



ICLUBcentral

2017 Club Federal Tax Printer

for Club Accounting 3.2
and myICLUB.com

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Important Notice

We have done the utmost to make certain that the data that appears on tax forms produced by the Club Tax Printer software is correct as based on the data in your current Investment Club Accounting files. Nevertheless, we do not warrant the accuracy or completeness of the data on the printed tax forms. All responsibility for accuracy and completeness rests with your investment club and with the person who handles the tax matters for your club.

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Important: IRS Partnership Return Deadline

The deadline for filing partnership tax returns to the IRS is **March 15th of each year**. March 15th is also the deadline for providing partners with their Schedule K-1s. Many states have adjusted their partnership filing deadlines as well, so be sure to check with your state to confirm the deadline.

If necessary, partnerships may file for an automatic three-month extension of the filing deadline using **IRS Form 7004**. Members of your club should not file their personal returns until they have received the appropriate information from the club.

Using the Club Tax Printer

This Club Tax Printer program works with data from ICLUBcentral’s **Club Accounting 3 (CA3)** or **myICLUB.com** platforms, performing certain calculations, and then generating tax forms with these calculated values. The program does not alter your original data stored in the software. To properly use this program, you must make sure all accounting records are up-to-date and accurate.

System Requirements

Use of the Club Tax Printer software requires:

For Club Accounting 3

- Compatible Windows operating system (Windows 7/8/10).
- 256 MB of RAM minimum.
- 30 MB of free hard drive space.
- Adobe Acrobat 6.0 or higher, available free from www.adobe.com.
- Club Accounting version 3.2 or higher.
- Current Club Accounting Maintenance contract.

For myICLUB.com

- Current generation web browser (Internet Explorer, Microsoft Edge, Google Chrome, Mozilla Firefox, Apple Safari).
- Internet access.
- Adobe Acrobat 6.0 or higher, available free from www.adobe.com.
- Current myICLUB.com subscription.

Installing the Club Tax Printer

There are different installation options for installing the Club Tax Printer, depending on whether you use Club Accounting 3 or myICLUB.com:

1. *If you have purchased the **CD version** of **Club Tax Printer for CA3**, insert it into your computer's CD-ROM drive and follow the prompts. Once the installation is complete, close and re-open Club Accounting 3.*
2. *If you have purchased the **downloadable version** of the **Club Tax Printer for CA3**, download it from www.iclub.com/taxes/download/. Save the installer to your computer desktop. Once the download is complete, double-click on the **2017 Club Tax Printer Setup** icon and follow the prompts. Once the installation is complete, close and re-open Club Accounting 3.*



You do not need to download the installer program onto the computer on which you run Club Accounting 3. You may download it onto *any* computer and then use a thumb or flash drive to transfer the installer to the computer on which CA3 is installed, and then install the Tax Printer. *If you have a particularly slow Internet connection or have trouble downloading the installer on your computer, try this approach.*

3. *If you purchased the **Club Tax Printer for myICLUB.com**, there is no installation needed. Visit the Taxes tab of myICLUB.com and click the button to run the program.*

Running and Registering the Club Tax Printer

The **Club Tax Printer for CA3** is not a separate program, but an add-on to the program. Select **Taxes** from the CA3 menu to run the tax module.

When starting the **Club Tax Printer for CA3** for the first time, you will see the registration window. You must register your program over the Internet with your Tax Printer serial number before it is usable. Your serial number is proof that you purchased a license to use this program and is included with your Tax Printer packaging. If you purchased the downloadable version of this program, your Tax Printer serial

number is provided via email and in your order receipt.

If you have multiple clubs licensed in your CA3 software, you will select the club from a list presented when you start the program. If you would like to generate tax forms for several clubs, you will need to purchase a Tax Printer serial number for each club from www.iclub.com/taxes/.

No registration is required for the **Club Tax Printer for myICLUB.com**. Visit the **Taxes** tab of **myICLUB.com** and click the button to run the Club Tax Printer.

Draft and Final Forms

The Club Tax Printer software is often distributed before final forms have been released by the IRS and the states. When you initially install the program, it may display preliminary forms with a “DRAFT” watermark. **Draft forms may not be used to file a return with the IRS or your state.** They are provided so that you may get a head-start on the preparation of forms, diagnose any technical problems, and ensure that your tax printer and club accounting software are working properly.

The **Club Tax Printer for myICLUB.com** is updated automatically whenever a new version is available. Whenever you run the program from the Taxes tab, it is the most current release.

The **Club Tax Printer for CA3** has an automatic updater built into the program. Each time you start the Club Tax Printer, it will check the Internet to see if any updates are available. Of course, you must be connected to the Internet in order for the auto-updater to work. When an update is available, the program will download and automatically install the new version.

