

Dave's Goldmoney Capital Gains Calculator: User Guide

May 13, 2020 by Dave Hirschman

To use the Capital Gains Calculator, you need to create a good directory structure on your computer to keep track of everything, download transaction files to input to the script, and then run the script.

1. Create a directory structure to store everything

To use Dave's Goldmoney Capital Gains Calculator there are quite a few files involved. For each tax year, there will be transactions files for each Personal and Business account and for each separate metal, currency, or crypto-currency product in your Holding. And upon completion of the program, you will have three or four result files to download. One of these files contains data that will be input to the program for the following tax year.

One way to organize all the files is to create a directory named something like "Goldmoney Capital Gains," and under that create sub-directories named "2011", "2012", etc. for each tax year beginning with the year you opened your first Goldmoney Holding or Network account and continuing to the present. Another possibility is to have two directory structures, one for the transaction files and another one to store the results.

2. Prepare your transactions files

This section has instructions on how to prepare download transactions files from the Goldmoney website for input to the Capital Gains Calculator.

The script will calculate capital gains for a single holding. If you are calculating taxes for multiple holdings, these will need to be run through the script separately. If you have Personal and/or Business accounts where you have transferred gold into your Holding, those network accounts must be processed at the same time as the holding.

If you do not have a Goldmoney holding, or have not transferred gold to your holding from a network account, you can process that account separately.

The following two sections explain how to download your transactions from your Network accounts and your Holding, respectively.

2.1. Downloading Transactions for a Network Account

This section explains how to download transactions from a Personal or Business account ("Network" account). These accounts have been eliminated by Goldmoney; however, the script still supports them so that you can process previous tax years. Normally the Capital Gains Calculator expects a separate transaction file for each tax year. With a Network account there is a way to download transactions for the previous year, but no way is offered to download transactions for prior years. So in this case the script will accept a file containing transactions for multiple years. At runtime it will ask if you want to ignore transactions from other years.

To download transactions from your Network account:

- 1) Sign into your Goldmoney Personal or Business account.
- 2) Bring up the Navigation menu (by clicking the "hamburger" icon with three horizontal lines at top left).
- 3) Click "Transactions" in Navigation menu.

- 4) Make sure "Type" and "Status" are set to "All."
- 5) To download all transactions since the account was opened, keep clicking the "Load More" button until it disappears. Or, click "Previous Year" to download only those transactions that occurred last year.
- 6) Click the "Export transactions" button, which is the button to the right of the magnifying glass "search" button in the menu bar with a little arrow pointing down.
- 7) Click "Export CSV."
- 8) Give the file a descriptive name (e.g. your first name) and save it in the directory structure for the appropriate year as described earlier. Make sure the file name extension remains as ".csv".

2.2. Download Transactions for a Holding

This section explains how to download transactions from your holding. A separate transaction file must be downloaded for each individual product in your holding, and for each tax year beginning with the year you opened your holding. The file names are important. The gold transaction file must be named "gold.xlsx" or "xau.xlsx", the Swiss Francs file must be named "chf.xlsx", and so forth. The file names accepted by the script are listed below. Case is not significant. The file extension must be ".xlsx":

Metal:	gold or xau, silver or xag, platinum or xpt, palladium or xpd
Currency:	aud (Australian dollar), cad (Canadian dollar), hkd (Hong Kong dollar), jpy (Japanese Yen), nzd (New Zealand dollar), chf (Swiss Franc), gbp (UK Pound), usd (U.S. \$dollar), eur (Euro).
Crypto:	btc (BitCoin), eth (Ether), bch (BitCoin Cash)

Download Instructions:

- 1) Sign into your Goldmoney Holding
- 2) Click the "Statements" tab.
- 3) Under REPORT TYPE select Transaction Reports
- 4) SHOW: All transactions
- 5) VAULTS: All Vaults
- 6) Keyword Search: Leave blank
- 7) Select Display Currency: US dollars if US taxpayer, or if another country select your home or native currency for tax purposes.
- 8) Set DATE FROM and DATE TO for the desired tax year, January 1 to December 31. Hint: the page won't allow you to set a date range greater than one year, so you may have to set the date fields in reverse order.
- 9) SELECT METAL OR CURRENCY: (e.g. Goldgrams) Note: don't create a transaction file for your native tax currency that you selected under "Display Currency" in step 7.
- 10) Click "SPREADSHEET" bar.
- 11) Click "Open Report" button.
- 12) Save the resulting download file under the correct file name as detailed above, and in the directory structure you created earlier. It's a good idea to check the first few transaction files to see if they are correct. They can be opened with Excel, OpenOffice, or other spreadsheet software.
- 13) Repeat steps 9-12 for all other products you transacted in for the selected year.
- 14) Go back to step 8 and continue with the next tax year.

3. Run the Tax Calculator

The tax calculator script is available at www.gmCapitalGainsCalculator.net.

IMPORTANT: do not click the browser's back button - it will exit the script and you'll lose all your work.

