

Audit Party!



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Auditing Your Club Records

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Poll 1- True Confessions

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Poll 2- Are You Planning to Do Your Club Audit this Weekend?

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What is an Audit?

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A verification of the accuracy of your club's records by other than the club treasurer

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Why You Need to Audit

Oversight



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Check that treasurer is doing what you think they're doing with your club finances

If they're suddenly able to take lots of beach vacations you may want to question why.

Why You Need to Audit

Correct Taxes



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You want to make sure your taxes are prepared accurately Just because your bivio site shows a lot of numbers doesn't mean they're useful for anything. Without verification your taxes may just be

<click> garbage in

<click>garbage out

Why You Need to Audit

Ownership records correct



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You want to make sure each members ownership is being tracked accurately. Both ownership percentage and tax allocations

When you invest in a club, it's like you are making an investment in a mutual fund. You will have a "basis" in your investment in the club and when you withdraw money, you will pay a capital gain or loss on the difference between what you take out and your basis.

Why You Need to Audit

Demystify
Share responsibility



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To demystify your clubs finances

and spread the burden of making sure your club is keeping accurate records.

Your club treasurer has a big responsibility because your club has to comply with partnership tax requirements. Unlike your investing activities, the IRS is not as forgiving in terms of you being a novice doing so. It's important that every club member have a general understanding of what club accounting is about and what can and cannot be easily handled by your treasurer. The simpler your club finances, the simpler your audit will be. And there's no reason not to keep things simple.

Regular Record Verification

- Monthly-Club Treasurer
 - Confirm Cash Balances
 - Number of Shares of Stock
 - Member Payments
- Yearly
 - Independent Audit-Audit committee (not including Club Treasurer)
 - Tax Time-Verification of 1099 with Club Records-Treasurer

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There are several types of regular verification that should go on in your club. This is what is recommended. Each provides a little bit different type of verification. But they all interrelate.

It may look like a lot of work but if you use AccountSync to make entries in your records, you set up your record keeping to be simple and your treasurer verifies everything monthly, any year end verifications should go very quickly.

This class will be discussing how to do your Annual Record Verification

When Should You Do An Audit?

- Suggestion
 - January
- Why?
 - Get records in shape to complete taxes
 - January is a slower month
 - Help fill time



You can do an audit at any point during the year but we recommend that you do it in January.

This is after your regular December, end of year brokerage statements are ready

Why?

Get records in shape to complete taxes. If your records are verified, doing taxes will be a very quick process of making a final check against 1099's and taking a short tax interview.

Of course January is often a slower month in terms of activities

For those who get antsy about getting taxes done an audit helps fill time till taxes can be done.

What are You Going to Do During Your Audit?

- Compare bivio entries
 - Reports
 - Transaction Lists
- To
- Financial Institution Records
 - Statements
 - Summary Lists from Financial Institution website



Audit Checklist

[Audit Form](#)



We provide you with an audit checklist which you can use to do this. You'll find at this link:

http://www.bivio.com/hn/AuditForm_2010_Tax_Year.pdf, we will also be putting a link to it from the club café page.

We'll be going through all the steps in detail so you can get a good idea of what needs to be done.

Financial Institution Records Needed

- Monthly statements
 - Dec-previous tax year through Dec Current tax year
- Trade Confirmation Records
 - Individual or Summary List
- Dividend and Interest Transaction Records
 - From Statements or Summary List
- Checks written
 - Copies or Summary List

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The first part of doing your audit is gathering the information you'll be comparing. Your treasurer may be the person who is most familiar with both your financial institution records and with using bivio so it will usually be their job to gather this information.

Financial Institution Records Needed

- Where do you get these?

[Brokerage Website](#)

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Sometimes one of the learning experiences about doing an audit is learning the types of information and the way you can get it from your brokerage website.

