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**myI CLUB.com**

*The World's Most  
 Popular Website for  
 Investment Club  
 Accounting &  
 Operations.*

[www.myI CLUB.com](http://www.myI CLUB.com)

# Closing the Investment Club's Books at Year-End 2025

DOUG GERLACH • MYI CLUB.COM • DECEMBER 2025



## Meet the Team



**Douglas Gerlach**  
*President,*  
ICLUBcentral Inc.



**Russell Malley**  
*Club Accounting Advisor,*  
ICLUBcentral Inc.

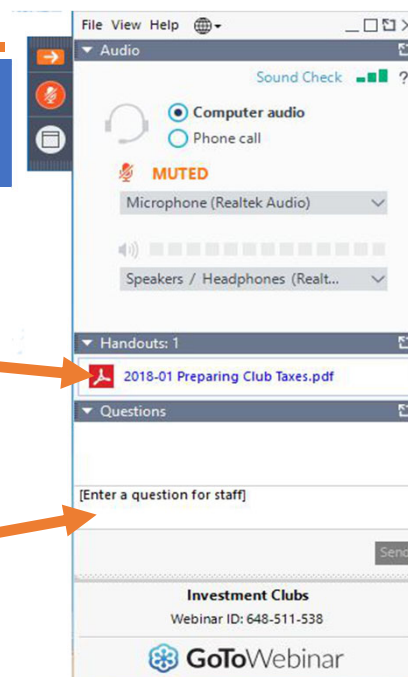


**Sean Pulrang**  
*Senior Support Representative,*  
ICLUBcentral Inc.

## Handout & Questions

Handout in PDF format is available in Handouts tab.

Type questions in Questions box.





## WHAT'S NEW FOR 2025

DOUG GERLACH

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## Upcoming Webinars



- Jan 20, 2026, 9:00-10:00 ET. **Filing Your Investment Club's 2025 Taxes.**
- Feb 17, 2026, 9:00-10:00 ET. **2025 Investment Club Tax Clinic.**
- Replay on demand: **Conducting an Investment Club Audit**, on ICLUBcentral YouTube Channel:  
[www.YouTube.com/ICLUBcentral](http://www.YouTube.com/ICLUBcentral).

## myI CLUB.com Club Tax



- **Federal:** e-Filing & paper filing.
  - Expect release in January.
- **State:** e-Filing and/or paper filing offered for AZ, CA, CO, GA, IA, IN, MA, MD, MN, MO, NJ, NY, OK, OR, PA, WI.
  - Note: Other states may require filings (see [www.myI CLUB.com/taxes/](http://www.myI CLUB.com/taxes/)).

**Full details on club tax generation will be provided in January webinar.**

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## What's New for Tax Year 2025?



- IRS eased requirements for Schedule K-2 & K-3.
  - “Small partnerships” typically exempt from filing forms used to report foreign income.
- Requirements for clubs that must use myI CLUB Club Tax – Deluxe **expanded** from last year.
  - More clubs with lots of transactions or that have complex transactions.

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## What's Returning for 2025?



- **IRS Form 7004** e-Filing (to request automatic Form 1065 6-month extension) remains \$13.
- **Club Tax Federal – Deluxe Add-on** for larger clubs & those with complex transactions remains \$40.
- **Club Tax Federal – Basic** for newer & smaller clubs remains \$99.99.
- **Club Tax State** for **Additional State** \$60 (after 1<sup>st</sup> state at \$99.99).
- **Club Tax Federal Final & Club Tax State Final** for disbanding clubs.

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## Clubs That Must Use Club Tax - Deluxe



- Have 30 partners or more (based on the number of K-1s in Form 1065), OR
- Have receipts (income + gains/losses) of \$250,000 or more, OR
- Have total assets of \$1 million or more (based on club value at any time in year), OR
- Owns complex securities or has wash sales, OR
- Opts to file Schedule M-3.
  - Schedule M-3 is optional unless the club has more than \$10 million in assets or more than \$35 million in receipts, then schedule M-3 becomes required.

