

Advantage

Your personal finance edge

November–December 2019



Milk and-something special-for *Santa!*

**Your guide to
business gift
etiquette**

**Reduce your
holiday hosting
risk**

**Charitable
gift giving**

**Your holiday
business rush
survival guide**

**Best holiday
quiz ever!**

A season of giving...

Here we are at the tail end of the year. And that means it's time to get things wrapped up so you can breathe easy and enjoy this special season. Be sure to check out our year-end tips to help you.

Then it's time to unwrap some holiday cheer, starting with everything this issue has to offer...including these holiday goodies:

- 'Tis the season for giving to friends, family and coworkers. We keep you updated on the most current charitable giving and gift rules.
- Hosting tips to ensure everyone can enjoy holiday cheer safely.
- Take your guests for a trip around the globe this holiday with our festive quiz.

- A new take on milk and cookies—If your family wants to serve up something a little different for Santa or just enjoy a seasonal sweet treat, dive into our recipes.

Of course, business doesn't completely stop at the holidays, and you probably have more than a few work-related gatherings and gifts on your list. To help you get through everything as gracefully as possible, check out our holiday etiquette for business.

Wishing you a wonderful holiday season!

Sincerely,
Your trusted advisors



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Your guide to **business gift etiquette**

'Tis the season for generosity and showing others appreciation, which commonly means the giving of gifts. It can be tricky to know if it's appropriate to give a client or a coworker a gift, and if so, what should you give? Here are some pointers to make sure any present you give (or receive) follows proper business etiquette...

If your coworkers or clients

are from other countries, make sure you research specific gift-giving customs. In some countries, business gifts are inappropriate, regardless of the reason. In other countries, there are certain ways a gift must be wrapped or presented. Taking the time to understand these customs will help you avoid potentially awkward situations for you and your colleagues or clients.

When choosing gifts, try to

make them creative while avoiding anything too personal or extravagant. Remember to check your company's gift-giving policy and that of your clients if you are unsure. In addition, the IRS has specific guidelines on the type and value of gifts that can be deducted at tax time.

If you are planning to give a

larger gift to a special coworker or your superior, you could take up a collection with your colleagues to purchase one nice gift instead of several smaller ones. If you do this, offer a suggested range and be sensitive to those who are unable to give.

When it comes to giving gifts

or throwing parties or office gatherings, all should occur during a time when everyone can participate. However, participation should not be mandatory. Gift giving and celebrations should always be optional in a business setting.

For the most part, managers

usually only give gifts to those who work directly on their team, if they desire to do so. An alternative might be to host a group lunch or dinner in lieu of gifts.

Expensive gifts should never be

given by an individual employee to their supervisor. If you are a supervisor and a direct report unknowingly chooses to give something that exceeds the normal range, such as a set of luggage or an expensive bottle of wine, it is up to the supervisor to graciously decline with a truthful explanation of why such a gift cannot be accepted.

If you receive a gift yourself, be sure to practice proper etiquette and send a thank you note as soon as possible. The note can be brief, but it should be unique to the gift received.

Happy giving! ■





Charitable **gift giving**

Sometimes the gift of cash is better than anything you can put under the tree. However, with any monetary gift, it's important to understand the tax rules. To help you out, we've compiled this brief overview to help you give wisely. *(Note: Unless Congress acts before December 31, 2025, these rules will revert back to those in effect in 2017.)*

■ Be familiar with the estate and gift tax

The lifetime estate and gift tax exemption was more than doubled under tax reform from \$5.49 million per person to an estimated \$11.4 million per individual and \$22.8 million for a married couple—with an inflation adjustment for future years. The annual gift exclusion amount remains at \$15,000 for 2019 per recipient.

Keep in mind that if you live or own property in states with state estate or inheritance taxes, where the non-taxable exempt threshold is much lower than the federal exemption, you may still owe taxes.

■ Have an income tax plan

Before you give to charities or individuals, it is important to consider how doing so may impact your annual taxes. As you likely recall from last tax season, the personal exemption was eliminated while the standard deduction was nearly doubled to \$12,200 for individuals and \$24,400 for married couples filing jointly. If you are a taxpayer who is 65 or older, blind or disabled, an additional \$1,300 is available.

■ Can't itemize? Consider these giving options

If you can't itemize your deductions, these strategies can help you itemize periodically, reduce your taxable income, or even return income to you:

• **Bundling itemized deductions.**

If you have the flexibility to time the payment of qualifying deductible expenses, you may want to consider bundling them into alternate years to increase the likelihood of being able to itemize deductions.