For example, during your audit you'll need access to your monthly statements. (demo how to get to them)

You'll also be looking at specific types of transactions in bivio such as dividend payments. What's nice is that you can get lists of just specific types of transactions at your brokerage website. (demo how to get dividend list)

Club Records Needed

- Receipts for expenses
- Verification of Member Deposits by Members
 - From club member review of year end Member Contributions and Withdrawals report
- Monthly Meeting Minutes
 - Authorization of Expenses, stock transactions, withdrawal discussions
- Partnership Agreement
 - Terms for Paying Withdrawals
 - Allocation of Expenses

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The records you'll be comparing to are reports or information you may (and probably should) have stored in bivio somewhere. For example,

Club Records Needed

- Club Reports
 - Valuation reports
 - Cash balances and Shares Owned
 - Transaction History Report
 - Transactions grouped into categories
 - Income Statement
 - Shows dividends by company, Interest and Expenses recorded
 - Withdrawal Reports
 - For all members who withdrew during year
 - Transaction Lists (from Accounting->Accounts->transactions)
 - Dates and amounts in chronological order
 - Member Contributions and Withdrawals Report

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Here are some of the bivio reports you'll be using.

Audit Steps

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

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Once all your records are gathered, the information is given to the auditors. The audit guide includes 7 steps we recommend you do to audit your records. They are:

- Verify cash balances and number of shares of stock – start of tax year
- Verify cash balances and number of shares of stock-end of tax year
- Verify income received
- Verify expenses recorded
- Verify stock transactions
- Verify accuracy of member contributions
- Verify accuracy of any withdrawals

Next, we will go through each of these steps in more detail. We'll talk about why you do it, go through an example of how you do it and discuss what to do if you find any discrepancies.

Your first step is to confirm that you started out the tax year with correct records. To do this you'll be comparing the brokerage statement from the end of the prior tax year to a bivio valuation report. Using End of prior tax year brokerage statement and valuation report.

Compare Start of year Cash balances and number of shares
Number of Shares should agree Exactly

Market Value may differ slightly

Investigate if huge amount

May have an investment entered as "Unlisted"

What if things don't agree?

What if things don't agree? You may have a past tax issue. Need to find out problem and then decide how to address. May need to file amended tax returns.

Step 1 - Check end of year cash balances and number of shares-prior tax year
Bivio Valuation report dated 12/15/2009
Brokerage statement 12/31/2008
Compare cash balance and number of shares of stock

Record Name	Discrepancy Noted	Audited By

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Symbol	Description	Quantity	Market Value

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First, you'll compare the cash balances between the two reports.

The image shows a screenshot of a brokerage statement. A red rectangular box highlights a specific line item in the 'Summary' section, which appears to be 'Total Cash Balance'.

Then you'll compare the number of shares of each stock between the two.

The number of shares should agree exactly

There may be slight variations in market value (a few pennies). If there is a big difference, you should investigate further to make sure you do not have unlisted investments without current prices. There is no reason to change anything if you are just a few pennies different.

Step 1
Check end of year cash balances and number of shares for the Prior Tax Year

Why?

Because if the start of year numbers are off, there is no way the 2009 numbers will be correct.

What do you do if there is a discrepancy?

Stop and assess

<click> Why do we do this step?

Because if the start of year numbers are off, there is no way the 2009 numbers will be correct.

What do you do?

Remember that there are many things in your clubs historical transactions that are still affecting your current record keeping. It is important to know they are correct also. If there is a problem it needs to be addressed before you go any further. It could be as simple as a small adjustment or as complicated as filing amended returns for your club for prior tax years. This would also mean that each of your members would need to file amended personal returns. But there is no way your 2010 records can be correct if the numbers weren't right at the start of the year. Feel free to contact us in support if you find a problem and are not sure what to do to address it.

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

bivio Valuation report dated 12/31/2010
Brokerage statement 12/31/2010
Compare cash balance and number of shares of stock

Records Agree
 Discrepancy Noted

Description: _____

Audited By: _____

The same comparisons are made using the same forms you used for the previous year numbers. A valuation report and an end of year brokerage Statement.


Step 2
Verify End of Year Cash Balances and
Number of Shares for Current Tax Year

Why?

Will give you an indication that there are items you need to find and correct as you perform the other steps of the audit

What do you do if there is a discrepancy?

Proceed with Audit. Determine where corrections are needed.



