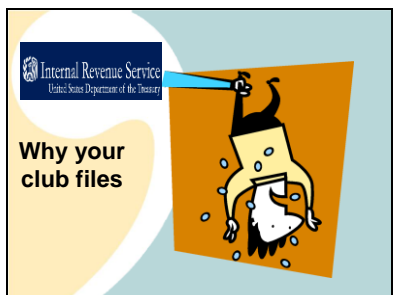


Slide 1



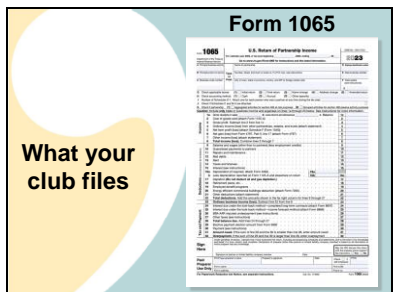
Slide 2



If your club has income,

the IRS wants their share. We need to follow their rules on how to track and report it and pay taxes on it.

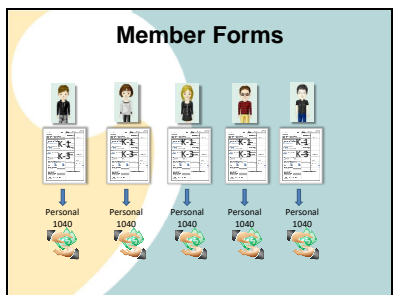
Slide 3



Your investment club is a partnership and the

tax form you file is called a 1065 form. It is what is called an informational return. Your club does not have to pay taxes directly. All of the income and expenses are divided up between the members and they report and pay taxes on their share on their personal tax returns.

Slide 4



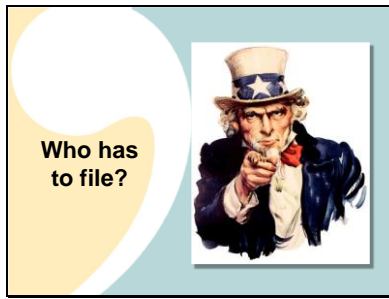
They know how much to report because

you give them a form called a K-1 which is also part of your taxes. It shows each person's portion of your club income and expenses. Some members may also get a K-3 form showing information they need if they report foreign income on their personal taxes. You send in all the K-1s and any K-3s with your club tax filings. Each member's copy tells what amounts they need to report

on their personal tax forms

That is where the taxes get paid on your club income.

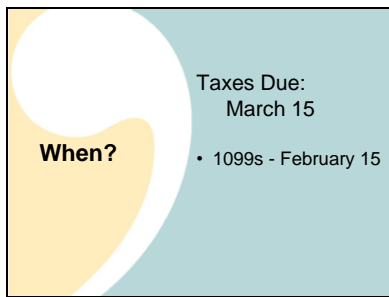
Slide 5



Who has to file?

You do. If you have an EIN number you need to file club taxes because the IRS computer will be looking for a filing from you. It does not matter how long your club has been in existence or how much income you have had.

Slide 6



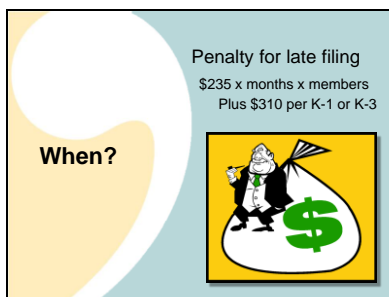
The timeline you will be working with involves these dates:

This year, your club taxes need to be filed by March 15, 2024.

That means they are due a month before the April 15<sup>th</sup> deadline for your personal taxes.

You will not be able to do your club taxes until you have received the 1099 forms which are sent by the financial institutions to you and to the IRS to report your income. Financial institutions are supposed to get them to you by February 15 but some have requested extensions until the end of February. Most brokers have posted when you might expect them on their websites.

Slide 7



If you file late or not at all or you file forms with missing or incorrect information on them, there is a stiff penalty. It is:

\$235 for each month or part of a month (up to a maximum of 12 months) that the failure continues, multiplied by the total number of persons who were partners in the partnership during any part of the partnership's tax year for which the return is due.

Plus, there is a minimum \$310 penalty for each failure to furnish a Schedule K-1 or K-3 to a partner when due and or for each K-1 or K-3 on which there is missing or incorrect information.

This adds up quickly. Each year we get questions from clubs that have received tax bills for thousands or tens of thousands of dollars because they have failed to meet these requirements.

Slide 8



The good news is there are only a few easy steps needed to prepare your taxes. You'll follow them by going to

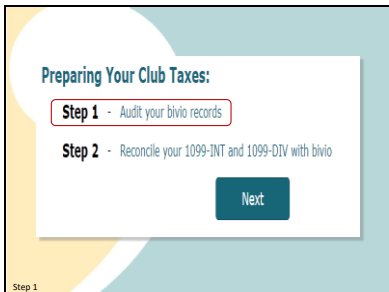
Accounting>Taxes

Slide 9



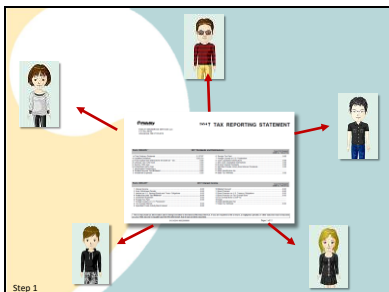
As you can see here, there are steps you will follow to guide you through the tax preparation process. There are 8 steps in Total. To prepare correct taxes, you must do each one before you continue to the next one.

Slide 10



You need to do a club audit as your first step. Verifying your records is critical. If your bivio records are not correct, then your taxes will not be correct. You cannot just assume that the information in bivio is correct, even if you use AccountSync and even if you check your cash balances and number of shares of stock each month like we recommend. There are other parameters affecting your accounting and correct tax reporting that would not be covered in those quick checks. You won't find them unless you do the audit we recommend. There is a reason there are 8 steps shown to prepare your taxes. You do not want to skip any of them.

Slide 11

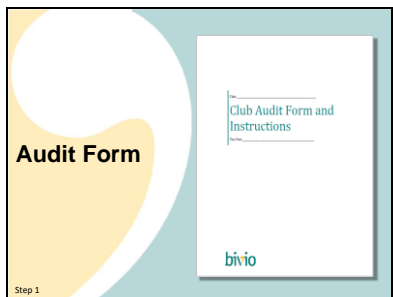


Without an audit, you will not know 2 main things that affect your taxes.

First, that the income your club has earned during the year is being reported correctly.

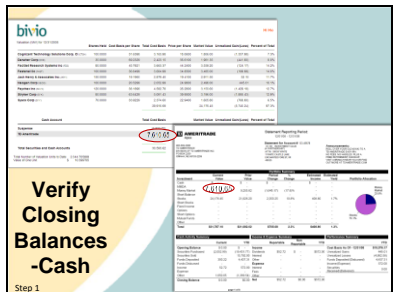
And second, that your member accounts are being tracked correctly. If they are not, then your club income won't be divided up amongst your members correctly. That will make their personal tax reporting wrong.

Slide 12



We have prepared a form you should use to guide you through the steps of an audit. The link for tax step one takes you to a page with a link to the form and a presentation about how to use it.

Slide 13



I do want to highlight Step 2 of the audit because it contains two critical checks that will quickly tell you right off the bat whether you are even close to ready to prepare your taxes. This is to verify that your closing balances are correct in bivio.

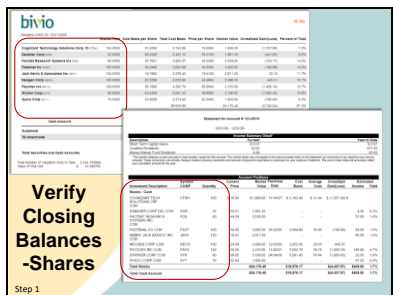
You do this using a bivio valuation report

and your end of year statements for each of your financial accounts. First, check that the

cash balance shown in bivio as of the end of the year agrees exactly with

the balance shown on each of your account statements. Your club may have just a brokerage account or it may also have a bank account. The cash balances for each account listed on the Accounting>Accounts page should agree to the corresponding account statement as of the end of the year. You should not see balances for accounts listed that you don't actually have.

Slide 14

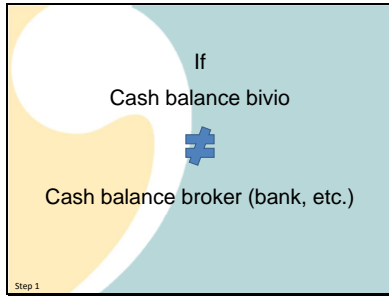


Then, you compare the numbers of shares of each stock you own.

First on the bivio valuation statement

then on your brokerage statement The bivio account should show exactly the same number of shares, that the brokerage account does.

Slide 15



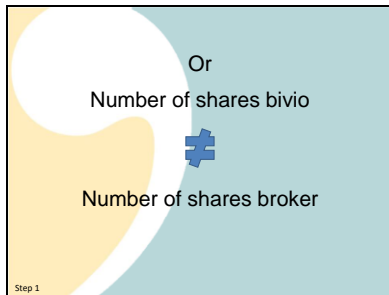
I can't emphasize this step enough. It is a critical point. If the

cash balances in bivio

do not agree with

cash balances shown on your financial institution statements and you don't have a valid reason such as an outstanding check for this.

Slide 16



Or,

The number of shares of stock shown in bivio

Does not agree

With the number of shares shown by the broker.

Slide 17



**GO NO FURTHER.** You need to stop and find and fix the problem. Your taxes will be prepared using your bivio accounting information. There is no point in going any further if it is not correct. In fact, if you are a club member, you should make sure that your treasurer can demonstrate that these things agree. All club members are responsible if your taxes are filed incorrectly.

Slide 18

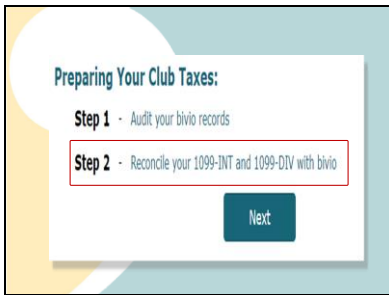


The bottom line is this. Your taxes are prepared from the information you've entered in bivio. Unless you do an audit and verify it is correct, your taxes may just be

Garbage In

Garbage Out. That is why you need to do step one. An audit can be done at any time once your December 31 brokerage statements are ready. It will verify that all of your accounting records are correct through that time.

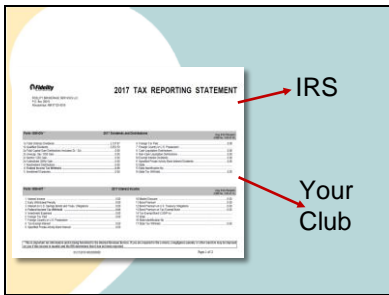
Slide 19



Even after you do an audit, there may be some last minute changes that are reported on the 1099 form you will get from your broker that you need to adjust for. You will not know what they are until you receive the 1099 form.

Steps 2 and 3 guide you through doing this.

Slide 20



Before we get into the specifics of doing this step, let's review what a 1099 is.

A 1099 is a form that your financial institution sends to the

IRS telling them how much taxable income you have made during the year.

They also send a copy to your club.

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**1099  
Types**

- 1099-INT
- 1099-DIV
- 1099-B

There are many types of 1099s. Income from your investment activities will probably show up on one of three different types:

A 1099-INT will report your interest income

A 1099-DIV will report your dividends

And a 1099-B will report your stock sales and your capital gains and losses.

Slide 22

**1099  
Supplemental Information**

Company	Security Description	CMP#	Nonqualified	Dividends	Interest	Total Income	Tax
Sumit	GLOBAL M FIDELITY INTL EST	37564055	0.00	7.07	0.00	7.07	-1.47
Sumit	GLOBAL M FIDELITY INTL EST	37564055	0.00	1.07	0.00	1.07	-0.43
Sumit	GLOBAL M FIDELITY INTL EST	37564055	0.00	10.00	0.00	10.00	0.00
Sumit	GLOBAL M FIDELITY INTL EST	37564055	0.00	19.00	0.00	19.00	0.00
Sumit	GLOBAL M FIDELITY INTL EST	37564055	0.00	19.00	0.00	19.00	0.00
Sumit	GLOBAL M FIDELITY INTL EST	37564055	0.00	19.00	0.00	19.00	0.00

In addition to those things, you may find supplemental information such as foreign company details that you will need to report your taxes correctly.

