  - Dividend** is for dividends received on a cash account, such as your bank account or your money market account with the broker. Do not enter dividends received from companies here. Use **Accounting > Security Section > Enter New Transaction > Cash Distribution** for these transactions.
  - Non-Deductible Expense** is for expenses not related to the operation of the club. Unlike earlier versions of Club Accounting non-deductible expenses can be paid from any cash account.
  - Expense** is for expenses related to the operation of the club.
  - Beginning Balance** is for entering the cash balance on the 12/31/yy switchover date for an existing club. Never use this transaction type at any other time. If your club uses more than three cash accounts for investing, create any needed new accounts at **Accounting > Cash Section > New Cash Account**.
3. **Cash Account** – Choose the account associated with the transaction.
4. **Amount** – Enter the total amount of the transaction in this field.  
**Note:** If this is a **Beginning Balance**, enter the total amount in the account on the 12/31/yy switchover date.
5. **Source** – Enter any comment you wish (optional).
6. Click **OK** to save the transaction. Or click **Reset** to reset the form to the default settings. Or click **Close Screen** to abandon the transaction and return to the **Accounting > Cash Section** page.
7. If **OK** was chosen in the previous step, a confirmation screen appears with the transaction information. Select one of the following:
  - a) Click **Accept** to save the transaction.
  - b) Click **Edit** to return to the transaction entry form to correct mistakes.

- c) Or click **Close Screen** to return to the main **Accounting> Cash Section** page. The transaction will be abandoned.

## Charitable Contributions of Stock/Cash

To enter a **charitable contribution** transaction, choose the '**new charity donations transaction**' and follow the prompts that will allow you to determine the amount of cash or stock out of the account. This is similar to the stock withdrawal prompts.

## Transferring Money Between Cash Accounts

Use the **Enter Cash Transfer** transaction form to transfer cash between two cash accounts.

Use **Accounting> Cash Section> Cash Transfer Transaction** to display this form.

### What You Need to Know

You cannot transfer cash to or from the Petty Cash account.

Never use offsetting, Income and Expense transactions to transfer cash between accounts. If you do, NCA 2 will treat the transactions as taxable events.

Never use a transfer transaction to correct a negative balance in an account unless an actual cash transfer took place.

A Cash Transfer transaction can serve two purposes. First, it mirrors the transfer of cash from one of the club's cash accounts to another of the club's cash accounts.

Second, it can provide a way of making money that is in transit (such as when you set up a DRP account, or any other type when it may take a long time for a check to clear) unavailable for use. Accomplish this kind of transfer as follows:

1. Transfer the money to cover the transaction to the Suspense account.
2. When all information to enter the complete transaction is received, pay for the transaction from the Suspense account.
3. Use the Audit task (see **Accounting> Utility Section> Audit**).

### How to Enter the Information

1. **Transaction Date** – If the current date is not the transfer date, enter the date the transfer occurred.
2. **Transfer from** – Select the account from which to transfer the funds.
3. **Transfer to** – Select the account to receive the transferred funds.
4. **Amount** – Enter the total amount transferred.
5. **Source** – Enter any comment you wish (optional).
6. Click **OK** to save the transaction. Or click **Reset** to reset the entries to the default settings.
7. If **OK** was chosen in the previous step, a confirmation screen appears with the transaction information. Select one of the following:
  - a) Click **Accept** to save the transaction.



- b) Click **Edit** to return to the transaction entry form to correct mistakes.
- c) Or click **Close Screen** to return to the main **Accounting> Security Section** page. The transaction will be abandoned.

## How to View, Edit, and Delete Cash Transactions

The **View/Edit/Delete Cash Transactions** list allows you to view, edit, and delete cash transactions.

Use **Accounting> Cash Section> Edit/Delete Cash Transactions** to display this list.

### How to View this Transaction List

1. **Select Account** – Click the triangular arrow at the end of the name field to see the drop down list of the cash accounts. Choose **All Accounts** to view all cash transactions in the database or click the name of one account to view the transactions for that account.
2. **Start date** – Enter the date of the first transaction to appear in the transaction list. The default date is the first club transaction date.
3. **End date** – Enter the date of the most recent transaction to be included in the transaction list. The default date is the current date.
4. Click **OK** to display the cash transactions list. The list will open in a new window. Or click **Reset** to return the request form to the default settings.

### View/Edit/Delete Transactions List

#### Columns

**To delete check this box** – a checkbox to select transactions to be deleted.

**Date** – The date of the transaction.

**Type** – A description of the type of transaction, for example buy, sell, or split. This column is also used to select transactions for editing.

**Account** – The account involved in this transaction.

**Source** – The name of a security or member associated with the transaction. This column will be blank if there is no identifiable source.

**Show balances** link – Click this link to see the balances of the cash accounts on the date of the transaction where the link appears.

### How to Delete a Transaction

1. To delete one or more transactions, click in the checkbox next to each transaction to be deleted.
2. Click the **Delete** button at the bottom of the form to delete any transaction(s) that has a check mark in its checkbox. When you delete a transaction, all associated transactions are also deleted automatically.

3. When prompted **Are you sure?**, click **Yes** to delete the transaction or click **Close Screen** to keep the transaction and return to the cash **View/Edit/Delete Transactions** list.

## How to Edit a Transaction

1. Find the transaction you wish to edit.
2. Click the **Type** column for the transaction to be edited.  
The original entry screen for the transaction will appear.
3. Make the changes to the transaction.
4. Click the **OK** or **Save** button on the data entry screen to save the edited transaction.

There are three transactions that cannot be edited. They are:

- Sell transactions
- Withdrawals that include a transfer of stock
- Distributions

# Utility Section

The **Utility Section** of the **Accounting** tab allows the user to:

- specify certain software/accounting settings,
- audit the accounting database,
- distribute the club's earnings to the members (needed for tax purposes),
- clear all data in the database,
- save and retrieve data using the export and import functions.

## Specifying the Settings

The **Settings** page allows you to enter or change the NCA 2 settings for your club (parameters in earlier versions of NAIC Club Accounting). The settings you specify tell NCA 2 how to handle data and calculations.

Use **Accounting > Utility Section > Settings** to display the Settings page.

## What You Need to Know

Use the Settings utility before you enter any data in NCA 2, regardless of the startup method you use. Use it also if you made a mistake on the form, or you want to change how NCA 2 handles certain data or calculations.

The Settings utility allows you to choose between two distribution methods and two expense allocation methods

### Distribution Methods

- The non time-based distribution 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 distribution 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 distributed to that member. This is the distribution method approved by the IRS.

## How to Enter the Settings

1. **Product Serial Number** – The serial number entered during installation appears here. The serial number cannot be edited.
2. **Tax Identification Number** – Enter your club's IRS tax identification number when you first begin to use NCA 2 or when your club receives its tax ID number. Never change or delete this number unless you entered it incorrectly in the first place.
3. **NAIC Club Number** – Enter your NAIC club number. You can find it on your *Better Investing* mailing label. It is usually a letter followed by four numbers. In the

example below it is in **bold** type. The number after the hyphen (-) is the personal NAIC number.

**Example:** **Z9889000** - 123456  
Josephine Investor  
3150 Almaden Expressway

4. **Initial Unit Value at Startup (\$)** – Enter the beginning value of a unit when you first begin to use NCA 2 for a new club or if you are switching over from using the stand-alone version of NAIC Club Accounting.
5. **Time based earnings distribution** – This is the default method of distributing earnings.
6. **Petty Cash Account** – Check this box to activate the Petty Cash Account in NCA 2.
7. **Withdrawal Fee** – An automatic withdrawal fee can be set here. The fee can be a percentage of the withdrawal or a set amount. The fee can still be edited on the withdrawal entry form.
8. **Amount** – Choose this option to have a set amount automatically entered as a withdrawal fee for all withdrawals
9. **Percentage** – Choose this option to have a set percentage of the withdrawal automatically entered as the withdrawal fee for all withdrawals. You must enter the percentage as well as choose the option. Enter the percent directly and not the decimal equivalent, for example, 5% would be entered as 5 and not .05.
10. **Consol. Monthly Report Maintenance** – Click in this checkbox to add the **Consolidated. Monthly Report** to the Reports tab. This report allows up to four reports to be generated with one click.
11. Click **OK** to save the information
12. If the **Consol. Monthly Report Maintenance** checkbox was checked, a page will appear to allow you to choose the reports to be included in the consolidated report and the order in which the reports are displayed.
  - Display Sequence** – Use this column to choose the order in which a chosen report will be display in the consolidated report. Click in this column next to the name of the report to add it to the Consolidated Monthly Report. You may choose up to four reports
  - Report Title** – This column gives the names of all reports.
  - Parameters** – This area allows a user to customize the dates of a specific report.
  - General Settings** – **Choose** whether you would like the report displayed in portrait or landscape. You may also choose whether you would like the report displayed as a PDF file (printer-friendly), or as HTML (preview mode).
13. Click **OK** to save the report choices and display order. Or click **Close Screen** to abandon the report choices and display order.

