



# Grant Programs Resource Guide

for **VITA** Volunteer Income Tax Assistance  
& **TCE** Tax Counseling for the Elderly



## Important Contact and Website Information

### Grant Program Office

VITA Grant Program  
Internal Revenue Service  
Attn: Grant Program Office - VITA Grant  
401 W. Peachtree Street, NW  
Stop 420-D  
Atlanta, GA 30308  
Email address: [Grant.Program.Office@irs.gov](mailto:Grant.Program.Office@irs.gov)

TCE Grant Program  
Internal Revenue Service  
Attn: Grant Program Office - TCE  
5000 Ellin Road  
NCFB C4-110  
Lanham, MD 20706  
Email address: [TCE.Grant.Office@irs.gov](mailto:TCE.Grant.Office@irs.gov)

### Grant Program on [irs.gov](http://www.irs.gov)

<http://www.irs.gov/Individuals/IRS-VITA-Grant-Program>

<http://www.irs.gov/Individuals/Tax-Counseling-for-the-Elderly>

### VITA/TCE Site Locations

<http://www.irs.gov/Individuals/IRS-Free-Tax-Return-Preparation-Programs>

### IRS Civil Rights Division

E-mail address: [edi.civil.rights.division@irs.gov](mailto:edi.civil.rights.division@irs.gov)

### General IRS Information

800.829.1040  
[www.irs.gov](http://www.irs.gov)

### Becoming an IRS Partner to Help in Your Community

<http://www.irs.gov/Individuals/Become-an-IRS-Partner-to-Help-in-Your-Community>

### Federal Tax Compliance Verification (Internal Revenue Service)

877.829.5500 (tax exempt and government entity returns)  
800.829.4933 (business and specialty tax returns)  
866.699.4096 (excise tax and Form 2290 returns)

### Determination Letter from IRS (Tax Exempt and Government Entities)

877.829.5500

### Dun and Bradstreet Data Universal Numbering System (DUNS) Number

<http://fedgov.dnb.com/webform>  
Helpdesk: 866.705.5711

### System for Award Management (SAM)

[www.sam.gov](http://www.sam.gov)

### Online Grant Announcement and Application Submission

[www.grants.gov](http://www.grants.gov)  
Helpdesk: 800.518.4726  
Email: [Support@grants.gov](mailto:Support@grants.gov)

### Payment Management Services, Department of Health and Human Services

[www.dpm.psc.gov](http://www.dpm.psc.gov)  
Helpdesk: 877.614.5533  
E-mail: [PMSSupport@psc.gov](mailto:PMSSupport@psc.gov)

### Sub award and Executive Compensation Reporting

[www.USASpending.gov](http://www.USASpending.gov)  
[www.fsr.gov](http://www.fsr.gov)

### Electronic Code of Federal Regulations (e-CFR)

[www.ecfr.gov](http://www.ecfr.gov)

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# INTRODUCTION

## Introduction

This resource guide was developed and will be maintained to provide guidance to recipients of the Tax Counseling for the Elderly (TCE) and/or Volunteer Income Tax Assistance (VITA) Grant. The TCE and VITA grant programs are administered by the Grant Program Office within the Wage and Investment, Stakeholder Partnerships, Education, and Communication (SPEC) organization. This resource guide supplements information provided in Publication 1101, *Application Instructions and Guidelines for Managing a TCE Program*, and Publication 4671, *Volunteer Income Tax Assistance Program Overview and Application Instructions*. It should be used as a reference tool for all TCE and VITA grant recipients and by prospective applicants when directed to do so as a resource in understanding the requirements of the two grant programs.

Throughout this resource topics that are specific to both programs will not have any specific notation.

Topics that are specific to only one program will be notated as such.

Within the document the term **“grant”** is used to mean both grants and cooperative agreements. However, both terms may be used in the document for clarity of certain topics. The term **“recipient,” “sponsor,”** or **“prime grantee”** refers to the organization awarded a grant. These terms may be used interchangeably throughout the document. Additional terms and definitions utilized throughout this document are covered in the ***Glossary of Terms and Acronyms***.

The information in this guide is subject to change. When the resource guide is updated, a supplement will be posted to [irs.gov](https://www.irs.gov) highlighting key changes. Minor changes to format, adding examples and/or changing any exhibits of an annual nature will not be included in the highlights. This supplement will be shared with all current recipients at the time of the change. The Grant Program Office welcomes recipient and applicant suggestions on improving this guide. Suggestions may be emailed to [grant.program.office@irs.gov](mailto:grant.program.office@irs.gov). Be sure to indicate in the email subject line: Suggestion for Improving Resource Guide. We will consider all suggestions; however, they may not be adopted. Adopted changes will be added periodically to the publication as the need arises.