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**1099  
What Do You Do With It?**

Match it up to bivio

What do you do with your 1099?

Since the IRS will be matching up the information provided to them on the 1099s with what you report on your taxes, you need to know your bivio records agree with them or you have a valid reason for any disagreements. Brokers do make mistakes on 1099s but if something differs from your bivio records you need to investigate why.

You may have differences even though you have done an audit. Some tax information doesn't come through until you receive your 1099s. When it does, there are details that you might need to "fine tune" to make sure your income is reported correctly. These changes will not be done for you automatically by AccountSync. You need to do them during step 2 and 3 of the tax prep process.

**1099 Adjustments**

- Money Market dividends incorrectly classified
- Dividend Dates
- Return of Capital (Non-dividend)
- Not 100% Qualified
- Wash Sales
- Foreign Income

The changes you may need to work on may include things like:

Money Market dividends classified incorrectly. We tend to think of distributions from Money Market funds where we park our cash as interest but in many cases, they are actually dividends. You'll need to make sure they have been classified in bivio the same way your broker shows.

#### Dividend Dates

Sometimes dividends which your broker credits to your account in January are reported to you as previous year dividends.

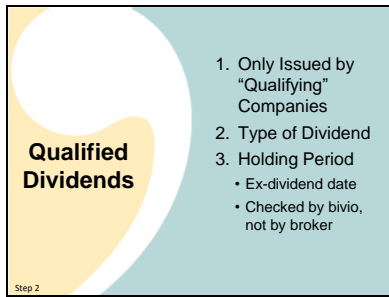
If a company doesn't have sufficient earnings to support a dividend, income that was originally reported to you as a dividend will be reclassified on your 1099 as a Return of Capital or "Non-dividend" distribution. This requires a manual adjustment to your bivio records.

You also might have an investment where you will find not all of the dividends you received can be considered "Qualified Dividends". In this case, you will have to adjust the dividend entries that were made during the year and split them up into the different types of income that the broker shows.

You might find a wash sale you triggered by buying a stock too close to a sale you had which resulted in a loss.

And you may own foreign companies where you need to adjust the country code associated with them or the percentage of foreign income that they pay. Many of these things you won't know about until you get your 1099. But they all require adjustments to your bivio records to produce correct taxes. The adjustments will not be made automatically for you. We'll be going through how you address them later in this webinar.





Before we get into how you do these dividend checks and adjustments, let's talk about a subject that often raises questions. You may see notes on your reports referring to "Qualified" dividends. What are those? They are a good thing. They qualify for a reduced tax rate. For most people, they are taxed at lower long-term capital gains rates rather than at ordinary income rates.

There are three requirements for a dividend to be considered "Qualified":

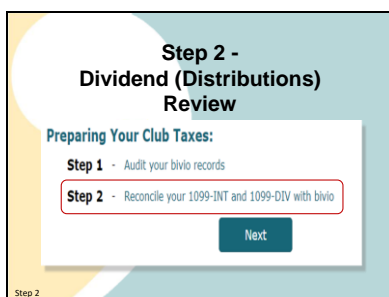
Only US and certain foreign companies can issue Qualified Dividends.

Only certain types of dividends are Qualified. Dividends from Money Market Accounts are usually not. Neither are most of the dividends from REITs.

Holding period - You need to have owned the stock paying the dividend for more than 60 days during the 121 days that begin 60 days before the ex-dividend date.

So what is an ex-dividend date? When a dividend is declared by a company they also specify that it will be paid to owners of record as of a certain date. The stock exchanges determine who these are by establishing an "ex-dividend" date. It's usually 1 business day before the record date. If you buy and own a stock before the ex-dividend date, you get the dividend. If you buy it on or after that date, you don't.

bivio checks holding period based on the ex-dividend information entered when the dividend was recorded. It's important to understand that brokers are not required to run this check. All they have to do is tell you if a dividend is eligible to be qualified. You may find that this will mean the amount of Qualified Dividends reported by bivio is different from what your broker shows. If you see differences, make sure you know why. But if there is a good explanation it is OK.



In step 2, you will be answering questions and making comparisons that will ensure your dividend information is reported as your broker shows on your 1099. As we were just discussing, information on the tax classifications of dividends often doesn't show up until you receive your 1099. If the information on the 1099 is different than what was initially entered in bivio, you need to make adjustments to it when you do this step.

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**Step 2 -  
Dividend (Distributions)  
Review**

- 1) Interest
- 2) 100% Qualified Dividends?
- 3) Totals, Classifications and Dates
- 4) Foreign Country Dividends

Step 2

There are 4 different things you need to do during this step.

First you need to check that the interest entries shown in bivio agree with what your broker shows on the 1099-INT.

Second, you need to make sure you've identified the investments in bivio that don't pay 100% qualified dividends.

Third, you need to make sure that the total amounts and the dividend classifications agree with your broker and make any adjustments needed if they don't.

Fourth, for any dividends paid by foreign companies or ETFs or mutual funds that hold foreign investments, you'll need to make sure the proper country is identified and enter what percentage of the dividend is foreign income.

Next, we'll show you how to do each of these steps.

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**Step 2 - Part 1  
Check Interest Received**

Security	Date	Amount	Transaction Type	Actions
<b>1099-INT</b>				
Account - Brokerage - New				
	01/31/2020	0.13	Interest	edit
	02/29/2020	0.28	Interest	edit
	03/26/2020	0.29	Interest	edit
	05/20/2020	0.27	Interest	edit
	07/31/2020	0.28	Interest	edit
	08/31/2020	0.24	Interest	edit
	09/30/2020	0.21	Interest	edit
	10/30/2020	0.21	Interest	edit
	11/30/2020	0.21	Interest	edit
	12/31/2020	0.21	Interest	edit
	<b>Interest:</b>	<b>6.36</b>		
Account - Brokerage - Old				
	01/31/2020	0.04	Interest	edit
	02/29/2020	0.08	Interest	edit
	03/30/2020	0.11	Interest	edit
	<b>Interest:</b>	<b>0.23</b>		
	<b>Total Interest:</b>	<b>6.59</b>		

Step 2 - Part 1

When you select step 2, a page listing all your interest and dividends opens. At the top are all the interest transactions you've entered in bivio. The total shown for this section should equal the total interest reported on your 1099-INT. If it doesn't, you may have Money Market Dividends entered as Interest or vice versa.

Use the "edit" link next to an entry if you need to adjust its classification.

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**Step 2 - Part 2  
Check if 100% Qualified Dividends**

Security	Date	Amount	Transaction Type	Country	Actions
<b>100% Qualified Dividends</b>					
Alibaba Inc (NYSE)					
	01/14/2020	79.50	Qualified dividend	US	edit
	11/18/2020	82.40	Qualified dividend	US	edit
	<b>Qualified Dividend:</b>	<b>161.90</b>			
Citigroup Inc (NYSE)					
	07/20/2020	37.50	Qualified dividend	US	edit
	05/14/2020	50.00	Qualified dividend	US	edit
	06/02/2020	30.00	Qualified dividend	US	edit
	11/02/2020	30.00	Qualified dividend	US	edit
	<b>Qualified Dividend:</b>	<b>147.50</b>			
Facebook Inc (NASDAQ)					
	03/20/2020	10.40	Qualified dividend	US	edit
	<b>Qualified Dividend:</b>	<b>10.40</b>			
Microsoft Corp (NASDAQ)					
	01/02/2020	15.50	Qualified dividend	US	edit
	06/13/2020	15.50	Qualified dividend	US	edit
	09/10/2020	20.00	Qualified dividend	US	edit
	10/10/2020	22.40	Qualified dividend	US	edit
	<b>Qualified Dividend:</b>	<b>73.40</b>			
	<b>Total Qualified Dividend:</b>	<b>413.30</b>			

Step 2 - Part 2

At the bottom of the page, you'll see a list of all the dividends you've entered in bivio.

First, make sure that in the column labeled 100% Qualified Dividends

that you see a Yes for all stocks that pay 100% Qualified dividends or a No for those that do not pay 100% qualified dividends. There should be a No for investments like REITs, ETFs and many mutual funds. If you see that any of the dividends on your 1099s have been reclassified into different distribution types, you should see a No in this column.

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Step 2 - Part 2

Here's what you might see on your 1099 that tells you to select No.

As you can see here for this ETF, the total dividends

Have been split into an "Ordinary" or "Non-qualified" portion

And another portion that is eligible for Qualified status. So this ETF does not pay 100% qualified dividends.

Here is another example of dividends where not all dividends were qualified.

Slide 31

Step 2 - Part 2  
Check if 100% Qualified Dividends

1099-DIV Security	100% Qualified Dividends	Date	Amount	Transaction Type	Country	Actions
Address (see label)	Yes	01/01/2020	30.00	Qualified dividend	US	edit del
		11/01/2020	82.00	Qualified dividend		
			112.00	Qualified dividend		
Cit Health Corp (int)	Yes	02/02/2020	37.50	Qualified dividend	US	edit del
		05/04/2020	30.00	Qualified dividend	US	edit
		08/03/2020	30.00	Qualified dividend	US	edit
		11/02/2020	30.00	Qualified dividend	US	edit
			126.50	Qualified dividend		
Forward Air Corp (pub)	Yes	03/20/2020	10.00	Qualified dividend	US	edit del
			10.00	Qualified dividend		
Microsoft Corp (pub)	Yes	03/10/2020	15.50	Qualified dividend	US	edit del
		06/15/2020	15.50	Qualified dividend	US	edit
		09/10/2020	20.00	Qualified dividend	US	edit
		12/03/2020	21.00	Qualified dividend	US	edit
			71.50	Qualified dividend		
			413.30	Total qualified dividend		

Step 2 - Part 2

To change what is shown in bivio to indicate that not all the dividends are qualified,

click on the Yes or No shown for that investment.

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Step 2 - Part 2

It is a link that will open this page.

Select No if the company does not pay 100% qualified dividends

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### Step 2 - Part 3 Check dividend Totals

Security	1099-DIV Dividends	Date	Amount	Transaction Type	Actions
Apple Inc (AAPL)	YES	02/20/2019	20.22	Qualified dividend	edit del
		03/14/2019	10.79	Qualified dividend	edit del
		06/19/2019	10.78	Qualified dividend	edit del
			<b>Qualified dividend: 41.79</b>		
Charles Schwab Corp (SCHW)	YES	03/28/2019	10.20	Qualified dividend	edit del
		06/20/2019	10.20	Qualified dividend	edit del
		09/23/2019	10.44	Qualified dividend	edit del
			<b>Qualified dividend: 30.84</b>		
Cost Health Corp (COST)	YES	02/04/2019	20.00	Qualified dividend	edit del
		03/03/2019	20.00	Qualified dividend	edit del
		06/03/2019	20.00	Qualified dividend	edit del
		11/06/2019	37.00	Qualified dividend	edit del
			<b>Qualified dividend: 87.00</b>		
Forward Air Corp (FWD)	YES	12/04/2019	7.20	Qualified dividend	edit del
			7.20	Qualified dividend	edit del
			<b>Qualified dividend: 14.40</b>		
Health Care Servs Of Inc (HCS)	YES	10/02/2019	9.81	Qualified dividend	edit del
			9.81	Qualified dividend	edit del
			<b>Qualified dividend: 19.62</b>		

Step 2 - Part 3

Next you need to check that the total dividends shown for each company agrees with the broker.

In bivio, you'll see your dividends listed by company. Most brokers provide a corresponding detail list on your 1099 that you can compare this against. We'll look at that in a minute.

You'll be able to do a quick initial check by comparing the dividend totals for each company to what is shown on your 1099.

If the totals don't agree you can compare each detail to determine where the discrepancy lies.

If you need to make any changes you can find a direct link back to your records to edit the transaction.

