

Financial Goals

1. Revisit your budget or create a new one. Year-end is an ideal time to assess spending and determine if a budget adjustment will help you meet your financial goals.
2. Consider starting the New Year with less paper by switching to electronic versions of paper statements.
3. Evaluate accounts before year-end to see if any can be closed or consolidated. Eliminating extra accounts will mean fewer 1099s.
4. Automate routine bill payments to eliminate service interruptions. Create a bill checklist to be sure critical payments are not overlooked. For instance if an insurance bill was lost in the mail, is there a trigger that would remind you when payment is due?
5. Create an emergency cash fund to cover 3-6 months' worth of living expenses. One option is to put a specific amount from each paycheck into a separate account, using automatic transfers. Alternatively, you can use bonus checks, rebates or tax refunds to fund your "rainy day account".
6. Evaluate your filing system. The New Year is an ideal time to evaluate ways to improve access to critical information.
7. Review all financial documents including mortgage, retirement plans, Health Savings Accounts (HSA) and other investments to determine if changes are required to adequately diversify and be tax efficient. Also, review auto and home insurance coverage to see if you can save money by having your coverage with the same company.
8. If you receive a pay raise, consider putting the extra money in a savings account or use it to pay down credit card debt.
9. Monitor your credit report. Request your Free Credit Report and fix any errors.
<https://www.annualcreditreport.com/index.action>
10. Be sure to update your estate documents, e.g. wills, trusts, power of attorney for health care and for finances, and child's guardian. Also, make sure named beneficiaries on all life insurance policies and financial documents are current.

Tax Prep Tips continued on next page

Tax Prep Tips

1. Label and set aside a large manila folder or envelope for tax related information (W-2s, 1099s, year-end bank, property and investment statements, medical and dental expenses, education expenses). When you receive a tax form in the mail, review it to make sure it is correct and place it in the folder or envelope.
2. Decide if you are going to do your own taxes using an online program such as Turbo Tax or hire a CPA. If using an online program, make sure it is easy to understand and excellent customer service is available.

If hiring someone to do your taxes, find out their deadline to have documents delivered to them for filing. If you wait too long to get your information to the tax professional, they may not be able to file your taxes on time and an extension will need to be filed. *This is important in the event you owe for the tax year as penalties and interest will be added to the unpaid tax on a daily basis after April 15th.*

3. Review previous year's tax return and review Schedule B for interest and dividends paid to make sure these are included in current year. Also, check Schedule A for last year's deductions.
4. Review credit card and bank statements for possible deductions at tax time.
5. Request printout from your pharmacy of drugs purchased for the taxable year.
6. Make sure Required Minimum Distribution (RMD) is taken by the year-end.
7. If you plan to itemize charitable contributions on your taxes, it's important to gather all receipts for these donations; include the date donated, a description of the items, the fair value and the approximate purchase price and date.
8. To claim the childcare credit, you should gather the information for the amount paid, who you paid and their social security number or employee identification number.
9. Remember to file both state and federal taxes.

About the American Association of Daily Money Managers (AADMM)

AADMM is a national membership organization representing individuals and businesses in the growing profession of daily money management. These professionals provide financial services to seniors and older adults, people with disabilities, busy professionals, high net worth individuals, small businesses and others. AADMM's mission is to support daily money management services in an ethical manner, to provide information and education to members and the public, and to develop a network of dedicated professionals.

To speak with a Daily Money Manager in your area, email communications@aadmm.com.