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## Determining If Club Tax - Deluxe Is Required



Home Club Hub Buy/Renew Blog Help

### ORDER 2025 MYICLUB CLUB TAX

Prepare your investment club's required federal and state tax returns with **myICLUB Club Tax!** Only available for clubs using myICLUB to manage their books, myICLUB Club Tax will quickly perform all necessary calculations and generate required forms for Internal Revenue Service (IRS) partnership returns as well as forms for 16 states. Club Tax Federal is available for investing partnerships of all sizes: **Deluxe** for most clubs with premium support and accommodation of complex transactions and large memberships, and **Basic** for newer and smaller clubs.

Name: Doug Gerlach (#224088)  
Club: [Checked Past!](#)

Based on your current club data, it appears that your club is not a large club and thus may use Club Tax Basic. [What's this?](#)

#### Federal

☒ **Club Tax Federal - Deluxe Add-on** [?] \$40.00  
For most clubs, including larger clubs & clubs with complex transactions. Imports club data to generate all Basic forms plus Schedules L, M-1 & M-2 if required. Includes e-Filing.

☒ **Club Tax Federal - Basic** [?] \$99.99  
Imports club data to generate IRS partnership

#### State

**Club Tax Basic - State** [?]  First State: 99.99  
Supported states: Arizona, California, Colorado, Georgia, Indiana, Iowa, Maryland, Massachusetts, Minnesota, Missouri, New Jersey, New York, Oklahoma, Oregon, Pennsylvania, Wisconsin. e-Filing included for many states. Note: Purchase of Club Tax Federal is required in order to generate

Each Add'l: 60.00

Log in to myICLUB Club Tax Store, select club & this message will indicate **Basic** or **Deluxe**.

## Tax Return Calendar



DEC-  
JAN

Order myICLUB.com Club Tax.  
Create Audit Committee.  
Confirm all 2025 Transactions Are Recorded in Books.

JAN-  
FEB

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

MAR

By March 16: Generate & File Club IRS Return,  
& Distribute K-1s to Partners.  
File State Returns by Appropriate Deadlines.

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## CLOSING YOUR CLUB'S BOOKS

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## What Is “Closing the Books?”



Series of suggested steps to:

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

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CHECK SETTINGS IN MYICLUB.COM

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## Use Recommended Allocation Setting



- Check that “Time-based” allocation method is selected.
  - Allocates income/expenses & gains/losses to members as of ownership on date of each transaction.
  - Fairer to members with different ownership levels during year.
- Default when club is set up, but ensure has not been changed.
- According to IRS, this method must be used if % ownership changes during year.


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## Check “Time-based allocation” Method



In myICLUB.com, go to **Accounting > Utilities > Allocation Settings**.



**Accounting**

Summary

Wizards

Securities

Members

### 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

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## Use Recommended Reinvestment Setting



- **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 & should never be changed.

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## Select First Year Using Non-Reinvestment



In myICLUB.com, go to **Accounting > Utilities > Allocation Settings**.

### Cash Accounts

### Utilities

Get stock quote  
Backup manager  
Import accounting records  
Export accounting records  
Start club books  
Enter  
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 ▾

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## Correctly Identify Types of All Securities




- Not all Securities are “Stocks.”
- When first purchased in myICLUB.com, many securities by default are identified as **Common Stocks**.
- If security is not “common stock,” then treasurer must change in myICLUB.com in order for tax returns to be generated correctly.

