

# TAX PLANNING & PREPARATION GUIDE

## Herbein + Company, Inc. Announces Strategic Leadership Updates

### Names Joshua A. Pollet, CPA, as Chief Financial Officer

Herbein + Company, Inc. (Herbein) today announced a series of strategic leadership transitions designed to position the firm for continued growth and success. These changes reflect Herbein's commitment to aligning its leadership structure with its strategic priorities.



At the core of these transitions, **Joshua A. Pollet, CPA**, has been appointed Chief Financial Officer, effective October 1, 2025. Pollet will succeed current CFO **Joseph J. Witkowski, CPA**, who plans to retire in late 2026 after an exceptional 33-year career with the firm.

Pollet's appointment underscores Herbein's focus on developing exceptional leaders. A proven leader, Pollet joined Herbein as an intern and became the third in the firm's history to achieve partnership in 2017. As leader of the firm's assurance practice and a member of the executive committee, Pollet has played a pivotal role in shaping Herbein's client service and long-term direction.

"Josh's appointment as CFO demonstrates our focus on developing exceptional leaders who align with Herbein's strategy," said Herbein Chief Executive Officer **David W. Stonesifer, CPA**. "His nearly two decades of experience in finance, strategic planning, and M&A advisory, combined

with his deep understanding of our culture, make him uniquely qualified to guide our financial future. Josh's leadership will help us grow responsibly while maintaining the strong foundation needed to invest in our people, clients, and technology."

Pollet shared, "Herbein's commitment to excellence and innovation has been inspiring throughout my career. As CFO, I look forward to building on the strong financial foundation established by our firm throughout the last 53 years, aligning our resources with strategic goals, and continuing to drive success alongside our talented team."

Witkowski added, "Josh's deep knowledge of Herbein and his forward-thinking approach make him the ideal successor. I look forward to supporting him through this transition as he steps into this key leadership role."

In addition to Pollet's appointment, Herbein announced two other key leadership transitions:



**Craig A. Mengel, CPA**, a partner since 2017, has been appointed Managing Director of the Business Enterprise Practice; dedicated to serving small and mid-sized business clients. Mengel's client-focused approach and strategic vision will support the continued growth of the practice. He succeeds Partner

Steven M. Wolf, CPA, who will now guide Herbein's M&A post-integration processes.



**Christopher M. Turtell, CPA**, a partner since 2016, has been named Managing Director of the firm's Assurance Practice, succeeding Pollet. Turtell's expertise in quality control, client service, and team development will enhance the practice's ability to meet client needs and drive future success.

"These leadership changes are part of our intention to align our leadership structure with our strategic priorities," said Stonesifer. "By positioning leaders like Josh, Craig, and Chris in these critical roles, we ensure Herbein is well-equipped to meet the challenges and opportunities ahead while continuing to help our clients succeed with confidence."

#### About Herbein + Company, Inc. (Herbein)

Herbein + Company, Inc. (Herbein) is an award-winning CPA advisory firm, creating impact nationally and locally since 1972. We build value through exceptional service and innovative solutions, and provide client-focused accounting, tax, advisory, HR consulting, wealth management, and risk management services. Our clients benefit from tailored strategies in the communities where they live and work that help them succeed with confidence, today and tomorrow.

Herbein is an independent member of Allinial Global, an accounting firm association of legally independent accounting and consulting firms with offices in North America and throughout the world.

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# RECORDKEEPING FOR TAX PURPOSES

#### Provided by H&R Block

**Which records should you keep?** You should keep information that you and the IRS need to determine your correct tax. Everyone should keep the following records.

**Copies of tax returns.** Keep copies of your tax returns as part of your tax records.

- Your tax returns can help you prepare future returns and amended returns.
- After you die, copies of your tax returns and other records can be helpful to your survivors or the executor or administrator of your estate.

**Proof of income and expenses.** Listed below are examples of income and expense documents you should keep. The list is not all inclusive.

<b>Income</b>	<ul style="list-style-type: none"> <li>Forms W-2, 1099, and Schedules K-1</li> <li>Bank and brokerage statements</li> <li>Business and hobby income records</li> <li>Records relating to sale of business property</li> </ul>
<b>Expenses</b>	<ul style="list-style-type: none"> <li>Sales slips, invoices, receipts</li> <li>Cancelled checks or other proof of payment</li> </ul>
<b>Deductions</b>	<ul style="list-style-type: none"> <li>Medical expenses</li> <li>Mortgage interest</li> <li>Real estate tax records</li> </ul>
<b>Donations</b>	<ul style="list-style-type: none"> <li>Details of cash and noncash contributions</li> <li>Written communications from qualified charities</li> </ul>
<b>Your Home</b>	<ul style="list-style-type: none"> <li>Closing statements, including any refinance documents</li> <li>Purchase and sales invoices</li> <li>Receipts for improvements</li> <li>Insurance records</li> </ul>
<b>Investments</b>	<ul style="list-style-type: none"> <li>Brokerage statements</li> <li>Mutual fund statements</li> <li>Form(s) 1099 and 2439</li> <li>Other basis documentation</li> </ul>
<b>IRAs</b>	<ul style="list-style-type: none"> <li>Forms 1099-R, 5498, and 8606 for each year.</li> </ul>

#### Records for Special Situations

Some items require specific records, in addition to the basic records of income and expenses.

