

Selling Shares in Quicken

Aim

The aim of this paper is to show straight forward sales of Shares in Quicken.

Versions

This paper was written using Quicken Home and Business 2008. The same procedures apply to Quicken Personal Plus 2008, and the same principals apply to earlier versions.

Selling Shares

On 6/7/07, I sell 1500 Alumina Ltd (AWC) Shares at \$8.00 per share.

The shares were purchased in two lots:

- 1000 shares on 20/10/04 with a cost basis of \$5,283.50
- 1000 shares on 15/12/06 with a cost basis of \$6363.28.

Sell - Shares Sold:

Enter transaction: Sell - Shares Sold Enter the sale of shares of a security (add the proceeds to my cash balance).

Transaction date: 6/07/2007

Account: E*Trade Investments

Memo: AWC Sell 1500 @ \$8.00

Record proceeds?

To this account's cash balance

To: E*Trade ANZ Online Acct

Security name: AWC Alumina Ltd

Sell all shares in this account

Number of shares: 1,500

Price received: 8 per share

Commission: 30.25

GST on Commission: 3.03

Non-claimable: 3.03

Claimable: 0.00

Stamp Duty: 0.00

Specify Lots...

Total sale: 11,966.72

Currency exchange rate

Exchange rate on 6/07/2007=1.00000

Set rate for this transaction 1.00000

Cancel Clear Help Enter/New Enter/Dgne

I will be selling 1,500 shares and keeping 500 shares. As the 2nd lot of shares have been held less than 1 year, the Capital Gains Tax will differ on the sales of the 2 lots.

To enter the transaction, go to the Account List (Ctrl - A), then double-click on the Investment Account (in this example, E*Trade Investments). Select button at the top of the register, then select "Sell - Shares Sold" from the Drop-Down list.

In the above screen, ensure that the correct destination for the funds is chosen in the "Record Proceeds?" box.

Record proceeds?

To this account's cash balance

To:

... and that the GST is shown as Non-claimable if applicable:

GST on Commission:

Non-claimable:

Claimable:

Before recording, select the "Specify Lots" button so select how many of each lot you wish to sell. Selecting the "Minimum Gain" button (displayed below) which sells the shares with the highest cost basis first,

Specify Lots for this AWC Alumina Ltd sale

Select the shares sold with this transaction.
(Sold 1,500 shares @ 8/share on 6/07/2007)

Date	Type	Price	Shares to sell	Available	Gain/Loss
20/10/2004	Added	5.2835	500	1,000	1,358.25
15/12/2006	Added	6.36328	1,000	1,000	1,636.72
Total:			1,500	2,000	\$2,994.97
Shares to Sell:			1,500		
Remaining:			0		

Auto Select

Pressing the "Maximum Gain" button will sell off the shares with the lowest cost basis first (displayed below). This may be a desired option if you have capital losses in other shares to offset.

Specify Lots for this AWC Alumina Ltd sale

Select the shares sold with this transaction.
(Sold 1,500 shares @ 8/share on 6/07/2007)

Date	Type	Price	Shares to sell	Available	Gain/Loss
20/10/2004	Added	5.2835	1,000	1,000	2,716.50
15/12/2006	Added	6.36328	500	1,000	818.36
Total:			1,500	2,000	\$3,534.86

Shares to Sell: 1,500
Remaining: 0

Auto Select

A WORD OF WARNING - the Minimum Gain and Maximum Gain buttons take no account of the different treatment of Capital Gains for assets held under 1 year. They will only give you the desired effect if all lots of shares are over 1 year old.

The taxable Capital Gain on the above 2 scenarios are:

- "Minimum Gain" = $(50\% \times \$1358.25) + \$1636.72 = \$2,315.85$
- "Maximum Gain" = $(50\% \times \$2716.50) + \$818.36 = \$2,176.61$

You can see that outcome is the opposite of the button selected. NEVER LET A COMPUTER DO YOUR THINKING FOR YOU!

So for our purposes, we will select the 2nd scenario and sell 1000 of the 2004 shares and 500 of the 2006 shares.

As the 2nd lot of shares have been held less than a year, this would actually give us more capital gains than if we selected Maximum Gain

The transaction looks like this in the Investment Register:

Transaction List						
Date ▲	Action	Security	Description	Inv Amt	Cash Amt	Cash Bal
6/07/2007	SoldX	AWC Alumin...	1,500 shares of AWC Alumina Ltd @ AU\$8	-11,966.72	Transfer	0.00

Note the zero Cash Balance. If the Cash Balance shows the value of the transaction, then you probably haven't selected the correct source of funds in the "Record Proceeds?" box.

... and this in the cheque account.

Date ▲	Num	Payee	Payment	Clr	Deposit	Balance
		Category	Exp			
6/07/2007		AWC Alumina Ltd [E*Trade Investments]			11,966.72	52,558.44
			AWC Sell 1500 @ \$8.00			

...and this in the Security List (Investing > Security List > Double-click on security)

Transaction History					
Date	Account	Action	Shares	Amount	
6/07/2007	E*Trade Investments	SoldX	1,500	11,966.72	

... and this in Reports > Investing > Capital Gains

Capital Gains - YTD								
Date range:		Year to date ▼	Subtotal by:		Security ▼			
1/07/2007 through 14/12/2007 (in Australian Dollars)								
Account	Security	Shares	Bought	Sold	Gross Proceeds	Cost Basis	Realised Gain/...	
AWC Alumina Ltd								
E*Trade Investments	AWC Alumina Ltd	1,000.000	20/10/2004	6/07/2007	7,977.81	5,283.50	2,694.31	
E*Trade Investments	AWC Alumina Ltd	500.000	15/12/2006	6/07/2007	3,988.91	3,181.64	807.27	
TOTAL AWC Alumina Ltd					11,966.72	8,465.14	3,501.58	
OVERALL TOTAL					11,966.72	8,465.14	3,501.58	

... and this in Reports > Investing > Investment Income

Investment Income							
Date range:		Custom dates ▼	Subtotal by:		Don't subtotal ▼		
6/07/2007 through 6/07/2007 (in Australian Dollars)							
Category Description						6/07/2007-	6/07/2007
INCOME							
_RlsdGain							3,501.58
TOTAL INCOME							3,501.58

VARIATIONS





Selling All Shares in a Company

If you sell your entire holding in a company, specifying lots is irrelevant. Instead, just tick the box Sell all shares in this account

GST Registered Entity

The crucial difference with GST registration is that the GST does not form part of the Gross Proceeds or the Cost Basis for the shares, but is instead transferred to the Tax Control Account.

To record the GST on Commission on Sales, ensure these boxes are completed correctly.

Commission:	<input type="text" value="30.25"/>	
GST on Commission:	<input type="text" value="3.03"/>	
Non-claimable:	<input type="text" value="0.00"/>	
Claimable:	<input type="text" value="3.03"/>	

To show the GST as Claimable, you will need to enter a zero in Non-claimable box. The GST will show like this in the Tax Control Account.

Date / ▲	Ref	Payee/Category/Memo	Increase	Clr	Decrease	Balance
6/07/2007		AWC Alumina Ltd: Claimable GST [E*Trade Investments]			3 03	3 03

--- End ---