

Defeat Debt

Credit Advisors Foundation

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The Real Story of Resolutions

Do you make a bunch of resolutions for the new year and by January 14th can barely remember what they were? Do you make the same resolutions every year, only to fail?

You are not alone! Millions of people make resolutions each year and less than half of them are able to stick with them for 6 months!

So, how do you make it stick? There are no easy answers, but there are some guidelines that can improve your likelihood of success.

First recognize resolutions for what they are...goals. (Just like your goal to get out of debt with CAF!) As with all goals it is important to be SMART. Setting SMART goals improves the probability you will

achieve success. Each SMART goal (or resolution) includes 5 points of reference to consider as you set your goals.

These include:

Specific—Using positive language, a goal should be easily understood and include a definite expected result. (Which is more specific? - 'I will follow my budget'; or 'I will develop my financial skills to be better able to stick to my budget and make informed credit choices that support my long term goals'?)

Measurable—A SMART goal is measurable. The SMART goal utilizes targets to curb or redirect efforts as necessary to ensure final results meet your specific expectations. (For example: 'I will become debt free'; or 'I will become debt free by consistently making my monthly payments to Credit Advisors Foundation and monitoring my progress on a monthly basis by reviewing my creditor and CAF statements.)

Attainable—Although goals may present a challenge, goals must not be out of reach or unrealistic. (Let's face it; if you have never run a marathon before and you do not intend to train, odds are you will not be able to attain your goal of winning the New York Marathon. But you can get out of debt!)

Relevant—A SMART goal needs to be relevant. Goals must maintain and support personal values. SMART goals will strengthen your dreams and purpose. ('I intend to use all my resources to be debt free at the end of 2004 by accelerating my debt management program with CAF'.)

Timely—While timelines need to be realistic, they also ensure that targets are met without delays and final results are appropriate and beneficial.

What other tips do professional goal setters suggest? First, you can make a resolution any-time, not just January 1st.

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Millions make resolutions every year.

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Resolutions (continued)

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Keep track of your goals, tape reminders on your mirror (or better yet, in your wallet) and plan ahead to handle obstacles.

Have a strong initial commitment to make a change, and be persistent. If your first attempt does not succeed—*do not give up*—give it another go! Never give up on your goal because of one slip in your progress. If it is important enough to have made a goal about, it is important enough to try again.

While you don't have to explain the

details of your plan, sharing the anticipated goal result with those around you, can provide support and encourage your efforts, as well as, assist you to stay motivated and focused. Form a support team. Find like minded goal-setters and ask them to share their techniques for success. (Remember those people you referred to



Work rewards into you plan to achieve your goals!

CAF?)

Reward yourself! Small rewards at target points along the way, and a final reward for accomplishing your goal are also great motivators.

Remember, rewards don't have to cost a lot or anything at all, for that matter, to be effective.

Lastly, keep your sense of humor!

Sometimes the only way we can keep striving to achieve a goal is to be able to laugh at ourselves and all the different ways we

Tax Time Reminders

Yikes! Tax time looms! Headaches, indigestion, and sleeplessness... it doesn't *have* to be that way!

Why not avoid the extra stress and start now?

Begin by organizing your paperwork. Collect and review your documentation if you itemize. Keep in mind, your contributions to CAF may be tax deductible. Consult with your tax preparer. (If you haven't been diligent about saving and filing paperwork, start looking now and make contacts for duplicate statements for expense verification, if you can get them.)

Watch your mail for your W-2's and 1099's. Keep everything together. You'll want to decide if you will prepare your taxes or if you will make use of a tax preparer. Be aware that there are different ways that tax preparers will determine the charge for their services. Some will have a set standard charge; some may work by a 'form per line' system. Especially convenient, some tax preparers will come to your home or office for no additional charge.

You'll also want to decide how you will file. You can file by mail, electronically, or in some cases by phone. (If you'd like to file electronically but do not have a computer, don't forget about public access computers, found for example, at your public library. If you prepare your

own taxes, set a date on the calendar (or more than one if you want to break the task into comfortable sessions). If you use a tax preparer, make your appointment now, before the rush, so it is also convenient to you.

Whether you are a do-it-yourselfer or you use a tax preparer, file electronically or by mail, here are some things to remember:

- * Review your completed return before signing.
- * If you received a tax booklet from the IRS, use the peel-off address label on your form.
- * Choose (check mark) only one filing status.
- * Check the exemption boxes.
- * Include all social security numbers (your's, spouse's, and dependents).
- * Double-check all calculations on the form—mathematical errors, which slow down the processing of your return, are the most common problem.
- * Double check that all necessary forms are included (W-2's, 1099's to the front of the return, the rest—tax forms and schedules—in order of the attachment sequence number).
- * Authenticate all deductions (Check you documentation. Can you prove your claims?)
- * Add appropriate forms or schedules to explain any discrepancies on your documentation. (Your return may be

flagged for an audit if the numbers don't match.)

*After reviewing your return don't forget to sign and date it. (Your spouse too!)

*Most importantly, file by April 15th.

If you are receiving a refund:

Consider the direct deposit option rather than waiting for a check from the IRS. If you choose to file electronically you can expect to receive your refund in approximately two weeks.