Slide 34

### 1099-DIV Review - broker

Company Name	1099-DIV	Date	Amount	Transaction Type	Actions
Apple Inc (AAPL)	YES	02/20/2019	20.22	Qualified dividend	edit del
		03/14/2019	10.79	Qualified dividend	edit del
		06/19/2019	10.78	Qualified dividend	edit del
			<b>Qualified dividend: 41.79</b>		
Charles Schwab Corp (SCHW)	YES	03/28/2019	10.20	Qualified dividend	edit del
		06/20/2019	10.20	Qualified dividend	edit del
		09/23/2019	10.44	Qualified dividend	edit del
			<b>Qualified dividend: 30.84</b>		
Cost Health Corp (COST)	YES	02/04/2019	20.00	Qualified dividend	edit del
		03/03/2019	20.00	Qualified dividend	edit del
		06/03/2019	20.00	Qualified dividend	edit del
		11/06/2019	37.00	Qualified dividend	edit del
			<b>Qualified dividend: 87.00</b>		
Forward Air Corp (FWD)	YES	12/04/2019	7.20	Qualified dividend	edit del
			7.20	Qualified dividend	edit del
			<b>Qualified dividend: 14.40</b>		
Health Care Servs Of Inc (HCS)	YES	10/02/2019	9.81	Qualified dividend	edit del
			9.81	Qualified dividend	edit del
			<b>Qualified dividend: 19.62</b>		

Step 2 - Part 3

You'll be checking the bivio information against dividend detail information you can probably find on your 1099-DIV. Many look like this. You can see it is very similar to the bivio review page. You may find your 1099-DIV looks a little different from this, but it will have the same information on it, just in a little different format. In any case, this is what you do.

This is where you get the dividend totals to compare to the bivio report.

If they don't agree, compare the individual dividend dates and amounts with the bivio report to start to work through where your problems lie. You'll need to fix them before you finish this step.

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### Step 2 - Part 3 Dividend Reclassification

Security	1099-DIV	Date	Amount	Transaction Type	Actions
ANNALY CAPITAL MANAGEMENT INC (ACM)	YES	01/01/19	100.00	Section 199A dividend	edit del
		01/01/19	100.00	Nondividend distribution	edit del
		04/01/19	100.00	Section 199A dividend	edit del
		06/01/19	100.00	Nondividend distribution	edit del
		09/01/19	100.00	Section 199A dividend	edit del
		12/01/19	100.00	Nondividend distribution	edit del
		01/01/20	100.00	Section 199A dividend	edit del
		04/01/20	100.00	Nondividend distribution	edit del
		07/01/20	100.00	Section 199A dividend	edit del
		10/01/20	100.00	Nondividend distribution	edit del
		01/01/21	100.00	Section 199A dividend	edit del
		04/01/21	100.00	Nondividend distribution	edit del
		07/01/21	100.00	Section 199A dividend	edit del
		10/01/21	100.00	Nondividend distribution	edit del
			<b>Total Dividends &amp; Distributions: 1,000.00</b>		

Step 2 - Part 3

If you have made investments in stocks such as REITs or any of your stocks has had some issues in the past year, you'll probably have some further work to do. What you need to be concerned about is information like the entries for this company where some of the distributions have been classified as something other than dividends. In this case, some of the dividends that were paid by Annaly Capital Management were reclassified when they closed their books for the year.

They are now shown as "Section 199A dividends" and

"Nondividend distributions". If you own REITs you will see their dividends reclassified into as many as 5 different categories.

When you see this, you'll have further work to do in step 2

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### Step 2 - Part 3 Dividend Reclassification

Dividend Date	Amount	Category	Code
01/31/2018	364.00	Qualified dividend	03
04/30/2018	300.00	Qualified dividend	03
07/31/2018	300.00	Qualified dividend	03
09/30/2018	231.36	Qualified dividend	03
10/31/2018	78.28	Qualified dividend	03
<b>Qualified dividend: 1,574.64</b>			
01/31/18	160.82	Section 199A dividend	03
01/31/18	103.18	Nondividend distribution	03

Step 2 - Part 3

To update bivio, you need to find the stock in question on the bivio 1099-DIV review report.

You should have entered a “No” in the “100% Qualified Dividend column in the previous step. Adjust if necessary.

When you’ve finished with that, select the edit link next to the first dividend that needs to be adjusted.

Here are the two parts this first dividend was divided into.

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### Step 2 - Part 3 Dividend Reclassification

Investment Income

Amalg Capital Management Inc (2017)

Transaction Date: Enter the date of the distribution.  
Transaction Date: 01/31/2018

Enter the amount and date of the distribution.  
Amount: 160.82  
Date: 01/31/2018

Distribution Account: Select one or more account types and amounts.  
 Section 199A Dividend  
 100% Qualified Dividend  
 Non-Dividend Distribution (Section 199A)  
 Other Dividend Type

100% Qualified Dividend: 160.82  
 Non-Dividend Distribution (Section 199A): 0.00  
 Other Dividend Type: 0.00

Total: 160.82

100% Qualified Dividend: 160.82  
 Non-Dividend Distribution (Section 199A): 0.00  
 Other Dividend Type: 0.00

Step 2 - Part 3

The edit link opens the dividend entry form where

you can split the entry into each of the components shown on the 1099.

The total of the two should still be the same as the original total dividend amount for that date. Making this adjustment to reclassify your dividends is very important. The non-dividend portion is not taxable to you during the current year and it affects the cost basis of your shares. The Section 199A dividend amount also may provide you with tax benefits. If you don’t make the entries, you will overpay on your taxes during the current year and your cost basis will not be correct when you sell your shares.

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### Step 2 - Part 3 Dividend Reclassification

Dividend Date	Amount	Category	Code
01/31/2018	364.00	Section 199A dividend	03
01/31/2018	300.00	Non-dividend distribution	03
04/30/2018	300.00	Qualified dividend	03
07/31/2018	300.00	Qualified dividend	03
09/30/2018	231.36	Qualified dividend	03
10/31/2018	78.28	Qualified dividend	03
<b>Qualified dividend: 1,574.64</b>			
<b>Section 199A dividend: 364.00</b>			
<b>Non-dividend distribution: 300.00</b>			

Step 2 - Part 3

When you return to the 1099-DIV review page, you will now see two entries in bivio for that distribution just like your 1099 shows. You should continue to make adjustments until all the reclassifications have been made in bivio. A dividend may be reclassified into between two and as many as five different categories. You’ll make all the adjustments in the same way as I just showed.

You won’t know these breakdowns until you get your 1099s. In fact, your 1099s may be delayed or you may receive revised ones late in the tax season.

Since you can’t prepare your taxes correctly without reclassifying your dividends it may delay your filing. This delay and the extra work of splitting up each of your distribution entries into several parts is one of the reasons we advise clubs to avoid investing in REITs. We find many clubs that own them have a lot of difficulties completing this step. If your club doesn’t own any REITs or ETFs you probably won’t have to worry about making these changes because you’ll find that each dividend you’ve received is just being reported on your 1099 as a qualified dividend.



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### Step 2 - Part 4 Foreign Income

SECURITY	ISSUE DATE	TYPE	AMOUNT	TAXATION TYPE	COUNTRY	ACTION
IBM	12/31/13	Qualified dividend	2.13	Qualified dividend	US	
IBM	12/31/13	Foreign tax withheld	0.00	Foreign tax withheld	US	
IBM	12/31/13	Qualified dividend	1.57	Qualified dividend	US	
IBM	12/31/13	Foreign tax withheld	1.27	Foreign tax withheld	US	
IBM	12/31/13	Qualified dividend	4.34	Qualified dividend	US	
IBM	12/31/13	Foreign tax withheld	1.24	Foreign tax withheld	US	
IBM	12/31/13	Qualified dividend	4.89	Qualified dividend	US	
IBM	12/31/13	Foreign tax withheld	1.22	Foreign tax withheld	US	
			17.45			
			4.26			

Step 2 - Part 4

You should have a country other than US identified for any stocks

where you see foreign tax withheld on your 1099.

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### Step 2 - Part 4 Foreign Income

SECURITY	ISSUE DATE	TYPE	AMOUNT	TAXATION TYPE	COUNTRY	ACTION
BP	12/31/13	Qualified dividend	208.00	Qualified dividend	GB	
BP	12/31/13	Foreign tax withheld	445.75	Foreign tax withheld	GB	
			247.75			

Step 2 - Part 4

But you may have stocks or ETFs that pay foreign income that don't have foreign tax withheld. You may find a page similar to this in your 1099 that lists income from foreign companies.

For example, this club received income from BP, which is a company incorporated in the United Kingdom.

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### Step 2 - Part 4 Foreign Income

Identifying Countries

RIC

Step 2 - Part 4

You need to know the country of incorporation for all of your investments. It may or may not be on your 1099s. If you don't see the information on your 1099, then you will have to do some research.

You can find a help topic on our help page called "Identifying Countries"

It explains how to use the SEC Search Edgar site to find the country of incorporation for your investments.

If you have ETFs or Mutual Funds that pay some percentage of foreign income, make sure that RIC is entered as the country code. RIC stands for Regulated Investment Company.

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### Step 2 - Part 4 Foreign Income

SECURITY	ISSUE DATE	TYPE	AMOUNT	TAXATION TYPE	COUNTRY	ACTION
BP	12/31/13	Qualified dividend	208.00	Qualified dividend	US	
BP	12/31/13	Foreign tax withheld	445.75	Foreign tax withheld	US	
			247.75			
			208.00			
			445.75			
			247.75			
			445.75			
			247.75			

Step 2 - Part 4

If you need to change the country code, here is an example of how you do it.

US is listed here for BP. From your broker's 1099, you know that BP is a United Kingdom company so what is shown here should reflect that. To fix it, click on the two-letter country designation here.

Slide 45

**Step 2 - Part 4 Foreign Income**

Use this form to update your investment information and notes.

Foreign Country: **United States**

Stock Type:  Common  Preferred

Notes: Enter any notes associated with the security.

OK Cancel

It is a link that will open this form.

At the top is where you select the country that your broker has indicated.

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**Step 2 - Part 4 Foreign Income**

Foreign Country: **United Kingdom**

Stock Type:  Common  Preferred

Notes: Enter any notes associated with the security.

OK Cancel

In this case it is United Kingdom.

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**Step 2 - Part 4 Foreign Income**

Foreign Country: **United Kingdom**

Foreign Percent: **100**

Stock Type:  Common  Preferred

Notes: Enter any notes associated with the security.

OK Cancel

After you select the country,

you will see a new box where you'll need to enter the percentage of the dividend that is foreign income. For a stock for a single company like BP, this will be 100%.

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**Step 2 - Part 4 Foreign Income**

Symbol	Quantity	Unit Cost	Market	Investment Type	Country	Dividend
BP PLC	100	100.00	Common	United Kingdom	100%	
BP PLC	100	100.00	Common	United Kingdom	100%	
BP PLC	100	100.00	Common	United Kingdom	100%	
BP PLC	100	100.00	Common	United Kingdom	100%	
BP PLC	100	100.00	Common	United Kingdom	100%	
BP PLC	100	100.00	Common	United Kingdom	100%	
BP PLC	100	100.00	Common	United Kingdom	100%	
BP PLC	100	100.00	Common	United Kingdom	100%	
BP PLC	100	100.00	Common	United Kingdom	100%	
BP PLC	100	100.00	Common	United Kingdom	100%	

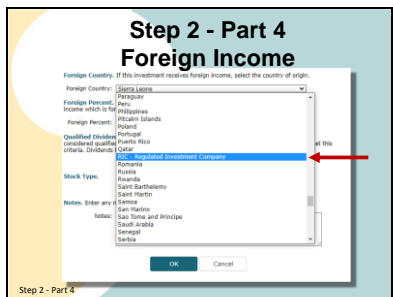
OK Cancel

After you accept the selection, you'll be taken back to the form and you'll see the symbol for the United Kingdom has been filled in.

It is UK.



