

Closing the Investment Club's Books at Year-End 2022

Presented by the
myICLUBcom Team
December 2022



Your Hosts



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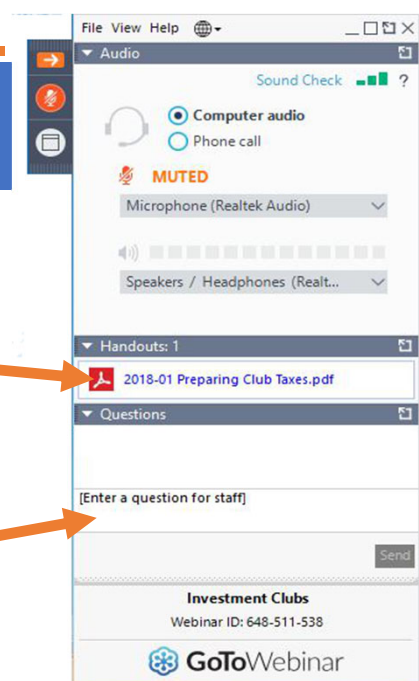


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Handout & Questions

Handout in PDF
format is available
in Handouts tab.

Type questions in
Questions box.



WELCOME



Upcoming Tax Preparation Webinars



January 17, 2023, 8:30-9:30 ET: **Filing the Investment Club's 2022 Taxes**

February 21, 2023, 8:30-9:30 ET: **Investment Club Tax Clinic**

Register at www.ICLUB.com in Learning tab.

What's New for 2022 Tax Year?



- IRS now allows investment clubs to **opt out of Schedules K-2 & K-3** as part of Form 1065.
- These report foreign income earned by partnership in tax year.
- K-2 is 20+ pages, while EACH partner's K-3 is ALSO 20+ pages.
- However, reporting required by most investment clubs involves only a few fields on these schedules.
- Following are draft rules from IRS on opting out.

4 Conditions to Opt Out of K-2/K-3



1. Partnership has no or limited foreign activity:
 - a) If there is activity, it must be passive (such as investment income).
 - b) Taxes paid (or withheld) and/or accrued must be less than \$300.
 - c) A payee statement (such as a brokerage firm's Form 1099) must be received.
2. Partners are restricted to following:
 - a) U.S or resident alien individuals.
 - b) Domestic trusts (grantor or non-grantor).
 - c) Domestic estates of deceased persons.
 - d) Not a foreign estate or trust.
 - e) Not a foreign individual (an individual who does not have resident alien status).
3. All partners must be notified partnership intends to exclude Schedule K-3 from Form 1065 filing no later than when a club furnishes schedule K-1 to partners (March 15).
4. No partner requests a Schedule K-3 before one month prior to club's Form 1065 filing.

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Opt-Out Tool in myICLUB.com



For clubs that qualify, **Taxes** tab at myICLUB.com has new tool to notify members that K-2/K-3s will **not** be provided.

The screenshot shows the myICLUB.com interface. At the top, there's a navigation bar with tabs: Home, Accounting, Reports, Watch List, **Taxes**, People, Voting, Discussions, File Storage, Calendar, Videos, and Help. Below the navigation bar, the '2022 Club Tax Printer' section is active. It includes a 'Schedule K-2/K-3 Opt-Out' link and a confirmation message: '2022K-2/K-3 OPT OUT STATUS: CONFIRMED (Notice sent to members 12/8/2022 at 9:59 AM.)'. A note states: 'New for the 2022 tax year, the IRS has changed its regulations and now allows investment clubs to opt out of completing Schedules K-2 and K-3 as part of their Form 1065 filing.' Below this, it explains that these schedules report foreign income and are in excess of 20 pages. Finally, it lists the four conditions for opting out of Schedules K-2 and K-3:

1. The partnership has no or limited foreign activity.
 - a. If there is activity, it must be passive (such as investment income).
 - b. Taxes paid (or withheld) and/or accrued must be less than \$300.
 - c. A payee statement (such as a brokerage firm's Form 1099) must be received.

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Unsupported Club Member Entities



- Foreign (non-US) partners who are not resident aliens have never been supported in myICLUB.com or Club Tax Printer.
 - Holders of “green cards” are fine.
- These individuals must have taxes withheld & are subject to different tax reporting requirements.



