

Defeat Debt

Credit Advisors Foundation

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The Real Story—Tax refunds can cost money

Why is it that just about the time you figure out you'll be receiving a tax refund the microwave goes crazy or the TV goes on the fritz?

More than seventy percent of filers will receive a tax refund this year and most of us know how we'll spend the money before the ink dries from our signatures on our returns. So how can we gain access to our money more quickly?

The IRS has a few helpful recommendations:

First and foremost – making use of e-filing. You can make use of this technology if you prepare your return yourself or if like more than half of us, you have a professional tax preparer. (You can even e-file if you

are not receiving a refund – and at the same time schedule how you are going to pay your tax bill—maybe through your CAF debt management plan?) All e-filers receive electronic receipt confirmation for their returns from the IRS, so you don't need to worry about your return getting lost.

Secondly, if you have a checking or savings account, you can include information to have your refund directly deposited into your account. The IRS says using these two tools will cut your wait time in half from the usual six weeks to about three weeks. (Everyone we checked with here at CAF, that made use of e-file and direct deposit actually received their funds in slightly less time – approximately 12 days.)

If you don't have an account check with a local credit union as some are willing to help you set up an account for use now and in the future.

Are there any faster ways to get your money?

There are if you're willing to pay out a chunk of your refund to be given a short-term loan.

Those offers from companies for a rapid refund to be received in from one day up to a week, are in actuality loans that are theoretically repaid by your refund. Why doesn't everyone use the quick refund loans?

Mostly, the reason is cost. Don't be fooled by sliding scale fees. Fees can run anywhere from \$25 to \$200, and are deducted directly from your refund. Even in an emergency situation these fees (including any other charges from your tax preparer) are an expensive way to avoid waiting three weeks for your funds.

There are other risks involved with fast refund loans that are rarely mentioned by the companies that offer them. What happens if your refund is misdirected? You now are obligated to pay back the loan yourself.

How can a refund be redirected? If you are in default with child support or

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Making use of e-filing, you'll receive your refund faster.

The Real Story (Continued)

student loans your refund may be seized to pay down these debts. In addition, if you are currently in a payment plan for a prior year tax debt (even through your CAF debt management plan), according to your agreement with the IRS any refund owed you will be applied to the balance on your account. (Don't forget, if a balance remains after the refund is applied, you must continue

making your installment payments according to the agreement for the prior year debt.)

Be a smart citizen, a smart consumer *and* save money, using e-file with direct deposit and waiting a few days for your refund this year.

And remember, if you send even part of your refund to CAF, it will go a long way toward paying down the debts in your DMP.

More than seventy percent of filers will receive a tax refund this year, according to the IRS.

Free tax preparation help available

Free tax preparation help is available to those who qualify. If you earn \$36,000 income or less the Volunteer Income Tax Preparation (VITP) sponsored by the IRS, may be able to help you. Volunteers are available in convenient locations such as community or neighborhood centers, libraries, schools or shopping malls. In addition, there is free tax counseling for the elderly available as well. To find the location nearest to you call toll-free 800-829-1040. (The AARP also assists seniors in tax preparation – for their locations call toll free 888-227-7669.) Once you've located the center nearest you, you'll want to bring the following:

- **Must bring photo identification**
- Social Security Cards for you, your spouse and dependents
- Birth dates for primary, secondary and dependents on the tax return
- Current year's tax package if you received one
- Wage and earning statement(s) such as Form W -2, W-2G, 1099-R, from all employers
- Interest and dividend statements from banks (Forms 1099)
- A copy of last year's Federal and State returns if available
- Bank routing number and account numbers for direct deposit (the same information CAF requested to set up your EFT payments)
- Other relevant information about income and expenses
 - Total paid for day care
 - Day care providers identifying number
- To file taxes electronically on a married filing joint tax return, both spouses must be present to sign the required forms.

