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# Wealthy and Wise!™

The Small Business Advisors Family Letter

Volume IV, Issue 7

Made with Love — “Insider” Tips On Wealthy and Wise Living

February 2011

Inside The Mind of Your Tax Professional...

## Congressional Delays Mean One Wild “Tax Season”!

By Gary Heldt

The weather may be colder, but this “tax season” has been anything but! The tax agreement signed into law by President Obama has meant a lot of interesting tax issues for our clients, and a goodly number of delays (e.g. Schedule A filers have to wait a bit to file).

And clients are calling with questions about paperwork to bring (see the article inside which should clear up most of your questions), new clients are calling and walking in to our doors (see the referral “stimulus” below, and on the back side)...and, well, we’re still loving every minute of it.

As you \*no doubt\* know, this is the “Love” month—and it’s also the month where our firm really starts to get busy. But it’s during the rush of tax season where we get to see first-hand the wonderful clients we serve, the fruits of our labor when these clients are able to take advantage of heretofore unknown deductions, and the big smile on their face when they realize they’re either getting a refund... or their tax bill is way down.

In short, we love what we do. And we love working with YOU.

Give us a shout to make sure you’re all set to come in ASAP (and note the incentive below to come in EARLY!). And we’ll let our warm hearts compensate for the cold weather out there. Thanks, again, for your trust!

# Facebook

Please check Small Business Advisors out on Facebook and become a Fan of Small Business Advisors. Be one of the first 300 fans on our Facebook site and have your name entered into a drawing for an iPad. <http://www.facebook.com/SmallBusinessAdvisors>



Tyler enjoying his time with Madelyn

### Tax Organizers

If you are having problems getting into your online organizer please call the office and we can help you log in to your portal. Make sure you click on the client portal tab. Once you are ready, give the office a call and schedule your appointment or you can just drop your information off for us to prepare your taxes.

### We Love Serving These Valued Clients!

Do You Have Friends That Want To Save on Taxes? We’re so honored by our clients that graciously refer their friends, neighbors and family our way so they, too, can save money on taxes in 2011. During this economy, we each need all the money we can preserve from the IRS! So, “thank you” to you...

Anthony Antonelli

Inside...

- Tax & Finance Corner: A Quick List Of What To Bring To Your Tax Preparation Session
- My Strong Words About True Wealth
- How To Calculate Your Rainy Day Fund
- Really Useful Talents
- Client Trivia Contest—Be Our Next Prize Winner!
- And More!

We Love Our Clients and Friends...So This \$9.95 Newsletter is FREE!

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**YOUR MONTHLY NEWSLETTER IS ENCLOSED**

### Inside February’s Issue...

- My Personal Note: Congressional Delays Mean One Wild “Tax Season”!
- Tax & Finance Corner: A Quick List Of What To Bring To Your Tax Preparation Session
- My Strong Words About True Wealth
- How To Calculate Your Rainy Day Fund
- Really Useful Talents
- Client Trivia Contest—Be Our Next Prize Winner!
- And More!

Once you’re done reading this newsletter, show someone you love them and give them a copy!

## One of History’s Greatest Love Stories

In 1845, Robert Browning was an unknown poet and playwright when he first read Elizabeth Barrett’s volume of poetry titled Poems. He was 32 years old.

Elizabeth Barrett was a well-known poet—and an invalid. She was 39 years old. Browning was so moved by her poetry that he wrote to her “I love your verses with all my heart, dear Miss Barrett...” The two then commenced writing more than 600 letters to each other during the next 20 months.

Elizabeth had suffered from the time she was a teenager from a painful condition that caused uncontrollable spasms of pain and breathing difficulties. She had been a shut-in and a spinster for years. Elizabeth’s father was a very controlling, wealthy man who had forbidden all of his 12 children from ever marrying.

Browning began to court Barrett, but at first she did not take him seriously, thinking that no one would be genuinely interested in her romantically. But Browning was ardent in his desire for Barrett. However, Barrett refused to see Browning for several months.

Elizabeth found it hard to trust Browning’s intentions because she had been isolated for so long and because she questioned the treatment of women inside the institution of marriage. But despite these almost overwhelming obstacles, Browning continued to court her with passion.

Finally, with the encouragement of Browning, Elizabeth left the room where she had spent the previous six years of her life. She began to go outside and live an active life again, and she cut back on the morphine and opium the doctors had prescribed for her painful condition.

