

Links to Financial Education Resources

- [360 degrees of Financial Literacy](#)
- [AARP Financial MoneySmarts](#)
- [Alabama State Treasurer's Office](#)
- [FDIC Money Smart](#)
- [Feed the Pig](#)
- [National Endowment for Financial Education](#) (NEFE)

Alabama Tornado Disaster Relief Links

- [Alabama Red Cross](#)
- [Attorney General's Consumer Hotline](#)
- [FEMA](#)
- [Home Builders Association of Alabama](#)
- [Mennonite Disaster Service](#)
- [United Way of Central Alabama](#)

FOLLOW US ON THE WEB FACEBOOK AND TWITTER!



www.mymoneysmarts.org

Become a member of the coalition to help us achieve our vision of a population with the knowledge and ability to make informed personal financial decisions through financial education. Coalition membership is open to all individuals and representatives of any organization, corporation, and association committed to financial education in Alabama. Members are encouraged to participate in important committees to address essential financial education issues:

- The Coordination Committee – to develop the clearinghouse and directory of financial education services and resources.
- The Measurement Committee – to collect data about financial education services.
- The Public Awareness Committee – to develop marketing strategies.
- The Financial Literacy Summit Commit – to plan and implement that Financial Literacy Summit.

Membership dues: Membership dues are \$100 annually per member organization. Membership dues fund CAFEC's outreach, education, and fundraising costs.

[Download printable CAFEC membership application form;](#) [Download the CAFEC Principles of Partnership](#)

For more information, please contact: [Judy Woods](#), United Way of Central Alabama, (205) 458-2062

BECOME A CAFEC MEMBER TODAY!

QUARTERLY NEWSLETTER OF THE CENTRAL ALABAMA FINANCIAL EDUCATION COMMITTEE



JANUARY — FEBRUARY 2012

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You Can Have Your Taxes Done for FREE — with VITA!

The IRS Volunteer Income Tax Assistance Program (VITA) and the Tax Counseling for the Elderly (TCE) Programs offer free tax help for taxpayers who qualify.

volunteers sponsored by various organizations receive training to help prepare basic tax returns in communities across the country. VITA sites are generally located at community and neighborhood centers, libraries, schools, shopping malls, and other convenient locations. Most locations also offer free electronic filing. **To locate the nearest VITA site, call 1-800-906-9887.**

Trained community volunteers may help with 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). Individuals taking advantage of the e-file program will receive their refunds in half the time compared to returns filed on paper – even faster when tax refunds are deposited directly into one's bank account.

Items to bring to the VITA/TCE site to have your tax return prepared:

- **Proof of identification**
- **Social Security Cards for you, your spouse and dependents** and/or a Social Security Number verification letter issued by the Social Security Administration
- Individual Taxpayer Identification Number (ITIN) assignment letter for you, your spouse and dependents

Volunteer Income Tax Assistance Program

The VITA Program offers free tax help to low- to moderate-income (generally, \$50,000 and below) people who cannot prepare their own tax returns. Certified



- [Alabama Cooperative Extension Systems](#)
- [Alabama Council on Economic Education](#)
- [Alabama Society of Certified Public Accountants](#)
- [Aliant Bank](#)
- [Birmingham Society for Human Resource Management](#)
- [Crown Ministries](#)
- [FDIC](#)
- [Consumer Credit Counseling Services of Alabama](#)
- Hispanic Interest Coalition of Alabama
- [Jefferson County Commission for Economic Opportunity](#)
- [Junior Achievement of Greater Birmingham](#)
- [League of Southeastern Credit Unions](#)
- [Legal Services Alabama](#)
- [New Rising Star Federal Credit Union](#)
- [Merrill Lynch](#)
- [Regions Bank](#)
- [REMTECH Inc./MAPS](#)
- Synergy Homecare
- [The Literacy Council](#)
- [The United Way of Central Alabama](#)
- Zarzaur & Schwartz, P.C

Call or click on 211 to find a financial education provider.



WWW.MYMONEYSMARTS.ORG



UNCLE SAM MAY HAVE SOME MONEY FOR YOU!

The IRS announced in November that 99,123 taxpayers are due refund checks, and these checks aren't small change. The average undelivered refund check is \$1,547, up about 5 percent from last year.

- Proof of foreign status, if applying for an ITIN
- **Birth dates for you, your spouse and dependents on the tax return**
- Wage and earning statement(s) 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*
- Proof of bank account routing numbers and account numbers for Direct Deposit, such as a blank check
- **Total paid for daycare provider and the daycare provider's tax identifying number** (the provider's Social Security Number or the provider's business Employer Identification Number)

To file taxes electronically on a married-filing-joint tax return, both spouses must be present to sign the required forms.

Keep in mind:

Exemptions reduce your taxable income. There are two types of exemptions: personal exemptions and exemptions for dependents. For each exemption you can deduct \$3,700 on your 2011 tax return.

- Your spouse is never considered your dependent. On a joint return, you may claim one exemption for yourself and one for your spouse. If you're filing a separate return, you may claim the exemption for your spouse only if they had no gross income, are not filing a joint return, and were not the dependent of another taxpayer.
- Exemptions for dependents. You generally can take an exemption for each of your dependents. A dependent is your qualifying child or qualifying relative. You must list the Social Security number of any dependent for whom you claim an exemption.



