

NEWS YOU CAN USE

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4 Common Myths about Your Credit Score

Credit scores are an important aspect of your financial health, but they are often misunderstood. There are plenty of myths floating around that confuse many of us, and understanding these myths is essential for maintaining a healthy credit score. Here are four common credit score myths dispelled.

Myth 1: Just checking hurts your credit score. Many believe that simply checking their own credit score will negatively affect it. This isn't true. When you check your own credit score, there is an impact, but it's not enough to make a noticeable difference.

Myth 2: Closing old accounts boosts your credit score. Contrary to popular belief, closing old credit accounts can actually harm your credit score. The length of your credit history is a significant factor in your overall score. Keeping old accounts open, even if they're unused, can show you have a long and stable credit history.

Myth 3: Not using your credit card improves your credit score. In reality, being able to use your credit card and pay it off helps to build up your credit score. As long as you're paying the balance on time, it's far more beneficial to use your card than not.

Myth 4: Paying your debts will immediately help your credit score. Just because you've paid off an old debt, the negative impact on your score doesn't just immediately disappear. Debts can stay on your credit for between seven and 10 years, unfortunately. Crucially, getting them paid off will help you in the long run!

Life Insurance for Business Owners: A Critical Safety Net

Life insurance is often viewed as a personal financial tool, yet for small and mid-sized business owners, it serves a critical role in ensuring business continuity and successful succession planning.

One of the primary uses of life insurance in a business context is through buy-sell agreements. These agreements, funded by life insurance policies, ensure that the remaining business partners have the necessary funds to buy out the deceased partner's share of the business. This arrangement helps maintain the stability and continuity of the business, preventing forced liquidation or unwanted partnerships.

Insuring key personnel is another strategic use of life insurance in business. Key person insurance, a life insurance policy taken out by the business on the life of a crucial employee or owner, provides the business with financial support in the event of their untimely death. The payout can cover the costs of finding and training a replacement or offset the loss of revenue associated with their absence.

Business owners also leverage permanent life insurance policies, such as whole life or universal life, as a means to fund retirement. These policies accumulate cash value over time, which can be borrowed against or withdrawn to supplement retirement income. This feature adds a layer of financial security for entrepreneurs who may not have traditional retirement plans like those in corporate employment. Lastly, life insurance policies can serve as collateral for loans, offering a viable option for business owners in need of funding. By assigning the policy as collateral, they can secure loans at more favorable terms, using the death benefit to guarantee repayment.

In summary, life insurance for business owners isn't just about personal protection: it's also a versatile tool that is an essential component of a comprehensive business strategy. Do you need help making informed decisions about life insurance? Call us today so we can assist you.



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GOSSIP



On September 5th Rick & Sharon Clairmont became Grandparents. Ricky & Shayna welcomed a beautiful baby girl, Blake, weighing in at 7lb 19 in. She also makes Earl & Marlene Clairmont first time Great Grandparents! Everyone is doing great and she is the cutest Clairmont!



Today we are communicating more and more by email. Please make sure we have the correct email for you! You can email lisa@cpcfinancial.com



Reminder to check you mail in January for important tax items as well as income tax appointments. If your address has changed, please notify us.



An Introduction to the Art of Failing Forward

The crushing feeling of failure is something most of us will go through at some point in our lives. It happens, and it's unavoidable, but accepting that reality does not mean we have to be held back, or defined by our failures.

The age-old concept of learning from our mistakes is critical to future success and can be best described as the art of "failing forward". This turning what could have been deemed as negative into an opportunity to make change is all about growth mindset.

Rather than attempting to move on by simply pretending your failure didn't happen, it's far better to embrace it in your quest to move forward. Ignoring it means you are not addressing the reasons behind the mistakes you made and leaves you open to repeating them in the future.

While it may be painful to revisit them, being able to deconstruct them will ensure you're better prepared when a similar situation rears its head in the future. Facilitating a mindset of growth in which failing is okay can help create belief in your abilities and the confidence to attack difficult situations in the future.

Accepting and even encouraging failure as part of your process will help you expand your mind to be able to tackle greater problems with inventiveness and creativity. An Olympic gymnast can only perfect their somersaults by trying and failing until they've learned how to successfully navigate each move!

Allowing room for failure gives you the freedom to experiment and get creative. Ideas and concepts you try might not always yield success, but allowing yourself to try is where the magic happens.

When we try new things without the pressure to be perfect, we leave room for all outcomes! In this space you may land on new solutions that you might not have considered previously. Failure isn't fatal as long as you keep trying.

Welcome New Clients and Thank you for Referring

We love giving recognition to our new friends and our wonderful existing clients who are kind enough to refer their friends and relatives to us! We are all helping each other, which is the whole point.

Over the last few months, we were fortunate to welcome new tax clients and new business clients. They became members of our firm's accounting and financial planning family. We'd like to welcome them and thank all the people who have referred business to us.