To check the release schedule for the IRS and state forms, please check the home of page of www.iclub.com regularly through the tax season.

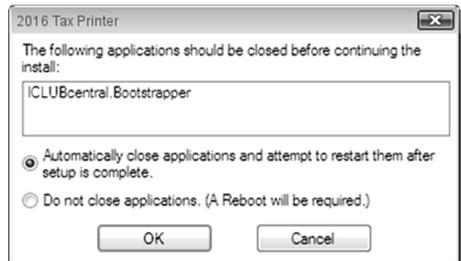
Auto-Updating with Final Forms

When an update to the **Club Tax Printer for CA3** is available, the program will prompt you to automatically download and install it. When final forms are released, they will be delivered to your computer via this auto-updater.

If updates are available, you will be alerted to how many are available and their total size. Click **Yes** or **OK** to agree, and the dialog box to the right will appear. Click **OK** to continue with the installation.

When installing updates, you may find the progress bar does not fill all the way up, before the updater gives the option to click **OK**. If that happens, don't worry; as long as the **OK** button is clickable on the updater, your copy has installed the update.

The **Club Tax Printer for myICLUB.com** is updated automatically with final forms behind the scenes, with no action required by users.



About “Problem Securities”

Some securities pose problems for investment clubs due to the additional complexity required to accommodate them in partnership accounting. Some of these securities are relatively easy to manage, and just make the treasurer do a bit of additional work. Others, though, require workarounds, manual calculations, and hand-entries in tax forms in order to properly report them to the IRS. In some case, your club might even be required to file tax returns in a number of additional states.

Another problem is that some of these securities are not required to report to shareholders until March 15th—the same deadline that your club is required to meet with its tax returns. Holding these securities could cause your club, and potentially all members, to request filing extensions from the IRS and state tax agencies.

The list of problem securities includes:

- Exchange-Traded Funds (ETFs) that hold gold or commodities directly.
- Real Estate Investment Trusts (REITs).
- Royalty Trusts.
- Publicly Traded Partnerships (PTPs).
- Master Limited Partnerships (MLPs).

If your club owns any of these kinds of securities, we advise selling all shares prior to the end of the calendar year, thus eliminating the need to accommodate them in tax returns in future years. ICLUBcentral can only provide limited support on dealing with these securities in a partnership. *You may need to consult a professional tax preparer in order to generate an accurate return.*

Preparing Club Data

Before generating tax forms, make sure that your club accounting data is properly prepared. We recommend that you wait until you have all the necessary data and have performed a reconciliation of all accounts before completing your tax forms. Necessary data includes year-end brokerage and bank statements; records of all buys, sells, dividends, interest, and service charges through December 31, 2017; and Form 1099s issued by your financial institutions. *It is likely that you will not have this information until mid-February.*



We recommend that you view the “Closing the Books at Year-End” webinar video available in the Learning section of ICLUB.com for complete year-end procedures.

Once you have all the necessary data and the club has conducted its annual audit, close out the books for the year, including creating a year-end Valuation Statement and Allocating Income and Expenses for the year.

Users of Club Accounting 3 may close the books by following the instructions in the year-end task wizard available under **Tools > Year-end Tasks**.

Entering Club Information

To begin the process of preparing your club’s tax returns, you will need to answer

several questions. The Club Tax Printer's Q&A format is designed to make it easy for you to fill in the required information.



We recommend that you view the "Preparing Club Taxes" webinar video available in the Learning section of ICLUB.com for complete details on the tax preparation process.

Additional Information for REITs/Mutual Funds/Other Securities:

- If your club owned a Real Estate Investment Trust (REIT), mutual fund, or security classified as "Other," you will be prompted to enter the amount of qualifying dividends and unrecaptured Section 1250 gains that have been reported on Form 1099 for those securities. If your club did not own any of those securities, you will not see this screen.

Club Information and Questions:

- *Club Address:* Enter your club's legal address as registered with the IRS. Note: If your address has changed since your last filed return, you must complete and send Form 8822-B "Change of Address or Responsible Party" before filing your current year return.
- *Date business started:* The date that your club formed as a partnership.
- Check the Amended Return box only if you are filing an amended return.

