



22 of the Best Tips for Accounting for Your Investments

When and how

- 1 **Monthly** – as soon as you can process the transactions so that you know how you stand to your benchmarks.
- 2 **Benchmarks** – you and your financial advisor will have set your goals and set the benchmarks against which you will measure these goals. If your plan is to beat the market, your benchmarks will be the stock exchange index
- 3 **How** – select Quicken as your software of choice. You can compare features between applications. Quicken will provide the rate of return, for whatever period and for whatever accounts you choose. It will provide a summary reporting a separate line for each income (dividends, interest, capital gains, unrealized capital gains, return of capital, etc). It will provide a summary for each line of expense (management fees, brokers' commissions, interest, etc).

Memorized reports

- 4 **Set up memorized reports** – you will use the reports listed below at least once a month. You should save time and memorize them.
- 5 **Performance** – this is your rate of return. How does it compare to your benchmark? Is it reasonable?
- 6 **Income and expense** – this report presents one line for each type of income and expense. It is easy to get the detailed reports (see the subsequent listing of reports). Double click the amount on this report and you will be presented with a detailed report. If you track your income by Canadian and Foreign, you will end up with two reports for dividends (for example).
- 7 **Dividends** – usually you would total by security so that you can tie in amounts to T5's and T3's.
- 8 **Interest** – usually you would total by security so that you can tie in amounts to T5's and T3's.
- 9 **Capital gains** – this would give you the capital gains for reporting on your income tax return.
- 10 **Foreign non-business income, Unit trust other income, and Other income** - you need one detailed report for each line item of your Income and Expense report; these are separate reports.
- 11 **Exchange gain or (loss)** – accounting for the foreign exchange or (loss) gain can produce a large benefit. Many taxpayers calculate their gain or (loss) on their foreign investments, but not everyone calculates their gain or (loss) on

the cash balance in their account. We have found that this (loss) is typically large enough to pay the fees for accounting for the securities.

- 12 **Return of capital** – trust units pay a return, generally each month or each quarter. At the end of the year the trust will report how much of what they paid is income and how much is return of capital. The return of capital is not taxable but it does reduce the cost of the security.
- 13 **Portfolio report** – this report shows the cost, market value and unrealized gain at the end of a period or at a specific date. We suggest you print a report at the beginning of the period. Your accrued capital gains are the difference between the unrealized gains at the beginning and end of the period.
- 14 **Accrued capital gains** – the software will calculate the accrued capital gains by security. A better way is to compare the unrealized gains at the beginning and the end of the period you are reporting on. See the previous report.
- 15 **Non-residence taxes withheld** – usually we would print two reports: one for US securities and one for other securities.
- 16 **Accrued interest paid on the purchase of bonds** – this is deductible for income tax purposes, either in the current year or the following year, whenever the bond provides interest exceeding the accrued interest you bought.
- 17 **Interest paid to broker** – and lists of other expense accounts.
- 18 **Brokers' commissions paid and management fees paid** – brokers' commissions are not tax deductible; management fees are tax deductible.
- 19 **Cash in or out and transfers between accounts** – we print these reports so that our clients can see the details of all the entries in the account for the period.
- 20 **Transactions** – you can print a report for transactions. We don't usually find this necessary.
- 21 **Table of contents** – if you do this work for clients, provide them with a table of contents. This should start with the rates Indexes (indices) of the North American stock markets. We express them in Cdn \$.
- 22 **Print reports for any accounts, selected accounts or all accounts and for any periods** – on month may be too short a period to report on. One year may be too short also. But it is important to regular measure your gains on investments.



