

MONEY SENSE

Genesis
FINANCIAL MANAGEMENT INC.

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NEW BEGINNINGS, DEBT FREE

FDIC: Making Sense of the Hype

These are four letters you've been hearing a lot about lately. In the news. Around the dinner table. Even in talk around the water cooler. The Federal Deposit Insurance Corporation - or FDIC - has never been so popular. But what exactly is it? And what does it mean to you? To put it simply, it's an independent agency of the United States government created to protect depositors in the event that a bank fails and can't return their money.

With 15 banks going under this year alone in the United States, the FDIC has become an important piece of "fine print" to look for. You need not fear keeping your money in a bank that displays the FDIC logo. And thanks to new legislation passed on October 3rd, congress has authorized the increase of FDIC insurance limits from \$100,000 to \$250,000.

What about credit unions? Even though we haven't heard too much about them, they have their own version of insurance through the National Credit Union Share Insurance Fund. It works the same as FDIC insurance.

So how can you take full advantage of FDIC insurance limits without putting any of your deposits at risk? What follows is a guide to the rules for individual and joint accounts. You'll note that even IRA accounts through a bank are covered by FDIC.

RULES & ORDERS

Your coverage Just Went Up

- **Your deposits are insured for up to \$250,000 for single accounts.**
- **Your joint accounts are insured up to another \$250,000 per depositor (joint accounts have 50/50 ownership and are insured up to \$500,000 total).**
- **IRA Deposits are insured up to \$250,000 per plan depositor.**
- **Your FDIC insurance starts all over again for any other accounts you have at another bank.**

For more information on FDIC insurance and how you can make the most of your coverage please visit <http://home.ingdirect.com/faqs/faqs.asp?s=FDIC>

- www.ingdirect.com

Dollar \$aver\$:

Saving on a Shoestring

Go Veggie— if you can do three meatless days a week (without substituting pricey fish), you could save \$25 a week, which, over the course of a year, adds up to \$1,300.

Play Money Games— Whenever you get a \$5 bill, put it aside. Or save the \$1's, or the spare change. You won't miss the little stuff.

Re-Evaluate— That dinner out may cost more than you spend on groceries in a week. That half-price pair of shoes could be worth your next tank of gas. Learn what your money is worth and don't be so quick to dispose of it.

Raise Your Deductibles— Reassess the deductibles for your various insurance policies. If you can raise them, your premiums will drop.

Toss the Catalogs— Get rid of the temptation to spend! Enough said.

Never pay a pro— If you can fix a neighbor's car, and she can paint the bathroom, do it. Barter and trade are great ways to get things done.

Payment Address

Genesis Financial Management
P.O. Box 100280
Atlanta, GA 30384-0280

STOP THE PRESSES!!!!:

NEW LOCKBOX ADDRESS

Effective SEPTEMBER 1, all Money Order Payments should go to our NEW LOCK-BOX ADDRESS:

PO Box 100280
Atlanta, GA 30384-0280



A Great Tool for Anyone in the Military

Military personnel and their families face special challenges when it comes to financial planning. Consider the *Armed Forces Guide to Personal and Financial Planning* as a potential gift idea for any service-members in your life. Written by COL Margaret H. Belknap and MAJ F. Michael Marty, it covers a wide range of important topics— from home buying to budgeting— from a standpoint especially relevant to anyone in the military. It also addresses topics relevant only to people in the military— such as the Thrift Savings Plan and the Survivor Benefits Plan. It even includes a checklist for deployment.

Owing money to the IRS should not be cause for panic. Make sure you know what your options are.

Genesis Financial Management

Phone: (800) 460-8641
Fax (813) 866-5120

What If I Can't Pay My Taxes?

Yes, we know, it's not tax-time yet. But what if you still owe taxes from a prior year? Or fear you may owe but haven't filed yet? Along with student loans and child support, federal taxes are one of the "big three" you can't afford to ignore. But you may have options for addressing a tax bill. Read on.

Federal taxes are due and payable in full by April 15th each year. If you aren't able to file a return by then, you can request a six-month extension, but you should still pay as much as you are able when you file the extension (even if you have to estimate), as an extension of time to file does NOT mean an extension of time to pay. Any taxes that are not paid by April 15th may be subject to a penalty, and interest will accrue on your outstanding balance.

If you cannot pay your bill in full when it's due, you may be able to request an extension of time to pay and/or an installment agreement. You can request these by going online to www.irs.gov, completing and mailing form 9465 with your return, calling the IRS's toll free hotline or visiting a local tax payer assistance center. There

will probably be a fee for setting up a plan, but it may alleviate some stress by giving you more time to pay.

If your financial situation is such that paying anything will be difficult, call the IRS at the phone number on your bill. Because you will need to give the IRS complete financial information if you feel you cannot pay, before you call, make a list of your monthly expenses and monthly income, and be prepared to discuss those with the IRS. Be sure to consider your medical costs and transportation costs (e.g., gas, repairs, insurance, bus fares), as well as housing costs. For expenses that are not recurring on a monthly basis (like auto repairs), consider your total yearly costs and divide that amount by 12 to come up with an average monthly amount. If the IRS agrees that you do not have the ability to pay, it may temporarily suspend collection action. However, the amount you owe will continue to increase through additional penalty and interest charges.

If you aren't able to pay your taxes and don't contact the IRS to make some kind of arrangement, the IRS can take action to collect, including filing a "Notice of Federal Tax Lien," which is a

claim against your property that will appear— and remain— on your credit file until it's satisfied. The IRS could also potentially seize assets you have in a bank account, your wages, your social security benefits or other sources of income. In extreme cases, they could also seize real property such as a car or home. More commonly, they will also apply any future refunds you may be entitled to towards your outstanding balance.

The IRS does have the authority, in some cases, to settle or compromise federal tax liabilities by accepting less than the full balance due. An offer in compromise (OIC) is an agreement between a taxpayer and the IRS that resolves the taxpayer's tax liability. For most taxpayers, there is a fee for submitting a request for an OIC, and the IRS will generally not accept an OIC if you can fully pay the tax liability. For more information about OICs, see Publication 594, *What You Should Know About The IRS Collection Process*. You can also contact the IRS at 800-829-1040.

*-thanks to Marcia Bailey,
Senior Tax Specialist-*

Please Note: A Reminder About Your Credit Cards

When you enroll in a debt management program, many of your creditors will agree to extend certain benefits to you that they might not otherwise offer. In return, they will usually close the lines of credit you place on the program. They— along with Genesis— want you to realize your goal of being debt-free, and the only

way to do that is to stop using the tools that created the debt in the first place.

At times like these, when money is especially tight and expenses higher than normal, you may be missing your access to credit. Please remember, though, that adding to your debt can prolong your progress to-

wards debt-freedom. If at all possible, we'd like to help you avoid that. If you're really in a bind, please give us a call at 800-460-8641 and give our accredited counselors a chance to help you find alternative solutions that will resolve your financial needs without creating more debt.

Visit our Website: www.YourGFM.com