

# The One Minute Treasurer™

bivio Inc.

[www.bivio.com](http://www.bivio.com)

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The One Minute Treasurer™ system is the culmination of years of experience operating the most efficient and economical accounting service for investment clubs available anywhere. bivio clubs have it easy. Treasurers only need to spend a minute a month dealing with accounting issues when they use The One Minute Treasurer™ system we describe here. This is not rocket science; it's common sense and bivio's award-winning accounting service.

## Overview

- Introduction
- Just wait and review
- Signing up and importing your data
- The accounting forms you need
- Taxes
- Conclusion



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What is important to being a better investor? Being an accountant or even a bookkeeper is not an important qualification. bivio AccountSync™ eliminates the bookkeeping required to run an investment club. Indeed, it eliminates most of the work to prepare your tax returns. Sure, you need to look over your books, but that's important for all club members to do. Club members need to know how the club's investments are doing and how their personal investment in the club is doing. That's a part of bivio that's also very good. Our AIRR calculations are correct, and it is very easy to compare your club's performance to other benchmark investments such as Vanguard's S&P 500 Index Fund.

The One Minute Treasurer™ system was invented by bivio to put the investing back in investment clubs. Too many people think of investment clubs as complex accounting rather than the educational benefits of learning about investing together. The goal of The One Minute Treasurer system is to simplify the work: treasurers only need to concern themselves with three forms on an irregular basis. At the end of the year, they also need to verify the 1099 from the club's broker agrees with the values on the Income Statement, and of course, print out and mail the tax forms. Reviewing and auditing are easy in comparison with the burden of verifying data entries, and worse, looking for typos that happen with manual accounting systems.

## A Question of Better Investing

What has the most effect on your investment performance?

- a) Remaining basis of a spin-off
- b) Tax basis of a merger
- c) Cash-in-lieu from a reverse split
- d) Money market dividends
- e) None of the above



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CFOs and the like have very interesting strategies, such as spinoffs, stock dividends, mergers, and so on. All of these corporate events are nothing but headaches for investments clubs and individual investors. They just happen to you, like taxes. You can't control them, and sometimes, you can't understand them. They are often ways of manipulating the market psychologically, which is not something you can control either.

Accounting for corporate events is hard. Often, we have discussions in bivio as to the exact tax consequences of a particular corporate event. InterActive Corp's spin-off of Expedia is a perfect example, because there was a reverse split on the same day. Which do you enter first? Why do they do this to us?

## bivio's Answer for Better Investing

e) None of the above

At bivio, computers do the repetitive accounting tasks for you automatically so you can concentrate on being a ***Better Investor***



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You shouldn't care why they do this to you. You should ignore it completely. The One Minute Treasurer™ takes care of all of this for you so you can be a better investor, that is, so you have more time to weed and feed your portfolio.

bivio's software has been integrated with numerous brokers. We watch for problems, and deal with corporate events for you. Yes, we do the research on corporate events to determine the tax effects on your club. We give you all the dividend information, stock splits, remaining bases, etc. You sit back and watch it all happen from the comfort of your own home.

And, there are no updates to install or software to buy. It all comes as a part of the package for a low fee of \$99 per year, including IRS taxes and some state tax forms (currently, CA but we'll be adding others in 2007).

## But I Like Accounting!

- You Poor, Unfortunate Soul
- You can still get your daily accounting fix at bivio; Some people really like that **feeling** of control.
- The rest of this talk will help you see the light and become a Better Investor!



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There are many people who like accounting. Some of them work for bivio. That's fortunate for everybody, because we deal with club accounting problems all the time. It's how we make our living, and we're happy to do it.

Some people like to do accounting as a hobby. Doesn't make much sense to the general population, but then jumping out of airplanes for fun may not be an accounting hobbyist's idea of a fun time either. At bivio, you can click all the buttons all you want. We've got lots of them. Knock yourself out.

The purpose of the rest of this talk is to show you that bivio does the job so you don't have to, and to teach you how to use The One Minute Treasurer™ system including the few accounting forms you need every now and then. We also hope we can convince the folks who like accounting to switch to The One Minute Treasurer™ system. However, it's often tough to convince people to let go of their emotional attachments, especially when it comes under the category of control. People like to feel they are in control of their accounting by entering the numbers themselves. If it helps them be happy, more power to them. For the rest of you, we'll free up your time so you have more time to take control of your investing decisions.

## Just Wait!

- Waiting is the hardest part of The One Minute Treasurer's job
- AccountSync™ gets your accounting data every night from your broker.
- If there's a problem caused by AccountSync™, we'll fix it for you, for FREE!



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The One Minute Treasurer's job is hard. We know this from experience. People love to click around and enter transactions even before their broker closed their books for the night. It's the "I can't sit still" problem. Lots of people have it, including most of the programmers at bivio.

When you wait, you let AccountSync™ do its job. Sometimes there are problems, and we usually get them fixed in a day, but it can take up to a week. However, this is rare, and it doesn't affect many clubs, especially clubs that adopt The One Minute Treasurer™ system. We fix the problems for free. You needn't bother yourself about it, but you can also email us, just for that peace of mind. We're happy to tell you that we are working on it, because we are. Our systems are highly automated, and notify us within five minutes of a problem occurring.

Remember, it's bivio's job to do the accounting, and your job to get busy with your investing research. That's how you'll keep your club's portfolio strong.

## Wait for Cash Transactions

<u>Date ▲</u>	<u>Exec.</u>	<u>Type</u>	<u>Remark</u>	<u>Amount</u>
01/11/2006	account_sync	dividend	Whole Food Market	860.00
01/04/2006	account_sync	buy	50 Shares IAC InterActiveCorp	(1,457.00)
01/01/2006	account_sync	payment	Rollie Sherman	250.05
01/01/2006	account_sync	payment	Tam Rodriguez	250.04
01/01/2006	account_sync	payment	Rodrick Escobar	250.01
01/01/2006	account_sync	payment	Sam Chase	250.03
01/01/2006	account_sync	payment	Rose Caesar	250.02
12/28/2005	account_sync	dividend	First American Corp	36.00
11/16/2005	account_sync	dividend	AFLAC Inc	22.00
11/16/2005	account_sync	dividend	Target Corp	20.00



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As you can see, AccountSync™ imported all these transactions, including the deposits by members, dividends, and purchases. The One Minute Treasurer™ system takes care of everything, including identifying deposits. You see that the member deposited slightly different amounts? We'll talk about that later, but that's the key to making the system work. It's very easy, and it allows members to track their capital contributions to the club easily.

