Camp Fire USA
LONE STAR COUNCIL

# The Lone Star

DECEMBER 2005

# Seasons Greetings and a Happy New Year!

*From the 7,600 boys, girls and families that Camp Fire USA Lone Star Council serves*

## The 14th Annual Sporting Chance Auction *Flight for the Future* was a Smashing Success!

The Lone Star Council's Sporting Chance Auction set 2 new records in November. Over **$60,000** in net profit was raised, making the event the most productive in its history. In addition, well over 400 people were in attendance, making it the largest auction crowd yet. Our great sponsors helped make this happen!

According to the this year's guests, the auction was the most enjoyable one to date! Be sure to save the date for next year's event, to be held at the Frontiers of Flight Museum on November 18, 2006. We hope to see you there!

**Special Thanks to These Friends of Camp Fire USA:**
American Airlines · American Humanics, UNT · Deloitte Volunteers · DJ Unique · Frontiers of Flight Museum · Gamma Phi Beta · Marc D. Moseley · Midwest Express Airlines · Murad Auctions · Zale Corp.

## *Sporting Chance Auction Benefits After-School Program*

The Kids Club after-school program is provided at no cost to participants and is open to boys and girls, ages 5-12, with volunteer opportunities for youth, ages 13-18. In the program, children participate in recreational, self-esteem and character building activities and receive help with their homework.

By providing substantive programming in a safe, inclusive environment, Kids Club offers parents the security they want for their children during non-school hours, while providing youth with exciting, enriching activities and the opportunity to create new friendships. By uniting families from the same communities, Kids Club creates a network of support around the children it serves.

(L to R): Board member John Morgan & his wife Jane dancing to DJ Unique, long-time auction supporter Marc D. Moseley & guests, Alex Powers (diamond draw winner), board members Catherine Cuellar & Kevin S. Wiley, Jr. & guests, and board member Carol Carr & her father enjoying auction music. (photos by Deborah Kellog).

### We Would Like to Thank Our Auction Sponsors:

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**NEW! Online donations now accepted at www.campfireusadallas.org.**

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# Around the Camp Fire

## Camp Fire USA Outstanding Volunteer:

The Lone Star Council is proud to introduce volunteer **David Klickman**. David has been assisting Camp Fire USA for almost two months now. He comes to us from Jesuit College Preparatory School as part of their Community Service and Social Justice Program. David is a senior at Jesuit and will be in service at Camp Fire until his graduation. David has already been a tremendous help in accomplishing many tasks at the office. His willingness to work and can-do attitude were especially beneficial during the check-in and check out processes at the auction.

## Recent Grants Awarded:

Citigroup Foundation - **$10,000** to support the **Kids Club** after-school program, provided for free to children living in low-income apartment communities.

Louise W. Kahn Endowment Fund - **$525** to support **Teens in Action**.

The Annie E. Casey Foundation - **$3,000** to support the **Community Family Club** family-strengthening program in low-income apartment communities.

The Hillcrest Foundation - **$25,000** to support the **Academic Enrichment** program (which provides free after-school tutoring, TAKS test preparation and math aptitude development), with curriculum material, books and technological upgrades.

The Ninnie L. Baird Foundation - **$5,000** to support **Camperships**, which allow children from low-income families to attend our **Camp Ellowi Summer Day Camp** at no cost.

The Stemmons Foundation - **$5,000** to provide curriculum materials, supplies and books for the **Kids Club** (Academic Enrichment) program.

## NOW HIRING!

### Executive Director

Camp Fire USA Lone Star Council seeks an **Executive Director** to lead our $1.9 million youth development agency, following the resignation of Tim James, who served the council for 19 years.

With a mission to build *caring, confident youth and future leaders*, Camp Fire USA believes that children and youth are our most precious resources, and we advocate on behalf of children, youth and families.

Visit www.campfireusadallas.org to view this job description and requirements. Resumes and cover letters should be sent via e-mail to the attention of Board President, Charlotte P. Smith at admin@campfireusadallas.org.

Youth from Central Park Crossing.

We would like to express our gratitude to **Citigroup** and employee **Shannon Rush**, who hosted a book drive and collected over 600 children's and youth books for Camp Fire USA. Citigroup also generously provided new bookshelves for the after-school program sites, located in low-income apartment communities, where the books were delivered.

***Thank you Citigroup for helping us become better readers!***

Youth from North Park Terrace.

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# Tax Alert

*Article Provided by:*

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**TAX ALERT - Temporary Elimination on Limits of Charitable Deductions Made Before End of Year.**
In the wake of Hurricane Katrina, Congress enacted the Katrina Emergency Tax Relief Act of 2005 (KETRA)

Complete article can be viewed at www.campfireusadallas.org/tax. (PDF - 2 pages).

