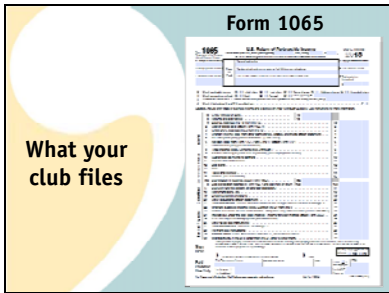




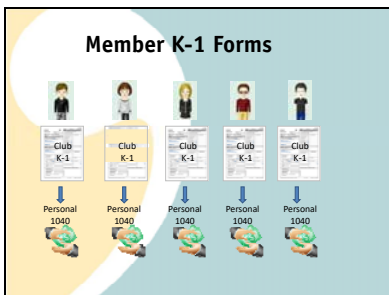
If you have income,

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



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 taxes.

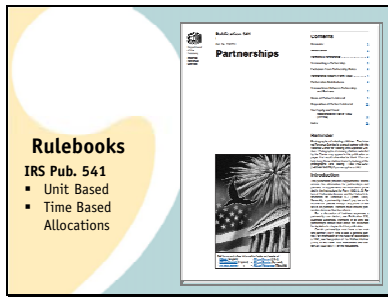


They know how much to report because

you give them a form called a K-1 which is also part of your taxes. It shows each persons portion of your club income and expenses. You also send in all the K-1's with your club tax filings. Each members copy tells what amounts they need to report

on their personal tax forms

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



The rules we use are detailed in different IRS publications.

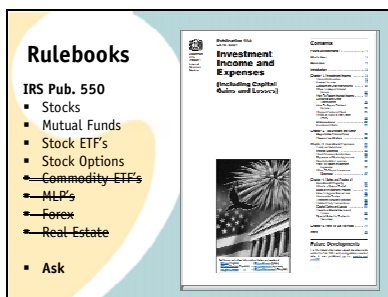
First, it is partnership based accounting-Described in IRS Publication 541

It's designed to account for distribution of income and expenses to multiple owners

Specifically, it is unit based partnership accounting.

Member percent ownership is tracked using "shares" of total club ownership

It uses time based allocations of income and expenses to members. They are distributed as the transactions occur, based on ownership percentages at the time they happen.



It is tracking and reporting taxes on Portfolio Investment Income and Expenses-(described in IRS publication 550) ,not business income and expenses.

It's only designed to track and prepare taxes for certain types of income such as dividends, interest and capital gains and losses from certain types of investments such as:

Publicly Traded Stocks

Stock Mutual Funds

Stock ETF's

Stock Options, if you have an appropriate bivio subscription level

But it will not provide tax reporting for all investments. For example, tax reporting for Commodity ETF's

Publicly Traded Partnerships

Foreign Currency trading


Real Estate and others, is not included

Ask us in support if your club is looking into investing in something that might bring tax reporting issues with it.

**Rulebooks**

IRS Instructions

- Form 1065
- Form K-1



Finally, of course we also have to comply with the instructions for filling in the forms you file. The 1065 and the K-1 forms. (Note that these were only posted on February 4 of 2019)

**Who has to file?**



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.

**When?**

Taxes Due - March 15

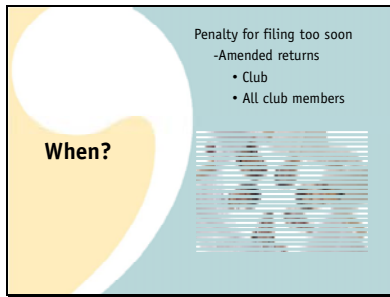
- 1099's - February 15
- K-1's to members  
By March 1

The time line you will be working with involves these dates:  
Your club taxes need to be filed by March 15.

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 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.

Your members cannot complete their own personal taxes until you have given them their K-1's. You probably want to get them to them as soon as you can verify your records and prepare your forms. Because you can't finalize anything until you have the 1099's, a reasonable date to tell them they'll have their forms is March 1. While you do have until March 15 to file your club taxes, we don't suggest that you do that or you might have a lot of angry club members.



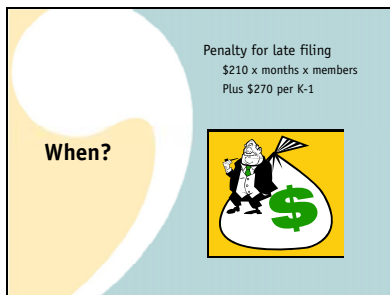
You don't want to file or distribute tax forms too soon. You need to wait for 1099's and verify your club records before you prepare anything. One of the penalties for filing incorrect taxes is that you might have to do it all over again and

File an amended return

Both your club and

each of your members

Investment club members need to understand that being in a partnership means their tax life has become a bit more complicated. Partnerships have to wait for information from other people to prepare the forms they need to prepare their own forms. If things back up down the line, the partnership information will take longer to come out.



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:

\$210 for each month or part of a month (for a maximum of 12 months) 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 \$270 penalty for each failure to furnish a Schedule K-1 to a partner when due and or for each K-1 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.

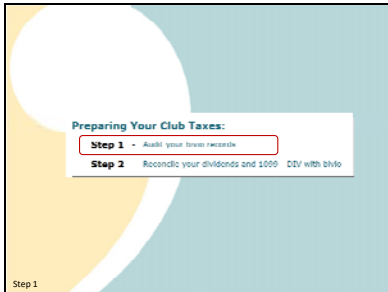


The good news is there are only a few easy steps needed to prepare your taxes. You'll follow them by going to

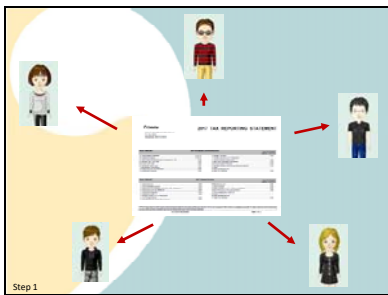
Accounting>Taxes



As you can see here, there are steps you will follow to guide you through the tax preparation process. There are 6 Total. When you start you'll see the first two. To prepare correct taxes, you must do each one before you continue to the next one.

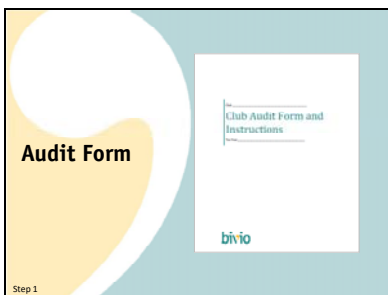


You need to do a club audit as your first step. Verifying your records is critical. If your bivio records are not correct, your taxes will not be correct. You cannot just assume that the information in bivio is correct, even if you use AccountSync and even if you check your cash balances and number of 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. Unless you do the audit we recommend you won't find them. There is a reason there are 6 steps shown to prepare your taxes. You do not want to skip any of them.

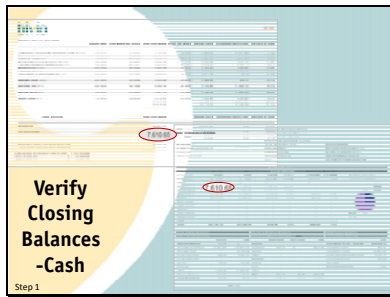


Without an audit, you will not know 2 main things that affect your taxes.

- That the income your club has earned during the year is being reported correctly.
- That your member accounts are being tracked correctly. If they are not, the club income won't be divided up amongst your members correctly. That will make their personal tax reporting wrong.



