





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.

Slide 3



Your investment club is a partnership and the

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

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Personal	Personal	Personal	Personal	Personal	
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They know how much to report because

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

on their personal tax forms

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

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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.



The timeline you will be working with involves these dates:

This year, your club taxes need to be filed by March 15, 2023.

That means they are due a month before the April 18th deadline for your personal taxes.

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



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:

\$220 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 minimum \$290 penalty for each failure to furnish a Schedule K-1 or K-3 to a partner when due and or for each K-1 or K-3 on which there is missing or incorrect information.

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

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

Accounting>Taxes

Slide 8



Slide 9



As you can see here, there are steps you will follow to guide you through the tax preparation process. There are 8 steps in Total.

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.

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Р	reparing Your Club Taxes:
	Step 1 - Audit your bivio records
	Step 2 - Reconcile your 1099-INT and 1099-DIV with bivio
	Next
	Next

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 8 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.

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

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

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

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

You do this using a bivio valuation report

and your end of year statements for each of your financial accounts.

First, check that the

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

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

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.

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

cash balances in bivio

do not agree with

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

Or
Number of shares bivio
Number of shares broker

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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 all of your accounting records are correct through that time.



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

Steps 2 and 3 guide you through doing this.

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

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

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

They also send a copy to your club.

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

A 1099 INT will report your interest income

A 1099 DIV will report your dividends

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

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



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What do you do with your 1099?

Since the IRS will be matching up the information provided to them on the 1099s with what you report on your taxes, you need to know your bivio records agree with them or you have a valid reason for any disagreements. Brokers do make mistakes on 1099s but if something differs from your bivio records you need to investigate why. You may have differences even though you have done an audit. Some tax information doesn't come through until you receive your 1099s. When it does, there are details that you might need to "fine tune" to make sure your income is reported correctly. These changes will not be done for you automatically by AccountSync. You need to do them during step 2 and 3 of the tax prep process.



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

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

Dividend Dates

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

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

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

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

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



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

Only US and certain foreign companies can issue Qualified Dividends

Only certain types of dividends are qualified. Dividends from Money Market Accounts are usually not. Neither are most of the dividends from REITs Holding period - You need to have owned the stock paying the dividend for more than 60 days during the 121 days that begin 60 days before the ex-dividend date.

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

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

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

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

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

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

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

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

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Step 2 -

Dividend (Distributions) Review

Preparing Your Club Taxes Step 1 - Audit your bivio reco

Step 2

Slide

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			Part 1	
Check I	nte	res	t Kec	eiv
1099-INT/DTV Review R	- 13/31/202			
1099-INT Security	Date	Amount	Transaction Type	Actions
Account - Drokerape - New	03/33/2025		Interest	sitt, and re-
	04/30/2025	0.04	Interest	+01
	01/29/2025		Interest.	***
	06/30/2020			+01
	07/31/2020		troerest	+61
	08/31/2020			+01
	09/30/2025			-
	11/30/2020			-
	12/21/2020		Internet	-
	Internat:	0.35		
Account - Brokerage - Old	01/22/2020	0.04	Interest	
	02/21/2020		Interest	+01
	03/20/2020		Interest.	601
	Interest:	0.23		
	Total Interest	0.50		

Step 2 - Part 2

Check if 100% Qualified Dividends

020 10.60 (eed 10.90 (020 15.30 (025 15.30 (025 20.40 (020 27.40 (When you select step 2, a page listing all your interest and dividends opens. At the top are all the interest transactions you've entered in bivio. The total shown for this section should equal the total interest reported on your 1099-INT. If it doesn't, you may have Money Market dividends entered as Interest or vice versa.

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

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

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

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

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

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

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

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

Here is another example of dividends

where not all dividends were qualified.



Details of 1099-DIV Transaction				
Tetal Ordinary Dividends and Distribut Descriptor, Surder, CUSP		\frown		
Date Se Tatal Ordinary Dividence (Proteiles To)	Duidend Shot-Fere Distributions Copital Cain	To-Gualited NV Dividence	Exerct Interest 11 Specified Prude Activity Dividends Bond Interest Dividends	6 Forsign Tax Parc
9F0R 94F 50 ETF TRUST UNIT 501 1 560 0x3012 1,227 76 015112 1,315 52 5x5012 2,216 30	. 9PY, 75452F103 116.3P 100.32 201.38	1,111.84 1,346.50 2,358.34		
				_
Security description PRET TRUST EXCHANCE-TRACED FU NAS CUMEDIG GREEN ETF	CDBP and/or symbol State 5 337338588 GCLN	0ate Amount 96/3021 0.12 95/3021 0.09 0.21	Trateactice type Gualified dividend Nonqualified dividend Total Dividende & distributions	00 00
Step 2 - Part 2				

