

# Privacy, Confidentiality, and the Standards of Conduct

—*A Public Trust*



“ . . . ensuring IRS volunteers and their partnering organizations safeguard taxpayer information and understand their responsibilities . . . ”



# TABLE OF CONTENTS

- INTRODUCTION ..... 1
- BACKGROUND ..... 1
- PROTECTION AGAINST LEGAL ACTION ..... 1
- PENALTY FOR UNAUTHORIZED DISCLOSURES OR USES ..... 1
- PRIVACY AND CONFIDENTIALITY KEY PRINCIPLES ..... 1 - 2
- TAXPAYER INFORMATION ..... 2 - 4
  - PRIVACY DURING THE INTERVIEW ..... 2
  - REQUESTING THE INFORMATION ..... 2
  - SHARING THE INFORMATION ..... 3
  - DISCLOSURE AND USE OF TAXPAYER INFORMATION ..... 3 - 4
- CONSENT REQUIREMENTS ..... 4
- MANDATORY STATEMENT ..... 5
  - Consent to “Disclose” : non-bank products* ..... 5
  - Consent to “Disclose” : bank products (RALS or RACS)* ..... 5
  - Consent to “Use”* ..... 5
- USE OF WIRELESS DEVICES IN THE VITA/TCE PROGRAMS ..... 6
- MAINTAINING AND ENSURING CONFIDENTIALITY OF TAXPAYER INFORMATION .... 6 - 7
  - PROTECTING THE INFORMATION ..... 6
  - PROVIDING A SAFE ENVIRONMENT FOR INFORMATION ..... 6 - 7
- REPORTING STOLEN AND LOST EQUIPMENT ..... 7
- STOLEN AND LOST INFORMATION – TAXPAYER NOTIFICATION ..... 7 - 8
  - DELETING TAXPAYER INFORMATION ..... 8
  - DISPOSING TAXPAYER INFORMATION ..... 8
  - VOLUNTEER SAFETY ..... 8
- IDENTITY THEFT ..... 8 - 10
- PROTECTION OF PARTNER/VOLUNTEER INFORMATION ..... 10 - 13
  - RELEASE OF PARTNER INFORMATION ..... 10
  - VOLUNTEER STANDARDS OF CONDUCT ..... 10 - 13
- FAILURE TO COMPLY WITH THE STANDARDS OF CONDUCT ..... 13 - 15
  - VITA/TCE PREPARERS DUE DILIGENCE REQUIREMENTS ..... 13 - 14
  - VOLUNTEER REGISTRY ..... 14
  - TAXPAYER REVIEW AND ACKNOWLEDGEMENT ..... 14
  - CRIMINAL INVESTIGATION ..... 14
  - IMPACT ON VITA/TCE PROGRAMS ..... 15
  - TAXPAYER IMPACT ..... 15
- POTENTIAL CONSEQUENCES ..... 16
- REFERENCE MATERIALS ..... 16
- REFERRING PROBLEMS ..... 16
- EXHIBIT 1 – Form 13533, VITA/TCE Partner Sponsor Agreement ..... 17
- EXHIBIT 2 – Form 13615, Volunteer Standards of Conduct Agreement -  
VITA/TCE Programs ..... 18 - 19

# **Privacy, Confidentiality and Standards of Conduct – A Public Trust**

## **Introduction**

The Internal Revenue Service (IRS) sponsors the VITA (Volunteer Income Tax Assistance) and the TCE (Tax Counseling for the Elderly) programs that provide free tax return preparation for low to moderate income and elderly taxpayers. Details governing the operation of these two programs are covered in various materials; however, one of the foundational principles for both programs is that the confidentiality of the information provided is guaranteed so that the public trust is protected. This document addresses areas where diligence to detail is needed.

Section 7216 of the Internal Revenue Code (IRC) and a related provision, IRC 6713, provide penalties against tax return preparers who make unauthorized use or disclosure of tax return information. A tax return preparer covered by IRC 7216 and 6713 can include a person who prepares tax returns or assists in preparing tax returns, whether or not a fee is charged for preparing a tax return.

## **Background**

Partners and volunteers are not subject to the same statutes and regulations to which IRS employees are held accountable. Information provided by individual taxpayers to a VITA or TCE volunteer is not considered “return information” protected by IRC 6103 until it is received, recorded, or collected by the IRS. However, VITA and TCE volunteers are subject to the criminal penalty provisions of 18 USC 1905 for any improper disclosures of this information. It is critical to the programs’ success to ensure volunteers and their partnering organizations safeguard taxpayer information **and** understand their responsibilities in this respect.

Taxpayers utilizing volunteer program services provide personal information to the volunteers, such as names, addresses, social security numbers, birth dates, and bank account information. This type of information is a prime target for identity theft. Therefore, partners and volunteers must keep the information confidential and protect it from unauthorized individuals and misuse.

## **Protection Against Legal Action**

Public Law 105-19, Volunteer Protection Act of 1997 (VPA) generally protects volunteers from liability for negligent acts they perform within the scope of their responsibilities in the organization for whom they volunteer. The VPA is not owned or written exclusively for Internal Revenue Service. This is a Public Law and relates to organizations that use volunteers to provide services.

Under the VPA, a “volunteer” is an individual performing services for a nonprofit organization or a governmental entity (including as a director, officer, trustee, or direct service volunteer) who does not receive for these services more than \$500 total in a year from the organization or entity as:

- (a) Compensation (other than reasonable reimbursement or allowance for expenses actually incurred), or
- (b) Any other thing of value in lieu of compensation.

If individuals are paid for their services as described above, they are not considered as “volunteers” under the VPA, however, all individuals participating in the VITA/TCE Programs are described as volunteers. Paid volunteers should seek “protection advice” from the sponsoring organization’s counsel department.

## **Penalty for Unauthorized Disclosures or Uses**

IRC 7216(a) imposes criminal penalties on tax return preparers who knowingly or recklessly make unauthorized disclosures or uses of information furnished in connection with the preparation of an income tax return. A violation of IRC 7216 is a misdemeanor, with a maximum penalty of up to one year imprisonment or a fine of not more than \$1,000, or both, together with the cost of prosecution.

## **Privacy and Confidentiality – Key Principles**

To maintain program integrity and provide for reasonable protection of information provided by the taxpayers serviced through the VITA/TCE Programs, it is essential that partners and volunteers adhere to the strictest standards of ethical conduct and the following key principles be followed.

- Partners and volunteers must keep confidential the information provided for tax return preparation.
- Partners and volunteers must protect physical and electronic data gathered for tax return preparation both during and after filing season.
- Partners using or disclosing taxpayer data for purposes other than current, prior, or subsequent year tax return preparation must secure the taxpayer's consent to use or disclose their data.
- Partners and volunteers must delete taxpayer information on all computers (both partner owned and IRS loaned) after filing season tax return preparation activities are completed.
- Partners and site coordinators must keep confidential any personal volunteer information provided.

## **Taxpayer Information**

***Partners and volunteers must keep confidential the information provided for tax return preparation.***

### **Privacy During the Interview**

To the extent possible, arrange tax preparation assistance areas to prevent others from easily overhearing or viewing the information under discussion. When volunteers require assistance to complete the tax return, they should ensure privacy is maintained during these discussions.

All tax returns should be prepared at the site with the taxpayer present, see exception below. Taxpayer information should not be dropped off at a site for tax return preparation at a later time. In situations where sufficient information to complete the return is unavailable, all documents should be returned to the taxpayer with a request that they be brought back, along with the remaining information needed to complete the tax return.

**Exception:** Having the taxpayer present in the preparer's site is not always possible. In these cases, Virtual VITA/TCE processes can be used to prepare returns without taxpayer face-to-face contact. Certified volunteers may interview taxpayers over the phone while preparing their return. The alternative process used to prepare returns must be approved by the responsible IRS Territory Manager to ensure all procedures are in place as described in the QSR. Most importantly, the taxpayer's and government's interests must be properly protected. In some cases, the taxpayer information must be left at the site to be prepared and mailed to the taxpayer. Adequate security and privacy is expected to ensure taxpayer records are properly safeguarded.

