

THE MONEY COACHES



“It’s easier to fool people than to convince them they have been fooled.”

Mark Twain

Tax Time!



It is tax time again! With tax filing well under way, Americans are getting their documents and tax forms together and preparing to file. You can go about filing in a number of ways, and all of them have their advantages and disadvantages. So how should you file? Maybe you’ve done it the same way for years, but is that the best way? Like everything we do at the Money Coaches, we believe in self-evaluation. So, let’s take a look at our options to see if there might be a better way.

Digital Tax Preparation Tool – Examples of digital tax prep tools are programs like TurboTax that allow you to enter your information directly into the computer. They generally cost between \$30- 100 and can be downloaded and used from the comfort of home or simply accessed through a website interface with a login. The problem with these programs is that they are only as good as their user. If you don’t enter the correct information, or you don’t maintain the most up-to-date version, you’ll get flawed results.

Brick and Mortar Tax Company – Brick and mortar tax operations are those like H&R Blocks and the place that always has the

guy spinning a sign out front. A good number of people file using this method with the hopes that this person is a bit more informed than they are. Sometimes that is true, sometimes it isn’t. You’ll pay a bit more going this route, and hopefully that cost comes with a guarantee on their services if something is done incorrectly. Plan to pay anywhere from \$150-300 for this method.

The DIY Method – Some people choose to fill out and file everything themselves because it simply costs you time (and maybe an aspirin or two). However, there are constantly changing tax laws, and you place a great burden on yourself to know and understand them if that isn’t your primary occupation (or very strange hobby). A common alternative to this is for people to have a friend or relative file their taxes for them. If this is what you choose, make sure to ask yourself – “If my taxes are done incorrectly, who will be the one dealing with it?”

File With an Accountant – Filing with an accountant is the best way to ensure that everything is completed correctly. These are people whose job it is to understand tax laws and be up-to-date on them year-round. They are the ones who will likely be available for questions or support in the event of an audit. They are likely to be the most expensive option, but most effective. Prices can range from around \$150-500 depending on the complexity of your filing.

What to Bring?

When trying to figure out what information you should bring with you when you go to see your tax preparer, we went straight to the source. Our accountant gave us the list of things you need to bring with you, as well as items that are most commonly forgotten. Without further ado, here is the list:

What everyone should bring –

- All tax-related documents received. This includes W-2’s, 1099’s
- Mortgage interest
- Health insurance forms
- Amount of real estate tax or rent
- If you are itemizing
- Charitable Donations
- Excise tax on license
- Job expenses

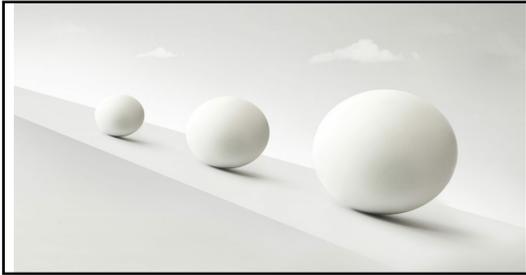
If you are going to a new preparer –

- Copy of prior year’s return
- Birth dates for taxpayer and all dependents

Commonly forgotten items –

- Social Security number for new child
- Real estate taxes
- Form 1095-A for anyone who received health insurance through the marketplace
- Forms for if you had different insurance policies during the year. These may have to be accessed online as not all insurance companies mail theirs out.

Using the Debt Snowball to Get Out of Debt



If you have been stuck in debt, you know it can seem like a somewhat hopeless place. You can easily resign yourself to your lot and in doing so, often end up letting the problem grow rather than tackling it head-on.

At the Money Coaches, we teach the debt snowball method of dealing with your personal debt. The way this works is pretty simple. You begin by listing all your debt, including credit cards, student loans, car payments, medical bills, etc. Do not add in your mortgage to this list, as that is something we recommend tackling at a later stage.

Once you have it all in front of you, your next step is to organize it from the smallest debt to the largest. You'll pay the minimum on all of your debts and throw everything you can at the lowest debt on your list.

To many, this might seem counterintuitive. The most practical and sensible thing would be to target the debt with the worst interest rate. While that tactic is very logical and rational, we don't believe it is the most effective. If we were totally logical and rational in our spending, we probably wouldn't be in a situation

where a debt repayment system was needed, right?

So, because we are flawed, the best way is to start with the smallest debt. That lets you get a "win" early by knocking out a debt, even if it is a small one. Once it is paid off, you can move on to the next smallest debt, and apply all the extra funds you have to that debt, on top of the minimum payment you were already making. The process continues on up the line, with the payments you are able to make growing as you finish off each debt.

Once you build up a head of steam, you'll be paying off debt like a large snowball that's rolling downhill, with an unstoppable momentum!

The process of getting out of debt is very simple, but that doesn't mean it is easy. It requires a serious commitment to change. If you aren't faithfully making maximum payments, or you are turning around and putting more money on credit cards, you won't make the progress you desire.

As always, if you are struggling to get started, aren't sure what your next step should be, or just need some wisdom and encouragement, reach out to us and let us help you!

If you find yourself in a hole, stop digging!
-Will Rogers

Cheesy Chicken Enchiladas

Ingredients

- 1 (10.75 ounce) can condensed cream of chicken soup
- ½ cup sour cream
- 1 tablespoon margarine
- 1 onion, chopped
- 1 teaspoon chili powder
- 2 cups chopped cooked chicken breast
- 1 (4 ounce) can chopped green chile peppers, drained
- 8 (8 inch) flour tortillas
- 1 cup shredded Cheddar cheese

Directions

1. Preheat oven to 350 degrees F (175 degrees C).
2. In a small bowl mix the soup and sour cream; set aside.
3. Melt margarine in a medium saucepan over medium high heat. Add onion and chili powder, and saute until tender. Stir in the chicken, chile peppers, and 2 tablespoons of the soup mixture. Cook and stir until heated through.
4. Spread 1/2 cup of the soup mixture in a 9x13 inch baking dish. Spoon about 1/4 cup of the chicken mixture down the center of each tortilla. Roll up tortillas, and place, seam-side-down, in the baking dish. Spoon remaining soup mixture on top, and sprinkle with cheese.
5. Bake 25 minutes in the preheated oven, or until bubbly and lightly browned.

For more, check us out at
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