Continue, answering the following questions with the appropriate responses:

- *Type of partnership:* Most clubs are formed as general partnerships.
- *Did any individual or estate own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership?* Mark appropriately. If your club includes members of the same family, use the provided worksheet to calculate the appropriate ownership percentage for each member. If any individual member's constructive ownership is above 50%, Schedule B-1 will be generated as part of the return and you should answer "Yes."
- *Did the partnership file Form 8893, Election of Partnership Level Tax Treatment, or an election statement under section 6231(a)(1)(B)(ii) for partnership-level tax treatment, that is in effect for this tax year?* We recommend that you **do not** make this election. If your club had ten or fewer partners throughout the 2017 tax year, you may elect to answer Yes to this question and Form 8893 will be generated by the software to be filed with your return. You should then enter your designated TMP information below. If you previously filed Form 8893 with the IRS, check the box, enter your TMP information below but **do not** send the generated Form 8893 with your return. See Form 1065 instructions for details.

If your club had more than ten partners at any time during the 2017 tax year (see guidelines above) then your club is already subject to Partnership Level Tax Treatment. Leave this box unchecked. You may still provide the name of your club's designated TMP if desired:

- Name of the Tax Matters Partner (TMP)
- Identifying number of the TMP (usually a Social Security number).
- In the upper box enter the street address.
- In the lower box enter the city or town, state, and ZIP code.

- *Is this partnership a publicly traded partnership as defined in section 469? Mark appropriately. Most clubs will leave this unchecked.*
- *Does the partnership satisfy all four of the following conditions?*
 - a) The partnership's total receipts for the tax year were less than \$250,000.*
 - b) The partnership's total assets at year-end were less than \$1 million.*
 - c) Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.*
 - d) The partnership is not filing and is not required to file Schedule M-3*

Mark appropriately. Most clubs will check this box. **Schedules L, M-1, and M-2 will be generated if item (a) or (b) above is not met. If all four conditions are met, these schedules are not required.**

- *During the tax year, did the partnership have any debt that was cancelled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt? Mark appropriately. Most clubs will leave this unchecked.*
- *At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in partnership property? Mark appropriately. Most clubs will leave this unchecked.*
- *If the partnership is required to file form 8858, Information of Return of U.S. Persons with Respect to Foreign Disregarded Entities, enter the number of Forms 8858. Mark appropriately. Most clubs will leave this blank.*
- *At any time during the calendar year 2017, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account or other financial account)? If "Yes" enter the name of the foreign country. Fill in appropriately. Most clubs will leave this blank. Note: Owning a non-U.S.-based company in a U.S.-based brokerage firm is **not** considered holding a foreign financial account.*
- *Does the partnership have any foreign partners? If "Yes", enter the number of forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership.*
- *Enter the number of Forms 8865, Return of U.S. Persons with Respect to Certain Foreign Partnerships, attached to this return.*
- *IRS Center. Partnerships **do not** send their tax forms to the same place as individuals. Choose the appropriate IRS center for your club from the list. **Please note that the address is simply a city and ZIP code. The post office knows where to route your return based on that alone.***

Reporting Security Cost Basis on Sales

If your club sold securities during the year, then the 1099-B Cost Basis window will appear at this point in the process. For each tax lot of each security sold during the year, you must enter the cost basis reported by your brokerage firm on Form 1099-B. **Enter the amount reported even if it is different from the amount reported by your Club Accounting 3 records. If you have many sell transactions to enter, it may be useful to prepare a spreadsheet with the requested data before entering it in the program. This will facilitate the data entry on this screen.**

- *If the basis is not provided by your brokerage, check the "Basis not reported*

- *on 1099” box. This may be the case for securities purchased prior to 2011.*
- *If no Form 1099 was received for the sale, check “No 1099 received for sale.”*
- *If your brokerage reports the cost basis for multiple lots with a date marked “Various,” confirm that the total basis calculated in the accounting software matches the total reported by your brokerage, and then enter the basis for each lot as calculated by the accounting software in the worksheet.*
- Click OK to continue.

Generating and Printing Your Tax Forms

You are nearly ready to finalize your Club Tax Returns. We recommend that you generate a complete return. Users of CA3 can check the appropriate boxes to print Form 1065 and Schedule D. The scrollable window lists each member active during the Tax year. A Schedule K-1 prints for each club member highlighted in the list.

Users of **myICLUB.com** can click the links to download and/or print their returns.

Additional notes: A Tax ID number for each member is required for the club’s tax returns to be complete. If the message *No Tax ID Entered* shows up next to a member’s name, that member’s Social Security Number was not entered in Club Accounting. Fill it in by hand after you have printed the appropriate tax form.

