



GROCO WEEKLY

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Weekly Wealth Building Tips

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More Audits Await High-Net Worth Individuals



As pressure from Congress to raise revenue and close the multi-billion dollar "tax gap" continues, the IRS looks to increase the number of audits against high-net worth individuals.

The IRS, as a result of increased funding and directives from Congress, is currently hiring a vast number of tax auditors and collectors, and creating special new units to use a wide spectrum of tactics for investigating wealthy taxpayers for tax compliance. ***

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10 Ways to Increase Your Profitability

"Profitability is as dependent on cutting costs as it is on increasing sales."

Profitability is as dependent on cutting costs as it is on increasing sales. As financial advisors, we are often called upon to assist management in reducing costs and finding alternatives to their unique situations. We have outlined below ten areas that all business owners should examine when attempting to implement cost-cutting strategies. ***



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Is Your Life Insurance Policy On Track?



Few things are as important as ensuring that your heirs will be in good financial shape should you die unexpectedly. Life insurance, and the death benefit it pays out, is critical for achieving that peace of mind-albeit one that is often avoided because it elicits undesirable emotions. After all, most of us don't want to think about anything related to the death of a loved one.

Because of the unwelcome emotional component, some people opt to not review their life insurance policy but it should not be something you merely buy and then forget about. In fact, it's advisable to review your life insurance policy every year during your annual financial checkup. ***

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Filing Requirements of Foreign Bank and Financial Accounts (FBAR)



The IRS has recently imposed a severe penalty on failure to disclose information related to foreign bank and financial accounts. June 30, 2010 is the deadline to file form TD F 90-22.1 to report foreign bank or financial accounts for calendar year 2009. Also, the IRS Notice 2009-62 extended the filing date until June 30, 2010 for eligible persons to report FBAR for year 2009, 2008 and up to six (6) prior years. The eligible persons include (i) persons with signature or other authority over, but no financial interest in, foreign financial accounts, and (ii) persons with financial interest in, or signature authority over, foreign financial accounts in which assets are held in a commingled fund.

However, the IRS Notice 2010-23 dated February 26, 2010 provided administrative relief to eligible taxpayers who are otherwise required to file FBAR by June 30, 2010. Persons with signature authority over, but no financial interest in, foreign financial accounts will now have until June 30, 2011 to file for 2010 and prior calendar years. ***

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