		100	/0 4	ua	lified	יוט	nue
1099-DIV			_				
Security	100	to Qualified	Date	Amount	Transaction Type	Country	Actions
Abbile Inclusero	ive		06/14/2020	59.00	Qualified dividend	119	adds, will sum
			11/16/2020		Qualified shidend		add
		Qualifi	ed divideral	141.60			
Cus Health Corp (cus)	Yes:		02/03/2020	37.50	Qualified dividend	US.	with, and sur-
			05/04/2020	\$0.00	Qualified student		401
			06/03/2020	50.00	Qualified dividend		idt.
			11/02/2020		Qualified dividend		with .
		Qualifi	ed divideral:	187.50			
Forward Air Corp (HUNC)	Yes.		02/20/2020	10.60	Qualified shridend	US.	with, sold room
		Qualifi	ed dividend:	10.80			
Microsoft Carp (HSPT)	Yes		05/12/2020	15.30	Qualified dividend	05.	edt, att nev
			06/11/2020		Qualified dividend		140
			09/10/2020		Qualified dividend		+51
			12/10/2020	22.40	Qualified dividend		+51
		Qualifi	ed dividend:	73.40			
		Total Caselle	ed dividered	412.30			

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

click on the Yes or No that shows

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It is a link that will open this page.

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

Slide 33

	Step				
Che	ck d	ivid	en	d To	tals
1099-DIV Security	100% Qualified Dividends	Date		Transaction Type	Actions
Apple Inc (san.)	Ves Quali	02/14/2019 03/16/2019 06/15/2019 fied dividend.	10.78	Qualified dividend Qualified dividend Qualified dividend	ade add
Charles Schwab Corp (ICVIN)	7ti Qual	02/28/2019 03/29/2019 08/23/2019	10.20	Qualified dividend Qualified dividend Qualified dividend	adt, allf rev alt adt
Cviri Health Corp (cviri)	Yes Quel	02/04/2019 05/03/2019 08/02/2019 11/04/2019 fied dividend:	25.00 37.50	Qualified dividend Qualified dividend Qualified dividend Qualified dividend	ulti, alli ven alti ulti ulti
Forward Air Corp (FWRD)	741 Queli	12/06/2519 fied dividend:	7.20 7.20	Qualified dividend	add, add two
Health Care Serv Gr Shc (HOSS)		03/22/2019 fied dividend	9.61	Qualified dividend	407, 400 Her

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

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

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

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

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

Slide

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	Detail	ter Divisidends and	d Divisionalis			
Insulty December An Television	NUMBERS NO	- 141 11111	11	Parasette Tan	, Casting .	-
APPLIER AND THE CONC.	ENCLOSE AND	20100 20100 20100	13	Condition Resident Condition Resident Condition Resident		
	Deduces and Deliberate					
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	Detteris and Dathetiste					
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	Stateda ani Sathanare		10.00			
IDEM (LET NO 10)	Distance with Life.	2000	12	Condition double-1		

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

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

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

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

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

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

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

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

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

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

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

Slide	
36	

Anna Cetal Response Sector 1 Statistical Statistics and Sector 1 Statistics and Sector 1 Statis	
01/31/18 160.82 Section 199A dividend 01/31/18 103.18 Nondividend distribution	03

Slide

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The edit link opens the dividend entry form where

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

The total of the two should still be the same as the original total dividend amount for that date.

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

When you return to the 1099-DIV review page, you will now see two entries in bivio for that distribution just like your 1099 shows. You should continue to make adjustments until all the reclassifications have been made in bivio. A dividend may be reclassified into between two and as many as five different categories. You'll make all the adjustments in the same way I just showed. You won't know these breakdowns until you get your 1099s. In fact, your 1099s may be delayed or you may receive revised ones late in the tax season. Since you can't prepare your taxes correctly without reclassifying your dividends it may delay your filing. This delay and the extra work of splitting up each of your distribution entries into several parts is one of the reasons we advise clubs to avoid investing in REITs. We find many clubs that own them have a lot of difficulties completing this step. If your club doesn't own any REITs or ETFs you probably won't have to worry about making these changes because you'll find that each dividend you've received is just being reported on your 1099 as a qualified dividend.

Another thing you might find on 1099-DIVs that will require an adjustment is this.

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 previous year. For example, In this case, all the dividends have a 2017 date on them except the last one. Even though it was received in 2018, it is reported on taxes as a 2017 dividend. You are pretty much guaranteed to see this if you own REITs and many ETFs. When this happens, 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 on the January dividend entry 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.