# Auditing the Accounting Database

The **Audit** utility automatically finds transactions that were entered out of chronological order. It then (if necessary) corrects/recalculates unit value and transactions affected by the transaction entered out of order.

Use **Accounting>Utility Section> Audit** to display the page associated with this utility. If NCA 2 finds no changes requiring an Audit, a page will appear informing you of this. The following options will appear on this page.

1. Click **Continue** to process the Audit.
2. Click **Quit Audit** to stop the Audit.

## What You Need to Know

- Use the Audit utility at the following times
  - After you enter, edit, or delete data before the monthly meeting.
  - Before you print any reports.
  - Before you backup your datafiles.
  - Before you use the Distribute utility
  - Before you enter a Withdrawal transaction.
- To avoid inadvertently missing a window of time, it is best to start auditing at the beginning of the database on every audit.
- If you changed the "Time based Distributions" parameter on the Settings form, always start the audit at the date at which you want the new distribution method to apply. If the Audit starts at the beginning of the database, non -time based distributions for previous years will be changed. This may not be a desired result.

## How to Use the Audit Utility

1. **Beginning of Data Base** – Select this option button to start the audit at the first transaction in the database.
2. **Set New Date** – Select this option button if you want to start auditing on a specific date. Then enter the date you want to the audit to begin.  
**Important:** Entering a different date may create a missing window of time of audited data. If in doubt, ALWAYS choose Beginning of Data Base.
3. **First Change Date** – NCA 2 displays the date of the earliest change.
4. **Check distribution for tax preparation** – Check this box to have the distribution audited. The box immediately to the right should display the year of the distribution to be checked. If a distribution has not been done for the current year, NCA 2 will do the distribution. **Set New Date** should now display 01/01/yy of the current tax year.
5. Click **OK** to start the Audit.

When the Audit is complete, a window appears with the text **Audit task completed** and a list of transactions that were changed.

## Distributing Earnings

Use the **Distribute** page to distribute the club's earnings to all members according to the distribution method specified on the Settings page. Distributions calculate members' share of the club's earnings for the calendar tax year and adjust the members' Paid in Plus Earnings.

Use **Accounting > Utility Section > Distribute** to display this form.

### What You Need to Know

- You are required by the IRS to distribute the club earnings to the members at the end of each year.
- Earnings include interest, income, dividends, Long Term Capital Gain, and Short Term Capital Gain. Earnings are 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 distribution by deleting one distribution transaction of any one on the member transaction list. When you delete one distribution transaction, all Distribution transactions for all members on that date are also deleted.
- Distributions cannot be edited.
- If your club is dissolving, it is **not** necessary to distribute the earnings. Simply withdraw all members. The distribution will be done for each member as part of the withdrawal.

### How to Prepare for the Distribution

1. 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.
2. Enter valuations for all securities owned on 12/31/yy. The valuations must be dated 12/31/yy even if that date is not the last business day of the year.
3. Your data will be automatically audited before you run your distribution of earnings.

### How to Enter the Distribution Parameters

1. **Valuation Dates** – Displays previously entered valuation dates for all securities owned on each valuation date. A "D" next to the date indicates dates on which distributions were done previously.
2. **Distribution Date** – If displayed date is not the date on which you want to do the distribution, click a different date in the **Valuation Dates** list to replace the default date. Distributions should be dated 12/31 of the just completed calendar year.
3. **Previous Distr. Date** – This should be 12/31 of the previous year. If the club formed during the current tax year, the displayed date is the first transaction date in the database. This is the date you should use.
4. Click **OK** to start the distribution.

## Clearing the Database

The **Clear** utility deletes all data from the program files of NCA 2

Use **Accounting> Utility Section> Clear** to display the Clear form.

### What You Need to Know

- The Clear utility permanently deletes all security and member transactions, all security ID information, and all profile information for all members.
- In general, the only time you should clear all data is if you entered tutorial data or other practice data.
- Always use the Export utility (**Accounting> Utility Section> Export**) before you use the Clear utility unless you are absolutely certain that you never want to use the old data again.

### How to Clear the Data

1. Go to **Accounting> Utility Section> Clear**.
2. Read the warning on the screen.
3. Then click **OK** to proceed with the deletion. If you decide not to delete all the data, click **Cancel**.

## Importing and Exporting Data

The **Import** and **Export** utilities enable data to be saved in a file outside the NCA 2 program files, and for this data to be retrieved at a later time.

Use **Accounting> Utility Section> Import** to display the Import page.

Use **Accounting> Utility Section> Export** to display the Export page.

### What You Need to Know

- Always use the Audit utility before you use the Export utility.
- 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 NCA 2 export file cannot be imported into earlier versions of NAIC Club Accounting.
- The NCA 2 export file can be used to upload data into NAIC OnLine Club Accounting (NOCA).
- NCA 2 will import data exported from NAIC Club Accounting version 1.04. The version 1.04 export file will be named Ncadata.dat.
- Instructions for Importing and Exporting also appear on the Import and Export pages.
- The name of the export file will be Ncadata[date of export].icd. For example: Ncadata10-01-01.icd would be the name of an export created on October 1, 2001.

- NAIC Club Accounting Version 2.0 may not import from an export file with the date as part of the export file name. Edit the name of the export file to Ncadata.icd to allow a Version 2 export file to be imported into Version 2.0.

## How to Export Your Data

There are two ways to export data, **Export upon Exit** and **Manual Export**.

### Export upon Exit

This option allows you to export your data as you exit the program.

1. Click on the **Exit** tab at the top right (next to the help tab).
2. Choose one of the three options available on the next screen.
  - a. **Export to a floppy disk, then Exit:** This option exports a file called 'NCADATA[date].ICD' to your A: drive. Make sure that you have a clean floppy disk in that drive to receive the backup.
  - b. **Export to the hard drive, then Exit:** This option exports a file called 'NCADATA[date].ICD' to your hard drive. This file, named ncadata[date].icd, will be placed in the directory/folder where the Club Accounting Ver 2 files were installed.
  - c. **Exit Only:** This option will not export your data.

### Manual Export

This option allows you to export your data from the **Utility Section** menu and does not require that you exit the program.

To exercise this option, Go to **Accounting > Utility Section > Export**. You will see a screen that gives two options:

1. **Export to a floppy disk:** Click this option to export a file called **NCADATA[date].ICD** to your A: drive. Make sure that you have a clean floppy disk in that drive to receive the backup.
2. **Export to hard drive:** Click this option to export an **NCADATA[date].ICD** file to your hard drive (C:). NCA 2 will automatically export the data to a folder named backup in the same folder as the program was installed. The full path is C:\Program Files\ NAIC Club Accounting 2\backup\[name of club].

## How to Import Data

1. Go to **Accounting > Utility Section > Import**.
2. Click the **Browse** button. A window named **Choose File** appears.
3. Use the drop down list in the field **Look in** to navigate to the Ncadata file to import.
4. When the Ncadata file is located do one of the following:
  - Double click on the file name
  - Click once on the file name, and then click the **Open** button.
5. The path and directory, ending with Ncadata.dat or Ncadata.icd will now appear in the box to the left of the **Browse** button.
6. Click the **Import** button.



7. When **Transaction completed** appears, the import is finished.

**Note:** If you are searching for an export file that you manually exported to the hard drive, the path to reach these files is C:\Program Files\ NAIC Club Accounting 2\backup\[name of club].

**Note:** Remember version 2 export files will include the date in the file name.

# The Reports Tab

The **Reports** page contains the names of the NCA 2 reports. Users access the dialog box associated with the report by clicking the desired report name. After entering the report parameters in the dialog box, the report appears on the screen.

Click the **Reports** tab to display the Reports page.

## **Report Descriptions**

### **Consolidated Monthly Report**

If the **Consol. Monthly Report Maintenance** checkbox was checked in the Settings, (**Accounting> Utility Section> Settings**) the Consolidated Monthly Report will appear at the top of the list. Up to four reports can be generated and displayed by clicking on this one link.

### **Valuation Statement**

Describes the current position of each security owned as well as the complete portfolio. The report also includes the cash position, the current total value, and unit value of the club on the specified valuation date.

### **Members Status Report**

Describes each member's position in the club on the specified valuation date.

