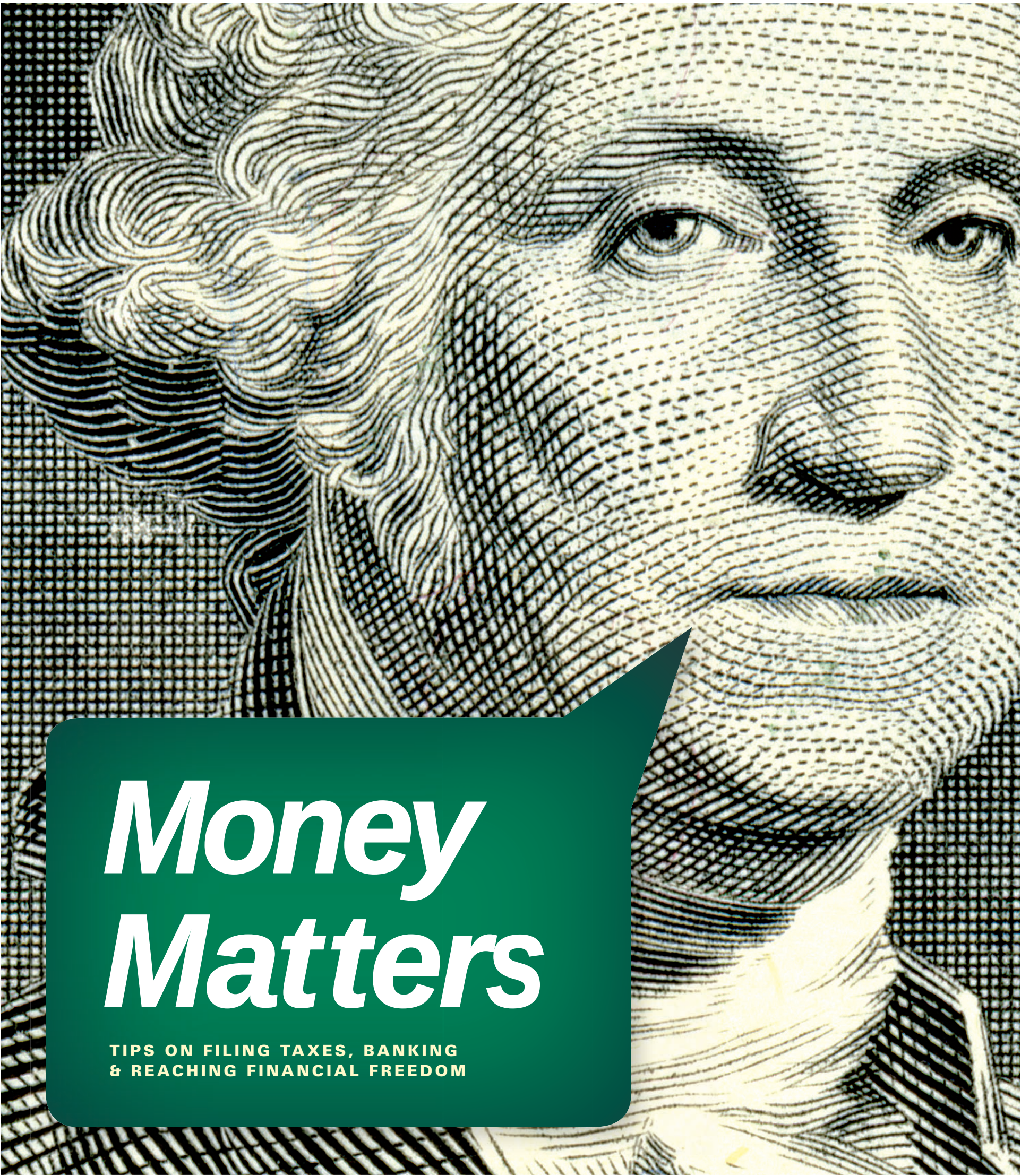




Money Matters

**TIPS ON FILING TAXES, BANKING
& REACHING FINANCIAL FREEDOM**

a special advertising supplement to Sacramento News & Review

DEAR FRIENDS AND NEIGHBORS IN THE COMMUNITY,

Tax season provides an important economic empowerment opportunity. Especially now, as we continue to work our way out of the economic downturn, every dollar counts — yet many working people miss out on an important tax credit that they are entitled to and that could help them keep up to thousands of dollars more of what they've earned: the Earned Income Tax Credit (EITC).