The final part of step 2 is where you will address any foreign tax reporting issues. On the bivio 1099-DIV review form,

The country shown in this column labeled "country code" should be the country where the company that has issued the stock is incorporated.

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

where you see foreign tax withheld on your 1099.

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Slide

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	Step 2 - Foreign		
TIM HORTONS INC COM	867094103 TH	03/19/13 00/07/13 06/07/13 06/07/13 06/04/13 06/04/13	253 Qualified dividend 463 Freepant of writeral 479 Freespan Law withhall 479 Qualified dividend 474 Previon Law withhall
	Dividends and Distributions: Foreign tax withheid	12/10/13 12/10/13	4.89 Qualified dividend -1.22 Foreign fax withheid 17.45 -4.36

Step 2 - Part 4 Foreign Income

Slide 42

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[billeda
16.0 BEB BER DE
M.MAN 10 10 10 10
8P FLG KOR BYOMBORED 899023104 E.00 440.73 0.08 440.73
140/WTED KINEDOW 0.00 440/W 0.00 440/W
ni Tridi Tridi Tridi Poniga Koarsin Insuna" 485.00 Qualificat Enviga Searsi Insuna" 485.00

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

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



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

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

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

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

Slide Step 2 - Part 4 Foreign Income 50.40 Studied Settond 73.85 Studied Settond 73.85 Studied Settond 73.85 Studied Settond 73.85 Studied Settond 70.85 Studied Settond

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

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

Slide Step 2 - Part 4 Foreign Income Cancel

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Step 2 - Part 4 Foreign Income	
Foreign Income	
Foreign Income	
Use this form to update your investment information and notes.	
Use this form to update your investment information and notes.	
Foreign Country: Select Country v	
considered qualifiet Turks and Calcos Islands	at this
Critera. Dividerds Tuvalu Ucanda	
Ogands Ukraina	
Stock Type, United Arab Emirates	
United Kingdom (England, Northern Indand, Scotland, and Wales)	
Urupuay Urbekistan	
Notes. Enter any ri Vanuatu	
Notes: Venezuela	
Vietnam	
Virgin Islanda	
Wake Island Walls and Futura	
Walls and Futuria Western Sahara	14
Vessen Danana Vessen (Aden)	
Zambia	

It is a link that will open this form.

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

In this case it is United Kingdom.

Indep Code). This independent code is long index. Here it code's fails. The code's <u>Code Code Code Code Code</u> Code Code The code Code Code Code Code Code Code Code Code Code Code Code Code Code Code Code	Find a county. This is where we want they have, here a work of the theorem is the county of equilibrium of of equili		Foreign Income
Fording Propose, If this human results of large Process, select the percentage of total beams with the provest based. Proping Property Based. Outside property Based.	Image: An end of a bit has instruction for the process during the constrained of the constrained of the constrained of the constr		<u> </u>
taren defini fatingi basi Tanga harakan Jacob (Marine Jacob (Marine Jacob (Marine Jacob (Marine Jacob (Marine Jacob (Marine Marine Marine Marine Marine Mari	Invester March (1996) Terregen Presses: Controlled Criticities, A to Story Of the SubArch used from the investment sight in the controlled on SubArch (1997) and All Stores (1997) and All Stores (1997) Big to Other SubA Type: ■ Control (1997) And All Stores (1997) ■ Control (1997) And All Stores (1997) And All Stores (1997) And Big to Other ■ Control (1997) And All Stores (1997) And A	Farwige Country	· (Wited Readow (Endand, Rothern Inford, Southerd, and Water) ·)
Qualified Frieldead. on a 1997 of the Soldwork and Free 10 bit investment alights to be considered within 10 Adams Mark to main diverse to provide source to prove thready nows meet the orthoma. Ordweels from named Arade, ETAs and BETIs may net.	Outfield Dislams: 4:: your, drive Subwind part fine this involves: dislams days the in- ordering display dashed from the other one of the other involves of the first one end the characteristic dashed from the dashed from and statistics of the first one end the the other other other other other other other other other other Stack Type:	Foreign Percen	 If this investment receives foreign income, select the percentage of total foreign based.
considered qualifier) C (refereds from neut dometric corporations and some foreign ones meet this orbitals. Challengt from multiple and RETs may net. ● Yes > No Stock Type:	onindeed guilden? (Lidents han mund dranding unschlanden and some finisign ones meet this orbitus, (Lidents han mund and multi Chin and Hill man mit, ● Yes ○ No: Stack Tape. ● Connage ○ Preferred	Pansign Parcent	= [390
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1024C	NONE:	NOR	
			OK Cancel

After you select the country,

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

Slide 48

	Fo	re	ıg	jn In	C	ome
term onv	Harris CashFiel Muldende			Transaction Type	(144775)	Atlan
Apple Dis (net).		517)2936 01443535 01552948	75.04	Qualified divident Qualified divident Qualified divident Qualified divident	10	nenų pieliniei nen vei
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mang Corport on		975.2838 807.3838 807.3838	18.81	System der berd System der berd System der berd	-	nili, kir ne- ni ni

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

It is UK.