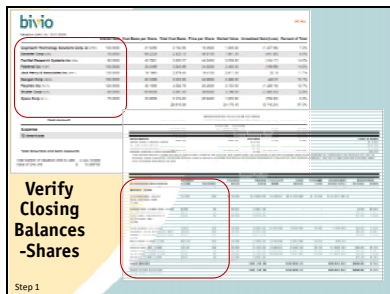
We have prepared a form you should use to guide you through the steps of an audit. The link for tax step one takes you to a page with a link to it and a presentation about how to use it.



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.

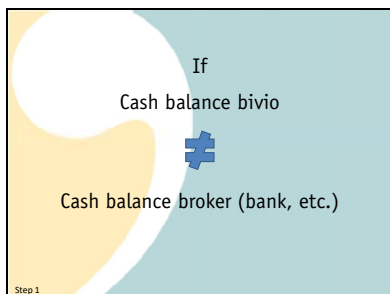


Then, you compare the numbers of shares of each stock you own.

First on the bivio valuation statement

then on your brokerage statement

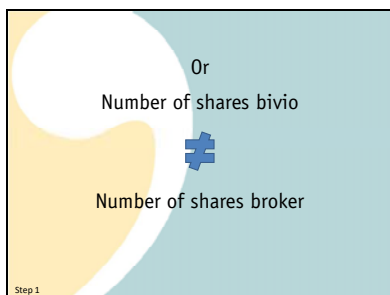
The bivio account should show exactly the same number of shares, that the brokerage account does.



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

does not agree with the

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

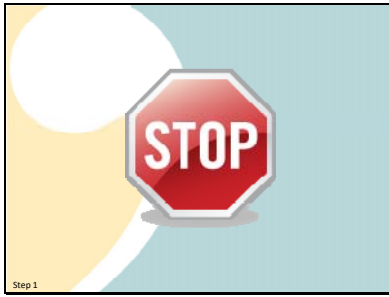


Or,

The number of shares of stock shown in bivio

Does not agree

With the number of shares shown by the broker.



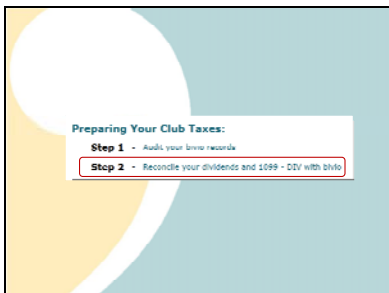
GO NO FURTHER. You need to stop and find and fix the problem. Your taxes will be prepared using your bivio accounting information. There is no point in going any further if it is not correct. In fact, if you are a club member, you should make sure that your treasurer can demonstrate that these things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



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

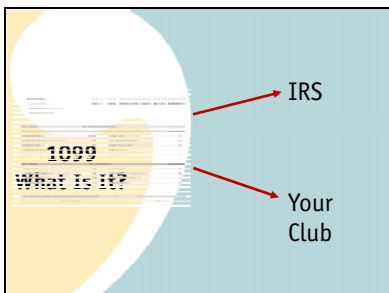
Garbage Out. That is why you need to do step one. An audit can be done at any time once your December 31 brokerage statements are ready. It will verify that your records are correct through that time.



Even after you do an audit, there may be some last minute changes that are reported on your 1099's that you need to adjust for that you will not know about until you receive them.

Steps 2 and 3 guide you through doing this.

In step 2, you'll be checking your dividends against your 1099. This is important because there can be last minute changes in how your broker reports dividends that will affect the cost basis of your stocks. Unless you make the changes in bivio shown on the 1099, your taxes will be wrong and when you sell the stocks, capital gains and losses won't be reported correctly.

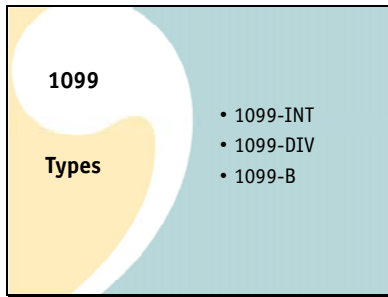


Before we get into the specifics of doing this step, lets review what a 1099 is.

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 you.

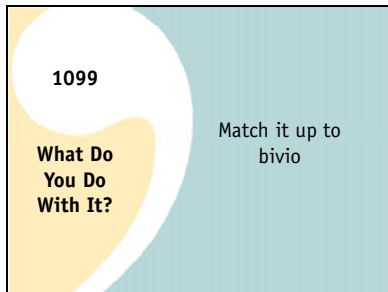


There are many types of 1099's. Income from your investment activities will probably show up on one of three different types:

A 1099 INT will report your interest income

A 1099 DIV will report your dividends

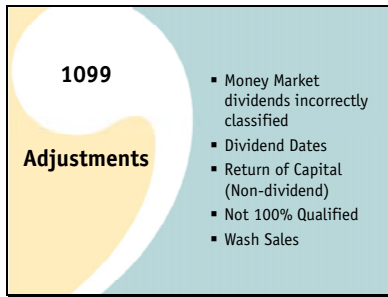
And a 1099 B will report your stock sales and your capital gains and losses



What do you do with your 1099?

Since the IRS will be matching up the information provided to them on the 1099's 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 1099's 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 1099's. 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. They are done during step 2 and 3 of the tax prep process.





The changes you may need to work on 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.

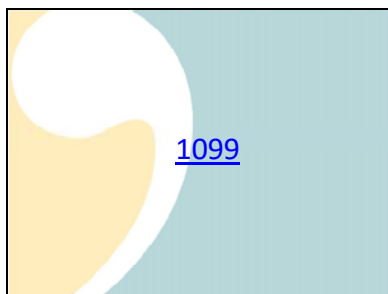
#### Dividend Dates

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 (also called 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 dividend you received can be considered a "Qualified Dividend".

You might have find a wash sale you triggered by buying a stock too close to a sale you had which would have resulted in a loss. 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. We'll be going through how you address them later in this webinar.



Here's an example of what your 1099 might look like.

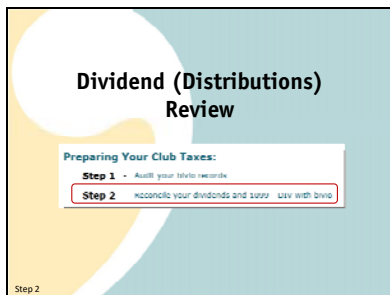
This is called a composite 1099 because several types of 1099 forms are combined in one sheet.

Here is the 1099 DIV,

The 1099 INT

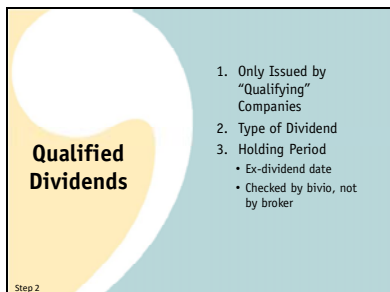
And the 1099B

You'll usually have this cover page where everything is summarized and then many pages of supplemental information providing the details. You'll be using all of this as you prepare your taxes.



So how will you use this information as you go through steps 2 and 3?

In step 2, you'll be answering questions and making comparisons that will ensure sure your dividend information is reported correctly. As I was just discussing, information on the tax classifications of distributions (often referred to collectively as Dividends) often doesn't show up until you receive your 1099. If any of the information is different than what was initially entered, you must manually adjust the bivio entries to produce correct tax forms. The changes are not made for you automatically by AccountSync.