In 1846, Barrett married Browning in a secret ceremony (to hide the fact that she was defying her father). When her father found out, he disinherited Elizabeth.

The couple left for Italy in the week after their marriage—and they spent the next 15 years together productively writing. Their courtship inspired some of the most beautiful and romantic poetry ever written.

The most famous line of her poetry was from her courtship period with Browning published in her Sonnets From the Portuguese, it reads, “How do I love thee? Let me count the ways.” Elizabeth died in her husband’s arms in 1861.

## Tyler’s Corner

Hi!

Wow...January was a fast month! Enjoyed the little 2 inch snow storm we had...not much to play in, but it sure was pretty!

I’ve been learning a lot in school. Working on the letters Z, D and V. Also, the colors orange and yellow.

We’re also having a Valentine’s Day party. Can’t wait to make my Valentines and hand them out to all my friends!

My sister is getting big. She loves to smile, especially when I make silly faces at her. She’s almost 12lbs. now and is 24 inches long.

Make sure you call dad’s office to schedule your appointment.

Talk to you next month and Happy Valentine’s Day!

**Tax & Finance Corner: Here's What To Bring To Your Tax Preparation Session****A Quick List To Make The Process Easy**

After putting together this list, I'm aware it can seem quite overwhelming. This is not intended to drown you in paperwork, but we've found our clients and friends appreciate using it as a handy guide to ensuring you keep all the money you deserve to keep under our tax code. Please bring as much of this information as possible when you come to meet with us for your tax preparation process.

**Personal Data**

- \* Social Security Numbers (including spouse and children)
- \* Child care provider tax I.D. or Social Security Number

**Employment & Income Data**

- \* W-2 forms for this year
- \* Tax refunds and unemployment compensation: Form 1099-G
- \* Miscellaneous income including rent: Form 1099-MISC
- \* Partnership and trust income
- \* Pensions and annuities
- \* Alimony received
- \* Jury duty pay
- \* Gambling and lottery winnings
- \* Prizes and awards
- \* Scholarships and fellowships
- \* State and local income tax refunds
- \* Unemployment compensation

**Homeowner/Renter Data**

- \* Residential address(es) for this year
- \* Mortgage interest: Form 1098
- \* Sale of your home or other real estate: Form 1099-S
- \* Second mortgage interest paid
- \* Real estate taxes paid
- \* Rent paid during tax year
- \* Moving expenses

**Financial Assets**

- \* Interest income statements: Form 1099-INT & 1099-OID
- \* Dividend income statements: Form 1099-DIV
- \* Proceeds from broker transactions: Form 1099-B
- \* Retirement plan distribution: Form 1099-R
- \* Capital gains or losses

**Financial Liabilities**

- \* Auto loans and leases (account numbers and car value) if vehicle used for business

**Liabilities (contd.)**

- \* Student loan interest paid
- \* Early withdrawal penalties on CDs and other fixed time deposits

**Automobiles**

- \* Personal property tax information
- \* Department of Motor Vehicles fees

**Expenses**

- \* Gifts to charity (receipts for any single donations of \$250 or more)
- \* Unreimbursed expenses related to volunteer work
- \* Unreimbursed expenses related to your job (travel expenses, entertainment, uniforms, union dues, subscriptions)
- \* Investment expenses
- \* Job-hunting expenses
- \* Education expenses (tuition and fees)
- \* Child care expenses
- \* Medical Savings Accounts
- \* Adoption expenses
- \* Alimony paid
- \* Tax return preparation expenses and fees

**Self-Employment Data**

- \* Estimated tax vouchers for the current year
- \* Self-employment tax
- \* Self-employment SEP plans
- \* Self-employed health insurance
- \* K-1s on all partnerships
- \* Receipts or documentation for business-related expenses
- \* Farm income

**Deduction Documents**

- \* State and local income taxes
- \* IRA, Keogh and other retirement plan contributions
- \* Medical expenses
- \* Casualty or theft losses
- \* Other miscellaneous deductions

**My Strong Words About True Wealth**

Try measuring your wealth by what you are rather than by what you have. Put the tape measure around your heart rather than around your bank account.

—Anonymous

Yes, I see my clients' financials ... but I can't see into hearts. But I wanted to put my "coach hat" on for some. Are you driving yourself nuts trying to acquire things that you can't really afford?