## Wait for Stock Transactions

Quantity Owned: 150.000000

Date ▲	Exec.	Type	Remark	Shares	Amount
01/04/2006	account_sync	buy		50.0000	1,446.00
		commission			11.00
10/05/2005	account_sync	buy		68.0000	1,750.32
		commission			11.00
08/09/2005	account_sync	split, new shares		(32.0000)	0.00
08/09/2005	account_sync	spin-off			(466.06)
07/05/2005	account_sync	buy		64.0000	1,539.20
		commission			11.00




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Here is the InterActive Corp reverse-split-spinoff of Expedia. What a mess. Entered automatically and correctly by AccountSync™. Humans tell the computer what to do in cases like this, but these humans are accounting experts with thousands of different complex transactions under their belts.

You just sit back and watch.




## Click! Member Performance


The One Minute Treasurer

Member Performance

to 
 Show All


Name	Units	Market Value	Percent	Return Since	Annualized Internal Rate of Return
Escobar, Rodrick	36.128882	1,569.75	1.9%	02/04/2005	44.0% <a href="#">detail</a>
Rodriguez, Tam	297.659006	12,932.90	15.2%	02/04/2005	40.4% <a href="#">detail</a>
Caesar, Rose	442.085903	19,208.06	22.6%	02/04/2005	40.3% <a href="#">detail</a>
Sherman, Rollie	561.235057	24,384.93	28.8%	02/04/2005	40.2% <a href="#">detail</a>
Chase, Sam	614.730404	26,709.24	31.5%	02/04/2005	40.2% <a href="#">detail</a>
	1,951.839252	84,804.88	100.0%		


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All your members can login to their own accounts on bivio so they review the performance of their investment in the club. Here you see slight differences, because that's the nature of a pooled-asset fund (Mutual Funds, Hedge Funds, Investment Clubs, etc. are all examples of pooled-asset funds, and use the same accounting principles to manage their member's investments).

The Annualized Internal Rate of Return (AIRR or just IRR) is an important number. We have another talk about that, and we have lots of documentation on it. The simple definition is that it is the equivalent of the amount of interest you would gotten on your money in an ordinary savings account compounded daily. It allows you to compare apples to apples when checking the performance of your investments.

## Click! Stock Performance




The One Minute Treasurer

Investment Performance

02/04/2005 to 02/04/2006  Show All

Name	Shares	Market Value	Percent of Portfolio	Return Since	Annualized Internal Rate of Return
<b>Apple Computer</b> (AAPL)	300.0000	21,555.00	25.8%	02/04/2005	86.1% <a href="#">detail</a>
<b>Whole Food Market</b> (WFMI)	400.0000	28,336.00	33.9%	02/04/2005	59.3% <a href="#">detail</a>
<b>First American Corp</b> (FAF)	200.0000	9,230.00	11.0%	02/04/2005	38.4% <a href="#">detail</a>
<b>AFLAC Inc</b> (AFL)	200.0000	9,432.00	11.3%	02/04/2005	29.3% <a href="#">detail</a>
<b>IAC InterActiveCorp</b> (IACI)	150.0000	4,174.50	5.0%	07/05/2005	14.1% <a href="#">detail</a>
<b>Target Corp</b> (TGT)	200.0000	10,992.00	13.1%	02/04/2005	9.0% <a href="#">detail</a>
		83,719.50	100.0%		



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Here is the computation of your club's stocks' performance and percentage of portfolio. All these values are available instantly without any data entry from bivio, including the market's closing prices needed to make these computations.


The "detail" link allows you to review the cash flow of a particular investment. That might include purchases, sales, and dividends.

**Click! Compare with S&P 500™**

	<b>IRR</b>	<b>Portfolio Value</b>
<b>The One Minute Treasurer</b>	<u>40.3%</u>	<u>84,804.88</u>
<b>Vanguard 500 Index Fund (VFINX)</b>	7.1%	65,405.42

Transaction Date	Description	Investments	Returns	VFINX Shares
02/04/2005	VFINX beginning market value	56,263.07		507.0572
03/23/2005	VFINX distribution reinvested, \$218.03			2.0190
04/01/2005	member contributions	1,250.15		11.5669
06/24/2005	VFINX distribution reinvested, \$218.67			1.9915
07/01/2005	member contributions	1,250.15		11.3536
09/23/2005	VFINX distribution reinvested, \$283.01			2.5285
10/01/2005	member contributions	1,250.15		11.0437
12/28/2005	VFINX distribution reinvested, \$328.54			2.8366
01/01/2006	member contributions	1,250.15		10.8784
02/04/2006	VFINX ending market value		65,405.42	
		61,263.67	65,405.42	561.2754

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Probably the single most important feature available to all bivio clubs is our Performance Benchmark report. It's a complete cashflow comparison of your club's performance against a variety of investments, including the Vanguard 500 Index Fund which mirror's the S&P 500™. This report is only available at bivio. No other Club Accounting product offers it.

As you can see from this example, from 2/4/05 to 2/4/06 this club earned 40.3% on its money whereas if the same money was invested at the very same times in VFINX, they would have only earned 7.1%. Great return! Too bad it was only entered in hindsight.

The Performance Benchmark report should be the standard of comparison for your club. If you can't beat the S&P, you need to find out why, and get rid of those dogs in the portfolio. It's sometimes scary, but the number doesn't lie. It's the truth about the performance of your portfolio!

## Let's Get Started!

1. Register you and your club
2. Import your NAIC Club Accounting™
3. Invite your members to your private bivio Club Site™
4. Set up AccountSync™



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Enough with looking around. Let's roll up our sleeves and follow the four steps necessary to use The One Minute Treasurer™ system.

## Sign Up (Part 1)


**Sign Up**  
To use bivio, you must be a registered user. It's easy!

- This page is secure. •

**Club Information (Optional).** Please enter the Full Name of the club you are registering.

Club Legal Name:   
Examples: The NY Make Cash Club, Lots O' Luck Fund

Zip Code:

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The registration form has two parts. This is the upper half. You need to put in the legal name of the club, and we ask you to put in the club's zip code. This lets us know where you will file your tax return. You can enter the club's full address later.

The club's name for this example is the "Trawling Tickers Club".

On the lower half of the form, you'll fill in your personal information.

## Sign up (Part 2)

**Your Personal Information.** Please enter your Name, Email, and select a Password for yourself. The password is for your use only. Do not give it to other club members. They will select their own passwords when they register.

Your Full Name:   
Examples: Betsy Ross, John Q. Public

Your Email:   
Examples: betsy@myisp.com, johnqpublic@aol.com

Choose Your Password:

Re-enter Password:

Receive monthly updates on bivio features and services.

By submitting your registration information, you indicate that you agree to [bivio's Terms of Service](#).

If you have entered your club information above, your limited free trial begins when you click Register. You can subscribe to [our services](#) at any point. Your subscription will be extended with the unused portion of your free trial.