Going through the steps of the audit will bring out where the problems lie.

You are going to weed these out and then give them to your treasurer to fix. You should not need to stop just because you have found a problem.

Is it income or expense?

Is it income not recorded correctly?

Expense not recorded correctly?

Stock transaction not recorded correctly?

Comparing cash balance and number of shares of stock is something your treasurer should do every month to reconcile your accounts. If you do this, you can have a reasonable degree of comfort that your bivio records are correct.

However, these checks to not examine everything. The next steps in the audit will make sure some of the finer details of your records are also accurate.

Step 3-Verify Income Received

bivio Income Statement dated 2010
Brokerage Statement 12/31/2010
Compare total Dividends (Qualified +MMI)
Compare Total Interest

bivio Transaction History report dated 12/31/2010
Brokerage dividend transaction list 1/1/2010-12/31/2010
Compare dividend transactions-date, amount and company

Records Agree
 Discrepancy Noted

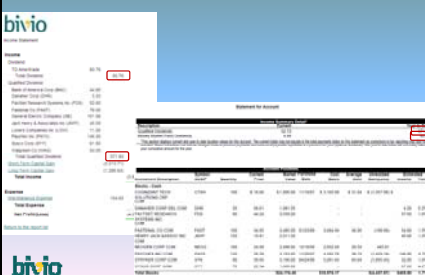

Description: _____

Audited By: _____



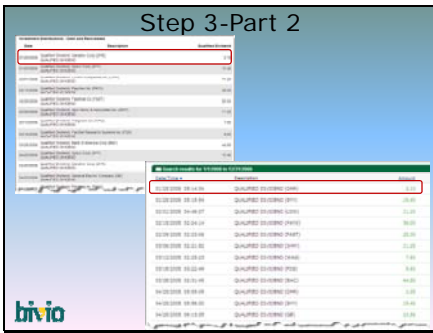
Step 3 is where you verify the entries for any income you have received. This will be dividends and interest.

Step 3-Part 1

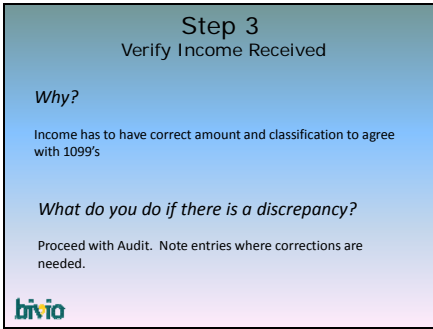



First you'll compare dividend and interest totals on the income statement to those on the brokerage year end statement.

Note that interest on money market accounts may show up as dividend income on your brokers statement. Make sure it is correctly identified as such in your bivio records



Next you'll compare the specific entries using dividend transaction lists. You'll confirm the date of receipt, amount and company who paid a dividend. These details are important for correctly determining Qualified/Non Qualified status

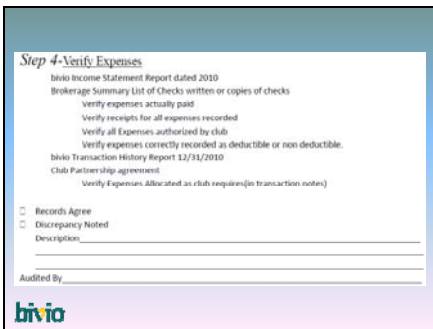


Why do you do this step

Have to pay tax on the income. It has to be classified correctly so it agrees with 1099's and you are taxed at the proper rate on it.

What do you do if there is a discrepancy?

Proceed with Audit. Note entries where corrections are needed.



A club usually has very few expenses but there may be tax consequences to them. In this step you will make sure they were both authorized and actually paid and that they were recorded correctly.

To do this, you will need meeting minutes to show expenses were authorized and receipts and cancelled checks or a summary list of checks paid from your brokerage to show expenses were actually paid.

You'll also need to know how your club has agreed to allocate expenses. Be default and per IRS regulations, expenses are allocated in proportion to ownership share. If you want to allocate them equally to each member, you need to make sure this method is specifically called out in your partnership agreement.