As you may know, marketing for new clients costs a great deal of money, time and energy. We, like any business, need to get new clients to stay in business. Over the years, we have found that marketing takes away from the time we would rather be spending with you. We have learned that by encouraging you to refer your friends and relatives to us works for all of us. We help you, and you help us. Thank you

Calendar Management: Consider Blocking Time

Are you finding it difficult to manage your time effectively? Balancing work, personal commitments and self-care can be a daunting task in our fast-paced world. However, by implementing a few simple strategies, you can increase your productivity and experience a greater sense of fulfillment.

Self-care and wellbeing. We're starting with the most important thing to schedule into your calendar: rest. Make your well-being a top priority by blocking regular intervals on your calendar for self-care activities. This could include exercising, practicing mindfulness or meditation, spending quality time with loved ones, pursuing hobbies or simply taking a moment to relax. By scheduling time for self-care, you'll replenish your energy levels and enhance your overall productivity.

Learning and personal development. Continuous learning is crucial for personal growth and professional success. Allocate specific time slots on your calendar for expanding your knowledge, developing new skills and exposing yourself to more information. This might involve reading books, attending webinars or workshops, enrolling in online courses or networking with industry professionals. Actively invest in your personal development and you'll stay ahead of the curve and broaden your capabilities.

Goal setting and planning. Setting clear goals and planning ahead are fundamental to achieving success. Block off time on your calendar regularly to review your objectives, track your progress and set new targets. Break down your goals into manageable tasks and allocate dedicated time slots to work on them. Planning helps you stay focused, prioritize effectively and attain meaningful results.

Deep work and concentration. It's not always easy to get yourself into the zone, but it's a good idea to set aside uninterrupted blocks of time on your calendar for deep work and concentration. During these periods, eliminate distractions by disabling notifications, closing unnecessary tabs and finding a quiet environment. Whether you're working on a complex project or tackling important tasks, safeguarding focused time will greatly improve your efficiency and output.

Reflection and evaluation. Reserve time on your calendar for self-reflection and evaluation. Use this allocated time to review your accomplishments, identify areas for improvement and celebrate your successes. Regular reflection helps you gain clarity, learn from past experiences and make better decisions going forward.

'You don't drown by falling in the water. You drown by staying there.' - Ed Cole



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GO GREEN

With the recent delays caused by the Postal Service, we would like to offer you an opportunity for **paperless billing**. Rather than mailing your bills to you, we will e-mail your bills. Payments can be made via our website www.cpcfinancial.com either by credit card or ACH out of your bank account. If you would prefer to pay by check, that is still acceptable.

If you would like to convert to paperless billing, please email BILLING@CPCFINANCIAL.COM



Why Team Building Is Essential for Your Business

As soon as you say the words "team building," you shouldn't be surprised if you hear a few stifled groans coming from around the office.

Unfortunately, thanks to careless bosses and big companies that have no intention of learning from their employees, a team-building workshop sounds synonymous with a boring seminar, a trust fall and slightly warm sandwiches. Because of this, many companies have decided to forgo team building altogether.

This is a mistake. Team building can make communication better, increase trust (and therefore collaboration) between workers and also ease conflict. And it doesn't have to be like a cringey scene from *The Office*!

Leave the trust falls behind you.

Trust exercises seem to be the go-to for businesses that think they need a little help gelling their team, but it's not usually a lack of trust that creates the tension. Most of the time, your workers will have trouble connecting because they don't really know each other. Instead of a big day out where only some seem engaged, try initiating a small social once a month where each of the team members' interests gets explored. Perhaps start a suggestion box for new things to try. Has someone always wanted to try salsa? Rock climbing? Beach volleyball? Try them as a team.

Move outside the office

Seeing your team outside of harsh overhead lighting can work wonders. Friday-night at a patio can work for a lot of companies, when there are inclusions for all kinds of tastes and preferences. Think beyond a pitcher for the table, maybe some mocktails, too! Get people talking about something other than deadlines, and their communication will flow better during the 9-5.

Show them you care

Is it a holiday? A birthday? A company milestone? Splash out a little bit of cash and show your employees what they mean to you. If you're wondering if your business can afford to "splurge" on your employees, think of it more as an investment. Team building doesn't end with management: it ends with the entire brand. If your employees feel cared for, they'll care for the business. At the end of the day, your brand is another member of the team.



8 Items You Need to Store in a Fireproof Safe

There are few things more terrifying than an uncontrollable blaze, which can destroy cherished memories and important documents in the blink of an eye. While the odds of experiencing such a devastating fire are small, it's still important to be prepared for such an emergency by investing in a fireproof safe — a heat-resistant and sturdy container that will keep everything important to you safe in a crisis. Here are eight items that you should always store in a fireproof safe.

Homeowners Insurance Policy

Your insurance information is one of the first things you'll need after an emergency. Keep a copy of your current homeowners insurance policy inside your safe.

