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Our office will be closed on the following days:
Thursday, November 27
Friday, November 28
Wednesday, December 24 at noon
Thursday, December 25
Wednesday, December 31 at 3pm
Thursday, January 1

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Is It Time to Invest in Yourself for a Change?

Retirement. College. An emergency fund. Home repairs. Check, check, check, and check. If you've been saving faithfully each month for some or all of these things, you might feel as though you're on a never-ending financial treadmill. There's no question it takes discipline, perseverance, and sacrifice to maintain a robust savings effort year, after year all while meeting your current financial obligations.

But with such focus, it's possible to get into a rut--a rut of always saving for the future with nothing left for today. If so, it might be time to take a step back and focus on the present. If you can't remember the last time you felt rejuvenated, energized, or inspired in your day-to-day life, consider investing in a new asset: yourself. In fact, focusing on yourself from time to time might just give you the extra motivation you need to stick with your long-term savings plan. Think of it as seeing the trees instead of the forest for a change.

Imagine you find yourself with a small windfall, maybe $500 to $2,500 from a tax refund, work bonus, reimbursement from a health or dependent care flexible spending account, or a cut in discretionary expenses. Here are some ideas on how to spend it--on yourself.

Focus on your health and well-being

Are you feeling a bit sluggish or stressed out? Having trouble sleeping? Watching the pounds creep on little by little each year? Make an effort to focus on your health and well-being. Staying active is critical to maintaining good physical and mental health. Regular exercise can help control your weight, prevent disease, improve your mood, give you more energy, help you sleep better, and generally make it easier for you to tackle all the things--financial and otherwise--on your plate each day.

To get on the health track, you could join a gym; work with a personal trainer or nutritionist; sign up for a yoga, weight, or spinning class; or buy some home exercise equipment and workout gear and start training for trips around the block or a 5K. Sore muscles? Chronic backache? Neck pain from working at a computer all day? Maybe it's time to see a physical therapist and invest in a new ergonomic office chair.

What about your diet? Do you frequently eat on the run? Rely too much on processed foods? Maybe it's time to invest in some new kitchen equipment, cookbooks, or even a cooking class so you can try new recipes and discover dishes you enjoy.

Along with better physical health, could you benefit from some inner peace and quiet? Consider creating a meditation spot inside or outside your home where you could go to relax, read, or reflect on your day--a bench under a favorite tree, a new chair next to the fireplace, or a small desk tucked away in a corner.

Expand your horizons--literally and figuratively

Do you feel like Bill Murray in *Groundhog Day,* living the same day over and over? Doing something outside your normal routine can shake out the cobwebs and give you fresh inspiration. Take a weekend trip to a new destination, enroll in an adult continuing-education class, or get involved in a new project or hobby and see how much fun a new creative outlet can be.

Think about sweat equity, too. You might tackle a home improvement project or help out on a local volunteer effort.

Get up-to-date

Still wearing clothes from your 20s? Have an old laptop or phone with outdated technology? Still wearing a 10-year-old pair of glasses? Maybe it's time to update to something newer.

When you have many financial obligations and family commitments, it's easy to put yourself last. But occasionally, it's important to do something for yourself. In addition to the immediate benefits, investing in your health and interests might pay off in the future in the form of lower health-care costs, a wider social network of friends, and a potential way to earn some extra money in retirement.

10 Basic Tax To-Dos for the Rest of 2014

Here are 10 things to consider as you weigh potential tax moves between now and the end of the year.

1. Make time to plan

Effective planning requires that you have a good understanding of your current tax situation, as well as a reasonable estimate of how your circumstances might change next year. There's a real opportunity for tax savings when you can assess whether you'll be paying taxes at a lower rate in one year than in the other. So, carve out some time.

2. Defer income

Consider any opportunities you have to defer income to 2015, particularly if you think you may be in a lower tax bracket then. For example, you may be able to defer a year-end bonus or delay the collection of business debts, rents, and payments for services. Doing so may enable you to postpone payment of tax on the income until next year.

3. Accelerate deductions

You might also look for opportunities to accelerate deductions into the 2014 tax year. If you itemize deductions, making payments for deductible expenses such as medical expenses, qualifying interest, and state taxes before the end of the year, instead of paying them in early 2015, could make a difference on your 2014 return.

