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Important Dates:

April 15

- Individual income tax returns for 2025 are due
- First quarter 2026 estimated tax payments are due

How to Pay Your Income Taxes

The April 15th deadline for individuals to file and pay your income taxes is fast approaching. While paying taxes is not optional, you do have options when it comes to how to pay your taxes.

These options are available for your balance due and your quarterly estimated taxes, if applicable.

We strongly advise that you remit payments online! This ensures timely and accurate payment.

IRS Options

The Internal Revenue Service offers a variety of payment options summarized below. You can find out more and get started at <https://www.irs.gov/payments>

Illinois Options

The Illinois Department of Revenue offers a variety of payment options summarized below. You can find out more and get started at <https://tax.illinois.gov/individuals/pay.html>

Other states will have similar options. Start with a Google search or ask us for help finding the options for additional states.

7 Interesting Financial Facts

Money touches nearly every part of our lives, yet many people are surprised by how common certain financial behaviors actually are. Here are 7 interesting financial facts that highlight real trends in personal finance, along with practical tips to help you make smarter decisions.

#1: 46% of Americans with credit cards carry a balance from month-to-month. Nearly half of credit card users revolve a balance at some point during the year. Carrying a balance means paying interest, which can often exceed 20% annually.

Financial tip: Use credit cards like a debit card. Only charge what you can pay off in full each month. If you already carry a balance, consider the avalanche method – pay extra toward the card with the highest interest rate while making minimum payments on the others.

#2: 73% of taxpayers receive a tax refund each year. While a refund can feel like a financial windfall to some, it actually represents an interest-free loan to the government.

Financial tip: Consider adjusting your tax withholding if your refund is very large. Take the extra money in your paychecks and redirect it into savings or investments.

#3: Americans hold over \$1.67 trillion in auto loan debt. With rising car prices, more buyers rely on financing, often stretching loan terms to keep monthly payments manageable.

Financial tip: When buying a car, focus on the total cost rather than just the monthly payment. Shorter loan terms and larger down payments can significantly reduce the interest you pay over time.

#4: 40% of U.S. homeowners own their homes without a mortgage. A growing share of homeowners have fully paid off their homes.

Financial tip: Even if paying off your mortgage early is appealing, balance this goal with other priorities such as retirement savings and emergency funds.

#5: U.S. households owe about \$18.8 trillion in total debt. Mortgage debt accounts for the majority of this amount, followed by auto loans, student loans, and credit cards. Debt can help people achieve major life goals like homeownership or education, but too much can limit financial flexibility.

Financial tip: Track your debt-to-income ratio. While having no debt is the ideal situation, keeping monthly debt payments below about one third of your income can help maintain some financial stability.

#6: 67% of Americans have little to no savings after each paycheck. Rising housing costs, inflation, and everyday expenses have made it difficult for many households to build savings.

Financial tip: Start with small, automatic savings. Even setting aside a small amount from each paycheck can build meaningful financial security over time.

#7: 54% of working-age Americans have some form of post-secondary education. More than half of U.S. adults have continued their education beyond high school through a variety of paths – including four-year colleges, community colleges, trade schools, technical programs, and professional certifications.

Financial tip: *If you're considering additional education or training, evaluate the return on investment before committing. Sometimes shorter programs, certifications, or trade schools can provide strong earning potential with significantly lower costs than a traditional four-year degree.*

Safeguarding Your Business's Cash with Segregation of Duties

Fraud and embezzlement don't just happen at large companies. In fact, theft may be more common in small businesses because many lack internal controls that are typically in place at larger organizations. But the good news is that effective internal controls don't have to be complicated or expensive.

The best way for your business to battle fraud is to create a segregation of duties framework. With segregation of duties, you split the responsibilities for each of three different areas: authorization of cash expenditures, physical custody of cash and reconciliation of cash expenditures to different individuals.