3.1. Step 1: Select Tax year, provide other information

After reading and accepting the disclaimer, you will be taken to the first page of the script. It shows an input box where you enter the tax year you want to work with. When using the script for the first time, this is the year you opened your first Goldmoney account or holding. Goldmoney opened for business in 2001 so it can't be earlier than that!

U.S. residents can leave the box for that checked. USD (U.S. dollars) will be chosen, and capital gains and losses will be separated into short and long term (held at least one year and one day).

If you're outside the U.S., upon un-checking the box you will be able to select your currency, and specify a long-term capital gains period if your tax jurisdiction requires that. Currencies offered are those supported in the Goldmoney holding. A lot more currencies are supported in Network accounts, but the script does not support those. You can also select between two formats for display of numbers.

3.2. Step 2: Load unused purchases from last year

Here you either tell the script that this is your first year, or provide the data file of unused purchase lots leftover from the previous tax year.

3.3. Step 3: Load transaction files

Now it's time to load the transaction files that you previously prepared for each of your Network accounts, and for each product in your holding, for the tax year you're working on. You have to select *ALL* of them at this stage - there's no opportunity to go back and select more later on.

The script will issue an error if any Holding transaction files contain transactions dated outside the current tax year (to avoid problems caused by different time zones between you and Goldmoney, the script will accept transactions between December 31 the year before and January 1 the year after). Then you will need to click the "< Back" button, fix your transaction files, and try again.

As mentioned previously, the script reacts differently when there are transactions in Network account transaction files dated outside the current tax year. It will give you the option to just ignore those.

3.4. Step 4: Process each account

This page displays a column for each one your network accounts and holding products. Shown is the amount of gold or other product at the start of the year, amount bought or transferred in, amount sold or transferred out, and total end of year. The gains and losses are shown too, but will be zero until you assign specific purchase lots for each sale. If an account or product has sales needing assignment, that is shown on the "Status" row. Click an Edit button to work on the corresponding account.

Note that if there are transfers of gold from a Network account to your holding, the Edit button for the Gold Holding will be disabled until you are finished assigning lots in the Network account. That is because you can't sell gold in the Holding that hasn't been transferred yet.

Upon clicking the Edit button for an account, you will be taken to a page which displays details of all purchases and sales for that network account or holding product. The following section explains how to make lot assignments for each sale that occurred in the account during the tax year you are working on.

When all sales in all accounts have been allocated, the "Next >" button will activate and you can go to the final step.

3.5. Assign Sales to Purchase Lots

This page displays all the information for one Personal or Business account, or a single metal, currency, or crypto-currency within your Holding. This is the heart of the program, where you need to decide, for each sale, which purchase lot or lots was sold, allowing the capital gain or loss to be calculated.

Sales and Transfers Table

On the right side the sales and transfers are listed. The "current sale" is highlighted. This is the first or oldest sale that hasn't been assigned yet. The current sale must be completely assigned to purchase lots before you can move on to the next sale.

Purchase Table

On the left side are the purchases - everything from the inception of the account that hasn't been sold yet. Each purchase that is available to be sold for the current sale has a "Use" button next to it. Purchases dated after the sale you are working on are disabled. Unlike the futures markets, with a Goldmoney holding you may not sell gold before buying it! Purchase lots that have been completely sold are of course also disabled.

A little downward pointing blue arrow marks the purchase with the lowest cost basis (maximum gain if sold).

A little upward pointing red arrow marks the purchase with the highest cost basis (minimum gain if sold).

For U.S. taxpayers and taxpayers in countries where long and short term gains and losses are taxed at different rates, the purchase table shows "(S)" after the date when selling that purchase would result in a short term gain or loss relative to the current sale you are working on, and "(L)" if a long-term gain.

Manual Lot Assignment

To assign a purchase to the Current Sale, just click the "Use" button next to it. The script will apply as much of that purchase lot to the sale as needed to complete it. If that's not enough, the sale remains highlighted until you use enough product to cover the entire sale. Once the sale is completely allocated, the next sale will be highlighted. At any time you can click the "Undo" button to back out the last purchase lot assigned. You can also click "Undo All" to cancel all purchase lot assignments and start over from scratch.

Note that a given sale may use pieces of several purchase lots. Conversely, a purchase lot can be part of more than one sale. The lots numbers used for each purchase and sale are shown.

Automatic Lot Assignment

Instead of selecting lots manually one by one, you can tell the script to select the purchase lots automatically for each sale. There are several methods to choose from. You can sell the oldest purchase ("First-in First-Out" or FIFO) or the newest one ("last-in-first-out" or LIFO). You can sell the purchase with the highest basis, for minimum capital gains, or the lowest basis, for maximum capital gains.

A final automatic method called "Least Loss" can sometimes be useful. This method starts with selecting the purchase with highest basis (red arrow), to attempt to create a capital loss. But if there is another purchase that could be used that would still be a loss, but a smaller loss, that one will be used instead. The purpose of this method is to have a loss so that no capital gains taxes will be due, but to carry forward as much of the losses into following years as possible.

Note that you can start assigning lots manually, and then have the script automatically finish the remaining sales. And after the script is finished with automatic lot assignments, you can use the "Undo" button to back out those automatic assignments one at a time, if you want to "fine tune" the results.

