Quick Start Guide

To get started using TradeLog in the minimal amount of time, please follow the 8 steps below:

1. Create a new file	5. Analyze your data
2. Enter baseline positions	6. End the tax year
3. Import trade history	7. Run the G&L report
4. Verify your data	8. File your taxes

1. Create a new data file for each brokerage account and each tax year

You must create a separate data file for **each brokerage account** and **each tax year** using the **File, New** menu item.

TradeLog™ will prompt you to name your file with the tax year you are working on (referred to as the "Current Tax Year"), followed by a descriptive name for the account. Examples of properly-named data files are "2007 Ameritrade", "2008 IB Account 123456" and "2008 Schwab Joe Smith"

Do not import from more than one account into the same TradeLog data file! If you have multiple accounts you will combine them at year end for tax reporting purposes.

TradeLog™ has been designed to match trades for one brokerage account per year per data file.

- Importing from more than one account in a data file will result in mismatched trades.

- Importing more than one year' s worth of data will skew the results in the Gains & Losses report. One years worth of data include Jan trades of the next tax year which are required for wash sale calculations. (ie: Jan 1, 2007 to Jan 31 2008 for the 2007 tax year)

- If you need to combine accounts after completing steps 1-5, please use the File, Combine function.

Please see Creating a New Data File in our **General Use Guide** for more details.

2. Enter baseline positions

PLEASE DO NOT SKIP THIS IMPORTANT STEP!

If you held positions open from the previous tax year, and you are using TradeLog™ for the

first time, you must manually enter each open position into TradeLog prior to importing your trades for the current tax year.

Doing this after importing your current year trade data will cause trades to be mismatched. (ie: TradeLog cannot possibly match a sale in 2006 to a purchase in 2005 or earlier if the purchase has not been entered first before importing.)

All trades MUST be entered and imported in the actual order that they were executed.

Please do not enter or import any closed positions from any year prior to the current tax year.

This only needs to be done once for each brokerage account. Every year thereafter, the software will automatically copy your year-end open positions to your next tax year data file.

You can locate a list of your open positions at year-end by viewing your December monthly statement for the previous tax year. For example, if you are working on tax year 2005, you will need to locate your December 2004 monthly statement.

For complete details see: Gathering your Baseline Positions - Open positions from Last Year.

We suggest that new users review **Manually Entering Trades** in our online Tutorial prior to entering open positions for the first time. Our **General Use Guide** also describes how to Manually Enter a Trade.

NOTE: If you have no open positions, please click the ESCAPE key on your keyboard to exit out of the enter open positions routine and to enable the Import button on the toolbar.

3. Import your trade history into TradeLog

Your specific import filter was selected when you created your data file using menu item File, New. If you need to change to a different import filter, please select **Options, Import Filter** from the main menu and choose the appropriate import filter for your online broker. The import speed button on the toolbar should now display the name of your broker (for example, **Ameritrade Imp**).

If you are connected to the Internet, your web browser will automatically run and direct you to an import instruction page designed to guide you step-by-step through the process of locating compatible trade history reports on your broker's web site.

Depending on which online broker you use, either download a data file containing your trade history or simply copy your trade history right from your web browser. Please see our Online Broker Support page to identify the import method supported by your online broker.

Please see Selecting a Broker Import Filter and Finding Compatible Trade History Reports in our **General Use Guide**.

Click the **Imp** speed button on the TradeLog™ toolbar to import your trade history report. Trades are matched by ticker description and matched for buys, sells, partial fills and short positions---even if your broker doesn't flag short sales on your reports. Our software uses "open a trade, close a trade" terminology rather than "buy" and "sell", which eliminates confusion as to whether your positions are long or short. See How TradeLog Works for details.

Please import a full 13 months worth of data Jan 1 through Jan 31 of next tax year. The Jan of next tax year trades are required for properly calculating wash sales. Jan of next tax year trades should not be imported if you have elected Mark to Market for the current tax year. **Do NOT import Jan of next tax year trades if you have elected MTM for this tax year.**

Please do not import past Jan 31 of the next tax year as this will skew the profit/loss calculations for the current tax year.

Please do not import any closed positions from any year prior to the current tax year as this also will skew the profit/loss calculations for the current tax year.

Importing Your Trade History Report discusses the import procedure in detail.

4. Verify your TradeLog data

There are two verifications that will assure that your tax year data is complete and that all trades are properly matched:

a) Verify your open positions

You need to compare your open positions in TradeLog with your broker's December statement. The positions should be the same. Please see Using the Open Positions Window for instructions on how to view your year-end open positions in TradeLog.

If your open positions don't match your December statement from your broker then you may need to check the following:

1. Make sure to take unsettled trades on the December brokerage statement into account.

2. You may need to adjust for stock splits, mergers, spinoffs or ticker name changes.

Adjust for Stock Splits | Adjusting for Mergers | Adjusting for Spinoffs | Changing Tickers

3. You may need to correct incorrectly matched tax lots.

If you have used the Match Tax Lots function during the year you may have some open positions that were not able to be matched to their proper closing transactions.

To view which trades have been matched with this function go to the Options menu and choose Display Matched Tax Lots. If any of your incorrect open positions contain a number in the Matched Tax Lots column you should select these records and go to the Edit menu and choose Un-Match Tax Lots.

b) Reconcile your brokerage 1099 gross sales

Click **Reports**, **Gains & Losses** and check the **1099 Reconciliation** report type (available only in ver 7 and up). A popup box will ask you to enter your Gross Proceeds (Gross Sales) from your 1099. This report will make any necessary adjustments for option sales, open short sales from the previous tax year, and long trades marked to market for MTM users.