Here's what you need to know:

- **Segregate cash disbursements.** Payment responsibilities should never rest with a single individual. One employee should review and approve vendor bills, while another processes the payment. The person preparing checks should not have authority to sign them. Electronic payments and fund transfers require similar separation – one person initiates the transaction, another reviews the details, and a separate, authorized manager gives final approval. The same layered approach applies to purchase orders: one team member issues or requests the order, another approves it, and payment is released only after proper review. Dividing these duties ensures management has visibility into how funds are spent and significantly reduces the risk of error or misappropriation.
- **Segregate control of cash.** Have an owner or manager occasionally spot check incoming electronic transactions and tie them to the company bank account. If you receive physical checks, have an owner or manager open the mail before passing it on to accounting. That's one way to detect unusual transactions before they're recorded in the company books. Alternatively, you might ask someone separate from accounting to open the mail and prepare a deposit slip, or prepare a daily reconciliation of all transactions.
- **Pay special attention to ACH receipts.** Unlike physical checks which leave a paper trail and involve multiple handling steps, ACH payments post directly to a bank account without anyone physically touching the money. This convenience reduces natural oversight points. If the same person has access to online banking and records receipts in the accounting system, errors or intentional misstatements may go undetected.
- **Segregate reconciliations.** For companies with limited resources, a periodic review of bank reconciliations by someone outside of accounting can provide a mitigating control. Non-accounting personnel performing these reviews will need to be trained. They'll need to understand the risks involved and the types of unusual or unsupported

transactions needing further investigation. Cross training staff also helps to ensure continuity of operations when accounting employees take vacations or leave the company. Or better yet, bring in an outside accounting expert to conduct periodic audits of key functions.

- **Management by wondering around.** As an owner, periodically review your bank accounts and the activity in them. Ask questions about transactions that are large. Even if you already know the answer, your team will know you are looking. The same goes with your general ledger. Get access to the ledger and periodically look at the details behind an account or two. You may be surprised what you find. Again, your questions will show your engagement and the randomness of this activity will serve as a simple audit technique.

Segregation of duties can help your company keep track of cash and help prevent theft by an employee before it happens.

Financial Tips That Sound Like Common Sense

On the surface, these suggestions sound like common sense. But managing your money is rarely this simple, as what works brilliantly for one person might not be the best move for someone else. Here's a closer look at a few common financial tips and how the hype holds up in practice.

#1 – High-yield savings accounts: A favorite low-risk move

Why they sound great: High yield savings accounts (HYSAs) are often promoted as a simple way to make your cash work harder. While a standard savings account may pay just 0.01% interest, many HYSAs offer more than 4% APY, a major boost if you're building an emergency fund or saving for short-term goals.

The reality check: Everyone should consider better yields for their everyday funds. To not do so is simply giving this money away to the bank. But you need to be smart. Putting this money in CD's often includes a hefty early withdrawal penalty. So find accounts with reasonable rates and then know how to transfer the money penalty-free to transaction accounts when you need it. Remember, a 4% yield on \$5,000 provides approximately \$200 every year. Would you be willing to take \$200 and throw it on the street? Most banks hope the answer is yes, so they can pick it up.

Worth the hype? *Yes, for the savvy consumer. While it won't change your financial situation, it helps establish best practices and encourages active management of your financial life.*

#2 – Credit card rewards: Free money or clever marketing?

Why they sound great: The pitch is to earn cash back, travel points, or perks for spending money you were going to spend anyways. Some cards even have generous sign-up bonuses worth hundreds of dollars.

The reality check: Credit card rewards can be lucrative, but only if you pay your balance in full every month. The second you start carrying a balance and paying interest, these rewards vanish into the void – lost in never-ending interest charges. Many cards also have annual fees, category restrictions, or minimum spend requirements that can lead you to overspend for the sake of earning points.

Worth the hype? *Yes, but only for those who DO NOT carry a balance from month to month. If you're debt-averse and organized, rewards cards are a tool, not a trap.*

#3 – Buying in bulk: The Costco/Sam's Club effect

Why it sounds great: The logic is simple: buying in bulk means paying less per unit. Warehouse clubs and bulk shopping apps promise you'll save a fortune on everything from cereal to toilet paper.

The reality check: Bulk buying can indeed slash your cost per item, but only if you use it and have the space to store it. So be careful with perishables you can't consume in time. And know your storage limits, especially for bulky items like paper towels.

Worth the hype? *If you have a large family the savings are easy to obtain. If not, you simply need to be a smart shopper or shop with a friend or two to share the bulk purchase and the savings.*

Financial tips are great, but only if you understand how they work and make them work for you and your situation.

As always, contact the office with questions by emailing us at info@colemancpas.com or calling 773-444-3100. We are here to help.

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