### **Individual Valuation Units Ledger**

Lists all member transactions for one or more members within the specified time period.

### **Individual Investment History**

Lists all transactions for each specified security from the specified start date.

### **Complete Journal/Ledger**

Contains a double-entry ledger of transactions that change the value of the club during the specified time period.

### **Transactions Summary**

Lists all the security and cash transactions that occurred during the specified time period.

### **Cash Journal Listing**

Contains a list of all cash transactions within the specified time period.

### **Distribution of Earnings Report**

Shows the earnings that were distributed to each active member on the distribution date.

### **Income / Expense and Balance Sheet**

Together, the two reports summarize the information shown in the Complete Journal/Ledger Listing.

**Withdrawal Distribution Report**

Shows the earnings and capital gains that may be taxable when a member completely or partially withdraws from the club.

**Cash Contributions Report**

Shows all payments, fees, and withdrawals made by members during a specified time period.

**Member Information Listing**

Contains member identification information for all members or for one selected members.

**Petty Cash Contributions Report**

Lists the selected members' contributions to the Petty Cash account during the specified time period. This report is available only if the Petty Cash Account checkbox at **Accounting> Utility Section> Settings** was checked.

**Petty Cash Journal Listing**

Contains information about Petty Cash account transactions during the specified time period. This report is available only if the Petty Cash Account checkbox at **Accounting> Utility Section> Settings** was checked.

## Consolidated Monthly Report

Use this report to save time in generating common monthly reports.

If the **Consol. Monthly Report Maintenance** checkbox was checked in the Settings, (**Accounting> Utility Section> Settings**) the **Consolidated Monthly Report** will be available. This report is a combination of up to four other reports. All other reports are among the choices to be included as part of the Consolidated Monthly Report.

**How to Request this Report**

Click the Consolidated Monthly Report link in the Reports tab. (**Reports> Consolidated Monthly Report**). This link is only available if the **Consol Monthly Report Maintenance** checkbox was checked in the Settings. (**Accounting> Utility Section> Settings**)

## 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. Print and distribute it to every club member at each meeting.

Use **Reports> Valuation Statement** to display the Valuation Statement Parameters page.

**How to Request this Report**

**Important:** Be sure to use the Audit utility immediately before viewing the Valuation Statement (**Accounting> Utility Section> Audit**).

1. **Valuation Dates**– Displays the most recent valuation date. All dates on which valuations (prices per share) were entered for all securities are included in the drop down list.
2. **Report Date** – First, displays the most recent valuation date. To change the report date, click a different valuation date on the Valuation Dates drop down list.  
**Note:** While a non-valuation date can be entered for the Report date, it is best to view or print a Valuation Statement only on a listed valuation date. This is because NCA 2 only knows the value of your securities on a valuation date.
3. **Start Return Calculations From** – The Total Return and Compound Annual Return calculations need a date on which to start the calculations. This field displays the date the calculations start. To change the date, highlight the default date and type in a new date. The new date will remain until the user changes it or the report is closed. The default date is the earlier of the first buy or first valuation date.
4. **Printer friendly paper orientation** – If you plan to use the PDF format to print the report, choose the paper orientation, portrait or landscape. The default setting for this field varies with the report. Skip this item if you do not plan to use the PDF format to print the report.
5. Click **Preview** to display the report. The report will open in a new window. Or click **Reset** to return the request form to the default settings.
6. Click **Printer version** to view the PDF formatted report.

## Report Description

### Columns

**Security** – The full name of the security as entered in the Security ID form.

**Ticker, DRP** – The ticker symbol as entered in the Security ID form. If DRP was selected in the Security ID form a plus sign (+) appears in front of the ticker symbol.

**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** – 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.  $[(\text{Total Value of Security or Cash account} / \text{Total Club Value}) \times 100]$ .

**Tot Ret** – Displays the Total Return for the Security. The Total Return is calculated from the Compound Annual Return and the total holding period for the security. The word SINCE appears under Tot Ret. A date appears under the CA Ret; together they show the date the return calculations start.

**CA Ret** – Displays the Compound Annual Return for a security. This figure uses financial industry standard Internal Rate of Return (IRR) calculations. This figure is also used to calculate the Tot Ret column. The word SINCE appears under Tot Ret. A date appears under the CA Ret; together they show the date the return calculations start.

## 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 Total Return and Compound Annual Return of the portfolio as a whole.

**Cash in Bank** – Displays balance and other information on the NCA 2 default Bank account.

**Cash in Broker** – Displays balance and other information on the NCA 2 default Broker account.

**Cash in Suspense** – Displays the balance and other information on the Suspense account.

**Cash in [Name]** – Displays balance and other information on a user created cash account (Bank, Broker or Suspense). **Note:** This item only appears if a user created cash account exists. The name will appear in alphabetical order. If an NCA 2 default cash account (Bank, Broker or Suspend) is edited to include a new name, it will appear in alphabetical order under the new name.

**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.

**Petty Cash** – Displays the balance of the Petty Cash account. If the petty cash account was not activated in the Settings this item will not appear. If a user created Petty Cash account exists, the total for all Petty Cash Accounts is displayed. The balance for each Petty Cash Account is not displayed separately.

**Note:** The balance of the Petty Cash account is not included in the **Total Securities and Cash Accounts this Date** row.

**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 settings page located at **Accounting> Utility Section> Settings**.

## Member Status Report

The **Members 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.

Use **Reports> Members Status Report** to display the report request dialog box.

### How to Request this Report

1. **Valuation Dates** – A list of dates with complete valuations saved in the database.
2. **Report Date** – If the most recent valuation date is not the desired report date, choose a different valuation date from the Valuation Dates list.
3. **Show Member Contributions Since** – If the valuation date immediately previous to the date shown in the Report Date field is not the desired date, enter a different valuation date from the Valuation Date list.
4. **Start Return Calculations From** – Enter the date for NCA 2 to use as the start date for the return calculations. The default date is the first member transaction date.
5. **Printer friendly paper orientation** – If you plan to use the PDF format to print the report, choose the paper format, portrait or landscape. Skip this item if you do not plan to use the PDF format to print the report.
6. Click **Preview** to display the report. The report will open in a new window. Or click **Reset** to return the request form to the default settings.
7. Click **Printer version** to view the PDF formatted report.

### 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/yy** – 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.

**Tot Paid** – Total payments and fees minus withdrawals from the first payment or fee to the report date. Beginning Balance— Investment is included. If a member withdraws more than the amount they paid into the club the amount in this column will be negative. Petty Cash contributions are not included in this report.

**Paid In Plus Earnings** – Total Paid In To Date plus distributions of earnings. 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.

**Important:** NAIC Club Accounting 2 (NCA 2) is not a tax accounting program for individual members. Therefore, consult your tax advisor about your personal tax liability.

**Units Since mm/dd/yy** – Shows the units added for the same period described above for the **Paid in Since mm/dd/yy** column. Earnings distributions 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. NCA 2 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.

**Tot Ret** – Displays the Total Return for the member's investment in the club. The Total Return is calculated from the Compound Annual Return and the total time a person has been a member.

**CA Ret** – 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. This figure is also used to calculate the **Tot Ret** column.

## Rows

**Totals** – The total for each column. The **Tot Ret** and **CA Ret** are calculated from the total amount invested by all members. The **CA Ret** also includes the timing of member investments in its calculation using financial industry Internal Rate of Return (IRR) calculations.

## 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 requested.

Use **Reports > Individual Valuation Units Ledger** to display the report parameter page.

### How to Request the Report

1. **Members** – Select one or all members to appear on the report. Asterisks (\*) mark the names of currently inactive members. Inactive members appear after all active members.  
Click **Select all active members** to choose all active members.  
Click **Select all inactive members** to choose all inactive members.
2. **Report Date** – The last day to be included in the report. If the default date (the current date) is not the desired report date, edit this field to contain the date you want.

3. **Start Date** – The first day to be included in the report. If the default date (the beginning of the club or the switchover date) is not the desired beginning date, edit this field to contain the date you want.
4. **Printer friendly paper orientation** – If you plan to use the PDF format to print the report, choose the paper format, portrait or landscape. Skip this item if you do not plan to use the PDF format to print the report.
5. **One member per page in PDF** – Check this box if you want only one member report per page when printing using the PDF format.
6. Click **Preview** to display the report. The report will open in a new window. Or click **Reset** to return the request form to the default settings.
7. Click **Printer version** to view the PDF formatted report.

## Report Description

### Columns

**Date** – Date of the transaction.

**Transaction** – Type of transaction.

**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. Distributions are not included.

**Paid In Plus Earnings** – Total Paid In To Date plus distributed earnings.

Beginning Balance–Earnings is 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.