While we're discussing dividends, lets 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 dividends from REIT's

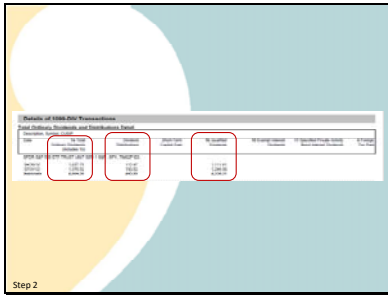
Holding period-You need to have owned the stock paying the dividend for more than 60 days during the 121 days that begin 60 days before the ex-dividend date.

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 you will review in step 2 of preparing your taxes. 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 the tax program, step 2, the dividend review section, starts here. On this page, you need to make sure you have investments correctly identified as those that pay Qualified dividends or those that do not pay 100% qualified dividends. Those are the ones like REIT's, ETF's and many mutual funds. If you see any of the dividends on your 1099's have been reclassified into different distribution types, you should also select "Not 100% qualified" here. You'll work on making the reclassifications as you work through Step 2. We'll be showing you how to do this later.

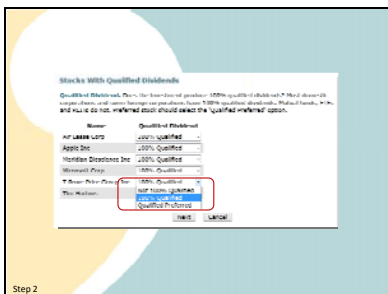


Here's what you might see that tells you to select "Not 100% Qualified".

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 pays "Not 100% Qualified" dividends.

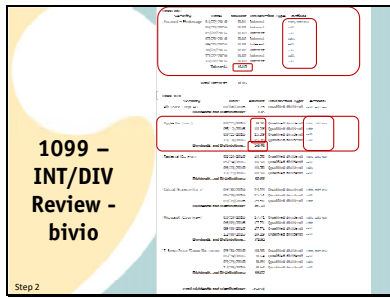


You can open the little drop down menu next to a company if you need to change it's designation.



Next, you'll be asked to verify ex-dividend dates. As I explained earlier, ex-dividend dates are used to do the final holding period check needed to determine Qualified/Non Qualified status. We fill in a default entry which is the date closest to the date you received the dividend. Make sure they look OK. For a particular company they should be all different and also fairly close in time to the transaction date.

If you want to double check anything, Dividendinvestor.com or Morningstar.com show ex dividend dates.



Next you'll come to our 1099-INT/DIV review report. Here is what it will look like:

At the top will be a list of any interest entries you've made in bivio. Make sure they are correct and

that the total is not included as a dividend on your 1099.

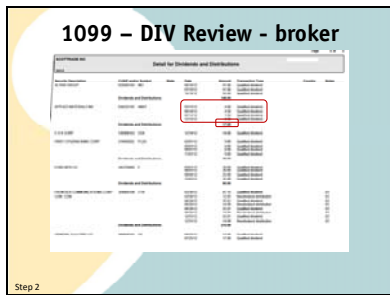
If it is, there are links here that you can use to edit the entry and change it to a money market dividend.

In the bottom section 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.

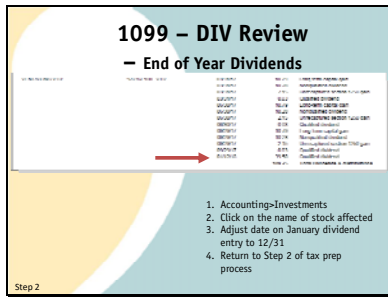


You'll be checking the bivio information against dividend detail information you can probably find on your 1099 DIV. Many look like this which you can see is very similar to the bivio review page. You may also find the same information in a little different format. In any case, this is what you do.

First, look at the dividend totals and compare them to the bivio report.

Then, compare the dividend dates, amounts and classifications with the bivio report. All entries should agree. If you follow our guidelines for keeping your club accounting simple, there is a good chance everything will line up fine and you'll be done with Step 2.





Some other things you might find on 1099 DIV's that would require adjustments include these.

Sometimes a dividend is received and entered in bivio with a date early in the new year, but it shows up on your 1099 as reported during the past year. This is pretty much guaranteed to happen if you own REIT's.

In that case you won't see the dividend listed at all at first on the bivio 1099 DIV review form and your dividend totals for the affected stock probably won't agree with what your broker shows.

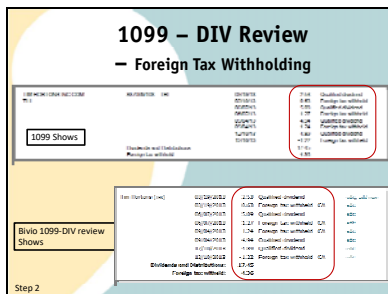
To correct this, you'll need to adjust the date in bivio by doing this.

Leave the tax prep program and go to Accounting>Investments

Click on the name of the stock paying the dividend

Select edit next to the entry affected and change the date on it to 12/31 of the reportable tax year.

You can then return to step 2 of the tax prep process and continue. You should now see the dividend listed on the 1099-DIV review form and the totals for the company in question should agree with the 1099.

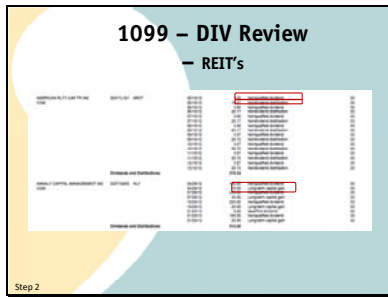


If you own foreign stocks,

you may see entries where foreign tax was withheld on your 1099.

You need to make sure those entries also show up on the bivio

1099 DIV review page. If they don't, you will need to edit the entries to correct this issue. Foreign tax is one of the types of income you can enter on the reclassification page I showed you earlier.



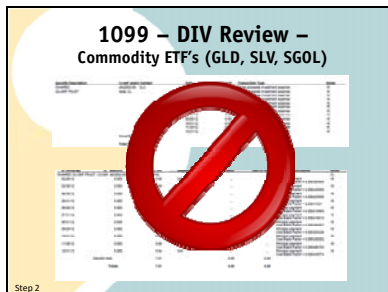
If your club owns REIT's, their distributions usually need to be split into several parts.

First, dividends from REIT's are not eligible for qualified status.

They may also make Return of Capital distributions

Or part of their distributions may be classified as capital gains or as a category that is new this year, section 199A distributions. These reclassifications mean you'll have to edit your bivio records to make 2 or 3 entries where only one "dividend" entry had been made during the year. You won't know these breakdowns until you get your 1099's. In fact, your 1099's 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 REIT 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 REIT's. We find many clubs that own them have a lot of difficulties completing this step.

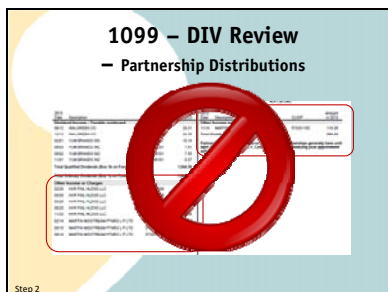


Even more complex than that will be the issues you will face if you own commodity ETF's such as SLV or GLD.

These are actually investments in a commodity, Gold and Silver, 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.

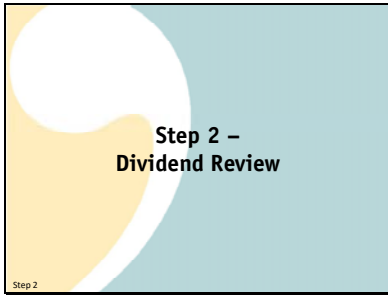
Unless you want to spend lots of time and are very comfortable doing calculations and making accounting entries, you will not want to do what needs to be done if your club invests in these.