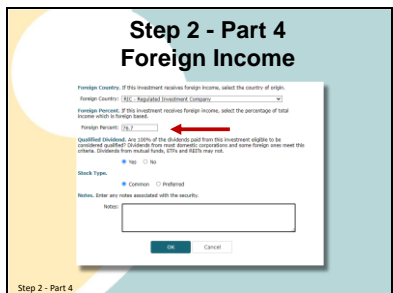
Slide 49



If you own ETFs or Mutual Funds that have foreign income,

then you need to select RIC as the country during this step.

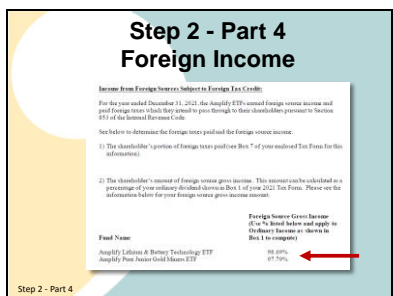
Slide 50



In this case, it may very well be that not 100% of the income comes from foreign sources so you'll need to change the percentage.

You might find what you need to enter on the 1099 form, or you will need to go to the Investor Relations pages on the ETF fund company's website to find it.

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On that page, you should be able to find supplemental information that will tell you the foreign percentage for the fund for the tax year.


This is the information for ETFs BATT and JGLD for tax year 2021 that the fund company posted on their website.

Note that this information will change every year, so even if the country code shows correctly as RIC, you will need to open the form to adjust the foreign tax percentage every year. If you can't find the information on the company website, you will be able to find an investor relations contact. You can email them to ask what the percentage is.

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**1099 – DIV Review - bivio**

1. Qualified dividends
2. Dividend totals
3. Dividend Categories
4. Foreign Income



Step 2

If you follow our guidelines for keeping your club accounting simple, there is a good chance at this point that you will have found:

All of your investments only pay qualified dividends

All of the dividend totals agree with what the broker shows


All of the dividend categories agree with what the broker shows

All of the reporting for any foreign companies agrees with what the broker shows

If that is the case, you'll be done with Step 2.

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**1099 – DIV Review**  
Commodity ETFs  
(like GLD, SLV, SGOL GBTC)



Step 2

However, if you find certain things on your 1099, you have very complex issues to address. For example, if you own commodity ETFs such as SLV or GLD or Bitcoin trusts


These are actually investments in a commodity such as Gold, Silver or Bitcoin, not in stock. Each month, some of the commodity, in this case Silver, is sold to pay expenses.

These sales mean many calculations you must make manually and many adjustments you must make to your bivio records. There are manual adjustments to your tax forms required also.

Unless you want to spend lots of time and you are very comfortable doing calculations and making accounting entries, then you will not want to do what needs to be done if your club invests in these.

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**1099 – DIV Review**  
– Partnership Distributions



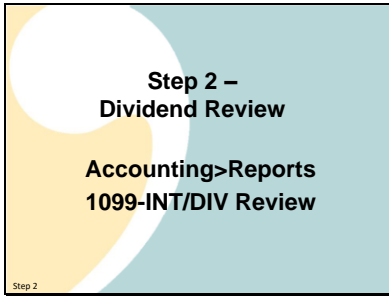
Step 2

Finally, if you see information

like this on your 1099 you have a big problem. You have received income which is classified as a partnership distribution. This requires major adjustments to your club accounting and tax reporting. Unfortunately, handling these things is beyond the scope of the services provided to you by bivio.

You will not be able to file the bivio tax forms as produced. You will need to get outside accounting help to get your club taxes done for the year.

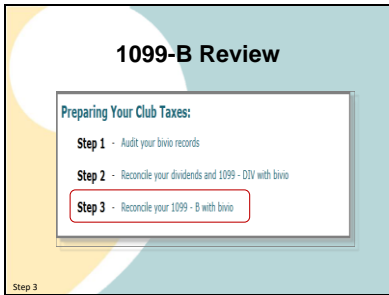
Slide 55



So that is what you need to do for step 2 of the tax prep process. This is a very important step for you to complete, so make sure you don't ignore it. Many of the cost basis problems clubs have are because they have neglected to do dividend reclassifications that were shown on their 1099s. If you find this step hard to do, just remember that you pretty much control whether or not you have to do it. Those clubs that follow our guidelines for keeping their club accounting simple by staying away from investments in digital assets, crypto ETFs, commodity ETFs, REITs or Partnerships can breeze through this step quickly because they probably won't have any reclassifications or other issues to deal with.

Note that you can do this step now if you have your 1099 forms. The 1099-INT/DIV review report that you use to do it is available to you on the Accounting>Reports page.

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When you finish the second step and have finished comparing and correcting your dividend entries, you'll return to the tax prep screen. You'll see that step 3 is now showing.

It also involves comparing a bivio report with a 1099 form. In this case, your 1099-B which reports your capital gains and losses.

Just like dividends, we have a review form that looks similar to what you'll be getting from your broker that will allow you to do this.

You can get to it from this link.

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1099-B Review Form for 12/31/2016

Reconcile your broker's 1099-B with your bivio records. Select the category name in the Link column to see detail.

Link	Sales Price	Cost Basis	Adjustment Amount	Gain/(Loss)
Short term transactions reported on Form 1099-B showing basis was reported to IRS (Box A)	2,920	3,292	0	-366
Short term transactions reported on Form 1099-B showing basis was not reported to IRS (Box B)	0	0	0	0
Short term transactions not reported to you on Form 1099-B (Box C)	0	0	0	0
				-366
Long term transactions reported on Form 1099-B showing basis was reported to IRS (Box D)	7,479	8,204	0	-815
Long term transactions reported on Form 1099-B showing basis was not reported to IRS (Box E)	0	0	0	0
Long term transactions not reported to you on Form 1099-B (Box F)	0	0	0	0
				-815
				-1,181

Step 3

The form looks like this.

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Transaction	Category	Cost Basis	Proceeds	Gain/Loss	Withheld Tax	Net Gain/Loss
Short Term Capital Gains	A	1,564.72	2,437.72	873.00	0.00	873.00
Short Term Capital Losses	B	0.00	0.00	0.00	0.00	0.00
Uncovered	C	1,564.72	2,437.72	873.00	0.00	873.00
Losses	D	0.00	0.00	0.00	0.00	0.00
Uncovered	E	0.00	0.00	0.00	0.00	0.00
Losses	F	0.00	0.00	0.00	0.00	0.00
Total		1,564.72	2,437.72	873.00	0.00	873.00
Uncovered	B or E	0.00	0.00	0.00	0.00	0.00
Uncovered	C or F	0.00	0.00	0.00	0.00	0.00
Total		0.00	0.00	0.00	0.00	0.00
Total Categories A, B, D, E		1,564.72	2,437.72	873.00	0.00	873.00
Total Categories C, F		0.00	0.00	0.00	0.00	0.00
Grand Total		1,564.72	2,437.72	873.00	0.00	873.00

It is designed to resemble what your broker will be providing you on your 1099-B which will look something like this.

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So what is all the stuff on these forms? Here's what you need to know. If you sell stocks during the year, you will have capital gain income to report.

On your 1099, your capital gains may be reported in one of 6 different categories.

In the first section, you'll have information on Short Term Capital gains. These are gains or losses on sales of stocks you held for 1 year or less.

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**1099-B Review**  
**Short term capital gains**

- A - Cost basis reported to IRS
- B - Proceeds reported but not cost basis
- C - Not reported to IRS

If we look more closely, we see that this section is further divided up into 3 categories:

- For Section A or “Covered” transactions, your broker will be reporting your cost basis to the IRS. That gives them the information they need to do a direct match up to what you report on your taxes.
- For Section B, or “Non Covered” transactions, your broker does not have to provide cost basis information, they will just be reporting the total proceeds from these sales. Your broker may show Section B cost basis information on your 1099, but it will not be sent in to the IRS.
- Section C transactions are not reported as part of a 1099-B Basically any other transactions that don't fit into the first two categories. (Though they may be shown on your 1099 as supplemental information)

Don't get the impression that if something is not being reported to the IRS by your broker that you don't have to report it. You still have the obligation to report correct capital gains and losses on your taxes. It's just that for sales included in category A, the IRS has a very easy way to compare what you file with what you should have filed.

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### 1099-B Review Long term capital gains

Link	Subtotal	Cost Basis	Adjustment	Gains/(Loss)
Short-term transactions reported on Form 1099-B showing basis was reported to IRS (Box A)	2,700	2,252	0	-448
Short-term transactions reported on Form 1099-B showing basis was not reported to IRS (Box E)	0	0	0	0
Short-term transactions not reported to you on Form 1099-B (Box F)	0	0	0	0
<b>Long-term transactions reported on Form 1099-B showing basis was reported to IRS (Box C)</b>	<b>7,470</b>	<b>8,234</b>	<b>0</b>	<b>-815</b>
Long-term transactions reported on Form 1099-B showing basis was not reported to IRS (Box E)	0	0	0	0
Long-term transactions not reported to you on Form 1099-B (Box F)	0	0	0	0
<b>Subtotal</b>				<b>-1,182</b>

D - Cost basis reported to IRS  
E - Proceeds reported but not cost basis  
F - Not reported to IRS

Step 3

There are similar categories in the Long Term Capital gains section. They are labeled D, E and F.

In section D cost basis is reported to IRS

In section E are the non-covered sales where proceeds but not cost basis are reported to IRS

And in section F are transactions not reported for various reasons in either of the other two categories.

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### 1099-B Review - bivio

Link	Subtotal	Cost Basis	Adjustment	Gains/(Loss)
Short-term transactions reported on Form 1099-B showing basis was reported to IRS (Box A)	2,700	2,252	0	-448
Short-term transactions reported on Form 1099-B showing basis was not reported to IRS (Box E)	0	0	0	0
Short-term transactions not reported to you on Form 1099-B (Box F)	0	0	0	0
<b>Long-term transactions reported on Form 1099-B showing basis was reported to IRS (Box C)</b>	<b>7,470</b>	<b>8,234</b>	<b>0</b>	<b>-815</b>
Long-term transactions reported on Form 1099-B showing basis was not reported to IRS (Box E)	0	0	0	0
Long-term transactions not reported to you on Form 1099-B (Box F)	0	0	0	0
<b>Subtotal</b>				<b>-1,182</b>

Step 3

You'll see these same 6 categories on the opening page of the 1099-B review report.

The first thing you want to do is to look at the subtotals for each column in a particular category.

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### 1099-B - Broker

Link	Subtotal	Cost Basis	Adjustment	Gains/(Loss)
A basis reported to IRS	2,700	2,252	0	-448
A basis not reported to IRS	0	0	0	0
B basis reported to IRS	7,470	8,234	0	-815
B basis not reported to IRS	0	0	0	0
<b>Total</b>	<b>10,170</b>	<b>10,486</b>	<b>0</b>	<b>-915</b>

Step 3

They should agree with the subtotals shown on your 1099 for the same category.

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### 1099-B Review - bivio

Link	Subtotal	Cost Basis	Adjustment	Gains/(Loss)
Short-term transactions reported on Form 1099-B showing basis was reported to IRS (Box A)	2,700	2,252	0	-448
Short-term transactions reported on Form 1099-B showing basis was not reported to IRS (Box E)	0	0	0	0
Short-term transactions not reported to you on Form 1099-B (Box F)	0	0	0	0
<b>Long-term transactions reported on Form 1099-B showing basis was reported to IRS (Box C)</b>	<b>7,470</b>	<b>8,234</b>	<b>0</b>	<b>-815</b>
Long-term transactions reported on Form 1099-B showing basis was not reported to IRS (Box E)	0	0	0	0
Long-term transactions not reported to you on Form 1099-B (Box F)	0	0	0	0
<b>Subtotal</b>				<b>-1,182</b>

Step 3

If they don't,

each row label on the 1099-B review report is a link that will take you to the detail of what is being included in the category.

For example, if I click on the first link,

I get to the detail of the Short-term capital gains, Section A category "basis is reported to the IRS".