## Individual Investment History

The **Individual Investment 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. You can choose to include valuations on the list. 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.

Use **Reports > Individual Investment History** to display the report parameter page.

### How to Request this Report

1. **Securities** – Choose "All Securities" to display information for all active securities in the report. If you do not want the report to include all active securities, choose one or more securities to include in the report. Click in the **Include inactives** checkbox to include inactive securities in the Securities drop down list. Inactive securities appear after all active securities in the drop down list.



2. **Include Valuations** – Check this box to include valuations on the report.
3. **Report Date** – If the default date (the current date) is not the desired end date of the report, edit the field to contain the date you want.
4. **Start Date** – If the default date (the first transaction date) is not the desired date to have the report begin, edit this field to contain the date desired.
5. **Printer friendly paper orientation** – If you plan to use the PDF format to print the report, choose the paper format, portrait or landscape. Skip this item if you do not plan to use the PDF format to print the report.
6. Click **Preview** to display the report.
7. Click **Printer version** to view the PDF formatted report.

## Report Description

### Columns

**Date** – Date of the transaction.

**Transactions** – Type of transaction.

**Shares** –Number of shares involved in this transaction.

**Cost/Share** – Cost of each share. If the transaction type is a Valuation the price per share entered for the valuation on this date is displayed.

**Block** – Block number assigned to these shares, if applicable.

**Amount** – Dollar amount involved in this transaction.

**Total Shares** – Cumulative total shares up to the date of the transaction.

**Total Cost** – Cumulative total cost of the shares (includes commissions) at the time of the transaction. This total cost and the total shares are equal to those shown on the Valuation Statement for the same security and date.

## 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. 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 the earnings were not fully distributed. This condition is caused by changes made during the distribution period after the Distribute task was run. Use the Audit task to make corrections, and then redo the distribution. You may have to redo prior distributions to correct the problem.

Use **Reports> Complete Journal Ledger** to display the report parameter page.

## How to Request this Report

1. **Report Date** – If you do not want the default date (the current date) to be the last date included in the report, edit this field to contain the date you want.
2. **Start Date** – If you do not want the default date (Sixty days before the current date) to be the first date included in the report, edit this field to contain the date you want.
3. **Printer friendly paper orientation** – If you plan to use the PDF format to print the report, choose the paper format, portrait or landscape. The default setting for this field varies with the report. Skip this item if you do not plan to use the PDF format to print the report.
4. Click **Preview** to display the report. The report will open in a new window. Or click **Reset** to return the request form to the default settings.
5. Click **Printer version** to view the PDF formatted report.

## Report Description

**Note:** The DR and CR headings indicate whether a positive value in that column represents a debit (DR) or a credit (CR). Negative values appear in parentheses ().

### 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.

**Unrealized Gains CR** – The difference between the market value and the cost basis of stocks transferred to a member during a withdrawal. If there have been no withdrawals involving the transfer of stock, this column should be zero. This Column does not show the full unrealized gain of the club.

### Rows

**Totals** – The total value of the transactions in each column.

## Transaction 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.

Use **Reports>Transactions Summary** to display the report request form.

### How to Request this Report

1. **Report Date** – The most recent date to be included in the report. The default date is the current date. If the current date is not the desired report end date, edit this field to contain the date desired.
2. **Start Date** – The first date to be included in the report. The default date is one month before the current date. If the default date is not the desired start date, edit this field to the date desired.
3. **Printer friendly paper orientation** – If you plan to use the PDF format to print the report, choose the paper format, portrait or landscape. The default setting for this field varies with the report. Skip this item if you do not plan to use the PDF format to print the report.
4. **Subtotal Tax Distrib.'s** – Check this box if you want the "Cash and Reinvested Distributions" section of the report to be itemized by security rather than listed by date.
5. Click **Preview** to display the report. The report will display in a new window. Or click **Reset** to return the request form to the default settings.
6. Click **Printer version** to view the PDF formatted report.

### Report Description:

#### Buy, Sell & Transfer Transactions section

##### Columns

**Date** – Date 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.

**LTCG** – Long-term Capital Gain on 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.

**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 distribution: Cash or Reinvested.

**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.

**LTCG** – Long-term Capital Gain received as a distribution or as the result of a sale.

**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.

**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.

**LTCG** – Long-term Capital Gain portion of the fractional share.

**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.

**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, Non deductible Expense Interest, and Dividends columns.

## Cash Journal Listing

The **Cash Journal Listing** contains a list of all cash transactions within a time period you specify. Use this report to assist you in reconciling your Bank, Broker, and Suspense accounts. Print as needed.

Use **Reports > Cash Journal Listing** to display the report request box.

### How to Request this Report

1. **Report Date** – Enter the last date to be included in the report. The default date is the current date. Edit the date if the default date is not the desired end date.
2. **Start Date** – Enter the first date to be included in the report. The default date is the first transaction date. Edit the date if the default date is not the desired start date.
3. **Cash Account Reported** – Choose Bank, Broker, Suspense or a user created account to show the transactions for one account only, or select Combined to include cash transactions for all the accounts (excluding Petty Cash accounts).
4. **Printer friendly paper orientation** – If you plan to use the PDF format to print the report, choose the paper format, portrait or landscape. The default setting for this field varies with the report. Skip this item if you do not plan to use the PDF format to print the report.
5. Click **Preview** to display the report. The report will open in a new window. Or click **Reset** to return the request form to the default settings.
6. Click **Printer version** to view the PDF formatted report.

### Report Description

#### Columns

**Date** – Date of the transaction.

**Type** – Type of 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 negative sign in front of the amount (–).

**Bank, Broker, Suspense** – Total in the type of account after the amount in the Expenditure or Receipt column is subtracted or added to the account. User created accounts will appear under the name given to the account by the account creator.

**Description** – Description of the transaction entered the user or by the program.

## Distribution of Earnings Report

The **Distribution of Earnings Report** shows the earnings that were distributed 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 distribution period, after you run the Distribute task. The distribution 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.

Use **Reports>Distribution of Earnings Report** to display the report parameter page.

## How to Request this Report

**Note:** Before printing this report, enter valuations for all securities owned on 12/31 of the tax year and use the Distribute task (**Accounting> Utility Section> Distribute**) to distribute the club's earnings using the 12/31 valuation date.

1. **Distribution Dates** – The distribution date should be 12/31 of the calendar year for which you want the report.
2. **Report Date** – This should be the same date as the distribution date above.
3. **Include Earnings From** – This date must be 01/01/yy of the same year as the distribution date unless the club started during the current tax year. In this case, the date must be the date of the first transaction in the database.
4. **Printer friendly paper orientation** – If you plan to use the PDF format to print the report, choose the paper format, portrait or landscape. The default setting for this field varies with the report. Skip this item if you do not plan to use the PDF format to print the report.
5. Click **Preview** to display the report. The report will open in a new window. Or click **Reset** to return the parameters page to the default settings.
6. Click **Printer version** to view the PDF formatted report.

## Report Description

### Total Income section

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

### Columns

**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 column is replaced by a 5-Year Cap Gain column, if the report date is after 12/31/00.

**5 Year Cap. Gain** – Total five-year capital gain amounts. This item replaces the Mid term Cap Gain if the report date is after 12/31/00.

**Long Term Capital Gain** – LTCG distributed.

**Misc. Income/Expense** – Income received into, and/or expenses paid out of a cash account other than Petty Cash.

**Non Deductible Expense** – Nondeductible expenses paid out of a cash account other than Petty Cash.

**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 distribution.

**Note:** NCA 2 assumes the distributed 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 distribution.

**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 Distrib.**

Difference between the total income distributed and the amounts already distributed to all members who withdrew during the year.

**Remaining Income Distribution section**

**Columns**

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

**Rows**

**Total Distributed** – Total amounts distributed to all persons who were members at any time during the distribution period. These totals should match the amounts in the Total Income row.

**Per Unit** – Amount distributed per unit.

**Value of Unit Before Distribution** – Value of a unit before the distribution.

**Value of Unit After distribution** – Value of a unit after the distribution. If the net profit distributed is positive, the value of a unit drops. If the net profit distributed is negative, the value of a unit increases.



**Note:** The value drops when earnings are positive because NCA 2 assumes the earnings temporarily leave the club and then are reinvested. If a positive amount leaves the club, the club will be worth less and each unit will be worth less. When the positive earnings are reinvested, the value of the club increases but so do the number of units. The unit value remains at the after-distribution amount but members have more units. The current value of each member remains the same before and after the distribution. When a negative amount leaves the club, the value increase (it is similar to losing a liability) and unit value increases. But negative amounts are reinvested so members lose units. The total value of each member before and after the distribution is the same.