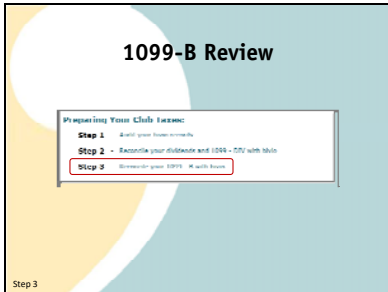
Finally, if you see information

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.



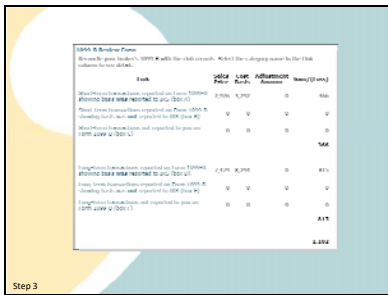
So that's what you need to do for step 2 of the tax prep process. This is a very important step for you to complete so make sure you don't ignore it. Many of the cost basis problems clubs have are because they have neglected to do dividend reclassifications that were shown on their 1099's. If you find 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 commodity ETF's, REIT's or Partnerships can breeze through this step quickly because they won't probably won't have any reclassifications to deal with.



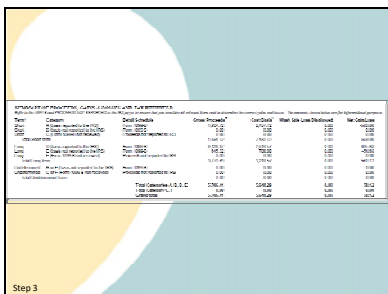
When you finish the second step and have finished comparing and correcting your dividend entries, you'll return to the tax prep screen. You'll see that step 3 is now showing.

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.



It looks like this.



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



Step 3

So what is all the stuff on these forms? Lets discuss what you should know briefly.

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.

Step 3

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.

B. 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 cost basis information on your 1099, but it will not be sent in to the IRS.

C. Transactions 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.

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

Step 3

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

In section D. 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.

1099-B Review - bivio

1099-B Brokerage Pages  
Returns to your broker's 1099-B with the following details. Select the category name in the link column to view details.

| Link   | Link  | Subtotal | From | Adjustment | Amount | Net/(Loss)   |
|--|-------|----------|------|------------|--------|--------------|
| Short term capital gains reported on Form 1099-B (including loss and reported to you on Form 1099-B) | 2,054 | 5,200    | 0    | 0          | 0      | 5,200        |
| LONG TERM CAPITAL GAINS REPORTED TO YOU ON FORM 1099-B   | 0     | 0        | 0    | 0          | 0      | 0            |
| Short term capital gains and reported to you on Form 1099-B (line 1)                                 | 0     | 0        | 0    | 0          | 0      | 0            |
| Long term capital gains reported on Form 1099-B (including loss and reported to you on Form 1099-B)  | 2,054 | 5,200    | 0    | 0          | 0      | 5,200        |
| Long term capital gains and reported to you on Form 1099-B (line 1)                                  | 0     | 0        | 0    | 0          | 0      | 0            |
| <b>TOTAL</b>   |       |          |      |            |        | <b>5,200</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.

1099-B - Broker

1099-B Brokerage Pages  
Returns to your broker's 1099-B with the following details. Select the category name in the link column to view details.

| Link   | Link  | Subtotal | From | Adjustment | Amount | Net/(Loss)   |
|--|-------|----------|------|------------|--------|--------------|
| Short term capital gains reported on Form 1099-B (including loss and reported to you on Form 1099-B) | 2,054 | 5,200    | 0    | 0          | 0      | 5,200        |
| LONG TERM CAPITAL GAINS REPORTED TO YOU ON FORM 1099-B   | 0     | 0        | 0    | 0          | 0      | 0            |
| Short term capital gains and reported to you on Form 1099-B (line 1)                                 | 0     | 0        | 0    | 0          | 0      | 0            |
| Long term capital gains reported on Form 1099-B (including loss and reported to you on Form 1099-B)  | 2,054 | 5,200    | 0    | 0          | 0      | 5,200        |
| Long term capital gains and reported to you on Form 1099-B (line 1)                                  | 0     | 0        | 0    | 0          | 0      | 0            |
| <b>TOTAL</b>   |       |          |      |            |        | <b>5,200</b> |

Step 3

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

1099-B Review - bivio

1099-B Brokerage Pages  
Returns to your broker's 1099-B with the following details. Select the category name in the link column to view details.

| Link   | Link  | Subtotal | From | Adjustment | Amount | Net/(Loss)   |
|--|-------|----------|------|------------|--------|--------------|
| Short term capital gains reported on Form 1099-B (including loss and reported to you on Form 1099-B) | 2,054 | 5,200    | 0    | 0          | 0      | 5,200        |
| LONG TERM CAPITAL GAINS REPORTED TO YOU ON FORM 1099-B   | 0     | 0        | 0    | 0          | 0      | 0            |
| Short term capital gains and reported to you on Form 1099-B (line 1)                                 | 0     | 0        | 0    | 0          | 0      | 0            |
| Long term capital gains reported on Form 1099-B (including loss and reported to you on Form 1099-B)  | 2,054 | 5,200    | 0    | 0          | 0      | 5,200        |
| Long term capital gains and reported to you on Form 1099-B (line 1)                                  | 0     | 0        | 0    | 0          | 0      | 0            |
| <b>TOTAL</b>   |       |          |      |            |        | <b>5,200</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. "basis is reported to the IRS" category.

1099-B Broker

1099-B Brokerage Pages  
Returns to your broker's 1099-B with the following details. Select the category name in the link column to view details.

| Link   | Link  | Subtotal | From | Adjustment | Amount | Net/(Loss)   |
|--|-------|----------|------|------------|--------|--------------|
| Short term capital gains reported on Form 1099-B (including loss and reported to you on Form 1099-B) | 2,054 | 5,200    | 0    | 0          | 0      | 5,200        |
| LONG TERM CAPITAL GAINS REPORTED TO YOU ON FORM 1099-B   | 0     | 0        | 0    | 0          | 0      | 0            |
| Short term capital gains and reported to you on Form 1099-B (line 1)                                 | 0     | 0        | 0    | 0          | 0      | 0            |
| Long term capital gains reported on Form 1099-B (including loss and reported to you on Form 1099-B)  | 2,054 | 5,200    | 0    | 0          | 0      | 5,200        |
| Long term capital gains and reported to you on Form 1099-B (line 1)                                  | 0     | 0        | 0    | 0          | 0      | 0            |
| <b>TOTAL</b>   |       |          |      |            |        | <b>5,200</b> |

1099-B Review Page - bivio

| Link   | Link  | Subtotal | From | Adjustment | Amount | Net/(Loss)   |
|--|-------|----------|------|------------|--------|--------------|
| Short term capital gains reported on Form 1099-B (including loss and reported to you on Form 1099-B) | 2,054 | 5,200    | 0    | 0          | 0      | 5,200        |
| LONG TERM CAPITAL GAINS REPORTED TO YOU ON FORM 1099-B   | 0     | 0        | 0    | 0          | 0      | 0            |
| Short term capital gains and reported to you on Form 1099-B (line 1)                                 | 0     | 0        | 0    | 0          | 0      | 0            |
| Long term capital gains reported on Form 1099-B (including loss and reported to you on Form 1099-B)  | 2,054 | 5,200    | 0    | 0          | 0      | 5,200        |
| Long term capital gains and reported to you on Form 1099-B (line 1)                                  | 0     | 0        | 0    | 0          | 0      | 0            |
| <b>TOTAL</b>   |       |          |      |            |        | <b>5,200</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 hone 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 would have already found them during the audit and gotten them corrected.