The Internal Revenue Service estimates that one fifth of eligible workers do not access their EITC. Workers can receive the EITC only if they file federal income tax returns — even if they are not otherwise required to file — and specifically claim the credit. Many people will qualify for EITC for the first time this year because their income declined, their marital status changed or children joined their families. Families with three or more children get an even larger credit this year.

Taking advantage of the EITC and using your tax refund to pay down your debt, save for a home or start a small business is a pathway to economic empowerment. Citi is committed to expanding financial inclusion, and we encourage you to find out if you are eligible for the EITC and, if so, to claim it on your federal income tax return. Help is available: many nonprofit organizations in our area host Volunteer Income Tax Assistance (VITA) sites that provide free tax preparation for low to moderate income people. Also, see page 8 of this insert for the dates and locations of VITA super site events in the area. To get an appointment for free tax help at a VITA site, call 211.

We urge you to take advantage of the EITC and use the money to help you achieve your financial goals.

Sincerely,
Cheryl L. Evans
Western Region Director
Citi Community Development

Community Development


“The EITC is widely regarded as the nation’s most effective and efficient anti-poverty program, and it is important that we make sure all eligible Sacramento residents claim this credit and get more money back in their pockets.”

CONGRESSWOMAN DORIS MATSUI

“In these tough times, EITC is essential to helping working families keep and save their money. I urge all those eligible to take advantage of this great program.”

MAYOR KEVIN JOHNSON

EITC

Money Waiting to be Claimed

Households with income under \$50,000 a year could have money waiting to be claimed from the IRS. If certain criteria are met, simply filing a tax return and claiming the Earned Income Tax Credit (EITC) could mean paying less in federal income tax or even getting a refund. Yet because many taxpayers are unaware of this credit, 25 percent of eligible EITC recipients fail to claim it. In Sacramento alone, an estimated \$35 million in available EITC goes unclaimed each year.

The federal EITC program is touted as the nation’s most far-reaching anti-poverty program. Anyone with income earned from working that falls under income guidelines - \$13,460 (\$18,470 if married filing jointly) with no qualifying children, \$35,535 (\$40,545 if married filing jointly) with one qualifying child, \$40,363 (\$45,373 if married filing jointly) with two qualifying children, \$43,352 (\$48,362 if married filing jointly) with three or more qualifying children – can claim a credit on their tax return worth up to \$5,666. EITC reduces federal taxes paid or puts money directly in the pockets of hardworking families by increasing refunds.

To claim this credit, someone in the household must have income earned from working. According to the IRS website, this earned income includes taxable wages, salaries and tips from employers, net earnings from self-employment, and gross income received as a statutory employee. It does not include nontaxable employee benefits like education assistance, pensions, alimony, child support, or Temporary Assistance for Needy Families.



Households are not required to include children to claim EITC, but the number of dependents claimed changes the income requirements and amount of credit. It is important to be careful when claiming a child as a dependent to be sure they are allowed – children must meet tests of relationship, age, and residency, as well as have a valid Social Security number. The age limit is higher for students, but no child can be claimed by more than one person in the same year.

The federal EITC program is touted as the nation's most far-reaching anti-poverty program.

There are also requirements for the taxpayer. Married people must file a joint return to claim EITC. The taxpayer must have a valid social security number, cannot be someone else's dependent or qualifying child, must be at least 25 but under age 65 at the end of the tax year if not claiming a child, must live in the United States, and cannot have too much investment income.

Common mistakes made when claiming the EITC are claiming a child who does not qualify, filing as single or head of household when legally required to file married filing jointly, reporting more or less income or expenses than actual, or mismatching last names and Social Security numbers. But the biggest common mistake is not filing a tax return at all or filing without claiming the EITC and missing out on the benefits.

More information can be found online at www.irs.gov. For an appointment for free tax help at a local Volunteer Income Tax Assistance (VITA) Site, call 211.