### **Requesting the Information**

When preparing tax returns, only information that is necessary and relevant should be requested. The information provided is entrusted to the volunteer with the taxpayer's confidence that it will not be shared or used in any unauthorized manner.

Information such as name, address, SSN, birth dates, marital status, bank account information for direct deposit, and other basic information is necessary to prepare the return. Documents that are relevant to ensure identity and accuracy include:

- A photo identification such as valid driver's license (U.S.), employer ID, school ID, state ID (U.S.), Military ID, national ID, voter ID, visa, or passport. However, judgment should be used to accept any other valid form of identification. For example, the site coordinator can allow proof of identity in a situation of an elderly person with a disability that has an expired drivers license and passport but also provides a valid birth certificate. Certified volunteers preparing tax returns should confirm the identity of the taxpayer to avoid the potential for identity theft or tax fraud. If an unknown taxpayer cannot substantiate their identity, or if the volunteer is uncomfortable accepting the items presented as proof of identity, the taxpayer should be advised to return with an acceptable form of identification.
- Original or copies of social security cards (or other forms of SSN verification, i.e. letter, Form 1099 SSA), ITIN (Individual Taxpayer Identification Number) card or letter must also be reviewed as part of the tax return preparation process. This must be produced for every taxpayer. Volunteers should confirm the SSN or ITIN and the correct spelling of names for all individuals listed on the tax return. In the event a taxpayer provides verification of the ITIN and the Form W-2 contains a SSN that cannot be verified, the ITIN will be the number used to prepare the tax return. The mismatch of names and SSN information is one of the top ten reasons for delays in processing electronic tax returns.

## **Sharing the Information**

Information provided for tax return preparation should not be shared with anyone who does not have a need to know. Individuals have a need to know if their involvement is required to process the information to its final disposition. Examples of “need to know” include sharing information for the purpose of obtaining guidance in tax return completion; electronically transmitting the return; and reviewing a tax return and source documents used to prepare the return. This includes returns submitted through the Virtual VITA/TCE Model when a taxpayer is not present. It is not acceptable to share information with others, even another volunteer, if their involvement in the tax return preparation is not required. For instance, sharing income information, birth dates, or even the marital status of taxpayers with other volunteers, taxpayers, family, or friends as a matter of curiosity or interest, is not acceptable.

## **Disclosure and Use of Taxpayer Information**

On January 4, 2010, Treasury and the IRS published Temporary Treasury Regulations under 26 CFR 301.7216-2. The temporary regulations provide updated guidance affecting tax return preparers’ use and disclosure of tax return information related to maintaining and compiling lists for solicitation of tax return preparation services and disclosure and use of statistical compilations of data in support of their tax return preparation business. The temporary regulations apply to disclosures or uses of tax return information occurring on or after January 4, 2010. The applicability of these temporary regulations expires on or before December 28, 2012.

**All volunteer sites using or disclosing taxpayer data for purposes other than preparing a current, prior, or subsequent year tax return must secure the taxpayer’s consent to use and disclose the data.**

**Exception:** All volunteer sites using or disclosing anonymous aggregate data for fundraising, marketing, publicity, or other uses related to the volunteer sites’ tax return preparation business are not required to secure the taxpayers’ consent. Under the regulations, a statistical compilation is anonymous if it does not include any personally identifiable information, such as the taxpayer’s name, SSN/ITIN, address or other personal information, and does not disclose cells containing data from fewer than ten tax returns.

**This exception does not apply to the use or disclosure in marketing or advertising of statistical compilations containing or reflecting dollar amounts of refund, credit, or rebate, or percentages relating thereto.**

**Note:** If the temporary regulations under 26 CFR 301.7216-2T expire and are not finalized, this exception will not be allowed and consents to use and disclose tax return information will be required to use or disclose anonymous aggregate data for fundraising, marketing, publicity, or other uses related to the volunteer sites’ tax return preparation business.

| <b>Using and Disclosing Taxpayer Information for:</b>  | <b>Are the Two Consents (Use and Disclosure) Required?</b>                                   |
|--|--|
| Preparing current, prior, or subsequent year tax returns.  | No   |
| For purposes other than preparing current, prior, or subsequent year tax return.   | Yes  |
| To report the <b>number</b> of returns (number of types of return such as EITC, CTC, etc.) prepared to use for fundraising, marketing, publicity or other uses related to the volunteer sites tax return preparation business. | Required if the temporary regulations under 26 CFR 301.7216-2T expire and are not finalized. |
| To report any data containing return <b>dollar amounts</b> for marketing or advertising or any other non-fundraising activities.   | Yes  |
| To report any data containing return dollar amounts for fundraising activities.  | Required if the temporary regulations under 26 CFR 301.7216-2T expire and are not finalized. |

IRS partners required to obtain consent are encouraged to solicit both a consent to use and a consent to disclose. Tax return preparers must obtain consent to use or disclose tax return information before tax return information is used or disclosed. **Tax return preparation services must be provided regardless of the taxpayer's decision on whether to agree to the use and disclosure of their data. Taxpayers who choose not to consent to the use or disclosure of their data must not be denied services;** however, the services provided may be limited to tax return preparation and tax return preparers must not use or disclose their data. Each partner/volunteer organization must evaluate the uses of taxpayer information against IRC 7216 requirements to ensure compliance.

## Consent Requirements

Partners are required to provide written notice to the taxpayer and receive signed consent on both notices when using or disclosing taxpayer information for purposes **other than preparing a current, prior, or subsequent year tax return.** Partners must customize consents to be specific for their particular use and disclosure.

There are two types of consents:

- 1) Consent to “disclose”, taxpayer information. **Disclose** means the giving out of information, either voluntarily or to be in compliance with legal regulations or workplace rules, and,
- 2) Consent to “use” taxpayer information. **Use** means the act or practice of employing something. These notices cannot be combined. They must be kept separate. Consents must meet the minimum requirements provided in 26 CFR 301.7216-3(a)(3) and must include the requirements defined in Revenue Procedure 2008-35 or its successor. The consent must:
  - Identify the intended purpose of the disclosure or use;
  - Identify the recipients and describe the specific authorized disclosure or use of the information;
  - Identify the specific taxpayer information to be used or disclosed;
  - Include the mandatory language outlined in Rev. Proc. 2008-35 or its successor;
  - Include the consent duration if other than one year;
  - Use 12-point type font on 8 ½ by 11-inch paper or, for an electronic consent, be in the same type as the web site's standard text; and
  - Include the taxpayer's signature and date;
  - Separate consents are required for disclosure and use, although multiple uses may be included in the same use consent and multiple disclosures may be included in the same disclosures consent (Note: Multiple disclosures consents and multiple use consents must provide the taxpayer with the opportunity, within the separate written document, to affirmatively select each separate disclosure and use.)

Consent notices are valid for one year unless otherwise specified in the written notice to the taxpayer. Under IRC 6531, the period of limitations for prosecuting a violator of IRC 7216 is three years after failure to comply. It is recommended that partners maintain signed copies of the consent notice for three years. Consent notices may be maintained in paper or electronic format.

During the return preparation process, the preparer should enter the taxpayer's PIN based on the taxpayer's preference, “Consent Granted” or “Consent Denied,” confirming the taxpayer's decision. (NOTE: Preparers can only enter the taxpayer's PIN on behalf of the taxpayer when the taxpayer has signed a paper consent. If the taxpayer does not sign a paper consent, then the taxpayer must enter his or her own PIN in the software.) The consents are included in the print packet defaults for TaxWise.

If the preparer is entering the consent PIN and date into TaxWise, the taxpayer must sign and date a paper consent form before entering the consent PIN and date into TaxWise. The site may give the signed paper consent form to the taxpayer or maintain at the site. Whether the signed copy is given to the taxpayer or maintained at the site, a copy of the consent in TaxWise with the PIN must be provided to the taxpayer for his/her records. Maintaining the electronic copy of the signed consent in TaxWise will meet the three (3) years retention requirement.