## Fixing bivio Entries

| Account | Original | Debit   | Credit  | Balance | Adjustment | Adjusted | Balance | Review | Balance |
|---------|----------|---------|---------|---------|------------|----------|---------|--------|---------|
| 1000000 | 1000000  |         |         | 1000000 |            | 1000000  |         | Review | 1000000 |
| 1000001 |          | 1000000 |         |         |            |          |         | Review |         |
| 1000002 |          |         | 1000000 |         |            |          |         | Review |         |

Step 3

If you need to make corrections in bivio, you can jump back to the transactions that have been entered for the stock if

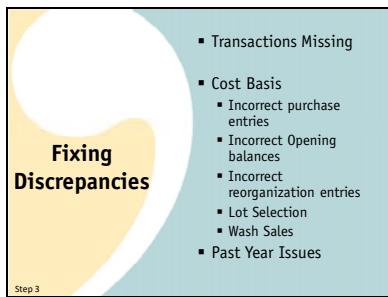
you select the review entries link.

## Fixing bivio Entries

| Account | Original | Debit   | Credit  | Balance | Adjustment | Adjusted | Balance | Review | Balance |
|---------|----------|---------|---------|---------|------------|----------|---------|--------|---------|
| 1000000 | 1000000  |         |         | 1000000 |            | 1000000  |         | Review | 1000000 |
| 1000001 |          | 1000000 |         |         |            |          |         | Review |         |
| 1000002 |          |         | 1000000 |         |            |          |         | Review |         |

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.



These are some reasons you might find for differences. If you do find them, and you know the brokers information is correct, you'll need to make corrections to your bivio entries to fix them and generate correct taxes. You do not just change a number on a tax form.

You may have transactions missing. If so, you will need to find out what they are from your brokers information 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.

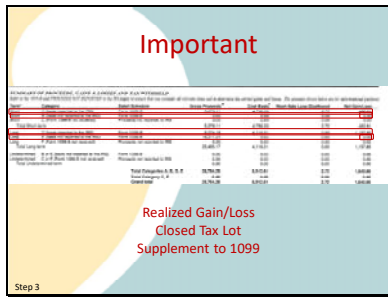
If you switched to bivio after your club had started, there may have been mistakes in your switchover data.

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 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.

Problems you find may be due to incorrect entries made during the current year or it may be that you did not make proper adjustments in past years. If that is the case, you'll need to fix the oldest problems first and then re-enter any subsequent transactions that would have affected the cost basis of your shares sold this year. Working from oldest to newest will allow the fixes to propagate through your data correctly.



The transactions we've been talking about where the broker has to provide information you can compare to bivio

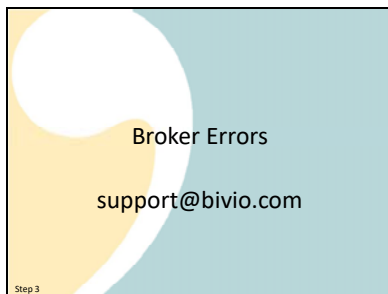
are in the Section A and D categories where all information is reported to the IRS.

There are also categories like the B and E categories where all information is not reported to the IRS because the broker was not required to track cost basis information for those lots correctly.

This means that broker information shown there may be incorrect. For example, there may be a 0 total in the gain/loss column. We get many questions asking whether bivio should show a 0 there also. Obviously if the total gains shown on the brokers report is 0 it is not correct. The bivio report will show the correct number if your bivio entries are correct. The reason the brokers report might show 0 is because the 1099 only shows totals in the reportable categories. bivio is showing the totals in all the categories because even if your broker doesn't report them to the IRS, you still need to report them on your taxes.

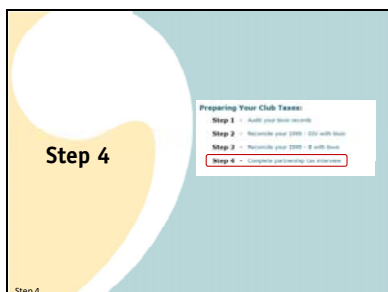
Because you'll be reporting them on your taxes, you still need to check the details of the transactions in these categories against supplemental information from your broker or your original brokerage statements to make sure it is correct in bivio.

Your broker may have a "realized gain/loss" or "Closed tax lot" report you can use to do this. Some brokers even show all the detail for these categories as a supplement to your 1099 form. This check is also performed as one of the steps of doing your club audit.



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, and that the gain/loss shown by bivio is correct,

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

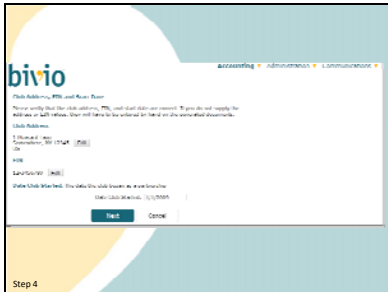


Once you've done these confirmations and not before, you're ready to move into the final steps of preparing your tax forms. These go much quicker.

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



Your tax forms will be generated using your club data after you answer a few questions. You can retake this interview as many times as you'd like. In fact, if you change anything after you run it the first time, it is important to retake it to update the tax forms before you give them to anyone.



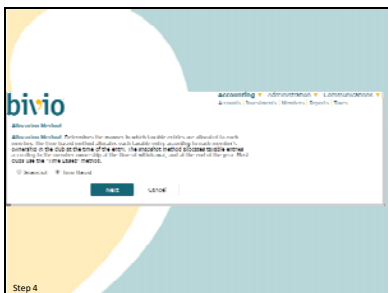
First, confirm basic club information. Your address, EIN Number and Club Start Date. These will probably already be available and filled in from your club records. If not, fill them in here because they are necessary for you to continue.



Next, select the IRS center your return will go to and the type of Partnership. You'll also need to know whether or not you've 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.

Most clubs should go with the default entries that have already been made for you for the questions during the tax interview. If you know a different answer applies or you are worried a different answer applies to your club, feel free to email us in support for clarification or discussion of your situation.

Note that the IRS changed the filing address for some clubs this year. Make sure you check the filing instructions on our help page so you know where your return should be mailed.



Next, is the method that is used to allocate or divide up your club income and expenses between the members. We suggest you accept the default which is time based allocation. It represents 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.



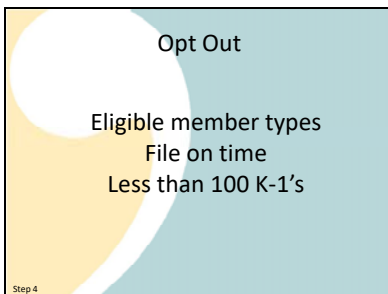
If your club owns a stock in a foreign company you will be asked to enter the country where the company is located. If you don't own any foreign companies you won't get this question.



This page shows you the member information that is needed for the tax forms and is missing in bivio. Because of the number of places this needs to go on your tax forms, you will need to enter it in here to proceed.



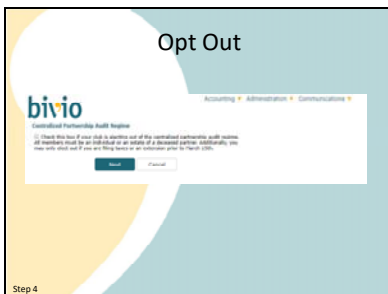
Next is a very important question. You'll need to answer whether all the members of your club are US Citizens or resident aliens. You will also need to answer whether each member of your club is an individual. If any of your members hold their ownership in a trust, you need to enter no as an answer to the second question. This will affect whether or not you can opt out of the new IRS partnership audit procedures.



