



# Newsletter **BUMGARDNER MORRISON**

CERTIFIED PUBLIC ACCOUNTANTS  
WEALTH MANAGEMENT ADVISORS

Volume 2

Issue 1



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# Identity Theft Information for Taxpayers



Identity theft places a burden on its victims and presents a challenge to many businesses, organizations and governments, including the IRS. The IRS combats this crime with an aggressive strategy of prevention, detection and victim assistance.

## What is tax-related identity theft?

Tax-related identity theft occurs when someone uses your stolen Social Security number (SSN) to file a tax return claiming a fraudulent refund. If you become a victim, we are committed to resolving your case as quickly as possible.

You may be unaware that this has happened until you e-file your return and discover that a return already has been filed using your SSN. Or, the IRS may send you a letter saying it has identified a suspicious return using your SSN.

## Know the warning signs

Be alert to possible tax-related identity theft if you are contacted by the IRS about:

- More than one tax return was filed for you,
- You owe additional tax, have a refund offset or have had collection actions taken against you for a year you did not file a tax return, or
- IRS records indicate you received wages or other income from an employer for whom you did not work.

## Steps for victims of identity theft

If you are a victim of identity theft, the Federal Trade Commission recommends these steps:

- File a complaint with the FTC at [identitytheft.gov](http://identitytheft.gov).
- Contact one of the three major credit bureaus to place a 'fraud alert' on your credit records:
  - [www.Equifax.com](http://www.Equifax.com) 1-888-766-0008
  - [www.Experian.com](http://www.Experian.com) 1-888-397-3742
  - [www.TransUnion.com](http://www.TransUnion.com) 1-800-680-7289
- Close any financial or credit accounts opened by identity thieves

If your SSN is compromised and you know or suspect you are a victim of tax-related identity theft, the IRS recommends these additional steps:

- Respond immediately to any IRS notice; call the number provided or, if instructed, go to [IDVerify.irs.gov](http://IDVerify.irs.gov).
- Complete IRS Form 14039, *Identity Theft Affidavit*, if your e-file return rejects because of a duplicate filing under your SSN or you are instructed to do so. Use a fillable form at [IRS.gov](http://IRS.gov), print, then attach form to your paper return and mail according to instructions.

- Continue to pay your taxes and file your tax return, even if you must do so by paper.
- If you previously contacted the IRS and did not have a resolution, contact us for specialized assistance at 1-800-908-4490. We have teams available to assist.

More information is available at: [IRS.gov/identitytheft](http://IRS.gov/identitytheft) or FTC's [identitytheft.gov](http://identitytheft.gov).

## About data breaches and your taxes

Not all data breaches or computer hacks result in tax-related identity theft. It's important to know what type of personal information was stolen.

If you've been a victim of a data breach, keep in touch with the company to learn what it is doing to protect you and follow the "Steps for victims of identity theft." Data breach victims should submit a Form 14039, *Identity Theft Affidavit*, only if your Social Security number has been compromised and IRS has informed you that you may be a victim of tax-related identity theft or your e-file return was rejected as a duplicate.

## How you can reduce your risk

Join efforts by the IRS, states and tax industry to protect your data. **Taxes. Security. Together.** We all have a role to play. Here's how you can help:

- Always use security software with firewall and anti-virus protections. Use strong passwords.
- Learn to recognize and avoid phishing emails, threatening calls and texts from thieves posing as legitimate organizations such as your bank, credit card companies and even the IRS.
- Do not click on links or download attachments from unknown or suspicious emails.
- Protect your personal data. Don't routinely carry your Social Security card, and make sure your tax records are secure.

See [Publication 4524, Security Awareness for Taxpayers](#) to learn more.

**NOTE:** The IRS does not initiate contact with taxpayers by email to request personal or financial information. This includes any type of electronic communication, such as text messages and social media channels.