## Mandatory Statement

Select one of the following consent statements to Disclose (which ever applies) and the consent statement to Use for the taxpayers signature.

### **Consent to “Disclose ” (non-bank products):**

#### **Required Statements:**

Federal law requires this consent form be provided to you. Unless authorized by law, we cannot disclose, without your consent, your tax return information to third parties for purposes other than the preparation and filing of your tax return. If you consent to the disclosure of your tax return information, federal law may not protect your tax return information from further use or distribution.

You are not required to complete this form. If we obtain your signature on this form by conditioning our services on your consent, your consent will not be valid. If you agree to the disclosure of your tax return information, your consent is valid for the amount of time that you specify. If you do not specify the duration of your consent, your consent is valid for one year.

If you believe your tax return information has been disclosed or used improperly in a manner unauthorized by law or without your permission, you may contact the Treasury Inspector General for Tax Administration (TIGTA) by telephone at 1-800-366-4484, or by email at [complaints@tigta.treas.gov](mailto:complaints@tigta.treas.gov).

### **Consent to “Disclose” for bank products (RALS or RACs):**

#### **Required Statements:**

Federal law requires this consent form be provided to you. Unless authorized by law, we cannot disclose, without your consent, your tax return information to third parties for purposes other than the preparation and filing of your tax return and, in certain limited circumstances, for purposes involving tax return preparation. If you consent to the disclosure of your tax return information, federal law may not protect your tax return information from further use or distribution.

You are not required to complete this form. Because our ability to disclose your tax return information to another tax return preparer affects the service that we provide to you and its cost, we may decline to provide you with services or change the terms of service that we provide to you if you do not sign this form. If you agree to the disclosure of your tax return information, your consent is valid for the amount of time that you specify. If you do not specify the duration of your consent, your consent is valid for one year.

If you believe your tax return information has been disclosed or used improperly in a manner unauthorized by law or without your permission, you may contact the Treasury Inspector General for Tax Administration (TIGTA) by telephone at 1-800-366-4484, or by email at [complaints@tigta.treas.gov](mailto:complaints@tigta.treas.gov).

### **Consent to “Use” (such as, financial aid, establishment of a bank account, relational EFINs, other government agency assistance, or bank products):**

#### **Required Statements:**

Federal law requires this consent form be provided to you. Unless authorized by law, we cannot use, without your consent, your tax return information for purposes other than the preparation of your tax return.

You are not required to complete this form. If we obtain your signature on this form by conditioning our services on your consent, your consent will not be valid. Your consent is valid for the amount of time that you specify. If you do not specify the duration of your consent, your consent is valid for one year.

If you believe your tax return information has been disclosed or used improperly in a manner unauthorized by law or without your permission, you may contact the Treasury Inspector General for Tax Administration (TIGTA) by telephone at 1-800-366-4484, or by email at [complaints@tigta.treas.gov](mailto:complaints@tigta.treas.gov).

## Use of Wireless Devices in the VITA/TCE Programs

IRS recommends partners/volunteers use wired connections when transmitting taxpayer information via the Internet. If partners/volunteers, after assessing their individual risks, decide to use wireless devices to transmit taxpayer information to CCH Small Firm Services (TaxWise), at a minimum, partners/volunteers should use:

1. Wi-Fi Protected Access-2 (WPA2) certified equipment and software. WPA2 uses government strength encryption in the Advanced Encryption Standard (AES).
2. AES with a minimum of 256 bit encryption.
3. WPA2 Robust Security Network (RSN) framework should be used with authentication to establish a secure wireless connection between WLAN (Wi-Fi Local Area Networks) devices.
4. The default SSID (Service Set Identifier) should not be used. The SSID character string should not reflect names associated with VITA, TCE, IRS, or tax preparation.

Partners/volunteers are encouraged to use TaxWise Online (TWO) when using wireless devices since all taxpayer data is stored on a secure server located in the CCH Small Firm Services data center. Partners/volunteers are expected to exercise caution to ensure taxpayer return and personal information is properly safeguarded. Partners/volunteers must have sufficient knowledge of the equipment (computer, software, routers, and wireless devices) they use to adequately assess their security risks and take reasonable steps to mitigate those risks.

## Maintaining and Ensuring Confidentiality of Taxpayer Information

**Partners and volunteers must protect physical and electronic data gathered for tax return preparation both during and after the filing season.**

### Protecting the Information

Once the tax return is complete and the taxpayer has left, volunteers and sponsors must ensure the individual information provided during return preparation is protected. Protecting the information is not limited to preventing its theft but to ensuring it is recoverable. If on-line tax preparation software is not used, partners should regularly make back up copies of the data they process in the event of computer failure. The software provided by IRS for tax preparation automatically encrypts tax data whether it is stored on the user's computer or on removable media. This action reduces the chance that the taxpayer could be harmed by the inability to file a return. For returns electronically filed, the IRS requires that certain documents be retained. For a complete list of the documents required to be retained, refer to Publication 3189, Volunteer e-file Administration Guide.

Copies of paper prepared tax returns or related information should not be maintained. Paper prepared returns are provided to the taxpayer for mailing to the IRS and do not require retention.

Effective for Filing Season 2012, VITA and TCE volunteers are not required to retain Form 8879, IRS e-file Signature Authorization and supporting documents such as Form W-2 and 1099. The taxpayer(s) must sign and date the Form 8879, after reviewing the return and confirming the information is accurate. The volunteer should return the signed Form 8879 to the taxpayer along with a copy of their tax return. Forms 8879 are not sent to the IRS.

### Providing a Safe Environment for Information

Partners and volunteers must implement a process to ensure information is adequately protected at all times. The process must:

- Ensure that the information provided during the course of tax return preparation is under the care of volunteers at all times.
- Use locked storage for documents that must be retained after the taxpayer leaves the site. These documents include but are not limited to tax return, Forms W-2, W-8 BEN, and 1099. Keep devices (i.e. diskettes, CDs, flash drives, pen drives, key drives, thumb drives, etc.) containing taxpayer information secure.

- Limit volunteers' access roles in tax software to the roles necessary to perform volunteer duties. For example, a volunteer who performs only return preparer duties should not be assigned administrative or super user rights. Refer to Publication 3189, Volunteer e-file Administration Guide for additional information.
- Use unique user IDs to limit volunteer return access to protect taxpayer information. Volunteers should not use the same user names to prepare tax returns.
- Label and account for the devices.
- Secure the equipment used for electronic tax return preparation and filing.
- Use passwords to prevent unauthorized access to the computer and software.
- Ensure portable equipment is under the care of a volunteer at all times.
- Use limited or controlled access locations for storing equipment.
- Guard equipment connected to the Internet with virus protection software.
- Ensure information is not accessible to general computer users who share equipment.
- Use data encryption processes when available to secure data stored on computers and on back-up devices.
- Ensure computer settings do not store passwords and any other key information that could provide access to information on the computer.
- Record the make, model and serial number of all computer equipment used and keep in a secure location. This can save valuable time if it is necessary to report the equipment as lost or stolen.

Back up disks containing tax return information provided to the IRS for storage are subsequently used for tax administration purposes by IRS. Based on this, the disks **become** "return information" protected by 26 U.S.C. 6103. At this point, they cannot be returned to a partner or volunteer for any use.

### **Reporting Stolen and Lost Equipment**

With heightened attention on security of data and computers used in support of the volunteer program, it is necessary to ensure incidents of stolen and lost equipment (including partner owned) is reported to the IRS.

As a condition of IRS loaned equipment, the recipient of loaned equipment agrees to notify IRS within 48 hours if equipment is stolen or lost.