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

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

Slide Step 2 - Part 4 **Foreign Income** Cancel

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

You may find what you need to enter on your 1099 form, or you will need to go to the Investor relations pages for the ETF fund company to find it.

Slide	Step 2 -	Part 4
51	Foreign I	ncome
-	Income from Foreign Sources Subject to Forei	gu Tas Credit:
	For the year model December 31, 2021, the Amp paid foreign traces which they inneal to pass thro 853 of the Internal Revenue Code.	lify ETFs essued foreign source income and agh to their shoreholders pursuant to Section
	See below to determine the foreign taxes paid an	f the foreign voture income
	 The skansholder's portion of forsign types point information). 	d (see Box 7 of your endoued Tax Form for the
	 The characholder's numerat of foreign source gr parameters of your collinary deviand shown information below for your foreign source go 	a Box 1 of your 2021 Tax Form. Planse see the
	Fund Name	Foreign Source Gross Income (Use %a lineal helew and apply to Ordinary Income as shown in Best 1 to commth)
	Amplify Liferen & Berney Technology ETF Amplify Part Junior Gold Miners ETF	08.69% 97.79%

1099 - DIV Review - bivio
1. Qualified dividends
2. Dividend totals
3. Dividend Categories
4. Foreign Income

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

This is the information for ETFs BATT and JGLD for tax year 2021 that the fund company posted on their website. Note that this information will change every year, so even if the country code shows correctly as RIC, you will need to open the form to adjust the foreign tax percentage every year. If you can't find the information on the company website, you will be able to find an investor relations contact. You can email them to ask what the percentage is.

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

All of your investments only pay qualified dividends

All of the dividend totals agree with what the broker shows

All of the dividend categories agree with what the broker shows

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

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

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However, if you find certain things on your 1099, you have very complex issues to address. For example, if you own commodity ETFs such as SLV or GLD or Bitcoin trusts These are actually investments in a commodity such as Gold, Silver or Bitcoin, not in stock. Each month, some of the commodity, in this case Silver, is sold to pay expenses.

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

Unless you want to spend lots of time and 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.



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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 1099s. If you find this step hard to do, just remember that you pretty much control whether or not you have to do it. Those clubs that follow our guidelines for keeping their club accounting simple by staying away from investments in commodity ETFs, REITs or Partnerships can breeze through this step quickly because they probably won't have any reclassifications or other issues to deal with.

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

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.

1099-B Review Form				
Records your broker's 1990-B with the clu column to see detail.	di records. Sele	t the ca	legory name in	the Link
Link	Sales Price	Cost Basis	Adjustment Amount	Gain/(Loss)
Short-term transactions reported on Form 3 showing basis was reported to IRS (box A)	1099-8 2,926	3,292	0	-366
Short-term transactions reported on Form : showing basis was not reported to IRS (bo	1099-B 0 x B) 0	0	0	٥
Short-term transactions not reported to you Form 1099-8 (box C)	u on a	0	0	0
				-366
Long-term transactions reported on Form 1 showing basis was reported to IRS (box D)	099-8 7,479	8,294	0	-815
Long-term transactions reported on Form 1 showing basis was not reported to IKS (bo	(099-8 0 × 8)	0	0	٥
Long-term transactions not reported to you Form 1099-8 (box F)	on 0	0	0	0
				-815
				-1,182

The form looks like this.

Slide Arbasis repo Britasis rectin 403.00 0.00 403.00 645.80 561.12 0.00 0.00 0.00 0.00 0.00 0.00 1,894.72 3,124.37 645.32 0.00 3,771.69 0.00 0.00 5,394.41 8.69 one O-basis reported to the IRSI E classe net reported to the IRSI F (Punk 1289-8 rul received) Form 1009-8 Form 1009-8

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

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So what is all the stuff on these forms? Here's what you need to know.

If you sell stocks during the year, you will have capital gain income to report.

