

Balancing Your Investment Club's Books

DOUG GERLACH, PRESIDENT, ICLUBCENTRAL INC.

SEPTEMBER 2021



2

Handout & Questions

Handout in PDF format is available in Handouts tab.

Type questions in Questions box.

The screenshot shows the GoToWebinar interface. The 'Audio' tab is active, showing 'Computer audio' selected and 'Phone call' as an option. The microphone is muted. Below the audio controls, the 'Handouts: 1' tab is expanded, showing a PDF file named '2018-01 Preparing Club Taxes.pdf'. The 'Questions' tab is also visible, with an input field containing the placeholder text '[Enter a question for staff]' and a 'Send' button.

New for myICLUB.com Club Treasurers!



- Check out our new **myICLUB.com New Investment Club Treasurer Quick Start Guide!**
- 12-page PDF packed with tips for new investment club treasurers who use myICLUB.com.
- Download from the **File Storage** library of your myICLUB.com club (in the Free Resources section).



BALANCING YOUR INVESTMENT CLUB'S BOOKS

Why Balancing Your Club's Books Is Important



- Mistakes happen to all club treasurers.
- Due to nature of unit value accounting, minor errors can compound & become much harder to find.
- Unresolved errors can cause situations that are impossible or extremely difficult to fix (such as incorrect member withdrawal for individual who is no longer member).
- Reconciling books regularly is key to catching errors.

Monthly Account Reconciliation



- At minimum, each month, check that all bank & brokerage account cash balances in myICLUB.com match account statements.
- From **Accounting > Cash Accounts**, set date to be same as on account statements, click Submit button, & compare balances of each account to financial statements.
- **TIP:** Can be useful if dates for each transaction are same in books & accounts.

myICLUB

Your Clubs: Any I.C. Stock quote: [] go Welcome, Doug My Account | Logout

Club Home Accounting Reports Watch List Taxes People Voting Message Boards File Storage Calendar Help

Accounting > Cash Accounts: Account Summary

- Record account interest
- Record account expense
- Record money market dividends
- Record account income
- Record cash transfer between accounts
- Record charitable contributions
- Create a new cash account
- Enter beginning account balances
- View/edit all cash account transactions

Account	Balance	Mark Default	Mark Inactive
Sea*Trade	\$19,642.73	<input checked="" type="radio"/>	<input type="radio"/>
Pacific Credit Union	\$7,679.82	<input type="radio"/>	<input type="radio"/>
Suspense	\$0.00	<input type="radio"/>	<input type="checkbox"/>

Date: 8/31/2021 Show Inactive Accounts

Brokerage Account Reconciliation

- For securities held, compare only number of shares owned in brokerage account to number of shares on club's Valuation Statement.
- Do not try to match total value of brokerage portfolio to myICLUB.com's books.
 - Even if same day is selected, prices could be different. ***This is normal & nothing to be worried about.***

Symbol	Shares	Last Close Price	Date of Last Close Price	Type	Market Value
AAPL	404	\$143.43			\$57,945.72
AL	200				\$7,348.00
CCS	400	\$62.78			\$5,111.20
DRE	400	\$48.90			\$5,508.00
EXR	75	\$179.74			\$13,480.50
FAST	120	\$52.67	9/21/2021	Common Stock	\$6,320.40
GILD	110	\$71.73	9/21/2021	Common Stock	\$7,890.30
GMED	185	\$78.62	9/21/2021	Common Stock	\$14,542.70
MLR	210	\$34.28	9/21/2021	Common Stock	\$7,200.80
OLED1	80	\$189.79	9/21/2021	Common Stock	\$15,183.20
OLLI	100	\$64.24	9/21/2021	Common Stock	\$6,424.00
ORLY	110	\$607.22	9/21/2021	Common Stock	\$66,794.20
PDQ-1	10	\$22.50	01/17/2021	Common Stock	\$225.00

When reconciling books with brokerage, it's # of Shares that's important, NOT market value.

Annual Reconciliation



- To ensure accurate tax returns, reconciliation must be done at year-end.
- If monthly or quarterly reconciliations are done, annual balancing should be relatively easy.
- If regular reconciliation is not done, follow same monthly procedures at year-end.

What If Amounts Don't Match?