Partners should provide what is readily available to their local relationship manager or territory office. The territory office must complete incident assessment and documentations within 10 days to assist IRS with documentation, partners are asked to provide the following:

- Serial number
- Barcode
- Make
- Model of computer or printer
- Description of what occurred
- Taxpayer data at risk (include number of records)
- Was computer encrypted
- If not encrypted, did the computer have a strong password
- Was or will taxpayers be notified of theft/loss (if notified, method used)
- A copy of police report filed with local law enforcement (if applicable)

### **Stolen and Lost Information – Taxpayer Notification**

No matter how diligent partners and volunteers are in protecting information, there is always a chance that it will be stolen or lost. If this occurs, notify the appropriate authorities and then thoroughly evaluate the incident. Be sure to take action to prevent other losses of equipment. Because each incident of loss is unique, partners should evaluate the circumstances surrounding the loss and decide whether the risk of identity theft warrants notification of the individuals whose information may have been compromised.

The following table depicts situations that have occurred and may prove helpful in evaluating risk and determining whether taxpayer notification should be considered. All examples assume that individual tax return information is present.

| Situation   | Risk Assessment   |
|---|---|
| A laptop and its bag are stolen. The passwords to the computer programs were recorded on a note card in the bag.  | Risk is high because the password was with the computer and makes the data easily accessible. |
| A laptop is stolen. Passwords are required to access the programs on the computer and they were not compromised. The software program used to prepare returns encrypts the data and return information is only stored within this software. | Risk is low. Use of passwords and encryption greatly reduce the risk of compromised data.     |
| A folder with information reports (Forms W-2, 1099) and/or Forms 8453 or 8879 is stolen from the site by an angry taxpayer.   | Risk is high because the information is easily accessible.                                    |
| A disk containing return information is lost. The data on the disk was saved using a tax preparation software program that encrypts the data when saved to a disk.  | Risk is low. Use of encryption on the disk greatly reduces the risk of compromised data.      |
| A laptop is stolen with encryption and the passwords are not compromised but the briefcase contained a return acknowledgement report for accepted returns.  | Risk is high. The information on the return acknowledgement report is easily accessible.      |

### **Deleting Taxpayer Information**

Information may not be stored on partner owned or IRS loaned equipment once the filing season activities are completed. The information on all computers (both partner owned and IRS loaned) not using TaxWise Online, must be deleted (securely wiped) as part of the site closing activities. Deleting the information properly will prevent unauthorized disclosure of confidential information. IRS provided software encrypts all tax return data stored on the user's computer or on removable media.

Providers of electronic filing are reminded that they are required to retain a complete copy of the electronic portion of the tax return (which may be retained on magnetic media) until December 31 of the current tax year, which can be readily and accurately converted into an electronic transmission that the IRS can process.

### **Disposing of Taxpayer Information**

Once taxpayer information is no longer required, it must be returned to the taxpayer or properly disposed of including burning or shredding the data.

### **Volunteer Safety**

If a volunteer is threatened by a taxpayer at anytime, first contact your local police department or 911 to have the taxpayer immediately removed from the facility. In addition, the incident should be reported to:

- **Treasury Inspector General for Tax Administration - TIGTA** 1800-366-4484
- Local IRS territory office, and/or
- VOLTAX referral e-mail at [WI.VoITax@irs.gov](mailto:WI.VoITax@irs.gov)

## **Identity Theft**

Nationwide, identity theft continues to grow at an alarming rate. In 2004, IRS developed a strategy to address the problem of identity theft related tax administration issues. The IRS strategy continues to evolve, but continues to focus on three priority areas that are fundamental to addressing the identity theft challenge: victim assistance, outreach and prevention.

- Victim assistance: The IRS is working to speed up case resolution and provide more training for employees who assist victims of identity theft.
- Outreach: The IRS is educating taxpayers so they can prevent and resolve tax-related identity theft issues quickly,
- Prevention: The IRS is implementing new processes for handling returns, new filters to detect fraud, new initiatives to partner with stakeholders and a continued commitment to investigate the criminals who perpetrate these crimes.

Refer to the IRS Identity Protection Home Page at <http://www.irs.gov/privacy/article/0,,id=186436,00.html> to stay current on what the IRS is doing to combat this growing problem. On this page, you will find a wide range of information. Depending upon the circumstances, the information found there will cover a variety of scenarios involving identity theft, ranging from contacting the IRS with a case of identity theft to providing tips to help keep taxpayers' records safe.

**How to assist taxpayers who may be victims of identity theft at VITA/TCE sites?**

Being sensitive towards victims of identity theft is critical to assisting taxpayers through a confusing and frustrating situation. Remember victims of identity theft are:

- Victimized by identity thieves – mostly through no fault of their own and
- Trying to comply with tax laws – file tax return and pay their fair share of taxes

When assisting taxpayers who are victims or may be victims of identity theft at VITA/TCE site, you should:

| If...  | Then...   |
|--|---|
| IP PIN was issued to primary taxpayer  | Ensure the IP PIN is input correctly on the tax return.   |
| Taxpayer received an IP PIN but did not bring it with them.  | <ol style="list-style-type: none"> <li>1. Complete tax return for the taxpayer.</li> <li>2. Provide taxpayer with a complete copy of the tax return. (Provide two copies if the taxpayer will mail the tax return.)</li> <li>3. If taxpayer wants to e-file, arrange for the taxpayer to provide the IP PIN by returning to the site or via telephone.</li> </ol>   |
| Taxpayer received an IP PIN but misplaced or lost it.  | <ol style="list-style-type: none"> <li>1. Complete tax return for the taxpayer.</li> <li>2. Provide taxpayer with a complete copy of the tax return. (Provide two copies if the taxpayer will mail the tax return.)</li> <li>3. Advise the taxpayer to call the ID Theft Toll-free Hotline (800-908-4490).</li> <li>4. If the taxpayer receives a replacement IP PIN and wants to e-file, arrange for the taxpayer to provide the IP PIN by returning to the site or via telephone.</li> </ol>  |
| Taxpayer did not receive IP PIN but IRS rejected the e-filed tax return because the IP PIN was not input.  | <ol style="list-style-type: none"> <li>1. Advise the taxpayer to call the ID Theft Toll-free Hotline (800-908-4490).</li> <li>2. Provide taxpayer with two complete copies of the tax return.</li> <li>3. If IPSU provides the taxpayer the IP PIN and taxpayer wants to e-file, advise the taxpayer to provide the IP PIN by returning to the site or via telephone.</li> <li>4. If IPSU don't provide the IP PIN, advise taxpayer to follow IPSU instructions in mailing the tax return. There may be processing delays as IRS verifies the taxpayer's identity.</li> </ol> |
| IP PIN was not issued to the taxpayer but IRS rejected the taxpayer's tax return because the taxpayer's primary/secondary SSN was previously used. | <ol style="list-style-type: none"> <li>1. Advise the taxpayer to contact the IPSU for assistance. If required, the IPSU will advise the taxpayer to complete Form 14039 and to mail it with their tax return to the IRS.</li> <li>2. Provide the taxpayers two copies of their tax return.</li> </ol>   |

Note: If IPSU can validate the identity of the taxpayer, IPSU will issue a replacement IP PIN while the taxpayer is on the telephone. The replacement IP PIN will allow the tax return to be electronically filed. Since returns filed with a replacement IP PIN will be subject to a manual review, there may be a slight delay in the issuance of the refund.

## **Protection of Partner/Volunteer Information**

**Partners and site coordinators must keep confidential any personal volunteer information provided.**

Volunteer information is available to IRS employees for the purposes of administering the volunteer tax return preparation program. Information pertaining to a potential volunteer, such as the name, home address, phone number, photo, foreign language skill and other pertinent information may be provided to a partner for purposes of ensuring that the potential volunteer is provided an opportunity to participate in the program. Similar information pertaining to current volunteers may also be provided to a partner to help coordinate maximum efficient use of volunteer skills. This information must be kept confidential and should not be disclosed to unauthorized individuals.

### **Release of Partner Information**

IRS will protect the information provided to the extent allowable by law. However, in some situations, IRS may be compelled to provide information requested under 5 U.S.C. 552, Freedom of Information Act (FOIA). For example a FOIA request for copies of the Application to Participate in the IRS E-file Program, Form 8633, could require the release of the applicant's name, business address and whether the applicant is licensed or bonded in accordance with state or local requirements. IRS cannot control how the information provided through a FOIA is used by the requester.