• **Use donor-advised funds.**

These funds allow you to make a large contribution in one tax year to establish or add to them. If it is large enough, you may be able to itemize deductions that year. In future years, if your deductible expenses are not large enough to itemize, you can request the donor-advised fund administrator to make a distribution to your chosen charity.

• **Consider gifts that return income.**

Starting a charitable gift annuity or a charitable remainder trust can help you itemize in the year they are funded—while also receiving annual income in the future. Keep in mind that only a portion of the contribution is deductible because the donor receives income for life or for a period of years.

• **Select donor-friendly assets.**

Working with an investment professional can help you choose the right assets for your charitable contribution. Making sure you comply with all tax laws and don't pay more than you need to on taxable gains is important.

• **Know whether to choose charitable rollovers or qualified charitable distributions.**

If you are 70½ years old or older and required to take minimum distributions from your retirement account, think about asking your plan administrator to make a distribution directly from your account to a qualified charity.

Although you won't get an itemized deduction for that contribution, your favorite charity will get a nice gift. And the amount contributed out of your RMD won't be reported as taxable.

This summary will help you start thinking about planning for the tax implications of charitable donations and cash or asset-based gifts. For assistance with your specific gift-giving situation this holiday season, please contact our firm. ■



Your holiday *business rush*

SURVIVAL

- GUIDE -

The holidays can be hectic for business owners...unless you have an appropriate holiday strategy. Now is the time to start preparing so you can make the most of the holiday season in sales while not losing your sanity. Use the following tips to help you plan ahead...

1 Meet with your team

Getting staff input is an important first step to head off any unexpected hiccups over the holiday period. Conduct a debrief of last year's holiday season and ask what could be done differently or better. Make sure to discuss holiday schedules as necessary. This could mean planning for additional staff if needed or reducing schedules if you are slow during the holidays.

2 Get organized

It pretty much goes without saying that a key to handling your busy time is to stay organized. Brainstorm what you can do ahead of time to make sure everything is in order. If you have a physical location, this may mean making sure it is clean and holiday ready. Now is the time to order any additional supplies needed and to put a marketing plan in place.

3 Make a holiday schedule

After meeting with staff and determining personnel needs, vacation hours and/or closures, create a schedule and circulate it early. By preparing the schedule now, you won't have to worry about it later when you're swamped with clients and orders.

4 Review policies

Reviewing current policies is important to counteract any holiday season-related hiccups. Take the feedback received from staff and use it to update policies if needed. This will help deliver impeccable

service during the busy holiday season. Also, don't forget to review all of your policies concerning returns and shipping.

5 Create a marketing strategy

Think through your holiday sales objectives and map out marketing strategies to help you accomplish them. Think about what you can do differently to attract holiday shoppers and clients to your business. Don't forget to show existing customers your appreciation as well...while putting your business front of mind with them.

6 Practice website preparedness

If your business includes online sales, now is the perfect time to perform any necessary upgrades to your website—especially any payment processing apps or portals. Make it your mission to have your website running smoothly and able to handle new customers in addition to existing clientele. Also, be sure that your website is ready to accommodate all potential customers who may visit—in terms of speed, bandwidth and information accuracy.

Once ready, put your plans and policies into action! You may also want to think about how you can keep your staff motivated during the holiday season with thoughtful treats or a drawing for prizes. Most of all, don't forget to reward yourself after the busy season with a little R & R. ■



Reduce your holiday hosting risk

If you are hosting a holiday gathering this season, make sure you can party with peace of mind by addressing any potential liability issues upfront. The following are five good tips to reduce your liability exposure...

1 Cover the basics

If you are using a third-party vendor or venue to host your event, there may be some exposure to risk. To minimize risk, verify that the vendor is licensed, bonded and insured. This includes going the extra step to inquire about the specifics of their insurance coverage and whether they have adequate coverage. You may also want to check references and find out how the vendor responds in a potential crisis.

2 Get contracts signed

Always obtain a signed contract from any vendor you use. Ensure the contract clearly states the time and date services will be rendered. Most importantly, verify that the contract includes a hold harmless clause. In the event of a vendor-related accident or injury, this clause certifies that as a host, you are not responsible for related damages.

3 Serve alcoholic beverages with caution

If you hire a bartender, let them pour all drinks to ensure your personal liability coverages remain in place. You should only hire a bartending or catering service that insures its employees against liquor-related liabilities. It's also in your best interest to ensure bartenders card everyone to negate personal liability coverage.

4 Put a parking plan in place

If it's in your budget, hire a valet service or parking attendant service to minimize collisions on your property, prevent blocking of nearby roads, and allow for organized and safe entries and departures. Just be sure to provide specific instructions and consult with your valet to create a parking plan. Confirm that your plan complies with local zoning ordinances and whether you need to obtain special permits to avoid various fines and fees.

