

Budget Wise

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Center for
Community
Economic
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SEE INSIDE FOR INFORMATION ON:

- *Making Financial Connections* – a new training program to improve the financial well-being of people with disabilities
- *Individual Development Accounts* – matched savings plans to help you reach your goals
- *Free tax preparation assistance*
- *Holiday Refund Anticipation Loans*

Budget Wise Returns!

Welcome back to **BudgetWise**, a financial education newsletter from the Center for Community Economic Development and Disability (CCEDD) at Southern New Hampshire University. We hope to provide you information about our activities at CCEDD, as well as helpful information on money management and public benefits for New Hampshire residents with disabilities.

We at the Center have been busy with several initiatives. We participate in several asset-building coalitions around the state – groups who seek to improve the financial health of low- to moderate-income members of their communities. We have been involved in the birth of the Real Opportunities Coalition, involving coalitions in Gorham, Nashua, Peterborough, and Portsmouth who have committed themselves to reaching out to persons with disabilities when running their free tax sites (see page 2 for information on how you can get your taxes

prepared by IRS-certified volunteers for free). Surveys were conducted at several VITA and AARP tax sites last year, and fully one quarter of respondents reported that they or a household member lived with a disability. Our involvement with asset-building coalitions and free tax sites is part of the Real Economic Impact (REI) Tour – a national public/private initiative assisting low income persons with disabilities with asset building strategies, free tax preparation and filing assistance (nationally, REI Tour participants prepared over 90,000 tax returns in 62 cities, with over \$81 million in refunds received by persons with disabilities).

The Center has launched a training program specific to helping those who serve persons with disabilities with navigating the landscape of financial wellbeing – modules include information on tax credits, work incentives, budgeting and credit, asset-building, as well as helpful hints on customer

service topics. We also have several slots open for our Individual Development Accounts (IDAs) – matched savings plans that can help you go back to school or start your own business. See page 3 for information on either of these topics. Additionally, we offer financial literacy training to interested persons with disabilities in various locations around the state, primarily through one-on-one coaching. Topics include household budgeting, savings assistance, credit repair and other personal financial subjects. We also participate in the statewide “Working on Our Futures” tour which helps people with disabilities who are interested in working.

If you require an alternative format of **BudgetWise**, wish to be added to our mail or email subscription lists, have comments on the material inside or ideas for future issues, please contact us at k.prive@snhu.edu or call 644-3148. We look forward to hearing from you!

WHAT TO BRING ON FILING DAY

- Original Social Security cards for self, spouse, and all dependents.
- Valid picture IDs for self and spouse
- All W2s and 1099s for 2008
- Year-end documentation of Social Security benefits
- If available, a copy of last year's taxes is helpful

If itemizing, also bring this documentation if applicable:

- Year-end mortgage statement
- Year-end student loan statement
- Year-end bank statements
- Work-related expenses
- Medical expenses
- Tuition or educational expenses
- Home improvements related to a medical or disabling condition
- Receipts for any fees you paid to have your taxes prepared in 2007
- Auto registrations
- Child-care expenses, including the provider's tax identification number or Social Security number
- Real estate taxes paid in 2008
- Proof of charitable donations
- Safety deposit box expenses paid

Free Tax Filing Assistance Available Soon Near You

Come tax season, many options exist for you to file. But did you know that IRS-certified tax filing assistance exists in most areas of the state, **free of charge**? This year, consider having your taxes filed at a Volunteer Income Tax Assistance (VITA) site, or at an AARP tax clinic near you. All sites are staffed by fully trained volunteers, and your information is kept completely confidential. By going to a VITA or AARP site, you will receive the same or similar service at no cost, which could literally save

you hundreds of dollars! A recent report done by the Internal Revenue Service showed that volunteer tax clinics have a lower error rate than paid preparers.

Most sites offer e-filing, which combined with direct deposit means you will receive your refund more quickly than with a paper return. Some sites offer walk-in service, while other sites are by appointment only. Be sure to contact the site nearest you to find out the hours of operation and if the site is accessible. To find the site nearest you, visit

www.nheita.org or call 1-877-398-4769. You may also call 211. Most sites open in late January or early February. The day that you file, you must be present (as well as your spouse if you are married). You must also bring all your tax information necessary for filing. See the sidebar on this page for more details.

Note that some sites offer services in languages in addition to English, including ASL. For more information, visit www.nheita.org.