Publication 5027 (Rev. 12-2015) Catalog Number 67495R  
Department of the Treasury **Internal Revenue Service** [www.irs.gov](http://www.irs.gov)

## Protect Your Home from Burglaries

Most home break-ins are not through a busted down door or broken window. The most common way for a burglar to enter your home is through an unlocked door or window. Your best protection from home theft is to simply deter burglars from entering your home. These tips will help keep you and your family safe:

- Lock all doors and windows, including your garage door. You should get in the habit of locking everything whenever you leave your home and when you retire for the night.
- All doors leading to the outside should have a dead-bolt lock.
- Install peepholes in your doors leading to the outside.
- Keep trees and bushes around your doors and windows trimmed.
- Make sure you have good lighting on the outside of your home. Replace burned out bulbs promptly.
- Get to know your neighbors. Start a neighborhood watch group to increase security in your neighborhood.



## IT'S TAX TIME! *A Friendly Reminder to Our Clients*



In order to deliver quality services on a timely basis, we urge you to collect your information as soon as possible. If information from “pass-through” entities such as partnerships, trusts, and S corporations is the only data you are missing, please first send the data you have assembled and forward the missing information as soon as it is available.

Please confirm your filing deadline with us (deadlines may vary!). Your completed tax organizer and all supported information need to be received at least several days

ahead of your deadline. Any information received after that date may require that an extension (or further extension) of time be filed for your tax return. Keep in mind, that if an extension of time is required, any tax due must be paid with the initial extension. Any taxes not paid by the filing deadline may be subject to late payment penalties and interest.

We look forward to providing you with excellent service. In addition to preparing your tax returns, we also provide tax planning and wealth advisory services that may benefit you. Should you have questions regarding any items, please do not hesitate to contact us. Appointments may be scheduled by calling our office at 361-575-0271. Let us put our expertise to work for you!

## Just For Grins...



### Getting a Better Grade

A high school student received his theme paper back and was dismayed to see that he was given a B minus. He was hoping to bring up his grade when he decided to try to bribe his English teacher with a box of chocolates. Printed on the box was the inscription, “BE MINE!” The following day, he received a valentine in an envelope from his English teacher. Opening it, he read, “Thank you for the chocolates, but it’s still BE MINE-US!”



# Do Our Attitudes About Money Help or Hurt Us?

*We may need to change them to better our financial prospects.*

Provided by Jerome Kotzur



**Our relationship with money is complex & emotional.** When we pay a bill, go to the mall, trade in a car for a new one, hunt for a home or apartment, or pass someone seemingly poor or rich on the street, we feel things and harbor certain perceptions.

**Are our attitudes about money inherited?** They may have been formed when we were kids. We watched what our parents did with their money, and how they managed it. We were told how important it was – or, perhaps, how little it really mattered. Parental arguments over money may be ingrained in our memory.

This history has an effect. Some of us think of money, finance, investing, and saving in terms of getting ahead, in terms of opportunity. Others associate money and financial matters with family struggles or conflicts. Our family history is not responsible for our entire attitude about money – but it is, undoubtedly, an influence.

Our grandparents (and, in some cases, our parents) were never really taught to think of “retirement planning.” Just a century ago, the whole concept of “retiring” would have seemed weird to many Americans. You worked until you died, or until you were physically unable to do your job. Then, Social Security came along, and company pensions for retired workers. The societal expectation was that with a company pension and Social Security, you weren’t going to be impoverished in your “old age.”

Very few Americans can make such an assumption today. Many are unaware of the scope of retirement planning they need to undertake. An alarming 54% of pre-retiree respondents to a 2016 Prudential Financial survey had no clue how much they needed to save for retirement. Additionally, 54% had balances of less than \$150,000 in their workplace retirement plans. Have they been lulled into a false sense of security? Did they inherit the attitude that when you retire in America, Social Security and a roof over your head will be enough?<sup>1</sup>

**How can pessimistic attitudes about money, saving, & investing be changed?** Perhaps the first step is to recognize that we may have inherited them. Do they stem from our own experience? Or are we simply cluttering our minds with the bad experiences and negative assumptions of years ago?

