

MOLDENHAUER & ASSOCIATES

MARCH NEWSLETTER

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Disney has this Front Stage – Backstage concept for how their parks run. This allows them to maintain the illusion of magic and provides a seamless guest experience.

The front stage is focused on creating and delivering a “magical” experience for guests. At the parks, this is often the family photos with characters, on rides, or in front of the many beautiful gardens and buildings.

The Backstage is where the magic is made; the food, the cleanliness, ride maintenance...it’s the operations, not the deliverable.

As a business owner, I love this concept. As a small business, we’ve had to adapt to fit our company and industry. Our advisors are the front stage. This is who our clients mostly interact with on a daily basis. The advisors meet with clients to discuss their portfolios and provide personal financial planning advice. However, their ability to deliver successfully on the front stage is largely due to skill and commitment of the rest of our staff.

We understand the importance of the personal relationships many of our clients have with their advisor, but I want to make sure to give credit where it is due. Sharon, Karen, Patricia, Jennifer W, Laura, Jennifer B, and Jeremy enable the advisors to focus on the advice and relationship. John, our COO, makes sure they have the tools to be successful. The backstage people make sure the work gets done timely and accurately. They are invaluable to the success of our clients, and therefore the business.

Moldenhauer & Associates needs to continue to grow and evolve the guidance and services we deliver. Because of this, we have recently hired Mike. Our expectation is that Mike will learn our policies and procedures. He will then be given the opportunity to develop his own niche/role within the company, based on his strengths and skills. He is experienced, and we look forward to his contributions to improving our business.

My reason for writing all of this is simply that it is a HUGE team effort. Even though we are smaller than Disney, we have policies and procedures. We have a company culture that I am proud of, and I am proud of the people who work here. They truly go above and beyond and I want to make sure their efforts and dedication are acknowledged...sometimes it’s easy to forget to thank them.

Back to Disney, I was there for a week recently with family. I’m not a big Disney person, but I have to say it was an awesome trip. My kids, Andrea and I had a wonderful time, and are very grateful to Andrea’s father, Bruce. If I have one criticism, I wish the action shots taken on the Disney rides made it look like I wasn’t so bald. Surely, they can figure that out, right?

Brett Moldenhauer

Brett Moldenhauer



MAKING SENSE OF DOGE AND PROTECTING YOUR DATA

The Department of Government Efficiency (DOGE) was created to eliminate wasteful spending and reduce regulation. In theory, this is a good thing—eliminating unnecessary costs can benefit both taxpayers and the economy. But as always, details matter. What one person sees as wasteful spending, another person may see as a necessary program. Understanding how these changes are implemented is key.

What Do We Know So Far?

Turning campaign promises into actual policies is always a challenge. Once in office, leaders often adjust their goals to fit reality. This has been the case with DOGE. Initially, Elon Musk aimed to cut \$2 trillion annually from government spending, but he later revised this target to a range of \$500 billion to \$1 trillion. While lower than the original goal, these cuts could still have significant long-term benefits, such as:

- Reducing government debt
- Potentially lowering interest rates
- Promoting economic growth
- Strengthening safety-net programs like social security and Medicare

Data Access Concerns

Recently, DOGE made headlines due to concerns over data access. Several employees were given access to personal and financial data across multiple government agencies, including the Treasury's payment system, which oversees trillions of dollars in transactions. Treasury Secretary Scott Bessent clarified that this access was read-only, but legal challenges have already begun. Nineteen state attorneys general have filed a lawsuit to block DOGE access, and the case could ultimately reach the Supreme Court.

Addressing Security Issues

It's understandable to have concerns about financial security, but several safeguards are in place:

- **Commonwealth Financial Network® protections:** Commonwealth is committed to protecting the

confidentiality, integrity, and availability of all information under our control and providing a secure environment that our affiliates and their clients can trust. Our Information Security team has extensive protections in place to prevent the risk of cyberattacks, such as unauthorized access, data breaches, malware attacks, and dedicated denial-of-service attacks.

- **Federal protections:** The federal government also has measures in place to protect clients' assets. This usually takes the form of various insurance types. Terms like SIPC and FDIC insurance become familiar any time a bank fails.
- **Regulatory oversight:** Fidelity bonds are also a requirement of FINRA, the industry's regulatory body.
- **Consumer protection laws:** Federal laws, like the Electronic Fund Transfer Act and the Fair Credit Billing Act, protect consumers against unauthorized financial transactions. If you ever notice suspicious activity in an account or on a credit card, report it immediately.