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**1099-B Broker**

1099-B Form for 2014  
 To: **Investment** (1099-B) No. **1099-B** No. **1099-B** No. **1099-B** No. **1099-B** No. **1099-B**  
 From: **Investment** (1099-B) No. **1099-B** No. **1099-B** No. **1099-B** No. **1099-B** No. **1099-B**

Description	Acquisition Date	Acquisition Price	Cost Basis	Adjustment Code	Adjusted Cost Basis	Gain/Loss	Disposition Date	Disposition Price	Net Capital Gain	Disposition Method
1099-B Form for 2014	12/31/14	100.00	100.00		100.00	0.00	12/31/14	100.00	0.00	Capital Gain
<b>Totals</b>		<b>100.00</b>	<b>100.00</b>		<b>100.00</b>	<b>0.00</b>			<b>0.00</b>	

**1099-B Review Page - bivio**

Description	Acquisition Date	Acquisition Price	Cost Basis	Adjustment Code	Adjusted Cost Basis	Gain/Loss	Disposition Date	Disposition Price	Net Capital Gain	Disposition Method
1099-B Form for 2014	12/31/14	100.00	100.00		100.00	0.00	12/31/14	100.00	0.00	Capital Gain
<b>Totals</b>		<b>100.00</b>	<b>100.00</b>		<b>100.00</b>	<b>0.00</b>			<b>0.00</b>	

Step 3

You can compare this to a similar looking detail page for the same category that you will find in your 1099.

Start to focus in on where the difference is coming from

by comparing the subtotals for each company between the bivio and brokers report.

If the subtotals are the same for a company, it is not the problem. If they do not agree, you will need to compare further details either between the two reports or between bivio and a Realized gain/loss report from your broker to find out what the problem is so you can get it corrected.

Note that if you have done the audit in step 1, you should not find any issues at this point because you already found them during the audit and got them corrected.

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**Fixing bivio Entries**

Description	Acquisition Date	Acquisition Price	Cost Basis	Adjustment Code	Adjusted Cost Basis	Gain/Loss	Disposition Date	Disposition Price	Net Capital Gain	Disposition Method
1099-B Form for 2014	12/31/14	100.00	100.00		100.00	0.00	12/31/14	100.00	0.00	Capital Gain
<b>Totals</b>		<b>100.00</b>	<b>100.00</b>		<b>100.00</b>	<b>0.00</b>			<b>0.00</b>	

Step 3

If you find discrepancies, you need to determine why they are there. If you need to make corrections in bivio, you can jump back to the transactions that have been entered for the stock when

you select the review entries link.

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**Fixing bivio Entries**

Select Investment: **Equity Global Equities Inc (ECRM)**

Quantity	Symbol	Type	Remark	Shares	Amount	Actions	Debit
100.00	WJ	Buy	Initial purchase	100.00	100.00		
100.00	WJ	Buy	Initial purchase	100.00	100.00		
100.00	WJ	Buy	Initial purchase	100.00	100.00		
100.00	WJ	Buy	Initial purchase	100.00	100.00		
100.00	WJ	Buy	Initial purchase	100.00	100.00		
100.00	WJ	Buy	Initial purchase	100.00	100.00		
100.00	WJ	Buy	Initial purchase	100.00	100.00		
100.00	WJ	Buy	Initial purchase	100.00	100.00		
100.00	WJ	Buy	Initial purchase	100.00	100.00		
100.00	WJ	Buy	Initial purchase	100.00	100.00		

Step 3

It will take you to the Investments transaction page or pages for the stock in question. You will need to correct whatever bivio entry or entries were wrong to fix your problem.

**Fixing Discrepancies**

- Transactions Missing
- Cost Basis
  - Incorrect purchase entries
  - Incorrect Opening balances
  - Incorrect reorganization entries
  - Lot Selection
  - Wash Sales
  - Withdrawal transfers
- Past Year Issues

Step 3

There can be many reasons for differences. If you do find them, and you know the brokers information is correct, then you need to make corrections to your bivio transaction entries so bivio will calculate whatever the broker shows. In other words, you need to fix your accounting. You are not just changing a number on a tax form.

Here are some things that can cause issues:

You may have transactions missing. If so, you will need to find out what they are using statements and reports from your broker and they will need to be added to bivio.

You may find that broker cost basis numbers do not agree with your bivio records. If so, you will need to investigate and determine why and then fix the entries in bivio that are causing the problem. Cost basis differences can be caused by things like:

The incorrect entry of a stock purchase.

If you switched to bivio after your club had started, there may have been mistakes in your switchover data.

The stock affected may have gone through a reorganization that wasn't accounted for properly in bivio either during the current year or in past years.

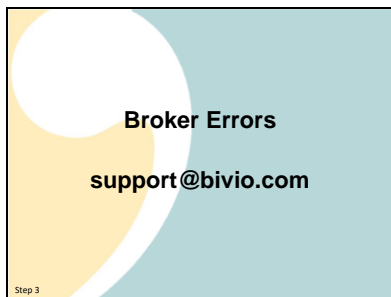
If you had multiple lots of a stock and you only sold some of them, you would have needed to tell your broker which lots to sell. If you've told them something other than FIFO (First in First Out), you'll need to edit the sale in bivio so the correct lots are reported sold and the correct gains or losses are calculated.

You may have had a wash sale. If it was this year, you will need to add it into your bivio records. Bivio is the only investment club accounting software that gives you a tool to use to do this.

If you transferred stocks to pay a withdrawal, you may not have selected the correct shares as transferred when you made the withdrawal entry in bivio

Problems you find may be due to incorrect entries made during the current year or they may be from past years. If that is the case, you need to fix the oldest problems first and then re-enter any subsequent transactions that would have affected the cost basis of your shares. Working from oldest to newest will allow the fixes to propagate through your data correctly. This can be a lengthy project if your records have been incorrect for many years.

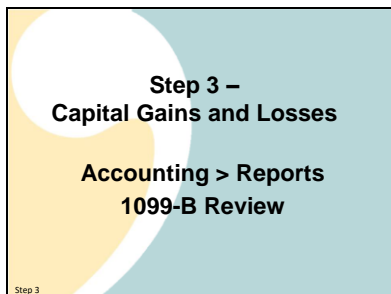
Slide 69



In very rare cases, your broker might have an error in a reported cost basis number on their 1099. If you can prove that they do have an error and that the gain/loss shown by bivio is correct,

then contact us in support and we can help you make the entries you will need to report this on your taxes.

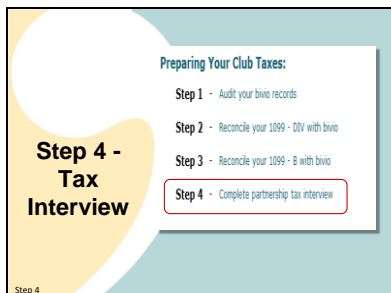
Slide 70



So that's what you need to do for step 3 of the tax preparation process. When you get done, you should have verified that bivio will report the correct capital gains and losses on your taxes and that they will be in agreement with what your broker will be reporting.

Note that you should do this step now if you have your 1099 forms. The bivio 1099-B review report that you use to do it is available to you on the Accounting > Reports page.

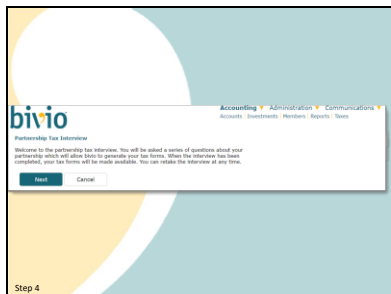
Slide 71



Once you've done these confirmations, you're ready to move into the final steps of preparing your club's tax forms. These go much quicker.

First, you'll take a tax interview in step 4 to provide the final pieces of information you need to enter.

Slide 72



Your tax forms will be generated using your club data after you answer a few questions in this Partnership Tax Interview. If you later change anything in your club records after you went through this tax interview the first time, it is important to retake the interview to update the tax forms before you submit them to anyone. You can retake this interview as many times as you'd like, as long as you haven't e-filed your return. You only get to e-file your return one time.



Slide 73

In the tax interview, first confirm basic club information. Your club name, address, EIN Number and club start date. These will probably already be available and filled in from your club records. If not, click Edit to fill them in here because they are necessary for you to continue. If you update your club name or address here in the tax interview, the “Notify IRS of club name change” or “address change” boxes will be checked for you. Double-check that your EIN number is correct. When your club electronically files your tax return, it is important that this information matches what the IRS is looking for.

Slide 74

You need to choose from two options for filing your club’s returns with the IRS:

E-file or print and mail. We recommend the ease and security of e-filing when possible. If your club requires any of the state returns that are included in your bivio subscription (NY, NJ, PA and CO), you can download them for your club to print and mail. E-filing is not available for those returns.

Slide 75

Your bivio subscription also includes California tax returns. New this year, bivio supports e-filing for California state returns. California mandates that returns be e-filed unless a waiver is granted. If your club requires a California return, both your IRS return and your California return will be e-filed.

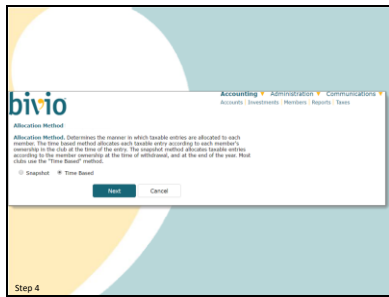
Slide 76

Next, select the IRS center your return will go to and the type of partnership.

You’ll also need to know whether or not your club has invested in a partnership during the year. If you have, you will not be able to finalize correct tax forms in bivio. You’ll need to work with an outside accountant to get them done.

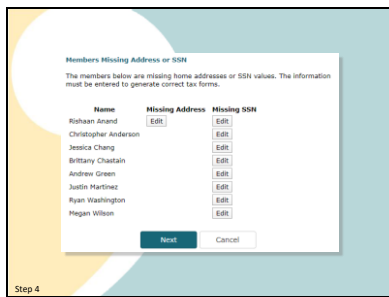
If your club is not e-filing your Federal return, make sure you check the filing instructions on our help page so you know where your return should be mailed.

Slide 77



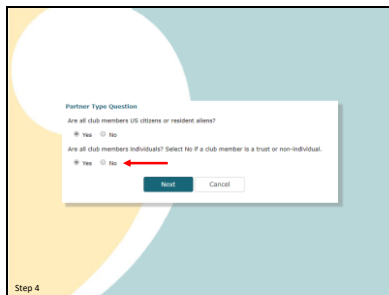
Here you choose the method that is used to allocate or divide up your club income and expenses between the members. We strongly suggest you accept the default which is time-based allocation. This is the default IRS required methodology. It means income and expenses are allocated to your members based on their ownership percentage on the date that they occur.

Slide 78



If you are missing any addresses or Social Security numbers in bivio, you will need to click Edit and enter them on the next page to be able to produce your taxes.

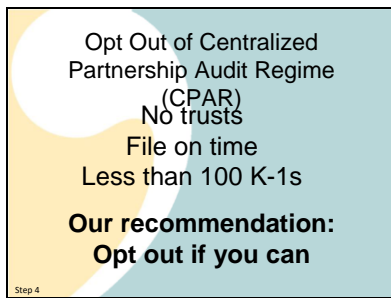
Slide 79



Next you are asked questions about the type of partners that are in your club. Whether they are all US citizens or resident aliens and whether all of your members are individuals.

If you have any members in your club whose member accounts are listed in the name of a trust, it is very important to select No in the second question.

Slide 80



Opt Out of Centralized Partnership Audit Regime (CPAR)  
No trusts  
File on time  
Less than 100 K-1s  
**Our recommendation:  
Opt out if you can**

Step 4

If you answer yes to both questions, you may be eligible to opt out of the CPAR audit requirements. CPAR stands for Centralized Partnership Audit Regime. Here are the requirements you'll need to meet to opt out.

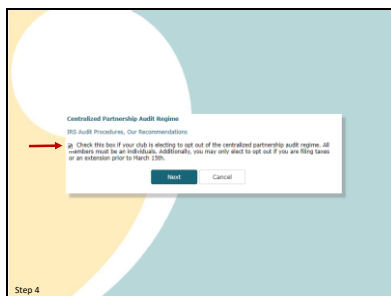
You can't have any trusts as members of your club.

You need to file your tax return and distribute tax documents to your members by March 15 or file a valid extension before then.

And your club can only have 100 or less K-1 forms to distribute for the year.