## History

The Internal Revenue Service (IRS) offers two grant opportunities to support organizations that provide free federal tax return preparation assistance.

- The Tax Counseling for the Elderly program focuses on providing service to the elderly.
- The VITA Program offers free tax help for low to moderate income individuals (defined by the EITC threshold), persons with disabilities, the elderly, and those having limited English proficiency.

Both programs operate primarily with trained volunteers that prepare basic tax returns. Although the TCE program began as a cooperative agreement from its inception, the VITA program originated with the Tax Reform Act of 1969 as part of the increased emphasis on taxpayer education programs. It did not involve a grant. The VITA Grant was instituted in December 2007.

## TCE Program

The Tax Counseling for the Elderly (TCE) Program offers FREE tax help to individuals who are age 60 or older. Section 163 of the Revenue Act of 1978, Public Law No. 95-600, 92 Stat. 2810, November 6, 1978, authorizes this cooperative agreement. This Act authorizes the IRS to enter into agreements with private or nongovernmental public nonprofit agencies and organizations, exempt under Section 501 of the Internal Revenue Code, to provide training and technical assistance to volunteers who provide FREE tax counseling and assistance to elderly individuals in the preparation of their federal income tax returns.

This Act authorizes an appropriation of special funds, in the form of grants, to provide tax assistance to persons age 60 years

# INTRODUCTION

## TCE Program (*continued*)

of age or older. The IRS receives the funds as a line item in the budget appropriation. The total funds are distributed to the sponsoring organization for their expenses. Eligible agencies and organizations compete for acceptance as a TCE sponsor in compliance with the Federal Grant and Cooperative Agreement Act of 1977, Public Law No. 95-224, 92 Stat. 3, February 3, 1978, codified at 31 USC Chapter 63. They must be non-profit organizations recognized by IRS, experienced in coordinating volunteer programs, and have experience in income tax preparation. Eligible organizations receive grants to conduct local TCE programs. Tax return preparation assistance is provided to elderly taxpayers during the usual period for filing federal income tax returns, which is from January 1 to April 15 each year. However, the program activities required to ensure that elderly taxpayers receive efficient and quality tax assistance can be conducted year-round. Participants in the TCE program must be TCE recipients.

## VITA Grant Program

In December 2007, Congress appropriated funds to the IRS to establish and administer a **matching grant program** for community volunteer income tax assistance. Each year since, Congress has approved funding for the next year. This funding allows the **SPEC** organization of IRS to provide grants to partner organizations to achieve the following program objectives:

- Enable the **VITA** Program to extend services to **underserved** populations in hardest-to-reach areas, both urban and non-urban;
- Increase the capacity to file returns electronically;
- Heighten quality control;
- Enhance training of volunteers; and
- Improve significantly the accuracy rate of returns prepared at VITA **sites**.

The VITA Grant program supplements the work already being done in the VITA Program by providing support to help organizations grow their existing programs. Although we may occasionally award an organization that has no experience with the VITA program, most recipients have extensive experience with the program.

Because the VITA grant is in support of the VITA Program, grant recipients are required to follow existing guidance governing VITA site operations and to file all eligible returns electronically. IRS provides the software for filing electronically. Publication 1084, *IRS Volunteer Site Coordinator Handbook*, provides guidance on the operation of VITA sites and should be consulted for current program requirements.

## Guiding Principle

Grant partners are expected to show incremental increases in return preparation each year.

## Measures of Success

- Grant recipients are expected to achieve 100% of the return goal specified in their grant agreements.
- Grant recipients are expected to become more efficient each year with grant funds provided for their program. Any organization that received a grant in a prior year should prepare more returns with a similar amount of funding in the current year, reducing their cost of preparing returns.

## Notice of Award

The Grant Program Office sends notification to individual award recipients. Awarded applicants receive a package including the grant agreement and other documents for acceptance of the grant. This package is sent to the email address indicated on the Standard Form 424, *Application for Federal Assistance*. As instructed in the email, the applicant must sign and return the agreement and requested documents by the date given. Exhibits 1 and 2 are examples of the Form 9661, Cooperative Agreement, and Form 13981, Grant Agreement, respectively. However, please note that agreements are subject to change. Therefore, grant recipients should closely review the agreements provided to them for acceptance.

Following is a explanation of the contents of the agreements and general information on each term and condition.

# NOTICE OF AWARD

## General Federal Award Information

This section contains information unique to the recipient of an award along with information about the award itself.