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myICLUB.com Club Tax Printers



- Federal: e-Filing or paper filing.
 - Expect release in January.
- State: e-Filing and/or paper filing offered for AZ, CA, IN, MA, NY, NJ, & WI, CO, GA, IA, MD, MN, MO, OR, PA.
 - Other states may require filings.
- Details offered in January webinar.

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Tax Return Calendar

**JAN**

Order myICLUB.com Club Tax Printers.
Create Audit Committee.
Confirm all 2022 Transactions Are Recorded in Books.

FEB

Receive 1099s & Confirm Accuracy of Data.
Convene Audit Committee & Audit Books.

MAR

By March 15: Generate & File Club IRS Return,
& Distribute K-1s to Partners.
File State Returns by Appropriate Deadlines.

||



CLOSING YOUR CLUB'S BOOKS

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“Closing the Books” Helps to:



1. Ensure accuracy of club's books.
 - Catch errors before they compound & become incredibly difficult to resolve.
2. Provide members with details about club performance & results.
3. Comply with partnership tax law & prepare to generate federal & state tax returns.

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Use Recommended Allocation Settings



- **Allocation method:**
 - Should use “Time-based” allocation. (Allocates income/expenses & gains/losses to members as of ownership on date of each transaction.)
 - Fairer to members with different ownership levels.
- **Unit distribution/reinvestment method:**
 - Do NOT distribute/reinvest units (it's needlessly complex & messes up return calculations).
 - Select 1st year you did/will not distribute units. (New clubs: 1st year of operation is selected by default.)

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In myICLUB.com,
go to “Allocation
Settings” in
Accounting >
Utilities.



Accounting

Summary

Wizards

Securities

Cash Accounts

Utilities

Get stock quote

Backup manager

Import accounting records

Export accounting records

Start club books

Allocation Settings

Customize how your club's year-end allocation of income and expenses is performed with these advanced settings. Investment clubs formed in or after 2010 will not need to adjust these settings, and most investment clubs formed before 2010 will not need to adjust these settings more than once.

Time-based Allocation Settings

The time-based method allocates income and expenses from taxable transactions to each member at year-end according to the amount of the club each member owned at the time of the transaction. This is the default and the recommended method of allocating income and expenses as it is fairer for members. The non-time-based method allocates income and expenses according to the amount each member owned at the time of their withdrawal or as of the end of the club's fiscal year. This method was used before computerized club accounting software was developed and, while acceptable, can create less “fair” allocations, especially for members with significant changes in ownership in the club throughout the course of the year.

Select the method for your club

☒ Time based allocation

☐ Non-time based allocation

Reinvestment of Allocated Income and Expenses

When first developed, investment club accounting followed a similar method of unit accounting as used by mutual funds, with year-end allocations of income and expenses reinvested in the purchase or sale of units in the club. Later, this reinvestment was deemed unnecessary, so the mandatory reinvestment of units as part of the year-end allocation was removed in myICLUB.com. Members' cost basis (paid in plus earnings) are still adjusted by the year-end allocation, but no reinvestment of units occurs. Since clubs may have used reinvestment in the past, this setting allows those clubs to maintain accurate records before the switchover to the new, simpler allocation method. Allocations in years prior to the year selected will use the old methodology and reinvest units at year-end. Allocations starting with (and including) the year selected will use the new methodology and not units will not be adjusted. Effective with the 2010 year, reinvestment of units was discontinued entirely.

Select the year in which your club began using the new year-end allocation methodology if prior to 2010:

2006 ▼


Correctly Identify Types of All Securities



- Check Security settings:
 - myICLUB.com: Accounting > Securities > Update Security Settings
- Ensure “Type” is correct:

Security Type	Set in Program As:
Stocks	Stocks - Common
Mutual Funds	Mutual Fund
Real Estate Investment Trusts (REITs)	Stocks - REIT
Exchange Traded Funds (ETFs)	Other
Limited Partnerships & Other	Other

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Accounting

Summary

Wizards

Securities

Buy

Sell

Cash Distribution

Reinvest

Edit security settings

This page allows you to edit the symbol, name, security type, tax status, and (for mutual funds and fixed cash investments) method used for cost basis calculation.