The 1065/K-1 software prints the following forms and schedules:

- **Form 1065:** U.S. Partnership Return of Income, pages 1-4.
- **Schedule D (Form 1065):** If your club has no capital gains or losses for the year, this schedule is unnecessary and will not be printed. There also may be supplemental pages printed such as Form(s) 8949.
- **Form(s) 8949:** These forms itemize the gains/losses from stock sales. The results from these forms are also transferred to Schedule D.
- **Supporting schedules for Schedule K:** Partners’ Shares of Income, Credits, Deductions, etc. There also may be supplemental pages printed.
- **Schedule K-1 and K-1 Instructions:** For each partner.
- **Schedules L, M-1, and M-2:** Only if required.
- **Form 8893:** Only if selected.

Not all pages of Form 1065 and associated schedules will contain data. In most cases, the first page of Form 1065 contains no data except identification, date information, and the number of attached Schedule K-1s. This is typical for investment partnerships.

e-Filing Your IRS Return

Once the tax preparation wizard has been completed, users of **myICLUB.com** may proceed to e-File their returns. A button will appear at the bottom of the Club Tax Printer screen to allow access to the e-Filing application. Follow the prompts on the five pages that appear to confirm data, and once satisfied that the return is complete, click the button to e-File. A Submission ID number will be provided once your return is accepted by the IRS, which may take 24 hours or longer. No mailed return is required, though partners must still be provided with their Schedule K-1s. A PDF of the IRS return and associated schedules is provided for saving and/or printing.

What to Send to the IRS

If not e-Filing, then the Club Tax Printer software prints IRS acceptable schedules required for filing the return by mail. Investment clubs should send one copy each of:

- 1) **Form 1065** (plus **Schedule D** and supplementary schedules as necessary. If your club has no gains or losses in the year, Schedule D will not be printed.)
- 2) **A Schedule K-1** for each member.

Make sure to send your return via Registered Mail or with Return Receipt Requested and save the confirmation.

What to Give to Members

Club members must be provided a copy of their respective Schedule K-1s for use in preparing their personal tax returns by March 15th. A copy of each member's K-1 is to be kept with their tax records and is not filed with the IRS. You must also provide each member of your club with a copy of the K-1 instructions, found on page 2 after you generate your complete forms.

myICLUB.com members may print their own Schedule K-1s by logging in to the website and going to the Taxes tab, then looking for their personal download link.

Members who withdrew during the year must also be provided with a K-1, K-1 instructions, and a copy of the Withdrawal Report for their final distribution.

What to Keep for Club Records

The club should keep a copy of Form 1065, all accompanying forms and schedules, and any supporting statements as part of its permanent records, as well as proof of receipt of mailing. We recommend keeping electronic PDF files in addition to paper copies.

Common Problems and Release Notes

- In accordance with IRS guidelines, all values on the Federal tax forms are rounded to the nearest whole dollar amounts.
- The **Club Tax Printer**, in accordance with IRS rules, does not print a zero (0) on a form space where the value is zero. Such fields are left blank.
- The **Club Tax Printer** for CA3 requires registration before the program can be run. Registration is done over the Internet from within the registration screen.
- If the program takes a long time to load your Adobe Acrobat and Tax Forms, your computer may lack sufficient memory or free hard drive space. Select fewer forms to print faster, then repeat for remaining forms.
- Many fields on the tax forms will be blank and are intended to be blank. The same forms your club uses are used by partnerships that own property and have payrolls, neither of which applies to your investment club.
- Pertinent IRS forms, publications, and instructions are on the CD and in the program folder after installation, and linked from the ICLUB.com FAQ.
- The **Club Tax Printer** does not support the IRS 754 Election.

- The **Club Tax Printer** software uses industry standard Adobe Acrobat software to generate your tax forms. A free copy of Acrobat Reader installs with the tax program, or can be downloaded from www.adobe.com.
- The **Club Tax Printer** will correctly allocate qualifying and non-qualifying dividends ONLY if all of the following conditions are met:
 - All dividends linked to securities are entered properly in the books.
 - Ex-dividend dates are entered for all common stock dividends.
 - REITs, mutual funds, and “other” (Limited and Publicly Traded Partnerships, etc.) securities are correctly identified.

Helpful Web Links

For more information about club tax filing, using the **Club Tax Printer**, and year-end accounting tasks, see the following pages on the ICLUB.com web site:

- **Club Tax Printer Product Info** www.iclub.com/taxes/
- **Frequently Asked Questions** www.iclub.com/faq/
- **Club Tax Principles** www.iclub.com/support/general_tax_principles.asp
- **Understanding Club Tax Season** www.iclub.com/support/tax_season.asp
- **Download Club Tax Printers** www.iclub.com/taxes/download/
- **Investment Club Learning Center** www.iclub.com/clubs/iclub_hub.asp
- **Free Club Webinars** www.iclub.com/clubs/webinar_information.asp

Requesting Technical Support from ICLUBcentral

Each year, your club’s members look to you to make sure their taxes are filed in time. And each year, from December to March, ICLUBcentral’s call volumes triple. We bring in extra help, update the FAQs, and give it our all to answer your questions. Your patience is appreciated. Here’s looking forward to a successful tax season!

