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## **STANISLAWSKI & COMPANY, INC.**

*A Certified Public Accounting and Business Consulting Firm*

January - February 2014

### **RE: Timely Gift Tax Returns = Significant Long-Term Savings Preparing Your Heirs**

Dear Friends of Stanislawski & Company, Inc.:

We hope your year is off to a great start! In this newsletter we want to give you some ideas on how to keep the momentum going with some important tax and financial planning ideas regarding timely filing of gift tax returns, and preparing your heirs.

First, we want to remind you if you receive any assets greater than \$14,000 from one person that the best way to thank them is to make a special effort in reminding the giver to file a gift tax return. By filing a gift tax return on-time you can make sure that the person who was so kind in giving you the gift won't have big problems years later. For example, Stanislawski & Company recently had an unusual complication with a long-term client who forgot to tell us that he and his wife had transferred title of some of their real estate to their children years ago. Transferring title of their real estate to their children was a gift and gift tax returns were required. Now, years later, as we are preparing the estate tax return we are learning of these gifts that the client had made, and it has created a lot of extra complications for the entire family. In addition to all the extra time and cost involved in reporting these past gifts, the estate has to deal with extra gift taxes, and penalties and interest all because the gift tax returns were not prepared in a timely manner. So please remember if you've made gifts previously or plan on making large gifts to please discuss it with us. Also, if you are the lucky recipient, please remind the person who gives you the gift to please discuss it with their C.P.A. or offer to have your C.P.A. prepare it. As unusual as it sounds, the nicest way to reciprocate is to make sure the giver files their gift tax returns – filing a gift tax return on-time can be a gift in itself.

We also want to remind you of the importance of preparing your heirs. As many of you know, estate planning is very important at Stanislawski & Company, and an often overlooked but critical step of estate planning is preparing your heirs. I recently met with a client about preparing his heirs, and I recommended that we schedule a Family Meeting at our office (or at their office or home) 2 to 4 times each year. The meeting would include the parents and children, and periodically the parents' attorney, financial advisor and the children's spouses. The parents have worked very hard to build a valuable estate and it's important that their children understand this and are responsible in managing their inheritance. Having a Family Meeting with the financial advisor will establish a relationship between the children and the financial advisor, and the family can create an investment policy. Also, another tactic is to make the bank a co-trustee and that way the inheritance has less chance of getting "lost" or wasted.

These are just a few ideas that Stanislawski & Company has to offer in terms of gifting and estate planning. Stanislawski & Company believes that planning and communication are key components in creating the best tax and financial situation. We also emphasize the importance of having a great team of professionals to assist you with your gift and estate planning. This team includes your real estate professional, estate attorney, financial advisor, banker and of course your C.P.A. (and sometimes even more professionals).

Thank you for another year of working together. We truly enjoy assisting you with all your accounting, tax and consulting needs. We also truly enjoy working with entire families and seeing many generations thrive. We are always honored to receive your referrals, and for the opportunity to serve you. Business is great at Stanislawski & Company, Inc. and we are looking for more

Sincerely,

Charles G. Stanislawski, M.B.T., C.P.A.