

# Wealthy and Wise!™

*Appalachian Tax & Accounting, Todd Mussard, CPA*

Volume IV, Issue 4

*Insider Tips On Wealthy and Wise Living—Don't Be a Turkey, And Read Them!*

November 2010



*"When I listen to Mozart, the numbers just seem to crunch themselves."*  
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## **Always Giving Thanks For You...**

*We're honored by our clients that graciously refer their friends, neighbors and family our way so they too can save money on taxes. We'd like to give special thanks to our Wonderful Clients!*

**Steve & Christine Reed**

*Inside these pages ...*

- *Personal Development Corner: Living on 24 Hours A Day*
- *Tax Corner 2011: Simple Steps To Lower Your Tax Bill*
- *Where Salaries Are Rising Today*
- *How To Keep Your Bills Down Over The Holidays*
- **Client Trivia Contest—Win \$50 To Dinner On US!**
- *And More!*

## **Your Friend, Todd Mussard, CPA**

*No Annoying Tax Professional Lingo ... Just Straight, Easy-To-Understand And Follow Expert Advice!*

*Inside The Mind of Your Tax Professional...*

## **Here's What I'm Grateful For, This Month of Looking Back**

By Todd Mussard, CPA

During this season of gratitude, I'm reminded of our firm's many blessings. And, I do NOT take for granted that you have chosen us to walk with you as we give you that kind of advice and help take care of your financial picture, especially around tax time. It's HARD to reveal the kind of personal information that you provide to us, and we don't take it lightly!

Well, it's been a journey as well. As anyone who runs their own business will tell you, it's a giant leap to go out "on your own". I still remember what it was like to take this dream I had for my firm and put it into reality. I was a little bit scared, but I was hopeful. I remember the friends and other business-owners who helped me along the way...and how risky it all seemed.

Well, the risk DID pay off, and I'm happy about what we've been able to create around here. Now **we** get to be the ones helping people pursue THEIR dreams.

For a new business owner, the first step seems really big... until the next step comes! And then you realize that running a business is a series of these decisions...you become a good risk-taker, if you stay in it for long.

But it sure helps to have somebody with a cold, clear eye to make sure you know what you're getting into.

Which brings me to what I'm thankful for this November, as a business owner...and hopefully as your friend.

As I gather at my table with family and friends...I **am thankful for you**. Thank you for your trust, for your business year after year...and for making my first step into running a firm "way back when" so rewarding.

And what I'm excited about as we head towards the end of 2010...well, here's to helping YOU keep the IRS off your back in 2011!

**Our Yearly Thanksgiving Program:**

**One-A-Day November**

*See the back, below the mailing panel, for more details. **Only one per day!** What day will be*

## *Personal Development Corner : Living on 24 Hours A Day*

### *By Todd Mussard, CPA*

In 1910, Arnold Bennett wrote one of the first self-help time management books, [How to Live on 24 Hours a Day](#). In my teenage years it was my favorite non-fiction book, and I still live by some of its lessons.

From Bennett's book I learned even though they say, "time is money," it isn't true. Time is so much more than money. If you have time, you can acquire more money. But money can't buy you more time. Time is a great equalizer. You can't go into time debt. Every day the rich and the poor alike are given twenty-four hours to spend.

The first step is listing all the goals you would like to accomplish. Just putting your goals down on paper doubles the chance of achieving them. You will find that the way you are currently spending most of your time does not working toward your goals.

Don't put off the things that truly matter to you until you have more time. You will never have any more time than what you are given each day. Instead, you have to learn how to spend your time on the things that matter most.

When budgeting your time you need to take your whole life into account. Start by listing all the regular activities that are important to your wellbeing. Include your family, chores, recreation, and exercise as well as work related tasks. Then add in the tasks that will help you achieve your goals. Then allocate a portion of your time to each important activity.

It is best to make habits of the most important uses of our time. Habits work best when they fit into a routine in the normal cycle of time. Routines can be daily, weekly, monthly, quarterly or yearly. If every task has its own time, you won't feel as conflicted with multiple tasks.

## ***Tax Corner 2011***

### **Simple Steps To Lower Your Tax Bill**

*Here's eleven simple things you can do before the end of the year to keep your income taxes as low as possible next year. And, we can help!*

#### ***Work on those Tax Deductions...Timing Can Be Everything***

1. **Consider an extra mortgage payment.** The extra interest you pay will be added to this year's mortgage interest by your lender, boosting your itemized deductions.
2. **Pay your property taxes right now (not next year).** Real estate taxes are tax deductible. If your property tax bill is due in early 2011, you might want to pay it now and take the deduction.
3. **Donate to charity—it's ok to do good and save at the same time!** It pays to be charitable, especially at the end of the year. Donating cash is always a good idea. You can also donate household goods, clothing, and other items. Under the *Pension Protection Act*, you will need a written receipt for all charitable donations, and donated items must be in good or better condition. You can also deduct the cost of driving for charity at 14 cents per mile. You cannot take a deduction, however, for the value of your time or services when volunteering.
4. **Take care of those medical bills!** Pay doctors, insurance premiums, buy eyeglasses, or stock up on prescription medications. You can take a deduction for medical expenses exceeding 7.5% of your adjusted gross income.
5. **FOR BUSINESS OWNERS: Boost business expenses.** Business owners and independent contractors can buy office supplies, invest in new equipment, or pay bonuses to their employees. They should also review their retirement plans or decide about setting up a retirement plan. Many retirement plans need to be established by the end of the

For example, set aside Saturdays for household chores and Sunday as a day of rest. Schedule your most important work for Monday mornings. If it can't be finished on Monday, the remainder of the work is still available. Each responsibility has a day and time when it receives top priority.

