

CLIENT TELL

FREE TAX PREPARATION IS AVAILABLE NOW

By Sara Johnson, Director, Baltimore Cash Campaign

Do you dread the fact that tax time is just around the corner? Don't lose sleep worrying. Look for local help instead.

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 17 free Volunteer Income Tax Assistance (VITA) sites throughout Baltimore City. Since its inception in 2001, Baltimore CASH and its partners have prepared over 59,000 returns, saving families an estimated \$9 million in tax preparation fees.

Tax sites opened on Saturday, January 15, 2011, to help working families who made \$49,000 or less and single tax filers who made \$25,000 or less in 2010, maximize their returns.

VITA sites in Baltimore provide free tax assistance to help qualified families claim the refundable EITC of up \$7,082, depending on family size and income. Other tax credits for working families are available and residents are encouraged to call **410-234-8008** to see if they qualify and to schedule an appointment.

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 sites also offer additional services including—FAFSA financial aid filing assistance and benefits screening for public and private benefits, such as health, nutrition, and utilities. Referral services for financial education and credit counseling also are available.

(Continued on Page 3)

ENCOURAGING NEWS

CCCS of MD & DE is always looking for ways to help its clients succeed in their debt management plans (DMPs). That's why CCCS counselors now call new clients 30 days after they enroll in a DMP. During this "Client Encouragement" call, the counselor checks to see how the client is coming on financial goals that were set at the initial appointment, offers additional advice, and answers questions that may have arisen.

If you receive a phone message from us, please respond promptly. We are here to help and want to provide the advice and resources that you need. We also would appreciate your feedback on this new service. Please contact **Nina Heck** at ninah@cccs-inc.org to provide input on the program.

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FROM THE PRESIDENT
Jim Godfrey

As we enter 2011, the economy remains uncertain, and it's more important than ever to be financially responsible. From credit to budgeting and saving, consumers who have their financial houses in order are more likely to weather the storm:

The New Credit Card Law Brings Mixed Blessings. The Credit Card Accountability, Responsibility, and Disclosure Act, which took effect early last year, provides consumers with increased protection. For example, creditors must now give written notice at least 45 days before they raise your interest rate or make other major changes to your credit card (Continued on Page 3)

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BECOME A CCCS FACEBOOK FAN

To reach more people and communicate more effectively, we now have our very own Facebook page. If you have a Facebook account, you can visit us and become our fan. Simply search for “CCCS of Maryland and Delaware.”

On our **Wall**, you’ll find timely news on financial issues and topics. **Discussion** allows fans to share their own views and learn from others. **Photos** has pictures from recent CCCS community outreach efforts, and **YouTube** shows informational videos and interviews we have had with the media. **Events** lists upcoming educational workshops and seminars. A Facebook page lives and dies by its fan base. Help us make ours the BEST!

IF YOU QUALIFY, LEARN & EARN

The Earned Income Credit (EIC) is a tax credit for low and moderate income workers that allows eligible taxpayers to reduce their tax burden or even get an income supplement up to \$5,000. Some states offer a supplemental state EIC. For example, in Maryland, the state EIC is worth 25% of the Federal EIC. Eligible taxpayers claim the EIC when they file their federal and state tax returns.

WHAT ARE THE INCOME LIMITATIONS TO QUALIFY FOR THE 2010 EARNED CREDIT?

Number of Children	Income Less Than:	EITC Up To:
3 or more	\$43,352	\$5,666
2	\$40,363	\$5,036
1	\$35,535	\$3,050
No Children	\$13,460	\$457

Note: Income limits for married workers are \$5,010 higher than these amounts. Investment income cannot exceed \$3,100.

TAX PREPARER DO’s & DON’Ts

By Robin McKinney

If you have taxable investment income or other complicated issues that affect your taxes, you may need professional assistance. On average, you can expect to pay between \$100-\$150 to have your refund prepared.

DO ask your friends and neighbors who they use and their experience with a tax preparer.

DO ask about the fees up front, before the tax return is prepared. Ask if there are costs for additional schedules (like Schedule EIC) or forms. Ask about fees for different refund options. Avoid preparers who base their fee on the amount of your refund.

DO make sure the preparer signs your completed return and includes their address and Employer Identification Number (EIN), Preparer Identification Number (PTIN), or Social Security Number. This is required by law.

DO make copies of all the documents you give the preparer. Be sure to get a copy of your completed return and keep it on file for at least 3 years.

DO use your refund to pay down your DMP and increase your savings.