IRS Makes It Easy:

5 TIPS FOR STRESS-FREE TAX FILING

Each tax season, many hard working families and individuals find themselves overwhelmed and confused about taxes. As a result, they end up wasting hundreds of dollars on paid tax preparers, or simply not filing and missing out on refunds of overpaid taxes and credits like the Earned Income Tax Credit (EITC). These families and individuals can easily take full advantage of credits and get refunds fast without paying a preparer with these five simple tax tips.

1. FREE TAX PREPARATION HELP

Taxpayers who qualify can have their taxes prepared and filed by volunteer tax preparers for free at Volunteer Income Tax Assistance Program (VITA) sites. Trained community volunteers prepare tax returns without a fee. Volunteers help taxpayers take full advantage of special credits – such as Earned Income Tax Credit, Child Tax Credit, and Credit for the Elderly or Disabled – maximizing refunds. With VITA, taxpayers can receive help without losing any portion of their refund to pay fees.

2. FREE ELECTRONIC FILING

Filing taxes online is the fastest way to receive a refund – half the time compared to returns filed on paper. Free File at www.irs.gov is a safe and secure way for taxpayers with 2010 adjusted gross income of \$57,000 or less. For those with income above \$57,000, free fill-able forms are available. Free e-file is available at most VITA sites.

3. BE PREPARED

Being prepared with proper documentation makes tax filing easier. When visiting a VITA Site, proof of identification is required. Also required are Social Security cards or Social Security number verification letters for each family member, including spouse and any dependents being claimed – correct Social Security numbers are critical. For Individual Taxpayer Identification Numbers (ITIN), bring assignment letters. If applying for an ITIN, bring proof of foreign status. Married taxpayers need both spouses present to sign and birth dates for all family members are required.

Documents relating to money received throughout the year should be compiled, such as Wage and Earnings Statement Form W-2, W-2G, or 1099-R from employers and interest and dividend statement Form 1099 from banks. Bring total paid for day care and the day care provider's tax identification number as these payments may be eligible for credits. For faster refunds via direct deposit, provide bank routing and account numbers (usually listed on your checks or deposit slips). Banking information is helpful even for taxpayers who owe money for convenient electronic transfers.

4. CONTACTING THE IRS

Assistance with tax questions is available www.irs.gov 24 hours a day, 7 days a week. Be sure the site is authentic by looking for the ".gov" extension in the website. The official site never contains ".com," ".net," or ".org." Check out 1040 Central for all the latest updates. Spanish-speaking taxpayers can visit the same site and click on "Español" for Spanish content.

The IRS can also be reached by phone at 1-800-829-1040.

5. CHECK REFUND STATUS

The best part about filing taxes is receiving a refund. 2010 refund status may be checked online at www.irs.gov using "Where's My Refund?" Those who e-file can check on the status of their return within 72 hours of the IRS confirming receipt of the return. To check the status of a refund by phone, call 1-800-829-4477.

All of these tips and more are found online at www.irs.gov. For an appointment for free tax help at a VITA Site, call 211.

DID YOU KNOW? \$35 million goes unclaimed every year in Sacramento

DID YOU KNOW?

A full-time worker without a checking account will spend

\$40,000

on check cashing services during his career.

About half of California households do not have bank accounts.

With only 95 banks and credit unions compared to 146 alternative financial institutions in the city of Sacramento, it's no wonder so many turn to other resources. However, many banks now make it easy for these households to set up bank accounts and begin reaping the benefits.

A bank really can save you money.

The best place to take a tax refund is straight to the bank.

Bank account holders enjoy convenience, lower fees and the added benefits of banking. Opening a bank account sets you on a path to financial freedom.

BANK VS NO BANK

directly deposit paychecks, use bank's ATMs and debit card	FREE	\$80	monthly fees to cash paychecks
pay monthly bills using electronic bill payment	FREE	\$3.81	money orders and stamps to pay monthly bills
send money to family	\$5	\$15	send money to family with a wire transfer company
MONTHLY COST	\$5	\$98.81	
ANNUAL COST	\$60	\$1,185.72	

SAVE \$1,125.72

Annual Savings by Using a Bank*

*Example assumes the bank account is not incurring any account fees, including monthly maintenance, per-check, non-sufficient fund (NSF), or debit card transaction fees.