# Program News

## Vickery Meadows Employment Project Improves Future Life Outlook

**Latasha** lives in Dallas in the Vickery Meadow community. She is a 21-year-old African-American woman who lives with her sister and niece. Since graduating from high school in 2002, Latasha has bounced around from one unstable job to another. None of her jobs provided her with the opportunity to advance. With the meager income these jobs provided, Latasha was unable to help her family financially or save up enough money to move out on her own and develop her own life.

Along with feeling frustrated about not being able to assist the family financially, Latasha was discouraged with not being able to find a suitable, stable job which provided an opportunity for advancement and offered a living wage. Latasha believes that one of her biggest obstacles is the fact that she has limited transportation options because she cannot afford a car, and therefore must confine her job search to areas near a DART station or bus line.

> *"I am making my own money now and can take care of myself and also help my sister out financially!"*

On the first day of September of this year, Latasha decided to attend an open enrollment session at the North Park Terrace Apartments. She told Sandra Ballard, Camp Fire USA's Employment Specialist, that she received a flyer that had been distributed in the apartments about a program that would help her find and keep a job.

Sandra stated that Latasha was extremely excited when she received the flyer about Camp Fire USA's **Employment Program** and the free services it offered. Latasha said with a big smile, "I couldn't wait to come and attend the open enrollment. I was determined that I was not going to miss this because I needed help in finding a job." Latasha was full of energy and said she would do whatever needed to be done to enroll in the program! After an overview of the program Latasha enrolled and has not looked back since.

Sandra identified two main barriers/challenges preventing Latasha from getting a job, 1) a lack of job seeking skills and 2) job readiness training. Latasha attended the scheduled job readiness training classes and learned how to fill out an application, create a resume and develop interviewing skills. After completing the classes, Latasha said she had learned so much and gained so much insight, she now felt confident in tackling her job searches.

Sandra felt so confident in Latasha after her training that Sandra arranged an interview for Latasha at Neiman Marcus in Dallas. Sandra drove Latasha to Neiman Marcus for her first and second interviews. Between the first and second interviews, Latasha was coached on how to improve her interview skills and become more confident with the interviewing process. And sure enough, Latasha's hard work and willingness to overcome her barriers to unemployment paid off and after her second interview, she was offered the job on the spot!

Before her first day of work, Latasha came by the Camp Fire USA office and said with a big smile, "Ms. Sandra, I thank you and Camp Fire for caring and helping me find a job. I am making my own money now and can take care of myself and also help my sister out financially!"

***The Lone Star Council would like to congratulate Latasha and wish her continued success!***

## Lone Star Council's Academic Enrichment Program Is Off To A Great Start!

Every day since September, something special has been happening at Camp Fire USA's after-school program sites - it's the Lone Star Council's **Academic Enrichment Program** offered at our award winning Kids Club program. What is it, you ask? It's Math Leaders! Once a week, a high school senior or college student, who possess excellent math and reading skills, comes to work with the kids at his or her respective site. Read how Garrett, a high school senior, has helped one of Camp Fire's exceptional youth members, **Sydney**.

Sydney working on the Math Leaders curriculum worksheet.

In the past, 10-year-old Sydney had received "B's" in math; but this year she is making "A's" and most recently made a "93" on her last report card in math. When asked how Mr. Garrett (as she calls him) has helped her, she responded by saying, "He gives us those challenging questions in math, and I'm always into math." She went on to say this about Mr. Garrett's help, "It's good because my math has been improving, plus Mr. Garrett has given us Algebra questions which helps me in math right now."

Along with the curriculum that is being used in Math Leaders, Garrett spends time playing games related to math with the kids (i.e. Math Bingo). He also gives one-on-one time with kids who have demonstrated a need for this extra help in math.

With the energy of the Math Leaders program, it's no surprise that kids are becoming more excited about math. It won't be long before more kids will be answering the way Sydney did when she was asked the question of what her favorite subject in school was, "Math, I like doing math all the time no matter what!"

***The Lone Star Council wishes Sydney continued success in her academic pursuits!***

# Support Camp Fire USA


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## In the Holiday Giving Spirit?

***Well, Here are some much wanted items for our programs!!!***

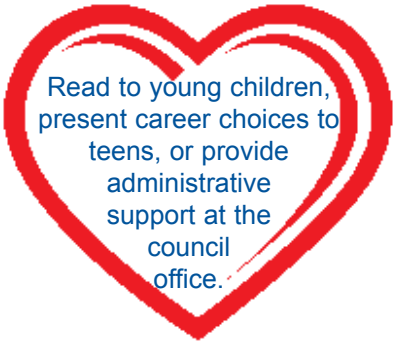
### Holiday Wish List:

- **Large Bean Bags**
- **Jumpropes**
- **Footballs**
- **Nerf Footballs**
- **Volleyballs**
- **Chess Sets**
- **Wiffle Ball Game Sets**
- **Basketballs**
- **Baseball Gloves**
- **Kickballs**
- **Tic Tac Toe Games**
- **Checkers Sets**

## Volunteer Opportunities

Volunteers have always been at the **heart** of Camp Fire USA programs, and we encourage people of all ages to apply for one of the many opportunities available through Camp Fire USA Lone Star Council

Call 214 824 1122 to learn more.