Client Initials or Name – November 30, 2007 Interim Investment Reports Table of Contents

Indexes (in Canadian \$ Equivalents)

Cdn \$	0.9993	
<u>DJI</u>	Value 13,381.09	Change -8.59%
<u>S&P/TSX</u>	Value 13,720.73	Change 6.87%
<u>S&P500</u>	Value 1,470.75	Change -12.93%
<u>Nasdaq</u>	Value 2,662.82	Change -6.82%

Note – the numbers are not dynamic (they will not change). They are static. They won't change when you delete a line of the TOC. The Style is Normal

10 Performance this year all accounts

- Report title samples using the Naming System (see below)
- **10.1** EW TD C\$ Performance ALL Acs **This Yr (or this Period)** (**Report %** return for this period and in brackets report the comparative return (not bold) – for each of the reports in the **10.** group)
- **10.2** EW OB C\$ Performance ALL Acs 4 Each Yr
- **10.3** Performance This Year For Each Account
- **10.4** Performance All Years For Each Account
- **10.5** Performance Each Year For Each Account

11 Income and expense by account (**Report \$ of net income**, excluding drawings, and report comparative amount [no bold])

12 Dividends by security

14 Interest by security

16 Capital gains by security

18 Capital gains dividends by security

20 Foreign non-business income

22 Unit trust other income by security

24 Other income by security

26 Exchange gain (loss)

28 Return of capital by security

36 NR taxes withheld by security, Non US

37 NR taxes withheld by security, US

39 Donations

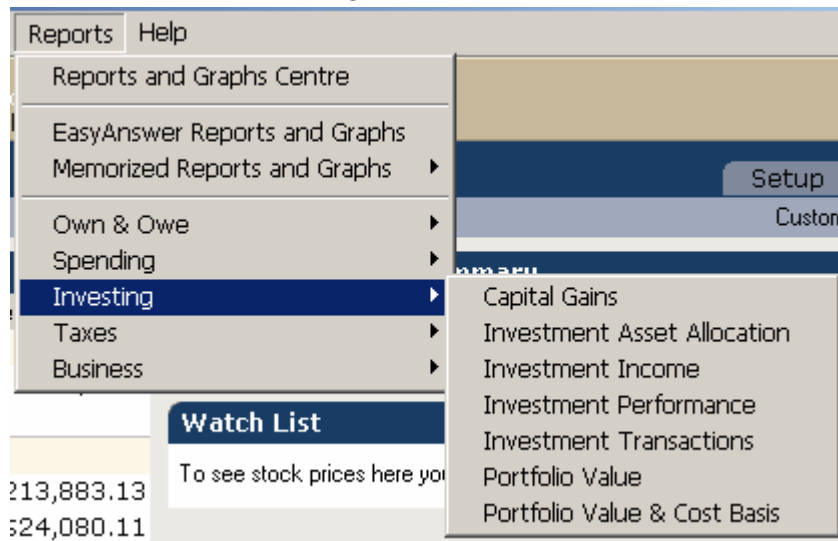
- 41 Accrued interest paid on purchase of bonds
- 42 Interest paid to broker
- 49 Transactions (if required)
- 51 Portfolio end by account **This year \$**
- 52 Portfolio begin this year (or Previous period last year \$ not bold)
- 57 Cash in to account
- 58 Cash out of account
- 59 Transfers between accounts
- 61 Management fees paid, including GST
- 62 Broker's commission paid

Report % and \$ and comparative on the Table of Contents until we can think of a better way

***** Report Title Naming System (don't include this in your Table) *****

- 1 Number – to provide order and to provide a cross-referencing system
- 2 Client name or more likely only initials
- 3 Broker (initials only). You may have to add a letter or a number or maybe more to distinguish one account from another
- 4 Currency, usually only two letters, such as C\$, U\$, Eu
- 5 Report name (see 10 to 39) then Filters or criteria (see 10.1). (See the list below, use only shortened version as we have in the Table of Contents samples; use Portfolio Value, instead of Portfolio Value & Cost Basis)

Report Titles Including Options (include the number at the start of the title; delete this parenthetical note from your Table)



Notice to Reader

We have compiled the investment reports for the period ended from information provided by management. We have not Audited, Reviewed or otherwise attempted to verify the accuracy or completeness of such information. Readers are cautioned that these statements may not be appropriate for their purposes.