

Investment Club Treasurer Annual Tasks

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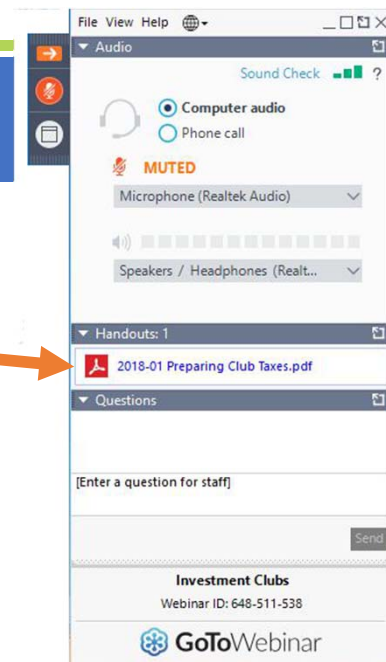
AUGUST 2021



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Investment Club Treasurer Tasks



- Treasurer tasks can be grouped into 3 categories:
 - Monthly tasks.
 - Occasional tasks.
 - Annual task.
- Past webinars have covered Monthly & Occasional tasks in detail.
- This session will cover tasks typically handled once a year.

YEAR-END CLOSING THE BOOKS TASKS

Annual Closing the Books Webinar



- Each year in December, ICLUBcentral hosts “Closing the Books” webinar.
- Since tasks are only undertaken annually & some tasks may change, webinar provides good refresher & instructions for new treasurers.
- Live webinar is recorded & available on YouTube for review afterwards.
- Check Learning tab on ICLUB.com for schedule.

Ensure All Transactions Are Entered



- At year-end, reconcile accounts & ensure all transactions are entered in books.
 - Monthly/regular reconciliations should make this easy.
- **IMPORTANT:** Keep last day of year clear for your annual allocation of income & expenses to members.
 - Move any 12/31 transactions to 12/30 with text in transaction notes with actual transaction date.
 - Move any dividends paid in January but taxable in prior year to 12/30 as well.

Allocate Income & Expenses



- As pass-through tax entities, partnerships must assign income & expenses to partners who then report their share to IRS.
- Once books are verified as complete for year, go to myICLUB.com **Accounting > Utilities & select Allocate Income & Expenses.**
 - Select year.
 - Resulting report has details that partners will report to IRS.
- Allocation can be redone if necessary to correct issues.
- This is required before preparing annual tax returns.

	Non-Qual Divs	Qual Divs	Interest	Tax-free interest	Short term cap gain	Long term cap gain	Other income	Inv. Expense	Non-inv. Expense	Foreign taxes	Charity	Total
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WITHDRAWAL DISTRIBUTIONS DURING THE YEAR

Cod, Alantis on 01/30/20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$29.12)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$29.12)
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REMAINING EARNINGS DISTRIBUTED AT YEAR-END

Cod, Alantis	\$71.53	\$150.78	\$0.00	\$0.00	\$98.65	\$731.11	\$195.25	(\$19.33)	(\$195.25)	(\$1.28)	\$0.00	\$1,031.46
Crabb, Dungy	\$14.86	\$29.97	\$0.00	\$0.00	\$19.42	\$160.75	\$41.94	(\$4.15)	(\$41.94)	(\$0.27)	\$0.00	\$220.58
Dorado, Portia	\$12.79	\$25.58	\$0.00	\$0.00	\$16.54	\$140.01	\$36.37	(\$3.60)	(\$36.37)	(\$0.23)	\$0.00	\$191.09
Finn,	\$17.51	\$35.01	\$0.00	\$0.00	\$19.42	\$167.26	\$41.94	(\$4.15)	(\$41.94)	(\$0.23)	\$0.00	\$255.12

Allocating Income from Problem Securities

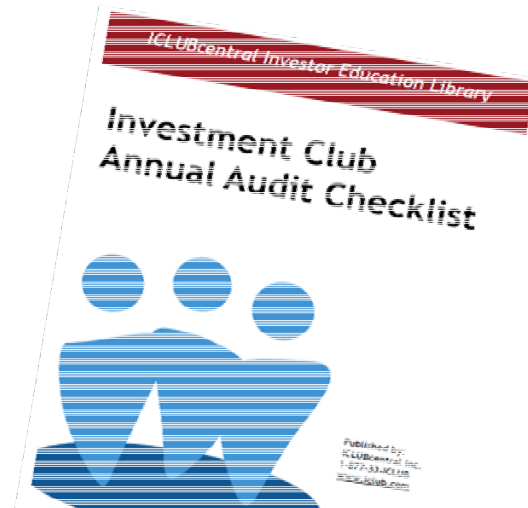


- NOTE: If club owns REITs, ETFs, Mutual Funds, or “Other” securities that report Qualifying Dividends or “Unrecaptured Section 1250 Gains,” then Allocation can’t be completed until you have the details of those transactions.
- Usually those will be reported in January, but could be later.

