Bartholomew & Company, Inc.
Thomas J. Bartholomew, AIF®
President
370 Main Street, Suite 1000
Worcester, MA 01608
508-753-8807
800-440-8807
tom@bartandco.com
www.bartandco.com

When giving, be generous! When taking, be thankful! --- Mehmet Murat ildan

During this season of giving, I want to express my gratitude to all of our clients and friends who have contributed to the success of Bartholomew & Company's mission to provide professional and exceptional service to our clients while also providing a supportive environment where all employees can thrive.

We wish you the best this holiday season, and look forward to sharing a happy, healthy new year with you!

Sincerely,

Tom

December 2017

Nonprofit Board Membership: A Primer

If you're looking for creative ways to "give back" to your community or society at large, consider joining a nonprofit board of directors. But where do you begin?

Assess your passions

"Passion for mission" is the most important criterion when recruiting board members.[1] Are you an animal lover or concerned about children's health? Do you currently support youth athletics, art, education, music, religion, or eldercare? Would you prefer to work with organizations whose impacts are felt on a local, regional, national, or international level?

Identify your areas of interest and geographical scope, then investigate potential opportunities. The resources at BoardSource may help you in your search.

Evaluate your contribution potential

Board membership generally requires commitments of time, effort, and money. Be sure you fully understand these commitments and are willing to devote what's necessary to fulfill your obligations.

Time: Board members generally agree to serve for multi-year terms, usually with limitations. (The most common term structure is two consecutive three-year terms.[2]) Meetings typically occur several times throughout the year, in person and/or via conference call. In-between regular meetings, committee work can consume additional time.

Effort: What professional skills do you bring to the table? Nonprofits often need assistance in the areas of financial management, legal counsel, marketing, fundraising, strategy, and operations, and often seek board members who can contribute these and other specific skill sets.

Money: Board members are generally expected to contribute their own money and are often asked to help solicit donations during fundraising drives. In addition, most board members are not reimbursed for expenses, so if you're required to travel, you will have to cover your own (often tax-deductible) costs.

Review your legal responsibilities

All board members carry some level of "fiduciary responsibility," or legal responsibility for financial oversight. Although you don't need to be a certified public accountant or investment manager (most boards have at least one experienced professional to advise on the most complex accounting, tax, and finance issues), you need at least a fundamental ability to interpret financial statements.

State nonprofit governance laws vary, so be sure to inquire about fiduciary responsibility as it relates to your target organization(s). You might also ask about directors and officers insurance, which helps protect board members in the event of a lawsuit.

Understand the recruitment process

Generally, potential board members are invited to join. They will typically undergo a series of two-way interviews with senior organizational management and other board members. These interviews are the perfect opportunity not only to evaluate the rate of success of the organization in pursuing its mission but also to gauge the culture of the organization and its board; to assess the leadership abilities of the executive staff members, board, and committee chairs; and to carefully review the board's by-laws, which govern the responsibilities of the board members and the frameworks under which they operate and make decisions.

Test the waters

Many nonprofits allow people to serve on committees without the multi-year commitment of board membership. For this reason, committee work might be an ideal way to gain valuable insight into the inner workings of an organization and build relationships among senior staff and board members before making the commitment to join a board.

[1-2] Boardsource, Leading With Intent: 2017 National Index of Nonprofit Board Practices

It's Time for Baby Boomer RMDs!

In 2016, the first wave of baby boomers turned 70½, and many more reach that milestone in 2017 and 2018. What's so special about 70½? That's the age when you must begin taking required minimum distributions (RMDs) from tax-deferred retirement accounts, including traditional IRAs, SIMPLE IRAs, SEP IRAs, SARSEPs, and 401(k), 403(b), and 457(b) plans. Original owners of Roth IRAs are not required to take RMDs.

If you're still employed (and not a 5% owner), you may be able to delay minimum distributions from your current employer's plan until after you retire, but you still must take RMDs from other tax-deferred accounts (except Roth IRAs). The RMD is the smallest amount you must withdraw each year, but you can always take more than the minimum amount.

Failure to take the appropriate RMD can trigger a 50% penalty on the amount that should have been withdrawn — one of the most severe penalties in the U.S. tax code.

Distribution deadlines

Even though you must take an RMD for the tax year in which you turn 70½, you have a one-time opportunity to wait until April 1 (not April 15) of the following year to take your first distribution. For example:

- If your 70th birthday was in May 2017, you turned 70½ in November and must take an RMD for 2017 no later than April 1, 2018.
- You must take your 2018 distribution by December 31, 2018, your 2019 distribution by December 31, 2019, and so on.

IRS tables

Annual RMDs are based on the account balances of all your traditional IRAs and employer plans as of December 31 of the previous year, your current age, and your life expectancy as defined in IRS tables.

Most people use the Uniform Lifetime Table (Table III). If your spouse is more than 10 years younger than you and the sole beneficiary of your IRA, you must use the Joint Life and Last Survivor Expectancy Table (Table II). Table I is for account beneficiaries, who have different RMD requirements than original account owners. To calculate your RMD, divide the value of each retirement account balance as of December 31 of the previous year by the distribution period in the IRS table.

Aggregating accounts

If you own multiple IRAs (traditional, SEP, or SIMPLE), you must calculate your RMD separately for each IRA, but you can actually withdraw the required amount from any of your accounts. For example, if you own two traditional IRAs and the RMDs are $5,000 and $10,000, respectively, you can withdraw that $15,000 from either (or both) of your accounts.