If you answer yes to both questions, you may be eligible able to opt out since you do not have any of the disregarded entity types as members. You just need to meet a few other criteria:

You need to file your tax return and distribute K-1's to your members by March 15 or file a valid extension before then.

And, your club can only have less than a total of 100 K-1 forms to distribute for the year.



You choose to opt out on this page. This will trigger bivio to generate the forms you are required to file if you opt out.



If, however, you answered no to either of the questions on the partner type page, because, for example, some of your members hold their club ownership in a trust,



you will be taken to this page. On it you need to identify the members of your club that are trusts.



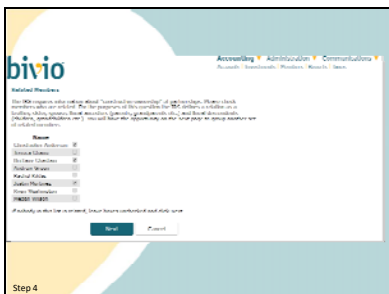
You do that using the drop down choices in the “entity Type” column



If you have any members who are trusts, you will not be able to opt out of the new IRS audit procedures. 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 2018 tax returns.



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



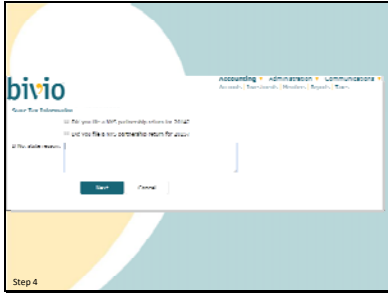
Next, you need to indicate if any of your club members are related. If they are, you will have further questions to define who is related to who. A relation is defined as brothers, sisters, spouse, ancestors (parents, grandparents etc.) and lineal descendants (children, grandchildren etc. They are listed on the 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. That’s about the end of what will happen with your answers to this question. 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



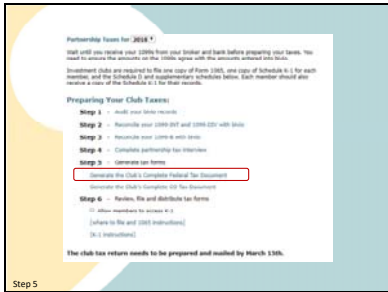


After you identify the first set of relationships, you will be presented the remaining members to identify any remaining family relationships. You will keep being presented with these until you have no more to enter.

This is the last of the questions that you need to answer for the federal return.



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.



After you answer the final questions, you'll be returned to the tax page.

You click here to generate your entire federal tax return.



A single PDF file containing all the documents you need to file will be produced

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



If you return to the taxes page, you will see a link to each tax document that bivio produces that you need to file,

including any state taxes that are included with bivio.

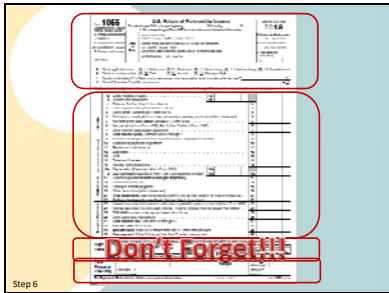
You can return to the Taxes page at any point to repeat any of the steps. As I mentioned before, if you change any club data, make sure to redo your taxes before filing. However, once you've filed them and distributed forms to your members, you shouldn't make any more changes to the forms or to your club records for 2018 or prior years. You should keep a paper or PDF copy of the exact return you file either in your records or in your bivio file storage area. If you do end up having to later correct something in bivio, you will need it to compare your revised tax return to what you filed.



Once your forms have been generated you're ready for the final step which is to review, file and distribute your tax forms. First you should review what was entered on them.



Your complete tax package will start with a cover page. You don't have to send this in, but you do need to read the information on it and make sure you address any issues that were raised. In this case, the club is being notified that SSN's have not been entered for certain members. They need to go through and take the tax interview again and add them in to generate correct documents before they send them in.



Here's the first page of your 1065. It looks kind of empty but that's ok, here's what you need to see.

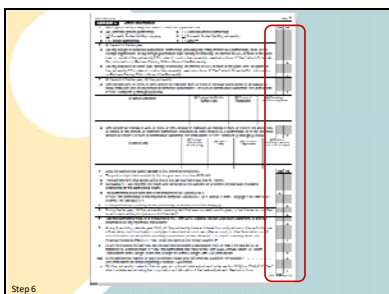
In the top section these items are filled in. Club name and mailing address. Items A through J. Item F will be blank unless you have answered no to question 4 on Schedule B. Most clubs answer yes to this question so section F is blank for most clubs.

The whole middle section, lines 1-30 will be blank. Don't worry, you haven't been cheated, that is correct.

DON'T FORGET to SIGN HERE. This is the main thing you need to remember about the first page.

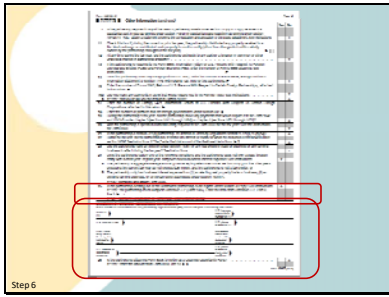
Do this before sending in your taxes or those nice penalties we discussed at the beginning will start to apply to you.

Leave the "Paid Preparer's Use Only" section blank.



Schedule B comes next on pages 2 and 3. It is where "Other Information" is filled in.

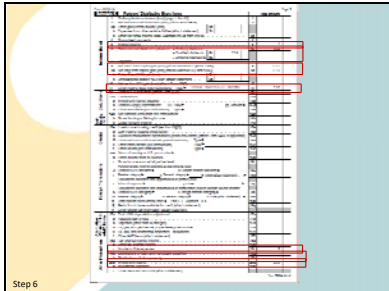
Bivio has filled it in based on information you entered during the tax interview and information that would apply to most investment clubs. You should review each question and the way it has been answered to make sure all the answers apply to your club.



At the bottom of page 3 is where the new partnership audit information is addressed.

If you have elected to opt out of the new IRS audit procedures, question 25 will be marked yes. You will also have a new form, form B-2 that you will be part of your tax package that you will need to file.

If you were not eligible to opt out, question 25 will be marked no and the information about your partnership representative will be filled in here.



Page 4 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 between the members and reported to them on their K-1's. Most clubs will have only a few entries. Just a note that all the entries you will see on our tax forms are rounded to the nearest dollar.

If you've had 50 cents or more of interest income, you'll see it on line 5.

Your qualified and non qualified dividends will be entered on lines 6a and b. The amount on line 6b is included in the amount on line 6a.

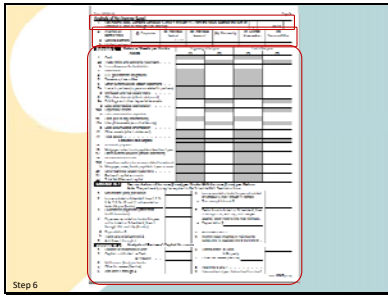
Your short and long term capital gains and/or losses are reported on lines 8 and 9a. You will have entries here if you have sold stock or received capital gains distributions from a mutual fund or from a class action settlement from a company whose stock you owned in the past. You may also have capital gains if a company you owned went through a taxable reorganization such as a cash plus stock merger or a re-domicile to a foreign country.

In most cases, there should not be an entry on line 11. If there is, you may have recorded something incorrectly in your records and you should investigate and fix it before finalizing your forms. If not and you have had some miscellaneous portfolio income such as the winnings from a portfolio contest recorded by this club, this is where you'll see it reported.