Conduct Audit of Club’s Books



- Review “**Year-End Audit Procedures**” available in your club’s myICLUB.com **File Storage** library.



Basic Steps to Conduct Audit



- Convene Audit Committee of club members.
- Treasurer provides reports, statements, confirmations, details of transactions.
- Committee reviews books & transactions for accuracy & completeness.
- Committee can identify areas for improvement.
- Also helps other members understand Treasurer's job.

SUBMIT FEDERAL & STATE TAX RETURNS

Annual Preparing Club Taxes Webinar



- Each year in January, ICLUBcentral hosts “Preparing Investment Club Taxes” webinar.
- Tax laws change frequently, so attending or viewing this webinar is highly-recommended.
- Webinar provides good refresher for experienced treasurers & instructions for new treasurers.
- Live webinar is recorded & available on YouTube for review afterwards.
- Check Learning tab on www.ICLUB.com for schedule.

File IRS Tax Returns Each Year



- March 15th is current IRS deadline for partnerships.
- All investment clubs must file Form 1065 & related schedules each year.
 - **There are no exemptions.**
 - Penalties can add up fast for late or missed filings.
- myICLUB.com **Club Federal Tax Printer** makes it easy to e-File IRS return each year

File State Tax Returns Each Year



- Many (but not all) states require annual filing, so check with state to be sure you're following their laws.
- Some states require tax returns from non-resident states with resident partners.
- Taxes area at www.ICLUB.com list supported states (currently 15 states) with myICLUB.com **Club State Tax Printer**.

Provide Partners with Schedule K-1



- Each year, partners need Schedule K-1 that details their personal tax liability (income, expenses, gains, losses, etc.).
- Partners with withdrawals in year also need their withdrawal reports.
- Members should not expect K-1s until club has received all its 1099s (which should arrive by Feb. 15) & finalized its tax return.

Tax Calendar



- 1099s may not arrive until February 15, so time is tight to generate & double-check returns by March 15.
 - If club holds problem securities (MLPs, royalty trusts) then K-1 might not arrive until March 15.
- Collect all year-end statements & 1099s in safe place.
- Follow “Closing the Books” year-end procedures.

Preparing Club Tax Returns



- **Club Tax Printers** are released in January/February for IRS & supported states.
- **Do not wait** until March 14 to generate return, especially if first time user.
 - Make sure you have time to address any problems.
 - You can generate preliminary returns as often as desired to ensure accuracy before generating final return.
- Can request automatic extension of IRS filing deadline if needed.

OTHER TASKS & TIPS

Back Up Your Files



- myICLUB.com server is backed up continuously.
 - In case of failure, entire server is restored.
 - In case of single club issue, individual club data can NOT be restored.
- myICLUB.com **Backup Manager** allows creation of online backups.
 - These protect you from **your** mistakes, not from acts of God or technological problems.
 - myICLUB.com can't protect you from your mistakes, so utilize this feature.
 - myICLUB.com does create quarterly backups for clubs that neglect it.

Accounting > Utilities

Accounting Utilities

Accounting Utility	Description
Withdrawal Calculator	Determine recommended methods for withdrawing a member of your club either fully or partially.
Get quote	Get a current price, historical growth chart, or review the split and dividend history (including ex-dividend dates) about a security.
Backup manager	Use this feature to create online backups of your club's accounting data. You can also use this tool to restore your club books from one of these backups, or export one of these backups to your personal computer for use with the desktop program, Club Accounting for Windows.
Import accounting records	Users of our desktop software can import their accounting data using this feature. This feature is also used to restore club accounting records from backups that were exported earlier. Warning: Importing will erase all your club's existing transactions and this cannot be undone. When importing to a club with existing data, we recommend you use the backup manager to make a backup first.

Click to Make or Restore Backup

Backup Manager

- Scroll down to **Make Backup**.
 - How much data would you be willing to re-enter in case of data loss? 1 month, 2 months?
- Click **Recover** button to restore data from saved backup.
 - This will wipe out all current data.
- Delete unnecessary backups occasionally.

Backup Manager

The Backup Manager allows you to make periodic backups of your data to protect your club from errors made when entering or editing transactions. The system will make automatic backups of your database on a periodic basis, but you should regularly make backups according to your club's data protection policies.

Any member can make or download a backup, but only those members with appropriate accounting privileges can recover a backup. Recovering from a backup will replace your current books with those from when the backup was made. This process can take several minutes and will erase your club's current accounting records.

