

CLIENT TELL

LOCAL TAX PREPARATION SITES OFFER FREE HELP

By Sara Johnson, Director, Baltimore Cash Campaign

Are you in need of help filing your 2011 tax returns? If so, you're in luck. Free local tax preparation assistance is available in most states.

In Maryland, Baltimore CASH (Creating Assets, Savings and Hope) Campaign has been helping working families for almost a decade, access financial opportunities through free tax preparation, Earned Income Tax Credit (EITC), benefits, and financial education services.

Through their effort, Baltimore CASH Campaign supports 20 free VITA sites throughout Baltimore City and Baltimore County. Since its inception in 2001, Baltimore CASH and its partners have prepared more than 70,000 returns, saving

families an estimated \$10 million in tax preparation fees.

VITA tax sites in Baltimore opened on Saturday, January 21, 2012 to help households of two or more who made \$50,000 or less in 2011, and single tax filers who made \$25,000 or less maximize their returns. Baltimore VITA sites provide free tax assistance to help qualified families claim the refundable EITC of up to \$7,000 depending on family size and income. Other tax credits for working families are available. Residents are encouraged to visit www.bmorefreetaxes.org make an appointment online or call 410-234-8008.

(Continued on Page 3)

MONEY POWER DAY IS ON THE WAY!

The 7th Annual Money Power Day will take place **10 AM - 3 PM**, on Saturday, **March 10**, at **City College High School** (3220 The Alameda, Baltimore, MD 21218.) Twelve hundred consumers attended this free event last year, and for good reason. There is so much to do!

This year's morning workshops will focus on home ownership. Afternoon workshops will cover different aspects of starting your own business. Come and get help with your taxes, customized credit report and financial planning advice, benefits screening, and foreclosure prevention assistance. There's even a Youth Zone, so bring the kids. Go to www.moneypowerday.org to learn more.

Inside this issue:

Tax Preparation Sites Offer Free Help	1
From the President	1
Money Power Day Is on the Way!	1
A Guide to Free Financial Education	1
EITC Facts	2
Ask a Counselor	4
Parting Advice & Resources	4

FROM THE PRESIDENT
Jim Godfrey

Money management is just like anything else. To get ahead, it pays to have an ongoing plan. When you initially came to CCCS, your credit counselor helped you take a financial inventory, set up a budget, look at ways to reduce your expenses, and explore options for repaying what you owed. Hopefully you left the session inspired, feeling like you suddenly had a strategy for becoming more financially secure. Now is a good time to revisit that plan and revitalize your effort, so that you'll be in better financial shape at the end of 2012.

Revisit your budget. Has your income changed this past year? How much are you currently paying for living expenses like your mortgage or rent, food, transportation, and utilities? Have you taken on any (Continued on Page 3)

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MONEY TALKS:

A Guide to Free Financial Education

Delaware Financial Literacy Institute (DFLI) sponsors the Money School, which offers more than 600 free, no-hassle personal finance classes a year. These courses cover everything from how to save for college to how to plan your retirement or start a small business. Classes are taught online and on-site across the state. DFLI Executive Director Ronni Cohen notes, "We try to tailor courses to the interests of local residents. We even have classes on 'extreme couponing' and 'selling on e-Bay.' We also sponsor money clubs, where 4-6 people get together to discuss money topics and provide support as members work toward achieving their specific financial goals." Purses and Portfolios is another aspect of the Money School. This program helps women take charge of their finances. Visit www.pursetoportfolios.com to learn more about it. Go to www.delawaremoneyschool.com or call 1-877-307-6858 (toll free) to register for Money School courses.

Maryland CASH (Creating Assets, Savings and Hope) Campaign runs the Maryland CASH Academy, which offers financial education classes through partnerships with nonprofits, banks, credit unions, educational institutions, and other financial professionals. Classes are offered on-site at locations throughout Maryland and cover topics such as budgeting, saving and investing, credit and managing debt, home buying, and identity theft. Program Manager Shani Gibson says, "All instructors are carefully selected for their knowledge and experience. They also must agree to keep their workshops sales free. Our participants know they'll get unbiased information from a knowledgeable source. They benefit from personal interaction with the instructor and their peers. Best of all, our classes are free unless otherwise noted." Most of our classes are free." To find out what classes are currently available, go to www.mdcashacademy.org. You can locate a class based on topic, location, instructor, and date. You can also call 410-528-8006 for information or to register.

Baltimore CASH Campaign also offers free financial education classes, money coaching, and events, such as its annual Money Power Day financial fitness fair. This all-day event features an exhibit hall where 40+ nonprofits provide real-time advice and resources. Participants can also attend innovative workshops and activities like the Credit Café, where CCCS helps participants pull and review their credit reports. According to Director Sara Johnson, "This is our seventh annual Money Power Day. It will be even bigger and better than before." Visit www.baltimorecashcampaign.org and see the Page 1 sidebar to learn more.

Live outside Maryland or Delaware? Visit www.mymoney.gov for a wealth of free financial education resources and www.wife.org for personal finance info for women.

EITC FACTS

The Earned Income Tax Credit (EITC) is a tax credit for those who work and have less than **\$49,078** of earned income. If you qualify, the tax credit usually means more money in your pocket. It reduces the amount of tax you owe.

