



Online Advisor

- MAY 2016 -

MAJOR UPCOMING TAX DEADLINES

May 31 - Deadline for IRA, SEP, SIMPLE, Roth IRA, MSA, and education savings account trustees to file annual statements (Form 5498) with the IRS, with copies to participants.

May 31 - Deadline for applicable large employers (generally employers with 50 or more full-time employees in the previous year) to furnish Form 1095-C, Employer-Provided Health Insurance Offer and Coverage, to the IRS.

WHAT'S NEW IN FINANCES:

Who taught you about finances?

Greetings!

Spring is here and taxes are filed! Now is the time of year when many do a bit of spring cleaning. It's also the time when you should be getting your finances in order. We can help; we are Certified Financial Planners™ and can help you with retirement planning, college planning and just getting "financially fit!" Call to set up an appointment today.

We are looking for more good clients, and since we are expanding, we would appreciate your referrals!

Forward this email to friends and family; it entitles them to a complimentary consultation.

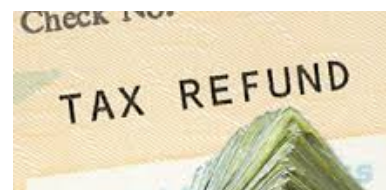
The partners and staff of Couto DeFranco, P.A.



[IF YOU LIKE US..."Like us" on Facebook! We will be posting up-to-date information and deadlines.](#)

WHERE'S YOUR TAX REFUND?

Your tax return is filed, and your direct deposit refund is...not the amount you were expecting, or not in your bank account at all. What should you do?





From whom did you learn financial literacy? From your parents? Your schoolteachers? Are you self-taught? A poll by a national market research company revealed that 35% of the 2007 Americans asked said no one taught them about finances. Of those who received instruction, 19% of the survey respondents said parents taught them, 13% said they learned in school, and 39% reported being self-taught. (Note that those surveyed could choose more than one answer.)

The poll also showed that generational differences exist, with more younger Americans reporting they received financial instruction from parents or school.

If you're not comfortable with your understanding of finances, contact us. We can offer advice and suggestions to increase your money-management confidence and skills.



***If your refund is less than you anticipated**, part of your refund may have been applied to other debt such as student loans or state income taxes. You'll get a notice in the mail from the IRS explaining the difference and providing the contact information for the agency to which the money was sent.

Other reasons for a smaller than expected refund include math errors, misapplied estimated tax payments, and corrections to tax credits.

***If your refund is more than the amount on your tax return**, wait before spending your unexpected windfall. The extra money could be due to an error caught by the IRS, which means you'll get a notice. If the adjustment is correct, the cash is yours to keep.

If the adjustment is wrong, the overpayment could be the result of a mistake on someone else's tax return, such as an incorrect bank routing or account number. In that case, you'll need to contact your bank and the IRS to return the money to the rightful owner.

***If your refund is delayed or missing**, verify the direct deposit information on your return for errors. Generally, when your bank is unable to match the account number, the refund is rejected, and the IRS issues a paper check.

What if your direct deposit went into someone else's bank account? Notify your bank immediately. You'll have to work with your financial institution - not the IRS - to trace the funds and get your money.

Do you have other questions about your refund? Contact our office. We're here to help.



SIMPLIFY YOUR DATA PRESENTATION TO MAKE BETTER DECISIONS

As a manager, you're no doubt swimming in a constant stream of information. Fortunately, you can keep your head above water by boiling down the data into a format that's relevant, concise, and user-friendly. For instance, significant indicators can typically be gathered on a single sheet of paper. Examples include:

- * Revenues by product or service line.
- * Cash and accounts receivable balances.
- * Gross profit ratios by product line for retail and wholesale businesses.

NEW BUSINESS: DO YOU STRUGGLE TO MAKE THE RIGHT BUSINESS DECISIONS?

According to results of research issued early this year by the Chartered Institute of Management Accountants and the American Institute of CPAs, nearly 80% of executives of large global organizations who were surveyed say strategic decisions were made with flawed information.

Issues causing the flawed decision making included not coping well with information overload, poor coordination between various organizational departments, lack of trust in fellow executives, and the wrong incentive structures.

How can companies - including yours - do a better job with decision making? Suggestions include improving information sharing by building trust between management and employees, and balancing financial and non-financial information.

If your company's decision-making techniques are not working and you're drowning in data while struggling to make effective choices, schedule an appointment with our office. We can help you take a fresh look at the big picture and get on track with a new perspective.

QUICK LINKS

Services

- * Productive salaries and benefits for service businesses.
- * Marketing costs for each product or service line.
- * Bad debts.
- * Returns and warranty claims.

Generate a one-page report showing these items, with year-to-date comparisons, on a weekly or semi-monthly basis. Track other important data, such as cash flows, asset and liability balances, and net income, on your business's monthly financial statements.

