

A little planning keeps the receipts from raining down at tax time

by Scott Lebin

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“It’s Raining Cats and Dogs” suggests that we need to be ready for the unexpected. Certainly this winter we have seen extremes in weather that were not predictable at the beginning of the season. Planning for our financial future can often meet the same kind of unexpected twists and turns that life brings.

If we really expected cats and dogs to drop from above, we would certainly prepare ourselves with something other than a flexible cloth umbrella. We might decide not to go outside until the animal deluge stopped. However, spring always seems like a very hopeful time and we probably are not preparing for an animal deluge.

Things start growing, the air gets warmer and we can shed our heavier winter outer garments for comfortable lighter weight clothes. The outdoors becomes more accessible and we actually see more of our neighbors than we did in the coldest months of the winter. We actually are looking forward to the new cycle of spring and summer.

This is also a time to rethink our financial process for 2013 and 2014. It is the time when we approach tax day that we discover certain actions that we should take right now for the same event that will take place next year in 2014. As we search for information for our accounts or to prepare our own tax returns, we

realize that the task would have been easier if we had a process to save many of the documents we need for this year rather than having to spend time now searching for what is needed to complete our tax returns.

One technique is to use envelopes to provide for our various receipts for our tax deductible charitable contributions, out-of-pocket medical expenses, state and federal tax refunds, deductible work related automobile mileage, 1099 and other tax forms, and home improvement expenses. However, now that technology is so user friendly we can also save many of the items on our phones with apps that will provide not only for the documentation of expenses but will also help categorize them for us. We can take pictures of the receipts with our phone or iPad cameras and keep them in a file to download next year as we approach the 2014 tax preparation time.

The worst case scenario next year would be that our phone crashed and we lost our data. That’s why we will take a moment every month as part of our process to do a print out of our expense report and keep it in a folder so that we will have it next year. There are also software applications that will download the information from our phones or iPads to our computers so that we automatically have another back-up

of our data.

Part of any useful planning is to develop and process that becomes habit and solves the issues we are trying to avoid. The good news is that once we plan for what we want it is much easier to accomplish our goals.

It has never in reality rained “Cats and Dogs” in Geneva. In the same way that we can prepare for our tax planning in 2014 to make it easier and diminish the frustration of filing our 2014 tax returns, we can also prepare for a great year ahead by getting our calendars out and scheduling Swedish Days, The Geneva Art Fair, Festival of the Vine and the Geneva House Walk for 2013. If we get those dates on our calendar now, we will be available to participate in the things we know are happening and we will be as ready to enjoy the great events in Geneva in 2013. It’s Raining Festivals and Good Times in Geneva in 2013. Find a list of upcoming festivals at genevachamber.com. ●

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