Note: *If you think you'll be paying taxes at a higher rate next year, consider the benefits of taking the opposite tack--looking for ways to accelerate income into 2014, and possibly postponing deductions.*

4. Know your limits

If your adjusted gross income (AGI) is more than $254,200 ($305,050 if married filing jointly, $152,525 if married filing separately, $279,650 if filing as head of household), your personal and dependent exemptions may be phased out, and your itemized deductions may be limited. If your 2014 AGI puts you in this range, consider any potential limitation on itemized deductions as you weigh any moves relating to timing deductions.

5. Factor in the AMT

If you're subject to the alternative minimum tax (AMT), traditional year-end maneuvers such as deferring income and accelerating deductions can have a negative effect. Essentially a separate federal income tax system with its own rates and rules, the AMT effectively disallows a number of itemized deductions, making it a significant consideration when it comes to year-end tax planning. For example, if you're subject to the AMT in 2014, prepaying 2015 state and local taxes probably won't help your 2014 tax situation, but could hurt your 2015 bottom line. Taking the time to determine whether you may be subject to AMT before you make any year-end moves can save you from making a costly mistake.

6. Maximize retirement savings

Deductible contributions to a traditional IRA and pretax contributions to an employer-sponsored retirement plan such as a 401(k) could reduce your 2014 taxable income. Contributions to a Roth IRA (assuming you meet the income requirements) or a Roth 401(k) plan are made with after-tax dollars, so there's no immediate tax savings. But qualified distributions are completely free from federal income tax, making Roth retirement savings vehicles appealing for many.

7. Take required distributions

Once you reach age 70½, you generally must start taking required minimum distributions (RMDs) from traditional IRAs and employer-sponsored retirement plans (an exception may apply if you're still working and participating in an employer-sponsored plan). Take any distributions by the date required--the end of the year for most individuals. The penalty for failing to do so is substantial: 50% of the amount that should have been distributed.

8. Know what's changed

A host of popular tax provisions, commonly referred to as "tax extenders," expired at the end of 2013. Among the provisions that are no longer available: deducting state and local sales taxes in lieu of state and local income taxes; the above-the-line deduction for qualified higher-education expenses; qualified charitable distributions (QCDs) from IRAs; and increased business expense and "bonus" depreciation rules.

9. Stay up-to-date

It's always possible that legislation late in the year could retroactively extend some of the provisions above, or add new wrinkles--so stay informed.

10. Get help if you need it

There's a lot to think about when it comes to tax planning. That's why it often makes sense to talk to a tax professional who is able to evaluate your situation, keep you apprised of legislative changes, and help you determine if any year-end moves make sense for you.

AMT "triggers"

You're more likely to be subject to the AMT if you claim a large number of personal exemptions, deductible medical expenses, state and local taxes, and miscellaneous itemized deductions. Other common triggers include home equity loan interest when proceeds aren't used to buy, build, or improve your home, and the exercise of incentive stock options.

IRA and retirement plan contributions

For 2014, you can contribute up to $17,500 to a 401(k) plan ($23,000 if you're age 50 or older) and up to $5,500 to a traditional or Roth IRA ($6,500 if you're age 50 or older). The window to make 2014 contributions to an employer plan generally closes at the end of the year, while you typically have until the due date of your federal income tax return to make 2014 IRA contributions.

What's All the Talk about Crowdfunding?

Investors and business owners stay tuned ... Final regulations are scheduled to be released by the SEC later this year.

Businesses considering crowdfunding as a way to raise money will need to weigh the potential risks and gains. For more information, business owners can view a crowdfunding tutorial available at the Small Business Administration's website, [www.sba.gov.](http://www.sba.gov)

If you're a small business owner in need of financing, someone who looks for innovative investing opportunities, a fundraiser looking for ways to reach greater numbers of budding philanthropists, or simply someone who follows technological trends, you have probably heard the term "crowdfunding." A concept that has been gaining popularity in recent years, crowdfunding refers to a process of raising money for a business, cause, or project via low-dollar contributions over the Internet. For example, movie director Spike Lee used crowdfunding to help fund his latest film, while winter Olympians used crowdfunding to help get to Sochi and pursue their dreams. So what is crowdfunding, and what opportunities exist for business owners and investors?

History of crowdfunding

Crowdfunding--or "crowdsourcing" as it was originally known--started more than a decade ago when fans of a UK-based rock band started an effort to help the band finance a tour through online donations. After that first successful endeavor, the band used the same method to finance other recording and promotional projects. Other artists followed suit, and crowdsourcing became a popular way for budding artists to bring their visions into being.