## 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 distribution dates appear on the menu). If the report date is a distribution date, these reports are also a summary of the Distribution of Earnings Statement.

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 distribution period.

Use **Reports > Income/Expense and Balance Sheet** to display the report parameter page.

### How to Request These Reports

1. **Distribution Dates** – Displays a list of distribution dates. Choose the date representing the end of the year for which you want the report
2. **Report Date** – If the default date (most recent distribution date) is not the desired report date, enter the desired report date.  
**Note:** If a distribution has never been done, the displayed date is the current date.
3. **Include Earnings From** – If the default date (1/1/ of the year chosen in the Distribution dates field) is not the desired start date to begin the income/expense calculations, enter the desired date.  
**Note:** If a distribution has never been done, the displayed date is the date of the first transaction in the database.
4. **After Distribution** – Select this checkbox if you would like the "Capital Account – Members" and "Unrealized Gains + Undistributed Earnings" to appear separately on the Balance Sheet. Leave this checkbox blank if you want the "Capital Account – Members" to include the unrealized gains and undistributed earnings.
5. **Printer friendly paper orientation** – If you plan to use the PDF format to print the report, choose the paper format, portrait or landscape. Skip this item if you do not plan to use the PDF format.
6. Click **Preview** to display the report. The report will open in a new window. Or click **Reset** to return the form to the default settings.
7. Click **Printer version** to view the PDF formatted report.

## Report Description

### Income and Expense Statement Description

#### INCOME section

##### Rows

**Dividends** – Total dividends (cash and reinvested). This includes dividends for the securities and the Bank, Broker and Suspense 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 Cap. Gain** – Total MTCG (cash and reinvested) (Applicable only to 1997). This item is replaced by a 5-Year Cap. Gain item, if the report date is after 12/31/00.

**5 Year Cap. Gain** – Total five-year capital gain amounts. This item replaces the Mid term Cap Gain item, if the report date is after 12/31/00.

**Long term Cap. Gain** – Total LTCCG (cash and reinvested).

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

**Total Income** – Total of the lines above.

#### EXPENSES section

##### Rows

**Expenses** – Total expenses posted in the Bank, Broker, and Suspense accounts.

**Net Profit** – Total income minus expenses.

### Balance Sheet Description

#### ASSETS section

##### Rows

**Cash – Bank, Broker, Suspense** – Balance in each cash account on the report date. **Note:** If an account has been created, or an NCA 2 created account has been edited, the name given to the account will appear rather than Bank, Broker or Suspense.

**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.

## EQUITIES section

### Rows

If you selected the **After Distribution** 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 the transfer of stock to a withdrawn member. 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.

**Profit for the Period** – Total earnings of the club during the report period. This figure is the same as the Net Profit total in the Income and Expense Statement.

**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**.

## Withdrawal Distribution Report

The **Withdrawal Distribution Report** 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.

Use **Reports > Withdrawal Distribution Report** to display the report parameter page.

## How to Request this Report

1. **Select member**– Click on the name of a withdrawn member from the list. 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. To choose more than one member, press the **Ctrl** key and click on the other member names while keeping the **Ctrl** key down.
2. **Printer friendly paper orientation** – If you plan to use the PDF format to print the report, choose the paper format, portrait or landscape. The default setting for this field varies with the report. Skip this item if you do not plan to use the PDF format to print the report.
3. **One member per page in PDF**– Select this checkbox to print one report per page when printing reports using the PDF format.
4. Click **Preview** to display the report for the members chosen. The report will display in a new window.
5. Click **Printer version** to view the PDF formatted report.

## Report Description

### Partner's Share of Income, Credits, Deductions, Etc. To Date section

The information in this section appears for both partial and complete 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** – 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** – LTTCG 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.

**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 complete.

**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 Distribution at Fair Value** – The total value of the cash and stock given to the withdrawing member. This equals the net proceeds.

**Tax Basis prior to Distribution** – The withdrawing member's tax (cost) basis in the club prior to this withdrawal distribution.

**Current Year Earnings/(Loss)** – The total amount of earnings distributed to the member for the year the member withdrew (from the last distribution date to the withdrawal date).

The following information appears only for complete 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 distribution.

**Realized Gain/(Loss)** – Taxable gain or loss realized by the member as a result of the withdrawal.

The following information appears only for a withdrawal that involves the transfer of shares to the withdrawing member.

**Securities** – Value of the securities transferred to the withdrawing member

## Securities Information section

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

### Columns

**Securities Transferred** – Names of the securities transferred to the withdrawing member.

**Holding Period** – Date of purchase of the block of transferred shares.

**Shares** – Number of shares in the transferred block.

**Club's Cost Basis** – Cost basis on the club's books of the transferred block of securities.

**Fair Mkt. Value** – Value of the block of securities transferred.

**Partner's Adj. Basis in Stock** – Withdrawing member's adjusted tax basis in the block of securities transferred.

## Rows

**Totals** – Total basis, fair market value, and adjusted basis of all securities transferred to the withdrawing member.

# Cash Contributions Report

The **Cash Contributions Report** shows all payments, fees, and withdrawals made by members during a specified time period. Use this report to help you keep track of member payments and fees. Print as needed.

Use **Reports > Cash Contributions Report** to display the report request box.

## How to Request this Report

1. **Members** – Select one or all members to appear on the report. Asterisks (\*) mark the names of inactive members. Inactive members appear after all active members. Click **Select all active members** to choose all active members. Click **Select all inactive members** to choose all inactive members.

**Report Date** – Enter the last date to be included in the report. The default date is the current date. Edit the date to the desired report end date if the default date is not the desired date.

2. **Start Date** – Enter the first date to be included in the report. The default date is the first transaction date. Edit the date to the desired report start date if the default date is not the desired date.
3. **Printer friendly paper orientation** – If you plan to use the PDF format to print the report, choose the paper format, portrait or landscape. The default setting for this field varies with the report. Skip this item if you do not plan to use the PDF format to print the report.
4. Click **Preview** to display the report. The report will open in a new window. Or click **Reset** to return the request form to the default settings.
5. Click **Printer version** to view the PDF formatted report.

## Report Description

### Columns

**Name** – Member's name.

**mm/dd/yy** – Amount of the Payment, Fee, or Withdrawal transaction on the date in the heading.

**Note:** Additional **mm/dd/yy** column(s) appear for each date an amount was received from the selected members during the time period covered by the report.

**Total** – Total amount received during the time period covered by the report. This column appears as the last column. Scroll to the end of the columns to find it.

## Rows

**Totals** – Total amounts paid by each selected member and by all selected members during the time period of the report.

## Member Information Listing

The **Member Information Listing** 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.

Use **Reports > Member Information Listing** to display the report parameter page.

### How to Request this Report

1. **Members** – Select from one to all members to appear on the report. Asterisks (\*) mark the names of inactive members. Inactive members appear after all active members. To select multiple members, click the first member then press the Shift key and click the last member to be included, if the names are continuous with each other. To select multiple members, whose names on the list are not continuous to each other, click the first name, hold the **Ctrl** key down and click each additional name to be included.
2. **Show SSN** – Check this box to include members' Social Security Numbers. If you initially entered Social Security Numbers on the Member Identification form they will appear on the listing.
3. **Show Inactive Members** – Check this box to include inactive members in the Members list.
4. **Printer friendly paper orientation** – If you plan to use the PDF format to print the report, choose the paper format, portrait or landscape. Skip this item if you do not plan to use the PDF format to print the report.
5. Click **Preview** to display the report. The report will open in a new window. Or click **Reset** to return the request form to the default settings

### Report Description

**Note:** If an area on the report does not contain data, the data was not entered on the Member Profile form.

**Name** – The member's name.

**Responsibility** – The member's club responsibility.

**Active** – "Yes" if the member owns units. "No" if the member resigned from the club and no longer owns units. A member with no units may appear as active if an Admin did not delete the check in the "Active" checkbox of the member profile.

**Address 1** – The member's street address

**Address 2** – Space for an alternate street address of the member.

**ZIP** – The ZIP/postal code for the member's address

**City** – The city of the member's address.

**State** – The state/province of the member's address

**Country** – The country of the member's address

**Contact** – Name of a person to contact, if necessary.

**Home phone** – Member's home telephone number.

**Work phone** – Member's work telephone number.

**SSN** – Member's Social Security Number. The Social Security Number will only appear if the **Show SSN** checkbox was checked on the report parameter page.

