ACHIEVING SUCCESS BEGINS WITH

THE INSIGHT EDITION

accounting group

INSIGHT

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Simple steps can lead to growing savings

You've probably heard the expression, "a penny saved is a penny earned." Ben Franklin's simple guidance has provided the foundation for savings plans for generations of Americans. His advice remains sound today, but economic conditions and financial demands may cause your savings to get off track.

Getting back on track – and sooner rather than later – is important. Why? You can reap benefits thanks to the effects of time. The earlier you put cash into a prudent savings plan, the more time can help increase its value. If you're having problems getting started, Ben Franklin is credited with another saying that applies: "Be honest with yourself." Have recent economic events slowed or stopped your savings efforts? Have constant changes to tax laws and the magnitude of investment choices added to your confusion? If your answer to either question is yes, it is time for both an attitude and a strategy change. Here are suggestions.

Set goals. Receipt of a sum of money – such as a tax refund – is a good time to make financial resolutions, including improving your savings self-discipline. Start by deciding how much you want to accumulate and how long you have to do it.

Save more money. Next, resolve to put money into a savings account on a regular basis. Consider automatic withdrawals from your paycheck or checking account to make this happen. You can also take advantage of tax-deferred retirement plans and employer-matched savings plans. This includes IRAs and retirement plans at work, such as SIMPLE and 401(k) plans. Using these plans to save may generate additional cash from the saver's tax credit or an employer's matching contribution.

Control spending. Finally, resolve to be more prudent with expenditures. Establishing a spending budget is a good place to start. Watching your savings grow and knowing you'll be able to pay for an important future goal is rewarding.

We can help you set financial goals and assist you in devising a savings plan to meet them. Contact us for a financial checkup.

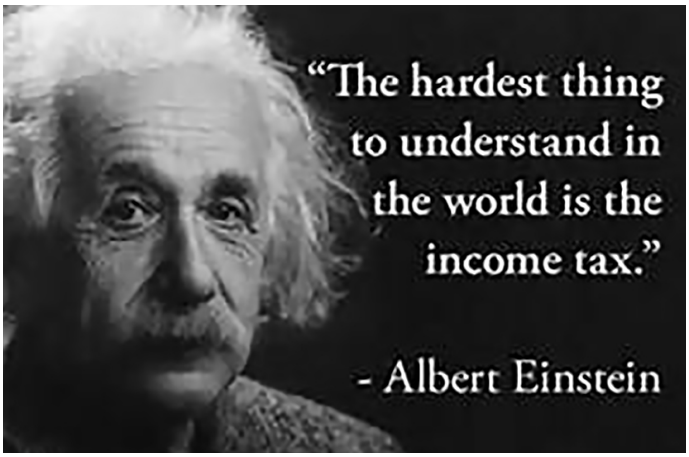
Tax-exempt organizations have an upcoming filing requirement

Tax-exempt organizations are required to file annual reports with the IRS. Those with gross receipts below $50,000 can file an e-Postcard (Form 990-N) rather than a longer version of Form 990.

The deadline for nonprofit filings is the 15th day of the fifth month after the year-end. For calendar-year organizations, the filing deadline for 2015 reports is May 16, 2016.

Update your tangible property expensing policy

In 2013, the IRS issued regulations clarifying when tangible real and personal business property can be expensed. The regulations provided safe harbors that let you deduct certain costs you'd otherwise have to capitalize. For example, using a de minimis safe harbor, you could elect to deduct individual capital expenditures of $500 or less if your business did not have an "applicable financial statement." (In general, an applicable financial statement is a financial statement based on a certified audit by an accounting firm.) Effective beginning with 2016 taxable years, this safe harbor has increased to $2,500 per invoice or item. In addition, the IRS says it will not contest similar treatment in audits of earlier years. You should maintain an annual capitalization policy in writing in order to document your Company's election. Keep in mind that you do not have to increase your policy to $2,500, and there may be financial reporting reasons that would make a lower expensing policy more appropriate for your business. Please give us a call if you would like to evaluate your options further.