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## Check Security Type



- In myI CLUB.com, go to Accounting:



**Accounting**

**Summary**

[View/edit transactions](#)

[BrokerSync](#)

**Wizards**

[Reconcile accounts](#)

[Pre-meeting](#)

Accounting

[View/edit transactions](#)


Symbol	Type	Shares	Last Close *	Market Value
AAPL	Common Stock	404.553899	\$194.83	\$78,819.24
AL	Common Stock	200	\$40.54	\$8,108.00
CCS	Common Stock	400	\$86.25	\$34,500.00
CHD	Common Stock	50	\$91.42	\$4,571.00
DRI	Common Stock	20.159989	\$162.14	\$3,268.74
ELUXY	Common Stock	100	\$21.58	\$2,158.00
EXR	REIT	75	\$152.21	\$11,415.75
FAST	Common Stock	120	\$64.64	\$7,756.80
GILD	Common Stock	110	\$78.59	\$8,644.90

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## Update Security Type



In myI CLUB.com, go to **Accounting > Securities > Update Security Settings** for each security to be edited:



**Accounting**

**Summary**

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

## Common Security Types



Security Type	Set in Program As:
Stocks	Stock - Common
Mutual Funds	Mutual Fund
Real Estate Investment Trusts (REITs)	Stock - REIT
Exchange Traded Funds (ETFs)	Stock - Other
Partnerships & Other	Stock - Other
Money Market, CD, Bond	Fixed Income
Cryptocurrency	Digital Asset/Crypto

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## How to Look Up Security Type



- Use myICLUB Stock Quote.
- **Note:** *It is also good to verify security type externally.*

### Get Stock Quotes/Information

Get a current price, historical growth chart, or review the split and dividend history (including ex-dividend dates) about a security.

EXR   [Symbol lookup](#)

#### EXTRA SPACE STORAGE INC (NYSE: EXR)

Extra Space Storage is a fully integrated real estate investment trust that owns, operates, and manages almost 2,400 self-storage properties in 41 states, with over 180 million net rentable square feet of storage space. Of these properties, approximately one half is wholly owned, while some facilities are owned through joint ventures and others are owned by third parties and managed by Extra Space Storage in exchange for a management fee.  
(<http://www.extraspace.com>)

12/20/23 Close: <b>\$152.21</b>	52-week High/Low: <b>\$101.19 - \$170.30</b>
P/E (TTM): <b>23.7</b>	Size: <b>\$1,924.2 M (Mid)</b>
EPS (TTM): <b>\$6.41</b>	Market Cap: <b>\$21,565.3 M (Large-cap)</b>
Div & Yield: <b>\$6.48 (4.3%)</b>	Sector: <b>Real Estate</b>
Insiders: <b>1.2%</b>	Industry: <b>REIT - Industrial</b>
Institutional: <b>75.1%</b>	Security Type: <b>Real Estate Investment Trust</b>
Beta: <b>1.3</b>	Domiciled: <b>United States</b>
Volume: <b>4,400,540</b>	Country: <b>United States</b>

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## 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.
  - Some of these require Club Tax - Deluxe.
  - Contact myI CLUB.com 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 information on “foreign” investments.
  - “Foreign” company is any company that is not a U.S. company.
  - *ADRs are always “foreign companies.”*
- When first purchased in myI CLUB.com, many countries are identified by default as being in **United States**.
- **Treasurer must update Settings in myI CLUB for these securities.**

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## Check Countries



In myICLUB.com, go to **Reports > Global Diversification Report:**

**ANY IC**

**Stockwatcher**

My Assigned Stocks

Generate Report

StockWatcher

Assignments

Club Watch List

**Monthly**

Unified Report

Valuation Statement

Member Status

**Global Diversification**

Report as of 12/31/2023 (Most recent club valuation statement).

☐ Exclude Cash from Percentages

Country	Company	Market value	% of Club
Canada	Royal Bank of Canada (RY)	\$988.60	0.2%
	<b>Total Canada Companies</b>	<b>\$988.60</b>	<b>0.2%</b>
Denmark	Novo Nordisk (NVO)	\$989.80	0.2%
	<b>Total Denmark Companies</b>	<b>\$989.80</b>	<b>0.2%</b>
Sweden	Electrolux AB Class (ELUXY)	\$2,098.00	0.5%
	<b>Total Sweden Companies</b>	<b>\$2,098.00</b>	<b>0.5%</b>
UK	Shell PLC (SHEL)	\$16,177.50	3.8%
	<b>Total UK Companies</b>	<b>\$16,177.50</b>	<b>3.8%</b>
United States of America	Nextgen Healthcare (NXGN)	\$7,182.00	1.7%
	SPAXX (SPAXX)	\$521.48	0.1%
	Paysign Inc (PAYS)	\$5,140.00	1.2%

