

Club SE - MICHIGAN MODEL CLUB

# Club Audit Form and Instructions

Tax Year 2017

**bivio**

## Audit Instructions

To perform your audit, first prepare by accumulating the records required from your financial institutions and from your club bivio records.

Assemble the records needed to complete each of the 7 audit steps and assign each step to an independent committee to perform.

Perform the records comparison and note any discrepancies found. There are 7 steps to the audit process:

- 1) Verify cash balances and number of shares of stock –start of tax year
- 2) Verify cash balances and number of shares of stock-end of tax year
- 3) Verify income received
- 4) Verify expenses recorded
- 5) Verify stock transactions
- 6) Verify accuracy of member contributions
- 7) Verify accuracy of withdrawals

Discuss discrepancies with the club and the club treasurer, determine what is required to correct them and make the corrections agreed to.

Have everyone sign the forms in the correct places and file the completed forms with your club records.

Put your feet up and relax or have a party to celebrate!

Have fun in the upcoming year investing with your friends!

## Records Required

(Hard Copies or Online Access)

### From Financial Institution

- Monthly statements  
Dec-Previous tax year through Dec-Current tax year
- Trade Confirmation Records  
Individual or Summary List
- Dividend and Interest Transaction Records  
From Statements or Summary List
- Checks written  
Copies or Summary List
- Deposits and Withdrawals  
From Statements or Summary List
- Realized Gain/Loss Report

### From Club

- Receipts for expenses
- Verification of member deposits by members  
From club member review of year end Member Contributions and Withdrawals report
- Monthly meeting minutes  
Authorization of Expenses, stock transactions, withdrawal discussions
- Partnership Agreement  
Terms for Paying Withdrawals  
Allocation of Expenses
- Club records
  - Valuation reports-12/31/2016, 12/31/2017
    - Cash balances and Shares Owned
  - Transaction History Report-12/31/2017
    - Transactions grouped into categories
  - Income Statement-2017
    - Shows dividends by company, Interest and Expenses recorded
  - Withdrawal Reports 2017
    - For all members who withdrew during year
  - Transaction Lists (from Accounting>Accounts>transactions)-1/1/2017-12/31/2017
    - Dates and amounts in chronological order
  - Member Contributions and Withdrawals Report-2017
  - Transaction Ledger Report 1/1/2017-12/31/2017
  - Capital Gain/Loss Report 12/31/2017

Club Name SE-MICHIGAN MODEL CLUB Date 3/4/2018

**Step 1-Check end of year cash balances and number of shares-prior tax year**

bivio Valuation report dated 12/31/2016

Brokerage statement 12/31/2016

Compare cash balance and number of shares of stock

Records Agree

Discrepancy Noted (Stop Audit and resolve issues)

Description \_\_\_\_\_

Audited By CLIFF TRENT + ALEX BODEA

**Step 2-Check end of year cash balances and number of shares current tax year**

bivio Valuation report dated 12/31/2017

Brokerage statement 12/31/2017

Compare cash balance and number of shares of stock

Records Agree

Discrepancy Noted

Description \_\_\_\_\_

Audited By CLIFF TRENT + ALEX BODEA

**Step 3-Verify Income Received**

bivio Income Statement dated 2017

Brokerage Statement 12/31/2017

Compare total Dividends (Qualified +MM)

Compare Total Interest

bivio Transaction History report dated 12/31/2017

Brokerage dividend transaction list 1/1/2017-12/31/2017

Compare dividend transactions-date, amount and company

Records Agree

Discrepancy Noted

Description \_\_\_\_\_

Audited By CLIFF TRENT + ALEX BODEA

Step 4-Verify Expenses

- bivio Income Statement Report dated 2017
- Brokerage Summary List of Checks written or copies of checks
  - Verify expenses actually paid
  - Verify receipts for all expenses recorded
  - Verify all Expenses authorized by club
  - Verify expenses correctly recorded as deductible or non deductible.
- bivio file storage (receipts, meeting minutes)
- bivio Transaction History Report 12/31/2017
- Club Partnership agreement
  - Verify expenses allocated as club requires

Records Agree

Discrepancy Noted

Description \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Audited By CLIFF TRENT + ALEX BODEA

Step 5-Verify Stock Transactions

- bivio Transaction Ledger Report dated 12/31/2017.
- Brokerage trade confirmation summary report 1/1/2017-12/31/2017
  - Confirm transaction dates, security name, number of shares of stock, purchase/sale price, total cost or proceeds
- bivio Gain/Loss Report 12/31/2017
- Brokerage Realized Gain/Loss Report 12/31/2017
  - Compare Acquisition dates, sale date, sales price, cost basis and gain/loss amount
  - Note any wash sales shown on brokerage report
- bivio Investment transactions list for particular stock
  - For any sales where specific tax lots were sold (other than FIFO) confirm that the correct lots are included in the bivio records
- bivio transaction history report 12/31/2017
- Brokerage statements for month reorganization occurred
  - Confirm reorganizations entered and correct. (contact bivio support if necessary)

Records Agree

Discrepancy Noted

Description \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Audited By CLIFF TRENT + ALEX BODEA

Step 6-Verify Member Contributions

- bivio Member Contributions and Withdrawals report dated 2017
- Club partnership agreement
- Brokerage Deposit transaction summary list 1/1/2017-12/31/2017 or monthly statements
  - Verify Club members have confirmed amounts contributed-
  - Have members sign off on report
  - Verify Payments entered using correct Valuation Date
  - Verify Deposits made in brokerage account
- bivio Transactions History report dated 12/31/2017
  - Verify entries have been recorded as payments, not fees or miscellaneous income.

Records Agree

Discrepancy Noted

Description \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Audited By CLIFF TRENT + ALEX BODEA

Step 7-Verify Withdrawals Paid Correctly

- bivio Withdrawal reports for year being audited
- Club partnership agreement
  - Verify valuation date used to calculate withdrawal payment agrees with Partnership Agreement
  - Verify transaction date is date check was given to withdrawing partner
  - Verify records properly reconciled before processing withdrawal report (No post withdrawal adjustments)

Records Agree

Discrepancy Noted\*

Description: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Audited By CLIFF TRENT + ALEX BODEA

\*(note that if a withdrawal has been paid, it may be impossible to correct discrepancies. This will be up to your club to determine. However, you should still note discrepancies as recommendations for future improvement)