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The second half of the registration form is devoted to you. You put in your name, your email, You also choose a password. **DO NOT SHARE** your password with other people in your club. This is your own password. Every member in your club will get her own password. That's step 3 of the process to follow.

After you choose your password and confirm it (Re-enter Password:), you'll click Register. Please note that you are agreeing to bivio's Terms of Service when you register.

Finally, you will start your Free Trial when you click Register. When you choose to subscribe, the unused portion of your Free Trial will be added to your subscription. By Free Trial, we truly mean free. No need to enter your credit card info. Take our software for a spin at no risk. Just your Club's name, zip code, your name, email, and your choice of password.

We do this differently than other companies which confuses enough people that it's worth mentioning here. Some people assume that they have to put in their credit card number in order to activate the free trial and that we'll bill them automatically unless they cancel the free trial. That's not how we do it.

As soon as you click the register button above, your free trial is active with no strings attached. If you are not sure you want to give us your money, don't give us your credit card info. The free trial will expire on its own if you decide not to subscribe. If you do enter your credit card in our subscription form, we'll bill your card on the same day.

## Import Accounting Data

### **Import ICLUBcentral Club Accounting(tm)**

Please select your version of Club Accounting below.

[Easyware CLUB Accounting 1.04™](#)

[ICLUBcentral Club Accounting 2™](#)

[ICLUBcentral Club Accounting 3™](#)

[ICLUBcentral Club Accounting Online™](#)



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If you are using ICLUBcentral Club Accounting™, you can import your data into bivio. Unfortunately, ICLUBcentral has several data versions. On this screen you'll choose which version you use, and you can import from there.

If you aren't using ICLUBcentral software, you can use our Opening Balances feature. Just visit the Administration section of your Club Site, and click on Tools. There will be an Edit Opening Balances link that allows you to enter your account, investment, and member balances at a switchover date of your choice.

## Club Accounting Version 3


**Import Social Security Numbers.** Social Security Numbers are only viewable by club officers and by the person to which they belong. The officers and bivio use this information to generate correct tax forms.

Import Social Security Numbers

**NCA Export or MDB File.**

1. If you are running ICLUBcentral Club Accounting, stop running it.
2. Click on the **Browse** button below.
3. Click on **My Computer**.
4. Double click on the **Local Disk** drive.
5. Double click on the **Documents and Settings** folder.
6. Double click on the folder named the same as your user name.
7. If you see **Application Data**, double click on on it.  
Otherwise, type **Application Data** in the **File Name:** box and click the **Open** button.
8. Double click on the **ICLUBCentral** folder.
9. Double click on the **Club Accounting** folder.
10. Finally, double click on the **Club Data.mdb** file.

NCA Export or MDB File:

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For this example, we choice ICLUBcentral Club Accounting Version 3. All examples are alike from the bivio perspective. The difference is in the instructions you use to get your data out of ICLUBcentral's software. They don't make it easy, unfortunately, but bivio has tried to make the instructions as simple as possible.

You can choose whether to import your members' social security numbers. Everybody is concerned about identity theft, including the folks at bivio. We want to assure you that social security numbers are safeguarded against theft as well as most banks and brokerages. And, better than certain banks and brokerages who recently lost people's personal data. We do not ship backup tapes in cardboard boxes by UPS. Backups are done over secure channels exclusively.

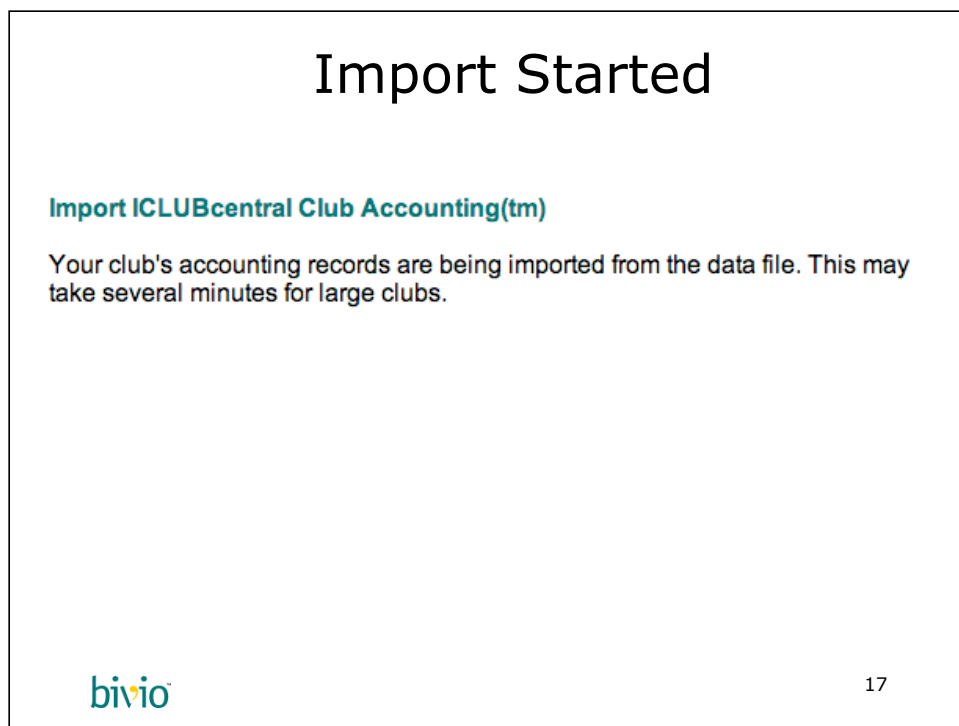
Critical information such as SSNs and credit card numbers are stored in an encrypted form in the database. bivio has highly-experienced internet security engineers, and more importantly, in our 8 years of operation, no customer data has been compromised or lost.

In any event, if you do not choose to import SSNs, just uncheck the box. You'll have to handwrite them in on the tax forms, but the choice is yours.

The Browse button is what you click to find the data file for iCLUB Club Accounting™. Please follow the instructions to find the data file. These instructions have been optimized to be the minimum number of steps. Unfortunately, it's never easy to import your data.

Finally, Click OK, and the import process begins.






This screen lets you know that the import process has started. For large clubs, it can take up to 10 minutes. However, for most clubs, it will only take a minute or two. The screen will update when the import is complete.