**Fax** – Member's fax number.

**E-mail** – Member's e-mail address.

## Petty Cash Contributions

The **Petty Cash Contributions Report** lists the selected members' contributions to the Petty Cash account during a specified time period. The accounting for all activity in this account is kept completely separate from the accounting for the rest of the club. This report is available only if the Petty Cash Account checkbox at **Accounting > Utility Section > Settings** was checked. Use this report to help you keep track of member contributions to the Petty Cash account. This report is Print as needed and at the end of the year.

Use **Reports > Petty Cash Contributions Report** to display the report parameter page.

### How to Request this Report

1. **Members** – Select one or all members to appear on the report. Asterisks (\*) mark the names of inactive members. Inactive members appear after all active members.
  - Click **Select all actives** to choose all active members.
  - Click **Select all inactives** to choose all inactive members.
2. **Report Date** – The last day to be included in the report. If the default date (the current date) is not the desired end date, edit this field to contain the date you want.
3. **Start Date** – The first day to be included in the report. If the default date (the first petty cash contribution in the database) is not the desired start date, edit this field to contain the date you want.
4. **Printer friendly paper orientation** – If you plan to use the PDF format to print the report, choose the paper format, portrait or landscape. Skip this item if you do not plan to use the PDF format to print the report.
5. Click **Preview** to display the report. The report will open in a new window. Or click **Reset** to return the request page to the default settings.
6. Click **Printer version** to view the PDF formatted report.

### Report Description



## Columns

**Name** – Name of the member.

**mm/dd/yy** – Amount the member contributed to the Petty Cash account on the date in the heading.

**Total** – Total amount contributed by the member.

## Rows

**TOTALS** – Total amounts contributed by all members.

# Petty Cash Journal

The **Petty Cash Journal Ledger** contains information about transactions associated with the Petty Cash account. You can specify both the start date and the end date for the listing. This report is available only if the Petty Cash Account checkbox at **Accounting > Utility Section > Settings** was checked. Use this listing to assist you in reconciling your books. Print as needed.

Use **Reports > Petty Cash Journal Listing** to display the report parameter page.

## How to Request this Report

1. **Report Date** – The last day to be included in the report. If the default date (the current date) is not the end date, edit this field to contain the date you want.
2. **Start Date** – The first day to be included in the report. If the default date (the first transaction date) is not the desired start date, edit this field to contain the date you want.
3. **Printer friendly paper orientation** – If you plan to use the PDF format to print the report, choose the paper format, portrait or landscape. Skip this item if you do not plan to use the PDF format to print the report.
4. Click **Preview** to display the report. The report will display in a new window. Or click **Reset** to return the request form to the default settings.
5. Click **Printer version** to view the PDF formatted report.

## Report Description

### Columns

**Date** – Date of the transaction.

**Type** – The type of transaction.

**Expense** – Amount of the Expense transaction. Negative expenses are preceded with a minus sign (-).

**Receipt** – Total of the contributions to the Petty Cash account on the date indicated.

**Balance** – Balance in the account after adding or subtracting the amount of the transaction.

**Description** – Description of the transaction.

## How to Print a Report

To print a report, make sure that you select **Printer version** on the report parameters screen. This will cause the report to be formatted in PDF format, which is formatted especially for the printer and page size that you use. Once you have clicked on

**Printer version**, a new window should open with a formatted report. To print, click on the printer icon in the menu above the report.

You must have Adobe® Acrobat® Reader on your computer to print in the **Printer version** format (PDF format). Adobe® Acrobat® Reader is included on the CD with NCA 2 and can be installed as part of the NCA 2 installation.

## Previewing a Report

To preview a report, instead of selecting **Printer version**, select **Preview**. The report will open in a new window, and should be easier to view on your screen. To convert this report to a printer-friendly version, click **Printer-friendly version** at the top of the Preview report screen.

## How to Save a Report in PDF format

Reports can be emailed directly from NCA 2 when they are displayed in the PDF format. To email a report do the following:

1. Open a printer-version of the report you wish to mail.
2. Click the disk icon in the menu above the report.
3. Select the area on your hard drive where you wish to save the report file

## How to Email a Report

1. First, save the report as a file on your hard drive (remember where you stored it).
2. Next, open your email program, and attach the report file to an email to your fellow club members.

**Note:** in order for a member to read a report, each member must have a copy of the Adobe Acrobat Reader. This software may be acquired from Adobe at [www.adobe.com](http://www.adobe.com) free of charge.

# Graphs

Use the **Graphs** tab to access the links to four graphs. The four graphs are

**Portfolio Performance**

**Stock Performance**

**Allocation of Club's Assets**

**Member Ownership**

The graphs are best viewed at a screen resolution of 1024 x 768 or higher. When printing graphs it is better to use the **Landscape** orientation. To change the orientation of the paper click the **File** menu and choose **Page Setup**. In the Page Setup window click the **Paper Size** tab. In the Orientation section, choose **Landscape**.

Unlike reports graphs cannot be viewed in PDF format.

## **Portfolio Performance**

This graph plots two items over time, the **cost basis** and the **total value** of all members combined or for an individual member.

### **How to View the Graph**

Use **Graphs > Portfolio Performance** to access the Portfolio Performance graph parameter page.

1. **Select Member** – Select a member whose cost basis and total value are to be plotted over time. Choose **overall club** to plot the cost basis and value of all members combined.
2. **Graph size** –
  - width** – Use this field to set the width of the graph. The default setting is set to plot on a full printed page. Changing the size will change the size for all graphs.
  - height** – Use this field to set the height of the graph. The default setting is set to plot on a full printed page. Changing the size will change the size for all graphs.
3. Click **OK** to display the graph.

## **Stock Performance**

This graph plots the Compound Annual Return or Total Return for a security over the specified time period. Up to six securities can be plotted at one time. If the time period chosen includes a period in which a selected security was not owned by the club, the graph plots 0% return for that security during that time period. The time period start and report dates are selected from a list of valuation dates.

### **How to View the Graph**

Use **Graphs > Stock Performance** to access the Stock Performance graph parameter page.

1. **Select security** – Select a member whose cost basis and total value are to be plotted over time. Choose **overall club** to plot the cost basis and value of all members combined.
2. **Inactive securities** – Use the **Show** or **Hide** button to show or hide inactive securities in the Select security list.
3. **Select graph type** –
  - Compound Annual Return** – Choose this option to plot the Compound Annual Return for the selected securities
  - Stock Performance** – Choose this option to plot the Total Return for the selected securities
4. **Start Return Calculations From** – Choose a valuation date from the list as the beginning date of the total return calculations for this graph.
5. **Date** – Choose a valuation date from the list as the ending date of the total return calculations for this graph.
6. **Graph size** –
  - width** – Use this field to set the width of the graph. The default setting is set to plot on a full printed page. Changing the size will change the size for all graphs.
  - height** – Use this field to set the height of the graph. The default setting is set to plot on a full printed page. Changing the size will change the size for all graphs.
7. Click **OK** to display the graph.

## Allocation of Club's Assets

This 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.

### How to View the Graph

Use **Graphs > Stock Performance** to access the Stock Performance graph parameter page.

1. **Valuation dates** – Select a desired date from the list of valuation dates.
2. **Select type of chart** – Click in the appropriate option button to select either a bar chart or a pie chart for this graph.
3. **Graph size** –
  - width** – Use this field to set the width of the graph. The default setting is set to plot on a full printed page. Changing the size will change the size for all graphs.
  - height** – Use this field to set the height of the graph. The default setting is set to plot on a full printed page. Changing the size will change the size for all graphs.
4. **Date** – This field displays the valuation date selected from the Valuation dates list.
5. Click **OK** to display the graph.

When this graph is displayed as a pie chart, moving the cursor over the sections of the pie will cause the name of the security and its percent of the portfolio to be displayed

## Member Ownership

This graph plots each member's percent ownership of the club at a selected valuation date. The graph is displayed as a bar chart. At the end of each bar is the member's percent ownership in text. The total number of units owned by all members combined is also displayed for the date selected.

### How to View the Graph

Use **Graphs > Member Ownership** to access the Stock Performance graph parameter page.

1. **Valuation dates** – Select a desired date from the list of valuation dates.
2. **Graph size** –
  - width** – Use this field to set the width of the graph. The default setting is set to plot on a full printed page. Changing the size will change the size for all graphs.
  - height** – Use this field to set the height of the graph. The default setting is set to plot on a full printed page. Changing the size will change the size for all graphs.
3. **Graph date** – This field displays the valuation date selected from the Valuation dates list.
4. Click **OK** to display the graph.

### How to Print a Graph

First display the graph on the screen. When the graph is visible on the screen, click the print icon in the browser toolbar. Or press both the **Ctrl** key and the **P** key on the keyboard at the same time. Use **File > Page Setup** to change the paper orientation.