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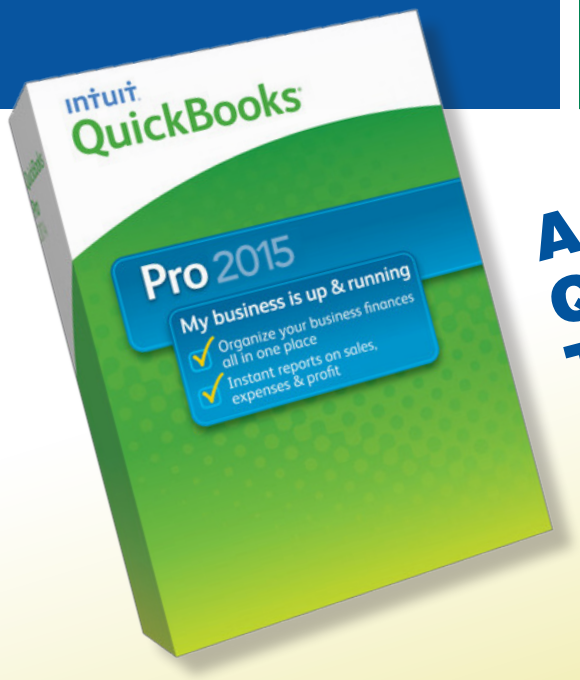
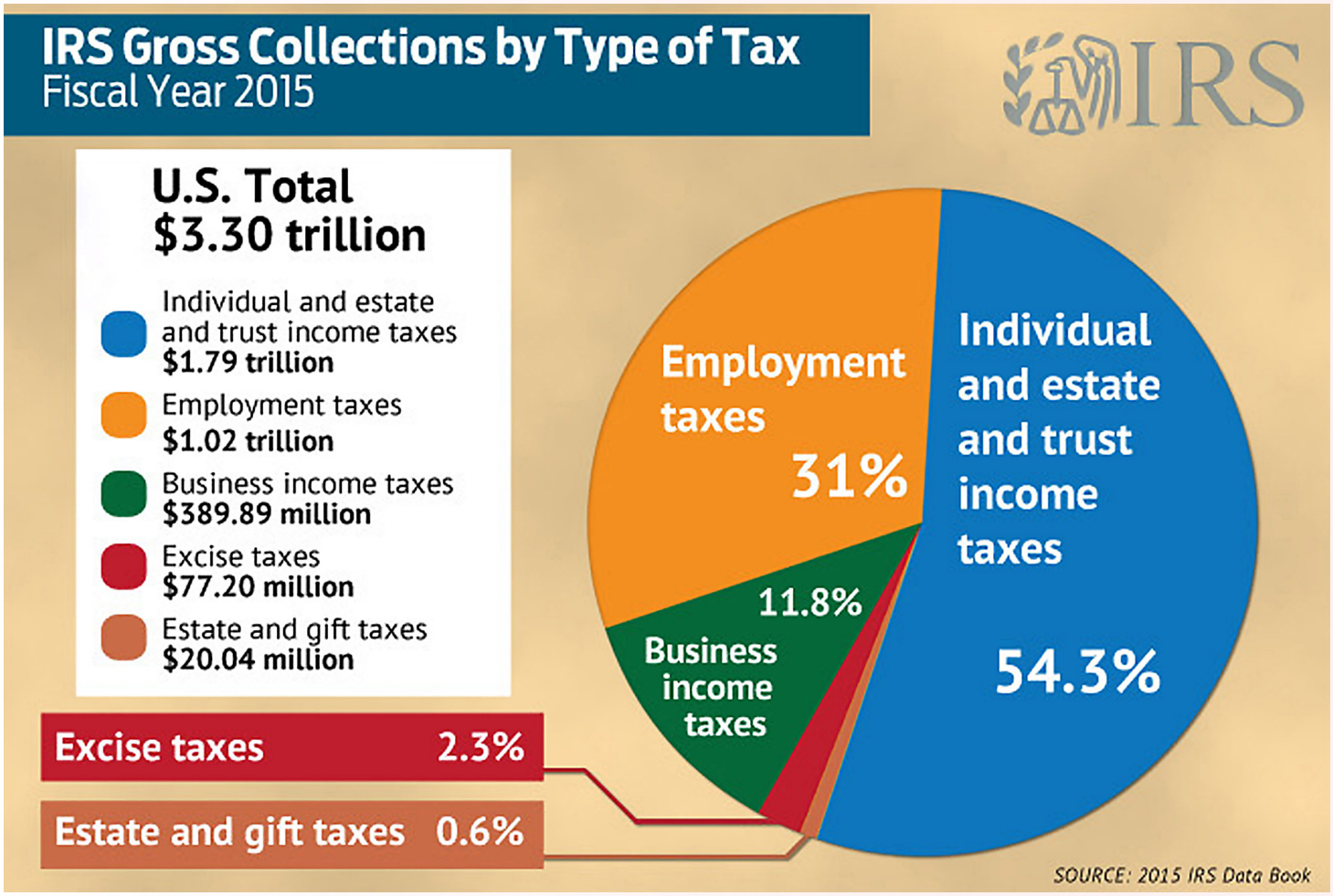


Advanced Quickbooks Training

Register for our "Advanced QuickBooks" class being held on June 14th in Goshen and June 16th in South Bend, 2016. The ½ day training class includes lunch and a manual. Class size is limited so sign-up early. Registration deadline is June 10th, 2016.