Similar rules apply if you participate in multiple 403(b) plans. You must calculate your RMD separately for each 403(b) account, but you can take the resulting amount (in whole or in part) from any of your 403(b) accounts. But RMDs from 401(k) and 457(b) accounts cannot be aggregated. They must be calculated for each individual plan and taken only from that plan.

Also keep in mind that RMDs for one type of account can never be taken from a different type of account. So, for example, a 401(k) required distribution cannot be taken from an IRA. In addition, RMDs from different account owners may never be aggregated, so one spouse's RMD cannot be taken from the other spouse's account, even if they file a joint tax return. Similarly, RMDs from an inherited retirement account may never be taken from accounts you personally own.

Birthday Guide: This chart provides sample RMD deadlines for older baby boomers.

Month & year of birth	Year you turn 70½	First RMD due	Second RMD due
Jan. 1946 to June 1946	2016	April 1, 2017	Dec. 31, 2017
July 1946 to June 1947	2017	April 1, 2018	Dec. 31, 2018
July 1947 to June 1948	2018	April 1, 2019	Dec. 31, 2019
July 1948 to June 1949	2019	April 1, 2020	Dec. 31, 2020
July 1949 to June 1950	2020	April 1, 2021	Dec. 31, 2021

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Infographic: Financial Tips for Young Adults

6 Steps for Young Adults to Build a Financial Foundation

1 Create a budget

Subtract your monthly living expenses (e.g., rent, food, utilities) and loan payments (e.g., student and/or auto loans) from your monthly income to see how much you'll have left over each month to save or invest.

2 Build an emergency fund

Stash away a small amount from each paycheck until you have a few thousand dollars built up that you can access in the event of a financial emergency.

3 Pay your bills on time

Automate payments with online bill pay. If you run into financial difficulty, be proactive and contact your lender before you miss a payment.

4 Use credit wisely

Avoid racking up unnecessary credit card debt and pay off your bill in full each month. If you can't, don't use your credit card.

5 Contribute to a Roth IRA and/or workplace 401(k)

Time is your friend. Start saving for retirement now, and your older self will thank you. Consider starting with 3% of your pay and increase from there.

6 Live within your means

Forget about what others are doing and set your own financial rules and goals. Live your best life by striving to live within (or below) your means.

Bartholomew & Company, Inc.
Thomas J. Bartholomew, AIF®
President
370 Main Street, Suite 1000
Worcester, MA 01608
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www.bartandco.com

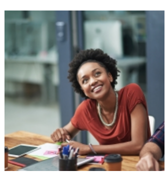
What can I learn from looking back on my financial situation in 2017?

If your financial plan for 2017 didn't work out the way you wanted it to, don't beat yourself up. Instead, ask yourself the following questions to determine what you can learn from reflecting on your financial situation in the last year.

Did you meet your financial goals and expectations for 2017? Perhaps you started the year with some financial goals in mind. You wanted to establish a budget that you could stick to, or maybe you hoped to build up your emergency savings fund throughout the year. If you fell short of accomplishing these or other goals, think about the reasons why. Were your goals specific? Did you develop a realistic timeframe for when they would be achieved? If not, learn to set attainable and measurable goals for your finances in the new year.

How did your investments perform? A year-end review of your overall portfolio can help you determine whether your asset allocation is balanced and in line with your time horizon and goals. If one type of investment performed well during the year, it could represent a greater percentage of your portfolio than you initially wanted. As a result, you might consider selling some of it and using that money to buy other types of investments to rebalance your portfolio. Keep in mind that selling investments could result in a tax liability. And remember, asset allocation does not guarantee a profit or protect against loss; it is a method to help manage investment risk. All investing involves risk, including the possible loss of principal, and there is no guarantee that any investment strategy will be successful.

Are your retirement savings on track? Did you contribute the amount you wanted in 2017? Or did unexpected financial emergencies force you to borrow or withdraw money from your retirement savings? In that case, you can help your savings recover by contributing the most you can to your employer-sponsored retirement plan and taking advantage of employer matching (if it's available to you). Contributing to a 401(k) or 403(b) plan can help you save more consistently because your contributions are automatically deducted from your salary, helping you avoid the temptation to skip a month now and then.



What financial resolutions should I consider making as I look ahead to 2018?

A new year is right around the corner, bringing with it a fresh start for you and your finances. What will you do this year to help improve your financial situation?

Evaluate your savings goals. The beginning of the year is a great time to examine your overall financial plan. Maybe you want to buy a new vehicle this year or save money toward a Caribbean cruise next year. Perhaps you want to focus less on material items and more on long-term goals, such as your retirement savings. Regardless of what you are setting money aside for, make sure you come up with a realistic savings plan that will help you achieve your goals and avoid the risk of significant loss.

Pay down debt. Whether you owe money on your credit cards or have student loan payments to make, the start of a new year is a good time to develop a strategy to reduce your overall level of debt. Reducing your debt can help create opportunities to contribute toward other goals throughout the year. But unless you can definitely afford it, don't plan to pay off all your debts in one fell swoop. Set a smaller goal that you'll be more likely to achieve over the course of the year.

Automate as much as you can. Your plan to pay down debt can be accomplished more easily if you automate your bill paying, saving, and investing. Most banks, credit card issuers, retirement plan providers, and investment companies offer services that make payments automatic — allowing you to worry less about payment dates. The best part is that it might only take a few taps on your smartphone to make these processes automatic.

Think about organizing your financial documents. If your overall financial situation is already in good shape for the new year, consider taking time now to clear out and organize your financial records. Do you have important documents, such as your tax returns or passport, in a safe place? Are you holding on to records that you no longer need? Organizing your financial records now can save you time and frustration later if you need to locate a particular document.