

Enhancements:

Since we're continually looking for ways to improve **Washems!**, our suggestion line is always open to all our clients. Below, you'll find a list of the latest enhancements we've made to the program based on suggestions from our user community. Please let us know if there's anything else we can do to make your job easier!

Washems2015!

September 1, 2015

Since we're well into 2015 already, we decided to incorporate the newest changes into a module that had a more up-to-date name. This way, those of you who don't want to use the latest modifications can continue with **Washems2014!** without a problem. This new version changes the way the transactions are sorted for processing and uses the unique id fields as one of the primary sort fields ensuring that the transaction processing sequence is more consistent during reruns. We've also added more detail to both of the constructive sales reports. A totals breakdown by month can now be found on the cs summary report while the cs detail report sports 3 new columns: LT/ST, Days Held and the Month of the constructive sale.

Washems2014!

November 1, 2014

Now that 2013 is a distant memory, we decided it was time to update the program name while incorporating some new features to increase both the program's functionality and its processing speed. A new value of '0' has been added to the variance choices under the 'Same Date = Same Lot' screen parameter that tells the program to treat each lot as a separate transaction regardless of its open/close date. We've also added a procedure to allow for those rare instances where an output file exceeds the number of lines or rows that excel is currently able to display in a single worksheet. If this case should arise, the program warns the user that the current output file cannot be converted to excel and that a standard csv detail file in the **Washems!** 2010 format will be created instead. And, lastly, we've modified the way the program formats the output file for the resulting excel workbook to not only increase the processing speed but to also eliminate any problems arising from the out-of-memory condition that occurred when processing very large files.

January 20, 2015

- (1) The Summary Detail report now coincides with the Summary Report and contains the detail for only those securities generating wash sales.
- (2) All excel incompatibilities have been eliminated and the program can now be used on all current versions of excel from excel 2007 through excel 2013.
- (3) The optional sub lot calculation process has been reworked to correct various result inconsistencies. The processing time has also been decreased but may still take extra time because of the complexities and repetitive iterations involved when breaking down transactions affected by multi-level lot rollings.
- (4) Lot ID and Net Taxable Constructive Gains columns have been added to both the Constructive Sales Summary and Detail reports.
- (5) An extra internal check has been activated to make sure that the entry or open date of a short sale transaction is prior to its closing date.
- (6) Various formatting issues have been addressed and corrected.

Washems2013!

December 13, 2013

Some of our new features: (1) the Constructive Sales Report is now optional, (2) five new columns have been added to the Summary Detail report: "# Shares to Reclassify from ST to LT", "Total Losses Reclassified from ST to LT", "ST Losses Disallowed and Allowed as LT Losses", "LT Aging Adjustment" and "Year" and, (3) after the calculation is completed, you're now able to: (a) Copy the output workbook to a new location; and, (b) Create a csv file of the detail report in the original **Washems!** 2010 format.

Washems2012! Program Enhancements – 0

Washems2010! Program Enhancements – 0

Fixes:

In an on-going effort to provide our clients with the most accurate results possible, we're constantly testing and retesting our program to make sure that it can correctly handle any and all types of transactions. When we do come across a discrepancy, we make every effort to notify our clients of the outstanding issue, resolve the problem and

to provide an updated program version as soon as possible. Below you'll find a log of these corrected issues by version and date with the most recent one listed first.

Washems2012! Program Fixes – 0

Washems2010! Program Fixes – 6

December 23, 2011

The Issue

The program generated a System Error when a Unique Lot ID contained more than 50 characters.

The Resolution

The logic was modified to truncate the Unique Lot ID at 50 characters and eliminate the system error.

October 20, 2011

The Issue

The Scope field under the Report Detail Level did not allow for an entry greater than 100 which proved to be a problem for some of our clients.

The Resolution

The logic was modified to now handle a Scope of any size.

September 7, 2011

The Issue

The existing column headings in the main report may not provide an adequate explanation of the contained data. And, on the Summary Report, an Adjusted Tax Date is being calculated for short positions that, in some cases, is different from the original enter date. But, since short positions are liabilities, they are not considered to have a holding period for wash sale analysis purposes and should not go through the Adjusted Tax Date calculation process.

The Resolution

A new Column Header Reference Table containing expanded column descriptions has been added at the end of the report. The Adjusted Tax Date calculation has been modified to exclude short positions.

August 15, 2011

The Issue

A new Tax Unrealized report has been added as an output report. In order to utilize this new feature, values for both the exit price and gain/loss must be provided for any open transactions. Other changes include a new heading line showing the current version's compile date and a revision of the process used to arrive at the adjusted tax date appearing on the summary report.

The Resolution

Necessary corrections were made.

June 14, 2011

The Issue

Warning Report was not showing all realized loss transactions. Headings on the reports were revised to more accurately describe the column contents.

The Resolution

Necessary corrections were made.

March 18, 2011

The Issue

During the course of our on-going testing, we came across a rare rounding issue that had not been previously reported: In the computational process to calculate the amount of loss that can be offset by another lot, Microsoft's built in rounding technique is not operating correctly when dealing with even numbers having .5 as their decimal component.

In researching the problem, we found that Microsoft's software engineers use an internal rounding method known as "bankers' rounding" as the default rounding mode in IEEE 754 computing functions, operators and various computing languages such as ANSI/ISO C, C++, VB and Java.

In "bankers' rounding", any number having a fractional part of .5 is rounded up or down to the nearest *even* integer. For example: 23.5 → 24 (ok), 22.5 → 22 (no), -32.5 → -32 (no) and -45.5 → -46(ok).

Since this operation was taking place during the process of calculating the amount of loss that can be offset by another lot, the total offset or washed amount could be \$1.00 off from the desired result as seen in the following example:

Lot A: 20 shares sold for a loss of \$41.00

Lot B: 10 shares bought within the 30 days of the sale of Lot A

Lot C: 35 shares bought within the 30 days of the sale of Lot A

Using Lot B in the initial calculation, our equation to calculate how much of the Lot A loss is offset by Lot B is: $(10 / 20) * 41 = 20.50 \rightarrow 20$ (after rounding)

Using Lot C now for the remaining 10 shares of Lot A: $(10 / 20) * 41 = 20.50 \rightarrow 20$

Since our total disallowed wash sales for Lot A add up to \$40.00 – not \$41.00. The bottom line to all of this is that the report now shows an extra \$1.00 of losses that we're really not entitled to.

The Resolution

To correct this issue, we've added additional logic to the calculation process that effectively overrides the built in "bankers' rounding" rounding mechanism. Now, 23.5 → 24, 22.5 → 23, -32.5 → -33 and -45.5 → -46.

Using the example above, the reported wash sales are now calculated as follows:

Lot A: 20 shares sold for a loss of \$41.00

Lot B: 10 shares bought within the 30 days of the sale of Lot A

Lot C: 35 shares bought within the 30 days of the sale of Lot A

Using Lot B in the initial calculation, our equation to calculate how much of the Lot A loss is offset by Lot B is: $(10 / 20) * 41 = 20.50 \rightarrow 21$ (after rounding)

Using Lot C now for the remaining 10 shares of Lot A: $(10 / 20) * 41 = 20.50 \rightarrow 21$

Total disallowed wash sales for Lot A = \$42.00

Since we're now disallowing an extra \$1.00 of losses (\$42.00 vs \$41.00), we're using a safer, more conservative approach in our reporting.

Questions or comments? Please give us a call at (718) 761-1890