Important Creditor Updates

As you know, timeliness of payments sent to creditors is very important to the success of your program. For this reason, EFTs and prompt notification to Credit Advisors of any account number or creditor changes are critical. Some account change updates to look for are:

Macy's Related Account Update :

As part of the continuing process of changing the nameplates of all Macy's related stores to reflect their relationship to Macy's, new account number conversions are in place or underway that will change account numbers from an 8, 9 or 10 digit format to 11 or 13 digit account numbers. As Credit Advisors is required by the creditors to transmit these payments electronically it is very important that CAF be advised as soon as possible of account number changes to prevent delays in payment posting as posting delays could adversely affect your program. Organizations that will be affected include:

Burdines
Bon Marche
Lazarus
Goldsmith's
Rich's (except accounts beginning with 97 or 097)
Broadway
A & S
Stern's
Jordan Marsh
(Please note: this does not apply to Pier One, Pier One Kids, Macy's Premier Visa, Macy's Option Visa or Bloomingdale's credit accounts. These accounts are not on the conversion list at this time.)

Mervyn's Account Update: As part of the transition of the Mervyn's portfolio from Retailers National Bank (Target) to GE Consumer Credit, all Mervyn's account numbers are going through a conversion from 11 digits to new account numbers 16 digits in length. Again, CAF is required to send payments for Mervyn's accounts electronically and

any delays in posting due to account number changes could adversely affect your program.

If you are notified by any of your creditors that your accounts have been effected by an update (or any other account number changes) please contact Credit Advisors Client Care *as soon as possible* to share the new information.

Contact options include:
phone 888-942-9027
fax 402-393-4141
email clientcare@creditadvisors.org.



Prompt notification to CAF of account number changes is critical to program success.

WORD SEARCH * WORD SEARCH* WORD SEARCH * WORD SEARCH *

BALANCE	S	P	D	E	P	O	S	I	T	V	W	M
CHANGE	L	K	T	E	C	H	N	O	L	O	G	Y
CREDIT	Z	Q	R	E	F	U	N	D	C	L	D	T
DEFAULT	H	W	X	C	H	A	N	G	E	U	U	I
DEPOSIT	M	V	O	C	E	N	U	K	T	N	B	T
IDENTITY	A	O	W	R	R	T	S	L	Z	T	P	N
LOAN	C	R	I	S	K	E	F	D	T	E	J	E
MACYS	Y	I	S	C	H	E	D	U	L	E	K	D
MERVYNS	S	A	V	I	N	G	R	I	K	R	S	I
PAYMENT	A	M	E	R	V	Y	N	S	T	X	R	Y
REFUND	B	A	L	A	N	C	E	X	L	O	A	N
RISK	J	W	I	Z	B	P	A	Y	M	E	N	T
SAVING												
SCHEDULE												
TAX												
TECHNOLOGY												
VOLUNTEER												
WORKERS												

Spring and summer are on the way! If you are receiving a tax refund this year, consider setting some of the funds aside for vacation and travel plans later this year. Few people

Vacation Time
Reminder

budget for vacations – they think a vacation is supposed to be fun and money management just doesn't sound fun. Yet, thinking ahead in the preparation stage will keep your vacation plans affordable and most important relaxing and enjoyable, before during and especially after – when no bills show up at your door, giving you the chance to recharge before heading back into everyday life.



Client Advisory Meeting*

March 22, 2005 7-8 pm central
Omaha clients: 1818 South 72nd Street
Out of area: Conference Call
toll free: 866-285-7780 enter code # 4425358

This is your opportunity for:

- Greater involvement in our organization
- To provide us with feedback
- Support our efforts to provide superior leadership in credit & debt education for our clients & communities.



***R.S.V.P. (402) 501-8182**

Ask for **Emily** or email to emily@creditadvisors.org

Credit Advisors Foundation

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Email: clientcare@creditadvisors.org

We're on the Web!!
www.creditadvisors.org

Get out of debt with no regret!



The Kitchen on a Dime

Winter White Chili

Warm up this month with tasty Winter White Chili. Serve with tortilla chips and garnish with your favorite cheese.

Ingredients:

- 1 pound diced chicken
- 1 medium onion, diced
- 1 teaspoon ground cumin
- 2 teaspoons chili powder
- 1 (16-ounce) can white beans, drained

- 1 (14-ounce) can corn, drained
- 1 (14 ½ ounce) can chicken broth
- 1 (4-ounce) can diced green chilies

To Prepare:

In a large saucepan, brown chicken with onion.

Stir in cumin and chili powder.

Stir in remaining ingredients.

Bring to a boil. Cover and simmer for 15 to 20 minutes, until heated through and flavors are blended.

Makes 6 servings at \$1.38 per serving.



Warm up with White Chili