Basic Settings

Company Name

Symbol [\(What's this?\)](#)

Exchange

Security Type


Advanced Settings

Federal Tax-Free? ☐


Country [\(What's this?\)](#)

Quote Symbol [\(What's this?\)](#)

Securities to Avoid in Clubs



- Some securities pose problems for clubs:
 - Gold/Precious Metals/Commodities (or ETFs that hold).
 - Real Estate Investment Trusts (REITs).
 - Business Development Companies (BDCs).
 - Royalty Trusts.
 - Publicly Traded Partnerships (PTPs).
 - Master Limited Partnerships (MLPs).
 - Cryptocurrency.
 - Equity options.
- Problems include additional complexity for treasurer: workarounds, manual calculations, additional entries, additional tax forms.
 - Contact ICLUBcentral for (limited) support on dealing with these securities.
- Sell NOW before another year passes to eliminate problems in future years.




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Correctly Identify Countries of All Securities



- IRS is collecting more information on “foreign” investments.
 - “Foreign” company is any company that is not a U.S. company.
 - ADRs are included.
- Check Security settings:
 - myICLUB.com:Accounting > Securities > Update Security Settings
- Ensure “Country” is correct.

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Accounting

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Company Name

Symbol [\(What's this?\)](#)

Exchange

Security Type

Advanced Settings

Federal Tax-Free? ☐

Country [\(What's this?\)](#)

Quote Symbol [\(What's this?\)](#)

Submit **Cancel**

Ensure Member Information Is Correct



- To prepare club's tax returns, check People > Member Profile to make sure following are correct, especially:
 - Social Security/Tax ID numbers.
 - Address.
 - If member is "Foreign partner."

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ANY IC

People

My Preferences
Add member
Invite visitor
Invitations outstanding
Send invitations

Edit Member Profile

Change of address of responsible party? You may need to file [form 8822-B](#) with IRS. ([Help](#))

Member's Current StockWatcher Duties

None

[Prepare StockWatcher Report](#) [StockWatcher Assignments](#)

Personal Information

First Name:

Middle Name:

Last Name:

E-mail:

Social Security Number:

Foreign Partner? ☐ ([What's this?](#))

Permanent Address

Address:


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Charitable Donation from the Club



- Consider making donations to eligible charities.
- Club can donate securities or cash.
 - myICLUB.com is only program that supports donations of securities.
- Charitable deduction passes through to members.
- For donations of securities, cost basis is stepped up to present value (thus can avoid capital gains)!

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Accounting

Summary

Wizards

Securities

Members

Cash Accounts

Interest

Expense

Bank/Money market

Record Charitable Contributions

Use this form to record the a donation to a charity or non-profit. This donation will be distributed separately from other expenses.
If this is a cash only donation, please click the "Cash only donation" below after entering the information in the form. If the donation included stocks, please click the "Select stocks" button.

Date	<input type="text" value="12/7/"/>	Date of the charitable contribution.
Amount	\$ <input type="text"/>	The total amount of the charitable contribution. This amount includes the cash amount of the contribution, and also the total value of any donated stocks.
Account	<input type="text" value="Sea*Trade"/>	Choose the account from which the contribution funds were drawn.
Distribution method	<input type="text" value="By ownership share"/>	Enter whether this charitable contribution should be equally divided between all members of the club or by weighted ownership percentage in the club.
Comments	<div style="border: 1px solid #ccc; height: 40px;"></div>	

Cash only donation
Select stocks
Cancel
Reset

Finalize Club Data in Books



- Ensure all transactions up to & including 12/31 are entered in books.
- **HOWEVER:**
 - Do NOT enter withdrawal or other transaction on 12/31.
 - Move to 12/30 any transaction that happened on 12/31.
 - Move to 12/30 any mutual fund distribution that is paid in next year BUT taxable in prior year.

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Review Books for Problem Transactions



- Member “Fees” should be used only for penalties.
 - Such as bounced check fees.
 - All other money put in by members should be recorded as Member Payments.
- Dividends from stocks should be entered as “Security Transactions.”
 - CAN NOT be entered as Cash transactions.
 - Must include Ex-Dividend date to determine proper tax treatment.
 - Use myICLUB Securities Distributions Report to review all ex-dividend dates entered & correct.
- Member Withdrawals SHOULD NOT be entered on valuation dates.
- All splits should be recorded for all stocks.

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StockWatcher

My Assigned Stocks

Generate Report

StockWatcher Assignments

Club Watch List

Monthly

Unified Report

Valuation Statement

Member Status

Portfolio

Company Size

Sector/Industry

Security Dividends

Report for dates from 1/1/2020 to 12/31/2020 (generated on 12/7/2021).