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

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

Slide

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	B Review capital gains
Server Conserver Detail Schedule Statute 4 data reported to the POI (3 data) Funct 1209 & Low 1309 & Town Schedule Funct 1209 & Low 1309 & Proceeds not reported to IRS Statute Com 1300 & Low 1000 & Low 1300 & Town Schedule Funct 1209 & Proceeds not reported to IRS	dross Prosent Conclusion Mash first Loss Distributed met chain Loss 1,009,72 2,007,72 0.00 0.00 0.00 1,000,02 0.00 0.00 0.00 0.00 1,000,02 0.00 0.00 0.00 0.00 1,000,02 0.00 0.00 0.00 0.00 1,000,42 2,407,72 0.00 0.00 0.00
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.
- For Section B, or "Non Covered" transactions, your broker does not have to provide cost basis information, they will just be reporting the total proceeds from these sales. Your broker may show Section B cost basis information on your 1099, but it will not be sent in to the IRS.
- Section C transactions are not reported as part of a 1099-B Basically any other transactions that don't fit into the first two categories. (Though they may be shown on your 1099 as supplemental information)
 Don't get the impression that if something is not being reported to the IRS by your broker that you don't have to report it. You still have the obligation to report correct capital gains and losses on your taxes. It's just that for sales included in category A, the IRS has a very easy way to compare what you file with what you should have filed.

Lo	1099-E ong term				
Long Long Long E Busis not reported to the FPS) E Busis not reported to the FPS) F (Fram 1009-8 nat received) Total Long-term	Form 1009-8 Form 1009-8 Proceeds not reported to FRS	3.126.37 645.32 0.00 3.771.69	2,518,67 708,00 8,09 3,218,57	0.00 0.00 0.00 0.00	615 -54 -0 50
		not cost	ceeds rep basis reported		

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

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 Form Records your broker's 1099-B with th column to see detail.	he club recon	h. Selec	t the ca	legory name in	the Link
Link		Sales Price	Cost Basis	Adjustment Amount	Gais/(Loss)
Short-term transactions reported on F showing basis was reported to IRS (b	iorm 1099-8 lox A]	2,926	3,292	0	-366
Short-term transactions reported on F showing basis was not reported to 382	iorm 1099-8 5 (box 8)	0	0	0	0
Short-term transactions not reported t form 1099-B (bear C)	to you on	0	0	0	•
					-366
Long-term transactions reported on Fu showing basis was reported to IRS (b	orm 1099-8 ox D)	7,479	8,294	o	-815
Long-term transactions reported on Fi showing basis was not reported to 38		0	0	0	•
Long-term transactions not reported to form 1099-B (box F)	o you on	0	0	0	•
					-815
					-1,182

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

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

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

Slide 64

Slide

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/			10	99-	ВR	evie	ew -	bivi	0		
		column to s	sur broker's ee detail.	ink		Sale Prio	Cost A	pry name in idjustment Amount	the Link Gain/(Loss)		
5705 + Best		Short-term		reported.	on Form 100	9.8					
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									-815		
									-1,182		
Step 3		7								-	

If they don't,

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

For example, if I click on the first link,

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

				103	9-B Br	UKEI		
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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.

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		Cost Basis Incorrect purchase entries Incorrect Opening balances Incorrect

 Wash Sales Withdrawal transfers Past Year Issues

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

you select the review entries link.

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.

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

Here are some things that can cause issues:

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

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

The incorrect entry of a stock purchase.

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

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

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

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

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

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

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.



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

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

<section-header>

 Slide 71
 Image: Step 4
 Image: Step 4 Once you've done these confirmations, you're ready to move into the final steps of preparing your club's tax forms. These go much quicker.

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

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

In the tax interview, first confirm basic club information. Your club 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. Double-check that your EIN number is correct. If your club electronically files your tax return this year, it is important that this information matches what the IRS is looking for.



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

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

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

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oivio			Accou	to i internetita i Mettor	ro Mgnino 12485	- 1
Allocation Method						
	termines the manner in w I method allocates each 6					
ownership in the club at according to the membe Jubs use the "Time Bas	the time of the entry. The r ownership at the time o	snapshot method a withdrawal, and at	flocates taxable en the end of the year	ries Most		
O Snapshot # Tim						
	Next	Cancel				

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

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Members Missing /	Address or SSN	
The members below must be entered to g	are missing home addi generate correct tax for	resses or SSN values. The information ms.
Name	Missing Address	Missing SSN
Rishaan Anand	Edit	Edit
Christopher Anderse	on	Edit
Jessica Chang		Edit
Brittany Chastain		Edit
Andrew Green		Edit
Justin Martinez		Edit
Ryan Washington		Edit
Megan Wilson		Edit
	Next	Cancel

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

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

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

Opt Out of Centralized Partnership Audit Regime (CPAR) No trusts File on time Less than 100 K-1s Our recommendation: Opt out if you can If you answer yes to both questions, you may be eligible to opt out of the CPAR audit requirements. CPAR stands for Centralized Partnership Audit Regime. Here are the requirements you'll need to meet to opt out.