• **Alimony.** If you pay or receive alimony, keep a copy of your written separation agreement or the divorce, separate maintenance, or support decree.

• **Business use of your home.** Keep records that show which part of your home is used for business and the expenses related to that use. Childcare providers should also keep track of hours open for business, as well as hours spent in preparation and clean up.

• **Gambling.** Keep an accurate diary of winnings and losses. Required information includes:

- Date and type of gambling activity.
- Gambling establishment name and address, and names of persons present with you.
- Amount you won or lost.

• **Tax credits.** Each tax credit includes special recordkeeping requirements. Examples include:

- Provider's name, address, and taxpayer ID number for the Child and Dependent Care Credit.
- Physician's certification for the Credit for the Elderly or the Disabled.
- School records for the education credits.

• **Vehicle records.** If you use your own car for business, medical transportation, or qualifying volunteer work, keep a mileage log that includes the date, destination, and purpose of each trip. You also need to know how many miles you drove for other purposes, such as commuting and personal use. Your vehicle records should include purchase or lease papers and loan records. You may receive a larger deduction if you keep records of gas purchases, maintenance costs, etc., in addition to mileage.

#### What is Proof of Payment?

The records you keep provide the documentation to support the deductions and expenses claimed on your tax return. You must always keep documentation of the reason for the payment. Other documents, such as statements and receipts, will help establish that the item is allowable on your tax return.

• **Account statements.** Account statements from your financial institution are acceptable as proof.

• **Pay statements.** You may have deductible expenses withheld from your wages, such as medical insurance premiums and charitable contributions. Keep year-end or final pay statements to prove payment of these items.

• **Mortgage interest.** Form 1098, Mortgage Interest Statement, documents mortgage interest you paid. Be sure to verify that the amount is correct.

#### How Long Should You Keep Tax Records?

The IRS says you must keep your records for as long as they may be needed for the administration of any provision of the Internal Revenue Code, which means you must keep records of items shown on your return until the statute of limitations for that return expires. The statute of limitations is the time during which you can amend your return, claim a credit, or be assessed additional tax by the IRS. The chart next column lists some general guidelines.

#### Asset Records

Keep records of acquisition date and cost basis for each business or investment asset until the period of limitations expires for the year in which you dispose of the asset.

#### Electronic Records

Paper records take up a lot of space, and they can fade or be damaged. Many people prefer to keep electronic records instead of paper records.

All requirements that apply to hard copy records apply to electronic records, including record retention periods. If you scan or otherwise transfer your tax records to an electronic format, you must be able to store, preserve, retrieve, and re-produce the records in a legible, readable format.

#### Penalties

If you cannot substantiate certain items on your return with proof, the IRS may disallow those items, resulting in additional tax due. As a result, you may be subject to accuracy-related penalties due to negligence or substantial underpayment of tax.

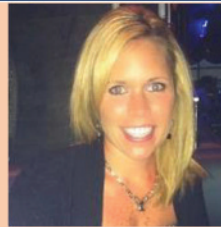


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## Behind Exciting Long-Term Business Growth is a Boring Bookkeeper...

The end of the year is a busy time for many reasons. Holidays, travel plans and family visits consume most of our days starting in November through January 1. But as a small business owner, there is even more you have to handle at the end of the year.

Right now, is the time of year when your business really needs your attention, especially in regard to accounting. Doing so not only helps you close out the current year on a high note, but it also sets you up for starting off the next year on the right foot.

Is your business on par with the following accounting tasks?

• **Monthly bank, credit card and loan reconciliations** — For the year-end, it is important to make sure what you show on your financial statements matches up with your bank and credit card accounts and your year-end statements.

• **Reconcile your accounts receivable and accounts payable** — There is a tendency to forget to collect on your invoices if you do not use invoicing software. Without a good collection system like QuickBooks, you may be missing out on the money you are owed.

• **Gather and Organize Your Receipts** — It is important to gather and organize your business-related receipts. A shoebox full of receipts is the last thing your CPA wants to see. There are many

apps available to download, which will simplify this.

• **Check Payroll** — A few common areas to watch out if you're worried about end of year accounting are withholding taxes for fringe benefits, deferred compensation, and end of year bonuses.

• **Collect W-9s** — Did you use vendors this year? If so, you will have to collect W-9 forms for some of them. The W-9 form can be used as a paper trail for the IRS to track your expenses. For every vendor that you have spent \$600 or more for services, you are required by law to issue and complete a 1099 form. The 1099 must be filled out and sent to the IRS by January 31st.

• **Take Physical Inventory** — For some of you, there is no need to take physical inventory. For others, getting an accurate account of your inventory is important. You will want to match it with your end of year balance sheet. It will also be helpful for your bookkeeper, especially to know how much you have spent on inventory throughout the year and its current value.

If the above-mentioned tasks are in a foreign language to you, or if you know that there is not enough time in the day to tackle this checklist, call Breslow's Bookkeeping Business at 215.272.5217 today.

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