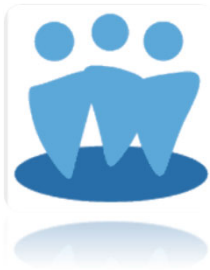




Date Paid	Ex-Div Date	Security	Qualifying Amount	Non-Qualifying Amount	Remarks
2/13/2020	2/7/2020	Apple	\$331.10	\$0.00	
2/14/2020	2/8/2020	Apple	\$313.90	\$0.00	
2/24/2020	1/24/2020	Royal Bank of Canada	\$8.92	\$0.00	
2/24/2020	2/24/2020	Royal Bank of Canada	\$1.58	\$0.00	
2/28/2020	2/13/2020	Duke REIT	\$0.00	\$94.00	
5/22/2020	4/22/2020	Royal Bank of Canada	\$9.18	\$0.00	
5/22/2020	5/22/2020	Royal Bank of Canada	\$1.62	\$0.00	
5/31/2020	5/13/2020	Duke REIT	\$0.00	\$86.00	
8/15/2020	8/9/2020	Apple	\$53.90	\$0.00	
8/24/2020	7/24/2020	Royal Bank of Canada	\$9.18	\$0.00	
8/24/2020	8/24/2020	Royal Bank of Canada	\$1.62	\$0.00	
8/30/2020	8/14/2020	Duke REIT	\$0.00	\$86.00	
11/24/2020	10/23/2020	Royal Bank of Canada	\$9.18	\$0.00	
11/24/2020	11/24/2020	Royal Bank of Canada	\$1.62	\$0.00	

Questions?





YEAR-END VALUATIONS


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Create Year-End Valuation



- Clubs must create one year-end valuation to close out year.
- First, create Securities Valuation/Valuation Statement for 12/31.
 - If market closed on 12/31, security prices from last day market was open will be used (still represents valuations as of 12/31).
 - Do NOT use Valuation Statement from December meeting.
- Remember, do NOT enter any transactions on 12/31 – move these to 12/30.

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Accounting

Summary

Wizards

Securities

Buy

Sell


Create New Valuation

Create a new official securities valuation and download or enter prices for all the club's securities as of that date. This is typically only done once a month pursuant to the terms in your club's operating documents.

Step 1 : Choose a valuation date

Select the date on which you wish to value your club securities.

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Accounting

Summary

Wizards

Securities

Buy

Sell

Cash Distribution

Reinvest

Stock split

Merger

Review/Edit Securities Valuations

Step 2 : Value securities for 12/31/2021 [What's a Quote Symbol?](#)

Symbol	Quote Symbol	Price	Shares owned on 12/31/2021	Price date
AAPL	AAPL	\$165.32	404.000000	12/31/2021
AL	AL	\$42.56	200.000000	12/31/2021
CCS	CCS	\$80.73	400.000000	12/31/2021
DRE	DRE	\$60.79	400.000000	12/31/2021
EXR	EXR	\$205.19	75.000000	12/31/2021
FAST	FAST	\$62	120.000000	12/31/2021
GILD	GILD	\$69.5	110.000000	12/31/2021
GMED	GMED	\$67.19	185.000000	12/31/2021
MLR	MLR	\$33.71	210.000000	12/31/2021
OLED1	OLED	\$150.44	80.000000	12/31/2021
OLLI	OLLI	\$53.68	100.000000	12/31/2021
ORLY	ORLY	\$661.43	110.000000	12/31/2021



Accounting

Summary

Wizards

Securities

Buy

Sell

Cash Distribution

Reinvest

Stock split

Valuation Confirmed

Step 3 : Confirmation page - security values on 12/31/2021

Symbol	Quote Symbol	Price	Shares
AAPL	AAPL	\$165.32	404.000000
AL	AL	\$42.56	200.000000
CCS	CCS	\$80.73	400.000000
DRE	DRE	\$60.79	400.000000
EXR	EXR	\$205.19	75.000000
FAST	FAST	\$62.00	120.000000
GILD	GILD	\$69.50	110.000000
GMED	GMED	\$67.19	185.000000
MLR	MLR	\$33.71	210.000000
OLED1	OLED	\$150.44	80.000000
OLLI	OLLI	\$53.68	100.000000
ORLY	ORLY	\$661.43	110.000000
PDQ-1	PDQ-1	\$0.00	100.000000



StockWatcher

My Assigned Stocks

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StockWatcher Assignments

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Monthly

Unified Report

Valuation Statement

Member Status

Portfolio

Company Size

Valuation Statement





Valuation statement as of 12/31/2021 (generated on: 12/7/2021).