What if you require specialized information? For example, if you're a construction manager, you may need ratios of individual job costs to expected revenues. If you're a manufacturing supervisor, you most likely can use fixed and variable product costs as percentages of selling prices. These can also be gathered in simplified form for efficient management.

Here's how. First, identify the data points you find useful to your decision making. Next, condense these points into the fewest categories and the simplest possible formats by expressing the data in single numbers or ratios. Then decide how often you need the information updated and work with your staff to develop a standard procedure for creating concise, timely reports. The frequency of the reports will depend on the nature of your operation. An efficient schedule generates reports often enough to identify significant trends but not so frequently as to be redundant.

Effective management is based on timely information that you can quickly absorb and translate into action. If you'd like help developing a simplified system tailored to your specific needs, contact our office.

HERE'S HOW TO RUIN YOUR CREDIT SCORE

Are you familiar with the expression, "It takes 20 years to build a reputation and five minutes to ruin it"? Investor Warren Buffet's maxim also applies to good credit. Stellar credit scores don't happen overnight or by accident. Instead, you have to exercise financial discipline, sometimes for years. The reward: lenders who are willing to offer mortgages and car loans at favorable interest rates.



Services

Resources

Financial Planning



Nelson Couto CPA, CFP™
Anthony DeFranco CPA, CFP™



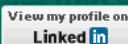
CERTIFIED FINANCIAL PLANNERS™

Nelson J. Couto, CPA, CFP™

Anthony DeFranco, CPA, CFP™



Nelson J. Couto, Partner



Anthony DeFranco, Partner



Unfortunately, like a good reputation, a strong credit score can easily be ruined. Here are three simple ways to devastate your credit score.

* Max out your credit cards and continually fail to make required payments. Your credit score is a number, generally between 300 and 850 (worst to best), that lenders use when deciding whether to extend credit. About 35% of your credit score is based on your payment history. Paying late or paying less than required minimums can wreak havoc on your score and may signal to lenders that you're overextended.

* Cosign a loan for an irresponsible friend. There's a reason your pal needs a cosigner - and it isn't due to being a good credit risk. When you cosign for a loan, the status of the loan will appear on your credit report. Adding insult to injury, if your friend defaults, you're responsible for the unpaid balance.

* Close or open credit card accounts in quick succession. Either move can adversely affect the ratio of how much you owe in relation to your credit limits. As this ratio climbs, your credit score will tend to sink. Say, for example, you have three credit cards and each has a \$1,000 limit. You carry a balance of \$500 on one of those accounts. That's a credit utilization ratio of \$500 to \$3,000 or about 17%. If you close one of the accounts, the ratio will jump to 25% (\$500/\$2,000). Though you haven't accumulated more debt, your credit score may be hurt.

Be careful with your credit. Negative events can impact your rating for a long time, making lenders reluctant to offer you money.

We hope you found this information helpful. Call today to schedule your appointment to start getting into financial shape!

973.325.3370

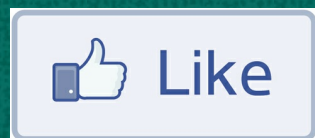
Sincerely,

The Partners and Staff
Couto DeFranco, P.A.

EXCITING COUTO DEFRANCO NEWS:

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For Interesting Tax
Facts and Small
Business Updates, be
sure to "Like Us"
on Facebook!



We've been recognized as
"Top Wealth Managers in NJ"

3rd Year in a Row!!



Nelson Couto and **Anthony DeFranco** honored with a recognition by **NJ Monthly Magazine** in its selection of "**Top Wealth Managers In NJ 2016**"

Nelson Couto, CPA, CFP[®] and Anthony DeFranco, CPA, CFP[®], MS (Taxation) of Couto DeFranco, P.A. have been named as 2015 Five Star Wealth Managers and featured in New Jersey Monthly magazine January 2016. Out of the 5063 wealth managers in New Jersey who were seriously considered for the award, 672 were named. This is their third time winning this prestigious award.

"We are delighted to be acknowledged as a Five Star Wealth Manager by New Jersey Monthly, and proud that the work we have done for our clients has been recognized," says Anthony DeFranco.

Couto and DeFranco are recognized as leaders in the field of wealth management. They combine their knowledge of financial planning with over 25 years as CPAs, helping their clients with their wealth management and tax planning needs, along with assisting them with their financial goals and aspirations.

They believe the best way to help clients reach their financial goals is simple: to listen. "It

They believe the best way to help clients reach their financial goals is simply to listen." It is important to listen to where they are today and where they want to be tomorrow," says Nelson Couto. The partners feel that clients are paying them for their knowledge-both as NJ Certified Public Accountants and as Certified Financial Planner™ professionals-so it is their responsibility to develop a financial plan that is sound, objective and honest. This model has been their secret to success.

Starting a business? Tax Questions? Need Financial Planning?

Print out this certificate for a complimentary one-hour consultation.

COUTO DEFRANCO, P.A.

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