8 Advantages of Having A Bank Account

1. Save money by cashing checks for FREE
2. Pay bills online for FREE
3. Send & receive money from friends and family
4. Keeps your money secure
5. Helps build a credit history
6. Get your money earlier with direct deposit
7. Establish a savings account to save money
8. Start building wealth by earning interest

"Any family making less than \$42,000 a year can get free tax help through the Volunteer Income Tax Assistance Program. Take advantage of the help. Make sure you get all the money you deserve."

SENATE PRESIDENT PRO TEM DARRELL STEINBERG

"I'm especially proud to join with the Coalition and volunteers to ensure that hardworking families get all the tax refunds they've earned. Dollars in hand, whether saved or spent, are like a mini-local-stimulus package for those who need help the most."

ASSEMBLYMEMBER MARIKO YAMADA, 8TH ASSEMBLY DISTRICT

DON'T GET RIPPED OFF!

Financial Do's & Don'ts



DON'T: RELY ON CHECK CASHING SERVICES

People spend over \$35 million a year at check cashing and payday lenders.

DO: OPEN A BANK ACCOUNT

Without a bank account, the average person will spend 5% of their income at cashers and payday lenders. Even if you've had problems with bank accounts in the past, most banks will help you get a bank account through the "Bank On Sacramento" program.

DON'T: FAIL TO FILE YOUR TAXES

You could lose out on thousands of EITC tax refund money.

DO: UTILIZE THE VITA SITES AND GET YOUR TAXES PREPARED COST FREE FOR QUALIFYING FAMILIES.

Tax preparation can cost you as much as \$300.

DON'T: GET A RAPID REFUND LOAN

A significant portion of the refund is lost to interest and fees. These losses rob families of money counted on around tax time for paying bills and large purchases.

DO: HAVE YOUR INCOME TAX RETURN DIRECTLY DEPOSITED INTO YOUR BANK ACCOUNT.

In most cases you will receive your refund within 7-10 business days when you choose this option.

Local banks will be onsite at VITA Supersites to help customers set up bank accounts. Banks partnering with Bank On Sacramento – an initiative established to help more Sacramentans get bank accounts – will feature low cost accounts with no monthly minimum balance. WWW.CITYOFSACRAMENTO.ORG



For times and locations of VITA Supersites, see page 8 or call 211

Tax Time Brings Rewards

Olga Bubela is excited about a new year. She's happy with her job, her apartment with her children, and spending time with a new love. Plus, it's almost tax time. She looks forward to paying off bills and going on vacation with an anticipated income tax and Earned Income Tax Credit refund.

Bubela works as a manager for an apartment complex in Sacramento. She also lives here with her two teenage boys, Daniel and Jacob. Bubela grew up in Ukraine and – though a longtime U.S. citizen – she enjoys living and working in this predominantly Ukrainian, Russian, and Slovenian community.

"It's like a big family here," she said. "Everybody takes care of you, feeds you, and looks after you. It's pretty nice."

The complex is owned by Sacramento Mutual Housing Association (SMHA), and it was through SMHA that Bubela first heard about the VITA Site which offers free tax preparation – SMHA hosts a site at her apartment complex. As manager of the complex, Bubela works with the SMHA community organizer. The organizer was coordinating a new VITA Site to be held at Bubela's complex and encouraged Bubela to take advantage of it.

"She's right there!" Bubela said. "Plus she was supervised by the IRS representative, and it was free."

Her first year filing taxes with VITA, volunteers helped Bubela get back a refund which included the federal Earned Income Tax Credit (EITC). With the extra money, Bubela was able to pay down her credit card, make a payment on tooth surgery her oldest son needed, invest in a retirement IRA, and still had money left over to take her boys on a vacation to Universal Studios and Magic Mountain.

Before VITA, Bubela paid preparers \$40 to \$50 to have her taxes prepared. She had never heard about VITA. She didn't know about EITC either. Bubela says it would have been much harder to pay her credit card bill without the EITC. She is also not sure how she would have paid the bill for her son's surgery when he got in a fight and broke his tooth.