Technical Support is available on our web site at www.iclub.com/support/. You may ask specific questions via our web form and review the *Frequently Asked Questions* section of the web site at www.iclub.com/faq/ as well.



Answers to questions about **Club Tax Printer** installation are included with purchase. Questions about club accounting principles, tax issues, and the Club Accounting 3 software are covered by your Club Accounting Maintenance Agreement. To receive coverage, you must renew your Agreement each year.

If you cannot solve your problem using the **Frequently Asked Questions** tool at www.iclub.com/faq/, the most efficient way to contact an ICLUBcentral Technical Support Representative is to use our web help forms located at www.iclub.com/support/. Our experts will then be able to retrieve and reply to your question quickly and efficiently.

Use the guide to help our experts quickly answer your questions. Write down the *precise wording* of any error message displayed when you have a problem, including

the names of any files mentioned in the message. Be familiar with:

- The version of Windows you are using.
- The amount of memory (RAM) on your computer.
- The make and model printer if you have a question regarding printing.
- Any security, firewall, or antivirus software running on your computer (Kaspersky, McAfee, Norton, etc.).
- Your Club Tax Printer serial number and purchase/installation date.

User License and Support Agreement (ULSA)

Use of this product is governed by terms of a User License and Support Agreement or ULSA provided in the program upon use and installation. This License and Support Agreement is a legal contract between your investment club or you in your individual capacity, as the case may be, and ICLUBcentral Inc. By clicking on “accept” when you install the software, you are agreeing to be bound by the terms and conditions of this agreement, including without limitation the customer support provisions set out in the agreement.

If you do not agree to such terms and conditions, you must promptly return the software to ICLUBcentral in order to receive a refund. For more information, please write to ICLUBcentral at 711 W. 13 Mile Rd., Madison Heights, MI 48071.

About ICLUBcentral Inc.

ICLUBcentral Inc. is the global leader in the development of software tools for investment clubs. We have been making club accounting and tax software since 1989, and our products are used by more investment clubs than any other in the world.

Besides **Club Accounting 3 for Windows** and **myICLUB.com** (www.myiclub.com), ICLUBcentral also produces:

- **Software programs** for stock analysis, including **Toolkit 6**;
- **Newsletters** such as the market-beating **Investor Advisory Service** (www.investoradvisoryservice.com); and the **SmallCap Informer** (www.smallcapinformer.com);
- **Online tools** including a stock screener, **MyStockProspector.com** (www.mystockprospector.com); a complete suite of online tools, data, and community for investors, **StockCentral.com** (www.stockcentral.com); and an advanced stock research tool, **EquityResearchService.com** (www.equityresearchservice.com).

For details and special offers for you and your investment club members, please visit www.iclub.com.

A Special Note for Users of Club Accounting 3

As most users are aware, Club Accounting 3's lifecycle is nearing its end. While we will continue to support the program for the foreseeable future, ICLUBcentral may

not provide support for the Club Tax Printer for CA3 users after this year. As such, we recommend that investment clubs switch to our cloud-based club accounting platform, **myICLUB.com** before it is too late.

Switching to myICLUB provides a number of advantages that will save you money and streamline club management tasks. Some of the myICLUB.com features not available in Club Accounting 3 include:

- ***e-File your club's IRS tax returns** (new for 2017!).*
- *Determine best methods of paying out partial or full member withdrawals with our **Withdrawal Scenario Calculator**.*
- *See breakdowns of holdings by company size, industry, sector, and super sector with **Portfolio Diversification Reports**.*
- ***Change treasurers easily** just by adjusting permissions in your private club website, with no data import/export required.*
- *Protect your data with redundant, secure, and automatic **cloud-based backups**.*
- *Monitor club holdings closely with **Stock Watcher Reports**.*
- ***Save significantly** with no upfront software cost, discounts for multi-year subscriptions, and no additional charge for co-treasurers.*
- *Store documents in your private, secure **file storage** library.*
- *Get deep portfolio intelligence from more than **35 reports and graphs**.*
- *Find **integrated help** on each page.*

To get started, our trained support team can migrate your club data to **myICLUB.com** and apply any remaining term on your existing Club Accounting 3 subscription towards your first year. Visit www.myICLUB.com/switch/ for details, and move your club forward into the next generation of tools used by thousands of investment clubs.