## Invite Members to Club Site

**Bring Members Online**  
Use this form to bring your offline members to bivio.

Message:

Name	Email
Larry Lizard	<input style="width: 150px;" type="text" value="larry@example.com"/>
Maggie Maven	<input style="width: 150px;" type="text" value="maggie@example.com"/>
Pat Pastor	<input style="width: 150px;" type="text" value="pat@example.com"/>
Tommy Thomas	<input style="width: 150px;" type="text" value="tommy@hilfiger.com"/>

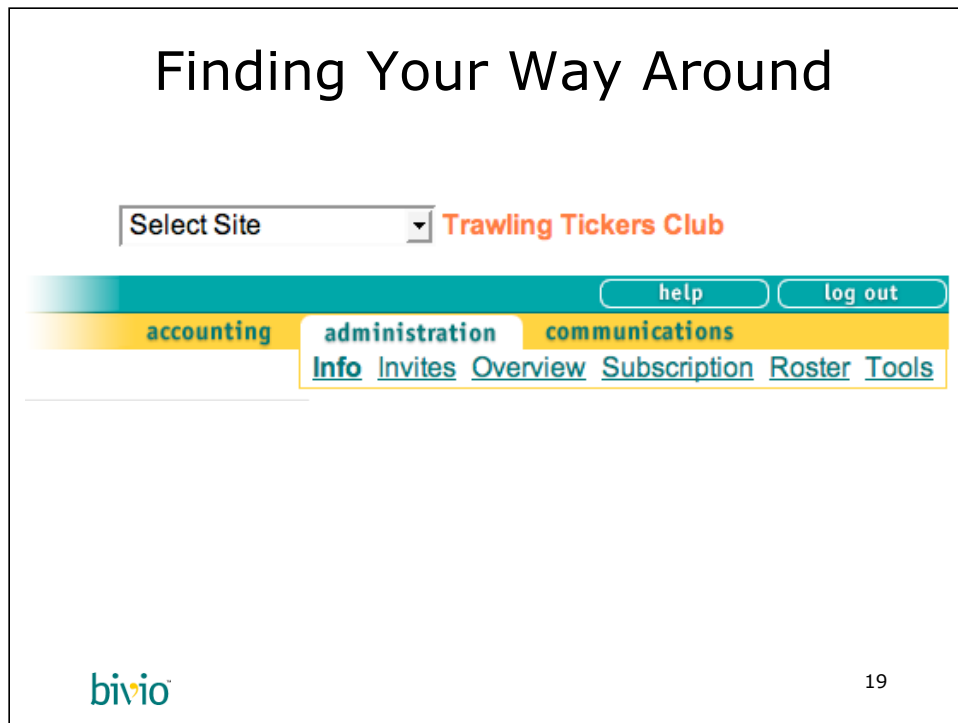
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After the import completes, your screen will refresh, and display the Bring Members Online page.

This page allows you to invite other members of your club to your bivio Club Site. Your Club Site is accessible by all members in your club who have access to an email address. That's all we require to register, because we have to be able to reach you. In this case, we added the email addresses for all our other members. You can also put a personal message which will be sent along with standard instructions that will tell people how to register at bivio and get access to your private Club Site.

It is important that you not share your password with your other members. They will get their own passwords. And, if you want, you can make as many as you like administrators of the club. This is helpful when you are sick or away, and your club needs to go on operating.

Once you click OK, the members get an email telling them how to register with bivio. They'll be directed to your Club Site once they register. No one can get access to a site unless an administrator sends them an invite via email.



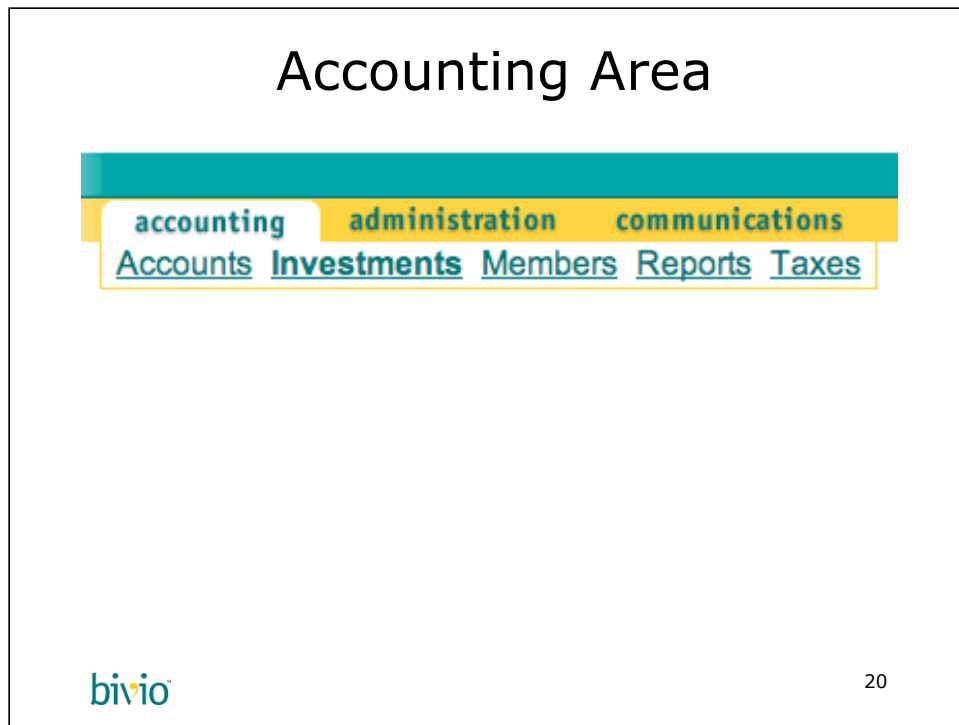
Let's take some time to get familiar with how you navigate around bivio. Here's the menu bar that's always at the top of your Club Site™. In this example, you are in the Administration section. You can see "administration" in green with a white background. The other areas are "accounting" and "communications". We'll visit those in a bit.

In the Administration section, you have several choices:

- "Info" contains the club's address and tax identifier.
- "Invites" is the list of unaccepted invites to your Club Site
- "Overview" contains a general description of your Club Site with links to common destinations
- "Subscription" contains your current subscription information as well as your payment receipts
- "Roster" is the list of officers, members, and guests allowed to visit your Club Site. It's in bold in this example, and therefore indicates which page you are viewing now.
- "Tools" contains infrequently used features such as club configuration, data import, etc.

You can click on any of these words. If you want to go update your club's address, click on "Info". If you want to see who is in your club, click on "Roster". You can also modify members' personal information, e.g. address and telephone.

One last thing, the top of every page includes the club's name "Trawling Tickers Club" is the club name here. The "Select Site" box lets you visit other Club Sites. Some people belong to multiple clubs, and you can switch to those from here.



When you click on the “accounting” link, you move to the Accounting area of your Club Site. It’s where you can review all your transactions. The landing page is the “Investments” page, which gives you an overview of your investments.

Right now, we want to enter our AccountSync information so we are going to click on “Accounts”.