Shortly thereafter, online portals began to crop up to help organizations in both the nonprofit and for-profit sectors raise money via the Web. Through these companies, donors typically commit funds in exchange for small rewards or perks (e.g., discounted products and tickets to events). Alternatively, some crowdfunding platforms facilitate loans, while others facilitate equity arrangements for "accredited" investors (generally those with incomes greater than $200,000 and net worths greater than $1 million, excluding the value of their homes). Even scientists and academics have entered the arena, using crowdfunding as a way to generate funding for research projects.

In 2010, a small group of entrepreneurs organized a lobbying initiative and approached Washington about using crowdfunding as a means for small businesses to raise money by selling equity investments to nonaccredited (i.e., everyday) investors. Their efforts helped spur passage of the Jumpstart Our Business Startups (JOBS) Act, signed by President Obama in April 2012. Among the provisions in the law was one that allows businesses to raise up to $1 million by selling securities to nonaccredited investors through a brokerage or online portal approved by the Securities & Exchange Commission (SEC). The SEC was then tasked with drafting and implementing the specific regulations. In October 2013, the commission released its proposed rules for comment. Final regulations are expected later in 2014.

Summary of proposed rules

The proposed rules limit the amounts that companies can raise and individuals can invest:

- A company can raise up to $1 million over a 12-month period via crowdfunding
- Investors can invest up to certain amounts over a 12-month period based on their annual income and net worth. Those with an annual income *and* net worth of less than $100,000 can invest up to $2,000 or 5% of their annual income or net worth, whichever is greater. Those with an annual income *or* net worth of $100,000 or more may invest up to 10% of their annual income or net worth, whichever is greater, up to a maximum of $100,000 in securities purchased via crowdfunding over the 12-month period.

The proposal also provides parameters for the type of information a business needs to provide to the SEC, potential investors, and the organization facilitating the online offering. The required information includes:

- Information about officers, directors, and those who own 20% or more of the company
- A description of the company's business and how the crowdfunding proceeds will be used
- The total funding target, the public offering price, the deadline for reaching the funding target, and whether the company intends to accept amounts over the funding target
- A description of the company's financial condition, as well as financial statements that may have to be audited and accompanied by the organization's tax returns

Companies using crowdfunding would then need to provide an annual report to both the SEC and its investors.

In addition, organizations that facilitate the crowdfunding investments--or "intermediaries"--would need to follow specific rules, including:

- Provide educational materials for investors
- Take steps to reduce the chances of fraudulent activity
- Provide access to information about the business raising funds and its offering
- Offer communication channels to allow discussions about the various offerings listed
- Facilitate the offer and sale
- Register with the SEC

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I'M AFRAID THERE'S NOTHING I CAN PRESCRIBE FOR PERSONAL FINANCIAL DISORDER.

I'm looking to buy a home. What are some common mortgage mistakes to avoid?

Navigating the complex world of mortgages can be difficult. As a result, it's easy to make mistakes when applying for a mortgage loan.

Here are some common mortgage mistakes you should try to avoid:

- *Taking on a mortgage that is too big for you to handle.* The mortgage you are qualified or preapproved for isn't necessarily how much you can afford. Be sure to examine your budget and lifestyle to make sure that your mortgage payment--including any extras, such as mortgage insurance--is within your means.
- *Neglecting to read the fine print.* Before you sign any paperwork, make sure that you fully understand the terms of your mortgage loan and the costs associated with it. For example, are you are applying for an adjustable-rate mortgage? If so, it's important to be aware of how and when the interest rate for the loan will adjust.
- *Overlooking your credit.* A positive credit history may not only make it easier to obtain a mortgage loan, but potentially could also result in a lender offering you a lower interest rate. Be sure to review your credit report and check it for inaccuracies. You may have to take the necessary steps to improve your credit history, such as paying your monthly bills on time and limiting credit inquiries on your credit report (which are made every time you apply for new credit).
- *Putting down too little.* While it is possible to obtain a mortgage with a minimal down payment, a larger down payment may help you get more attractive mortgage terms. In addition to requiring private mortgage insurance, lenders generally offer lower loan limits and higher interest rates to borrowers who have a down payment of less than 20% of a home's purchase price.
- *Forgetting to shop around.* Be sure to shop around among various lenders and compare the types of loans offered, along with the costs and rates associated with those loans. Consider each lender's customer service reputation as well.