Assuming the weekly work is done, set aside time on Fridays for reviewing your goals and how to use your time more effectively. Many tasks can be streamlined, automated, or eliminated entirely.

It is a small portion of what we do that accounts for the majority of what we accomplish. Time management involves taking each task and making the decision to do it, delegate it, or dump it. Wisdom in business lies in finding those activities where our time is the most effective, and then structuring our work around those activities. As our business matures, everything else should ultimately be delegated or dumped.

Daily routines provide a chance to balance work with personal life. When you are in business for yourself you can take the afternoon off to coach your daughter's soccer team, but you can also work until two in the morning. Projects can easily swamp whatever time you allow them to take.

Successful small business owners learn to finish projects quickly. Make it your habit to do the best you can in the moment you are in with what you have available. Learn the principle of "good enough" and you will learn how to finish projects in a timely way.

In addition to daily and weekly routines schedule occasions for tasks that span longer times. Determine the frequency of a task and then put it on your schedule. Annual events should be given a specific time of the year when they are to be accomplished.

year if owners want to make tax-deductible contributions for 2010.

6. **Get Your Papers In Order NOW.** Good record-keeping can really pay off at tax time. Not only will it make your tax preparation easier and faster, but you might uncover enough tax deductions to be able to itemize. More importantly, the IRS will require receipts and other records in the event of an audit. Plus, it helps us out A LOT!

#### ***For Investors...***

7. **Sell losing investments to offset capital gains.** Investors can lower their capital gains taxes by selling securities that have lost money. Losses offset gains dollar for dollar, and losses in excess of your gains can be deducted, up to a certain amount per year.
8. **Wait to invest until after the ex-dividend date.** Avoid buying mutual funds held in taxable accounts until after their ex-dividend date. You'll avoid paying capital gains tax on the dividend.
9. **Max out your retirement savings.** Contributions to a retirement plan reduce your taxable income.

#### ***Advanced Tax Strategies...***

10. **Make the most of your Flexible Spending Account.** You should use up any funds in your Flexible Spending Accounts, or risk losing that money forever. Use your FSA funds to buy eyeglasses, medications, or get a checkup.
11. **Avoid the gift tax** by giving \$13,000 or less per year per person. Gifts over that amount will reduce your lifetime gift tax exclusion, and gifts over the exclusion will be taxed to the giver. (Giving is a tax strategy used by taxpayers who are facing a potential estate tax bill and need to remove assets from their taxable estate)

**Most importantly, meet with us this month to plan –  
this is what we do!**

## Where Salaries Are Rising

Are you up for a pay raise? The answer may depend on what job you've got. According to my review of *Monster.com*, here are some professions that are likely to see higher salaries this year:

- **Compliance experts.** Increased Wall Street regulation means more demand for people to ensure businesses are following the rules.
- **Debt collectors.** Blame the recession? Maybe. Credit and collections professions will see their pay rise as consumers struggle with credit cards and loans.
- **Web developers.** Companies will be looking to hire and retain developers with expertise in HTML 5, a new version of the language used to create websites.
- **Revenue producers (nonprofit).** Funding is harder and harder to come by in the nonprofit sector, so grant proposal writers and anyone else who can bring in money will be highly sought after.
- **Financial analysts.** As the economy slowly recovers, businesses looking to expand need advice from financial experts on making acquisitions and launching initiatives.

### Memorable Thoughts For November

Always bear in mind that your own resolution to succeed is more important than any one thing.

—Abraham Lincoln

Think like a wise man, but communicate in the language of the people.

—William Butler Yeats

## Keeping Your Bills Down Over Holidays

Holiday time usually means higher utility bills for most households, especially if you are preparing large meals. But you can help reduce those extra costs with the following practices:

- **Don't preheat your oven.** Roasting a turkey or ham is a long, slow process, so preheating is usually unnecessary.
- **Keep the oven closed.** When you open your oven door, a significant amount of heat can escape and your oven temperature can drop by 25 degrees. Use the oven light to peek inside instead.
- **Bake more than one item at a time.** Just make sure you leave enough room around each dish for air to circulate in your oven. If you use glass or ceramic pans in your oven instead of metal ones, you can reduce your baking temperature by 25 degrees.
- **Match the pan to the burner on electric stoves.** If you use a 6-inch pan on an 8-inch burner, you can waste up to 40 percent of the energy used.
- **Keep your refrigerator closed.** Your refrigerator can account for up to 15 percent of your home's total energy use. Keep the door closed as much as possible. It is more efficient to keep the door open a little longer and retrieve several items at once than it is to open the door several times for shorter periods.
- **Use your dishwasher efficiently.** When you use your dishwasher, run it only when you have a full load, and use cold water to rinse the dishes before you put them in the dishwasher.

