LINDSEY & WALDO

CERTIFIED PUBLIC ACCOUNTANTS

"You see the numbers, we look for the opportunities."

SPECIAL POINTS OF INTEREST:

- Do you have missing money?
- Document purging
- Fiscal Health Day
- Reliable Referrals

INSIDE THIS ISSUE:

Taxing Times

Dedicated to helping our clients keep the money that belongs to them through a focus on tax.

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Eureka! Discovering Unclaimed Property

If you saw a twenty blowing down the sidewalk and, after a quick look around, couldn't see anyone who might've dropped it, you'd pick it up, right? Well, what if you checked your wallet and found out it was *your* $20 bill you had dropped unknowingly?

Turns out, there's a chance a lot more twenties are blowing around out there in the form of "unclaimed property," and some of it could be yours.

Who couldn't use found money?

What is 'unclaimed' property?
Unclaimed (aka "abandoned") property is accounts, or other property, in financial institutions or companies that's had no activity or contact with the owner for a long time, generally one year or more. After this "dormancy period," the property gets sent to the state for safekeeping.

This property can be money, uncashed paychecks or stocks, refunds, overpayments, or royalties. Other examples include: the contents of bank accounts or safe deposit boxes; real estate or land; distributions from trusts or pensions; payouts from insurance policies and annuities; traveler's checks; leftover wages from companies you worked for that went bankrupt – even security deposits you forgot that you never got back.

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Richard's Guide to Spring Cleaning

Now's a great time to get rid of unnecessary paperwork you've been hanging on to, as well as to ensure that you caught everything for last year's tax return.

But, before I get to what to do if you find something pertinent to your recently-filed tax return, here's a guide for how long to keep your records…

<u>Tax Returns:</u> Seven years
Richard's Reasons Why:
There are three, actually:
1) The IRS has three years from your filing date to audit your return if it suspects good-faith errors.
2) The three-year deadline also applies if you'd like to make some sort of amendment because you discover a mistake in your return and can claim a refund.
3) The IRS has six years to challenge your return if it thinks you underreported your gross income.
All this adds up to keeping that info for seven years. Beyond that, there's no reason -- except for posterity.

<u>IRA contribution records:</u> Permanently
Richard's Reason Why:
You might need to be able to prove that you already paid tax on this money when the time comes to withdraw.

<u>Bank records:</u> Usually just one year
Richard's Reason Why:

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Richard's Guide to Spring Cleaning—*continued from page 1*

Those related to your taxes, business expenses, home improvements, and mortgage payments will obviously need to be included for next year's taxes. But, unless there is some sort of emotional or posterity reason, get rid of everything after one year.

Brokerage statements: Until you sell
Richard's Reason Why:
To prove whether or not you have a capital gain or loss for tax purposes. This is especially true if you have "non-covered" investments that a broker isn't, or can't, track the basis for you. After this point, shred it.

Household bills: From one year to permanently
Richard's Reason Why:
When the canceled check from a paid utility bill has been returned, you can shred the bill with a clear conscience. However, bills for big purchases -- such as jewelry, rugs, appliances, antiques, cars, collectibles, furniture, computers, etc. -- should be kept in an insurance file for proof of their value in the event of loss or damage.

Credit card receipts and statements: 45 days/Seven years
Richard's Reason Why:
Some families don't even bother to match up their statements, but, if you do so, shred the receipts once you've verified everything. There's no reason to keep everyday receipts – unless they support a deduction -- beyond this point. For tax-related purchases, you need to keep the statements and receipts for seven years -- after that, shred it, baby!

Paycheck stubs: One year
Richard's Reason Why:
This is to verify that when you receive your annual W-2 form from your employer, the information from your stubs match. If so, shred all of the stubs ... if not, request a corrected form, known as a W-2c. After that's been handled -- shred.

House/condominium records: Six years/permanently
Richard's Reasons Why:
You'll want to keep all records documenting the purchase price and the cost of permanent improvements -- such as remodeling, additions, and installations, as well as records of expenses incurred in selling and buying the property, such as legal fees and your real estate agent's commission, for six years after you sell your home.