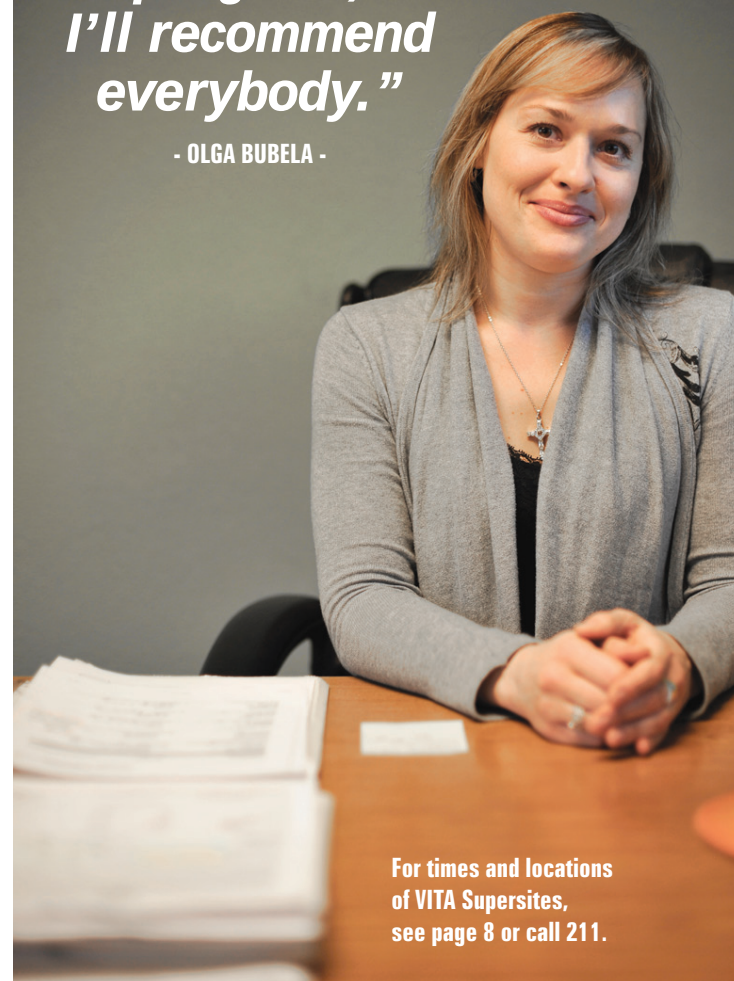
"It's a great program," Bubela said. "I'll recommend everybody."

She will use VITA again this year and hopes for another good refund. She has another bill for her son's teeth – this time for braces. She would also like to put more into her IRA and take the boys on another vacation. She has her sights set on Florida where her new boyfriend's parents live.

"I'm in a good stage in my life," said Bubela. "I have two great boys. I have a man in my life, which I hadn't for a very long time. This new year brought me a lot of joy and happiness."

"It's a great program, I'll recommend everybody."

- OLGA BUBELA -



For times and locations of VITA Supersites, see page 8 or call 211.

OPENING FINANCIAL DOORWAYS

SACRAMENTO MUTUAL HOUSING ASSOCIATION

Sacramento Mutual Housing Association builds strong and stable communities by developing and operating permanently affordable housing. But stability doesn't stop at housing—SMHA also provides programs to educate and support residents. As part of this support, SMHA hosts Volunteer Income Tax Assistance sites at property locations.

A force for community revitalization since 1988, SMHA is a locally controlled, nonprofit partnership of neighborhood residents, business representatives, housing advocates and local government. By building on vacant lots and renovating deteriorating multifamily structures, SMHA eliminates the hazards of vacant lots and crumbling buildings, strengthening surrounding neighborhoods while adding to the local supply of safe, affordable housing.



SMHA operates 620 units of affordable housing in 10 mutual housing communities. Residents are encouraged to participate in maintenance and decision-making, and to work with management to provide recreational facilities, youth programs, education and economic development resources, and safety and security programs. These programs increase residents' access to education and employment opportunities, opening the door to long-term self-sufficiency.

To help residents maintain self-sufficiency, SMHA initiated a Financial Education Program in 1997. Special project coordinator Amy Williamson developed the program to help residents develop assets and save money for future goals. Recently, new financial education workshops for both adults and youth opened to residents of both SMHA properties and surrounding neighborhoods. Tax preparation

assistance is also available at VITA sites, operated by community organizer Iryna Kline.