Form <b>13981</b> (Revised July 2015)	Department of the Treasury - Internal Revenue Service <b>Grant Agreement</b>	<b>VITA</b>
<b>General Federal Award Information</b>		
Recipient name	Minimum federal returns to be accomplished by your program Federal Award Identifier Number (FAIN) Federal award date	
Recipient address	Period of performance July 1, to June 30, Amount of federal funds obligated Total amount of federal funds obligated Total amount of federal award	
Unique Entity Identifier (DUNS)	Total cost sharing or matching required	
Indirect cost rate	Multi-year award <input type="checkbox"/> Yes <input type="checkbox"/> No	
Budget approved	Multi-year period <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3	

**Minimum federal returns to be accomplished by your program** - This is the returns the grantee is expected to achieve. If a grantee does not achieve 100% of the returns, it could affect the amount of grant funds they are eligible for in the future. Multi-year grant recipients that do not achieve 100% may be ineligible to continue as a multi-year recipient. If unforeseen circumstances hinder meeting the goal, the recipient will be provided an opportunity to explain and receive consideration for continuance of the multi-year designation.

**Federal Award Identification Number (FAIN)** - The Grant Program Office more commonly refers to this as the Grant Number. Organizations providing sub-awards must include this identifier in all sub-award agreements. It is also used to establish the link between the prime recipient and sub-recipients when reporting is required on sub-awards at ftrs.gov. The FAIN is also used on USASpending.gov to uniquely identify the award.

**Period of performance** - The period of performance for the two grant programs differ. Comparison is shown in the table below.

Program	Period of Performance
Tax Counseling for the Elderly	October 1 – September 30
Volunteer Income Tax Assistance Grant	July 1 – June 30

**Total amount of Federal funds obligated and Total amount of Federal award** - These fields provide the total award amount offered to your organization.

**Total cost sharing or matching required** - This section is applicable to VITA Grant awards only and this amount should be the same as the Maximum Award amount. The VITA Grant requires organizations to provide an equal amount of their own funding or in-kind contributions to the overall project covered by the grant.

**Multi-year award and Multi-year period** - These fields provide information on whether your agreement provides recognition of the organization as a multi-year recipient. For agreements with "Yes" marked, 1, 2, or 3 will be marked in the multi-year period section. An agreement with "1" marked indicates the organization is in its first year of a multi-year award and has the potential of two additional years of noncompetitive award if the conditions of the multi-year grant are met. For an agreement with "2" marked, the organization is in the second year and has the potential of one additional year of non-competitive award if the conditions of the multi-year grant are met. For an agreement with "3" marked, the organization is in the last year of a multi-year award and will be required to compete for an award in the following year.



## Grant Program Information

This section contains information on the federal program and funding source covered by the grant or cooperative agreement.

**CFDA program number and name** - The TCE and VITA Grant programs are registered in the Catalog of Federal Domestic Assistance (CFDA) and it provides access to a database of all federal programs available to state and local governments (including the District of Columbia); federally recognized Indian tribal governments; territories (and possessions) of the United States; domestic public, quasi-public, and private profit and non-profit organizations and institutions; specialized groups; and individuals. The CFDA number assigned for TCE is 21.006 and for VITA is 21.009. This number can narrow search results on any government system that allows users to search by CFDA, such as Grants.gov and USASpending.gov.

**Program source** - For both the TCE and VITA Grant Programs the funding source is 20-2009. This number is used to identify the federal source of grant funds. It is used on fsrs.gov and USASpending.gov.

## Terms and Conditions

Each agreement provides the requirements a recipient must adhere to for operating within program guidelines. Most of these requirements, whether focused on the financial management of the grant or the delivery of the program, flow-through the grant recipient to any sub-award recipients. An example is the requirement to follow the quality site requirements for delivery of the program. Another example is the requirement to adhere to 2 CFR Part 200, and other federal regulations, as applicable.

Agreements include terms and conditions labeled general, program specific and addendum. These terms and conditions may be included in the award or by reference to the location where they are maintained. Program specific terms and conditions neither restate all the provisions of the applicable statutes and regulations, nor represent an exhaustive listing of all requirements applicable to these awards. Rather, they are emphasized by inclusion because they represent areas where issues were identified or their violation would be a matter of concern. The terms and conditions shown in this section are applicable to both TCE and VITA unless otherwise noted. More explanation can be found on many of the terms and conditions later in this publication.

**Signing the Agreement** - The recipient's signature on the Form 9661, *Cooperative Agreement*, or Form 13981, *Grant Agreement*, signifies the agreement to all terms and conditions. IRS recognizes the value of the work that our grant recipients do. It is important that all recipients understand their responsibilities so that problems do not occur that would require the repayment of funds. Please thoroughly familiarize yourself with the requirements of this agreement. Exhibit 1, Form 9661, *Cooperative Agreement*, is an example of the TCE agreement. Exhibit 2, *Grant Agreement*, is an example of the VITA Agreement.