Important: Recovering a backup will **destroy your club's current online accounting records** in order to replace them with the imported records. **This process cannot be undone.**

Filename	Date	Size	
<input type="checkbox"/> 1. CheckedPast-3-3-2004-4-12-33-PM	3/3/2004	69726	Recover
<input type="checkbox"/> 2. CheckedPast-6-10-2005-12-22-56-PM	6/10/2005	43264	Recover
<input type="checkbox"/> 3. CheckedPast-2-9-2008-5-18-34-PM	2/9/2008	511943	Recover
<input type="checkbox"/> 4. CheckedPast-10-15-2009-11-24-14-AM	10/15/2009	514679	Recover
<input type="checkbox"/> 5. CheckedPast-5-18-2010-9-18-55-PM	5/18/2010	265911	Recover
<input type="checkbox"/> 6. CheckedPast-9-20-2011-9-52-07-PM	9/20/2011	280831	Recover
<input type="checkbox"/> 7. CheckedPast-3-20-2012-9-43-38-PM	3/20/2012	285367	Recover
<input type="checkbox"/> 8. CheckedPast-6-10-2016-9-46-11-AM	6/10/2016	302271	Recover
<input type="checkbox"/> 9. CheckedPast-9-17-2018-6-56-46-PM	9/17/2018	311303	Recover

Download an Offline Backup



- In addition to online backup, it can be useful to periodically download copy of club data for safekeeping.
- Can store on USB stick, upload to cloud backup service, email to self using web-based email client.
- Maybe save copy once a year after year is finalized.
- Can click on link from **Backup Manager**, or use **Export** function.

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Accounting > Utilities



Accounting Utilities

Accounting Utility	Description
Withdrawal Calculator	Determine recommended methods for withdrawing a member of your club either fully or partially.
Get quote	Get a current price, historical growth chart, or review the split and dividend history (including ex-dividend dates) about a security.
Backup manager	Use this feature to create online backups of your club's accounting data. You can also use this tool to restore your club books from one of these backups, or export one of these backups to your personal computer for use with the desktop program, Club Accounting for Windows.
Import accounting records	Users of our desktop software can import their accounting data using this feature. This feature is also used to restore club accounting records from backups that were exported earlier. Warning: Importing will erase all your club's existing transactions and this cannot be undone. When importing to a club with existing data, we recommend you use the backup manager to make a backup first.
BrokerSync	Import records directly from your broker.
Export accounting records	Use this feature to export your accounting data for desktop use with Club Accounting for Windows, or for back-up purposes.

Click to export
accounting data



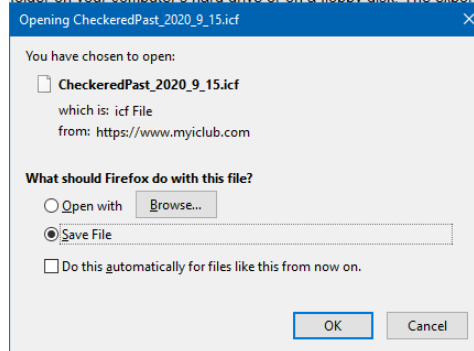
Export Accounting Records



Export Accounting Records

To export your club accounting data to your hard drive or floppy, press the export button below. Your browser will ask you to select the appropriate disk and folder on your computer's hard drive or on a floppy disk. The export file can be reimported back into myICLUB.com. You can also import the datafile into Club Accounting 3 for Windows.

Export



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Provide Annual Report to Members



- Some clubs prepare “Annual Report” to members that summarizes club activity & performance for year.
- Could include portfolio diversification reports, balance sheet, transaction summaries, etc.
- Club’s officers can come up with unique & interesting packet of information to share with members.

Check Performance against Overall Market



- myICLUB.com **Club Performance & Benchmark Report** compares club portfolio to broad market indexes.
- Benchmarking is more accurate over long-term term periods, so not something to review too frequently.
 - Perfect for year-end portfolio review.
- If in first few years you don't beat market, don't sweat it.
- Every investor & club has learning curve to climb.
- Startup expenses often eat up a good chunk of capital at onset.

Don't Change Treasurers at End/Start of Year



- Tax Season is intense time of year for club treasurers.
- Knowledge of past year's transactions can help to complete required tax returns.
- Changing treasurers at start of year & requiring new treasurer to complete tax returns can lead to frustration & errors.
- Instead, set officer elections in March/April (or later) to reconcile term of office with tax returns.
 - Consider holding elections in summer when business often is slower.

Questions?



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Thank You!

CONTACT ME AT GERLACH@ICLUB.COM WITH ANY QUESTIONS.