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## Update Country



In myICLUB.com, go to **Accounting > Securities > Update Security Settings:**

**Wizards**

**Securities**

Buy

Sell

Cash Distribution

Reinvest

**Advanced Settings**

Federal Tax-Free? ☐

Country Canada (What's this?)

Quote Symbol RY (What's this?)

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## How to Look Up Country



- Use myI CLUB Stock Quote.
- Country where Domiciled is usually appropriate.
- Confirm in SEC filings (especially Form 20-F).

### Get Stock Quotes/Information

Get a current price, historical growth chart, or review the split and dividend history (including ex-dividend dates) about a security.

EXR 12/21/2023 Submit Symbol lookup

#### EXTRA SPACE STORAGE INC (NYSE: EXR)

Extra Space Storage is a fully integrated real estate investment trust that owns, operates, and manages almost 2,400 self-storage properties in 41 states, with over 180 million net rentable square feet of storage space. Of these properties, approximately one half is wholly owned, while some facilities are owned through joint ventures and others are owned by third parties and managed by Extra Space Storage in exchange for a management fee.  
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Insiders: <b>1.2%</b>	Industry: <b>REIT - Industrial</b>
Institutional: <b>75.1%</b>	Security Type: <b>Real Estate Investment Trust</b>
Beta: <b>1.3</b>	Domiciled: <b>United States</b>
Volume: <b>1,400,540</b>	Shares Out: <b>141,000,000</b>

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## Ensure Member Information Is Correct



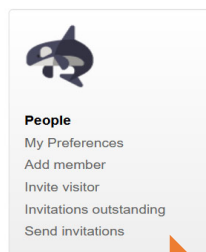
- To prepare club's tax returns, make sure information in each member's profile is **correct**, especially:
  - Social Security/Tax ID numbers (required for tax filings).
  - Address.
  - Entity type (Individual, Trust, Custodial, etc.)
  - If member is "Foreign partner" (unsupported in Club Tax).
- Members can edit themselves, or administrator can edit.

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## Update Member Profile



In myI CLUB.com, go to **People > Member Profile**:



### Edit Member Profile

#### Member's Current StockWatcher Duties

None

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

#### Personal Information

First Name:

Middle Name:

Last Name:

E-mail:

Social Security Number:

Partner Entity:  [\(What's this?\)](#)

Entity Name:

Custodial Account:

Custodian:  Must be current member or visitor.

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## Questions?



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## FINALIZE YEAR'S TRANSACTIONS

RUSSELL MALLEY

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## Consider Charitable Donations



- Club can donate securities or cash to qualifying charities.
  - myI CLUB.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)!
  - Can be useful to reduce taxes on realized capital gains for overweighted position.

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In myICLUB, go to **Accounting > Cash > Record Charitable Contribution:**



**Accounting**

Summary

Wizards

Securities

Members

Cash Accounts

Interest

Expense

Bank/Money market

### Record Charitable Contributions

Use this form to record 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

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## 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



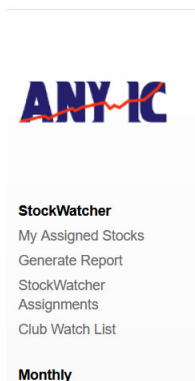
- **Member “Fees” ONLY used for penalties.**
  - Such as bounced check fees.
  - Do not use to try to offset expenses.
  - All other money put in by members should be recorded as Member Payments.
- **Dividends from stocks ARE entered as “Security Transactions.”**
  - CANNOT be entered as Cash transactions.
  - Must include Ex-Dividend date to determine proper tax treatment.
  - Use Securities Distributions Report to review ex-dividend dates.
- **Member Withdrawals NOT entered on valuation dates.**

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## Use myICLUB.com Reports



Various reports such as **Security Distributions** can be used to verify transactions.



