

From the Heart...

...Life Skills for Today's Family

By Sharon L. Benedict MS, CLC



Recordkeeping for Tax Time & Beyond

(published in Boerne Star, Friday, April 6, 2012)

Did you ever wonder what kind of receipts you don't keep that actually may help at tax time? The typical receipts most of us know about include expenses for medical and dental, cash charitable contributions, education tuition and fees, student loan interest, non-reimbursed work-related expenses, personal property taxes, and miscellaneous deductions such as job search expenses or tax preparation fees. Then add the basic business receipts to report on your Schedule C.

Yet, did you know when you volunteer at your local nonprofit, you can deduct travel expenses to and from? Include traveling to your doctor's office too. And then there is the business barter exchange. On one hand, you may save yourself more immediate dollars through barter. However, the IRS considers barter a transaction and must be reported.

Linsey Knerl of Investopedia (Mar 22, 2012) reports "The Ormita Commerce Network, a recognized global trade franchise, estimates that approximately 70% of all Fortune 500 companies barter on a regular basis, totaling billions in official non-cash exchanges each year. Whether you're an

individual with a talent to share or a small business with a service to lend, the IRS wants to know about it.”

Every year it seems that something changes with the IRS and keeping up with it all isn't that easy. So, have you asked your tax rep what receipts can help save you some bucks for 2012? Another tip if you ask any accountant, bookkeeper, or CPA, the “shoebox” method of storage is definitely to be avoided. It not only wastes your time sorting through them. You would also definitely not want to hand the shoebox to your accountant. If you do, be prepared for a hefty bill at the end of tax time.

Believe it or not, there is a service (free and fee-based) that helps you scan and organize all those narrow pieces of paper that sales clerk hands you after purchasing that special item. It's called ShoeBoxed, <http://www.shoeboxed.com>. Check it out. Yet, what is the easiest way to organize your tax receipts? Have a routine filing system for tax purposes, return/exchanges, reimbursements, and for your own personal budgeting goals.

First, if you haven't already, I recommend you save all receipts for both personal and tax purposes. This will be essential if you want to know more clearly where your money is spent. You can't work with a budget without them. One example are grocery receipts for your personal budget goals. Who really saves those receipts? Very few do. As a result, you don't have a clue. And the only way to get a fix on it is to go through your checking and credit card accounts and add them up. And that won't include any cash payments.

By using a folder filing system and setting up a routine from the moment you buy that item to the time you fill out your tax return is essential to make it all a more natural part of your day and life. Then when tax time comes or it's time to go over your personal or business budget, everything is already organized.

This filing system is directly tied to your digital recordkeeping system—i.e. Quicken, Microsoft Money. I am assuming very few use a write-in journal much anymore. If you still do, your journal can do the same job in many ways. Your comfort zone really depends on what you are used to doing over the years. Some habits are fine. Others need to be retired to come into the 21st century.

Keep in mind, when tax time comes, you will then have every possible receipt to document your tax return data if you should ever be audited. And don't just assume you never will be audited and think it's a waste of time to save those receipts. Just like the insurance you pay premiums on, when something happens, you will be glad you had the receipts and related documentation.

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From the Heart...

...Life Skills for Today's Family

By Sharon L. Benedict MS, CLC



Recordkeeping . . . Caring through Giving

(published in Boerne Star, Friday, April 13, 2012)

I know one thing for sure, our Hill Country communities are among some of the most benevolent and giving regions in Texas for our size. According to Tax Exempt World.com (as of 3/14/12), our Kendall County (Texas) numbers 299 nonprofit organizations. The total Income from these tax exempt/nonprofit organizations is \$28,245,433. The total asset amount in this county is \$63,909,851.

Throughout our nation we have 2,040,442 nonprofit organizations, with assets \$5,770,284,556,830, and income at \$3,453,357,432,223. You have to say, "WOW!" when you see dollar numbers in the trillions! How amazing it is and essential that these nonprofits continue to contribute to the wellbeing and quality of life for our communities. This is particularly true during these continuing tough economic times.

Are you among the many in our community with a heart for giving and benevolence? Have you been among the many who benefited from any number of your local nonprofits? If so, be sure to find ways to thank them with your time, materials, and money to keep them helping others.

Whether you have been the giver or recipient, you may wonder, “How is recordkeeping lifeskill related to this?” You may already know the answer to your own question. But here’s my version. *In order to care and give your time, materials, and money, you need to have the time, materials, and money.* So, how you know you have them?