Over the years, several SMHA property locations have hosted VITA sites. Kline started the current location in response to an annual residency survey, which showed an overwhelming majority of residents paying \$40 to \$70 to have their taxes prepared. She worried about residents paying a business for a service without receiving quality in return.

She said, "These businesses are not registered with IRS like H&R Block. They do not take any responsibility for filing your taxes. I don't know how people trust somebody like this. VITA is really an option—it's fast, reliable, and it's free! It gives me a great feeling to be able to help people."

This year, SMHA partners with Sacramento Coalition for Working Families to host a VITA supersite—a giant tax-filing event that will

include banking opportunities and financial education. Volunteers will help taxpayers prepare tax returns. Local organization partners will be onsite offering bank accounts, as well as education in building and repairing credit, obtaining financing for homeownership, developing small businesses and pursuing higher education.

"If a person files their taxes and gets a refund," Kline said, "we don't want them to waste it—we want them to have options. We want to educate them on how to save the money and how to start retirement accounts."

Williamson added, "We want to help our residents get ahead."

According to Kline, "It's easy. Call 211 and ask for a VITA site—they are all over Sacramento. People should use this available service and save money."

Local organization partners will be onsite offering bank accounts, as well as education in building and repairing credit



VITA Sites Help Busy Families

Truc Huynh and her husband file their taxes at a Volunteer Income Tax Assistance (VITA) Site through Asian Resources Inc. (ARI) every year since moving to Sacramento from Vietnam. Huynh joined her husband in Sacramento seven years ago and the couple now has a 5-year-old son. Huynh works full time, goes to school, and depends on VITA to make tax time simple.

Huynh has worked as a home energy assistance program community resource specialist for three years – a job she found at the same place she now files her taxes. She learned about free tax preparation through VITA at ARI while receiving job skills training and referrals through the organization.

“Through Asian Resources, we file taxes for free. They do everything!”

- TRUC HUYNH -

“Asian Resources has a lot of different programs that I have used,” said Huynh. “They helped me get the job I have now.”

In addition to working full time and caring for her son, Huynh studies English and computer science at American River College. She hopes to eventually receive an associate’s degree in either accounting or social work. She depends on a tax refund each year to pay for classes and books but doesn’t have extra time and money to try to file her own taxes or pay a preparer.

“I don’t have a lot of time,” said Huynh. “I go to school, then I go to work full time. I have to do my homework, take care of my son, cook and shop. I’m really busy the whole week.”

With her busy schedule, Huynh has counted on VITA Sites for free tax filing since 2005. Her husband used VITA even before his wife came to live with him. The first year after their son was born, VITA helped Huynh get \$3,000 back in tax refunds and credits, including Earned Income Tax Credit. That year she used the money for books as well as help with bills.

“When I had my son, I had more bills to pay,” Huynh recalls.

Last year, Huynh owed money to the state and was able to use her federal refund to pay her state taxes, with some to spare. VITA helped her prepare both her federal and state returns, showing her where to send a check for the State bill. They encouraged Huynh to set up a bank account so she could get her federal refund deposited directly into her account, so now she receives her refund faster than waiting for a check.

This year Huynh hopes VITA can help her get a big refund. Her son is starting kindergarten, so she needs help paying for her own books and classes as well as school supplies for her son. Kindergarten costs include snacks and books.

“It’s really helpful. If we go outside to file taxes we have to pay \$60, but through Asian Resources, we file taxes for free. They do everything! All you do is just put on a stamp, mail, and wait for your money. I’ve referred two of my aunts, my friends, and some of my clients.”

ORGANIZATIONS OFFER HELP ASIAN RESOURCES: REACHING DIVERSE COMMUNITIES

Founded 30 years ago, Asian Resources Inc. is a diverse service center catering to a wide cultural demographic. ARI connects the community with multiple social services to empower citizens in achieving self-sufficiency. With recent partnerships, ARI now hosts Volunteer Income Tax Assistance (VITA) Sites and connects clients with expert tax assistance.