## TRIVIA CONTEST OF THE MONTH!

We've been passing out gifts like candy! **Time for your turn!** Be one of the first TEN callers 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!

### November's Trivia Contest Question:

**True or False:**

Blue-orange is the most common type of color blindness.

*Call our office right now with your answer!*

**Here's why we do this...** even outside "tax season", we like to interact with our clients more. We love it when you call—so we've created a FUN way for you to call us more!

### October Trivia Contest Answer!

Last month's question:

*What is America's most popular drug (by far)?*

- a) Sugar    **b) Caffeine**    c) Ibuprofin    d) Candy Corn

*(More than half of all American adults consume more than 300mg of caffeine every day.)*

## How NOT To Be An Office Gnat

No one likes an annoying pest, especially at work. Obviously you'd never commit any of these obnoxious behaviors, but don't take any chances. Stay away from these common, petty workplace no-nos (*and I promise this is NOT because of a particular person in my office!*):

- Speaking too loudly on the phone.
- Playing music in your cubicle—at any volume.
- Eating food that isn't yours from the workplace fridge.
- Finishing the coffee without making more.
- Complaining about how busy you are to your co-workers, without actually doing any work.
- Gossiping.
- Missing deadlines, whether it's for your boss or a colleague.
- Adopting a negative, defeatist attitude about your organization.

### REAL November Events and Facts:

(...aside from the obvious of course...)

- 2: Nat'l Deviled Egg Day
- 6: Nat'l Men Make Dinner Day
- 7: Hug-A-Bear Day
- 8: International Tongue Twister Day
- 14: Nat'l Clean Out Your Refrigerator Day
- 15: Nat'l Bundt (Pan) Day
- 17: Take A Hike Day
- 21: World Hello Day
- 28: Flossing Day
- 30: Stay At Home Because You're Well Day

\*Nov. 4, 1922  
*King Tut's tomb discovered*

\*Nov. 10, 1969  
*Sesame Street debuted*

\*Nov. 16, 1533  
*Fall of the Incan Empire*

\*Nov. 17, 1805  
*Lewis & Clark reached the Pacific*

\*Nov. 19, 1863  
*Abraham Lincoln delivered Gettysburg Address*

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

# Wealthy and Wise!

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**YOUR MONTHLY  
NEWSLETTER IS  
ENCLOSED**

## Inside November's Issue...

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- *Personal Development Corner: Living on 24 Hours A Day*
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**Once You're Done Reading This Newsletter, Please Pass It To Your Next-Door Neighbor...They'll THANK**

## **Eyewitness Accounts At Thanksgiving**

*Thanksgiving is a hugely significant holiday in my family, and we've always spent time looking at history. Here are a couple eyewitness accounts I pulled together, and thought you would enjoy...*

"They began now to gather in the small harvest they had, and to fit up their house and dwelling against winter, being all well recovered in health and strength and had all things in good plenty. For as some were thus employed in affairs abroad, others were exercised in fishing, about cod and bass and other fish, of which they took good store, of which every family had their portion. All the summer there was no want; and now began to come in store of fowl, as winter approached, of which this place did abound when they came first (but afterward decreased by degrees). And besides waterfowl there was great store of wild turkeys, of which they took many, besides venison, etc. Besides, they had about a peck of meal a week to a person, or now since harvest, Indian corn to that proportion. Which made many afterwards write so largely of their plenty here to their friends in England, which were not feigned by true reports."

—William Bradford, in *Of Plymouth Plantation*

"Our harvest being gotten in, our governor sent four men on fowling, that so we might after a special manner rejoice together after we had gathered the fruits of our labor. They four in one day killed as much fowl as, with a little help beside, served the company almost a week. At which time, amongst other recreations, we exercised our arms, many of the Indians coming amongst us, and among the rest their greatest king Massasoit, with some ninety men, whom for three days we entertained and feasted, and they went out and killed five deer, which we brought to the plantation and bestowed on our governor, and upon the captain and others. And although it be not always so plentiful as it was at this time with us, yet by the goodness of God, we are so far from want that we often wish you partakers of our plenty."

—Edward Winslow, in *Mourt's Relation*

## **Don't Fear Tax Time!**

Yes, Many families and individuals approach the tax "season" with trepidation...not clear on if they've done everything to avoid having to pay through the nose in taxes.

It does NOT have to be that way.

*How About We Help You*  
**Keep MORE of YOUR Money?**

*Starting November 9th...*

## **One-A-Day-November!**

### ONE Tax Planning

### Consultation Per Day will be

### HALF OFF (!)

### What is Tax Planning?

*It's when we meet with you NOW (with*