**Account Summary**

[Accounts](#) [Investments](#) [Members](#) [F](#)

**Account Summary for 01/07/2007**

printer friendly

spread-sheet

interest

dividend

income

expense

transfer

new account

Name	Last Updated	Cash Balance	Actions
<a href="#">Broker</a>	01/11/2006	1,085.38	<a href="#">info</a> , <a href="#">transactions</a>
		1,085.38	

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This is the Account Summary page. To review, we clicked on “Accounting” in the green and gold bar, and then clicked on “Accounts”. “Accounts” is bold so you know where you are. There’s also a title: “Account Summary for 01/07/2007” in this case. You can print this page -- including the date helps prevent confusion by including when you actually printed a page.

The row of green and gold icons (buttons, or toolbar) also appears on most Club Site pages. Officers get many more buttons than members who get more buttons than guests. The number of buttons usually indicates how “privileged” a user is, that is, the more buttons, the higher the rank in the club.

On the Accounts page there are numerous buttons. Use the Help link in the upper-right hand corner of each page to see the help section for that page. With AccountSync, you won’t need most of these buttons. They are there for people who like accounting, and like entering their bookkeeping data manually.

Below the toolbar is the “meat” of the page: a sortable list of accounts. Other Summary pages list members or investments. The “Name” column heading is underlined. You can click on it, and it will sort the column in a different order. Click on “Name” again, and it will reverse the sort order.

Click on the word “Broker” to see a list of broker transactions. Remember this pattern because almost everything in bivio lets you click on its name to get more detail. Another pattern to get used to are the links in the Actions column. In this case, clicking the word “transactions” takes you to the same details as clicking “Broker” and clicking “info” lets you enter your AccountSync brokerage information or rename the account from “Broker” to something more specific.

## Change Account Information


**Change Account Information**  
Use this form to update your account information.

Name:

**Tax Free Interest/Dividend.** Is the interest or dividends earned by this account tax free?

Tax Free Interest/Dividend

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This is the top half of the Account Information page. You see that you can change the name of your Broker to whatever you like. It's highlighted in blue for you to see what you you can change.

The bottom half of the form is where you enter your brokerage information so bivio can import your brokerage information every day automatically.

## Setup AccountSync™


**Brokerage.** Enter the brokerage account and sign-on information in the fields provided. This information enables **AccountSync** to access your account.

Brokerage:

Brokerage Login:

Brokerage Password:

Account Number:

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This is the bottom half of the Account Information page shown on the previous page. bivio currently supports BUYandHOLD, Charles Schwab, E\*TRADE, Fidelity Investments, OptionsXpress, Scottrade, ShareBuilder and TD Ameritrade. If you are using a different broker, select Other, and click OK (you can skip the rest of the form). AccountSync™ can import your data manually (there's an import OFX data button on the Account Detail page to do this).

If you use Intuit Quicken® or Microsoft Money® this will look familiar. Our software needs to login to download your data. The Brokerage Login and Brokerage Password are whatever you use to login to your broker online. Some brokers offer multiple accounts with a single login so we also need the Account Number. If you normally use your account number to login, enter it in the Brokerage Login: field, and leave the Account Number blank. Lastly, click the OK button to save it.

Now the really hard part: You have to wait! AccountSync runs in the wee hours of the morning after the brokers have closed their books. You'll get an email confirmation any time AccountSync imports anything into your account. It won't send an email if there is nothing to import. It will import from the last transaction entered in your account. If you just imported your data, this is shown on the Account Summary page in the Last Updated column.

Sometimes there are problems importing brokerage data. We try to fix problems within a few days, but it can take up to a week. If your accounts haven't updated in more than a week and you know there are new transactions, please email support@bivio.com, and we'll have a look. If you change your broker password, remember to update it in bivio too.

## What do I have to do, really?

1. Collect deposits and send them in
2. Reimburse members for expenses
3. Transfer stock and cash to departing members



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Now that you are registered, and your data is imported. You are done. AccountSync™ will run nightly and import your regular transactions. There's really nothing for you to do.

However, there are three times when you need to input accounting data: reimbursing expenses, first-time member deposits, and when a member withdraws (takes out stock or cash from the club). These are infrequent transactions. Some clubs only have one expense a year (their bivio subscription). Others have a couple. Most clubs have at most one member leave a year. First-time deposits require special handling, and we'll show you what to do.



## Depositing Checks

1. Collect member deposits
2. Send to your Broker with deposit slip
3. Wait for email from AccountSync™
4. Identify payments



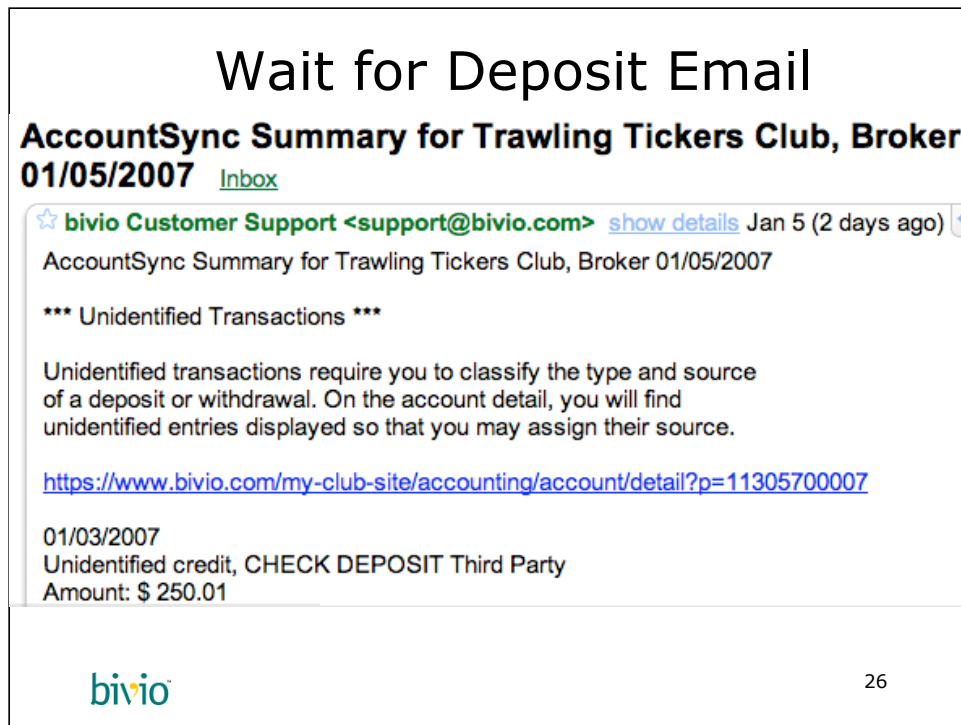
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The most common transaction you have to deal with is member deposits. bivio recommends that you deposit checks quarterly, not monthly like traditional investment clubs do. Financial statements come out quarterly so you can't really make sound investing decisions monthly. Rather also to deposit a larger amount so you also get more money to invest at one time. This will lower your overhead (broker commissions) with respect to your portfolio.