**Management and Technical Direction** - The recipient is obligated to provide management and technical direction for their program and ensure that all sub-recipients adhere to the provisions established by this agreement. The recipient organization is responsible to the IRS for the completion of the program including all documentation, disbursement and reporting. If your organization utilizes the services of other organizations to deliver these services, you are responsible for ensuring they adhere to the requirements of the program. More information on this subject is available in the **Oversight of Sub-Recipients** section.

**Non-Discrimination Policy and Practices** - The recipient and all sub-recipients must adopt and practice a non-discriminatory policy that meets all federal grant requirements. They must ensure all sites providing service display Publication 4053, *Your Civil Rights Are Protected*, and that it is translated for other languages as appropriate. The IRS will not tolerate discrimination based on race, color, national origin (including limited English proficiency), disability, sex (in education programs or activities) or age in programs or activities receiving federal assistance from the Department of the Treasury, Internal Revenue Service. More information on this subject is available in the **Assurances and Certifications** section.

**Notification of Revisions to Plan** - Revisions to the program plan and budget must be submitted within 20 calendar days of notification of award as directed in your notification. We do not expect you to tell us about everything that happens at your sites; only those issues that could impact your ability to successfully deliver your plan or utilize your budget. Please notify your grant officer and request approval of changes after submission of your revised budget that does not qualify for exception as explained below:

**TCE** – Changes to the budget between object class categories may be made without pre-approval when the change is 10% or less of the total award. Approval of changes greater than 10% must be requested in advance electronically and approved before the change may be made. The maximum award amount does not change.

**VITA Grant** – Changes to the budget between object class categories may be made without pre-approval when the change is 25% or less of the total award. Approval of changes greater than 25% must be requested in advance electronically and approved before the change may be made. The maximum award amount does not change.

If you are unsure on whether you need to inform us, please contact your assigned grant officer as soon as possible.

# NOTICE OF AWARD

**Notification of Key Personnel Changes** - The recipient **must notify** the Grant Program Office (GPO) within 10 business days when changes in key personnel involved in the program occur. The GPO will research the System for Award Management (SAM) to ensure they are not debarred, suspended, or otherwise excluded from or ineligible for a federal award. You may check this system yourself before hiring or designating a change by visiting [www.SAM.gov](http://www.SAM.gov).

**Payment Management System Use** - The recipient must utilize the Health and Human Services, Payment Management Services, Payment Management System, for withdrawal and reporting of fund expenditures. *Advance funds may only be withdrawn for expenditures that are incurred within three (3) business days of the receipt of the funds.* Reimbursement funds may be withdrawn at any time for allowable, allocable, and necessary expenditures already incurred. Notification of changes in contact information for the PMS is the responsibility of the recipient. Additional information can be found in the **Utilizing the Payment Management System** section.

**Reporting** - The reporting requirements for the TCE and VITA grants are identified in the grant or cooperative agreement as part of the terms and conditions. The due dates and method of submission are also provided. Submission of accurately completed reports by the due date is required for future consideration of subsequent year grants. Extensions for filing reports due to the GPO are only granted in unusual circumstances and requests must be received at least two weeks prior to the report due date.

**Financial System and Documentation** - Financial systems must identify the source and application of funds used for this program. Recipients must maintain documentation of expenditures, both federal and matching (VITA Grant), along with all in-kind contributions from third party or sub-recipient contributors for a minimum period of three years from the end of the program period of the award.

**VITA Grant** – For recipients that utilize volunteer services as a match, information maintained must include the volunteer's name and contact information (address, phone and/or email) and daily time sheets to demonstrate work completed. If the volunteer performs activities for programs other than the VITA program, their time must be allocated to identify the time contributed to the VITA program. Recipients must also allocate and report time for non-volunteers who perform other activities in addition to the VITA Program. Time sheets must clearly delineate the amount of time an individual spends on the VITA program and on other activities. For an example of acceptable time sheets, see Exhibit 7, Time Sheet Examples. For recipients that utilize space as a match, information must be maintained on the actual dates and times the space is used and the calculated value of the space. A complete explanation as to how the valuation was determined is required. The use of per day and/or per hour costs should not exceed the fair market rental value of the space.

**TIP:** It is the responsibility of the grant recipient to ensure that their sub-recipients are adhering to the documentation requirements for both federal and matching funds.

**Restrictions on Use of Funds** - Federal funds may not be used to pay individuals for the preparation of returns, quality review and/or screening taxpayers. Individuals performing these duties in addition to site coordination, clerical support, etc. must document their time accordingly to ensure they are not paid for these activities.