Identifying Documents

A driver's license is required to prove your identity for employment, government services, and domestic travel. Unfortunately, they can also be difficult and time-consuming to replace. Save yourself the hassle by keeping a recently expired copy of your driver's license inside your safe. This will help you prove your identity while you are waiting for a replacement. Keep other pieces of identifying information, such as birth certificates and Social Security cards, in there, as well — you will need them when applying for a passport or opening a bank account, among many other things.

Important Passwords

Write down the passwords to your email, bank accounts, protected files, and other sensitive accounts and store them in your safe. This ensures that your family can easily access those accounts in an emergency—or if you happen to forget an important password.

Deeds

You should always protect deeds in case you decide to sell or refinance something. This includes the deeds for your home, car, and other properties. Real estate attorneys aren't required to keep copies of these deeds on hand, so it's important to maintain and preserve a personal record.

Your Will

While you undoubtedly have already entrusted your will to a lawyer or an executor, you should always keep an original copy at home, stored inside a secure safe. To avoid the possibility of assets going back to the state rather than to your heirs and loved ones, keeping your will at home ensures that an updated copy will always be on hand and easy to access.

Emergency Cash

A supply of "crisis cash" can come in handy in an emergency. Take the time to determine the amount you may need to get by while you're getting back on your feet, whether a few hundred dollars for a week for groceries or enough for a temporary hotel stay.

Medical Information

Natural disasters don't just damage property — they can also impact your health. Keep copies of your medical insurance policy, a list of current prescriptions, and any other pertinent medical documentation that you believe is important for a healthcare provider to know.

Valuable Jewelry

You should keep your most prized jewelry inside a fireproof safe to avoid damage. This has another benefit: It keeps irreplaceable items extra secure in case of a robbery.





It's that time again! Tax season is right around the corner here is a check list so you can be prepared!

2024 1040 Organizer Information Checklist

This is a list of the most common items we'll need to prepare your returns. We'll call you if we need anything else.

- ☐ All tax return packets, mailing labels and correspondence sent to you by the various taxing agencies.
- ☐ All W-2's
- ☐ All 1099 forms received confirming income from interest, dividends, retirement, social security, disability, unemployment, gambling winnings, cancellation of debt, credit and debit card transactions, etc.
- ☐ All 1094 and 1095 forms related to health care transactions.
- ☐ All income tax information for children if you want us to prepare any required returns.
- ☐ Year-end statement of mortgage interest (Form 1098), escrow activity and balance on mortgage or home equity loans and real estate taxes paid.
- ☐ Total of charitable contributions, and details for any non-cash contributions over \$500. **All contributions must have receipts.**
- ☐ Copies of all LLC, Partnership or S-Corporation K-1's (send separately later if everything else is ready, and let us know it's coming)
- ☐ If you bought, sold or refinanced real estate, then the 2ND page HUD closing statement for each transaction. If you sold any stock or virtual currency, we need the sale price and basis information if not provided by the broker on Form 1099.
- ☐ If you are claiming auto mileage as a deduction for business, rental properties or unreimbursed employee expenses, we need to know total miles, commuting miles, and business miles driven for the year.
- ☐ If you are deducting actual vehicle expenses, please provide date of purchase (or lease) and the vehicle purchase price (or leased fair value) and all vehicle expenses such as lease payments, gas, car washes, licenses, insurance, tires, repairs, etc.
- ☐ Copies of any federal, state or local tax correspondence received during the year.
- ☐ The dates and amounts paid for **all estimated tax payments** and the amount of all refunds or rebates received.
- ☐ All legal documents for formation, sale or purchase of a business during the year
- ☐ All legal documents for divorce decrees
- ☐ Voided check (not deposit slip) for account where refunds should be direct deposited (optional)
- ☐ All gambling income and loss records
- ☐ **New clients:** copies of prior year federal, state and local returns and depreciation schedules if applicable



SmartVault

SmartVault is our online portal. If you have not accessed the portal and would like to please email Lisa@cpcfinancial.com.

<https://smartvault.com> to access SmartVault. Your email address is your username, and the password is something you would have created. Remember it must be 12 digits one capital letter, one number and one special character.

ORGANIZERS – Look in your SmartVault sometime in the beginning of January for your organizer. If you would like the organizer mailed, please call the office.

Corporate Transparency Act

We have sent a few reminders about the Corporate Transparency Act. If you own a business you need to file this report by December 31, 2024. **We will not be filing it on your behalf** unless you separately engage us to do so. Our minimum fee for filing this report is \$350 and may be more depending on the structure of your entity.

For more information please refer to the FinCen Beneficial Ownership Information Reporting Regulations available at <https://www.fincen.gov/boi>



We wish you
Happy Holidays
and a
Wonderful New Year

Sandy

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Greg

Jim

Lance

Rich

Ray

Susan

Rob

Don

Sharon

Don

Low

Heather

Jonathan

Nicky

Lisa

Ruby

Joe

Andy

Paul

Cheri

Chris