5 Clear the path to your home

Make sure you have a clear and accessible path from your driveway to the entrance of your home to minimize liability risks by preventing slips, trips and falls. Be sure to:

- Clear walkways and stairs of any ice or snow.
- Remove planters, yard items and bikes. While these might be highly visible in the day, they can be hard to see at night.
- Add additional light, either via outdoor lamps or by switching on all exterior porch lights.

Use the tips above to minimize risk when hosting a holiday gathering—whether at home or the office. By doing so, you'll reduce any expensive liability risks while also allowing you to breathe easy and enjoy your own party. ■

Milk and-something
special-for **Santa!**



Can you believe that Santa will soon be here? If you want him to make a stop at your house, then you'll need to consider what treat you are going to leave for him. Given that he'll likely get his fill of cookies, why not consider leaving him something special to let him know you appreciate his efforts? You may want to borrow an idea from another country, or just try a different type of treat.

In **Australia** Santa starts his Christmas Eve journey with a nice cold beer and a few carrots for the reindeer. This is a good tip—don't forget to treat the reindeer right!

Swedish families provide Santa or Tomte, a mythological creature from Scandinavian folklore, with coffee to help keep him awake. You could do the same with a little cappuccino and biscotti.

If Santa needs to carbo load on something other than cookies, **Denmark** is the perfect place. Santa can settle down with a bowl of rice pudding (risengrod). Denmark folklore features the magical elves, Nisser and Tomte, who cause mischief if the bowl of risengrod is missing.

Santa's friends in **the Netherlands** figure he has had enough to eat by the time he reaches their homes. Children leave gifts for "Sinterklaas" reindeer such as carrots, hay and water. In exchange, Sinterklaas leaves marzipan, chocolate coins, hot cocoa and mandarin oranges.

Germany is another place where Santa and his herd don't eat and drink. Instead, they read the personalized letters that children write to Christkind, Santa's German alter ego. In the

morning, German children enjoy presents left in place of their letters. This could be a nice tradition to start with your family.

In **France**, children leave carrots for reindeer and biscuits for Santa—or Père Noël as he is known there. Instead of stockings, French children leave out their shoes for Santa to fill with treats.

In **England**, Father Christmas, as he is known, is often greeted by a proper meal. You can follow suit, leaving Santa a little breakfast fare or a sandwich.

If none of these treats from around the world seem special enough for Santa, be creative with your own ideas. Something healthy like yogurt and fruit might tickle Santa's fancy. Or, perhaps, bake your favorite cookies with a note to let him know you appreciate him. And remember, don't forget the reindeer. Just think of all the work they're doing to power Santa's sleigh. ■





*Best
Holiday
quiz ever!*

Take some time to challenge family, friends and coworkers with this holiday quiz. You might even make it part of your holiday gathering or as an ice breaker for the office party. Enjoy!

Q: In Charles Dickens' "A Christmas Carol," what was Mr. Scrooge's first name?

A: Ebenezer

Q: What Bing Crosby song is the best-selling single ever?

A: White Christmas

Q: In the early 1800s, the first gingerbread houses were reportedly inspired by what famous fairy tale?

A: Hansel and Gretel

Q: "Miracle on 34th Street" centers on what real-life department store?

A: Macy's

Q: In the song "Grandma Got Run Over by a Reindeer," what "incriminating" evidence was found on Grandma's back?

A: Claus marks

Q: In the 1964 classic "Rudolph the Red-Nosed Reindeer," what was the name of Rudolph's faithful elf companion?

A: Hermey

Q: How many reindeer are featured in the poem "Twas the Night Before Christmas?"

A: Eight (no Rudolph!)

Q: What traditional holiday decoration is actually a parasitic plant?

A: Mistletoe

Q: In "The Muppet Christmas Carol," who played Scrooge? Hint: It wasn't a muppet.

A: Michael Caine

Q: In the movie "A Christmas Story," what was the name of the next-door neighbors whose dogs ate the Christmas turkey?

A: The Bumpuses

Q: Name the animatronic cassette-playing bear toy that every kid wanted for Christmas in the mid 80s.

A: Teddy Ruxpin

Q: In the TV special "How the Grinch Stole Christmas," what three words best describe the Grinch?

A: Stink, stank, stunk



We take your data security seriously

Protecting your personal data from today's breed of cyber-criminal is a main focus in our firm. We continue to implement best-of-breed technologies and enhance our internal processes to keep your sensitive data safe and secure.

Thank you for making us your trusted advisor.