[Create a New Valuation](#)
 [Edit/Delete an Existing Valuation](#)

Choose from your club's official valuation dates 12/31/2021

☒ Include the compound annual return (CAR) in the valuation statement. ([What's this?](#))

Start return calculations from 9/13/1997

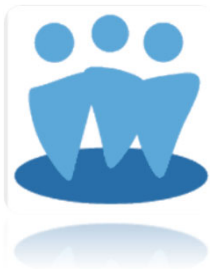
Submit

Security	Date first purchased	Shares owned	Cost/ share	Total cost	Price/ share	Market value	% of total	CAR since 9/13/97
Apple (AAPL)	01/25/07	404.0000	\$16.7307	\$6,759.21	\$165.32	\$66,789.28	19.0%	21.8%
Air Lease (AL)	06/15/14	200.0000	\$38.0000	\$7,600.00	\$42.56	\$8,512.00	2.4%	1.6%
Century Communities (CCS)	10/03/17	400.0000	\$36.2750	\$14,510.00	\$80.73	\$32,292.00	9.2%	38.2%
Duke REIT (DRE)	08/07/11	400.0000	\$10.9350	\$4,374.00	\$60.79	\$24,316.00	6.9%	18.8%
Extra Space Storage (EXR)	07/01/17	75.0000	\$66.8300	\$5,012.25	\$205.19	\$15,389.25	4.4%	30.3%
Fastenal (FAST)	06/13/08	120.0000	\$36.1467	\$4,337.60	\$62.00	\$7,440.00	2.1%	10.3%
Gilead Sciences (GILD)	06/02/09	110.0000	\$63.9918	\$7,039.10	\$69.50	\$7,645.00	2.2%	2.3%
Globus Medical (GMED)	07/23/20	185.0000	\$54.0500	\$9,999.25	\$67.19	\$12,430.15	3.5%	16.3%

Questions?



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ALLOCATING INCOME & EXPENSES

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Why Allocate Income & Expenses?



- Partnerships (& LLCs) are “pass-through” entities for tax purposes.
 - Partnership income is not taxed federally or by most states, but instead is “passed through” to partners.
- Each year, partnership must allocate to each partner their share of income & expenses.
 - Income & expenses are allocated according to each partner’s ownership percentage in club.
 - Required by partnership tax law to accurately track member cost basis in club (PIPE).
- Note: According to IRS, expenses must be allocated by capital account ownership unless otherwise specified in partnership agreement.

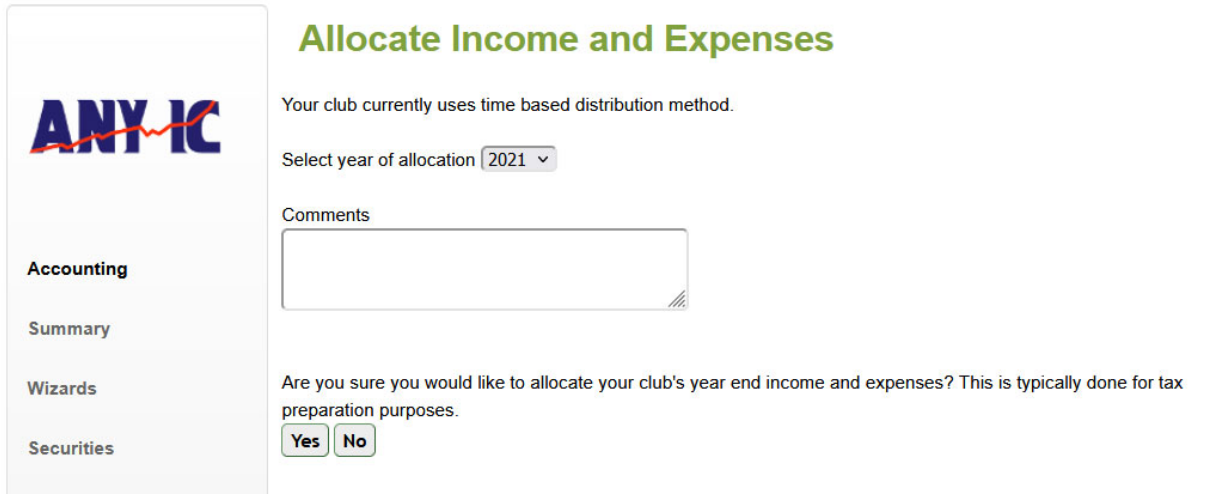
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Allocate Income & Expenses



- After all transactions are entered in myICLUB.com, allocate income & expenses for entire year.
 - **myICLUB.com**: Accounting > Utilities > Allocate income & expenses
- Done only once each year at year-end, generally after receiving 1099s.
- Can re-run if necessary.