# **Customer Support**

A current support contract is the best way to ensure that your club always has access to expert assistance with your club accounting questions and that your software is always up-to-date.

ICLUBcentral Support now includes more benefits than ever before:

- Telephone customer support
- Priority email and online support
- Periodic Club Accounting updates add new features to your software
- Updates guarantee that your software always reflects the latest tax law
- Simple access to historical stock prices
- *Free* access for your entire club to NAIC Online Club Accounting (See Below)

## **Terms of Support**

When you purchase a copy of Club Accounting version 2, customer support is available for for 90 days starting from the shipment date.

## **Try this First**

- Select “Help” from the Main Menu.
- 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.

## **Help from ICLUBcentral**

Customer support is available on our web site at [www.iclub.com](http://www.iclub.com). You may ask specific questions by e-mail and review the “Frequently Asked Questions” section of the web site as well. You will also get general information for using NCA2.

If you cannot solve your problem using online help, the most efficient way to contact a ICLUBcentral Customer Support Representative is to use our web help forms located at [www.iclub.com](http://www.iclub.com). Our experts will then easily be able to retrieve and reply to your question or problem quickly and efficiently.

## **When requesting Support**

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

- 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.
- Be familiar with:
  - a) the version number of NCA2 (from Help).
  - b) the version of Windows you are using.
  - c) the make, model and amount of memory (RAM) on your computer.
  - d) The make and model printer if you have a question or problem regarding the printing of reports.
- Note your NCA2 serial number and date of purchase/installation.

## **Return Policy**

For information on NAIC's return policy, please contact NAIC toll-free at 1-877-ASK-NAIC, ext 0, or visit the NAIC website at [www.better-investing.org](http://www.better-investing.org).

## **NAIC Online Club Accounting (NOCA)**

NOCA is the NAIC's official online club website (much more than just accounting). NOCA includes the following online features:

- Full investment club (partnership) accounting -- editable only by authorized officers
- Fourteen detailed performance reports -- viewable by any registered club member
- Private, personalized club website
- Industry-standard Secure Socket Layer (SSL) encryption for security
- Multiple levels of access (officer, member, guest)
- End-of-day stock quotes to help you track your portfolio's performance
- 20MB file storage area for sharing SSGs, meeting minutes, club bylaws, pictures, and more
- Unlimited email-compatible private club message boards
- Club calendar
- Online voting

*Free* access for your entire club to NOCA comes with your customer support. For more information, visit [www.naic-club.com](http://www.naic-club.com)

# **Managing Multiple Clubs**

You can now manage multiple clubs in one copy of NAIC Club Accounting 2. It is important to note that you **MUST HAVE A SEPARATE SERIAL NUMBER FOR EACH CLUB THAT YOU MANAGE.**

## **The Club Manager**

The Club Manager is used to create new clubs and to select the club you want to view or update.

### **Setting up a second club:**

1. To set up a second club, start up your installed copy of NCA 2. Make sure it is registered before you proceed.
2. Go to **Accounting>Utilities** and click on **Club Manager**.
3. Click **Create club** to create a new club.
4. Enter the serial number of the new club. To acquire another serial number, see **Acquiring Multiple Serial Numbers** below.
5. Click **OK**.
6. If the serial number started with CAW, you will be prompted to enter the name of the new club. Enter the name of the new club then click **OK**.
7. If the serial number started with CUW, you will be prompted to find the ncadata.dat file. Click **Browse**. Locate the ncadata.dat file, usually saved to a floppy on A:.
8. Click once on the ncadata.dat file to highlight it. Click **Open**.
9. Click **OK**.
10. If the serial number started with CDW, you will be prompted to find the ICD file. Click **Browse**. Locate the ncadata.icd file.
11. Click once on the ncadata.icd file to highlight it. Click **Open**.
12. Click **OK**.

### **Managing multiple clubs:**

Once you have set up a second club, upon startup you will automatically enter the Club Manager. From the Club Manager you will always need to select the club whose books you would like to update. Every club that you manage should be registered online separately with ICLUBcentral. Remember, the online functions of NCA 2 require software registration to work.

You can manage as many clubs as you like with a single copy of NCA 2; however, you must have one valid serial number for every club you manage.

### **Acquiring Multiple Serial Numbers**

A serial number is proof that you have paid for the right to use NAIC Club Accounting 2. 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 through the NAIC by calling 877-ASK-NAIC (ext. 0) or by going to the NAIC online store at <https://www.iclub.com/products/nca2/purchase.html>.



# Glossary

<b>active</b>	A member who owns units in the club, or a security in which the club owns shares.
<b>audit</b>	To use Club Accounting to check the current files for inconsistencies and correct the transactions that caused the inconsistencies.
<b>average cost method</b>	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.
<b>backup</b>	To copy your datafiles to another location for the purpose of protecting the data. In Club Accounting, the Export task accomplishes this.
<b>Bank account</b>	An account that holds cash associated with buying and selling securities, and other club expenses or income.
<b>basis</b> (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.
<b>beginning balance</b>	The cash value of a member's investment, a security, or cash account on the switchover date.
<b>block</b> (lot)	Shares of a security bought using a single transaction. Club Accounting numbers blocks so they can be identified when the club sells shares.
<b>Broker account</b>	An account that holds cash associated with buying and selling securities, and other club expenses and income.
<b>capital gain</b>	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.
<input checked="" type="checkbox"/> / <input checked="" type="checkbox"/> <b>checkbox</b> (checkbox)	A rectangle into which you can place a checkmark or remove a checkmark by clicking it or the text next

	to it. <i>Example:</i> "Select the <b>DRP Plan</b> checkbox."
<b>choose</b>	To click or drag to an item. When you release the mouse button, an action associated with the chosen item occurs immediately.
<b>clear</b>	To permanently remove all information from the current files.
<b>close</b>	To leave a window, or to exit from Club Accounting.
<b>club tax basis</b>	The sum of all the members' tax bases.
<b>compound annual return</b>	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.
<b>cost</b>	The price of a share or block of shares plus any commission or charge.
<b>cost basis</b> (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.
<b>current files</b> (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. Archived data is not included in the current files.
<b>default</b>	A value Club Accounting uses unless you change that value.
<b>dialog box</b>	A window that appears on the screen to ask for information.
<b>directory</b>	See folder.
<b>distribute</b>	To assign the earnings of the club, consisting of dividends, interest, capital gain, and expenses to individual members.
<b>Dividend Reinvestment Plan</b> (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.

<b>earnings distribution</b>	See distribute.
<b>fee</b>	An amount of money received from a member for which the member receives no units.
<b>file</b>	A group of related data stored in the computer under a name to identify the data.
<b>folder</b>	A named area on a disk that contains files.
<b>form</b>	A window in which you can enter new information or edit existing identification, transaction, or parameter information.
<b>fractional share payment</b> (cash-in-lieu)	A cash amount received from a company instead of a partial share.
<b>icon</b>	For Club Accounting, a representation of a bar graph. Double-click the Club Accounting icon to open Club Accounting,
<b>identified cost method</b>	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.
<b>inactive</b>	Any member who has withdrawn all his or her holdings in the club, or any security for which the club no longer owns shares.
<b>list</b>	A window that contains lines of information you can select for the purpose of entering, editing, viewing, or deleting.
<b>list box</b> (list window, window, box, field)	A box that has an attached drop-down list from which you select an entry to appear in the box. You display the attached list by clicking the arrow box at the right of the list box.
<b>Main Menu</b>	The first display you see after the Club Accounting Welcome window leaves the screen.
<b>menu</b>	A list of tasks associated with the name you choose on the menu bar. You can select one item on a menu. <i>Example:</i> " <b>Select Enter New Security</b> on the Securities menu to display the New Security Identification form. "
<b>menu bar</b>	A bar on the Main Menu that contains the names of the menus associated with the names. You display a menu by clicking a name on the menu bar. <i>Example:</i> "Choose <b>Members</b> on the menu bar to display the Members menu."