If you've had any expenses they will be reported on line 18c. Starting this year, none of your club expenses are deductible on your personal tax returns.

If someone has withdrawn from your club, you should see an amount in line 19a if you paid them any cash and also an amount in line 19b if you gave them any stock.

And finally, for reasons known only to the IRS, your total portfolio income is shown on line 20a.



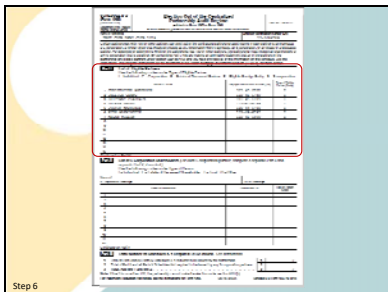
Page 5-This page show the total income or loss for your club this year.

Line one Analysis of Net Income (Loss) is filled in.

For line 2, the same information shown on line one is shown by partner types. For most clubs, this will show as “General Partner, Individual, Active” as it is shown here.

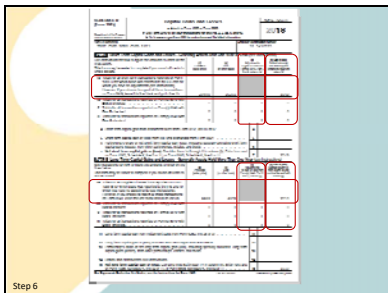
For most clubs, Schedules L, M-1, and M-2 will be blank.

Why? Because most clubs answer “Yes” to question 4 on Schedule B (1065 page 2).



All clubs will have the first 5 pages we just discussed. There will then be some supplemental forms your club may have. For example, if your club has opted out of the new partnership Audit requirements, you will have a schedule B-2.

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



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.

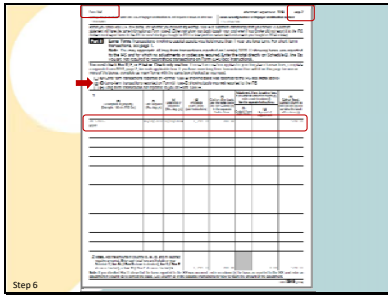
The summary information in the “Covered” categories for which you haven’t made any adjustments goes directly on the Schedule D. You will not find it on the form 8949 we will discuss in a minute.

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

As we have said, it is important that this information reflect what is shown on your 1099 form or

that you have indicated that the broker has reported something incorrectly on your 1099 as we discussed earlier. If they haven’t made any mistakes, you shouldn’t see any adjustment entries here. If bivio doesn’t agree with what they show, and you think they are right, you need to fix your bivio transactions before you file your taxes or give members their K-1’s. Don’t forget that any adjustments shown here are adjusting your brokers numbers to agree with bivio, not the other way around.

The bivio numbers are being used to calculate what is being reported as your taxable income, not the brokers numbers.



If you have made adjustments to your brokers numbers or you have transactions reported in the

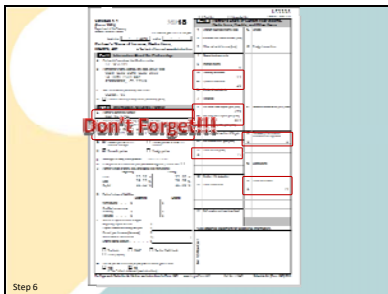
non-”Covered” categories on your 1099 form, you will also have some pages of a

Form 8949 that you need to file. The club I’ve been showing you actually didn’t have any for tax year 2018 so they wouldn’t have had this form included in their tax packet. I just include it here to show you what it would look like if they had.

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.

You’ll only have pages of the form 8949 that apply to you. For example, if you didn’t have an long term non-covered transactions, you won’t have a form 8949 for that category.

As you can see, this club only had to file page 2. It seems like page 1 is missing, but this is OK.



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 send a copy of each one in 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 members K-1 you should see their name, address and social security numbers filled in in this section,

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

The numbers from each line of this report will be the members portion of the totals that were shown on schedule K. For example, here are the partners allocated amounts for:

Dividends

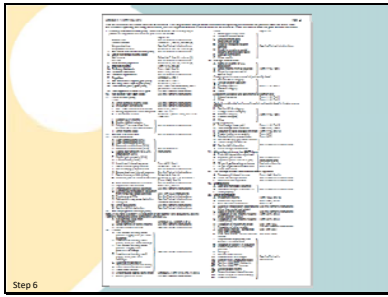
Capital Gains

Miscellaneous Income and

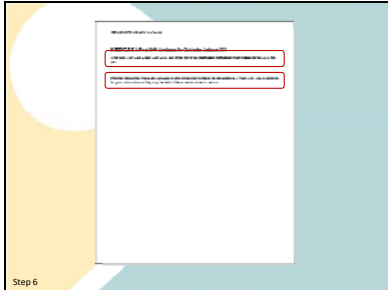
Non-deductible expenses.

Line 20 shows the partners allocation of the total portfolio income shown on line 20a of the Schedule K

The codes for lines 11, 18 and 20 are shown in the instruction attachment page that must be provided with the K-1 to each member



Here is what that page looks like. You need to give one of these to each member but you don't have to print out a copy of the instructions for each K-1 you send in as part of the complete club tax packet. The IRS already knows what the instructions for the form are.

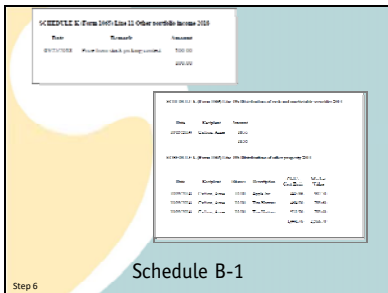


There may also be a K-1 Attachment page to give to each partner.

If your club has opted out of the new partnership audit procedures, it will contain the note that is required to be included informing them of that.

If you had any federally non-deductible portfolio expenses, the partners share will also be listed here. Some states may still allow a deduction for these on state returns.

If your club had foreign income from multiple sources, they might also be itemized on this page. If they are, you need to send it in with your club tax filing. Otherwise, all you need to do is to make sure each partner receives their copy with their K-1 and K-1 instruction sheet.



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.

1320111 Use Only for Withdrawals

Account Number: 118670  
 Member Name: 007879

Year: 2022  
 Withdrawal Date: 11/22/22  
 Withdrawal Type: 1001

Check Withdrawal Balance: 222.00  
 Withdrawal Amount: 222.00  
 (Y) Agreement: 11/22/22

Member Information:  
 Name: 007879  
 Address: 11/22/22  
 City: 11/22/22

**Withdrawal Details**

Member's Current Withdrawal Balance: 222.00

For an updated list of withdrawal transactions, please refer to the Club's Withdrawal Report (found in the member's account on the Club's website).

See Withdrawal Report

| Year         | Withdrawal | Balance | Cost Basis | Capital Gain | Dividend | Interest | Other | Total         |
|--------------|------------|---------|------------|--------------|----------|----------|-------|---------------|
| 2022         | 11/22/22   | 222.00  | 0.00       | 0.00         | 0.00     | 0.00     | 0.00  | 222.00        |
| <b>Total</b> |            |         |            |              |          |          |       | <b>222.00</b> |

Step 6

In addition to a K-1 Form, a member who has withdrawn assets during the year may have additional tax liabilities and will have additional information that does not appear on their K-1

to report on their personal 1040 Schedule D form. This information is shown on their withdrawal report.

If they received shares of stock, it will show their cost basis in those shares. It is important that they receive a 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 for your records and distribute them to the individuals affected.