For most people, they simply look at their checkbook or bank account for cash available. For your time, you check your calendar. For materials, you may look around to see what you can give away. The bottom line is you find ways from the records you keep, whether it be your bank statement or budget if you have one, your calendar, or the physical “stuff” you have around you.

Yet, two of the most important ways to know most of us don’t even have handy. The first documents what your core values are (as covered each January with the lifeskill, Relationships/Core Values). What is most important to you in your life and family/ Do you have them written down somewhere for easy access? Your core values will direct the choices you make, your relationships, the way you use your time, choose your career, manage your money, and so on throughout all 12 lifeskills covered each year in my articles (and lifeskills book available at all online booksellers-*Celebrating Your Journey, Lifeskills in Synergy*).

The second way is directly through your budget—a major recordkeeping tool. If you don’t have one, now is the time to create one. Many dreams and goals are lost along the way when a budget isn’t an ongoing part of your life. Your budget reflects and records what is really most important to you. For many,

buying on impulse with motives not considered, is the routine. When this is the case, a budget is just about useless in helping you meet your goals and make your dreams come true. And you can bet that benevolence and give is either not even on the budget or is at the bottom of the priority list of mandatory and discretionary spending.

So, where do you stand with your core values and your budget? Maybe it's time to have a family talk on where you are and where you want to be. Where does benevolence and giving fit, if at all? Begin today to contribute to the lives of people through your local nonprofits.

Some of my most favorite nonprofits, just to name a few, are Hill Country Council for the Arts (www.HCCArts.org), Kendall County Women's Shelter (<http://www.kcwstx.org>), Friends of Cibolo Wilderness (<http://www.cibolo.org/support>), and Choose To Be (www.choosetobe.org).

In addition, below are some links to check out the 299 nonprofit organizations just within Kendall County, Texas. Once you choose, do a net search for their websites to get connected with those nonprofits of interest. In the next article, some basic tips will be offered on how to incorporate giving based on specific categories. You will want to match them with your core values to easily incorporate them into your budget. This process will make all the difference in keeping you on track as you care through giving.

<http://www.kcnonprofitnetwork.com/>

<http://www.guidestar.org>

<http://www.taxexemptworld.com/organizations/kendall-county-tx-texas.asp>

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From the Heart. . .

...Lifeskills for Today's Family
By Sharon L. Benedict, MS



Recordkeeping . . . Life Categories for Giving, part 1

(published in Boerne Star, Friday, April 20, 2012)

When you want to give to a cause or an organization, how do you go about deciding which ones, how much, and how often? In the previous article, I gave you some hints focused on knowing your core values and your budget.

Your core values keep you on track with what is most important to you and directs your relationships, your career, and the many other practical lifeskills of everyday living, including where you spend your time, materials, and money. Your budget is a key recordkeeping tool for applying your core values, time, materials, and money to what you value in life.

Yet, for so many, benevolence and giving are often just a random here and there. And the budget rarely reflects giving as a strategic part of one's life plan reflected in your budget. So, how do you go about making benevolence and giving a strategic part of your life on a regular basis?

I offer the following specific categories to consider, as you match them up with your core values; and can be easily incorporated into your budget and recordkeeping. Before you consider these categories, you will want to review your budget. And if you don't have one, now is the time to create one. When

looking over your budget, you basically have mandatory expenses and discretionary expenses. Determine with certainty what are your mandatory expenses. They may include automatic payments to your credit cards. While the debt still remains, consider reducing any more purchases until your credit card zeroes out. Except for certain items, so much of what we put on our credit cards are really considered discretionary expenses. Yet, your monthly payments to bring down your debt should be considered mandatory until the debt is gone. And reducing discretionary use of your credit cards will free up some extra cash to pay the card down even faster with much less interest paid out on the card.

Now that you have reviewed your budget and find money you thought you didn't have, you can start your benevolence and giving plan. For now, take that discretionary money you freed up and place it in your budget under "Charity (tax deductible)" or some other preferred term. You may want to also have a "Ministry" or "Gifting" general category for now that represents benevolence/giving that is not tax deductible. There will be times when you want to give to a person, family, or group that doesn't allow for a tax deduction. That also includes political entities. Keeping records of both are important elements of any budget and life plan when you get to the bottom line of cash flow. This is when you find out if your net is in the black or red ink.