### **Volunteer Standards of Conduct**

All volunteers face ethical issues, which often arise in unexpected situations that call for quick decisions and good judgment. In many cases, a preparer will react to unusual situations and realize later that it was, in fact, an ethical dilemma.

The Volunteer Standards of Conduct were developed specifically for free tax preparation operations. *Form 13615, Volunteer Standards of Conduct Agreement*, applies to all conduct and ethical behavior affecting the VITA/TCE Programs. Volunteers must agree to the following standards of conduct by signing Form 13615 prior to working in a VITA/TCE free return preparation site:

As a participant in the VITA/TCE Programs, **I will:**

#### **1. Follow the Quality Site Requirements (QSR).**

All taxpayers using the services offered through the Volunteer Income Tax Assistance and Tax Counseling for the Elderly Programs should be confident they are receiving accurate return preparation and quality service. The purpose of QSR is to ensure VITA/TCE sites are using consistent site operating procedures that will ultimately assist with the accuracy of volunteer prepared returns. The 10 QSR are:

QSR#1, Certification: Annually, prior to working at a VITA/TCE site, all volunteers must complete the Standards of Conduct Training course and sign *Form 13615, Volunteer Standards of Conduct Agreement – VITA/TCE Programs*. To comply with this requirement, all volunteers must pass the Volunteer Standards of Conduct test with a score of 80% or higher.

Volunteers who answer tax law questions, instruct (teach) tax law classes, prepare or correct tax returns, and/or conduct quality reviews of completed tax returns must be certified in tax law. At a minimum, all VITA/TCE instructors and site quality reviewers must be certified at the intermediate level or higher (based on the complexity of the return). All site coordinators must complete Site Coordinator's Training, annually.

QSR#2, Intake/Interview Process: All sites must use *Form 13614-C, Intake/Interview & Quality Review Sheet* for every return prepared by a VITA/TCE volunteer. The electronic Form 13614-C, available through the TaxWise software interview module, may be used in lieu of the paper Form 13614-C. It is a requirement that all IRS certified volunteer preparers use a correct intake and interview process when preparing returns. To ensure accuracy, this process must include an interview with the taxpayer while using Form 13614-C.

QSR#3, Quality Review Process: All returns must be quality reviewed and discussed with the taxpayer prior to the taxpayer leaving the site. Reviews conducted by a designated reviewer or a peer-to-peer review comply with this requirement. While preparers should always conduct a self-review of the taxpayers completed returns, this method is no longer an approved process for conducting a quality review.

QSR#4, Reference Materials: All sites must have one copy (paper or electronic) of the following reference materials available for use by volunteers.

*Publication 4012, Volunteer Resource Guide*

*Publication 17, Your Federal Income Tax for Individuals*

*Volunteer Tax Alerts*

QSR#5, Volunteer Agreement: All volunteers (site coordinators, preparers, quality reviewers, greeters, etc.) must complete the Volunteer Standards of Conduct Training and certify to their adherence by signing Form 13615, The Volunteer Standards of Conduct - VITA/TCE Programs, prior to working at a site. Form 13615 must be certified and dated by the site coordinator, sponsoring partner, instructor, or IRS contact verifying the volunteer has completed the required Volunteer Standards of Conduct training, and has signed Form 13615, before the volunteer can work at the site.

QSR#6, Timely Filing: All sites must have a process in place to ensure every return is electronically filed or delivered to the taxpayer in a timely manner. Taxpayer's must be informed, that they are responsible for the information on their return. By signing Form 1040, U.S. Individual Income Tax Return; Form 8879, IRS e-file Signature Authorization; or entering a self-select PIN, they are confirming "under penalties of perjury" that they have examined the return and its accompanying schedules and statements, and to the best of their knowledge and belief, it is true, correct, and complete.

QSR#7, Title VI: All VITA/TCE sites, including Military, must display Publication 4053/4053 (SP) or Publication 4481, **Your Civil Rights are Protected**. AARP sites must display D143, **AARP Foundation Tax-Aide**. This poster includes the approved Title VI language.

QSR#8, Site Identification Number: It is critical that the correct Site Identification Number (SIDN) must be included on ALL returns prepared by VITA/TCE sites.

QSR#9, Electronic Filing Identification Number: The correct Electronic Filing Identification Number (EFIN) must be used on every return prepared.

QSR#10, Security, Privacy and Confidentiality: All guidelines discussed in *Publication 4299, Privacy, Confidentiality, and the Standards of Conduct – A Public Trust* must be followed.

For additional information on the VITA/TCE Quality Site Requirements, refer to Publication 1084, *Site Coordinator's Handbook* or search under "Strengthening the Volunteer Programs" at [www.irs.gov](http://www.irs.gov).

## **2. Not accept payment or solicit donations for federal or state tax return preparation.**

"Free" means we do not accept compensation for our services. Therefore, we do not want to confuse the taxpayer by asking for donations. A client may offer payment, but always refuse with a smile and say something like, "Thank you, but we cannot accept payment for our services." If someone insists, recommend cookies or donuts for the site. Taxpayers can make cash donations but not at the tax site. Refer taxpayers who are interested in making cash donations to the appropriate web site or to the site manager for more information.

## **3. Not solicit business from taxpayers I assist or use the knowledge I gained (their information) about them for any direct or indirect personal benefit for me or any other specific individual.**

You must properly use and safeguard taxpayers' personal information. Furthermore, you may not use confidential or "non public" information to engage in financial transactions, and you cannot allow its improper use to further your own or another person's private interests.

Volunteers must keep taxpayer and tax return information confidential. You may discuss information with other volunteers at the site, but only for purposes of preparing the return. You must not use taxpayer information for your personal or business use.

There will be some instances when taxpayers will allow their personal information to be used other than for return preparation. Under IRC 7216, all volunteer sites using or disclosing taxpayer data for purposes other than preparing a current, prior, or subsequent year tax return must secure the taxpayer's consent to use and disclose the data.

**Exception to required consents:** All volunteer sites using or disclosing the total number of returns (refunds or credits) prepared for their taxpayers (aggregate data) to use for fundraising, marketing, publicity, or other uses related to the volunteer sites' tax return preparation business are not required to secure the taxpayers' consent. This information cannot include any personally identifiable information (such as the taxpayer's name, SSN/ITIN, address, or other personal information), and does not disclose cells containing data from fewer than ten tax returns.

Note: If the temporary regulations under 26 CFR 301.7216-2T expire and are not finalized, this exception will not be allowed and consents to use and disclose tax return information will be required to use or disclose the total number of returns (refunds or credits) prepared for their taxpayers (aggregate data) to use for fundraising, marketing, publicity, or other uses related to the volunteer sites' tax return preparation business.

This exception does not apply to the use or disclosure in marketing or advertising of statistical compilations containing or reflecting dollar amounts of refunds, credits or rebate, or percentages relating thereto.

#### **4. Not knowingly prepare false returns.**

Trust in the IRS and the local sponsoring organization is jeopardized when ethical standards are not followed. Fraudulent returns can result in many years of taxpayer interaction with the IRS. The taxpayer may be required to pay additional tax plus interest and penalties, which can result in an extreme burden. In addition, the taxpayer may look to state or local law to seek money from the partner for the volunteer's fraudulent actions. Even so, the IRS would still seek payment of the additional taxes, interest, and penalties from the taxpayer.

#### **5. Not engage in criminal, infamous, dishonest, notoriously disgraceful conduct, or any other conduct deemed to have a negative effect on the VITA/TCE Programs.**

You may be prohibited from participating in the VITA/TCE Programs if you engage (past and future) in criminal, infamous, dishonest, or notoriously disgraceful conduct, or any other conduct prejudicial to the government. You also must take care to avoid interactions that discredit the program. Note: Allowing an unauthorized alien to volunteer at a VITA and TCE site is prohibited. An "unauthorized alien" is defined as an alien not lawfully admitted into the United States. In other words, all volunteers participating in the VITA/TCE Programs must reside in the United States legally. Site coordinators are required to ask for proof of identity using a photo identification for each volunteer. However, we are not requiring site coordinators or partners to validate the legal status of volunteers.