Step 4- Verify Expenses Paid

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Income and Expense History

Deductible Expenses

date	item	amount
02/01/2008	Shoe Subscription	89.00
04/15/2008	Postcards & Stamps	3.95
		124.85

Payment Receipt
Service AccountID: 1001
start: 01/29/2008
end: 02/14/2008
amount: 89.00
on: 01/29/2008
to: Show Other

If you have recorded any expenses in bivio, on Income statement report, you'll find a link which will take you to a listing of what was recorded. Make sure you have records where each expense was authorized and a receipt to show it was actually paid.

Step 4- Verify Expenses Paid

Date	Description	Dividend	Bivio Expense
12/31/2010	Dividend Income - 12/31/2010	14.87	
12/31/2010	Dividend Income - 12/31/2010		100.00
12/31/2010	SECRET MARKET DIVIDEND	3.34	
12/31/2010	SECRET MARKET DIVIDEND	4.14	
12/31/2010	Dividend Income - 12/31/2010		17.00
12/31/2010	Dividend Income - 12/31/2010	3.00	

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To Confirm that the expense was allocated as your club has agreed to in your partnership agreement, go to the Transaction history report. If you see a note that an expense was allocated equally, make sure that this is something you have all agreed to that is spelled out in your partnership agreement.

Step 4 Verify Expenses Paid

Why?

Verifies expenses were authorized and actually paid.
Verify expense was allocated to club members in the method the club agreed on.

What do you do if there is a discrepancy?

Proceed with Audit. Note entries where corrections are needed.

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Why?

Verifies expenses were authorized and actually paid.
Verify expense was allocated to club members in the method the club agreed on.

What do you do if there is a discrepancy?

Proceed with Audit. Note entries where corrections are needed.

Step 5-Verify Stock Transactions

bivio Transaction Ledger Report dated 12/31/2010.

Brokerage trade confirmation summary report 1/1/2010-12/31/2010

Confirm transaction dates, security name, number of shares of stock, purchase/sale

price - total cost or proceeds

bivio Investment transactions list for particular stock

For any sales where specific tax lots were sold (other than FIFO) confirm that the correct

lots are included in the bivio records

bivio transaction history report 12/31/2010

Brokerage statements for month reorganization occurred

Confirm reorganizations entered and correct. (contact bivio support if necessary)

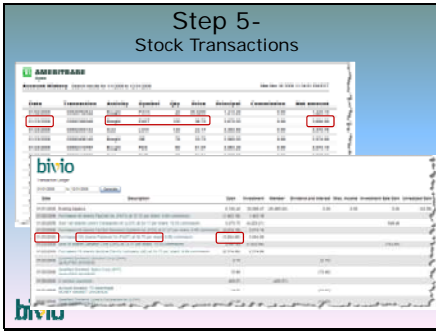
- Records Agree
 Discrepancy Noted

Description _____

Audited By _____

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Step 5 is to verify that all your stock transactions have been entered correctly. You want to do this so you know that the value of your portfolio is being tracked properly and that capital gains and losses when you sell stock will be calculated and reported correctly on your taxes.



When you own stock you need to keep records of its tax basis. Basis is determined by the purchase price, any commission paid and may also be affected by any reorganizations that have happened.

If you have purchased the same stock at several different times, you will have multiple lots of stock to track, which all will have different bases.

Don't worry. Bivio keeps track of all of this as long as you hold the stock and enter the purchases correctly.

The first thing you should do for this step is to compare the stock purchases and sales in the bivio transaction ledger to a summary list of purchases from our brokerage.

You want to make sure these things:

- Purchase/Sale prices and number of shares agree
- Purchase/Sale Dates agree
- Total proceeds agree- This is your total cost basis for shares you've purchased or the total that will be used to calculate your gain or loss if you've sold a stock.



If you have a sale and you have told your broker to use a cost basis method which is different from First In First Out, you will need to make sure the correct lots have been chosen in bivio to record the sale.

The lots you select as the ones you are selling will be used to calculate the gain or loss that you will be taxed on.