Making Financial Connections Training Program Now Available

The Center for Community Economic Development and Disability at Southern New Hampshire University and its partners have developed *Making Financial Connections*, a self-paced training program designed to improve the financial wellbeing of persons with disabilities. The training program is taught online in several modules, with topics such as “Your Money, Your Choices” – about budgeting and credit; “Back to Work” – about available work incentives that support employment; “Taking Your

Credit” – about tax credits that people with disabilities are often eligible for; and “Building a Strong Future” – about asset-building programs that can help you achieve your financial goals.

Making Financial Connections is for anyone who serves persons with disabilities, to help you gain a better understanding of what programs are available to improve financial wellbeing. There is even a module on customer service topics, specific to working with those who have a disability. Whether

you are a Vocational Rehabilitation counselor, a tax preparer, a human services worker, a family member, or someone with a disability yourself, *Making Financial Connections* can introduce you to programs that can help, which benefits everyone.

The training program is currently free. To register, visit www.shnu.edu/ccedd; if you have questions contact Karen Privé at 644-3148 or k.prive@snhu.edu.



Reach Your Financial Goal with an IDA

Through a partnership with the New Hampshire Community Loan Fund, the Center for Community Economic Development and Disability (CCEDD) at Southern New Hampshire University offers Individual Development Accounts – IDAs – for persons with disabilities. Participants need not be affiliated with the university, but do need to be New Hampshire residents.

IDAs are matched savings accounts that can be used toward specific assets, including post-secondary education, starting your own business (or growing

an existing business), or buying your first home. Because IDAs are matched – CCEDD’s IDA offers up to four dollars for every dollar saved – savings increases and your financial goals can be met much more quickly than with a traditional savings plan.

IDA participants must have some source of earned income, but there is no requirement that a person be employed full-time. In fact, the earned income can come from another member of the household; if your spouse is employed, his/her income can be used toward the IDA.

Participants must be able to contribute at least \$25 to their IDA each month, and up to \$100 each month may be matched. There is also an allowance for your tax refund to be contributed and matched, even if it is more than \$100. Up to a total of \$1,000 may be matched, for a total savings of \$5,000. If you save \$100 each month, you could see a total savings of \$5,000 in less than a year.

Training is also provided in the IDA program – the participant will undergo training on topics related to personal finances as well as their specific asset goal. For

example, if you’re interested in starting your own business, we’ll help you develop your business plan; if you want to go back to school, we’ll help you choose your major or navigate the application process.

There are certain income qualifications (for a single person household, income must be less than \$20,800, more for families) and other considerations. For more information or to find out if you qualify, please call Karen Privé at CCEDD at 644-3148 or email her at k.prive@snhu.edu.

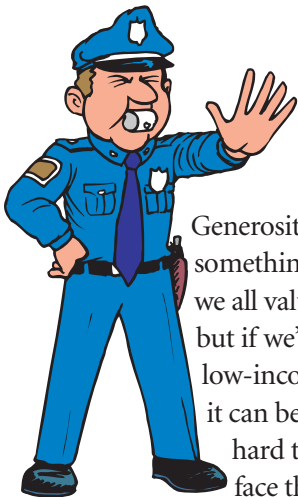
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Holiday RALs – Is This Really How You Want to Fund Your Holidays?



Generosity is something we all value, but if we're low-income, it can be hard to face the holidays with the giving spirit. Certain tax preparers offer Holiday Refund Anticipation Loans – RALs – which offer funding for your holiday shopping. But is this the way to go?

A RAL is a short-term loan that is based on your anticipated tax refund. Holiday RALs are offered by some tax preparers in November and December, and are based on the refund the preparer believes you deserve given the information on your paystubs. But before you rush to take out this loan, consider three important points.

First, it is a loan. As such, you will pay for this service. Fees – or interest – are built into the structuring of the loan. You can pay as much as \$100 for

a Holiday RAL – which translates into exorbitant interest. Your tax refund is your money, and if you can wait until tax season you can get *all* of your refund back rather than paying to receive it early.

Second, it is a loan based on your anticipated refund.

If the tax preparer made a mistake in calculating your anticipated refund, you may end up owing the preparer money at tax time.

Third, most holiday RALs require that you put a deposit down on using their tax preparation services. If you decide to go

elsewhere – such as a free VITA or AARP tax site – you will lose the money you've already paid for your tax preparation.

Holiday RALs are probably not the best option to fund holiday giving, but if you do opt for one, shop around for the best deal. Some tax preparers offer the option to receive a RAL on a debit card at a 36% interest charge – much less than the industry standard.