When you catch yourself participating in a nonproductive thought pattern like this one, you should stop and ask yourself whether what you are yearning for will really bring you the happiness and peace of mind we would all like to have. If not, then what's the point of wasting your energy on it? But the mind has a way of tricking us by throwing out such thoughts as—*if I could just buy that Corvette, then I would be happy, it would be so much fun to drive and I know I would look great in it. Or ... if I could just go to Australia, then I would be able to feel worldly and I would be able to tell my friends that I am living an exciting life—and they would all envy me. Or ... if we just had a bigger house, I know we would all be happier. We wouldn't be so underfoot and we'd be able to stay organized.*

But the truth is, take it from me, once most people get these things, they are no more or less happy than before having them. Happiness and satisfaction come from a shift in the way we see things in our lives—and that shift can be slight or monumental, but it changes how we feel about what we already have.

**Thoughts For February**

"The way to succeed is to double your error rate."

—Thomas Watson

"If you wait until all the lights are green before you leave home, you'll never get started on your trip to the top."

—Zig Ziglar

**How To Calculate A Rainy Day Fund**

We recommend our clients carry an emergency fund in case something unexpected like a layoff or injury interrupts your paycheck. Your safety net should cover at least six months' worth of living expenses. Here's how to calculate what you need to save:

- **Gather your financial records for the past 12 months.** Include bank and credit card statements, ATM receipts, and canceled checks.
- **Create a 12-month grid on paper.** Down the left-hand side write all your fixed monthly expenses: mortgage or rent, insurance policies, car payments, utilities, medical expenses, etc. Then add other major spending categories such as food, entertainment, etc.
- **Do some arithmetic.** Use the financial documents you collected to calculate the amount you spent in each category during each month of the past year. Total the expenses for each month and then add them together for a yearly figure.

• **Divide the figure by 12 to determine average monthly expenditures.** Then multiply the average by six (or eight, for a more comfortable safety net). This is how much you should put aside.

In addition to your emergency fund, you should also have on hand an emergency credit card with the largest credit limit you can qualify for. Apply for this card before an emergency hits, as credit card companies are less likely to give you a line of credit when you are without income.

Remember, this is an emergency credit card to be used only when you've gone through all your savings in the emergency fund. Don't use it for any other expenses.

**TRIVIA CONTEST OF THE MONTH!**

We've been passing out gifts like candy! Time for your turn! Be one of the first TEN emailers to gheldt@sbadvisors.cc with a correct answer, and you will automatically be entered into a drawing to win a \$50.00(!) gift certificate to a great restaurant ...on us!

**February's Trivia Contest Question:**

**True or False:**

The internet has "only" been around since 1981.

Contact us right now with your answer!

**Here's why we do this...** even in the midst of tax season, we like to interact with our clients more. We love hearing from you—so we've created a FUN way to do so more!

**January Trivia Contest Answer!**

Last month's question:

It's said you're transformed into an entirely different person every year, due to the actual physical change of atoms in the human body.

What percentage are replaced in our bodies yearly?:

**"A) 98%"** B) 50% C) 77% D) 101%

(Your skin alone is entirely renewed every 35-45 days!)

**WINNER: Dean Harman**

**Will you be next? Contact our office with this month's correct answer.**

**Really Useful Talents**

A woman hired a bricklayer to build a wall outside her upscale home.

Talking with him while he worked, she was amazed to discover he was the brother of a brilliant concert violinist whom she'd recently seen perform.

"Oh, you're so lucky to have such a talented brother," she said.

Then, fearing the man might be sensitive about his manual labor job, she added: "Of course, we can't all be equally talented."

"You said it, lady," the man responded earnestly. "Take my brother. When it comes to doing something important like building a house, he's useless."

**REAL February Events and Facts:**

(...aside from a few "familiar" ones!)

- 1: Hula in the Coola Day
- 1: Spunky Old Broads Day
- 3: **4:21AM EST Winter Half Over!**
- 4: Dump Your Significant Jerk Day
- 5: International Pancake Day
- 10: Man Day
- 11: White Shirt Day
- 14: National "Call In Single" Day
- 20: Northern Hemisphere Hoodie Hoo Day
- 21: Single Tasking Day
- 23: Curling is Cool Day
- 28: Tooth Fairy Day

\*February is...

- National Grapefruit Month
- International Friendship Month

\* February 1, 1790

First meeting of the Supreme Court

\* February 13, 1635

First Public School opens

\* February 16, 1937

Nylon Patented by Dupont

\* February 20, 1962

John Glenn first human to orbit earth

\* February 23, 1945

US Flag raised at Iwo Jima, Japan

***Blessings To You and Your Family This February!***