Starting in 2011, this gain or loss will be reported by your brokerage to the IRS and they will be matching the amounts to your reported income. It will become extremely important that your bivio records match the cost basis method you are using.

Brokerages are only required to report numbers starting in 2011. This means that though they may show you capital gains and losses now, the amounts they show may not be correct. This often happens when you have changed brokers or there have been reorganizations that affect your stock. If you know you have all the transactions recorded correctly in bivio, your bivio records will show you the correct amounts for gains and losses and you don't need to worry about what the brokerage is showing. That is part of the reason we perform this step during the audit.


If something doesn't agree and you have questions about it, feel free to contact us in support and we will help you double check that your records are correct.

Reorganizations

- How will you know?

Investment Splits, Spin-offs and Mergers		
Date	Description	New Shares
12/18/2009	100% Merger Corp (REORG) STOCK SPLIT	50.000000

Statement for Account									
Account Number									
Date	Symbol	Description	Quantity	Price	Amount	Balance	Dividend	Dividend	Dividend
12/18/2009	100%	Merger Corp (REORG)	50.000000	1.00	50.00	50.00			



The other thing which may affect stock basis values are reorganizations such as stock splits, spinoffs etc. These can get complicated sometimes and it is important they be entered in your records. Making sure this happens is part of the service you receive from bivio.

How will you know that there has been a reorganization entered? There are several clues you might find that will alert you.

First, there is a section on the transactions history report that will show you if your treasurer has entered an event.

Or, you may find that the number of shares of stock may not agree with brokerage statement (if treasurer hasn't recorded reorganization)

Finally, whoever in your club is watching each stock should have made sure the club was alerted when news of the reorganization came out. You should ask your club members prior to the audit to double check the stocks they are following.

To assess what has been entered, first find the brokerage statement for the month reorganization occurred and look at the transactions that are listed.

Make a note to ask your treasurer how they determined what to enter

If there's any doubt about an entry, feel free to ask bivio support for confirmation. We will do any necessary research and make sure correct entries are made for you.

Entering reorganizations correctly can be one of the most difficult things you need to do as an investor. Part of what you receive when you have a bivio subscription is the ability to have experts help you account for them correctly.


Step 5
Verify stock transactions

Why?

Verifies that all stock transactions have been recorded so that value of club is being calculated correctly.
Verifies that stock basis is being tracked correctly and that correct capital gains and losses will be reported on Income Taxes

What do you do if there is a discrepancy?

Proceed with Audit. Note entries where corrections are needed.



Why?

Verifies that all stock transactions have been recorded so that value of club is being calculated correctly.
Verifies that basis is being tracked correctly so that correct capital gains and losses will be reported on your Income Taxes

What do you do if there is a discrepancy?

Proceed with Audit. Note entries where corrections are needed.


Step 6-Verify Member Contributions

bivio Member Contributions and Withdrawals report dated 2010
Club partnership agreement
Brokerage Deposit transaction summary from 1/1/2010-12/31/2010 or monthly statements
Verify Club members have confirmed amounts contributed-
Have members sign off on report
Verify Payments entered using correct Valuation Date
Verify Deposits made in brokerage account
bivio Transactions History report dated 12/31/2010
Verify entries have been recorded as payments, not fees or miscellaneous income.

Records Agree
 Discrepancy Noted

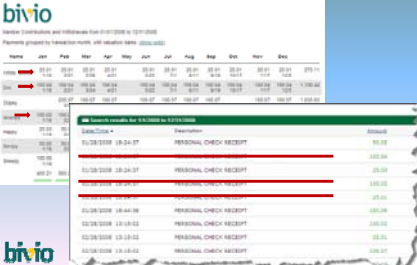
Description _____

Audited By _____



This step confirms that your members contributions to the club have been recorded accurately. This is very important because it affects member ownership. Both the percentage of the club assets that a member owns as well as the gains or losses he has had from his investment in the club.