Holding on to these records is important because any improvements you make on your house, as well as expenses in selling it, are added to the original purchase price or cost basis. Therefore, you lower your capital gains tax when you sell your house.

Now, in this cleaning process, sometimes, you'll find a receipt or documentation which really would have changed your prior year tax return. **That's when you might want to file an Amended Return.** However, this decision should balance the cost of doing so against the expected benefit.

But, here are some other common reasons to amend...

* You neglected to report some income earned.
* You claimed deductions or credits you should not have claimed.
* You did not claim deductions or credits you could have claimed.
* You filed under one filing status, but you should have filed under another.

If you find something like this, let us help you.

Regardless, **let this be a cleansing process for you, and sleep easy knowing you've handled this stuff properly.**

Oh, and make sure you use a good shredder! ※

Looking for Someone You Can Rely On?

We really believe in the process of referrals, so part of the service we provide is to be sure to refer our clients and associates to other qualified businesspeople in the community.

Next, you'll find a list of areas in which we know very credible, ethical, and outstanding professionals. If you're looking for a professional in a specific area we've listed, please feel free to contact us. We will be glad to put you in touch with the people we know who provide these services.

- Air Conditioning Repair
- Veterinarian
- Printer
- Mortgage Broker
- Attorney
- Cultured Marble
- Home Inspector
- Executive Coach
- Realtor
- Financial Planner
- Auto/Home/Life Insurance
- Custom Monogramming
- Travel Agent
- Medicare Benefits
- Supplemental Insurance
- Social Media Marketing
- Auto Repair
- Business Insurance

Eureka! Discovering Unclaimed Property—*continued from page 1*

According to the National Association of Unclaimed Property Administrators, about one in 10 people have unclaimed, missing, or forgotten assets just waiting for them. Some estimates put the unclaimed money and property in the tens of billions of dollars.

Sorry – not all of that's for you, and forgetting about assets doesn't guarantee you'll find them again. But, sometimes leaving property behind is as simple as forgetting to leave a forwarding address for your mail. We all get busy: It happens.

If you think it happened to you, how do you find out?

Doing the work
Claiming unclaimed property does take some work.

Your best starting point is the state where you think the money might be. Most (but not all) state governments have agencies to help find unclaimed property – try a comptroller's office.

State governments do not contact folks regarding lost property, either, so treat any communication you get on this subject out of the blue as a possible scam. Many private companies will claim to be able to help you, too, but there may be little they can do for a fee that you can't do yourself for free … with a bit of legwork.

Where might your property be? Draw up a list of states where you've lived – they're the most likely places you'll find any unclaimed property belonging to you. Don't forget to check for forgotten tax refunds in states where you worked (in a minute, we'll talk about the IRS, too …)

Enter info. Start your search on a state's site by entering your name; if you changed your name through marriage, search under your prior name as well. You'll have to verify your name, address, and other ID info.

File a claim. Each state has its process, but generally, you can start online. Most states also want a signed and notarized paper claim form, copies of your driver's license and Social Security card, and proof of address.

Sometimes you can claim property that involves loved ones or businesses you might have co-owned, but this can be trickier. For example, to claim property for a minor, you might need a copy of the child's birth certificate. For a deceased relative, you'll likely need a copy of the death certificate. With property concerning a business, you'll typically need proof of incorporation or other documents showing your ownership.

Other places to look:

- The U.S. Department of Labor if a former employer broke labor laws;
- The Federal Deposit Insurance Corporation if one of your past banking institutions went out of business;
- The National Association of Insurance Commissioners if you might have unclaimed money in policies.

Uncle Sam can help
We'd be remiss if we didn't mention one of the biggest sources of unclaimed property – none other than the IRS.

The IRS? Sometimes you can find money where you least expect it.