### Security Distributions



Report for dates from 1/1/2023 to 12/31/2023 (generated on 12/21/2023).

Date Paid	Ex-Div Date	Security	Qualifying Amount	Non-Qualifying Amount	Remarks
1/10/2023	12/15/2022	<a href="#">Air Lease</a>	\$40.00	\$0.00	
1/19/2023	11/9/2022	<a href="#">Shell PLC</a>	\$125.00	\$0.00	
1/31/2023	12/29/2022	<a href="#">Stryker</a>	\$30.00	\$0.00	
2/1/2023	1/9/2023	<a href="#">Darden Restaurants</a>	\$24.20	\$0.00	
2/16/2023	2/10/2023	<a href="#">Apple</a>	\$92.92	\$0.00	
2/24/2023	1/25/2023	<a href="#">Royal Bank of Canada</a>	\$13.20	\$0.00	

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## YEAR-END VALUATIONS

RUSSELL MALLEY

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## Create Year-End Valuation



- Treasurer must create Securities Valuation/Valuation Statement for 12/31 to close out year.
  - If market closed on 12/31, security prices from last day market was open are used (still represents valuations as of 12/31).
  - This is only valuation required outside of typical monthly valuations.
  - **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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## Create Year-End Valuation



In myICLUB.com, go to **Accounting > Securities > Create new valuation**.

**ANY IC**

Accounting

Summary

### 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.

12/31/2023

Continue

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**ANY IC**

Accounting

Summary

Wizards

Securities

Buy

Sell

Cash Distribution

Reinvest

Stock split


Merger

### Review/Edit Securities Valuations

#### Step 2 : Value securities for 12/31/2023

[What's a Quote Symbol?](#)

Symbol	Quote Symbol	Price	Shares owned on 12/31/2023	Price date
AAPL	AAPL	\$195.89	404.553899	12/31/2023
AL	AL	\$40.51	200.000000	12/31/2023
CCS	CCS	\$84.55	400.000000	12/31/2023
CHD	CHD	\$92.93	50.000000	12/31/2023
DRI	DRI	\$167.17	20.159989	12/31/2023
ELUXY	ELUXY	\$20.98	100.000000	12/31/2023
EXR	EXR	\$151.61	75.000000	12/31/2023
FAST	FAST	\$64.63	120.000000	12/31/2023
GILD	GILD	\$79.5	110.000000	12/31/2023
GMED	GMED	\$50.63	185.000000	12/31/2023
META	META	\$344.62	100.000000	12/31/2023
MLR	MLR	\$41.69	210.000000	12/31/2023



**StockWatcher**





My Assigned Stocks  
Generate Report  
StockWatcher  
Assignments  
Club Watch List

**Monthly**

Unified Report  
**Valuation Statement**  
Member Status

**Portfolio**

## Valuation Statement

Valuation statement as of 12/31/2023 (generated on: 12/19/2023).

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

Choose from your club's official valuation dates: 12/31/2023 ▾

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

Start return calculations from: 9/13/1997 ▾

**Submit**

Security	Date of first buy	Shares owned	Price/ share	Cost/ share	Market value	Total cost	% Gain Loss	% of total
Apple (AAPL)	01/25/07	404.5539	\$195.89	\$16.9475	\$79,248.06	\$6,856.17	1,055.9%	18.4%
Air Lease (AL)	06/15/14	200.0000	\$40.51	\$38.0000	\$8,102.00	\$7,600.00	6.6%	1.9%
Century Communities (CCS)	10/03/17	400.0000	\$84.55	\$36.2750	\$33,820.00	\$14,510.00	133.1%	7.9%
Church & Dwight (CHD)	01/24/00	50.0000	\$92.93	\$10.4650	\$4,646.50	\$523.25	788.0%	1.1%
Darden Restaurants (DRI)	07/13/14	20.1600	\$167.17	\$57.3352	\$3,370.15	\$1,155.88	191.6%	0.8%
Electrolux AB Class (ELUXY)	07/25/23	100.0000	\$20.98	\$24.1800	\$2,098.00	\$2,418.00	-13.2%	0.5%
Extra Space Storage (EXR)	07/01/17	75.0000	\$151.61	\$66.8300	\$11,370.75	\$5,012.25	126.9%	2.6%
Fastenal (FAST)	06/13/08	120.0000	\$64.63	\$36.1467	\$7,755.60	\$4,337.60	78.8%	1.8%