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

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

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

We recommend that you opt out if you can.

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

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

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

IRS K-1 Tao			
Partner Typ Fartner	e. Uniess you have not formed as a general pa	irtnership, you should sele	t General
Entity Type the name of	Hembers should be indicated as an individual a trust.	unless a member's accour	t is titled in
Fonsign Par trust.	tner. Select this checkbox if the partner is a n	onrealdent allen individual	or foneign
Name	Partner Type	Entity Type	Foreign Partner
Rishaan Anand	General Partner or LLC Hember-Hanager *	31dividual	•
Jessica Chang	General Partner or LLC Hember-Hanager *	Individual	• 0
Brittany Chestain	General Partner or LLC Hember-Hanager *	3hdividual	• 0
Andrew Green	General Partner or ULC Hember-Hanager *	Individual	• 0
Justin Martinez	General Partner or LLC Hember-Hanager *	3hdividual	• 0
Christopher Anderson	General Partner or LLC Hember Hanaper *	Individual	
Revocable Trust	General Partner or LLC Plember Hanager *	31811924	
Ryan Washington	General Partner or LLC Hember-Hanager *	Individual	•
Wegan	General Partner or LLC Hember-Hanager *	Individual	• 0
	Next Car	cel	
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you will be taken to this page. On it you need to identify the members of your club that are trusts.

You do that using the little drop-down menu in the "entity type" column.

Slide 82

1RS K-1 To	Fields		
Partner Typ Partner	er. Unless you have not formed as a general pa	ertnership, you should select (General
Entity Type the name of	. Hembers should be indicated as an individual a trust.	unless a member's account is	Utiled in
Foneign Par trust.	taur. Select this checkbox if the partner is a n	orresident allen individual or	toreign
Name	Partner Type	Entity Type	Foreign Partner
Rishaan	General Partner or LLC Hember-Hanager •	Individual •	- 0
Jessica Chang	General Partner or LLC Herrber-Hanager 4	Individual •	- 10
Brittany Chartain	General Partner or LLC Member-Manager •	Individual •	30
Andrew Green	General Partner or LLC Herrber-Henager +	Individual +	
Justin Hartinez	General Partner or LLC Herrber-Hanager •	Individual •	
Christophan Anderson			
Revocable	General Partner or LLC Hember-Hanager *	Trust - Individual (SSN) * Individual	-0
Pµan Washiregtor	General Partner or LLC Herrber-Hanager	Inst - Indektual (SIN)	-0
	General Partner or LLC Hember-Hanaper	Thurst (E2N)	-

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

Slide 83

Choose Partnership Repr	eventative for 12/31/2021	
the club. They will have the members to any agreement	ive should be someone who is familiar sole authority to negotiate with the IR reached. If the partnership wishes to i member of the club, contact support()	5 and bind the club and its bisignate a partnership
Partnership Representative:	Select Partnership Representative	-
	Select Partnership Representative	
	Anand, Rishaan	
	Chang, Jensica	
	Chastain, Brittany	
	Green, Andrew	
	Hartinez, Justin	
	Report Anderson	-
	and the second	
	Washington, Ryan	
	Wilson, Hegan	

When you have members who are trusts, you will not be able to opt out of the IRS CPAR audit procedures and you will need to designate a Partnership Representative. The Partnership Representative needs to be someone who is familiar with the financial activities of the club. They will have the sole authority to negotiate with the IRS and bind the club and its members to any agreement reached in the event of an audit of your 2022 tax returns.

Slide 84

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

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

	ship Repres	entative	
the club. They sil members to any	ill have the so agreement re	ie authority to negotiate with ached. If the partnership with	familiar with the financial activities of in the IRE and bind the club and its thes to designate a partnership goort@blne.com for assistance.
Rathenhip Rep	resentative:	Christopher Anderson Revo	able Truit
Representati		196 Red Paple Lane Your City, CO 11111	
Representa	ative Phone:	123-455-7891	6.01
Representa	the Tax ID:	234-56-7691	6.68
2010014	196 Rod M	dies man	
State			
City State Zip		931	

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

Slide 86 Networks of the subset of the subset of the median in the subset of the median in the subset of the median in the subset of the subs

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

Now, about Schedules K-2 and K-3. The bivio tax software will determine whether your club needs to file Schedules K-2 and K-3 this year and will automatically include the forms if your club is required to file them. If your club qualifies to omit these forms,

this page will notify you that you do not need to file them.