Register at –
www.insightaccountinggroup.com
or call us at 574-534-4040.

Dates: June 14 and 16, 2016
Time: 8:30am - 1:00pm
Cost: $120



Will rising interest rates affect you?

For almost the entire past decade, interest rates held steady at near-zero levels. Then, in mid-December 2015, the Federal Reserve raised rates by one-quarter percentage point. Market watchers and economists expect further rate increases in the coming months. How will you be affected?

Technically speaking, only the federal funds rate was adjusted in December. That's the short-term rate that credit-worthy banks and credit unions use to lend each other money. But any interest rate revisions can cause a ripple effect throughout the economy. Accordingly, the Federal Reserve's actions probably will exert at least a moderate influence over financial choices you make at home and in your business in 2016 and beyond.

For example, as a consumer, you stand to gain from rising interest rates because you'll likely earn a better return on your deposits. Over the last ten years, placing your money in a certificate of deposit or passbook savings account has been hardly more profitable than stuffing it under a mattress. On the other hand, the cost of borrowing money will likely increase. As a result, mortgages, car loans, and credit cards will demand higher interest rates. That's not a big deal if you're already locked into low-interest fixed-rate loans. But if you have a variable rate loan or carry balances on your credit cards, you may find your monthly payments climbing upward.

On the investment front, market volatility may increase because rate increases are not completely predictable. Market sectors will likely exhibit varied responses to changes in interest rates. Those sectors that are less dependent on discretionary income may be less affected. After all, you need to buy gas, clothes, and groceries regardless of changes in interest rates.

As you adjust your financial plan, you might only need to make minor changes. Staying the course with a well-diversified portfolio is still a prudent strategy. However, you may want to review your investment allocations.

Rising interest rates can also affect your business. If your company's balance sheet is loaded with variable-rate debt, rising interest rates can affect your bottom line and your plans for growth. As the cost of borrowing increases, taking out loans for new equipment or financing expansion with credit may become less desirable.

Got questions? Contact us. We'll help you decide the most beneficial response to current and potential future changes in interest rates.

SPOTLIGHT ON INSIGHT

Engaged in Service

In March Insight participated in the Big Brothers Big Sisters annual Bowl For Kids Sake. This year 230 bowlers raised more than $30,000 to support the mission of Big Brothers Big Sisters.

Pictured here are Back Row: Balazs Pirot (intern), Danielle Thompson, Kathy Peterson, Ivannia Graber (Board Member), Front Row: Ben Graber, Brandon Thompson.

GIVE-A-BOOK

The Goshen Rotary club has teamed up with The Give-A-Book Foundation to support literacy through the donation of libraries to schools in Costa Rica as an extended outreach for a partnership that has been in place with the Peace Corp for more than fifteen years. The first team traveled to Costa Rica in November, and a second group will be traveling to the Osa region where they will join members of the Peace Corp to deliver libraries as well as conduct eye clinics in April. The second group includes team member Danielle Thompson, along with Kent Oyer, Glenn Stutzman, Brett Weddell, Jamie Stickel, and Diane Woodworth. A total of 25 libraries will be donated by the Goshen Rotary Club, and approximately 300 pairs of new glasses for community members who need them.

"This unique coalition, between Rotary Clubs in 3 locations, the Peace Corps and the Give-a-Book Foundation demonstrates that the motto of service transcends geography and that children and education are shared priorities." -

Mahbub Ahma, Yonkers
Rotary President-Elect

For more information you can visit
give-a-book.net/rotary-peace-corps-give-a-book

OAKLAWN

On May 20, 2016, the Lerner Theatre will host the 17th annual Oaklawn Spring Spectacular to raise both mental health awareness and monetary funds to provide the necessary services that our communities need. Glennon Doyle Melton will be the keynote speaker. For more information about the event, including the Program Patron reception, please contact Angie Miller (Board Member) or for tickets contact the Lerner box office at 293-4469 or order online at www.thelerner.com.

This newsletter provides business, financial, and tax information to clients and friends of our firm. This general information should not be acted upon without first determining its application to your specific situation. For further details on any article, please contact us.