TEN TIPS TO KEEP IN MIND WHEN SELECTING A TAX PREPARER

Many people look for help from professionals when it's time to file their tax return. If you use a paid tax preparer to file your return this year, the IRS urges you to choose that preparer wisely. Even if a return is prepared by someone else, the taxpayer is legally responsible for what's on it. So, it's very important to choose your tax preparer carefully and make sure to use a preparer who signs the returns they prepare and enter their required Preparer Tax Identification Number (PTIN).

Here are ten tips to keep in mind when choosing a tax return preparer:

1. **Check the preparer's qualifications.** New regulations require all paid tax return preparers to have a Preparer Tax Identification Number. In addition to making sure they have a PTIN, ask if the preparer is affiliated with a professional organization and attends continuing education classes. The IRS is also phasing in a new test requirement to make sure those who are not an enrolled agent, CPA, or attorney have met minimal competency requirements. Those subject to the test will become a Registered Tax Return Preparer once they pass it.
2. **Check on the preparer's history.** Check to see if the preparer has a questionable history with the Better Business Bureau and check for any disciplinary actions and licensure status through the state boards of accountancy for certified public accountants; the state bar associations for attorneys; and the IRS Office of Enrollment for enrolled agents.
3. **Ask about their service fees.** Avoid preparers who base their fee on a percentage of your refund or those who claim they can obtain larger refunds than other preparers. Also, always make sure any refund due is sent to you or deposited into an account in your name. Under no circumstances should all or part of your refund be directly deposited into a preparer's bank account.
4. **Ask if they offer electronic filing.** Any paid preparer who prepares and files more than 10 returns for clients must file the returns electronically, unless the client opts to file a paper return. More than 1 billion individual tax returns have been safely and securely processed since the debut of electronic filing in 1990. Make sure your preparer offers IRS e-file.
5. **Make sure the tax preparer is accessible.** Make sure you will be able to contact the tax preparer after the return has been filed, even after the April due date, in case questions arise.
6. **Provide all records and receipts needed to prepare your return.** Reputable preparers will request to see your records and receipts and will ask you multiple questions to determine your total income and your qualifications for expenses, deductions and other items. Do not use a preparer who is willing to electronically file your return before you receive your Form W-2 using your last pay stub. This is against IRS e-file rules.

7. **Never sign a blank return.** Avoid tax preparers that ask you to sign a blank tax form.

8. **Review the entire return before signing it.** Before you sign your tax return, review it and ask questions. Make sure you understand everything and are comfortable with the accuracy of the return before you sign it.

9. **Make sure the preparer signs the form and includes their PTIN.** A paid preparer must sign the return and include their PTIN as required by law. Although the preparer signs the return, you are responsible for the accuracy of every item on your return. The preparer must also give you a copy of the return.

10. **Report abusive tax preparers to the IRS.** You can report abusive tax preparers and suspected tax fraud to the IRS on Form 14157, Complaint: Tax Return Preparer. Download Form 14157 from www.irs.gov or order by mail at 800-TAX-FORM (800-829-3676).



Don't Overlook the Valuable Earned Income Tax Credit



Millions of workers could overlook a special federal tax credit because they don't know about it. As a result, they could miss out on up to \$5,751 extra in their federal income tax refunds through the Earned Income Tax Credit, or EITC. Last year, on average, the credit boosted refunds for eligible workers by \$2,100.

Anyone earning \$49,078 or less from wages, self-employment or farming in 2011 should see if they qualify. Eligible worker must file federal income tax returns-even if they are not required to file-and specifically must claim the credit to get it.

Many people will qualify for the first time this year due to economic changes in their income or changes in their marital or parental statuses according to the IRS. The agency estimates four out of five eligible workers currently claim their EITC.

Workers can get free help determining their EITC eligibility and claiming the credit. Many communities have volunteer income tax assistance sites. Residents can locate a site by calling their community's 211 or 311 number for local services or the IRS at 1-800-906-9887. To help preparers, either volunteer or paid, accurately determine EITC eligibility and prepare returns, individuals should bring:

- Photo proof of identification
- Social Security cards for themselves, their spouse and all dependents or Social Security number verification letters issued by the Social Security Administration
- Birth dates for all persons listed on the tax return
- Wage and earning statement(s) Forms W-2, W-2G, and 1099-R, from all employers
- Interest and dividend statements from banks
- Copies of their prior year federal and state returns, if available
- Bank routing and account numbers for direct deposit of their refunds
- Other relevant information about income and expenses
- Amounts paid for day care, if applicable, and the day care provider's identifying number.

Both spouses must be present to sign joint returns. Anyone paid to prepare federal income tax returns is required by law to sign the return and enter their Preparer Tax Identification Number.

WHERE TO FIND YOUR FREE TAX FORMS CLOSE TO HOME

The IRS will no longer be automatically mailing paper tax packages, due to the continued growth in electronic filing. But it still has free tax forms and publications on a wide variety of topics. Here's how to obtain them:

Taxpayer Assistance Centers The IRS operates 401 centers nationwide where it offers face-to-face assistance and where taxpayers can pick up many IRS forms and publications.

Locations are listed on the IRS website; go to Contact My Local Office on the Individuals page to find a list by state or enter your ZIP code to find the one nearest you.

Community locations Many libraries and post offices offer free tax forms during tax filing season. Some libraries also have copies of commonly requested publications.

Many large grocery stores, copy centers and office supply stores have forms you can make copies of.

By mail You can call 1-800-TAX-FORM (800-829-3676) to order current-year forms. The IRS requests that taxpayers wait until after Jan. 17 to place requests.