## COLLECTING DOCUMENTS & ALLOCATING INCOME & EXPENSES

SEAN PULRANG



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## Collect Bank/Brokerage Tax Documents



- Year-end statements delivered in early January.
- Financial institutions & certain securities provide customers & IRS with required documents from January – March.
  - Often delivered electronically, so look on brokerage website.
  - Often released prior to announcements.
  - May provide preliminary info if final is not available.
- IRS has deadlines, but not uncommon for brokerage firms to be late.

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## Financial Institution Documents to Expect



- By January 31, 2026:
  - 1099-DIV - Dividends & Distributions.
  - 1099-INT - Interest Income.
  - 1099-MISC - Miscellaneous Income.
  - 1099-OID - Original Issue Discount.
- By February 16, 2026 (*Feb 15<sup>th</sup> in most years*):
  - **1099-B - Proceeds From Broker & Barter Exchange Transactions (or Consolidated 1099).** (Most common for brokerage accounts).
- By March 16, 2026 (*Mar 15<sup>th</sup> in most years*):
  - 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



- Financial institution tax docs should always match what is reported to IRS.
  - **However**, exceptions are possible for spinoffs, merger with cash, other corporate actions.
- 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 complex.
- Check Form 1099 totals match:
  - Capital Gains Report, Allocation Report, Valuation Statement, Transaction Summary.

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## Conduct Annual Club Audit



See free **Audit Checklist** in myICLUB File Storage.

Watch webinar replay on YouTube:



[www.youtube.com/watch?v=pxCIYhnL6jU](https://www.youtube.com/watch?v=pxCIYhnL6jU)

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## Why Allocate Income & Expenses?



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


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## Manually Allocate Income & Expenses



- After all transactions are entered in myICLUB.com, **treasurer must 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-generate if necessary.

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- Accounting**
- Summary
- Wizards
- Securities
- Members
- Cash Accounts
- Utilities
- Get stock quote

## Allocate Income and Expenses

Your club currently uses time based distribution method.

Select year of allocation 2024


Comments

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

After all 1099s received & all transactions entered & verified, select **Year** of Allocation, add any **Comments** necessary, and click **Yes** button.

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## Extra Step for REITs, Mutual Funds, Other



- If club owns **REITs, Mutual Funds**, or any “**Other**” securities, Allocation will prompt for amounts of **Qualified Dividends & Unrecaptured Section 1250 Gains**.
  - Total of **Section 199A Dividend + Qualified Dividend** on Form 1099 should be entered as “**Dividend**” in myIClub.
  - Total of **Long-term Capital Gain Distribution + Unrecaptured Section 1250 Gain** on Form 1099 should be entered as “**Long-term Capital Gain Distribution**” in myIClub.
  - Allocation process will differentiate these for tax filing.
- Figures can be found on brokerage’s Form 1099 & also on REIT or fund website in early January.