<b>open</b>	To start Club Accounting. You open Club Accounting by double clicking the NAIC Club Accounting icon.
<b>☉ option button</b> (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. <i>Examples:</i> "Select the <b>Mutual Fund</b> option button to cause Club Accounting to treat this security as a mutual fund" or "Click the <b>Mutual Fund</b> option button to deselect it."
<b>parameters</b>	The rules for performing a task. <i>See also:</i> settings
<b>payment</b>	An amount of money received from a member for which the member receives units
<b>Petty Cash account</b>	An account used to record nondeductible expenses that are kept outside the club's assets.
<b>Petty Cash contribution</b>	An amount of money received from a member for which the accounting must be kept completely separate. Uses for petty cash contributions include non-deductible expenses such as parties, cards, dinners, flowers, etc. Members receive no units for Petty Cash contributions and there is no increase in the member's tax basis in the club.
<b>price</b>	The amount paid for an investment, not counting any associated expenses such as commissions or service charges.
<b>price per share</b>	The amount paid for a single share, not including any commission or service charge.
<b>save</b>	To put the member, security or cash information you entered into the current files.
<b>select</b>	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.
<b>software</b>	The operating system and program that cause your computer to perform the Club Accounting tasks.
<b>Suspense account</b>	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.
<b>switchover procedure</b>	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** A rectangular area into which you can type information, or that displays information.  
(text box, box, field)
- total return** The percent increase or decrease in the value of an investment during a specified period of time.  
(Total Return)
- 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** 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.  
(member unit, valuation unit)
- 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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Use of this product is governed by terms of a User License and support Agreement or ULSA. The User License and Support Agreement that appears during installation is reproduced below for your convenience. References to **clicking on "Accept"** are to an installation procedure. The text below is the same as the text seen at installation. Some formatting is different here to make it easier to read on a printed page.

## User License and Support Agreement or ULSA (Applicable to ICLUBcentral NAIC Club Accounting Software)

**Important:** By clicking on "Accept", you, as the authorized representative of your investment club, indicate your investment club's acceptance of the terms and conditions set forth below. Where your investment club consists of only yourself, by clicking on "Accept" you are accepting in your individual capacity.

THIS LICENSE AND SUPPORT AGREEMENT (THE "AGREEMENT") IS A LEGAL CONTRACT BETWEEN YOUR INVESTMENT CLUB OR YOU IN YOUR INDIVIDUAL CAPACITY, AS THE CASE MAY BE AS INDICATED IN THE PRECEDING PARAGRAPH (COLLECTIVELY, "YOU") AND ICLUBCENTRAL, INC. ("ICLUBCENTRAL"). BY CLICKING ON "ACCEPT", YOU ARE AGREEING TO BE BOUND BY THE TERMS AND CONDITIONS OF THIS AGREEMENT, INCLUDING WITHOUT LIMITATION THE CUSTOMER SUPPORT PROVISIONS SET OUT BELOW. IF YOU DO NOT AGREE TO SUCH TERMS AND CONDITIONS, YOU MUST PROMPTLY RETURN THE SOFTWARE AND THE DOCUMENTATION TO NAIC, ICLUBCENTRAL'S SOFTWARE DISTRIBUTOR, IN ORDER TO RECEIVE A FULL REFUND OF THE LICENSE AND CUSTOMER SUPPORT FEES THAT YOU HAVE PAID. If You should have any difficulty in obtaining such refund, please contact ICLUBcentral at 1430 Massachusetts Avenue, 2<sup>nd</sup> Floor, Cambridge, MA 02138.

THE ENCLOSED COPY OF ICLUBCENTRAL NAIC CLUB ACCOUNTING SOFTWARE™, INCLUSIVE OF ALL ADD-ONS AND FUTURE RELEASES (the "SOFTWARE"), AND THE RELATED DOCUMENTATION, INCLUSIVE OF ALL FUTURE RELEASES (the "DOCUMENTATION"), ARE EACH LICENSED TO YOU WITH A PERSONAL, NON-EXCLUSIVE AND NON-TRANSFERABLE RIGHT, EXCEPT AS ALLOWED BELOW UNDER 'PERMITTED USES', TO USE ONLY UNDER THE FOLLOWING TERMS AND CONDITIONS:

### PERMITTED USES

You MAY:

- Install the Software on a storage device in Your computer, as set forth in the instructions contained in the Documentation. **Note:** The Software has been designed to only allow it to be used for a single individual in Your investment club on a single personal computer. You may make only one (1) copy of the Software, provided that
  - i. such copy is used only for back-up purposes;
  - ii. You retain possession of the back-up copy; and
  - iii. all of the information appearing in the copyright notice on the label of the storage medium in the sealed package is copied onto the label of the storage medium for the back-up copy.
- Under the following conditions, a second individual in Your investment club will be entitled to receive the original copy of the Software or a backup copy:
  - i. The Software will be installed on a second computer of the same platform (i.e., either Windows or Macintosh platform respectively).
  - ii. The original individual that had been running the first copy of the Software will remove said Software after the second individual in Your investment club has the Software operating on a second personal computer.
- The above transfer of the Software to a second individual can be repeated to subsequent members of Your investment club under the same conditions as described in (1) and (2) above.
- For Your investment club to have simultaneous users of the Software at two different personal computers it is necessary to license additional copies of the Software.

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- Make any copies of the Software, except as permitted above with respect to the one (1) back-up copy, or allow transfer of the Software to another individual in Your investment club (except as permitted above).
- Make any copies of the Documentation.
- Disclose, rent, license, sublicense, lease, sell, lend, disseminate or otherwise distribute the Software or the Documentation.
- Network the Software or otherwise use it on more than one computer or computer terminal at the same time.
- Use the Software to conduct a service bureau, application service provider ("ASP") business or similar business for the benefit of third parties.
- Transfer Your rights under this Agreement.
- Alter, enhance, supplement, create derivative work therefrom, translate, decompile, disassemble, reverse engineer or otherwise reduce the Software to human readable form.
- Remove or obscure the copyright and trademark notice on the label of the storage medium containing the Software or in the Documentation.

### TERMINATION / DURATION

This Agreement and Your license to use the Software and the Documentation will automatically terminate without notice from ICLUBcentral and without any pro rata abatement of the license and customer support fees You have paid if You fail to comply with any term or condition of this Agreement or upon your giving written notice of termination to ICLUBcentral.

This Agreement is effective from the day upon which You indicate acceptance of this Agreement. In order to be granted license to use this Software, you must register this Software fully and accurately with ICLUBcentral and receive a valid confirmation of registration from ICLUBcentral. The license then granted will continue until either

- (i) You terminate this Agreement by giving written notice of termination to ICLUBcentral; or
- (ii) this Agreement is terminated by ICLUBcentral, as provided in the immediately preceding paragraph.

## **CUSTOMER SUPPORT PROVISIONS**

Included in the total fee that You have paid for the Software and the Documentation is an amount that covers the customer support services described in this Agreement (the "Customer Support Services"). (You can reference the information on accessing Customer Support Services and the term and duration of Customer Support Services provided with the Documentation.) The terms of these Customer Support Services are subject to change without notice. Customer Support Services cover technical questions about operation of the Software only.

### **Customer Support Obligations of ICLUBcentral:**

Provide customer support for the Software only if (i) You have performed the online Product Registration as provided by NAIC and ICLUBcentral in order to register the Software; and (ii) Your copy of the Software is identified with a valid serial number, and Registration Code.

Investigate and identify any problem reported by You to ICLUBcentral that is related to the then current release of the Software, and correct or provide within an appropriate time, as determined by ICLUBcentral, either (i) a workaround for any programming error in the then current release of the Software which You have identified, provided that the error is directly attributable to ICLUBcentral, or (ii) a resolution to the problem which You have identified (collectively the "Code Correction Services").

### **Related Obligations of End-User:**

Use only the then current release of the Software during the initial and any renewal term of this Agreement.

In the event of (i) a problem with the Software that results in either a system crash or loop; or (ii) a situation where You can reasonably demonstrate that the Software produces an erroneous result that is not a function of incorrect or improper input data, then You must submit to ICLUBcentral a written report of all input and keystrokes to the Software giving rise to the problem to the extent reasonably practical.

## **LIMITED WARRANTY**

ICLUBcentral does not have control over the conditions under which You use the Software and does not and cannot warrant the performance or results that may be obtained by its use. However, ICLUBcentral and NAIC warrant that the Software will perform substantially in accordance with the Documentation for a period of ninety (90) days from the date the product was shipped to You, provided that the Software is used on the computer equipment, operating system and in the environment for which it was designed and configured. Your sole remedy and ICLUBcentral's exclusive liability under the foregoing limited warranty will be the furnishing by ICLUBcentral, within a reasonable period of time and without charge, of the Customer Support Services pursuant to the Customer Support Services provisions of this Agreement. To bring a claim under this limited warranty, You should contact Support Department at ICLUBcentral, 1430 Massachusetts Ave, 2<sup>nd</sup> Floor, Cambridge, MA 02138 to obtain information on warranty performance; You must be given a Return Authorization Number by ICLUBcentral before returning the Software to ICLUBcentral. Some jurisdictions do not allow the exclusion or limitation of relief, incidental or consequential damages, so the above limitation or exclusion may not apply to You.

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