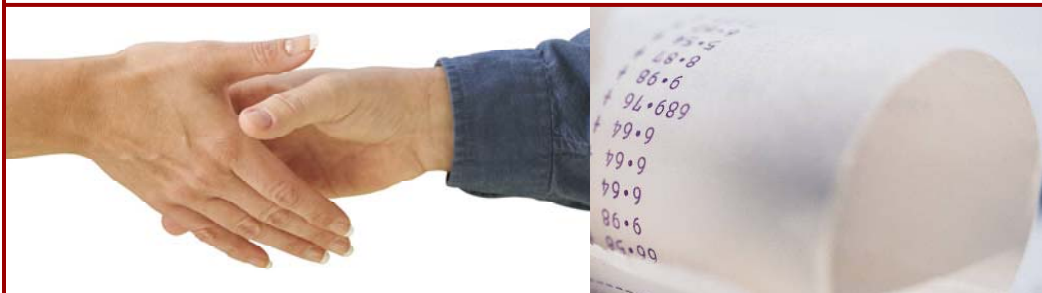


Word to the Wise

A Newsletter for Clients and Friends of Wouch, Maloney & Co., LLP



November 2009

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Call Soon for a Year-End Tax Review

Time is running out on moves you can make to reduce your 2009 tax bill. Some actions to consider right now:

- Be sure to **max out your 401(k) plan** at work. This year you can sock away \$16,500 (\$22,000 if you're 50 or older).
- Establish a **pension plan** for your small business. You may qualify for a tax credit of up to \$500 in each of the plan's first three years.
- Plan **year-end purchases of new or used business equipment** to take full advantage of the higher expensing limit of \$250,000 for 2009. Purchases of new equipment (not used) can qualify for first-year 50% bonus depreciation.
- Get your investment records in order so you can **make wise year-end sell decisions**, either to rebalance your portfolio at the lowest tax cost or to offset gains and losses.
- **Track down reinvested dividends** for any stock sold in 2009. They'll add to your cost basis and reduce taxable gain or increase deductible loss on the sale.

An important part of our service to you is to help identify actions you can take before year-end to minimize your 2009 income tax bill. Accelerating deductions, delaying income, contributing to retirement plans, and taking investment losses are just a few of the strategies you might want to consider. There are also tax credits that require careful planning or they may be lost. If you'd like to discuss tax-cutting options that fit your particular situation, please contact us soon for a year-end planning review.

Credit Card Fraud: Will You Be the Next Victim?

Credit card fraud has been around since the advent of credit cards, but the thieves have advanced with technology. At first, crooks used low-tech maneuvers like robbery, dumpster diving, or mailbox crashing to steal cards, statements, and merchant receipts. Although still popular, these methods are being eclipsed by more sophisticated techniques that range from phone scams and phishing to phony websites and

spy-ware.

Phone scammers use lies to trick victims into disclosing their credit card numbers and other sensitive information. The callers might say they're asking for charitable donations, selling goods or services, or "updating" your account information.

Phishing is the online equivalent, where scammers send emails claiming to be from legitimate sources like Pay

pal, eBay, banks, or even the IRS. The emails usually direct recipients to official looking websites that use various pretexts to elicit credit card information.

Spyware can be installed on your computer when you open an unsolicited email attachment. Although less frequent, **skilled hackers can also insert spyware through unpatched weaknesses in Windows or web browsers.**

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Wouch, Maloney Employees Take Part in Philadelphia Cares Day



On October 17, 2009, several WM staff volunteered their time and hard work at the **16th Annual Philadelphia Cares Day**. The group from WM spent the day cleaning hallways and common areas at Roxborough High School on Ridge Avenue in Philadelphia.

The participants from WM included Jeffrey Rieder, Diane DiMartino, Lindsay Milles and Stacy Ednie, as well as several staff family members. Philadelphia Cares Day is hosted by Greater Philadelphia Cares, which provides opportunities for service and helps those willing to serve find appropriate occasions for their time and talents.

Avoid Credit Card Fraud, continued from page 1

The spyware sends the desired data (credit card numbers, etc.) to remote servers whenever the victims enter the information.

Here are the steps you can take to guard against fraud:

Photocopy credit cards and other important documents that you keep in your wallet. Use the copies to notify your bank and credit card companies if

your wallet is lost or stolen. Then cancel the cards and put a hold on all charges.

Always **review your bank and credit card statements** to make sure the charges are legitimate. Notify issuers immediately of any unauthorized entries. Then consider changing your account number or cancelling the card.

Shred statements or re-

ceipts before disposing of them.

Never give personal information to an unsolicited caller. Scammers can falsify names and numbers that appear on your caller ID. Look up the company's number to make sure it's legitimate; then call back if you wish.

Don't open email attachments from unknown

parties, and don't respond to unsolicited email requests for personal information.

Avoid writing down your PIN and passwords, and shield the numbers when using ATM or similar machines. Even if nobody is nearby, thieves may have affixed hidden cameras.

Protect your computer with a **firewall, anti-virus software,** and an **anti-spyware program** and update them.

Going Green?

If you would like to read **Word to the Wise** in electronic format, please visit our website at www.wm-cpa.com

and click on Resources

Recent Revision of I-9 Form

The Employment Eligibility Verification Form, also known as the I-9 Form, is used by employers to **verify an employee's identity and eligibility to legally work** in the United States. Employers are **required** to keep the form on file for three years after the employee is hired or one year after the employee is terminated, whichever is later. The latest version of the form, updated 8/7/09, is available on the U.S. Citizenship and Immigration Services website at www.uscis.gov/i-9. The form lists acceptable documents of identification and eligibility status, as well as instructions for retention.

Tips for Starting a New Business

If you recently lost your job or have always dreamed of being your own boss, you may be contemplating a new business venture. Naturally, this is a risky proposition, especially during these turbulent times. Here are some practical suggestions to help you succeed.

Be realistic.

Don't expect your business to be immediately successful. In fact, you should be prepared, both mentally and financially, for the worst-case scenario. Recent statistics from the

Small Business Administration (SBA) show that about one-third of new business start-ups fail to make it through two years and over one-half fold after four years. Give your business time to grow and prosper.

Minimize the risk.

Even if you're encouraged by initial results, don't tie your fortunes completely to this undertaking. If you're still

gainfully employed somewhere else, keep the job and operate the new venture as a side-line business. If

you're currently out of work, make sure you have some cash reserves to fall back on.

Carve out a niche.

Your business should fulfill a specific need that is difficult for chain stores or other broad-based businesses to meet. In other words, if you try to compete directly

with the corporate giants, you're likely to lose.

Choose the proper form of ownership.

Depending on your circumstances, it may be best to operate the business as a C corporation, a partnership, an S corporation, a limited liability company (LLC) or a sole proprietorship.

Although you will bear most of the burden, you're not alone. Call us for assistance with the issues related to starting a new business.

Starting a new business venture can be risky. These tips can help you succeed.