**Example:** A student in the United States on a valid student visa can participate in the VITA/TCE Programs. However a student in the United States with an expired student visa cannot participate in the VITA/TCE Programs.

If you have information indicating that another volunteer has engaged in criminal conduct or violated any of the Volunteer Standards of Conduct, immediately report such information to your Site Coordinator, email IRS at [WI.VolTax@irs.gov](mailto:WI.VolTax@irs.gov).

#### **6. Treat all taxpayers in a professional, courteous, and respectful manner.**

To protect the public interest, the IRS and its employees, partners, and volunteers must maintain the confidence and esteem of the people we serve. You are expected to conduct yourself professionally in a courteous, businesslike, and diplomatic manner.

Volunteers take pride in assisting hard-working men and women who come to VITA/TCE sites for return preparation. Taxpayers are often under a lot of stress and may wait extended periods for assistance. Volunteers may also experience stress due to the volume of taxpayers needing service. This situation can make patience run short. It is important for volunteers to remain calm and create a peaceful and friendly atmosphere.

Under no circumstances will the Internal Revenue Service tolerate discriminatory treatment of taxpayers by employees or individuals who volunteer or work at Volunteer Income Tax Assistance (VITA), and Tax Counseling for the Elderly (TCE) sites. No taxpayer shall be excluded from participating in, be denied the benefits of, or be subject to discrimination based on race, color, sex, national origin, reprisal, disability or age in programs or activities supported by the Department of the Treasury – Internal Revenue Service.\*

Taxpayers with a disability may require a reasonable accommodation in order to participate or receive the benefits of a program or activity supported by the Department of the Treasury – Internal Revenue Service. Volunteers participating in the VITA and TCE sites, are responsible for ensuring that all requests for reasonable accommodation are granted when the request is made by a qualified individual with a disability. Taxpayers have the right to file a written complaint with the Department of the Treasury – Internal Revenue Service when a request for a reasonable accommodation is not granted.

Taxpayers may also submit a written complaint if they believe they have been discriminated against on the basis of race, color, sex, national origin, disability, reprisal or age. Taxpayers may file a written complaint with the site coordinator or Manager at a VITA or TCE site, or with the Department of the Treasury – Internal Revenue Service.

Director, Civil Rights Division IRS,  
Internal Revenue Service, Room 2413  
1111 Constitution Avenue, NW  
Washington, DC 20224

For all inquiries concerning taxpayer civil rights, contact the Internal Revenue Service, AWSS – EDI Operations, Civil Rights Division at the address referenced above, or e-mail us at [eeo.external.civil.rights@irs.gov](mailto:eeo.external.civil.rights@irs.gov).

\*Not all protected bases apply to all programs supported by the Department of the Treasury – Internal Revenue Service.

### **Failure to Comply with the Standards of Conduct**

By law, tax return preparers are required to exercise due diligence in preparing or assisting in the preparation of tax returns. IRS defines due diligence as the degree of care and caution reasonably expected from, and ordinarily exercised by, a volunteer in the VITA/TCE Programs.

#### **VITA/TCE Preparers Due Diligence Requirements**

All IRS certified volunteers must exercise due diligence. This means, as a volunteer, you must do your part when preparing or quality reviewing a tax return to ensure the information on the return is correct and complete.

Doing your part includes; confirming a taxpayers' (and spouse if applicable) identity and providing top-quality service by helping them understand and meet their tax responsibilities.

Generally, as an IRS-certified volunteer, you can rely in good faith on information from a taxpayer without requiring documentation as verification. However, part of due diligence requires asking a taxpayer to clarify information that may appear to be inconsistent or incomplete. When reviewing information for its accuracy, you need to ask yourself if the information is *unusual or questionable*.

#### **Make an effort to find the answer**

When in doubt:

- Seek assistance from the site coordinator.
- Seek assistance from a volunteer preparer with more experience.
- Reschedule/suggest the taxpayer come back when a more experienced preparer is available.
- Reference/research publications (i.e. Publication 17, Publication 4012, Publication 596, etc.).
- Research [www.irs.gov](http://www.irs.gov) for your answer.
- Research the Interactive Tax Assistance (ITA) to address tax law qualifications.
- Contact the VITA Hotline at 1-800-829-8482.
- Advise taxpayers to seek assistance from a professional return preparer.

If at any time you are uncomfortable with the information and/or documentation provided by a taxpayer, you should not prepare the tax return.

Because the U.S. tax system is based on voluntary compliance, taxpayers are able to compute their own tax liability. Most taxpayers compute their tax accurately, but at times unscrupulous taxpayers and preparers evade the system by filing fraudulent returns. For this reason, some sponsoring organizations may choose to perform background checks on their volunteers.

The VITA/TCE Programs are operated by sponsoring partners and/or coalitions outside of the IRS. However, IRS is responsible for the oversight of these programs. Volunteers are selected by partners and not by the IRS. As a volunteer tax preparer, you serve an important role. In fact, IRS partners and its volunteers are the most valuable resources in the volunteer tax preparation program.

IRS has the responsibility for providing oversight to protect the VITA/TCE Programs' integrity and maintain taxpayer confidence. IRS recognizes your hard work and does not want it overshadowed by a volunteer's lapse in judgment.

To maintain confidence in the VITA/TCE Programs, IRS enhanced *Form 13615, Volunteer Standards of Conduct Agreement*. The intent is to provide guidance to volunteers and a structure for regulating ethical standards. If conduct violating the standards occurs at a VITA/TCE site, SPEC will recommend corrective action. If the site cannot remedy the conduct, then IRS-SPEC will discontinue its relationship and remove any government property from the site.

In cases of malfeasance, illegal conduct, and/or management practices that violate the Volunteer Standards of Conduct, IRS-SPEC may terminate a grant. A volunteer's conduct could put a site or partner in jeopardy of losing its government funding.

### **Volunteer Registry**

Volunteers and partners released from the VITA/TCE Programs for performing egregious actions can be added to the **IRS-SPEC Volunteer Registry**. The IRS - Stakeholder Partnerships, Education and Communication's (SPEC) Director will determine if a volunteer or partner should be added to the registry. The purpose of the registry is to notify IRS employees of volunteers and partners that were removed from the VITA and TCE Programs due to egregious actions. The registry will include partner or individual names, locations, and affiliated agency or sponsors. The volunteers and/or partners on this list are unable to participate in the VITA/TCE Programs indefinitely. Egregious actions include, but are not limited to one of the following willful actions:

- Creating harm to taxpayers, volunteers or IRS employees
- Refusing to adhere to the Quality Site Requirements
- Accepting payments for return preparation at VITA/TCE Sites
- Using taxpayer personal information for personal gain
- Knowingly preparing false returns
- Engaging in criminal, infamous, dishonest, notorious, disgraceful conduct
- Any other conduct deemed to have a negative impact on the VITA/TCE Programs.

### **Taxpayer Review and Acknowledgement**

After the return is finished and quality reviewed, a certified volunteer **must** briefly discuss the filing status, exemptions, income, adjusted gross income, credits, taxes, payments, and the refund or balance due with the taxpayer. If the taxpayer has any questions, concerns, or requires additional clarification about the return, the volunteer must assist the taxpayer. If necessary, ask the site coordinator for assistance.

Before asking the taxpayer to sign the return (either by signing *Form 1040, U.S. Individual Income Tax Return*, signing *Form 8879, IRS e-file Signature Authorization*, or entering a self-select PIN), advise the taxpayer that he/she is ultimately responsible for the information on their tax return. Furthermore, explain that by signing the return, they are guaranteeing under penalties of perjury that they have examined the return and its accompanying forms and schedules for accuracy.

### **Criminal Investigation**

Honest taxpayers and tax preparers preserve the tax system's integrity. To sustain confidence in the VITA/TCE Programs, volunteers should report violations that raise substantial questions about another volunteer's honesty, trustworthiness, or fitness as a tax preparer.