In 1980, community activist founders built ARI around the needs of the surrounding neighborhoods. Surveys, interviews, and community meet-

help can receive it for free, and those who qualify will be assisted in claiming the Earned Income Tax Credit (EITC).

According to executive director Elaine Abelaye, “It’s a way to access free tax prep services without having to go to [a tax agency] that would charge them higher fees. Now being part of this big network we have connection to tax experts that come in and help us with some of the more challenging returns. So we don’t have to turn anybody away!”

ARI hires multicultural and multilingual staff from the very community it serves.

ings underscored critical needs of the growing newcomer Asian population in Sacramento. ARI responded with a youth employment project, health clinic, job placement programs, and English classes in the heart of South Sacramento.

Today, ARI serves job seekers and working families from across the cultural spectrum. In addition to the original South Sacramento site at 5709 Stockton Boulevard, ARI now serves communities in Citrus Heights at 7640 Greenback Lane and in Sacramento at 915 Broadway. With staff speaking 15 different languages, services focus on strengthening the community by promoting a skilled workforce to drive economic growth.

These services include occupational skills training, ESL Classes, naturalization services, career guidance counseling, and career placement. ARI connects working families to discount programs with SMUD and PG&E, application assistance for a variety of government programs like Earned Income Tax Credit, Homeowners and Renters credit, and Healthy Families. Families and individuals can also receive free tax filing assistance.

ARI has long offered free tax help. Now, in partnership with VITA, they connect clients with expert tax advice at all three locations. Anyone needing

Over 500 tax returns were completed last year at ARI’s VITA Sites. Through these returns, ARI helped clients get back about \$897,000 in Federal income tax refunds, \$36,000 in State income tax refunds, and EITC of \$454,000. Staff members take classes and workshops each year to stay up-to-date on changes on EITC law.

“We want to make sure folks we serve are pulling down as much of that credit as possible,” said Abelaye, “because we know that these are the folks that really spend in the local economy. They’re spending at our local business, and that really is an avenue to self-sufficiency on an individual level as well as in the neighborhoods and communities we serve.”

ARI hires multicultural and multilingual staff from the very community it serves, each skilled in linking programs to clients and connecting with clients on a personal level. ARI is a nonprofit, community-based organization guided by a board of directors representing its constituents. A variety of privately and government funded grants, fundraising events, and individual contributions support ARI’s continuing mission of empowering everyone they serve to become a vital part of a changing, diverse society.

For more information, visit www.asianresources.com, call ARI at (916) 454-1892, or call 211.



**More information can be found online at www.irs.gov.
For an appointment for free tax help at a VITA Site, call 211.**

Volunteer Income Tax Assistance Offers Free Tax Help

The VITA program offers free tax help to people with low to moderate income. VITA volunteers are IRS trained and certified to fill out basic tax forms and to ensure the Earned Income Tax Credit and Child Tax Credit are claimed. VITA sites are generally located at community and neighborhood centers, libraries, schools and other convenient locations. Most locations also offer free electronic filing, helping filers get a faster turnaround on their refund.

WHY DO WE NEED VITA?

Many people see preparing your own taxes as a daunting and overwhelming task. They seek the services of a commercial preparer who charge from \$55 to sometimes \$300. Knowing that tax filers would like to get their refunds back quickly, the preparer encourages a "refund anticipation loan" which can add more fees and interest and a loss to the EITC value. In 2009 over 65% of those who qualified for the EITC paid a commercial tax preparer, and less than 2% of EITC recipients used VITA. Low- to moderate-income workers need every penny of their tax refunds and are often unaware of the quality cost-free tax preparation alternative, VITA.