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## Handling Fund, ETF, & REIT Distributions



- **At year-end, mutual funds, REITs, & ETFs report breakdown of quarterly/monthly distributions they paid during year.**
  - These re-classifications require editing all past entries during year.
- **Distributions can include:**
  - Dividends.
  - Short-term & long-term gains.
  - Return of capital.
  - Interest.
- **Other categories require manual entries in club books.**
- **If Allocation is done prior to receipt of above 1099 information, treasurer must redo Allocation after making above adjustments to past entries.**

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### Allocate Income and Expenses



#### Accounting

Summary

Wizards

Securities

Members

Cash Accounts

Utilities

#### 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
EXR	<input type="text" value="11.29"/> (Total: \$81.00)	<input type="text" value="0.00"/> (Total: \$0.00)
SPAXX	<input type="text" value="0.00"/> (Total: \$928.89)	<input type="text" value="0.00"/> (Total: \$0.00)

**Note:** To create accurate Allocation, you must have information from Form 1099-DIV or from security that paid out the distributions.

## Completing Allocation



- After Allocation is generated, provide copies or link to Report to members.
- TIP:** Same amounts appear on members' K-1s after tax return is prepared & can be used to start their personal tax returns.
- IMPORTANT:** If treasurer creates "preliminary" Allocation before all transactions are finalized/reconciled, members must know that it is subject to change.
- NOTE:** If any transactions are changed after Allocation is created, treasurer must regenerate Allocation.
- REMINDER:** As needed, treasurer can regenerate Allocation as many times as necessary prior to preparing tax returns.

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### Allocation of Income and Expenses



#### Allocation of Income and Expenses

If you would like to generate or re-generate the allocation for a given year, please [follow this link](#).

#### Year of Allocation

2023

	Non- Qual Divs	Qual Divs	Tax- Free Int	ST Cap Gain	LT Cap Gain	Other Inc	Inv Exp	Non- Inv Exp	Frng Tax	Charity	Total
Alphonse, Earl ZZ	\$13.07	\$5.84	\$0.15	\$0.00	\$176.61	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$195.67
Cod, Alantis	\$255.63	\$114.24	\$2.71	\$0.00	\$3,347.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,719.78
Crabb, Dungy	\$56.13	\$25.08	\$0.60	\$0.00	\$739.47	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$821.28
Dorado, Portia	\$49.56	\$22.15	\$0.53	\$0.00	\$653.61	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$725.85
Finn, Sarah	\$65.79	\$29.41	\$0.70	\$0.00	\$865.88	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$961.78
Gerlach, Doug	\$48.10	\$21.50	\$0.52	\$0.00	\$634.59	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$704.71
Hallbut, Hally	\$55.12	\$24.64	\$0.59	\$0.00	\$726.39	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$806.74
Headly, Dogfish	\$0.02	\$0.00	\$0.02	\$0.00	\$5.80	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5.84
Malley, Russell	\$14.29	\$6.36	\$0.16	\$0.00	\$192.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$213.14
Mussey, Elon	\$67.87	\$30.33	\$0.73	\$0.00	\$892.98	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$991.91

**ANY IC**

#### StockWatcher

My Assigned Stocks

Generate Report

StockWatcher

Assignments

Club Watch List

#### Monthly

Unified Report

Valuation Statement

Member Status

#### Portfolio

## Allocation Report Items



- Allocated Income & Expenses are reported to members on Schedule K-1 when tax return is generated.
- Once Allocation has been generated by treasurer, **Member Tax Summary Report** is available for each member.
- This is useful for members wishing to get head start on their personal tax returns.

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### Member Tax Summary



*This report is provided in order to assist individual partners in the preparation of their personal tax returns. However, the information provided here should be considered preliminary until the club's books are finalized for the year and the partners' Schedules K-1 are generated and distributed.*

Dungy Crabb  
12 Untimely Road  
Interim AK 99999

#### Partner's Share of Income, Deductions, Credits, etc.

Non-Qualified Dividends	\$56.13
Interest	\$0.60
Qualified Dividends	\$25.08
Investment Expense	\$0.00
Foreign Taxes Paid	\$0.00
Short-Term Capital Gain (Loss)	\$0.00
Long-Term Capital Gain (Loss)	\$739.47
Other Income	\$0.00
Tax-Free Interest	\$0.00
Charitable Contributions	\$0.00
Non-Investment Expense	\$0.00
<b>Total</b>	<b>\$821.28</b>

Note: If the club has foreign source income, it may need to be reported to each member on Schedule K-3 to accompany

- Summarizes each member's tax allocations.
- Can be useful when provided to member's personal tax preparer to help get started with member's individual tax return.
- Values should be considered preliminary until club tax return is finalized.