We recommend that you opt out if you can.

Slide 81



Centralized Partnership Audit Regime  
CPAR Audit Procedures, Our Recommendations  
Check this box if your club is electing to opt out of the centralized partnership audit regime. All members must be an individual. Additionally, you may only elect to opt out if you are filing taxes or an extension prior to March 15th.

Next Cancel

Step 4

If you are eligible to opt out, you will see this page.

We'd suggest that you check this box to elect to opt out. We highly recommend that you do this if your club is eligible. It makes amending a return, if necessary, much easier, and if the IRS were to ever audit your club, it would be harder for them to do that.

Slide 82



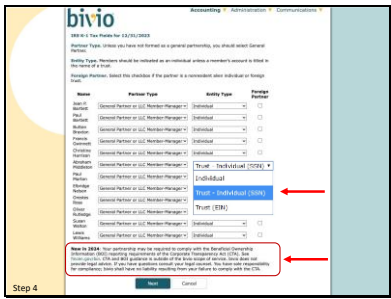
bivio Accounting Administration Communications  
Partner Type Question  
Are all club members US citizens or resident aliens?  
Yes No  
Are all club members individuals? Select No if a club member is an entity, trust or non-individual.  
Yes No

Next Cancel

Step 4

If, however, you answered no to either of the questions on the Partner Type page because some of your members hold their club ownership in a trust...

Slide 83

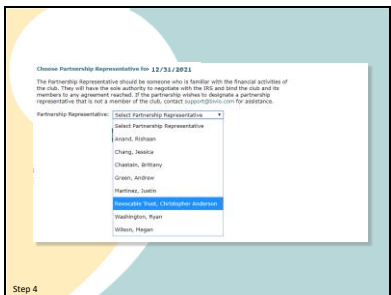


you will be taken to this page. On it you need to identify the members of your club that are trusts. You do that using the little drop-down menu in the “entity type” column.

For most trusts you’ll select “Trust – Individual (SSN)” on the drop-down menu that opens.

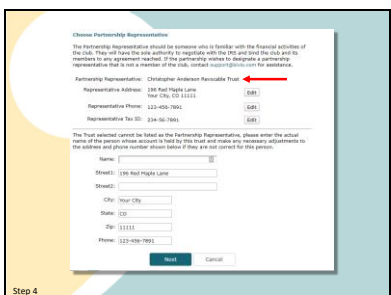
At the bottom of this page is a notification for those clubs who indicated their partnership was a Limited Partnership or LLP or LLC. This same notification will appear on members’ K-1 attachment pages. Effective January 1, 2024, Limited Partnerships, LLPs and LLCs may be required to comply with the Beneficial Ownership Information reporting requirements of the Corporate Transparency Act or face penalties. You can find details about compliance at [fincen.gov/boi](https://www.fincen.gov/boi). While the Corporate Transparency Act applies to all partnerships, most clubs that are general partnerships are exempt from the BOI reporting requirement. However, you have the sole responsibility for your compliance with the CTA, including its BOI reporting requirements and the collection of relevant ownership information. Any club with questions should consult legal counsel. This is a legal compliance matter and outside of bivio’s scope of service. bivio does not give legal advice, and will have no liability regarding your failure to comply with the CTA.

Slide 84



When you have members who are trusts, you will not be able to opt out of the IRS CPAR audit procedures and you will need to designate a Partnership Representative. The Partnership Representative needs to be someone who is familiar with the financial activities of the club. They will have the sole authority to negotiate with the IRS and bind the club and its members to any agreement reached in the event of an audit of your 2023 tax returns.

Slide 85



You will need to enter the name, address, phone and social security number for whomever you designate as partnership representative.

If your partnership representative holds their club ownership in a trust,

Slide 86

Choose Partnership Representative

The Partnership Representative should be someone who is familiar with the financial activities of the club. They will review the tax returns to prepare with the IRS and file the tax and the members to any adjustment required if the partnership wishes to designate a partnership representative that is not a member of the club, contact [representations@bivio.com](mailto:representations@bivio.com) for assistance.

Partnership Representative: Christopher Anderson Resolute Trust

Representative Address: 124 Red Maple Lane  (SR)  
100 City, CA 11111

Representative Phone: 123-456-7891  (SR)

Representative Tax ID: 234-56-7891  (SR)

The Trust and/or LLC cannot be listed as the Partnership Representative, please enter the actual name of the partnership account to list in this trust and make any necessary adjustments to the address and phone number shown below. If they are not, click on the city field.

Name: [Christopher Anderson]  (SR)

Street1: [124 Red Maple Lane]  (SR)

Street2:

City: [Your City]

State: [CA]

Zip: [11111]

Phone: [123-456-7891]

Next Cancel

Step 4

...you will need to enter their name in this bottom section. You cannot have a trust named as a partnership representative.

Slide 87

bivio Accounting Administration Communications

Accounts Investments Members Reports Taxes

Misclassification Questions for 12/31/2023

Is any club member related to another club member?

Yes  No

Your club has less than \$500 in foreign tax expenses. You do not need to include the K-2 or K-3 forms unless requested by one of the club members.

Include Schedules K-2 and K-3?

Yes  No

At any time during this tax year, did the partnership (S) receive (as a reward, award, or payment for property or services), or (S) sell, exchange, or otherwise dispose of a digital asset? Note that clubs that owned a digital asset ETF must answer "yes".

Yes  No

Next Cancel

Step 4

Next, this is where you indicate if any of your club members are related to another club member.

Now, about Schedules K-2 and K-3. The bivio tax software will determine whether your club needs to file Schedules K-2 and K-3 and will automatically include the forms if your club is required to file them. If your club qualifies to omit these forms, you will be notified here that you that you do not need to file them. However, you are still asked if you want to include Schedules K-2 and K-3. A few clubs may need to select "Yes" and include the K-2 and K-3 because a club member requested a K-3. Most clubs will want to choose "No" and save many pages of paper and ink. Refer to the bivio Taxes Schedule K-2 and K-3 Information Help page for more details.

The third question is a new question this year from the IRS about digital assets, such as crypto currency investments. It should be marked yes if your club received any digital assets or if your club sold, exchanged, or disposed of digital assets during the year. It should be yes if your club owns crypto ETFs such as GBTC and ETHE.

Note that bivio does not support investments in crypto ETFs or other digital assets. If your club owns any of these investments, your tax documents prepared in bivio may be incorrect. Contact an outside tax professional to prepare your club's tax returns.

Slide 88

**Related Members**

The IRS requires information about "constructive ownership" of partnerships. Please check members who are related. For the purpose of this question the IRS defines a relation as a brother, sister, spouse, lineal ancestor (parents, grandparents etc.) and lineal descendants (children, grandchildren etc.). You will have the opportunity on the next page to group another set of related members.

**Name**

- Robbman Arnold
- Jessica Cheng
- Brittany Charlton
- Andrew Green
- Justin Hartman
- Christopher Anderson Revocable Trust
- Ryan Worthington
- Megan Wilson

If nobody in this list is related, leave boxes unchecked and click Next.

Step 4

If you have related members, the relationships you have to identify are listed at the top of this page. If related parties own together more than 50% of your club assets, it is called constructive ownership and an additional form, Form B-1, will be generated with your taxes. Investment clubs that can use bivio for their accounting, typically are not involved in any transactions where the answers to this question will matter. But you still have to file Form B-1.

Slide 89

**bivio** Accounting Administration Communications

**Related Members**

The IRS requires information about "constructive ownership" of partnerships. Please check members who are related. For the purpose of this question the IRS defines a relation as a brother, sister, spouse, lineal ancestor (parents, grandparents etc.) and lineal descendants (children, grandchildren etc.). You will have the opportunity on the next page to group another set of related members.

**Name**

- Robbman Arnold
- Jessica Cheng
- Brittany Charlton
- Andrew Green
- Justin Hartman
- Christopher Anderson Revocable Trust
- Ryan Worthington
- Megan Wilson

If nobody in this list is related, leave boxes unchecked and click Next.

Step 4

After you identify the first set of relationships, you will be presented the remaining club members to identify any remaining family relationships. You will keep being presented with these until you have no more to enter.

Slide 90

**State Tax Information for 12/31/2021**

This club filed a NYS partnership return for 2019.

This club filed a NYS partnership return for 2020.

If not, state reason:

Step 4

If your club is in a state for which we provide state taxes, you may have a few extra questions to answer before you are through with Step 4.

Slide 91

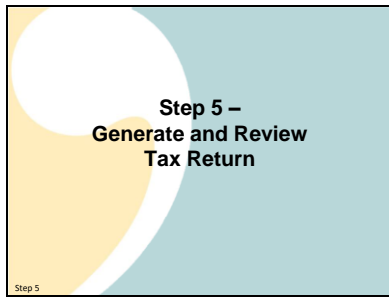
**Preparing Your Club Taxes:**

- Step 1** - Audit your bivio records
- Step 2** - Reconcile your 1099-INT and 1099-DIV with bivio
- Step 3** - Reconcile your 1099-B with bivio
- Step 4** - Complete partnership tax interview

Step 4

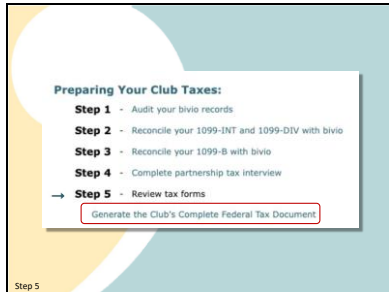
There. After you've answered all of the questions in the tax interview, you've completed Step 4 of the tax preparation process and you will be returned to the bivio tax page.

Slide 92



In Step 5 you can generate and review your club's tax documents.

Slide 93



Click here to generate your entire federal tax return.

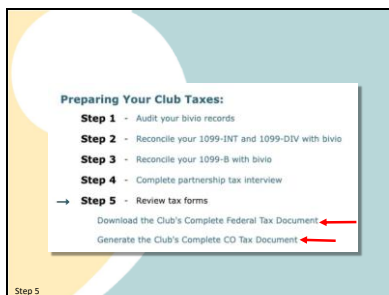
Slide 94



A single PDF file containing all the documents you need to file with the IRS will be produced. Be patient. This may take a little time, especially if you have a large club. If your club files K-3 forms it will add 7 to 8 pages for each member to your return, and another 7 to 8 pages for form K-2 for your club. But most clubs won't have that again this year.

When it is done, you will be asked if you'd like to download the file to your computer.

Slide 95

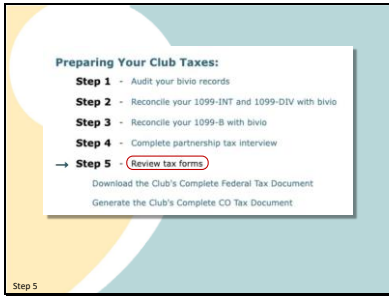


If you return to the taxes page, you will see a link to download your entire federal document and

also a link to generate or download any state taxes that are included in bivio that your club needs to file. You can return to the Taxes page at any point to repeat any of the steps. As we mentioned before, if you change any club data, make sure to redo your taxes before filing. However, once you've mailed or e-filed them and distributed forms to your members, you shouldn't make any more changes to the forms or to your club records for 2023 or prior years.

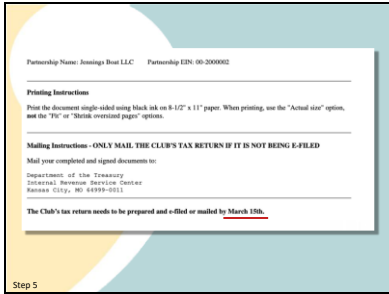
You need to save a separate paper or PDF copy now of the return that is exactly what you filed. Keep it either in your club records or in your bivio file storage area for future reference.

Slide 96



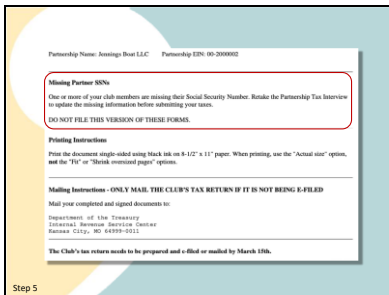
Now that your tax forms have been generated, you need to review what was entered on them.

