

# Extension Latino Financial Literacy Program Newsletter

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## Extension Latino Financial Literacy

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## Getting the most from your credit card

The Federal Reserve Board has five tips for “Getting the most from your credit card.” By paying attention to their advice, consumers can avoid common mistakes, save money and improve their credit rating.

**Tip number one: Pay on time.** Most credit card companies charge late fees. Often, the interest rate also goes up if payments are late. If the due date is inconvenient (for example, comes just before payday) many companies are willing to change it on request.

**Tip number two: Stay below your credit limit.** Penalties and higher interest rates are applied when customers charge more than the account allows, even if the company lets the charge go through.

**Tip number three: Avoid unnecessary fees.** Look carefully at the terms of your account. Companies may charge an extra fee each time you take a cash advance, transfer balances, or pay by telephone.

**Tip number four: Pay more than the minimum payment.** Even if you can't pay the whole balance off at once, send as much as you can. Over time, you will get the account paid off much sooner and save a lot of money in interest charges.

**Tip number five: Watch for changes in the terms of your account.** If interest rates or fees are about to increase, you might want to quit using that card.

**Jose Lamas, Community Program Associate**

Source: [www.federalreserve.gov/consumerinfo/fivetips\\_creditcard.htm](http://www.federalreserve.gov/consumerinfo/fivetips_creditcard.htm)

**Did you know...**there are some **Free Tax Preparation sites in the State**, contact: 2-1-1 Minnesota Information and Referral 211 or 1-800-543-7709 or visit this site [www.211unitedway.org](http://www.211unitedway.org)

Free Service - 24 hours a day, 7 days a week

Multi-lingual lines: Available Monday - Friday 8:30 am - 5:00 pm

**Spanish, Russian, Hmong, Laotian and Vietnamese**



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## Offerings from the Program Team...

### Making the Most from an Income Tax Refund



#### Your Federal Income Tax

Tax time is here, for some people that may mean getting a refund. To make the best use of money from a tax refund it is important to plan ahead. Here are some tips on distributing a tax refund well:

1. **Start an emergency savings fund** or add to an existing one.

2. **Make car repairs** (oil change, new tires, battery, or major repair).
3. **Pay more than the minimum on credit cards** and other loans. If you are behind on payments get back on track and save on late fees.
4. **Pay an extra house payment** or put money in savings for future rent payments.

However the money is spent plan ahead. Be a wise consumer and get the most out of all tax refund dollars.

**Francisca Mendoza**, Community Program Assistant

### Property Tax Refund



PhotoCredit Antonio Alba

Tenants in Minnesota may receive a partial property tax return, pending eligibility according to the household income and amount of rent paid in 2012. To claim this property tax return, tenants must fill the form M-1RP and have the Certificate of Rent Paid (CRP), which the landlord must send before January 31, 2013. The Certificate of Rent Paid (CRP) determines how much money the tenant may receive.

When moving, it is important to notify the landlord about the tenant's new address in order to make sure he/she will receive the CRP. If the tenant doesn't receive the Certificate of Rent Paid (CRP) by March 1st, it can be requested from the landlord or by contacting the Minnesota Department of Revenue at 651-296-3781 or 1-800-652-9094.

If you live in another state ask your local department of revenue about this benefit.

**Antonio Alba Meraz**, Family Resource Management Extension Educator

Source:

[http://www.revenue.state.mn.us/Forms\\_and\\_Instructions/2012/m1pr\\_inst\\_12.pdf](http://www.revenue.state.mn.us/Forms_and_Instructions/2012/m1pr_inst_12.pdf)

### Tips for Choosing a Tax Return Preparer

Do you ever wonder what steps to take to hire a tax preparer? The Internal Revenue Service has some excellent tips for choosing a tax preparer at their website. This information applies whether you are hiring an individual or firm to help you with your taxes. We have added a few of their recommendations below. For the complete information please visit their website

- **Check the person's qualifications.** New regulations require all paid tax return preparers to have a Preparer Tax Identification Number (PTIN).
- **Check 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 their licensure status through the state boards of accountancy for certified public accountants.

- **Find out 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.
- **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
- **Never sign a blank return.** Avoid tax preparers that ask you to sign a blank tax form

**Jose Lamas**, Community Associate

Source: <http://www.irs.gov/uac/Tips-for-Choosing-a-Tax-Return-Preparer>

## Open Doors with Higher Education

### Are Your Children Going to College?

It is important to have your income tax information available in order to request federal and state student financial aid for your college-bound children. The information is used to complete a form known as the Free Application for Federal Student Aid (FAFSA). It is important to complete and submit the FAFSA on time to get the most financial aid benefits.

The student must have a valid social security number in order to be eligible for state and government financial aid. The FAFSA can be filled and submitted online through the Department of Education website, [www.FAFSA.ed.gov](http://www.FAFSA.ed.gov).

The student or parent can request more information on the financial aid application process from the high school guidance counselor, the financial aid office in the college or university, at [www.FAFSA.ed.gov](http://www.FAFSA.ed.gov), or by attending a College Goal event or a Family Resource Management Extension workshop in your community.

Antonio Alba Meraz, Extension Educator

## Upcoming Events...

Are You Looking for Assistance in Preparing Your Tax Return? Volunteer Income Tax Assistance (VITA)

“Find a VITA Site Near You”

click this link:

<http://irs.treasury.gov/freetaxprep/>

or call 1-800-906-9887



### What is Minnesota College Goal?

Minnesota College Goal is a statewide volunteer program that provides free information and assistance to students and families completing the FAFSA.

### Who participates in Minnesota College Goal?

Minnesota College Goal brings together financial aid professionals from colleges and universities, along with other volunteers, to help college-bound students and their families complete the FAFSA (Free Application for Federal Student Aid). Minnesota College Goal focuses on first-generation, low-income students, and students of color, but we support all students and their families in completing this important step in paying for their post-secondary education.

### What are the benefits of attending a Minnesota College Goal event?

- \$500 scholarship drawing for students who attend a MCG event. Approximately 20 students are selected each year!
- FAFSA training workshops provided by highly qualified professionals in the field.
- A community of support from committed professionals from across the state.

Registration is easy and available on our site now!

<http://minnesotacollegegoal.org/siteregistration.cfm>

- Visit our website to learn more.

<http://minnesotacollegegoal.org/>

Return Service Requested

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**Do you teach your clients how to survive in this tough time?**

Dollar Works2. This workshop in Spanish is intended for staff of non-profit agencies: schools, social services, etc. The workshop will help you to teach to groups or to provide one-to-ones. This University of Minnesota Extension course will be presented in Spanish on demand.

For additional information contact any of our Extension Educators.



**Do you need personal assistance or a one-on-one meeting?**

Contact any of us to make an appointment.

Remember, our services are confidential and free.

This publication is free of charge. If you want to receive this publication, please call or email any of our educators

Welcome to our website

<http://www.extension.umn.edu/Finanza/>

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