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## OTHER YEAR-END TASKS

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## Provide Reports for Members



- Useful to 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 Summary 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 & Club Performance/Benchmark Report** (useful for year-end review).
  - **Complete Journal** for year.

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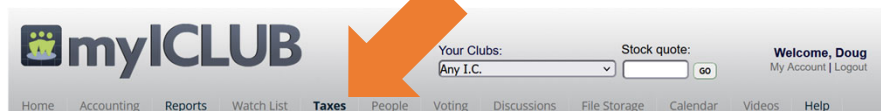
## Ordering Club Tax



- Pre-order from Taxes tab in your **myICLUB.com** club website or call 1-877-33-ICLUB.
- After pre-ordering, Club Tax will be released in **Taxes** tab of your **myICLUB.com website** once IRS & state approvals are received.

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## Check the Taxes Tab in myICLUB.com



### 2025 Club Tax



#### Important Updates

- New for 2026: Information and updates on myICLUB State and Federal Club Tax releases [can now be found here](#).
- New for 2025: The IRS now allows investing partnerships to [get out of completing Schedules K-2 and K-3 with their Form 1065 return](#).
- New for 2024: The IRS changed the "Where to file" addresses. If mailing your federal return, [confirm the current mailing address](#).
- Change of address of responsible party? You may need to file [form 8822-B](#) with IRS. ([Help](#))

#### Order Status

Club Tax	Status	
Federal	Purchased	Not released yet
Federal Extension E-File	Purchased	Not released yet
State	Purchased ( <a href="#">Club Tax Store</a> )	Not released yet



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## GETTING HELP

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## myI CLUB.com Technical Support



1. Frequently Asked Questions (FAQ): [www.myI CLUB.com/faq/](http://www.myI CLUB.com/faq/)
2. myI CLUB AI Chatbot (NEW!): [www.myI CLUB.com/ai/ask.aspx](http://www.myI CLUB.com/ai/ask.aspx)
3. Online Support: [www.myI CLUB.com/support.aspx](http://www.myI CLUB.com/support.aspx)
4. Telephone Support: **I-877-33-ICLUB**
  - Open 9:30 AM to 6:00 PM ET, Mon – Fri.
  - Open late Thurs until 9:00 PM ET for West Coast customers.
  - Busiest day is Monday – *plan your problems accordingly!* 😊

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The screenshot displays the myICLUB website interface. At the top, the myICLUB logo is on the left, and a navigation bar contains links: Home, Club Hub, Sign Up, Login, Buy/Renew, Blog, Forum, AI Chatbot, Help, and Club Tax 2025 Status. An orange arrow points to the 'Help' link, which is also circled in orange. Below the navigation bar, the 'Need Help with myICLUB?' section is highlighted in green. It includes a brief introduction and eight icons with corresponding links: a hand pointing to 'Help' (link: Click the Help links on pages for context-sensitive help), a speech bubble (link: Visit our Investment Club Forum (registered myICLUB users only)), an open book (link: Download the myICLUB User and Quick Start Guides, and other resources), a computer monitor (link: Watch our informative videos and webinar replays), a speech bubble with 'FREQUENTLY ASKED QUESTIONS' (link: Check our answers to Frequently-Asked Questions), an envelope (link: Submit a support request online), a telephone (link: Contact us by telephone), and a person with a headset (link: Ask our AI chat agent). A sidebar on the left lists various resources like Club Basics, Club Forum, Club Taxes, Club FAQs, and Club Support. The number 67 is visible in the bottom right corner of the screenshot.

# Thank You!

MYICLUB.COM  
WWW.MYICLUB.COM