Camp Fire USA
Today's kids. Tomorrow's leaders.

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## Mission Statement:

We build caring, confident youth and future leaders!

## Upcoming Events

| | |
|---|---|
| December 23 & 26 | Office Closed - Holiday |
| January 2 & 16 | Office Closed - Holiday |
| January 19 | Board Meeting |
| January 30 | Valentines for Vets Due |
| February 13-17 | Salute to Hospitalized Veterans Week |
| March 16 | Absolutely Incredible Kid Day® |
| March 17 | Camp Fire USA's 96th Birthday |


**The Lone Star** is published quarterly by the staff of Camp Fire USA Lone Star Council.

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**Do we have your correct mailing address? If not, please contact us at 214 824 1122 to update our records. Thank you.**

United Way

***The Lone Star Council adheres to 12 core values, which guide the development of programs and unite the entire organization.***

1. We believe that **children and youth** are our most precious resources.
2. We believe in an approach to youth development that **builds assets** and **empowers individuals**.
3. We believe that the best youth development occurs in **small groups** where children and youth are actively involved in creating their own learning.
4. We are committed to **coeducation**, providing opportunities for boys, girls and families to develop together.
5. We provide caring, **trained mentors** to work with children and youth.
6. We are **inclusive**, welcoming children, youth and adults regardless of race, religion, socioeconomic status, disability, sexual orientation or other aspect of diversity.
7. We respect and celebrate **nature**.
8. We foster **leadership**, engaging children and youth to give service and make decisions in a democratic society.
9. We provide **safe, fun** and nurturing environments for children and youth.
10. We enrich **parents**' and other **adults**' lives by expanding their skills and encouraging them to share their talents and build relationships with children and youth.
11. We respond to **community needs** with our programs and expertise.
12. We **advocate** on behalf of children, youth and families.

GARDERE

Tax Alert

CLIENT ALERT

NOVEMBER, 2005

# Katrina Emergency Tax Relief Act eliminates limits on charitable deductions - temporarily

**In the wake of Hurricane Katrina, Congress enacted the Katrina Emergency Tax Relief Act of 2005 (KETRA)** *which temporarily eliminates limitations on charitable deductions for certain cash contributions made before the end of the year. These changes present an opportunity for increased charitable gifting.*

## For Individual Taxpayers

### Charitable Deduction Limits Before KETRA

**Charitable deductions were limited to a percentage of adjusted gross income**

Generally, contributions to most public charities were fully deductible up to 50 percent of the taxpayer's adjusted gross income (AGI) for the taxable year. Excess contributions could be carried forward for up to five years.

**Overall limitation on itemized deductions**

As part of a taxpayer's itemized deductions, charitable deductions were also subject to the overall phase out. When a taxpayer's AGI exceeded the "applicable amount," the total amount of itemized deductions otherwise allowable for the taxable year must be reduced by the lesser of three percent of the excess of the taxpayer's AGI over the applicable amount or 80 percent of the amount of the itemized deductions otherwise allowable for the taxable year. For 2005, the applicable amount is $145,950 for all taxpayers other than a married taxpayer filing separately for whom it is $72,975.

### Relevant Changes Under KETRA

**Qualified contributions are not subject to a percentage of AGI limitations**

Under KETRA, deductions for qualified contributions (defined below) by an individual taxpayer are not subject to the 50 percent of AGI limitation. Instead, a taxpayer may deduct qualified contributions to the extent his or her AGI exceeds the total amount of any other charitable deductions allowed for that year. Qualified contributions that exceed this limit can be carried forward for up to five years but are thereafter subject to the limitations of Code § 170(b) and (d).

**Qualified contributions are not subject to an overall limit on itemized deductions**

KETRA also provides that deductions for qualified contributions paid during the applicable period shall not be treated as itemized deductions and, therefore, are exempt from the overall three percent phase out of itemized deductions.

**What is a qualified contribution?**

A qualified contribution means any charitable contribution (i) that is paid in cash, (ii) during the period beginning on August 28, 2005 and ending on December 31, 2005, (iii) to certain charitable organizations, including most public charities, and (iv) for which the taxpayer has elected qualified contribution treatment. It is important to note that, for individual taxpayers, the bill does not limit qualified contributions to gifts to organizations or uses associated with Hurricane Katrina relief.