Slide 97



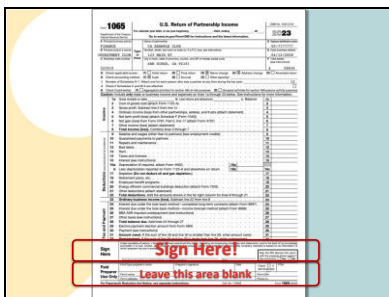
Your complete tax package will start with a cover page. You don't send this page in. It just contains instructions for filing your return and the date it is due.

Slide 98



If there are any issues noted, make sure to address them before filing your taxes.

Slide 99



Here's the first page of your 1065. It looks kind of empty but that's OK. Just make sure the information listed at the top looks correct.

The main thing of concern on this page is that you DON'T FORGET to SIGN HERE if you are mailing in your taxes to the IRS or to any states. Of course, if you are e-filing, you won't need to worry about signing. Do this before mailing in your taxes or those nice penalties we discussed at the beginning will start to apply to you.

You should leave the "Paid Preparer's Use Only" section blank.



Slide 100

A screenshot of a tax form page, likely Schedule B, with a red rectangular box highlighting a section on the right side. The text in the box is partially obscured but appears to be related to "Other Information". The page is labeled "Step 5" in the bottom left corner.

Schedule B comes next on pages 2, 3, and 4. It is where “Other Information” is filled in.

Bivio has filled this in based on information you entered during the tax interview and with information that would apply to most investment clubs. You should review each question and the way it has been answered to make sure all the answers marked are correct for your club.

Slide 101

A screenshot of a tax form page, likely page 4, with two red rectangular boxes highlighting specific questions. The text in the boxes is partially obscured but appears to be related to digital assets and partnership audit information. The page is labeled "Step 5" in the bottom left corner.

Carefully review two questions on page 4. Question 30 should be marked yes if your club received any digital assets or if your club sold, exchanged, or disposed of digital assets. It should be yes if your club owns crypto ETFs such as GBTC and ETHE.

Page 4 is also where the partnership audit information is addressed. If you have elected to opt out of the IRS CPAR audit procedures, question 31 will be marked yes and you will also have a form B-2 that will be part of your tax package that you will need to file. There will be no information in the Partnership Representative section.

If you were not eligible to opt out, as is the case for this club, question 31 will be marked “No” and the information about your partnership representative will be filled in here.

Slide 102

A screenshot of a tax form page, likely Schedule K, with a red rectangular box highlighting a section. The text in the box is partially obscured but appears to be related to income and expense information. The page is labeled "Step 5" in the bottom left corner.

Page 5 is Schedule K. It is where your total club income and expense information will be filled in. This is the information that is divided up among the members and reported to them on their K-1s. Most clubs will have only a few entries. Note that all the entries you will see on our tax forms are rounded to the nearest dollar. Check to make sure the entries are what you expect.

If you see an entry on line 11 you need to check why it is there. You should only see an amount there if you have received some unusual type of club income such as winnings from a portfolio contest. If you haven't, you may have recorded something incorrectly in your records and you should investigate and fix it before finalizing your forms.

Slide 103

Step 5

On page 6,

most clubs should only see entries in this top section.

Slide 104

Step 5

If your club has sold stocks during the tax year you will have entries on a Schedule D. This is one of the places where the information from the 1099-B review process ultimately ends up.

The summary information in the “Covered” categories for which you haven’t made any adjustments goes directly on the Schedule D. You will not find it detailed out anywhere as part of your tax forms.

If you have made adjustments, had wash sales or have information for sales reported in categories other than the “Covered” categories, you will have entries in this section and you will also have pages of another form, form number 8949 filled in.

Slide 105

Step 5

It lists the details of your transactions as well as any

adjustments that were made between what the broker reported on the 1099 and what you are reporting as cost basis.

Slide 106

Step 5

There will also be some supplemental forms your club may have. For example, if your club has opted out of the CPAR partnership audit requirements, you will have a form called a Schedule B-2.

It lists all of your club members, their tax IDs and the type of entity they are. For investment clubs that can use bivio, these should all be listed as I for individual.

Slide 107

Partners' Distribution Data Summary - International

Step 5

If your club doesn't meet the Domestic Filing Exception criteria, you may also have a 7 to 8 page

Schedule K-2 to file as part of your club's tax return. This covers information needed for foreign tax reporting, not only for your club, but also for each of your individual members' personal taxes. Most clubs will not have K-2 or K-3 documents.

Slide 108

Schedule B-1

Step 5

Some other supplemental forms which you may need to send in with your club filing are these:

You may have schedules with lists of any items shown in special categories on your Schedule K.

Or a list of any distributions (withdrawals) your club paid.

If, when you identified your related parties, any of your related members owned, in total, more than 50% of your club, there will also be a Schedule B-1 for you to send in with your taxes.

Slide 109

Don't Forget!!!

Step 5

As part of your tax package you will have a form called a K-1 for each member. It will report their portion of your club income and expenses. You file a copy of each one with the club return and you also give each member the copy that contains their information. They need to report it on their personal tax returns.

On each member's K-1 you should see their name, address and social security number.

**DON'T FORGET TO CHECK this.** If you file forms with any of this information missing or incorrect, your filing will be considered incomplete and possibly late, resulting in the late filing penalties we discussed earlier.

The amounts shown on each line of this report will be the member's portion of your total club income and expenses that were shown on schedule K.

The codes for lines 11 and 20 can be looked up online if you need to know what they stand for. You'll find a link to the page of codes on a K-1 attachment page and on our Help page.

Slide 110

The image shows a screenshot of a tax form titled "Partner's Share of Income, Deductions, Credits, etc.—Individual". The form includes a header section with fields for "Partner's Name", "Partner's EIN", "Partner's SSN", and "Partner's Address". Below the header is a large table with multiple columns for reporting various types of income and deductions. The table has a header row with labels like "Ordinary Income", "Capital Gains", "Dividends", etc., and a grid of rows for data entry. A red box highlights the "Other Information" section at the bottom of the form.

A few clubs who don't meet the Domestic Filing Exception criteria will also receive a K-3 form for each member in addition to the K-1. It will probably have 7 or 8 pages. Club members may need the information on this form if they have foreign income that they claim on their personal tax returns even if there is no foreign income from your club reported on them.

Again, make sure that each member's information is complete and correct on the pages of this form. Copies of all of these pages are given to each member and also filed with your full club tax document.

Slide 111

The image shows a screenshot of the "Other Information" section of a tax form. It contains several lines of text, some of which are highlighted with red boxes. The text includes: "Partner's Name: Sun Surfing L.P.", "Partner's EIN: 00-000001", "Partner's SSN: Sun Surfing", "Partner's Address: 0000000000", and "Year 2012". There are also some lines of text that are partially obscured or cut off.

There may also be a K-1 Attachment page for each partner.

If your club has opted out of the CPAR audit procedures, it will contain a note informing them of that.

If they had any federally non-deductible portfolio expenses on line 13 on Schedule K-1, the code and description for what was reported will be listed here. Some states may still allow a deduction for these on state returns.

Your club members will also see a notification here if you club qualifies for the Domestic Filing Exception. It informs them that they need to contact your club's treasurer if the member needs a Schedule K-3 for their personal tax return.

This year they may also see notification informing them that the club may be required to comply with the Beneficial Ownership Information reporting requirements of the Corporate Transparency Act.

Slide 112

1040-DIV (continued) (See instructions)

Report Preparation Date: 03/06/2014  
Member Valuation Date: 03/31/2014

Unit Value:	217,000.00	Cost:	30.00
Unit Withdrawal:	1,000,000.00	Withdrawal Pct%:	2,256.76
Withdrawal Value:	2,187,000.00	Withdrawal Cost:	30,000.00
Withdrawal Total:	2,157,000.00	Withdrawal Total:	2,157,000.00

Member Unit Basis Withdrawal: 2,280.00  
Current Basis Withdrawal: 2,157.00  
Net Withdrawal: 123.00

Member Unit Cost Basis of Shares Withdrawn:  
Units: 30.00  
Cost Basis: 300.00  
Net Cost: 2,157.00

**Withdrawal Report is Withdrawal Report**

**Share Basis Withdrawal**

From the year you received an additional unit is reported by the member on Schedule D of the 1040. The report should be filed with the member's federal tax return for the year the unit was sold.

Share	Share Type	Quantity	Share Price	Net	Cost Basis
100	Common	1,000,000	2.157	2,157,000	2,157,000

Investment Transaction Member Value 03/31/2014

Share	Share Type	Quantity	Share Price	Net	Cost Basis
100	Common	1,000,000	2.157	2,157,000	2,157,000

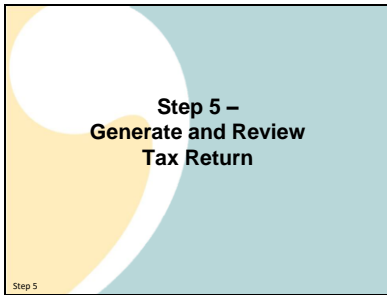
Step 5

In addition to a K-1 Form, a member who has made a withdrawal of cash or stock during the year may have additional tax liabilities.

They will need additional information that does not appear on their K-1 to report on their personal 1040 Schedule D form if they had a gain or loss from their withdrawal. This information is shown on their withdrawal report.

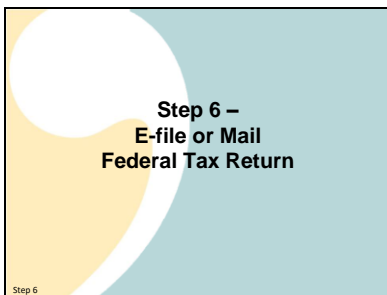
If they received shares of stock, this withdrawal report will show their cost basis in those shares. It is important that they receive an updated copy of this report along with their K-1 at the end of the year. Be sure to reprint all withdrawal reports at the end of the year. You do not have to send in the withdrawal forms with your club tax filing. Just keep them with your club records and make sure to distribute them to the individuals affected.

Slide 113



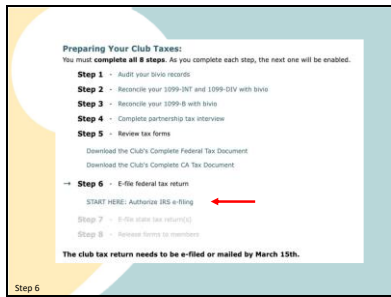
And that completes the form review in Step 5. When you are sure everything is correct, you can proceed to Step 6 and file your return.

Slide 114



You will either e-file or mail your federal tax return to the IRS. E-filing the federal tax return is secure and very easy and is included with your bivio subscription. We recommend it.

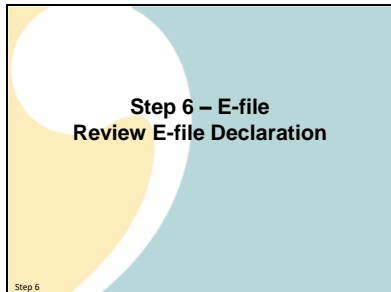
Slide 115



If you've chosen to e-file your club's federal tax return, you need to review and electronically sign the e-file authorization.

Click "Authorize IRS e-filing" to begin.

Slide 116



bivio will complete the e-file declaration form with your club's information. You need to review it.

Slide 117



On the screen, review your club's filled-in IRS e-file declaration, carefully checking:

Your club name and EIN number.

All amounts in Part I will usually be zeros.

Read carefully all of the declarations in Part II.

Check the date and your role in the club - your role is filled in from the privileges you have in the club roster. This person has Administrator privileges in bivio.

Slide 118

Step 6

While bivio is submitting your tax return based on this authorization, bivio is not an ERO or a Paid Preparer according to the IRS. As such, Part III will be left blank. When you have carefully reviewed the IRS Form 8453-PE on the screen, the next step is to sign this e-file declaration electronically.

When you are ready to electronically sign this form to authorize bivio to start the e-filing process,

type your full name in the field below the form

and click “I authorize bivio to submit the club’s tax return.” When you click this button, it can’t be undone.