One example of this leaps readily to mind. Earlier this year, Bankrate surveyed investors per age group and learned that just 33% of millennials (Americans aged 18-35) owned any equities, while 51% of Gen Xers did. (That actually represented a dramatic increase: in 2015, only 26% of millennials were invested in equities.)<sup>2,3</sup>

College loan debt and early-career incomes aside, millennials watched equity investments, owned by their parents, crash in the 2007-09 bear market. Some are quite cynical about the financial world. A 2015 Harvard University study showed that a mere 14% of respondents aged 18-29 felt that Wall Street firms “do the right thing all or most of the time” as they conduct business.<sup>3</sup>

**How do you feel about money?** What were you taught about it when you were growing up? Did your parents look at money positively or negatively? These questions are worth thinking about, for they may shape your relationship with money – and saving and investing – here and now.

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#### Citations.

1 - [businessinsider.com/reasons-for-americas-retirement-crisis-2016-11](http://businessinsider.com/reasons-for-americas-retirement-crisis-2016-11) [11/29/16]

2 - [ibtimes.com/should-you-invest-stock-market-why-millennials-might-be-missing-out-when-it-comes-2389589](http://ibtimes.com/should-you-invest-stock-market-why-millennials-might-be-missing-out-when-it-comes-2389589) [7/6/16]

3 - [thetreet.com/story/13135109/1/why-millennials-dont-trust-wall-street-or-investing-in-stocks.html](http://thetreet.com/story/13135109/1/why-millennials-dont-trust-wall-street-or-investing-in-stocks.html) [5/2/15]

*No one's ever achieved financial fitness with a January resolution  
that's abandoned by February. -----Suze Orman*



# Welcome to the team!

Bumgardner Morrison recently welcomed Josh Hanchett, CPA, to its team of professionals. Josh joined the firm as Tax Senior on November 28, 2016. He is a graduate of the University of Houston - Victoria with a BBA in Finance.

Josh moved to Victoria from Houston seven years ago. He and his wife Brie have been married six years and have two children, Collin and Emily.



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Bumgardner Morrison also welcomes back Josh Page to its team of professionals. Josh moved to Dallas last June to marry his wife, Katherine.

Working remotely from Dallas, Josh will be coordinating audit engagements between firm staff and our clients as well as performing reviews of audit work completed.

Josh is a 2010 graduate of the University of Texas at Dallas with a Master of Science degree in Accounting and Information Management.

*A fine is a tax for doing wrong.  
A tax is a fine for doing well.*

## Paying for College

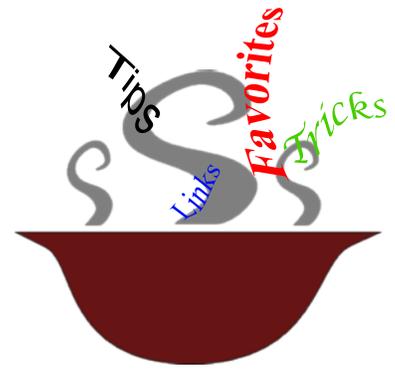
An investment banker was caught embezzling money from his employer. After going over the books, the bank president realized that the man had stolen over \$100,000. He called the police and the man was arrested. As the police officer led him away, he asked the man why he did it.

"I have a daughter in college and this was the only way I could think of to pay for it," the man replied.

"Well, I can understand that. I have a boy in college myself," said the police officer. "But where were you going to get the rest of the money?"



# The Soup...



## Internet Tidbit:

GCFLearnFree.org

Looking for a way to learn some new concepts? Maybe you want to take a few tutorials over a topic or take an entire class? One resource that you have is [gcflearnfree.org](http://gcflearnfree.org).

Gcflearnfree.org is a free site that offers 125 self-paced tutorials, and over 1,000 lessons and videos. Topics included are in the categories of: Technology, Reading, Math, Microsoft Office, Work and Career, Everyday Life, Mobile Apps, and more. They also have a section with the latest news and tutorials listed.

Additionally, Gcflearnfree.org offers some online courses – where an instructor will be available to answer questions as you work through the content. After you complete the course and submit and evaluation, you will even receive a Certificate of Completion and continuing education units.

For most of the content you will not need to register – with the exception of the online courses. Registering on and using the site is completely free.

**We hope you enjoyed our newsletter. Previous issues can be viewed <http://www.bmccpa.com/blog>.**

**If you'd like to receive a copy via email, please send your request via email to Lori Devereaux at [lori@bmccpa.com](mailto:lori@bmccpa.com).**



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