However, you are still asked if you want to include Schedules K-2 and K-3. A few clubs may need to select "Yes" and include the K-2 and K-3 because a club member requested a K-3. Most clubs will want to choose "No" and save many pages of paper and ink. Refer to the bivio Taxes Schedule K-2 and K-3 Information Help page for more information,

Slide 87

Related Members	
members who are related. For brother, sister, spouse, lineal a	about "constructive ownership" of partnerships. Rease check of the purposes of this question the IRS defines a relation as a ansesters (parents, gaindparents etc.) and invail descendants . You will have the opportunity on the next page to group another set
Neme	
Rishaan Anand	
Jessica Chang	0
Brittany Chastain	*
Andrew Green	0
Justin Martinez	2
Christopher Anderson Revoca	able Trust 🕷
Ryan Washington	Contraction ()
Megan Wilson	10
If notody in this list is related,	, have boxes unchecked and click Next.
	Next Cancel
	Contraction of the second s

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

bivio	Accounting Administration Communica Accounts Investments Nembers Reports Taxes
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Related Hembers	
The BIG requires information about "constructive ensembly" of part members who are related. For the purposes of this question the BIG butther, skiller, spoule, lineed anestors (pursels, grandparents etc.) (phildres, grandchildren etc.), You will have the opportunity on the r of related members.	defines a relation as a and lineal descendents.
Name Jestica Chang	
Andrew Green	
Ryan Weshington	
Megan Whon II If nobody in this list is related, leave boxes unchecked and click Nex	
	L
Next Cancel	
Step 4	

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.



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

Slide 90 Preparing Your Club Taxes: Step 1 - Audit your bivio records Step 2 - Recordie your 1099-INT and 1099-DIV with bivio Step 3 - Recordie your 1099-B with bivio Step 4 - Complete partnership tax interview

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

Slide 91 Step 5 – Generate and Review Tax Return

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



Slide 93

94

Slide

95



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

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

Slide Preparing Your Club Taxes: Step 1 - Audit your bivio rec Step 2 - Reconcile your 1099-INT and 1099-DIV with bivio Step 3 - Reconcile your 1099-B with bivio Step 4 - Complete partnership tax interview Step 5 - Review tax forms ad the Club's Complete Fe Generate the Club's Complete CD Tax Document

> Preparing Your Club Taxes: Step 1 - Audit your bivio records Step 2 - Reconcile your 1099-INT and 1099-DIV with bivin Step 3 - Reconcile your 1099-B with bivio Step 4 - Complete partnership tax inte Step 5 - Review tax forms d the Club's Complete Fe ral Tax Do Generate the Club's Complete CO Tax Document

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

also a link to generate or download any state taxes that are included in bivio that your club needs to file. You can return to the Taxes page at any point to repeat any of the steps. As we mentioned before, if you change any club data, make sure to redo your taxes before filing. However, once you've filed or e-filed them and distributed forms to your members, you shouldn't make any more changes to the forms or to your club records for 2022 or prior years.

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

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

Click here to generate your entire federal tax return.

Slide

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

the date it is due.

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

Slide 98

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The Club's tax return needs to be prepared and e-filed or mailed by March 15th

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

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

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

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

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

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

If you have elected to opt out of the IRS CPAR audit procedures, question 30 will be marked yes. You will also have a form B-2 that will be part of your tax package that you will need to file. There will be no information in the Partnership Representative section.

If you were not eligible to opt out, as is the case for this club, question 30 will be marked "No" and the information about your partnership representative will be filled in here.

Slide 101

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 among the members and reported to them on their K-1s. Most clubs will have only a few entries. Note that all the entries you will see on our tax forms are rounded to the nearest dollar. Check to make sure the entries are what you expect.

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

Slide 102



On page 5, the majority of the information is not filled in for the majority of clubs.

You should only see entries in this top section.

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

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

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

It lists the details of your transactions as well as any

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

Slide 104

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

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

Slide

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

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

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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.

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

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

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

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

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

Slide 108



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A few clubs who don't meet the Domestic Filing Exception criteria will also receive a K-3 form for each member in addition to the K-1. It will probably have 7 or 8 pages. Club members may need the information on this form if they have foreign income that they claim on their personal tax returns even if there is no foreign income from your club reported on them. Note that most clubs will not have K-2s or K-3s this year.