Slide 119

**Step 6 - E-file**

**Once you electronically sign the e-file authorization, the e-filing process will begin and cannot be undone.**

Step 6

Let me reiterate this: once you electronically sign the e-file authorization, the e-filing process will begin and cannot be undone.

Slide 120

Step 6

When you have e-signed the authorization, your club’s e-file status will be “Pending” until it is accepted by the IRS. You can check to see the status of your e-file submission here.

It is important that you click this link to download the club’s signed e-file authorization form and keep it with your records.

It will take some time for the IRS to accept your submitted tax documents. Don’t wait until the last minute to e-file.

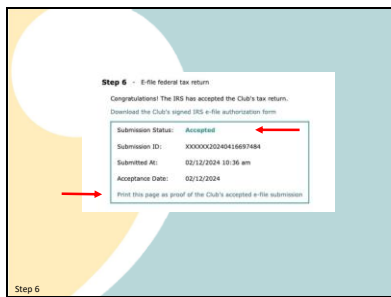
Slide 121



If your club’s e-filed return is rejected for some reason, any errors will show up here and bivio will send an email notification to you.

You have 10 calendar days to correct the errors and resubmit the corrected return. A return that is corrected in this period will be considered to be accepted as of the date of the first submission, even if the corrected return is re-submitted after the filing deadline.

Slide 122

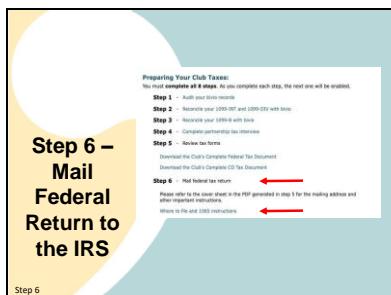


When the IRS accepts the e-filed return the status will change from “Pending” to “Accepted”. Your federal return is now successfully e-filed.

Click this link to print this page and save it with your club copy of the complete tax return in case you need the Submission ID and acceptance date as proof of e-filing.

Now that you have successfully e-filed your federal return, you can proceed to Step 7 and your state tax return.

Slide 123



But first, we will talk about what you need to do if your club chooses to mail your return to the IRS instead of e-filing. Either mail your return or e-file your return, but do not do both.

When you have printed a copy of your club’s complete Federal tax return in Step 5 and carefully reviewed it, click the

“Where to file and 1065 instructions” link for all the details on exactly what to mail and where to send your federal return to the IRS.



Slide 124

**If You Mail Your Taxes**

Step 6

- Send In:
  - Form 1065, K-1s, K-2, any K-3s and all supplemental documents.
- Don't Forget!!!!
  - SIGN THE FORM on page 1!
  - MAKE SURE ALL Social Security numbers and addresses are entered and correct on K-1s, K-3s, and Schedule B-2 (if applicable)
- Mail using ...
  - "Certified Mail" (proof of mailing date)
  - "Return Receipt" (proof of delivery).

The complete tax package link includes everything you need to send in to file your club taxes. This includes:

Form 1065, K-1s, K-2, any K-3s and all supplemental documents.

Don't Forget!!!!

SIGN THE 1065 FORM on page one!

MAKE SURE ALL social security numbers and addresses are entered and correct on K-1s, and if applicable on K-3s and on Schedule B-2.

If you mail them to the IRS, use both ...

“Certified Mail” (so you have proof of your mailing date)

and “Return Receipt” (so you have proof it was delivered)

This is extremely important. The post office and the IRS are both overwhelmed and make many mistakes. Clubs have received large penalty notices for late or missing filings. Having these receipts is what is needed to prove to the IRS that you did file on time so you can get the penalties abated.

Slide 125

**Step 7 - State Tax Returns**

Step 7

bivio

Preparing Your Club Taxes

Step 1: ...

Step 2: ...

Step 3: ...

Step 4: ...

Step 5: ...

Step 6: ...

Step 7: ...

Step 8: ...

Congratulations – now you've submitted your Federal tax return to the IRS, either by e-filing or by mail. Now you move on to Step 7, and follow the instructions about filing any required state tax returns.

Slide 126

**State Taxes**

- Included
  - NY
  - NJ
  - PA
  - CO
  - CA (E-file - New this year! )
- Other States

Some states require you to file state partnership returns as well as your federal ones.

Included in your bivio software are state return programs for:

New York  
New Jersey  
Pennsylvania  
Colorado  
and California

If your club needs them, state returns for these five states were automatically generated by bivio in step 5. You can download and mail those returns to the appropriate state. If your club has a California state tax return, you will e-file it using bivio.

For other states, we offer you a cost effective option for having your state tax forms prepared.

Slide 127

If you go to our Club Café page, you will

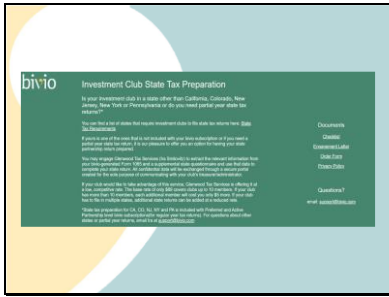
find two links on the right side that discuss state tax filing.

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State	Club or Resident	Required Report	Required Report	Due Date
CA	Y	Y	Y	April 15
CA	N	Y	Y	April 15
CO	Y	Y	Y	April 15
CO	N	Y	Y	April 15
NY	Y	Y	Y	April 15
NY	N	Y	Y	April 15
NJ	Y	Y	Y	April 15
NJ	N	Y	Y	April 15
PA	Y	Y	Y	April 15
PA	N	Y	Y	April 15

The first will take you to this page with a table showing state tax filing requirements for each state. Use this to determine if your club has any state filing requirements.

Slide 129



The second link on the Club Café page will take you to this page which describes a tax service option we offer if you need state taxes prepared and your state is not one of the five included in bivio.

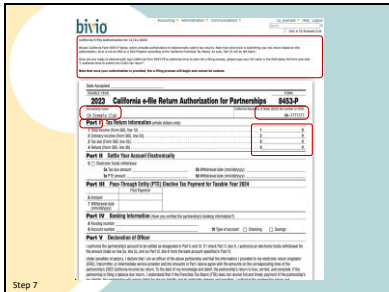
Slide 130



If bivio determines your club needs to file a state return for California, you will now e-file that return using bivio.

Click here to open the California e-filing authorization screens. When you have read and e-signed the California authorization page (in the same manner as the IRS e-file authorization), the return will be submitted. Here's how to do this:

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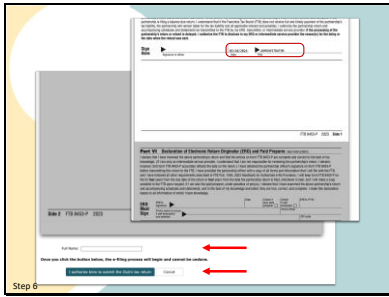
Read the instructions at the top of the page carefully. Review your club's filled-in California e-file declaration on the screen, checking:

Your club name and EIN number.

All amounts in Part I will usually be zeros.

Read each of the declarations on your screen.

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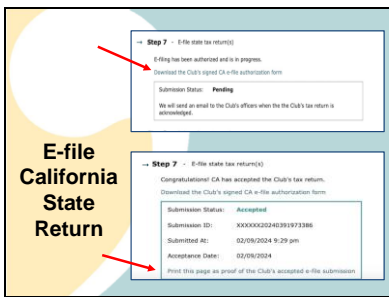


Check the date and your role in the club - your role is filled in from the privileges you have in the club roster. While bivio is submitting your tax return based on this authorization, bivio is not an ERO or a Paid Preparer according to the IRS. As such, Part IV will be left blank. When you have carefully reviewed the document on the screen, the next step is to sign this e-file declaration electronically to authorize bivio to start the e-filing process,

Type your full name in the field below the form

and click “I authorize bivio to submit the Club’s tax return.” When you click this button, it can’t be undone.

Slide 133

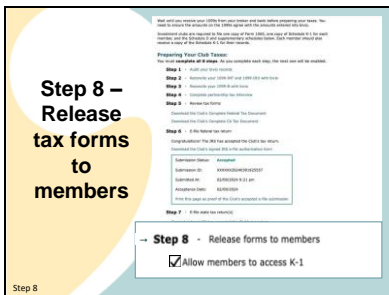


Your club’s e-file status will be “Pending” until it is accepted by the state. You can check to see the status of your e-file submission here.

It is important that you click this link to download the club’s signed state e-file authorization form and keep it with your records. It will take some time for them to accept your submitted tax documents. Don’t wait until the last minute to e-file.

After it is accepted, click this link in step 7 to print the page as proof of the state’s accepted e-file submission.

Slide 134



Now that you’ve filed your club’s returns, it is time to go to Step 8 and give your members their documents.

Check this box to allow club members with online access to login to bivio and print out their own copy of their tax documents. That is the safest and most secure way for them to get their K-1s. Members will see their own forms. Only the club treasurer, administrator and president can see everyone's information. If members have made any withdrawals that have tax consequences, they will also find a link to their withdrawal report.

Slide 135

**Distribute To Each Member**

- K-1
- K-3 (if generated)
- Attachment page
- Withdrawal report(s)
  - Reprinted at year-end

Step 8

If they don't download their documents, you need to distribute to each member a copy of the following from your club:

Their K-1

and a K-3 if it was generated,

with all attachment pages.

Also give them a copy of any withdrawal report(s) pertaining to them

That you have reprinted at year-end.

Slide 136

**Records to Keep**

- Complete tax package
- Copies of all withdrawal reports (reprinted at year-end)
- Full transaction ledger (Jan - Dec)
- Year-end valuation statement and member status report
- Brokerage statements and 1099s
- Unrealized gain/loss report
- Realized gain/loss

Step 9

Records you should keep include a paper or pdf copy of:

All the forms in your complete tax package as you've sent them in,

including the club's signed e-file authorization forms and the confirmations that the e-filed returns were accepted with the submission ID numbers

If you mailed the return, keep the proofs of mailing from the post office.

Keep copies of all withdrawal reports (reprinted at year-end)

Full transaction ledger (Jan - Dec)

Year-end valuation statement and member status report

Brokerage statements and 1099s

An "unrealized gain/loss" report from your broker that shows the cost basis details for each lot of each stock you owned as of the end of the tax year.

A "realized gain/loss" report from your broker that shows the cost basis details for each lot of each stock that you sold during the tax year.

You should keep these things as long as your club is in existence. Your current club records are still being affected by many things in the past. If you ever have questions about something, it may be important to look up some old information. You can easily store digital copies in your bivio Files area. Note that you cannot count on your broker to save these things. They will only have historical information available to you for a limited number of past years.

Slide 137



**Keep Your Tax Season Simple**

- Basic investments
- Keep your records up to date
- 3 Steps
  - Verify your records
  - Take a tax interview
  - Print, review, e-file, distribute

In Summary, remember to keep your club accounting simple and your tax time peaceful.

You can have a great club and comply with IRS regulations without any elaborate accounting knowledge

All you need to do each year is:

Stick with basic investments - publicly-traded US corporate stocks

Check your records at least once a month to make sure they are staying correct and up-to-date.

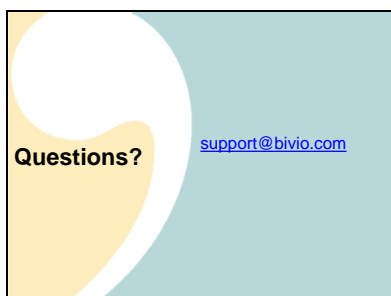
If you do so, preparing your taxes can be done with these simple steps:

Verify your records

Take a tax interview

Print, review, e-file or mail your tax forms, and distribute documents to your members

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**Questions?** [support@bivio.com](mailto:support@bivio.com)

As always, if you have a question as you go through this process, email it to us at [support@bivio.com](mailto:support@bivio.com). If your question is about reconciling your bivio records with your 1099, please email us a copy of your 1099 along with your specific question. Do not try and type details into your email but do identify the stocks you have a question about. We can work on things most quickly if we can see what you are looking at.

Slide 139



**bivio** Invest with your friends™

Thank you for joining us. We're looking forward to helping you work through a simple and stress-free tax season!