Step 6
Verify Member Payments




Payments Summary

Name	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
John	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	120.00
Jane	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	120.00
John	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	120.00
Jane	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	120.00

Search results for 2010

Date	Description	Amount
01/15/2010	PERSONAL CHECK RECEIPT	100.00
02/15/2010	PERSONAL CHECK RECEIPT	100.00
03/15/2010	PERSONAL CHECK RECEIPT	100.00
04/15/2010	PERSONAL CHECK RECEIPT	100.00
05/15/2010	PERSONAL CHECK RECEIPT	100.00
06/15/2010	PERSONAL CHECK RECEIPT	100.00
07/15/2010	PERSONAL CHECK RECEIPT	100.00
08/15/2010	PERSONAL CHECK RECEIPT	100.00
09/15/2010	PERSONAL CHECK RECEIPT	100.00
10/15/2010	PERSONAL CHECK RECEIPT	100.00
11/15/2010	PERSONAL CHECK RECEIPT	100.00
12/15/2010	PERSONAL CHECK RECEIPT	100.00



- First of all, you should require all members to review the annual member contributions and withdrawals report and confirm that what you show as their contributions is correct. Have them initial the report for your records

- <click>
- Then compare the report to a deposits transaction list or to your brokers statements to confirm that the payments really were deposited in your brokerage account.

Step 6
Verify Member Payments

Member Contributions and Withdrawals from 01/01/2020 to 12/31/2021
Payments grouped by transaction month, with valuation dates (MM/DD/YYYY)

Member	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
White Snow	25.01	25.01	25.01	25.01	25.01	25.01	25.01	25.01	25.01	25.01	25.01	25.01
Doc	100.04	100.04	100.04	100.04	100.04	100.04	100.04	100.04	100.04	100.04	100.04	100.04
Charly	230.07	230.07	230.07	230.07	230.07	230.07	230.07	230.07	230.07	230.07	230.07	230.07
Charney	100.02	100.02	100.02	100.02	100.02	100.02	100.02	100.02	100.02	100.02	100.02	100.02
White	19.18	19.18	19.18	19.18	19.18	19.18	19.18	19.18	19.18	19.18	19.18	19.18
Sneazy	19.18	19.18	19.18	19.18	19.18	19.18	19.18	19.18	19.18	19.18	19.18	19.18
Total	402.21	402.21	402.21	402.21	402.21	402.21	402.21	402.21	402.21	402.21	402.21	402.21

• Check the Valuation Dates that were used to record the transaction

- First of all, you will need to know the answer to the question, what does your club use for valuation date?
- Usually clubs use either one per month, in which case,
 - For a given month, they should all be the same
 - Should not be the same month to month
- or they set the Valuation date equal to the transaction date. In this case,
 - Valuation dates will differ.
 - The valuation date should equal the transaction date shown for the payment deposits on your brokerage list.

This club uses a single valuation date per month.

In March we see that the valuation dates entered for Snow White and Sneazy were different

Than the ones entered for the others. This doesn't look right. It is something to note and have the treasurer check into.

For some months, there are no payments recorded for certain members. Is that OK? Are the total contributions for the year correct for the members? That is why one of the parts of this audit step is to have the members confirm their totals.

Step 6
Verify Member Payments

Member Contributions and Withdrawals

Date	Description	Cash	Units
01/01/2020	Member payments	402.21	100.00000
02/01/2020	Member payments	280.22	70.00000
03/01/2020	Member payments	100.04	25.00000
04/01/2020	Member payments	400.22	100.00000
05/01/2020	Member payments	400.22	100.00000
06/01/2020	Member payments	400.22	100.00000
07/01/2020	Member payments	400.22	100.00000
08/01/2020	Member payments	400.22	100.00000
09/01/2020	Member payments	400.22	100.00000
10/01/2020	Member payments	400.22	100.00000
11/01/2020	Member payments	400.22	100.00000
12/01/2020	Member payments	400.22	100.00000
Total	4,875.23	12,475.23	3,118.00000

The final thing you want to do is to use the transaction History report to confirm that member deposits have been recorded as member payments not as fees or miscellaneous income. If each listing in this section is identified as a member payment

And the total amount equals the total on the member contributions and withdrawals report, you know things have been recorded correctly.

Step 6
Verify member payments

Why?