**VITA Grant** – Where the preparation of a return, quality review and/or screening is ancillary to their paid activities, documentation is not required. For example, a site coordinator that is generally not responsible for quality reviewing returns may review returns when the quality reviewer is delayed by traffic during one session, until the reviewer arrives or a back-up is identified. However, it is not ancillary if every Tuesday, the quality reviewer arrives one hour after the site opens and the site coordinator assumes the role of quality reviewer during their absence each week.

At this time, federal law prohibits the IRS, its recipients and all sub-recipients from providing funds to the Association of Community Organizations for Reform Now (ACORN) or any of its affiliates, subsidiaries, allied organizations, or successors.

# NOTICE OF AWARD

**Use of Form 13614-C, *Intake/Interview & Quality Review Sheet*** - The recipient and all sub-recipients must utilize Form 13614-C, *Intake/Interview & Quality Review Sheet*, at sites or events where federal returns are prepared by other than the taxpayer.

**Adherence to Quality Site Requirements** - The recipient and all sub-recipients must adhere to all Quality Site Requirements as explained in the Publication 1084, *IRS Volunteer Site Coordinator Handbook*. This publication is available on [irs.gov](https://www.irs.gov) and should be consulted for participant requirements.

**Reporting Sub-Award and Executive Compensation** - The recipient of an award that sub-awards \$25,000 or more of their own award must provide sub-award data on applicable grants after the sub-grant (or a subsequent change to the sub-grant) has been made. Certain organizations must report executive compensation when all conditions are met. Please see the section under **Reporting Requirements, Sub-award and Executive Compensation Reporting** for additional information and to determine if your organization is required to report.

**Reporting Cash Sub-Awards of \$1,000 or More** - The grant recipient must notify the **Grant Program Office** of any cash sub-awards of \$1,000 or more. Organizations indicate their plans to sub-award during the application phase. If plans are changed after application, inform your grant officer of your plans concerning sub-awarding within 30 days of the decision. Refer to Exhibit 8 for a template of the information needed or use Tab 7 in the VITA Grant Workbook available on [irs.gov](https://www.irs.gov). Notification of cash sub-awards must be within 30 days of the subaward and must include the entity name, DUNS number, and amount of award. Recipients are not required to report non-cash sub-awards to the Grant Program Office, such as when the grantee purchases supplies for the entity. Sub-awards involving both cash and non-cash only need to be reported if the cash award is \$1,000 or greater. Please see the section under **Reporting Requirements, Reporting Cash Sub-Awards of \$1,000 or More** for additional information.

TIP: Make sure all sub-recipients have a valid DUNS number prior to providing any grant funds.

**Reporting Related Party Transactions** - The grant recipient must notify the Grant Program Office of related party transactions using grant funds and include the entity name and an explanation of the transaction and relationship. Refer to Exhibit 9 for the required information to report or use Tab 8 in the VITA Grant Workbook available on [irs.gov](https://www.irs.gov). A related party transaction is one in which one party is able to control or substantially influence the actions of the other. Such transactions include, but are not limited to buyer/vendor transactions, lessee/lessor agreements, and client/consultant arrangements. They generally occur between entities under common control through officers, directors, or members; and an organization and a director, trustee, officer, or key employee of the organization or his immediate family. Please see the section under **Reporting Requirements, Reporting Related Party Transactions** for additional information.

**Tax Compliance** - The recipient agrees to remain tax compliant (file all required federal returns and information reporting documents and pay all federal taxes, penalties and interest) during the period of this grant. Failure to remain tax compliant during the grant reporting period will impact consideration for subsequent year grants. This does not restrict the recipient's use of established processes for contesting assessments.

**Electronic Filing** - It is the intention that all grant recipients electronically file all eligible returns.

**TCE** – It is a goal for the TCE program that at least sixty five percent of all electronically-filed returns completed are for taxpayers aged 60+. Organizations not meeting sixty-five percent elderly e-files may impact their consideration during the subsequent year grant application period.

**Termination of Grant** - IRS may terminate the agreement for reasons of default or failure of the recipient to perform its obligations under the agreement, as well as for malfeasance, illegal conduct, and/or management practices by the recipient that jeopardize the ethical operations and implementation of the agreement. In any of the above cases, IRS will notify the recipient in writing of its intent to terminate the agreement and the causes for such a decision. IRS will provide seven business days for the recipient to respond in writing.

# REQUIRED ACTIONS FOR ACCEPTANCE OR DECLINE OF GRANT AWARD

Once IRS offers a grant, your organization is required to take certain actions to accept or decline the grant. The notification includes a letter, grant agreement, contact information (name, address, phone number, and email address) for your assigned grant officer, and other pertinent information. Your grant officer will work with your organization throughout the grant period and will be your point of contact for any questions you have concerning the grant or your responsibilities.