	Gains & Losses:		Total Sales:
Short-Term Reported:	91,660.78	Short-Term Reported:	1,019,181.66
WS Deferred to Next Year:	(16,905.91)		
Total Short Term:	74,754.87		
Long-Term Reported:	0.00	Long-Term Reported:	2,992.85
WS Deferred to Next Year:	(3,929.10)		
Total Long Term:	(3,929.10)		
		Option Sales:	(64,472.28)
		Open Short Sales:	(4,352.44)
		Securities MTM (Long):	0.00
Total Reported:	91,660.78	Grand Total:	953,349.79
Total WS Deferred to Next Year:	(20,835.01)	1099-B Gross Sales:	953,349.59
Grand Total:	70,825.77	Difference:	(0.20)

The **Difference** in the lower right should be minimal. Please see The report doesn't match my brokerage 1099 for a checklist of items that can cause differences in these two numbers.

5. Analyze your trade data

See your profit and loss for a specific trade by double-clicking on any cell in that record. Run a quick report to see any wash sales generated by your trading, or get your overall Gains and Losses to-date. Chart your trading performance or equity curve. See our **General Use Guide** to learn how to Run Reports.

6. End current tax year - make adjustments for next year

After all trades executed during the tax year have been imported and matched correctly, you are ready to run the **File,** End Tax Year function to "close the books" on your data file for the current year.

Please see **Lesson 11 "Ending the Tax Year**" in our Online Tutorial for a step-by-step discussion of how to use this function in TradeLog.

All trades executed in January of the following tax year should also be imported **prior** to running the **End Tax Year** function. For example, if you are working on tax year 2005, you will need to import your trades up to the end of January 2006. The January of next tax year data enables TradeLog to calculate wash sales and defer losses to the following tax year where applicable. **DO NOT import January of next tax year trades if you have elected mark to market.**

If you have several different brokerage accounts, you must combine these into one account so that TradeLog can calculate wash sales across accounts.

Use the File, Combine menu item. Then run the **File,** End Tax Year function from the combined account to create your individual next tax year data files complete with your open positions carried over to next year, any was sale deferrals, and your Jan trades. **Do not run File, End Tax Year from the individual broker data files**.

Special instructions for those who have elected Mark to Market:
- DO NOT import your January of next tax year trades.
- NO NOT combine files.
- Run the File, End Tax Year function from each data file for each account.

Please see Ending the tax year using MTM in our TradeLog™ User Guide for details.

For your convenience, all versions create new data files for each account for the following tax year and copy all necessary adjustments into these new files.

7. Run the appropriate Gains & Losses report

Select **Reports,** Gains and Losses from the main menu. In ver 7 and up the following **report types** are available:

1. **Gains & Losses -** This is the standard TradeLog G&L report which has been used successfully for the last 6 years. This report results in about half as many pages as the

official IRS schedule d-1 and has never had a problem with the IRS.
2. **IRS Schedule D-1 -** This report is for those users who require a more exact replica of the IRS form.
3. **TXF File Import -** This report is for exporting to popular tax software - see item 5 below.

The IRS Schedule D has both a short-term and a long-term section, and all of the above reports have a short-term and long-term section as well.

Please make sure the **Adjust for Wash Sales** and **between Shorts and Longs** check boxes are checked prior to running the report to include wash sale adjustments in the report. Note: Some accountants disagree with calculating wash sales between short and long trades, so this option can be disabled by un-checking this box. Please consult with your accountant if you have questions on this option.

Mark to Market accounting (GTT TradeLog users only):
Please check the **Form 4797 Attachment** report type. The **Adjust for Wash Sales box should not be checked** prior to running the report.

Other reports available to GTT TradeLog users are the **Securities Marked-to- market** report and the **Section 481 Adjustment** report. Please see our Additional MTM reports included in GTT TradeLog for details.

8. File your taxes

You can either print the appropriate TradeLog G&L report, attach it to your tax return and file by mail, or you may export your TradeLog gains and losses to popular tax software programs and file electronically. See items a or b below:

a) Print and mail your IRS tax forms

In the **Description of Property** column on your IRS Schedule D (for cash basis accounting) or Form 4797 (for MTM accounting), write "**See attached report**". Then simply copy the totals from your TradeLog IRS Schedule D-1 Gains and Losses report to the appropriate section on the schedule d or Form 4797. Step-by-step instructions are provided in the End Tax Year section of our **User Guide**.

For a summary of the different trading instruments available and what IRS form is required for filing your gains and losses for each instrument type, please see our Forms for filing your taxes from trading tax topic.

b) Export your gains & losses to popular tax software and eFile

TXF File Export is a new report type in ver 7, which allows importing your TradeLog gains and losses into popular tax software with no negative cost basis errors as in in previous versions. See

What's New in TradeLog version 7 for details.

NOTE: Tax programs like TurboTax™ and TaxCut™ were never designed for the needs of active traders and may or may not work properly with a large volume of trades or with wash sales on trades of unequal shares.

Please see Importing Your Gains and Losses report into TurboTax for details.

Finally...think of how much time you saved filing your taxes this year!