**Preparing Your Club Taxes:**

- Step 1 - [ ] Review your club information
- Step 2 - [ ] Reconcile your 2022 - 2021 with Bivio
- Step 3 - [ ] Reconcile your 2022 - 2021 with Bivio
- Step 4 - [ ] Complete partnership tax information
- Step 5 - [ ] Generate tax forms

Download the Club's Complete Federal Tax Document

Step 6 - [ ] Review, file and distribute tax forms

Allow members to access K-1's  
 (Return to the 2022 2022 Instructions)

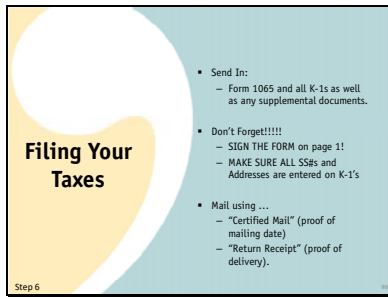
K-1 Instructions

Step 6

And that completes the form review. If you are sure everything is correct, it's time to file your return and give your members their K-1 forms.

You can check this box to allow club members with online access to login to bivio and print out their own copy. They will only see their own K-1 when they login with their own ID. 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.

If you are mailing or emailing copies of K-1's to your members, make sure you also include the K-1 Instructions you can find here. Members who login to get their forms will be given a link to download them for themselves.



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

Form 1065 and all K-1s as well as any supplemental documents.

**Don't Forget!!!!**

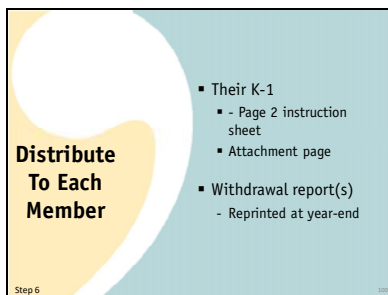
**SIGN THE FORM on page 1!**

**MAKE SURE ALL SS#s and Addresses are entered on K-1's and if applicable, for your partnership representative if you are opting in or for each of your members on Schedule B-2 if you are opting out of the new audit procedures.**

Mail using ...

"Certified Mail" (proof of mailing date)

"Return Receipt" (proof of delivery)



Distribute to each member:

Their K-1

With the page 2 instruction sheet

And the attachment page

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

That you have reprinted at year-end



**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 1099's

Records you should keep:

A paper or pdf copy of all the forms in your complete tax package as you've sent them in.

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 1099's

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.

**State Taxes**

- Included
  - CO
  - PA
  - NJ
  - NY
  - CA
- Other States

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

We provide return programs for  
CO,  
PA,  
NJ,  
NY  
and CA

For other states, it is often very simple to transfer your federal information to the state forms.

Club Café

Preparing Your Investment Club Taxes

State Tax Topics

- State Tax Topics
- Investment Club Taxes
- Withdrawal Reports
- Learning Center

In addition, we offer you a cost effective option for having your state tax forms prepared for the states we don't provide. If you go to our Club Café page, you will

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

State Tax Requirements

| State | Due Date | Due Date | Due Date | Due Date |
|-------|----------|----------|----------|----------|
| AL    | 4/15     | 4/15     | 4/15     | 4/15     |
| AK    | 4/15     | 4/15     | 4/15     | 4/15     |
| AZ    | 4/15     | 4/15     | 4/15     | 4/15     |
| CA    | 4/15     | 4/15     | 4/15     | 4/15     |
| CO    | 4/15     | 4/15     | 4/15     | 4/15     |
| CT    | 4/15     | 4/15     | 4/15     | 4/15     |
| DC    | 4/15     | 4/15     | 4/15     | 4/15     |
| DE    | 4/15     | 4/15     | 4/15     | 4/15     |
| FL    | 4/15     | 4/15     | 4/15     | 4/15     |
| GA    | 4/15     | 4/15     | 4/15     | 4/15     |
| HI    | 4/15     | 4/15     | 4/15     | 4/15     |
| IA    | 4/15     | 4/15     | 4/15     | 4/15     |
| IL    | 4/15     | 4/15     | 4/15     | 4/15     |
| IN    | 4/15     | 4/15     | 4/15     | 4/15     |
| KS    | 4/15     | 4/15     | 4/15     | 4/15     |
| KY    | 4/15     | 4/15     | 4/15     | 4/15     |
| LA    | 4/15     | 4/15     | 4/15     | 4/15     |
| MA    | 4/15     | 4/15     | 4/15     | 4/15     |
| MD    | 4/15     | 4/15     | 4/15     | 4/15     |
| ME    | 4/15     | 4/15     | 4/15     | 4/15     |
| MI    | 4/15     | 4/15     | 4/15     | 4/15     |
| MN    | 4/15     | 4/15     | 4/15     | 4/15     |
| MO    | 4/15     | 4/15     | 4/15     | 4/15     |
| MS    | 4/15     | 4/15     | 4/15     | 4/15     |
| MT    | 4/15     | 4/15     | 4/15     | 4/15     |
| NC    | 4/15     | 4/15     | 4/15     | 4/15     |
| ND    | 4/15     | 4/15     | 4/15     | 4/15     |
| NH    | 4/15     | 4/15     | 4/15     | 4/15     |
| NJ    | 4/15     | 4/15     | 4/15     | 4/15     |
| NM    | 4/15     | 4/15     | 4/15     | 4/15     |
| NV    | 4/15     | 4/15     | 4/15     | 4/15     |
| NY    | 4/15     | 4/15     | 4/15     | 4/15     |
| OH    | 4/15     | 4/15     | 4/15     | 4/15     |
| OK    | 4/15     | 4/15     | 4/15     | 4/15     |
| OR    | 4/15     | 4/15     | 4/15     | 4/15     |
| PA    | 4/15     | 4/15     | 4/15     | 4/15     |
| RI    | 4/15     | 4/15     | 4/15     | 4/15     |
| SC    | 4/15     | 4/15     | 4/15     | 4/15     |
| SD    | 4/15     | 4/15     | 4/15     | 4/15     |
| TN    | 4/15     | 4/15     | 4/15     | 4/15     |
| TX    | 4/15     | 4/15     | 4/15     | 4/15     |
| UT    | 4/15     | 4/15     | 4/15     | 4/15     |
| VA    | 4/15     | 4/15     | 4/15     | 4/15     |
| VT    | 4/15     | 4/15     | 4/15     | 4/15     |
| WA    | 4/15     | 4/15     | 4/15     | 4/15     |
| WI    | 4/15     | 4/15     | 4/15     | 4/15     |
| WV    | 4/15     | 4/15     | 4/15     | 4/15     |
| WY    | 4/15     | 4/15     | 4/15     | 4/15     |

The first will take you to this page which gives you a table showing state tax requirements.

Make sure to double check due dates with your state if it still shows April 15. That information continues to change.



The second link on the club café page will take you to this page which describes an option we offer if you need state taxes prepared and your state is not included in bivio.



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-stocks and stock mutual funds and ETFs

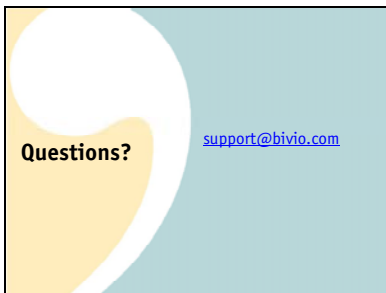
Check your records at least once a month to make sure they are staying correct and up to date.

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

Verify your records

Take a tax interview

Print, Review, Distribute, File tax forms



As always, if you have a question as you go through this process, email to it at 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 questions. 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 look at what you are looking at.



Thank you for coming. We're looking forward to helping you work thorough a simple and stress free tax season!