Other information you may receive with your award notification or in a separate document includes:

- Technical evaluation feedback – Information is from the technical ranking panel and provides general observations about your grant application. The GPO does not assign the scores and is not prepared to discuss their observations with your organization. If your organization was a continuing multi-year grant applicant, a technical evaluation was not required and no feedback is provided.
- GPO evaluation feedback – Concerns or questions identified during the GPO review are provided. It covers concerns or questions about your budget and matching funds summary and documentation for VITA. It may also include concerns about your proposed sub award instrument or financial management practices. Please be sure to address all concerns identified when revising and submitting the required documents for acceptance of the grant.
- Webinars or conference calls – Information on scheduled orientation or training opportunities is shared. Please mark your calendars.

## Accepting the Grant

In order to accept the grant, TCE recipients must provide the following documents or information within 20 days of notice of award. VITA recipients must provide Forms 13981, 13533, and 14335 within 20 days of notice of award. VITA recipients may take up to 60 days to provide the other items listed. If an extension is needed or your organization plans to decline the award, please notify your grant officer prior to the deadline. All information, unless otherwise noted, should be emailed as directed in your grant notification

## Documents Required to Accept Grant

Documents Required	Returning Recipients	New Recipients
Sign the Form 9661, <i>Cooperative Agreement</i> , for the TCE grant or the Form 13981, <i>Grant Agreement</i> , for the VITA grant. Be sure to review the terms and conditions of the grant and to confirm the minimum returns expected.	Yes	Yes
Sign the Form 13533, <i>VITA/TCE Partner Sponsor Agreement</i> . Review Publication 4299, <i>Privacy, Confidentiality and Civil Rights – A Public Trust</i> . You must become familiar with the safety and security requirements contained in this publication.	Yes	Yes
Revise program plan. If the award amount is different from the requested amount, review your plan to identify any significant changes that will result from the reduction in funds. Provide a summary of the changes or indicate that no changes are necessary with your response to your grant officer.	Yes	Yes
Complete Form 14335, <i>GPO Primary Contact Information for VITA and TCE Grant Programs</i> .	Yes	Yes



# REQUIRED ACTIONS FOR ACCEPTANCE OR DECLINE OF GRANT AWARD

## Documents Required to Accept Grant

Documents Required	Returning Recipients	New Recipients
Revise budget, production goals, and other worksheet responses, such as tabs 7 and 8 of the VITA Grant Workbook. Make the necessary changes to the documents submitted with your application. For TCE, it is the budget narrative and the Form 8653, <i>TCE Program Application Plan</i> . For VITA, it is the VITA Grant Workbook. Be sure to make changes to: <ul style="list-style-type: none"> <li>Budget information – Sum of proposed expenses should agree with award amount <ul style="list-style-type: none"> <li>Projected returns – Should agree with minimum returns expected as reflected on your cooperative or grant agreement</li> </ul> </li> <li>Sites proposed – Address changes in plans to open new sites or expand hours of operation</li> </ul> <p>Note: Revise the returns by focus and method.</p>	Yes	Yes
Review feedback on matching funds documentation (VITA only) – Address issues identified by the GPO during its review concerning acceptable documentation. Note: Funding is limited to amount of matching funds verified as having acceptable documentation.	Yes	Yes
Review feedback on proposed sub award instrument or submit if not included in application and your plan proposed use of sub recipients (VITA only).	Yes, if applicable	Yes, if applicable
Complete Standard Form 1199A, <i>Direct Deposit Sign-up Form</i> . Forms and instructions are available at <a href="http://www.dpm.psc.gov">www.dpm.psc.gov</a> . Forms should be mailed as directed in your grant notification package.	Only if changes are necessary, original signatures required - MAIL to DPM	Yes, original signatures required - MAIL to DPM
Complete the Payment Management System (PMS) Access Form. Forms and instructions are available at <a href="http://www.dpm.psc.gov">www.dpm.psc.gov</a> . Forms should be mailed as directed in your grant notification package.	Only if changes	Yes

TIP: VITA recipients can save time when completing some of the required actions by using the VITA grant workbook submitted with the application and making changes to the budget, target audience, matching commitment, and site listing already present in the workbook.

**Other Points to Remember - By December 1**, the recipient must also provide an updated site listing or confirm that the site listing submitted with the application is accurate. If new sites were proposed, updated information is required that includes the electronic filing identification number (EFIN) and site identification number (SIDN). Communication by email is required.

Remember, too, that when you provide cash sub awards of \$1,000 or more or enter into a related party transaction, you must notify your grant officer within 30 days via email. More information on this reporting is available in the Reporting Requirements chapter of this publication.