Once all sales are assigned to purchase lots, you can click the "Continue" button to go back to the Step 4 screen listing all the accounts.

So, which method of lot assignment should you use? It depends on your tax situation. For example if you have gains from sales of other assets, like stocks, bonds, art, Bitcoin, etc. you may want to try to offset those by generating losses within your Goldmoney accounts. Consult your tax accountant. Of course, if you've already reported capital gains on your Goldmoney transactions for prior tax years, you'll need to assign the same lots that you used before so that everything matches.

Storage Fees

If you are paying storage fees with metal, the metal sold to cover the storage fee is treated the same as any other sale and is included in the capital gains calculations.

Transfers of Gold from Network Account to Holding

When you transfer gold from a Personal or Business account to your Holding, this is treated as a non-taxable event. In other words, it is NOT treated as a sale within the Network account and a re-purchase within the holding. The ownership of the gold is simply changing from your network account to your holding. Each transfer will appear in the Sales table on the page for the Network account. The cost basis and purchase date are moved along with the gold to your holding account, and you will see it there when you edit the gold holding. Note that because transfers are not actually sales, there is no capital gain or loss.

When you have transfers from a Network account to your Holding, there will be separate algorithms available for automatic assignment of purchase lots for transfers and normal sales. For example, you can use "Lowest" for transfers of gold to the holding, to defer capital gains for that gold, and use another method for normal sales.

Metal-to-Metal Transfers within Holding

If you have transferred the same metal from one vault to another, this is treated as a non-taxable event. There are two entries in your transaction file for transfers: the difference (which represents the Goldmoney vault transfer fee) appears as a sale on the account edit page, and like any other sale will have a capital gain or loss associated with it. The purchase date and cost basis of the transferred metal is retained.

Metal-to-Metal Exchange

When you exchange one metal for another, for instance silver for gold, this is treated as a taxable event. In this example, there will be a sale in the silver holding to your cash balance, and then those funds are used to purchase in the gold holding.

Metal Withdrawal

With Goldmoney it is possible to transfer gold to their subsidiary SchiffGold, where it can be used to purchase coins and bars, or to MENĒ, where it can be used to purchase 24 karat jewelry. These metal withdrawals are treated as non-taxable events. The cost basis of the metal you choose to transfer is reported to you when the script completes (in the Capital Gains report) and the metal is considered withdrawn from your account. You must track the cost basis yourself and use that to calculate your capital gains taxes when you sell the products purchased from SchiffGold or MENĒ.

3.6. Step 5: Download results

When you finish allocating all sales in all accounts, you proceed to the final page, where you download all the results. **Be sure to download everything.** If you don't, you'll have to start over and re-do the tax year.

Unused Tax Lots

This file lists all the unsold products in your accounts, along with date of purchase and cost basis. The program saves some other parameters here as well, such as the currency you're using.

Back up this file and keep it somewhere safe! You will need to provide this file to the script for the next tax year.

If for some reason in the future you can't use this script any more, the file can be loaded into a spreadsheet program like Excel or OpenOffice. This way you will still have a record of the cost basis and purchase date of all products remaining in your Goldmoney holding.

Capital Gains Data

This file is the main output of the program. It lists the capital gains and losses you incurred in your Goldmoney accounts for the tax year. This is the information you (or your tax accountant) need to calculate your tax liability. The file is in .TSV or "tab separated values" format. You can import it into any spreadsheet program, or use Notepad or another text editor. Because capital gains on sales of Metal, Currency, and Crypto products are usually taxed differently, these are listed separately.

To compact the report, sales of the same product on the same date are grouped together into a single transaction. When the purchase dates are different, "various" is shown as the purchase date. For U.S.

taxpayers and others in countries where long and short gains are taxed differently, transactions are combined only when the holding time period is the same.

The cost basis of any metal withdrawn from your holding and sent to SchiffGold or MENÉ is listed in a separate table. Be sure to use this information to record the cost basis of products you purchased from these companies.

Full Audit

This file is an .html file that you can read using any web browser. It offers a full audit showing details for all your transactions, including all purchases from this and prior tax years, all sales, and exactly which purchase lots were sold. It shows all the same information you saw when you were assigning sales lots. Lot numbers are included, so you can trace transactions back to prior tax years.

IRS Form f8949 (U.S. Taxpayers only) Information

This report is an .html file that can be opened with any web browser. It is only available for U.S. Taxpayers and when processing capital gains for the previous or current calendar year. It contains the same information as the Capital Gains Data report described above, but re-formatted as required by the IRS f8949 form that U.S. residents need to fill out for their Goldmoney accounts. It shows the fields in the report where the information needs to be entered. Short and long gains are separated. Since gains on metal are taxed differently than gains on currencies and crypto, these products are listed separately. Also, since each f8949 section has space for only 14 transactions, transactions are grouped and sub-totaled in batches of 14.

4. Finished!

Once all the reports have been downloaded, you can click the "Next >" button and, if you are not caught up to the current tax year, the script will offer to continue with the next tax year. This will skip Steps 1 and 2 and take you right to the screen to load the transactions for the next tax year.