Here is another way to look at it:

Consider a family of four who earned \$30,000 last year. They qualify for \$2,500 of the EITC. Because they are overwhelmed by taxes and unaware of VITA, they decide to use a local paid preparer for their basic return. This is what the outcome looks like:

\$2,500 EITC to be received

- \$150 average tax prep fee
- \$100 interest payment for loan
- \$40 RAL application fee

\$2,210 funds received in one to two days

For a two-week loan taxpayer pays interest at 150% losing over 10% value of EITC

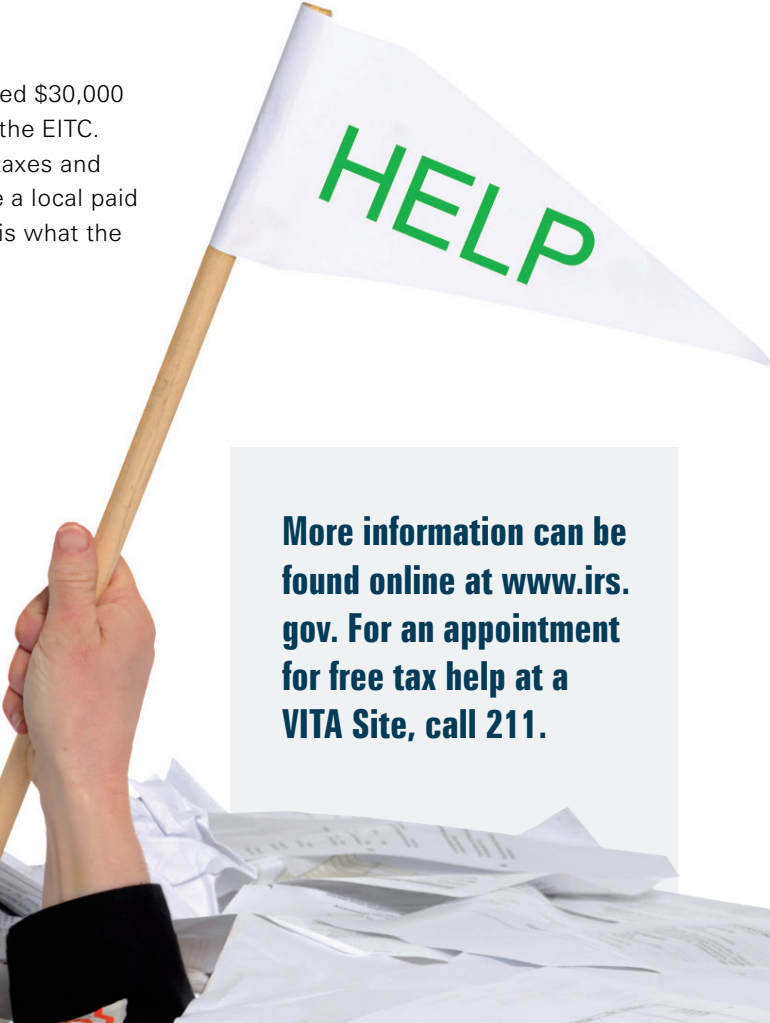
(example from Center on Budget and Policy Priorities 2010 Tax Credit Outreach Kit)

With VITA, 100% of the refund or credit goes directly back to the family and is spent in the local economy. Getting a refund back quickly is important to the taxpayer as well. VITA helps get refunds without a loan in as little as 10 days through e-file with direct deposit. The Sacramento Coalition for Working Families will be partnering with Bank On Sacramento and several financial institutions to have a representative available at all the VITA supersites to assist with opening new accounts for those who do not already have one.



"The Earned Income Tax Credit helps working families meet day to day expenses and rewards work."

ASSEMBLYMEMBER ROGER DICKINSON



HELP

More information can be found online at www.irs.gov. For an appointment for free tax help at a VITA Site, call 211.

VITA

Super Sites & Dates

NORTH SACRAMENTO

GRANT HIGH SCHOOL

1400 Grand Avenue

Sacramento, CA 95838

January 29, February 12, March 5:
9am - 3pm

SOUTH SACRAMENTO

MUTUAL HOUSING AT LEMON HILL

6000 Lemon Hill Avenue

Sacramento, CA 95824

January 30: 9am - 3pm

GEORGE SIM COMMUNITY CENTER

6207 Logan Street

Sacramento, CA 95824

February 6: 9am - 3pm

LA FAMILIA COUNSELING CENTER

5523 34th Street

Sacramento, CA 95820

February 26

WEST SACRAMENTO

RIVERBANK ELEMENTARY SCHOOL

1100 Carrie Street

West Sacramento, CA 95605

February 5: 9am - 3pm

This special supplement is made possible with funding by Citi Community Development (www.citigroup.com/community). Please consult your own tax advisor for your own situation.