There are four steps: get the checks from the members, send them to your broker, wait for AccountSync to notify you that they've been credited to your account, and finally, identify payments. We'll go over all these steps.

Once you write the checks, send them in along with a deposit slip to your broker. Don't ask the broker if you can make the deposit with multiple checks. Something we've learned is that brokers always take the money. Customer service representatives will probably say no, but the checks will get deposited.

Before you write any checks, you need to understand how AccountSync identifies payments. Please follow the next slides to understand the complete process. It will save you time and effort, and also provide a good auditing trail to let people know who wrote which check.




When AccountSync imports transactions from your Broker, you'll get an email from bivio Customer Support <support@bivio.com> that contains information about the transactions. In this example email message, you see the first transaction was imported. The others are there in the rest of the email. All you have to do is click on the link in the email. It's highlighted in blue. This will bring you to the Account Detail page for your Broker Account.

In this example, we have received the deposits, and AccountSync needs you to identify them. The first time you do this will be tricky, but after that, it will be a breeze.

When you click on the link in the email, you'll go to the page on the next slide.

## Identify Multiple Payments

<u>Date</u> ▲	<u>Exec.</u>	Type	Remark	Amount
01/03/2007	account_sync	Identify Credit ▼	CHECK DEPOSIT Personal Check	250.01
01/03/2007	account_sync	Identify Credit account transfer multiple fee	CHECK DEPOSIT Personal Check	250.02
01/03/2007	account_sync	multiple payment single fee single payment	CHECK DEPOSIT Personal Check	250.03
01/03/2007	account_sync	Identify Credit ▼	CHECK DEPOSIT Personal Check	250.04
01/03/2007	account_sync	Identify Credit ▼	CHECK DEPOSIT Personal Check	250.05



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You'll see that we have 5 Unidentified Credit entries in our Account Detail page for the Broker. You get a choice of identifying each one, or what you really want to do is identify them all at once. Just click on any of the Identify Credit boxes, and select "multiple payment". You can see it highlighted in blue above.

When you release your mouse, you'll be transferred to the Payments page with all the values filled in as shown on the next slide.

## Penny Payment System

Name	Amount	
Rose Caesar	250.02	<i>Rose Caesar always deposits an extra <u>two</u> cents into the club.</i>
Sam Chase	250.03	
Rodrick Escobar	250.01	
Tam Rodriguez	250.04	
Rollie Sherman	250.05	<i>Rollie Sherman always deposits an extra <u>five</u> cents into the club.</i>
<b>Total</b>	1250.15	


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bivio has invented a way for AccountSync™ to automatically detect which deposit should be credited to whom. We call it the Penny Payment System. The first time you enter a “multiple payment”, enter the checks for each member. Next time you enter a multiple payment, the form will use the cents amount to line up the checks with the members. Future payments only require that you verify them and click OK. Once you click OK, you’ll return to the Account Detail page and see that all the members are credited properly.

In this example, Rose deposited \$250.02. This whole amount gets credited to her capital account in the club. The \$0.02 is real money that also lets us know its from Rose, and not Sam (whose cents amount is \$0.03). Each member must remember his or her cents amount. It doesn’t hurt to remind each member their cents amount in the beginning. After a couple of times, they’ll remember. No matter what they pay in, they always put in the same cents amount, never double the amount, nor triple. Some people think that if they double their payment they should double the cents. Don’t do that! Still, always put the same cents amount on your club deposits.

Your members will be getting slightly different shares of the club which upsets some people. We suggest you tell them that the bivio computers are very good at arithmetic, and they won’t lose their pennies. Indeed, the extra cents is very useful for auditing purposes. It becomes obvious who’s check was missing if one gets lost on a desk full of papers. In the old days of paper based club accounting, or even with spreadsheets having everyone make equal payments made life easier for treasurers. We’ve found other ways to make it easy for treasurers.

## Reimburse Expense

1. First time only, create Out of Pocket Account.
2. Enter payment for member
3. Enter expense for club



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When you need to pay for something for the club, just pay with your credit card. It's the easiest way. The club can then "reimburse" the expense by compensating you with a larger share in the club. This eliminates a lot of bookkeeping. It avoids the liability of the club having a credit card and checks.

Let's assume Rodrick has paid for his bivio subscription, and it is \$99.

Instead of giving Rodrick \$99, we increase his capital account by \$99. It's just as if he paid an extra \$99 into the club. The software takes care of the rest.

The first time you do this, you need to create a new a new account. We'll call it the Out of Pocket Expenses account. You need to go to the Accounting Accounts section and click on the "new account" button in the toolbar.

Then we give Rodrick credit by going to the Accounting Members area.

The next step is to enter the expense in the Accounting Accounts area.

We'll go through each step in the next few slides.


## Out of Pocket Account

**New Account Information**  
Use this form to add a new club account.

Name:

**Tax Free Interest/Dividend.** Is the interest or dividends earned by this account tax free?






Tax Free Interest/Dividend

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The “new account” button in the toolbar brings you to this page. You enter the Name as “Out of Pocket Expenses” (highlighted in blue). Next you click OK.


## Accounting Members Area

**Member Summary for 01/07/2007**

 printer friendly
 spread sheet
 payment(s)
 fee(s)
 withdraw

Name	Paid	Units	Market Value	Percent	Actions
<a href="#">Caesar, Rose</a>	9,080.47	442.085903	18,105.24	22.6%	<a href="#">payment</a> , <a href="#">fee</a> , <a href="#">transactions</a>
<a href="#">Chase, Sam</a>	10,589.63	614.730404	25,175.75	31.5%	<a href="#">payment</a> , <a href="#">fee</a> , <a href="#">transactions</a>
<a href="#">Escobar, Rodrick</a>	1,250.05	36.128882	1,479.63	1.9%	<a href="#">payment</a> , <a href="#">fee</a> , <a href="#">transactions</a>
<a href="#">Rodriguez, Tam</a>	6,250.84	297.659006	12,190.37	15.2%	<a href="#">payment</a> , <a href="#">fee</a> , <a href="#">transactions</a>
<a href="#">Sherman, Rollie</a>	9,605.05	561.235057	22,984.89	28.8%	<a href="#">payment</a> , <a href="#">fee</a> , <a href="#">transactions</a>
	36,776.04	1,951.839252	79,935.88	100.0%	

One unit = \$ 40.954131


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When you click on Members in the green and gold bar at the top of the page, you get to the Accounting Members area. This is called the Member Summary, which you see in the common title area of your Club Site. We also see the familiar green and gold toolbar with a variety of buttons. Finally, we see our list of members.