### Declining the Grant

If your organization decides to decline the grant, provide written notification from the authorized organization representative along with the reason for non-acceptance to your assigned grant officer. An email is sufficient as long as it is received from an authorized organization representative.

# UTILIZING THE PAYMENT MANAGEMENT SYSTEM

Grant recipients must have an established, active account in the Payment Management System (PMS) to request awarded funds. Accounts are established in PMS after the completed Direct Deposit Sign-up Form, Standard Form 1199A and Payment Management System Access Form are received, approved and processed by the Department of Payment Management (DPM). Therefore, recipients should provide required information to DPM right after their award notification. Recipients must visit the PMS website ([www.dpm.psc.gov](http://www.dpm.psc.gov)) and select Grant Recipient Info and then Forms to obtain the forms needed to establish their account.

All PMS forms (Grantee Banking Information - SF 1199A and PMS/FFR User Form) will be processed solely by DPM and do not need to be routed through IRS. Completed forms should be mailed to:

U.S. Department of Health and Human Services  
Division of Payment Management  
Attention: IRS – PMS Account Representative  
7700 Wisconsin Avenue, Suite 10120B  
Bethesda, MD 20857

New recipients must complete the SF 1199A and PMS/FFR User Form (titled Payment Management System Access Form) and mail them to the address shown above. You may elect to fax forms to (301) 492-5035 or (301) 492-4581, attention IRS – PMS Account Representative. You will receive notification by email when your banking information process has started and again when it has been completed. A “Welcome Package” will be emailed to each requester after the banking processing has been completed. The welcome package is usually issued in 7 – 10 business days with your system access information including organization’s account information, logins, and temporary passwords.

Returning recipients must complete SF 1199A or PMS/FFR User Form when changes are needed to the organization’s banking information or the PMS Users. Submit a SF 1199A or PMS/FFR Form to the IRS – PMS Account Representative, using the address listed above or you may elect to fax your forms to (301) 492-5035 or (301) 492-4581, attention IRS – PMS Account Representative. Once in process, the changes will update usually within three to five business days in the Payment Management System.

Multiple individuals may have access to the PMS system to request payment, view account information, prepare or certify reports. A form is required for each person needing access. Be sure to deactivate anyone who is no longer authorized to use the PMS system on your behalf.

## Maintaining Funds in Insured Account

You must maintain advances of federal grant funds in interest-bearing accounts unless:

- You receive less than \$120,000 in federal awards per year.
- The best available interest-bearing account would not be expected to earn interest in excess of \$500 per year on federal cash balances or require an average or minimum balance so high that it would not be feasible.
- The depository would require an average or minimum balance so high that an interest-bearing account would not be feasible given the grant recipient’s expected federal and non-federal cash resources.

Interest earned on Federal advance payments deposited in interest-bearing accounts must be remitted annually to the Department of Health and Human Services, Payment Management System, Rockville, MD 20852. Interest amounts up to \$500 per year may be retained by the non-Federal entity for administrative expense.

Any changes to the above procedures must be approved in writing by the Grant Program Office.

## Use of a Fiscal Agent

The Grant Program Office allows the use of a fiscal agent if the intention to use a fiscal agent is disclosed in the application. The grant recipient will be permitted to use a fiscal agent as long as the fiscal agent is not an individual and is tax compliant. Tax compliance includes filing all required tax returns and payment of all federal tax, penalties, and interest. The grant recipient must provide the appropriate documents to DPM. Recipient organizations using a fiscal agent must provide the following:

- a. Two Forms 1199A - The grant recipient must complete section 1. The banking section at the bottom of the form must be left blank. The fiscal agent must complete the second Form 1199A and all sections must be completed.
- b. Payment Management System User Access Form completed by the grant recipient organization and fiscal agent for those users needing access.
- c. A letter from the grant recipient on their letterhead acknowledging who the fiscal agent is for their program.

As the grant recipient, it is your responsibility to ensure the fiscal agent follows all terms and conditions to disburse and record funds provided to another organization within your program. The account will be registered with the grant recipient's name but with the fiscal agent's banking account information.

## Funding of Payment Management System Accounts

For new recipients, Payment Management Services notifies the GPO when they have established an account. Upon notification of account establishment, IRS authorizes the funding of the account up to the award amount. This generally takes a couple of business days.

For VITA, funding is limited to the amount of committed match recognized by your grant officer. As part of the application process, organizations were able to designate certain amounts "to be raised." In addition, the GPO may have determined that insufficient documentation was received and disallowed a portion of the funds identified as "committed." The grant notification package provides the amount of matching commitments accepted. If this amount is less than the total award, additional documentation must be furnished to your grant officer before all grant funds are released. See the "Supporting Matching Funds Documentation" section of Publication 4671, *Volunteer Income Tax Assistance (VITA) Grant Program Overview and Application Instructions*, for documentation requirements. Exhibit 5, Matching Funds Documentation, provides examples of acceptable statements.