Steps You Can Take to Protect Yourself

You can take additional steps to protect your personal and financial information:

- **Secure personal documents.** Keep your social security card, unused payment cards, and sensitive personal information in a safe place.
- **Set up accounts with government agencies.**
 - Create a personal account with the Social Security Administration (SSA) to prevent unauthorized access.
 - Verify your identity with the Internal Revenue Service (IRS) to prevent fraud.
- **Freeze your credit reports.** Equifax, Experian, and TransUnion allow you to freeze your credit file online. This prevents unauthorized individuals from accessing your credit reports to take out a loan or open new credit card accounts in your name. You can temporarily lift the freeze when needed.

Prevention Goes a Long Way

The most likely outcome of DOGE's work is the elimination of wasteful government spending without significant risks to consumers. However, an ounce of prevention can make it easier for everyone to sleep at night. Staying informed and proactive can help you gain peace of mind knowing that your financial wellbeing is protected.

Presented by Brett A. Moldenhauer

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TO KEEP OR NOT TO KEEP: A GUIDE TO COMMON RECORDS-RETENTION QUESTIONS

What You Need to Know

Living in an increasingly paperless world has its benefits, but when it comes to records retention, does it make a difference? Sure, digital recordkeeping on the cloud means more storage space, easy access, and less vulnerability to inadvertent destruction. But the questions of what to keep and for how long feel just as confusing as ever.

Keep or Toss

Whether your files are physical or electronic, the same principles and time frames for record retention apply. Below, we review some rules of thumb to consider for a few common financial documents. Keep in mind, though, this list is not exhaustive, and professional responsibilities and potential liability risks may vary.

ATM receipts, deposit slips, and credit card receipts.

In general, you don't need to hold onto monthly financial statements after you verified your transactions—that is, unless statements include tax-related information. Also keep in mind that if you dispute a transaction included in a statement, in most cases, you have 60 days from the statement date. Beyond 60 days, the bank may be alleviated of liability associated with the charge—so you may be on your own to try to get your money back.

Paycheck stubs. Once you receive your annual W-2, it's usually not necessary to retain your paystubs for the prior year. You may want to keep your year-end stub if it includes any tax-related information not reported on your W-2, however. Additionally, if you anticipate a life event in the near future that will require proof of recent income—applying for a home loan, for example—then plan to hang onto pay stubs from at least the past two months.

Tax returns. Determining when to purge tax returns usually depends on how long the IRS has to contest a given year's return. In most cases, it's a period of three years—assuming tax returns are filed properly and do not contain any knowingly fraudulent information. The time frame can extend up to six years for severely underreported income, and there's no time limit for the IRS to contest fraudulent returns. The same timing applies to the supporting documentation used in preparing a tax return, so you should also retain the financial and tax documentation—investment statements showing gains or losses and evidence of charitable contributions, for example—pertinent to the corresponding year's return. If you're unsure how long you should keep a specific tax return and accompanying paperwork, be sure to check with your accountant. Additionally, the IRS offers some useful information on time limitations that apply to retaining tax returns.

Old 401(k) statements. Once you've confirmed your contributions are recorded accurately, there's little need to keep each quarterly or monthly statement. It may be a good idea to keep each annual summary until the account is no longer active, however.

Estate planning documents. Although there's usually no distinction about whether records need to be retained in paper or digital form, there are certain instances where it's essential to have original legal documentation with the "wet" signature. This requirement holds true for estate planning documents. In most circumstances, a court will only accept a decedent's original last will and testament—a copy will not suffice. If you're unable to produce the original, the court may presume it doesn't exist, deeming the copy invalid. It's possible there are legal avenues you can pursue to get the court to accept a photocopy of a will, but this could prove to be a costly and stressful process.

Get Organized and Be Sure to Shred

A good records-filing system is key to helping you maintain and easily access important documents. If you're storing things digitally, you can retain much more than any filing cabinet could hold, making it easy to take a more liberal approach to what you save. Keep in mind, the retention guidelines for many documents aren't clear-cut. When you're unsure, start by assessing what purpose the document may serve in the future. And it's always important to consult the appropriate financial, tax, or legal professional for advice on specific records. Finally, remember when it comes to materials that include personal information, if you're not keeping it, then you should be shredding it.

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UPCOMING EVENTS:

Our April/May seminars are at:

GDI Countryside Inn

Tuesday, April 29, 2025 at 6 p.m.
2049 Sandridge Road
Alden, NY 14004

Old Orchard Inn

Thursday, May 1, 2025 at 6 p.m.
2095 Blakeley Corners Road
East Aurora, NY 14052

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