We want to give Rodrick credit for his \$99. We click on “payment” on the same line as his name (Escobar, Rodrick)

## Compensating Payment

**Member Payment**

Member:


Transaction Date:

Member Valuation Date:

Account:

Amount:

---

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This form allows you to enter a payment for a member. Here Rodrick is selected, and the transaction date is 1/7/07. We recommend you leave the valuation date to 1/7/07. This is the date Rodrick paid the expense. In effect, Rodrick made a loan to the club at the time he paid for the expense.

We select the newly created Out of Pocket Expenses account. It's important to use this account and not your Broker account, because the transaction is "imaginary". It doesn't appear on your brokerage statement.

Finally, we put \$99 in the Amount field and click OK (not shown).



## Entering Expense

**Account Expense**


Account:

Transaction Date:

Amount:

Category:

---

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Now, to enter the expense, we go to the Accounting Accounts area, and click on the green and gold expense button.

We select the Out of Pocket Expenses account, and enter the transaction date, which is 1/07/07 again. The same amount is entered here as on the Payment form, that is, \$99.

The last thing is you need to categorize the expense. Some expenses are deductible and others are not. We selected bivio Subscription as the expense Category here. If you don't really know if an expense is deductible, and it doesn't appear in a bivio category, it's best to assume it is non-deductible. Just select the Non-Deductible Expense category.

After you click OK, the expense is entered. Out of Pocket Expenses will no have a zero balance (\$99 put in by Rodrick was taken out by this Account Expense).

That's all there is to it!

## Member Withdrawal

1. Select valuation dates and fee
2. Select stock to transfer, if you have appreciated stock
3. Write the check
4. Wait for AccountSync™
5. Identify account transfer



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Withdrawing a member is the most complicated transaction a treasurer has to deal with. bivio makes it easy, but there are probably legal provisions in your partnership agreement that you need to follow. We are going to discuss some of these points in the different parts of the withdrawal form.

In general, we recommend you transfer appreciated stock, that is, stock with unrealized capital gains, to your departing members. If you don't have any appreciated stock, you should pay off the member in cash, even if it means selling some stock that has unrealized losses against it.

This example shows a cash and stock transfer.

## Select Member and Dates

**Member Withdrawal**  
Use this form to record a member's withdrawal of cash or stock from the club.

Member:

**Transaction Date.** The date the withdrawal is executed and funds are transferred to the member.

Transaction Date:


**Member Valuation Date.** The date on which the member's units in the club are valued. Use the **Refresh** button to recalculate the member's value on the date specified.

Member Valuation Date:  Member Value: 25,175.75

**Account.** The account used to fund the cash portion of the withdrawal.

Account:

---

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To get to this form, go to your Accounting Members area and click on the “withdraw” button. **DO NOT WRITE THE CHECK YET!** Again, the hardest job The One Minute Treasurer™ has to do is **WAIT!** The check will get written soon enough. The purpose of this form is to calculate the amount you are supposed to put on the check. Fill out this form first, and then write the check.

For this example we’ll enter a full withdrawal. Select the member and the date the member is officially out of the club. We’ve chosen the transaction date as 1/7/07 and valuation date to be the last date the market was open (1/5/07). You can’t have the valuation and transaction dates on the same day. If your membership agreement does not define what valuation date to use, just choose the day before for the Member Valuation Date.

Once you’ve selected the dates, click the Refresh button. This will update the page with the Member’s current value in the club. **DO NOT WRITE THE CHECK YET!** Most partnership agreements stipulate a withdrawal fee, and there probably isn’t enough cash in the bank to cover the check. You probably want to transfer stock to the member, not pay him out in cash.

You need to create an account for this, but only the first time you enter a withdrawal. We won’t go into that here. We will call this account: Member Withdrawals. This is a holding place for the time you write the check till it gets withdrawn from your broker’s account, and AccountSync picks it up. This will help make reconciling your accounts much easier.

Let’s move to the bottom half of the form which covers these issues.

## Withdrawal Type and Fee

**Amount.** The total value of the withdrawal, including any fees assessed.

Full Withdrawal  
 Partial Withdrawal:

**Fee.** Any fee charged to the withdrawing member. You may enter a cash amount, or a percentage of the withdrawal value by including a '%' in the value.

Fee:   
Examples: 75.22, 3%


**Type.** Withdrawals may be in cash, or a combination of cash and stock.

Cash  Stock

**Transfer Valuation Date.** The transfer valuation date is used to determine the share price for the club's investments for a stock withdrawal. If you are creating a cash withdrawal, you can ignore this value.

Transfer Valuation Date:

---

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We are withdrawing Sam Chase whose member value is \$25,175.75 on 1/5/07. That's a lot of cash, and the club won't have that on hand. The best option for everyone is to transfer appreciated stock (an investment with an unrealized gain) to the member. This defers taxes until the stock is sold. Sam can choose to sell, or wait for the 12 month long-term capital gains holding period.

We've checked the Stock checkbox. We'll be transferring stock. We'll discuss that on the next page.

Most clubs charge a fee to withdraw from the club. This covers the cost of selling or transferring stock, and to serve as a barrier from people taking money out of the club willy nilly. If your partnership agreement stipulates a fee, enter it here. The fee is expressed as a percentage of the member's total value. We put in 2%. Alternatively, you can enter a dollar amount, but most fees in partnership agreements are specified in terms of percentages. Let the computer calculate the dollar amount for you.

The last field is the Transfer Valuation Date. That's the date we value the stock we are transferring to the member. You are best off putting that in the past, not in the future. If you put it in the future, you are leaving the transfer value to the future. It will be confusing. Again, some of this may be specified by your partnership agreement. We chose the simplest thing, which is to set the valuation date to be the same as the Member Valuation Date.

At this point, you are still not done, but you need to click OK to get to the next page.

## Percent Fee Type

### Member Investment Withdrawal: Sam Chase

Use this form to select the shares to transfer to the withdrawing member.

**Percent Fee Type.** The fee assessed may be a percentage of the cash portion of the withdrawal, or a percentage of the total value of the withdrawal.

Percent of Cash  Percent of Total Value

**Refresh.** The Refresh button recalculates the value of the investments selected, and the cash remainder.

Enter the number of shares to transfer in the **Selected** edit field for each investment. Use the **Lots** button to select which lots get transferred to the member. By default, the lots are selected in "first in, first out" order.

When you have finished selecting the lots, and have verified the value transferred, press the **OK** button to commit the transaction.



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This is the page where you will select which stocks to transfer to the member. You also need to select how the fee is calculated. The Percent Fee Type is probably Percent of Total Value for your club, but some clubs use a Percent of Cash calculation. We've chosen the former in this example.

The next section explains what you need to do to calculate the stock and cash amounts. You need to click Refresh to try out a few scenarios. We'll get to that on the next slide.