Some donations do not qualify as qualified contributions under KETRA. Gifts to supporting organizations or gifts to donor advised funds do not qualify. Other non-qualifying contributions include gifts to private non-operating foundations, non-cash gifts, gifts made before August 28, 2005 (including carryovers of excess gifts from prior years into 2005), and gifts made after December 31, 2005.

### Examples

**Percentage of AGI limitation**

For 2005 assume an individual taxpayer has an AGI of $100,000, made charitable gifts of $60,000 that are not qualified contributions and made qualified contributions of $70,000. In regards to the $60,000 of non-qualified gifts, the 2005 charitable deduction is limited to 50 percent of the taxpayer's AGI ($50,000). The 2005 deduction for the

$70,000 of qualified contributions is limited to the excess of the taxpayer's AGI over the amount of other allowable charitable deductions for the year [$100,000 (AGI) - $50,000 (other allowable charitable contributions) = $50,000]. Therefore, the total allowable charitable deduction for 2005 is $100,000.

**Percentage of AGI limitation and overall limitation on itemized deductions**

For 2005 assume an individual taxpayer has an AGI of $1,000,000, made cash gifts after August 28, 2005 of $800,000 to a public charity, and has no other itemized deductions. If the charitable gifts are not qualified contributions, the corresponding deduction will be limited to 50 percent of the taxpayer's AGI and be subject to the three percent phase out. On the other hand, if the charitable gifts were qualified contributions, they would be fully deductible up to the taxpayer's AGI for the taxable year 2005. Therefore, the total allowable charitable deduction for qualified contributions would be $800,000.

**Limitation changes in IRA withdrawals**

For 2005 assume an individual taxpayer is 65 years old, had ordinary salary income of $200,000, and withdrew $1,000,000 from his or her traditional individual retirement account (IRA), all of which was contributed to a public charity after August 28, 2005. The funds withdrawn from the IRA increase the taxpayer's taxable income to $1,200,000. However, if the withdrawn funds are used to make a gift that is a qualified contribution, those funds are fully deductible and can be used to offset the increase in taxable income on a dollar-for-dollar basis. In this example, the taxpayer would be entitled to a $1,000,000 charitable deduction for 2005, reducing his or her taxable income to $200,000.

The IRA withdrawal-gift technique is not without potential income tax consequences. In withdrawing money from an IRA, the taxpayer increases his or her AGI. If the taxpayer's AGI reaches a certain level, his or her itemized deductions and personal exemptions will begin to be phased out ($145,950 in the case of the overall limit on itemized deductions; $219,000 in the case of personal exemptions). Although the qualified contribution deduction is unaffected (under KETRA), the taxpayer's other itemized deductions and personal exemptions will be reduced to the extent that the IRA withdrawal causes the taxpayer's AGI to exceed the statutory threshold.

## For Corporate Taxpayers

### Charitable Deduction Limits Before KETRA

Generally, charitable contributions by corporate taxpayers were fully deductible up to 10 percent of the taxpayer's taxable income. To the extent the aggregate charitable contributions exceed this limit, such excess could be carried forward for up to five years.

### Relevant Changes Under KETRA

**Qualified contributions are not subject to a percentage of taxable income limitation**

Under KETRA, a corporate taxpayer may deduct qualified contributions to the extent that its taxable income exceeds the total amount of any other charitable deductions allowed for the taxable year. Qualified contributions that exceed this limit can be carried forward for up to five years.

**What are qualified contributions?**

In addition to the requirements applicable in the case of an individual taxpayer, for a charitable gift by a corporate taxpayer to be considered a qualified contribution it must be for relief efforts related to Hurricane Katrina.

### Example

For 2005 assume a corporate taxpayer has $100,000 of taxable income, made a $20,000 charitable gift that is not a qualified contribution and made $100,000 of qualified contributions. In regards to the $20,000 gift, the charitable deduction for 2005 is limited to 10 percent of the taxpayer's taxable income ($10,000). The deduction for the $100,000 qualified contribution is limited to the amount by which the taxpayer's taxable income exceeds any other allowable charitable deductions [$100,000 (taxable income) - $10,000 (other allowable charitable contributions) = $90,000]. Therefore, the total allowable charitable deduction for 2005 is $100,000.

**IRS Circular 230 Disclosure:** This communication has not been prepared as a formal legal opinion within the procedures described in Treasury Department Circular 230. As a result, we are required by Treasury Regulations to advise you that for any significant Federal tax issue addressed herein, the advice in this communication (including any attachments) was not intended or written to be used, and it cannot be used by the taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer.

*For more information on this temporary change in the tax law, please refer to your usual contact at Gardere.*

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