- If amounts don't match, proceed to line-by-line reconciliation of each transaction.
- Generate myICLUB.com **Cash Journal Report** for account under review.
 - Use same date range as range used on bank/brokerage account statement.
- Print/save Cash Journal Report.
- Compare starting balance, ending balance, & each transaction to make sure they match.
- After fixing any errors, go back to myICLUB.com Cash Accounts & make sure balances now match.

Cash Journal



Report for dates from 3/1/2021 to 9/1/2021 (generated on 9/21/2021).

Date	Type	Description	Receipts	Expenditures	Sea*Trade
3/1/2021	Starting balance				\$10,089.22
3/17/2021	Cash transfer		\$8,703.51		\$18,792.73
3/29/2021	Deposit cash		\$850.00		\$19,642.73
9/1/2021	Ending balance				\$19,642.73

Show transactions

from
to

Select Account & Date Range (same as on financial institution account statement).

Common Errors to Watch For



- Transaction was never entered in books.
- Wrong account was selected.
- Wrong date was entered.
 - myICLUB.com will catch dates more than 1 year in past, but day, month, or year could still be incorrect.
- Incorrect amount was entered.
 - Digits were transposed or missed.
 - Decimal was in wrong place.

Common Security Transaction Errors



- In addition to cash amount errors, watch out for these when checking security purchases or sales.
 - **# of shares & total value** should be used when recording transaction in myICLUB.com, not price/share.
 - myICLUB.com no longer allows for price/share to be used in these, but older buys/sells could be affected.

FINDING & FIXING ERRONENOUS TRANSACTIONS

What If Error Can't Be Uncovered?



- myICLUB.com's **Transaction Search** is very robust & can help find any transaction.
- Transaction search is found in **Accounting > Summary > View/edit transactions**.
- Basic search includes **date range & transaction type**.
- Advanced search adds search of date transaction entered, text, amount, specific accounts.

Basic Search

View/Edit Transactions

Show/Search transactions

Search for transactions meeting the following criteria:

Transaction Date
 From To

Transaction Type

[Show Advanced](#)

Advanced Search

View/Edit Transactions

Show/Search transactions

Search for transactions meeting the following criteria:

Transaction Date
 From To

Transaction Type

Date Transaction Entered
 From To *leave blank to include all*

With amount *leave blank to include all*

Containing text *leave blank to include all*

In Account

[Hide Advanced](#)

Date Transaction Entered can be especially useful if you can't find transaction.

Fixing Mistakes in myICLUB.com

- Most transactions can be edited.
- Click **Edit** button, fix error, click **Submit**.

Transaction Description

Type	Security income	The action taken.
Date	5/21/2021	Date of the transaction.
Ex-Div date	4/21/2021	Ex-dividend date.
Type	Dividend	Type of the security income.
Symbol	RY	Ticker symbol of the security.
Company	Royal Bank of Canada	Name of the company.
Amount	\$9.18	Net amount of the Dividend.
ForeignTax	\$1.62	The amount of the foreign tax paid.
Total Amount	\$10.80	Total amount of the Dividend.
Account	Pacific Credit Union	The Dividend was deposited to Pacific Credit Union.

Click [here](#) to continue.

Re-Entering Transactions in myCLUB.com



- Some transactions (such as Member Withdrawals) can't be edited, but must be deleted then re-entered.
 - Make backup in Backup Manager.
 - Return to transaction & note all details (save screen grab, print out, write down).
 - Delete transaction.
 - Re-enter w/correct details & save.

ADVANCED TOPICS

Using Suspense Account



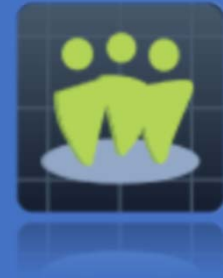
- Transactions in myICLUB.com should use same date as transactions in financial accounts.
- In cases where there is delay in transactions posting (such as when mailing deposits), you can:
 - Edit myICLUB.com transaction date to reflect date of actual transaction when known, OR
 - Use Suspense Account to follow flow of transactions.

Using Suspense



- Suspense Account is especially useful to track large transactions across valuation statement dates.
- Traditionally, was used for security purchases made in direct investment plans with check sent by mail.
 - When check is written, funds are transferred from bank to suspense.
 - When security purchase occurs, purchase is funded with cash from suspense.
- This way, cash would not show as “available” on valuation statement.

Questions?



24

Thank You!

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