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ANY IC

Accounting

Summary

Wizards

Securities

Allocate Income and Expenses

Your club currently uses time based distribution method.


Select year of allocation 2021

Comments

Are you sure you would like to allocate your club's year end income and expenses? This is typically done for tax preparation purposes.

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Extra Step for REITs & Mutual Funds



- If own REITs, Mutual Funds, or “Other” securities, you will be prompted to enter any Qualified Dividend or Unrecaptured Section 1250 Gain during Allocation process.
 - Section 199A Dividends + Qualified Dividends on Form 1099 are entered as Dividends in myICLUB.
 - Long-term Capital Gain Distributions + Unrecaptured Section 1250 Gains on Form 1099 are entered as Long-term Capital Gain Distributions.
 - Allocation process will differentiate between these for tax filing.
- This figure will be on Form 1099 from brokerage, but may also be available from REIT or fund website in early January.

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Handling Fund Distributions



- Mutual funds, REITs, & ETFs report breakdown of quarterly distributions only at year-end.
- Distributions can include:
 - Dividends.
 - Short-term & long-term gains.
 - Return of capital.
 - Interest.
- Other categories will require manual entries in club books.
- If Allocation is done prior to receipt of 1099 information, may need to redo Allocation to correct entries.

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Allocate Income and Expenses



Accounting

Summary

Wizards

Securities

Enter Additional 1099-DIV Information

You should have your Form 1099-DIV from your mutual fund/REIT/other security available when entering values on this screen. Enter the amount of qualifying dividends (box 1b) and the amount of Unrecaptured Section 1250 Gains (box 2b) distributed by the mutual fund/REIT/other security.

Security	Qualifying Dividend	Unrecap. Sec. 1250 Gain
DRE	0.00 (Total: \$360.00)	0.00 (Total: \$0.00)


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Completing Allocation



- Once report is generated, provide copies or link to members.
 - NOTE: If any transactions are changed during prior year, should regenerate Allocation.
 - Members should know that report should be considered “preliminary” until data is confirmed by 1099.
- REMINDER: If needed, can regenerate Allocation as many times as necessary prior to preparing tax returns.

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StockWatcher

My Assigned Stocks
Generate Report
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Club Watch List

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Valuation Statement
Member Status

Portfolio

Company Size
Sector/Industry

Allocation of Income and Expenses Report

Allocation of Income and Expenses as of 12/31/2021 (generated on: 12/7/2021).

If you would like to recalculate year-end distributions, please [follow this link](#).

Year of Allocation

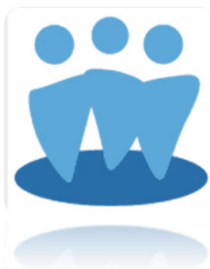
2021

	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
Alphonse, Earl	\$0.06	\$0.17	\$0.00	\$0.00	\$0.00	(\$15.79)	\$0.00	(\$0.70)	\$0.00	(\$0.02)	\$0.00	(\$16.28)
Cod, Alantis	\$3.15	\$4.11	\$0.00	\$0.00	\$0.00	(\$355.44)	\$0.00	(\$38.20)	\$0.00	(\$0.62)	\$0.00	(\$387.00)
Crabb, Dungy	\$0.68	\$0.90	\$0.00	\$0.00	\$0.00	(\$77.64)	\$0.00	(\$8.26)	\$0.00	(\$0.13)	\$0.00	(\$84.45)
Dorado, Portia	\$0.59	\$0.78	\$0.00	\$0.00	\$0.00	(\$67.85)	\$0.00	(\$7.17)	\$0.00	(\$0.12)	\$0.00	(\$73.77)
Finn, Sarah	\$0.80	\$1.05	\$0.00	\$0.00	\$0.00	(\$90.94)	\$0.00	(\$9.66)	\$0.00	(\$0.16)	\$0.00	(\$98.91)
Gerlach, Doug	\$0.57	\$0.76	\$0.00	\$0.00	\$0.00	(\$65.53)	\$0.00	(\$6.86)	\$0.00	(\$0.11)	\$0.00	(\$71.17)

Questions?



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AUDIT THE BOOKS



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What Is a Club Audit?