Taxpayers and return preparers who violate the tax law are subject to various civil and criminal penalties. Any person who willfully aids or assists in, or procures, counsels, or advises the preparation or presentation of a materially false or fraudulent return is subject to criminal punishment.

IRS-SPEC will refer violations to the IRS Criminal Investigation Division or the Treasury Inspector General for Tax Administration. You can anonymously report a violation by calling 1-877-330-1205 (in operation January through May), or e-mailing [WI.Voltax@irs.gov](mailto:WI.Voltax@irs.gov).

## **Impact on VITA/TCE Programs**

As a volunteer, you positively affect the lives of taxpayers. Unfortunately, one volunteer's unethical behavior can cast a cloud of suspicion on the entire volunteer tax preparation program. Sites were closed due to unethical behavior, which left taxpayers without access to free tax preparation in their community. The consequences to the tax site or sponsoring organization may include:

- Terminating the partnership between the IRS and sponsoring organization
- Discontinuing IRS support
- Revoking or retrieving the sponsoring organization's grant funds
- Deactivating IRS EFIN
- Removing all IRS products, supplies, and loaned equipment from the site
- Removing all taxpayer information and
- Disallowing use of IRS-SPEC logos

## **Taxpayer Impact**

A taxpayer is responsible for paying only the correct amount of tax due under the law. However, an incorrect return can cause a low-to-moderate income taxpayer financial stress. Although a return is accepted, it may not be accurate. Acceptance merely means the required fields are complete and that no duplicate returns exist.

It is imperative that volunteers correctly apply the tax laws to the taxpayer's situation. While you may be tempted to bend the law to help taxpayers, you will cause problems down the road.

Depending on the tax issue, a taxpayer may receive a refund and later receive a letter from the IRS questioning the return. While a letter does not conclusively mean the return is wrong, an incorrectly prepared return is likely to generate a letter. This is where the tax controversy process begins, and it can create anguish for the taxpayer.

The taxpayer may be subject to the examination process including appeals, litigation, and collection. If additional tax is assessed, interest and penalties quickly accrue from the date the return was originally due until the actual payment date.

A taxpayer who cannot pay the full balance due may be able to make installment payments, but interest and penalties will continue to accrue until full payment is remitted. Moreover, the IRS may file a notice of federal tax lien upon all property or rights belonging to the taxpayer. This can have a chilling effect on the taxpayer as it becomes public knowledge and appears on his/her credit reports. In addition, if a taxpayer refuses or neglects to pay the tax, the IRS can use levies and seizures to satisfy balance due accounts. The law provides some protections for taxpayers, but in general, a taxpayer who fails to pay their tax is subject to enforcement action.

On the other hand, if tax collection would cause a taxpayer significant hardship, then the taxpayer may be able to find relief. A significant hardship means a serious deprivation. It does not mean economic or personal inconvenience to the taxpayer. In this case, collection action may stop, but interest and penalties will continue to accrue until the taxpayer can afford to pay.

As illustrated above, the tax controversy process can be long and drawn-out. If you ever sense that a taxpayer is not telling the truth, don't ignore it. Conduct a thorough interview, paying special attention to the information you are uncomfortable with, to ensure there is no misunderstanding. If that does not resolve the matter, refer the taxpayer to your site manager. Remember, if you are not comfortable with the information provided from the taxpayer, you are not obligated to prepare the return.

By following the Volunteer Standards of Conduct and correctly applying the laws to the facts, you can save the taxpayer this trouble in the future.

The Partner Sponsor Agreement, Form 13533, is requested annually. The Sponsor Agreement reiterates the key principles of privacy and confidentiality. By signing this agreement, the sponsor agrees to ensure their volunteers are aware of the standards of conduct, privacy and confidentiality key principles. National and local SPEC offices must secure and maintain a signed Form 13533 for each partner. All grant recipient sponsor agreements are maintained in the Atlanta Headquarters office. All local partner agreements are maintained in the territory office partner file.

## Potential Consequences

As part of the VITA Grant and TCE cooperative agreements with the IRS, all VITA and TCE sponsors agree to (by signing and dating) take all the reasonable steps necessary to ensure that information provided by taxpayers remains confidential. This includes instructing volunteers that such information is strictly confidential and must not be discussed with anyone without a need to know and that the provisions relating to disclosure of tax information of 18 USC 1905, applies to volunteers as if they were employees of the United States. Disclosure of confidential information can result in fines or imprisonment.

The Volunteer Protection Act of 1997 excludes conduct that is willful or criminal, grossly negligent, or reckless, or conduct that constitutes a conscious, flagrant indifference to the rights or safety of the individual harmed by the volunteer. If a volunteer discloses information, fails to protect personal information or is otherwise flagrantly irresponsible with information entrusted to him/her, criminal charges or a civil law suit could be brought against the volunteer.

Another potential consequence of failure to adequately protect taxpayer information is that the IRS may discontinue the relationship with the partner or volunteer. Federal financial assistance may no longer be provided such as software, computer equipment or electronic filing privileges.

## Reference Materials

For further information and guidance please refer to the following:

- **Publication 1345** – Handbook for Authorized IRS e-file Providers
- **Publication 3189** – Volunteer e-file Administration Guide
- **Publication 1101** – Application Package and Guidelines for Managing a TCE Program
- **Publication 1084** – Volunteer Site Coordinator’s Handbook
- **Publication 4600** – Safeguarding Taxpayer Information

## Referring Problems

In general, the site coordinator is the first point of contact for resolving any problems you encounter. If you feel you cannot take an issue to your site coordinator, email IRS at [WI.VolTax@irs.gov](mailto:WI.VolTax@irs.gov), and/or contact your local relationship manager.

If you suspect an individual or company is violating the tax laws, you may report this activity on *Form 3949-A, Information Referral*. You may complete this form online at [www.irs.gov/pub/irs-pdf/f3949a.pdf](http://www.irs.gov/pub/irs-pdf/f3949a.pdf). Print the form and mail to: Internal Revenue Service, Fresno, CA, 93888.

Refer taxpayers who are victims of identity theft and that theft has affected their current federal income tax return to: Identity Theft Toll-free Hot-line at 1-800-908-4490. You may prepare returns for taxpayers who bring in their CP01A Notice or special PIN (6 digit IP PIN). Include the IP PIN on the software main information page.

Taxpayers may also submit a written complaint if they believe they have been discriminated against on the basis of race, color, sex, national origin, disability, reprisal or age. Taxpayers may file a written complaint with the site coordinator or Manager at a VITA or TCE site, or with the Department of the Treasury – Internal Revenue Service. All written complaints should be sent to:

Director, Civil Rights Division IRS,  
AWSS EDI Operations, Room 2413  
1111 Constitution Avenue, NW  
Washington, DC 20224

(Email complaints) [eeo.external.civil.rights@irs.gov](mailto:eeo.external.civil.rights@irs.gov). (Telephone complaints – not toll free)  
1-202-927-0180.

Refer taxpayers with account questions such as balance due notices and transcript or installment agreement requests to local Taxpayer Assistance Center or call IRS toll free at 1-800-829-1040.

Refer federal refund inquiries to [www.irs.gov](http://www.irs.gov) and click on “Where’s My Refund” or call 1-800-829-1954 or 1-800-829-4477. Refer state/local refund inquiries to the appropriate revenue office.

If taxpayers come into a VITA/TCE site with a tax problem, and they have been unsuccessful in resolving their issue with the IRS, the Taxpayer Advocate Service may be able to help. The taxpayer’s Local Taxpayer Advocate can offer special help to a taxpayer experiencing a significant hardship as the result of a tax problem. For more information, the taxpayer can call toll free 1-877-777-4778 (1-800-829-4059 for TTY/TDD).

## VITA/TCE Partner Sponsor Agreement

We appreciate your willingness and commitment to serve as a sponsor in the Volunteer Income Tax Assistance (VITA) or Tax Counseling for the Elderly (TCE) volunteer tax return preparation programs.