Billions of dollars in unclaimed federal tax refunds are just sitting there for taxpayers like you to file and collect – and not only your refund, but tax goodies (like your share of the Earned Income Tax Credit, if you qualify). Generally, you'll be able to claim refunds and credits going back three tax years if you didn't file a return for one or more of those years. (We can help you with this.)

The IRS has a page (Where's My Refund?) where you can hunt down mailed or electronic federal refunds you maybe never received. You'll need to enter your Social Security number, filing status, and the exact whole dollar amount of your refund. You can call the IRS, too. Though wait times tend to be endless these days, there is an automated system that might help you.

"Of all the things I've lost, I miss my mind the most." – Mark Twain ※

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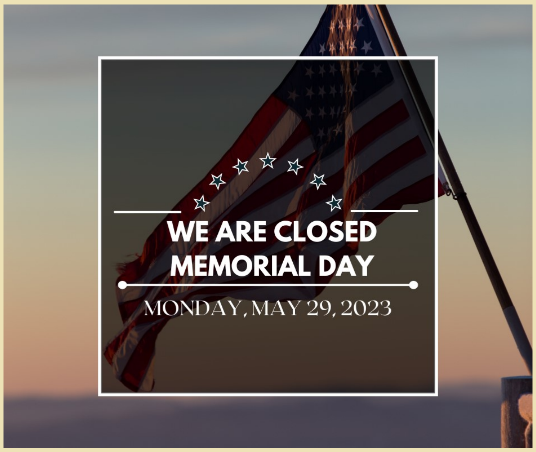

Ten Things to Include in Your Spring Cleaning

If you're like most people, I bet that when you get your house insurance renewal notice, you quickly glance at the price -- and renew it. You renew it simply because you don't have the time to search around for better prices.

In my experience, working with family finances for YEARS, I've learned that most people have a good sense of what needs to be done to improve their finances, but they simply cannot find the time.

So, here's my proposed solution for you: Take a day off work.
In fact, many financial tasks simply cannot be completed in the evening or on the weekend. By taking a day off work, you can contact people who may only be available at regular business hours.

On top of the true bottom line impact a day like this could create, there is, of course, the "mental health" aspect of it all. HR professionals often recommend taking a mental health day, from time to time. Well -- call this your "Fiscal Health" Day.

Possible tasks to consider accomplishing on your day off:
1. Dump your savings account with a puny interest rate and open a high yield savings account.

2. **Get quotes for cheaper insurance:** health, life, auto, house, and any other insurance. And you can even do a little calculating to determine how much you could save by changing your deductible. Even better -- a good, independent broker can do all this shopping for you.

3. **Complete the most important (but not obviously-pressing) financial tasks like making a will. Best done with a professional, by the way.**

4. If you're carrying credit card debt, call the companies **and ask them to reduce your credit card interest rates.** Believe it or not -- they'll often say yes. Take time to develop and formulate a good plan to get out of credit card debt. Find or prepare a debt reduction plan.

5. Get more organized with your finances by shopping around for and using a good personal finance software program. Mint, YNAB, and Quicken are all good options. There are many more.

6. Review your budget, get caught up on your budget, or learn how to budget.

7. Shop around for the best financial planner. Talk with friends, family, and associates, or get a referral from us. Who has done a good job for them? It's not about the cheapest trade prices.

9. Commit to saving for retirement through your work or on your own. Even a little bit saved regularly builds a nest egg.

9. Sell your junk on eBay or Marketplace. Look for junk lying around the house and list it. Or use a service like 1-800-GOT-JUNK and have them come to your house. You just point at the stuff you want to get rid of (warning: this is a little costly, but it can be gratifying).

10. Make sure that your taxes were handled properly. As a complimentary service this year, we will provide a return review to any non-client. We will also review prior year returns from clients who did NOT have us handle their taxes during the year under question. No charge will be made, unless you elect to file an amended return.

Undoubtedly, there are more things which can go on this list, if you're industrious about it. But, simply put, I'm hoping to give you "permission" to see your *financial* health in a similar light as you see your mental health.

"*You can accomplish much if you don't care who gets the credit.*" -*Ronald Reagan*
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