A note of caution on the 3 day rapid refunds process—The rapid refund is actually a loan. Your return is filed. The refund amount is lent to you in 3 days. Your actual tax refund is then used to pay off your loan. What could go wrong? Plenty! If you owe funds from previous tax years, have defaulted on a student loan, owe back child support, and so on. In these situations your refund is 'set aside' to repay these obligations and your rapid refund loan is not repaid. Now the lender will pursue you to repay this debt also. By the time that happens, if you are like many people, the funds you received from the rapid refund have most likely been spent. (Believe it or not, this is not an unusual scenario.)

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* WORD SEARCH *

Creating and achieving your resolutions can be a challenge, and sometimes our goals are not so much dreams as responsibilities (like filing taxes on time). When SMART goals are used, we are well on our way to accomplishing both. This month Word Search for the following:

ATTAINABLE	REFUND	E	O	I	E	L	I	F	C	T
FILE	RELEVANT									
GOALS	RESOLUTION	A	L	M	G	A	D	I	G	T
INTEREST	SMART									
IRS	SPECIFIC	S	U	E	O	V	O	C	S	A
MEASURABLE	TIMELY									
		U	T	L	A	L	I	E	T	I

Kid's Korner

When did you first learn about taxes? After you got your first summer job? After college? Was the information you had accurate and complete? How can we better inform our children about taxes today?

Like most things, learning about taxes needs to start young. If you give your child an allowance, explain the impact of taxes by requiring them to put a portion of the allowance into 'the family tax jar'. Funds from this jar can be used for community efforts, like your local

homeless shelter, food bank, or park clean up. Explain to your kids that the taxes you pay are used for these kind of things in the community.

One member of the CAF Board of Directors brings this into focus every time her children want to buy something, like a toy or book, with their own money.

"I tell them they have to save the amount 3 times. So if the toy costs \$10 I make them save \$30. \$10 for the book, \$10 for college and \$10 for taxes. The taxes part

covers the sales tax which, granted, is less than \$10, but getting them used to the fact that taxes take up to 1/3 of your earnings is the lesson I want them to learn."

For more structured learning go to www.irs.gov, click on 'individuals', 'students', and 'understanding taxes'. This program has both a teacher and student version and includes themes, lessons and activities to improve tax knowledge and understanding for children.

Tax Time (continued)

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If you have to pay:

All is not lost!

The number one thing you need to remember? File your return by the deadline. Save yourself the stress and cost of a late filing penalty. That late filing penalty is 5 percent per month of the balance due. So file on time! If that is not possible, the IRS does offer form 4868 to be completed to receive an extension to file your return. (However you must pay 90% of your eventual tax bill when you file for the extension and you will owe interest on the balance.) The IRS also offers the ability to pay

your taxes using your credit card. The IRS through specific service providers (who also charge you) accepts American Express, MasterCard, Visa and Discover. Ordinarily, when reviewing this option, you would consider the interest rate offered by your credit card company. As a participant in a DMP, your creditors have asked you not to increase your debt load, and as you well know, may drop you from benefits if you do!

So, what options remain?

Payment arrangements! Yes, the IRS does offer payment arrangements. The IRS rules ask that you file form 9465 and pay what you can with your return.

Form 9465 should include the amount you propose to pay monthly and the date you wish to make your payment each month. If you need assistance to determine the amount and date, contact CAF Client Care as soon as possible. CAF may be able to incorporate this debt into your program.

Finally, regardless of if you must pay or are receiving a refund, keep in mind the most important points: start early, get organized, review your options and most of all, **file on time!**

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We're on the web!

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Get out of debt, with no regret!

The Kitchen on a Dime

You've probably noticed in the grocery and on the news that the cost of beef has been rising. This month we give you another option in the kitchen to stretch your food budget. Don't let the list of ingredients frighten you away from making this dish; it can be on the table in 45 minutes and while it serves an army of hungry people, the test-kitchen crew (all beef and potato eaters from the mid-west) chose it as a favorite.

Creole Jambalaya

2 tablespoons canola oil

1 1/2 lbs andouille or kielbasa sausage, cut into 1/2-inch-thick rounds

1 cup chopped celery

1 cup seeded and chopped green bell pepper

1 cup chopped onion

3 cloves garlic, minced

1/2 teaspoon dried thyme

1 bay leaf

1/2 teaspoon dried oregano

1/4 teaspoon cayenne pepper

1/2 teaspoon dried basil

1/2 teaspoon freshly ground black pepper

One 14.5-ounce can diced tomatoes, with their juices

2 envelopes Lipton Golden Onion Soup Mix

7 cups water

1 1/2 cups converted rice

2 lbs medium shrimp, peeled and deveined

1 cup chopped green onions for garnish

In an 8-quart stock pot, heat the oil over medium-high, add the sausages, and cook until they begin to brown, about 5 minutes. Add the celery, bell pepper, onion, garlic, thyme, bay leaf, oregano, cayenne, basil, and black pepper and cook for 5 minutes, stirring frequently so the spices don't burn. Add the tomatoes and continue to cook for another 3 minutes, until some juice is

absorbed.

Add the soup mix and water and bring to a boil. (At this point, you may cool the mixture and refrigerate it for up to 2 days. When you are ready to serve the jambalaya, bring the sauce to a simmer and continue with the recipe.) Stir in the rice and cook it for 17 minutes. Add the shrimp and cook them until they have turned pink, another 3 to 4 minutes. Serve the dish garnished with the green onions.

(Serves 8 to 10, at \$1.17 per serving)
If you need to expand the servings, add more rice—for each 1/2 cup of rice, add an additional cup of water. Enjoy!

This dish is especially warm and filling on a cold winter day!