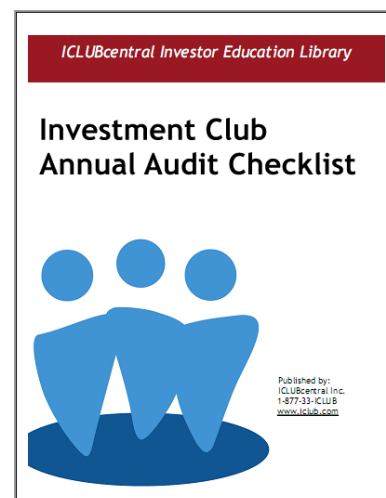
- Experienced treasurers welcome annual audit of club's books.
- Audit process reviews club's transactions & records for year.
- Intended to discover errors or potential problems before filing club's tax returns.
- Can also provide feedback on how treasurer can work more effectively & educate members about treasurer's job.
- Required for Club Fidelity Bond.

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How to Audit the Books



- Use "Investment Club Audit Checklist" from ICLUBcentral.
- Download:
 - Along with handout from this webinar.
 - From ICLUB.com Club Hub (in Learning tab).
 - From myICLUB.com File Storage.



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The Audit Committee



- Create Audit Committee of members.
 - Treasurer may be available for questions but is NOT member of committee.
- Committee may choose to meet:
 - After 1099s received (however, time is short before March 15th tax deadline), OR
 - When year-end statements are available (when more time is available but committee may not be able to review 1099s).

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Required Documents for Audit Committee



- Committee can access all necessary detail reports from myICLUB.com Reports, usually including:
 - Complete Journal.
 - Transaction Summary Report.
 - Member Deposits Report.
- Treasurer provides copies of:
 - Brokerage/bank monthly statements.
 - Brokerage/bank Form 1099.
 - Brokerage trade confirmations.

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Conducting the Audit



- Increasingly with electronic document availability, committee can meet online or handle tasks individually, then share results with chair of Audit Committee.
- Can delegate tasks by time (each committee member reviews certain number of months) or type of transactions (cash, securities, members).
 - Can subdivide as necessary depending on size of committee & club, such as having one member review security dividends & 1 member review security buys/sells.

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Many Different Audit Methods



- Choose system for reviewing transactions.
 - Clubs with fewer members & transactions might have committee review all transactions in year.
 - Mature clubs with lots of members & transactions might have committee review meaningful sample of transactions in year:
 - All transactions in selected random months from year, OR
 - Random assortment of all kinds of transactions, OR
 - Divide transaction by type & assign entire category to single committee members.
- Always pay special attention to larger or more complex transactions.
- Compare transactions to make sure entries in club's books match financial institution statements & Form 1099s.

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If Errors Are Found



- Errors could be simple typos or misentered numbers, OR deviations from best practices.
- Report to club & treasurer who will correct in books & re-generate any affected reports (especially year-end valuation & allocation of income & expenses).
- Make recommendations about better procedures.

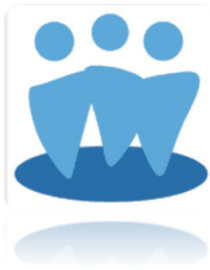
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When Audit Is Completed



- Committee members sign & submit “Annual Verification Report” to club.
- Thank Club Treasurer for another great year!
- Keep Audit Report with club’s records.

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OTHER YEAR-END TASKS

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Collect Bank/Brokerage Tax Documents



- Year-end statements begin to be delivered in early January.
- Financial institutions & certain securities provide customers & IRS with required documents from January – March.
 - Increasingly, these are delivered electronically, so look for them on brokerage website.
 - Often, they are released prior to announcement being sent to customers!
 - May have preliminary information if final is not available.
- IRS has deadlines for when info is required to be sent, but not uncommon for brokerage firms to be late.

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Types of Financial Institution Documents



- By January 31:
 - 1099-DIV - Dividends & Distributions.
 - 1099-INT - Interest Income.
 - 1099-MISC - Miscellaneous Income.
 - 1099-OID - Original Issue Discount.
- By February 15:
 - 1099-B - Proceeds From Broker & Barter Exchange Transactions (or Consolidated 1099).
- By March 15:
 - K-1 (Form 1065) - Partner's Share of Income, Credits, Deductions, etc. (If club owns LP or similar entity, even if it trades on exchange, may have to request filing extension.)

