



CHAN CPA & COMPANY, INC.

Business, Financial, & Tax Services

SEPTEMBER 2011 NEWSLETTER

Tax filing reminders

- September 15 - Third quarter installment of 2011 individual estimated income tax is due.
- September 15 - Filing deadline for 2010 tax returns for calendar-year corporations that received an automatic extension of the March 15 filing deadline.
- September 15 - Filing deadline for 2010 partnership tax returns that received an extension of the April 18 filing deadline.
- October 3 - Generally, the deadline for businesses to adopt a SIMPLE retirement plan for 2011.
- October 17 - Deadline for filing 2010 individual tax returns on extension.

Community Project Rolling Out

Many of us here at Chan CPA love to read. You can spark that same joy for reading and learning for children in rural Africa who don't have access to books. We're hoping you'll join us in supporting a book drive for the African Library Project. Their Mission:

"The African Library Project changes lives book by book by starting libraries in rural Africa. Our grassroots approach mobilizes U.S. volunteers, young and old, to organize book drives and ship books to a partner library in Africa. Our method makes a concrete and personal difference for children on both continents."

The books your family has out-grown can become treasures for a child in Africa. ALP makes it easy for us to make a lasting difference for many children, for many years to come. All it takes is a book. . . Check out the website to learn more about the positive effect this charity has in some of the poorest parts of Africa -- <http://africanlibraryproject.org/>

We're collecting **4th-8th grade level books for a secondary school in Lesotho**. (see below for appropriate books) ALP book drives are usually done by schools where the children donate books they have outgrown. While this may not be your demographic, perhaps being avid readers, you might still be interested in supporting this most worthy cause.

Here are the guidelines from the website about appropriate books.

- Juvenile literature
- Children's fiction and non-fiction
- Teacher's resource books for school libraries
- Dictionaries
- Encyclopedias less than 15 years old
- Accurate up-to-date atlases
- Thesauruses
- Math books from 6th grade up, including algebra, geometry, and pre-calculus, English books (focusing on grammar or comprehension), geography books, health books, science books including general science, biology, chemistry, & physics at appropriate level.
- Books with universal themes (friendships, animals, love)
- Books like *Chicken Soup for the Soul* (inspiring stories with life skills lessons)
- Books about Africa or African-Americans
- Educational children's science and literary magazines in good condition
- Brain teasers, flash cards, educational games and puzzles

The Trinity Building
16450 Los Gatos Blvd. Suite 101
Los Gatos, CA 95032

(Ph) 408-358-1591
(Fax) 408-356-1481
www.chancpa.com



Inappropriate books would include:

- Books that are filled with small print, no pictures, etc. (too intimidating or boring)
- Books with lots of slang, which may be difficult for English learners to follow
- Books for very young children that have many references to appliances and electronic gadgets.
- Adult paperback romance novels
- Books about United States history or government (but DO SEND books about African-Americans)
- Books about American or religious holidays (Easter, Halloween, Christmas, 4th of July, Thanksgiving, April Fools Day, Valentine's Day, Chanukah, etc.)
- Books that evangelize or promote a particular religion
- Magazines (except children's educational magazines & National Geographics less than 5 yrs old)

If you've been trying to clean off your book shelves, and you have some of these books, consider donating them to this ALP book drive.

Don't have the appropriate books, but are still interested in supporting this ALP book drive? You can:

1. Buy a new or used book(s) to donate.
2. Make a donation toward the shipping costs. It costs about \$500 to ship 1000 books to Africa, so any amount would be helpful.
3. Come help pack 1000 books. (Late Oct or early Nov, exact date and location to be determined.)

Books are being collected through mid-October, so you have plenty of time. Thank you in advance for supporting this project, and if you have any questions, please feel free to contact us.

Are unemployment benefits taxable?

Unemployment compensation can provide a welcome buffer while you're transitioning to a new job. But with the help comes a tax effect, because the benefits provided under federal or state laws are usually includable in your income in the year you receive them.

As a result, depending on the amount of unemployment benefits you expect to receive, you may want to complete form W-4V, Voluntary Withholding Request, to have federal income tax withheld from your benefits. The withholding rate is generally 10%. You can also ask the unemployment office to withhold state income tax.

Alternatively, you can adjust or begin making quarterly estimated tax payments. The amount of unemployment compensation you report on your income tax return is also affected by benefits you have to repay. If you receive and repay benefits in the same year, you can subtract the repayment from the total you received.

However, if you make repayments in a year following the receipt of the benefits, the tax treatment depends on how much you repay, and can be claimed either as an itemized deduction or a credit against your current-year tax.

Please contact us if your employment situation changes. We can help with tax and benefit related issues such as severance pay, retirement account rollovers, and deductions related to job hunting.



Animal lovers win court case

If you provide care for stray or feral animals in your home for an IRS-approved charity, you may be able to take a tax deduction for your out-of-pocket expenses.

A recent U.S. tax court judge ruled that a taxpayer who fostered feral and stray cats in her home could deduct amounts she spent for food, veterinarian bills, litter, and other unreimbursed expenses incurred to help the charity in its mission.

An important requirement for such expenses to be deductible: the taxpayer must keep records of the expenses, and if they exceed \$250, the charity must provide a contemporaneous written acknowledgment of the expenses as a charitable donation.

The Humane Society hopes to get the word out on this case, stating that thousands of members do volunteer work such as this and spend their own money to support the mission of local animal shelters and rescue groups.

Thought for the month:

"Things have a way of working out okay in the end...if it's not okay, then it's not the end."

- Author Unknown -

As our continuing commitment to support you, please take advantage of our referral program. For each new individual client you refer, you get a \$50 discount on your tax invoice (once their returns are completed), and as a new client they get a \$50 discount PLUS a complimentary 30 minute consultation with Diana !

This newsletter provides business, financial, and tax information to clients and friends of our firm. General information should not be acted upon without first determining its application to your specific situation. For further details on any article, please contact us.