## Select Stock Value

Fee	503.52	
Withdrawal Amount	24,672.24	
Selected Value	0.00	<input type="button" value="Refresh"/>
Cash	24,672.24	


---

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The next part of the form shows the current amounts. We haven't selected a value yet. We do see that the Fee has already been subtracted. We need to come up with 24,672.24 in stock. We'll do that on the next slide.

### Select Stock

Name	Price per Share	Shares Held	Selected	
AFLAC Inc	45.8000	200.000000	<input type="text"/>	<input type="button" value="Lots"/>
Apple Computer	85.0500	300.000000	<input type="text" value="290"/>	<input type="button" value="Lots"/>
First American Corp	42.2000	200.000000	<input type="text"/>	<input type="button" value="Lots"/>
IAC InterActiveCorp	37.5300	150.000000	<input type="text"/>	<input type="button" value="Lots"/>
Target Corp	57.2700	200.000000	<input type="text"/>	<input type="button" value="Lots"/>
Whole Food Market	46.6300	400.000000	<input type="text"/>	<input type="button" value="Lots"/>



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We need to come up with \$24,672.24 in stock. Our Apple stock has appreciated nicely so we'll transfer all of it to Sam. We can always adjust our portfolio later. We have to break out a calculator at this point. You have to divide 24,672 by 85.05. That's 290 and a fractional share. We'll transfer the 290 (blue highlight) shares of AAPL to Sam.

We'll now click Refresh. Ignore the "Lots" buttons. Some people like control over everything, and we provide that option. It's a lot of work communicating which lots you are transferring to a particular member.

## Write the Check

Fee	503.52	
Withdrawal Amount	24,672.24	
Selected Value	24,664.50	<input type="button" value="Refresh"/>
Cash	7.74	

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This is the last step. You can see that we are transferring \$24,664.50 worth of AAPL ( $\$85.05 \times 290$  shares) to Sam. This means we only need to write a check to Sam for \$7.74. There's enough cash on hand to do that, probably. Make sure you check your broker balance to be sure.

We are ready to click OK. NOW, WRITE THE CHECK for \$7.74. If your broker does not provide you with checks, withdraw \$7.74 from the broker, and then give the check to Sam Chase once you receive it. Be sure to tell the broker who the payee is, that is, Sam Chase in this example.


You need to instruct your broker to transfer the 290 shares of AAPL to Sam Chase. That varies from broker to broker, unfortunately, so please contact your broker to find out to do this.

The actual money doesn't get transferred from your brokerage account right away. It sits as a pending transaction in your Member Withdrawals account, which is a holding area so that the books add up properly, and your brokerage balance is always correct. When AccountSync™ picks up this transaction, you'll get an email like the one of the following slide.



### Wait for AccountSync™

Date ▲	Exec.	Type	Remark	Amount
01/07/2007	account_sync	Identify Debit ▼	Check #0000333	(7.74)
01/03/2007	rodrick	Identify Debit account transfer	Rodrick Escobar	250.01
01/03/2007	rodrick	expense member withdrawal	Rose Caesar	250.02
01/03/2007	rodrick	payment	Sam Chase	250.03

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You got here by clicking on the link in the AccountSync email on the previous slide. You now have an Identify Debit entry on the Broker Account Detail page. Just like with Identify Credit, you select one of the choices that makes sense. In this case, you choose “account transfer” (NOT “member withdrawal”, that’s already been done!).

When you release your mouse, you’ll be brought to the Account Transfer page on the next slide.

## Complete Transfer

**Account Transfer**


Transaction Date:

Source Account:

Target Account:

Amount:

---

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This is the Account Transfer page. You'll balance your Member Withdrawals account back to \$0 by completing this transfer. The amount, date, and Source Account, are filled in. You will need to select the Member Withdrawals Account, and then click OK.

This will complete the withdrawal. The stock transfer will take some time.

## And, what about taxes?

- They are FREE at bivio
- Verify the amount on your 1099 agrees with Income Statement
- Take bivio's simple tax interview
- Review forms generated by bivio, make three copies, and send one to the government, and give copies of K1s to the members.



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Ah yes, taxes. Nothing we love more than taxes at bivio. We especially like it when the government makes capricious changes in the tax law about qualified dividends and capital gains. At the end of January you should get your 1099 from your broker. Make sure the amounts agree with your Income Statement. If they are off by a little bit, it's probably safe to ignore. Many brokers forget transactions like cash-in-lieu, when they shouldn't. The government won't track you down and shoot you. If there are large discrepancies, you'll need to track them down. This can be tedious, esp. when the broker has incorrectly categorized transactions such as dividends or interest.

Taxes are **free** with every bivio subscription. Federal taxes are fully automatic. You have to complete a partnership tax interview to verify address information, type of partnership and such. The vast majority of clubs simply click "OK" through the various forms. We'll even calculate qualified dividends and ex-dividend dates automatically which would otherwise be a lot of work to gather on your own! The tax interview really is very easy. Just read the instructions on every page, and follow them. That's all there is to it! Then print the forms. While we have no known bugs in our tax software, we are not perfect! If the printout doesn't look right, please contact us!

Print three copies: one for the IRS, a copy for your files, and a copy of each K1 to give to the members for their taxes. Investment clubs are pass-through accounting. The club pays no taxes. Instead, the members report what is on their K1 on their personal tax return.

For clubs in California, state tax forms are also generated at the end of the tax interview. We'll be adding other states too and will announce them on the Club Café and as a bulletin.

## Keep it Simple

- Let bivio do all the work
- Click Around! Especially Reports.
- Involve your members
- Simplify: one account (broker), no DRPs, REITs, LLPs, etc.
- Relax and wait
- Contact support if you have **any** questions



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Well, that's it. Everything you need to know from an accounting perspective to run your club. The One Minute Treasurer™ system is by far the easiest and most accurate way to manage your club's accounting.

However, some people like to complicate matters by investing in REITs, DRPs, and other LLPs. Don't let them! It will create chaos for your club's accounting and everybody's personal returns. If some members want to invest in these complex instruments, tell them to do so with their own portfolio. You can make a fine return with ordinary stock purchases, and certainly learn a lot about investing through the research in your club's portfolio.

Remember, the hardest part is waiting. bivio does the vast majority of the work with The One Minute Treasurer™, and you sit back and relax.

bivio has lots of information and resources in your Club Site™. You need to click around to learn about it! Try out your Demo Club in the Select Site at the top of your Club Site, and you'll be able to try out other transactions.

Finally, bivio support is the best in the business. Ask anybody. We are here to help you. There's a support link on the bottom of every page, and you can email us at [support@bivio.com](mailto:support@bivio.com). A live person will answer you within an hour or two during business hours. During tax season, the wait is a bit more, but it is never more than a day. It's company policy to be responsive to our customer's needs.