DON’T sign up for “Fast Cash Refunds” or “Instant Refunds.” Most of these quick refunds are actually refund anticipation loans (RALs). When you get a RAL, you’re borrowing against your refund, not getting your refund earlier. These are expensive and can cost up to \$100, or even more, on top of what you pay for tax preparation. Sign up for direct deposit instead and avoid check cashers who may charge an extra fee to cash your refund check.

DON’T work with anyone who suggests you lie or fudge numbers. You will be responsible for errors.

DON’T sign a tax return that is blank or completed in pencil. Sign the return or authorize e-filing only after you have reviewed it with your preparer. Ask questions whenever you don’t understand.

Robin McKinney is the Executive Director of the MD Cash Campaign.

FREE TAX PREPARATION IS AVAILABLE NOW (continued)

The Baltimore CASH website at www.bmorefreetaxes.org includes a location list for its tax preparation sites. If you are a Baltimore City or Baltimore County resident, visit the website or call **410-234-8008** to register for an appointment.

Residents throughout Maryland can obtain free tax preparation resources through the Maryland Cash Campaign. This network of nonprofit organizations seeks to improve the financial stability of working families across the State. Maryland CASH's website (www.mdcash.org) includes helpful tax filing and EITC advice and a State-wide list of free tax preparation sites. To register for a tax preparation appointment through Maryland CASH, visit its website or call **1-800-492-0618**. The Comptroller of Maryland's website (www.comp.state.md.us) also has a list of 12 additional free tax preparation sites in Maryland.

If you live outside Maryland, free tax preparation help can also be acquired through the Volunteer Tax Assistance (VITA) Program and the Tax Counseling for the Elderly (TCE) Program. Visit

www.irs.gov to find out more about these programs and 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 link 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.

terms. However, some creditors have responded to the law by making it more difficult to obtain credit. Many have increased their interest rates, penalties, and fees. Most are now less forgiving to credit card holders who miss or make late payments and are more likely to deny concessions when CCCS clients miss or make late payments on their DMPs. Clients who stay true to their goals and make their DMP payments on time and in full are more likely to qualify for credit when they leave CCCS.

A High Rate of Joblessness Continues. As we go to press, U. S. companies continue to cut jobs and benefits. Financially strapped State and local agencies also are laying off or furloughing workers to balance their budgets. You can survive this ride on the employment rollercoaster by sticking to your budget and having an emergency savings fund. If you receive a tax refund, consider putting some of it into savings and using the rest to pay down your DMP.

The New Year Brings Economic Opportunities. Unlike many Americans, you already have chosen to take control of your finances. Your CCCS DMP provides a plan for getting through the coming year. While you are here, take full advantage of the advice and resources we offer. Call us if you have questions or problems. Check out the educational tools and resources on our website (www.ccs-inc.org) and Facebook page. The skills you learn now will help you gain financial security for years to come.

Ask a Counselor

Q: It looks like I can expect a tax refund this year. Given my financial situation, how can I put it to good use?

A: If you are behind on essential budget items, such as your utility bill or your CCCS DMP, take this opportunity to get caught up. Once that is done, if you still have money left, put it into an emergency savings fund so that you can avoid becoming delinquent again. If you're current on your bills and have savings, make a dent in your debt by applying the refund to your DMP. Call us at 1-800-571-2227 to explore your options and come up with a "best use" refund strategy.

PARTING ADVICE & RESOURCES

Reaching Up, Reaching Out: Do you have a friend, family member, or co-worker with money or mortgage problems? Don't be afraid to share your own knowledge and experience and then refer them to us. Here at CCCS of MD & DE, we will help them find out where they stand and develop an effective plan, so that they can regain financial control.

Become Informed: Did you know that CCCS provides educational workshops and seminars to promote financial literacy at local businesses, churches, and community groups? If your organization would like to schedule one, please contact Jim Harris, CCCS Director of Education, at 410-747-2050 / jharris@cccs-inc.org for information.

Easy Does It: CCCS clients make their monthly DMP payments in one of three ways — pay online, use ACH EASY PAY, or use a money order. If you pay by money order, please include all required information. Print *CCCS of MD & DE* in the "Pay to Order Of" blank. Write your address and phone number under your signature and place your client number in the corner of the money order. Make sure you sign the money order. Then send or drop it to us with the top part of your statement. Retain your money order receipt for future reference. We also need for you to send us copies of your creditor statements each quarter. This information allows us to keep your accounts up-to-date.

Our Mission

To promote economic self-sufficiency to individuals, families and communities through financial education and counseling.

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

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