You may be able to take the credit if:

- You have three or more qualifying children and you earned less than \$43,998 (\$49,078 if married filing jointly).
- You have two qualifying children and you earned less than \$40,964 (\$46,044 if married filing jointly).
- You have one qualifying child and you earned less than \$36,052 (\$41,132 if married filing jointly).
- You do not have a qualifying child and you earned less than \$13,660 (\$18,740 if married filing jointly).

The IRS may ask you to provide documents, such as birth certificates, school records, or medical records, to prove you are entitled to claim the EITC.

The law has changed, and you can no longer get advance payments of the credit in your pay during the year as you could before. However, if you're eligible, you will still be able to claim it on your return.

The IRS has an online tool called the EITC Assistant that can help determine if you qualify for the benefit. To access it, simply go to www.irs.gov. The EITC Assistant is available in English and Spanish.

Local Tax Preparation Sites Offer Free Help (continued)

In addition to helping working families claim valuable tax credits, Baltimore CASH can help individuals and families buy U.S. Savings Bonds and direct deposit their tax refunds into a savings account or prepaid card. Ask volunteers at the tax sites about ways to put your money to work for you.

Some Baltimore sites also offer additional services including benefits screening for public and private benefits such as health, nutrition, and utilities or referral services for financial education and credit counseling. Please visit the Baltimore CASH website at www.bmorefreetaxes.org for a list of locations.

If you are a Maryland state resident living outside of Baltimore City or Baltimore County, you can visit www.mdcash.org or call 1-800-492-0618 to register for an appointment. You may also visit the Comptroller of Maryland's website www.comp.state.md.us for a list of additional free tax preparation sites in Maryland.

If you live outside Maryland, free tax preparation help can also be acquired through the VITA Program and the Tax Counseling for the Elderly (TCE) Program. Visit www.irs.gov to find out more and see if you qualify.

At most VITA sites, trained community volunteers help you file for special credits, such as Earned Income Tax Credit, Child Tax Credit, and Credit for the Elderly or the Disabled. In addition to free tax return preparation assistance, most sites also offer free electronic filing (e-filing).

If you use the e-file program, you are likely to receive your refund in half the time that you would if you mailed in a paper return — and even faster if you request that your refund be deposited directly into your bank account. To find a VITA tax preparation site near you, access the IRS web site or call 1-800-906-9887.

The TCE Program provides free tax help to people aged 60 and older. Through this program, trained volunteers from nonprofit agencies that receive IRS funding supply free tax counseling and basic income tax return preparation. During the filing season, **AARP** offers a national TCE-sponsored Tax-Aide counseling program at more than 7,000 sites. For more information on TCE, call 1-800-829-1040. To find the nearest AARP Tax-Aide site, call 1-888-227-7669 or visit www.aarp.org.

new financial commitments or reduced the amount you owe to others? If so, these changes will affect your bottom line. We often forget that a budget is a tool, and like most tools it grows rusty when not used. Each time you update your budget and see how well you've stuck to it, you move closer to reaching important financial goals.

Save More. If you haven't opened a savings account, now's the time to do so. Consider having a small amount directly deposited into the account from your paycheck each month. This is a painless way to save, and small regular contributions add up. Depositing even \$20 a month will build a nest egg you can use to cover emergencies next year.

Spend Less. Everyone of us has ways we can economize. Invite your friends over for a nice meal instead of going out. Bring coffee from home instead of stopping at Starbucks on the way to work. Carpool with coworkers to save on gas. If you're getting a tax refund, make it work for you: Use it to pay down your DMP and add to your savings. Life is made up of small decisions. Making the right financial choices over time leads to dramatic results.

Ask a Counselor

Q: I just enrolled in a CCCS debt management program, and I plan to make my monthly payments using money orders. How do I fill one out?

A: Print clearly. List **CCCS of MD & DE** in the "Pay to Order Of" blank. Put your address and phone number below your signature. Place your client number in the corner of the money order. Sign the money order and include the top portion of your statement. Keep the receipt in case you need it later. Also send us your creditor statements each quarter. Note: You also can have payments deducted from your checking account using ACH Easy Pay or pay online. Call us at **1-800-571-2227** whenever you need help.

PARTING RESOURCES & ADVICE

Learn 24/7: CCCS now features free online financial education courses and podcasts on its website. Just go to www.cccs-inc.org and access the **Resources** section to hear about *Successful Money Management, Home Ownership, Managing Your Checking Account, Regaining Financial Control, or Understanding Credit Reports & Scores*. Our interactive e-Learning courses include: *Checking Account Management* and *Preventing & Managing Identity Theft*. We plan to add new topics throughout the year.

Like Us: If you haven't visited us on Facebook yet, now's the time. At "**CCCS of Maryland and Delaware**" you'll find money tips, articles, and videos. Come and join the buzz. We hope to hear from you!

Make a Difference: If you know friends, family members, or co-workers who are having trouble making ends meet, why not give them a helping hand? Share your story and encourage them to call **1-800-642-2227** for a credit counseling or housing counseling appointment. Your advice and compassion could save someone else a lot of sleepless nights.

Our Mission

To help stabilize communities by creating hope and promoting economic self-sufficiency to individuals and families through financial education and counseling.

Helping People Help Themselves Through Education,
Financial Counseling & Debt Repayment.

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