To maintain program integrity and provide for reasonable protection of information provided by the taxpayers serviced through the VITA/TCE Programs, it is essential that partners and volunteers adhere to the strictest standards of ethical conduct and the following key principles be followed.

- Partners and volunteers must keep confidential the information provided for tax return preparation.
- Partners and volunteers must protect physical and electronic data gathered for tax return preparation both during and after filing season.
- Partners using or disclosing taxpayer data for purposes other than current, prior, or subsequent year tax return preparation must secure the taxpayer's consent to use or disclose their data.
- Partners and volunteers must delete taxpayer information on all computers (both partner owned and IRS loaned) after filing season tax return preparation activities are completed.
- Partners and site coordinators are expected to keep confidential any personal volunteer information provided.
- Partners will educate and enforce the Volunteer Standards of Conduct and the impact on volunteers, sites, taxpayers and the VITA/TCE Programs for not adhering to them.

1. Sponsor Name:

2. Street Address:

3. City:

4. State:

5. Zip Code:

6. Telephone Number:

7. E-Mail Address:

Please review this form and Form 13615 *Volunteer Standards of Conduct*. By signing and dating this form, you are agreeing:

- a) to the key principles,
- b) all volunteers participating in your return preparation site will complete the volunteer standards of conduct training, and
- c) All volunteers will agree to the Volunteer Standards of Conduct by signing and dating Form 13615.
- d) Form 13615 will be validated and signed by a partner designated official (Site Coordinator, partner, instructor or IRS contact).

The IRS may terminate this agreement and add you to a volunteer registry, effective immediately for disreputable conduct that could impact taxpayers' confidence in any VITA/TCE Programs operated by you or your coalition members.

\_\_\_\_\_  
Sponsor Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

### Privacy Act Notice

The Privacy Act of 1974 requires that when we ask for information we tell you our legal right to ask for the information, why we are asking for it, and how it will be used. We must also tell you what could happen if we do not receive it, and whether your response is voluntary, required to obtain a benefit, or mandatory. Our legal right to ask for information is 5 U.S.C. 301.

We are asking for this information to assist us in contacting you relative to your interest and/or participation in the IRS volunteer income tax preparation and outreach programs. The information you provide may be furnished to others who coordinate activities and staffing at volunteer return preparation sites or outreach activities. The information may also be used to establish effective controls, send correspondence and recognize volunteers.

Your response is voluntary. However, if you do not provide the requested information, the IRS may not be able to use your assistance in these programs.

|                                    |   |                 |
|------------------------------------|---|-----------------|
| Form <b>13615</b><br>(Rev. 1-2012) | Department of the Treasury – <b>Internal Revenue Service</b><br><b>Volunteer</b><br><b>Standards of Conduct Agreement –</b><br><b>VITA/TCE Programs</b> | Cat. No. 38847H |
|------------------------------------|---|-----------------|

The mission of the VITA/TCE return preparation programs is to assist eligible taxpayers in satisfying their tax responsibilities by providing **free** tax return preparation. To establish the greatest degree of public trust, volunteers are required to maintain the highest standards of ethical conduct and provide quality service.

**Instructions:** All VITA/TCE volunteers (whether paid or unpaid workers) must complete the *Volunteer Standards of Conduct Training* and sign *Form 13615, Volunteer Standards of Conduct Agreement* prior to working at a VITA/TCE site. In addition, return preparers, quality reviewers, and VITA/TCE tax law instructors must certify in tax law prior to signing this form. This form is not valid until the site coordinator, sponsoring partner, instructor, or IRS contact confirms the volunteer’s identity and signs the form.

**Standards of Conduct:** As a volunteer in the VITA/TCE Programs, you must:

|   |  |
|---|--|
| <ol style="list-style-type: none"> <li>1) Follow the Quality Site Requirements (QSR).</li> <li>2) Not accept payment or solicit donations for federal or state tax return preparation.</li> <li>3) Not solicit business from taxpayers you assist or use the knowledge you gained (their information) about them for any direct or indirect personal benefit for you or any other specific individual.</li> </ol> | <ol style="list-style-type: none"> <li>4) Not knowingly prepare false returns.</li> <li>5) Not engage in criminal, infamous, dishonest, notoriously disgraceful conduct, or any other conduct deemed to have a negative effect on the VITA/TCE Programs.</li> <li>6) Treat all taxpayers in a professional, courteous, and respectful manner.</li> </ol> |
|---|--|

Failure to comply with these standards could result in, but is not limited to, the following:

- Your removal from all VITA/TCE programs and designation on the IRS volunteer registry to bar future work;
- Deactivation of your sponsoring partner’s site VITA/TCE EFIN (electronic filing ID number);
- Removal of all IRS products, supplies, loaned equipment, and taxpayer information from your site;
- Termination of your sponsoring organization’s partnership with the IRS;
- Termination of grant funds from the IRS to your sponsoring partner; and
- Referral of your conduct for potential TIGTA and criminal investigations.

**Taxpayer Impact:** Taxpayer trust in the IRS and the local sponsoring partner organization is jeopardized when ethical standards are not followed. Fraudulent returns that report incorrect income, credits, or deductions can result in many years of interaction with the IRS as the taxpayer tries to pay the additional tax plus interest and penalties. This can result in an extreme burden for the taxpayer as the taxpayer tries to resolve the errors made on his or her return.

**Volunteer Protection:** The Volunteer Protection Act generally protects unpaid volunteers from liability for acts or omissions that occur while acting within the scope of their responsibilities at the time of the act or omission. It provides no protection for harm caused by willful or criminal misconduct, gross negligence, reckless misconduct, or a conscious, flagrant indifference to the rights or safety of the individual harmed by the volunteer.

For additional information on the volunteer standards of conduct, please refer to *Publication 4299, Privacy, Confidentiality, & the Volunteer Standards of Conduct – A Public Trust*.

**Volunteer:**

By signing this form, I declare that I have completed Volunteer Standards of Conduct Training and have read, understood, and will comply with the volunteer standards of conduct.

|   |   |
|---|---|
| Print full name                               | Volunteer position(s)                             |
| Home street address: city, state and ZIP code |   |
| E-mail address                                | Daytime telephone                                 |
| Sponsoring partner name/site name             | Number of years volunteered (including this year) |
| <b>Volunteer signature</b>                    | <b>Date</b>                                       |

**Privacy Act Notice**—The Privacy Act of 1974 requires that when we ask for information we tell you our legal right to ask for the information, why we are asking for it, and how it will be used. We must also tell you what could happen if we do not receive it, and whether your response is voluntary, required to obtain a benefit, or mandatory.

Our legal right to ask for information is 5 U.S.C. 301. We are asking for this information to assist us in contacting you relative to your interest and/or participation in the IRS volunteer income tax preparation and outreach programs. The information you provide may be furnished to others who coordinate activities and staffing at volunteer return preparation sites or outreach activities. The information may also be used to establish effective controls, send correspondence and recognize volunteers. Your response is voluntary. However, if you do not provide the requested information, the IRS may not be able to use your assistance in these programs. Please note: Sponsoring organizations may perform background checks on their volunteers.

---

**(Partner Use Only)**

**Site Coordinator, Sponsoring Partner, Instructor or IRS:**

By signing this form, I declare that I have verified the required certifications and proper identification for this volunteer prior to allowing the volunteer to work at the VITA/TCE site.

---

**Volunteer Certification Levels**

|   | Standards of Conduct (Required for ALL) | Basic | Intermediate | Advanced | Military | Inter-national | COD | HSA | Foreign Students |   |   |
|---|---|-------|--------------|----------|----------|----------------|-----|-----|------------------|---|---|
|   |   |       |              |          |          |                |     |     | 1                | 2 | 3 |
| <b>Certification Test</b>                             |   |       |              |          |          |                |     |     |                  |   |   |
| <b>Add the letter "P" for all passing test scores</b> |   |       |              |          |          |                |     |     |                  |   |   |

**Print approving official's name and title:**  
(site coordinator, sponsoring partner, instructor, etc.)

**Approving official's signature and date:**