Assuming you are in the black, consider these categories of giving. They offer you an opportunity to touch the lives of others throughout our society in a variety of ways. When it comes to your time volunteered with nonprofits, you can record them on your calendar (with travel time, distance noted; which is tax

deductible). When you give materials, you can record the fair market value in your budget as “in-kind” or “noncash donation” whether tax deductible or not. If tax deductible request a letter from the nonprofit documenting your in-kind/noncash donated gift.

The benevolence/giving categories encompass many arenas of life and culture. As you review each one, you may already be contributing in one or more of these areas; and can record them as such in your budget and records. Consider where you may be giving in time, materials, and money each of these areas.

If there is an area you are yet to support, think about how you would want to incorporate your giving in that area. And although the term “organizations” is used with each category, by all means include individuals, families, and groups who do not have nonprofit status in your reflections. With any benevolence and giving, I encourage you to do background checks to insure your time, materials, and money are safeguarded and utilized with integrity and dedication on behalf of others and whatever may be the cause.

The first five categories are as follows:

I. RELIGIOUS ORGANIZATIONS/ CHURCH/MISSIONS: Organizations that support your faith and desire for outreach to humanity.

II. BASIC CORE VALUES & PRINCIPLES: Organizations that support your core values and life principles.

III. HISTORY/WESTERN CULTURE: Organizations that support your values and principles in global human affairs and lessons of history.

IV. SCIENCE/MEDICINE: Organizations that seek truth in our universe and life on earth; observe and understand the natural world from a scientific and spiritual perspective. Be cautious about certain perspectives that may have extreme views and inappropriately discount the faith dimensions, credible scientific discoveries, and the principles of macro- and micro- adaptation.

V. HOME/FAMILY/VALUES: Organizations that encourage and support the family, home, and core human values.

In part 2 of this article, six more categories will be covered. These additional six include public policy/international affairs, businesses/legal issues, education, media, social ministries, and implementation. In the meantime, celebrate the love and life that surround you. Help our young and growing adult generation embrace the values and compassion for humanity, beginning with your own family. Open your heart and eyes to all the possibilities for your family, community, nation through benevolent giving in time, materials, and money.

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Recordkeeping . . . Life Categories for Giving, part 2

(published in Boerne Star, Friday, April 27, 2012)

In the previous article, the first five life categories for benevolence and giving were offered. They included Religious Organizations/Church/Missions, Basic Core Values & Principles, History/Western Culture, Science/Medicine, and Home/Family/Values.

Whether you give your time, materials, or money, knowing your own core values and how your budget incorporates giving are essential to any strategic life plan. Without them you will find yourself just bouncing here and there without serious thought or continued commitment to supporting organizations, people, and other groups who have the same values and life mission as yourself.

My hope is that you clearly know your core values and already have a budget in place to easily incorporate these categories for giving. Assuming you do, here are the other six life categories. Again, although the word, organization, is used with each category, feel free to include individuals, families, groups in your reflections:

VI. PUBLIC POLICY/DOMESTIC AND INTERNATIONAL AFFAIRS:

Organizations supporting human justice and compassion in legislation, domestic policy, and international relations.

VII. BUSINESS AND LEGAL ISSUES: Organizations that support and train business leaders and legal advisors to advance integrity, honesty, and excellence in the work place and our nation's legal system.

VIII. EDUCATION/CHILD DEVELOPMENT: Organizations that train young children, teens, and adults to be mature, informed, effective leaders in every field of life.

IX. MEDIA/ENTERTAINMENT/CULTURAL DISCERNMENT:

Organizations that support your core values in entertainment, news, cultural trends, and influence the media to improve the quality of programming.

X. SOCIAL MINISTRIES: Organizations whose mission is to provide an alternative to state-run welfare programs with effective, compassionate ministries to the underserved, needy and unfortunate.

XI. IMPLEMENTATION: Organizations that coordinate and mobilize leaders across society to improve their communities and the world.

When it comes to a strategic commitment for benevolence and giving, recordkeeping helps you stay on track, monitor your cash flow through your budget, and keep you committed to making all the difference in providing for your own family and the lives of others. There are several money management software programs (e.g. Microsoft Money, Quicken Deluxe/Home&Business) that

record and create reports to help you stay focused. I encourage you to utilize them for benevolence and giving. Begin to see how you can contribute to others and your community by learning about the many worthy nonprofit organizations right next door and around the nation. Start offering your time, materials, and money that share your values in life.

There is no singular joy that compares with a life of giving your time, materials, and money to those in need and raising the quality of living all around you . . . forever transforming their lives and your own.

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