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

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

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

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

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

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In addition to a K-1 Form, a member who has withdrawn cash or stock 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 if they had a gain or loss from their withdrawal. This information is shown on their withdrawal report.

If they received shares of stock, this withdrawal report will show their cost basis in those shares. It is important that they receive 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 make sure to distribute them to the individuals affected.



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

And now, what we've been waiting for! Step 6 is where you choose to either e-file or to print and mail your federal tax return to the IRS. E-filing the federal tax return is free and included with your bivio subscription.

Select one of the two choices -

either e-filing

or mailing your federal tax return.

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

Click "Authorize e-filing" to begin.



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

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

Your club name and EIN number.

All amounts in Part I will usually be zeros.

Read carefully all of the declarations in Part II

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

While bivio is submitting your tax return based on this authorization, bivio is not an ERO or a Paid Preparer according to the IRS. As such, Part III will be left blank.

When you have carefully reviewed the IRS Form 8453-PE on the screen, the next step is to sign this e-file declaration electronically.

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

type your full name in the field below the form

and click "I authorize bivio to submit the club's tax return." Once you click this button, it can't be undone.

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

Slide 118



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Step 6 - E-file Once you electronically sign

the e-file authorization, the e-filing process will begin and cannot be undone.

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Preparing Your Club Taxes:
Step 1 - Audit your bivia records
Step 2 - Reconcile your 1099-INT and 1099-DIV with bivio
Step 3 - Reconcile your 1099-B with bivio
Step 4 - Complete partnership tax interview
Step 5 - Review tax forms
Generate the Club's Complete Federal Tax Document
Step 6 - E-file or mail federal tax return
E-filing has been authorized and is in progress
Download the Club's signed e-file authorization form
Submission Status: Pending
Submission ID: 12345678901234567890
We will notify you once the Club's return has been accepted.

vs you 10 days to

E-file or mail federal tax return

on ID:

ce Date:

ulations! The IRS has accepted the Club's eid the Club's signed e-file authorization form

02/02/2023

12345678901234567890

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

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

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

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

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

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

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

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

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

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When you have printed a copy of your club's complete tax return and carefully reviewed it, select "Mail federal tax return" in Step 6 if you will be mailing your federal return to the IRS.

Then click the "Where to file and 1065 instructions" link for all the details on exactly what to mail and where to send it.



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

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

Don't Forget!!!!!

SIGN THE 1065 FORM on page one!

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

Mail them to the IRS using both ...

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

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

This is extremely important. The post office and the IRS are both overwhelmed and making many mistakes these days. There have been more than the usual number of clubs that have received large penalty notices for late or missing filings. Having these receipts is what is needed to prove to the IRS that you did file on time so you can get those abated.



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

Slide 127 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 state return programs for:

Colorado Pennsylvania New Jersey New York and California

If your club needs them, state returns for these five states were automatically generated by bivio in step 5 and included with your tax documents.

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

If you go to our Club Café page, you will

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

Slide 128



Slide 129

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



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 one of the five included in bivio.

Slide step 1 - Audit your bivio record 131 Step 2 Reconcile your 1099-INT Step 8 -Step 3 Step 4 Release Sten 5 Review tax forms tax forms Step 6 · E-file or mail federal tax retur to meture NEW! members ease forms to memb

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

Slide 132 Step 8 - Release forms to members Allow members to access K-1 Step 8

Check this box to allow club members with online access to login to bivio and print out their own copy of their tax documents. That is the safest and most secure way for them to get their K-1s.

Members will see their own forms. Only the club treasurer, administrator and president can see everyone's information. If members have made any withdrawals that have tax consequences, they will also find a link to their withdrawal report.





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

Their K-1

and a K-3 if it was generated,

with all attachment pages.

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

That you have reprinted at year-end.

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Records you should keep include:

A paper or pdf copy of all the forms in your complete tax package as you've sent them in, including the club's signed e-file authorization form and confirmation that the e-filed return was accepted and the submission ID number

Copies of all withdrawal reports (reprinted at year-end)

Full transaction ledger (Jan – Dec)

Year-end valuation statement and member status report

Brokerage statements and 1099s

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

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

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

In Summary, remember to keep your club accounting simple and your tax time peaceful. You can have a great club and comply with IRS regulations without any elaborate accounting knowledge All you need to do each year is:

Stick with basic investments - publicly-traded US corporate stocks

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

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

Verify your records

Take a tax interview

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





As always, if you have a question as you go through this process, email it to us 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 question. Do not try and type details into your email but do identify the stocks you have a question about. We can work on things most quickly if we can see what you are looking at.



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