Verifies that all member investments are being tracked correctly.

What do you do if there is a discrepancy?

Proceed with Audit. Note entries where corrections are needed.



Why?

Verifies that all member investments are being tracked correctly.

What do you do if there is a discrepancy?

Proceed with Audit. Note entries where corrections are needed.

Step 7-Verify Withdrawals Paid Correctly
bivio Withdrawal reports for year being audited
Club partnership agreement
Verify valuation date used to calculate withdrawal payment agrees with Partnership Agreement
Verify transaction date is date check was given to withdrawing partner
Verify records properly reconciled before processing withdrawal report (No post withdrawal adjustments)

Records Agree
 Discrepancy Noted*

Description: _____


Audited By: _____

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



Your final check will only be necessary if you have paid out any withdrawals during the year. It will confirm that withdrawals were processed according to the terms in your partnership agreement and that the correct amounts were paid.

Step 7
Verify Withdrawals Entered Correctly



Account Information

Account Information Date	12/31/2019	0.00	0.00
Current Balance	6,827.51	0.00	6,827.51
Withdrawal Date	12/31/2019	0.00	0.00

Withdrawal Information

Withdrawal Date	12/31/2019	0.00	0.00
Current Balance	6,827.51	0.00	6,827.51
Withdrawal Amount	0.00	0.00	0.00
Current Balance	6,827.51	0.00	6,827.51

Member's Club Balance Withdrawal


Cash	6,827.51		
Stock	0.00		
Total	6,827.51		

Member's Club After Withdrawal

Current Balance	6,827.51		
Withdrawal Amount	0.00		
Total	6,827.51		

No Allocation

Member	Amount	Balance	Current Balance	Withdrawal	After Withdrawal
10.00	10.00	10.00	10.00	0.00	10.00



To determine whether a withdrawal was paid according to the club partnership agreement, you will have to find the section describing the requirements and then review the withdrawal reports to make sure the entries had

Proper valuation date

Correct transaction date

Correct fee assessed (if any)

Correct stock transaction date entered-If stock transferred

You should also make sure that your club records had been reconciled before the withdrawal amount was determined. If they were not, you might see

“post withdrawal adjustments”

Step 7

Verify withdrawals entered correctly

Why?

Verifies you have paid withdrawals according to the method agreed to in your partnership agreement

What do you do if there is a discrepancy?

Proceed with Audit. Note entries where corrections or future improvements are needed.

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Why?

Verifies you have paid withdrawals according to the method agreed to in your partnership agreement

What do you do if there is a discrepancy?

Proceed with Audit. Note entries where corrections or future improvements are needed. *(note that if a withdrawal has been paid, it may be impossible to correct discrepancies because the member has left and may have already received and cashed the check. . It will be up to your club to determine whether to pursue making corrections. You should still note discrepancies as recommendations for future improvement)

Audit Steps

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

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So to summarize, when you're done you will have completed these steps

- Verify cash balances and number of shares of stock – start of tax year
- Verify cash balances and number of shares of stock-end of tax year
- Verify income received
- Verify expenses recorded
- Verify stock transactions
- Verify accuracy of member contributions
- Verify accuracy of any withdrawals

Audit Wrapup

- Discuss discrepancies with treasurer and club
- Treasurer should report action taken to make corrections
- Everyone should sign off on Audit form
- Party Time!

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Once the auditors have gone through the steps and prepared the notes on their findings, the information should be presented to the club

Tax Preparation

- 1099's
 - February 1-1099 DIV and 1099-INT
 - Amt of dividends and Interest
 - Qualified versus Non Qualified Dividend Split
 - Dates on end of year dividend payments
 - February 16-1099-B
 - Total sales proceeds
- Filing Mandatory for All Clubs
- Tax Interview
- Review/File/Distribute Tax forms -April 18
 - Certified mail return receipt required



Once your club audit is complete and your records are correct, there are just a couple more things your treasurer will need to do to get your taxes prepared.

Questions?

support@bivio.com

If you need a phone call, email phone number and 2 or 3 times when you might be available



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Who's Having a Party?



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