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Reconcile Club Data



- Info on financial institution tax docs should match what you report to IRS.
 - Exceptions are possible for spinoffs, merger with cash, other corporate action transactions.
- Verify club's books agree with bank/brokerage statements & 1099s.
 - Brokers required to report tax basis of sold stocks for lots bought after Jan 2011, so Form 1099s are now more complex.
- Check totals from Form 1099 matches totals on:
 - Capital Gains Report.
 - Allocation Report.
 - Valuation Statement.
 - Transaction Summary.

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Provide Reports for Members



- Remind members that they have access to:
 - **Valuation Statement** for 12/31.
 - **Allocation of Income & Expenses** for 1/1 to 12/31.
 - **myICLUB Member Tax Report:**
 - Provides enough detail for tax preparer to begin work on member's return while awaiting K-Is.
 - No member should file individual return until club issues K-Is to members.
- **Optionally:**
 - Portfolio Diversification Reports & Portfolio Benchmarking Report (useful for review of club portfolio at year-end).
 - Complete Journal for year.

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Ordering Club Tax Printers



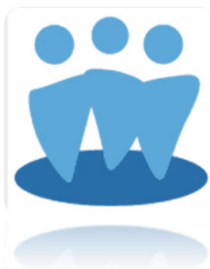
- Pre-order online at www.ICLUB.com/taxes/ or call 1-877-33-ICLUB.
- After pre-ordering, Club Tax Printers will be released in Taxes tab of your myICLUB.com website once IRS & state approvals are received.

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Questions?



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GETTING HELP



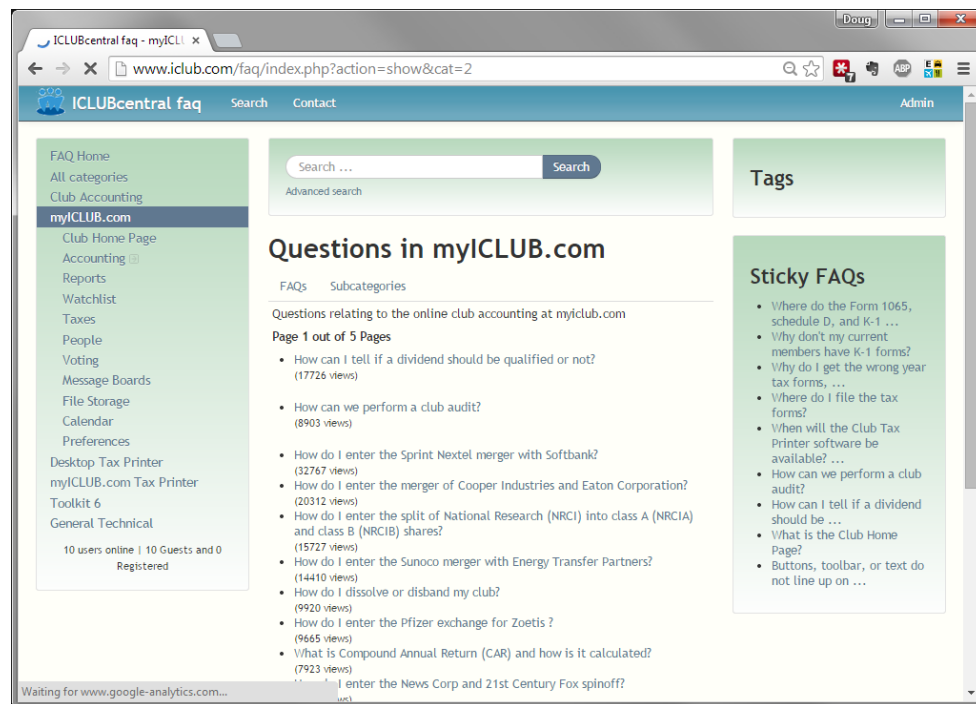
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ICLUBcentral Technical Support

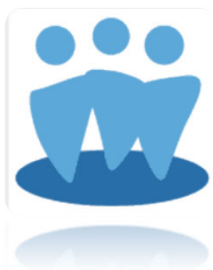


- First, check Frequently Asked Questions (FAQ):
www.iclub.com/faq/
- Second, request online support: www.iclub.com/support/
- Third, call support line: 1-877-33-ICLUB
 - Open 9:30 AM to 6:00 PM ET, Monday – Friday.
 - Busiest day is Monday – *plan your problems accordingly!* 😊

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ANY LAST QUESTIONS?

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Thank You!

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