## Use of Payment Management System

Payment Management Services offers a wealth of information to organizations to assist in understanding and utilizing their Payment Management System. It is the responsibility of the recipient to ensure individuals needing access to request funds and/or prepare, submit and certify reports understand their responsibilities.

Many resources are available on their website ([www.dpm.psc.gov](http://www.dpm.psc.gov)) for users of the Payment Management System. Check out the "Grant Recipient Info" link for:

- Procedures,
- Instructions for updating email addresses,
- Forms,
- New recipient information, and
- Reports.

Another great link on the PMS page is the "Training" link. This link is updated throughout the year with both webinar and classroom training opportunities. Training typically focuses on overall use of the system and/or utilization of reporting options. The GPO will provide notice to recipients when special classes are offered about the Payment Management System. Please plan to take advantage of these opportunities.

# UTILIZING THE PAYMENT MANAGEMENT SYSTEM

Recipients may withdraw funds as indicated below:

- **Advances of funds should only be requested when they will be used within three days.**
- Reimbursements of expenses already incurred may be withdrawn at any time during the project period. There are no limits on the amount or frequency of reimbursement payments; however, it is limited to the amount of the award. It's important that all funding used during the project period should be withdrawn by the final reporting due date, which for TCE is December 30 and for VITA is September 30.
- Quarterly reporting is required in order to continue to access funds.

Additional information on use of grant funds can be found in the section Budget Administration later in this publication.

## Additional Training on PMS Use

The website contains training presentations with "screen shots" that may be useful when completing reports. Once on the website, [www.dpm.psc.gov](http://www.dpm.psc.gov), select "Training" and review the information for their latest webinar training slides. Materials are created for all grantees and are not specific to IRS grants. The functionality of the system is the same regardless of the granting agency. However, some guidance may differ and in this situation, you should always follow the guidance provided by your granting agency.

## Payment Management System Reporting

The Standard Form 425 or Federal Financial Report (FFR) must be filed electronically through the Payment Management System (PMS). Information on the actual use of the PMS can be found on their website at: [www.dpm.psc.gov](http://www.dpm.psc.gov).

The electronic version of the SF 425 is designed in two parts:

- Federal Cash Transaction Report due quarterly January 30, April 30, July 30 and October 30
- Financial Status Report due September 30 with final reports (VITA Grant only)

## Federal Cash Transaction Report

The Payment Management System requires the Federal Cash Transaction Report be filed within 30 days after the end of the quarter when there is an open grant. The reporting is cumulative from the program start time. Filing the report will ensure the account is not locked when your organization needs to withdraw funds. Due dates are:

Quarter Ending	Report Due By
December 31	January 30
March 31	April 30
June 30	July 30
September 30	October 30

Alert! Reports can only be filed when the PMS is operational. Please be aware of system availability to ensure timely submission of reports.

If a recipient's PMS account is established and funded before December 31 the recipient must file the Federal Cash Transaction Report (FCTR) by January 30 whether or not federal funds are withdrawn. If a recipient's PMS account is established and funded after January 1 the first Federal Cash Transaction Report is due on or before April 30. We anticipate that all accounts will be established before March 31. For recipients that received a grant in the prior grant period, continued filing of the FCTR is necessary whether the current year grant account is funded or not to prevent systemic locking of the account by the PMS.

Once the report is submitted and certified, print a copy for your records. Depending on each individual's permission, certification may require that a second person review and certify the information input. Make sure you understand who can prepare and certify your reports. Once the report is submitted and certified, print a copy for your records. This portion of the SF 425 is also required to be completed with the submission of the financial status report portion.

# UTILIZING THE PAYMENT MANAGEMENT SYSTEM

## Federal Cash Transaction Report

Instructions for completion of the SF 425 and the items required for this report follow.

Steps for accessing and completing the Federal Cash Transaction Report:

Federal Cash Transaction Report	
Item	Instruction
Accessing the Reporting Screen in the Payment Management System	After signing into the Payment Management System (PMS), select “Expand All” to view the menu options: <ul style="list-style-type: none"> <li>• Select “Disbursement”</li> <li>• Select “FFR Cash Transaction Report”</li> <li>• Enter your PMS account number, e.g., C1234P1</li> <li>• Select the “Continue” button</li> </ul>
Report History Screen	Locate the report date and under the “Action” column, scroll in the “I want to ...” box to “Prepare”
Top Portion of the SF 425	
Item	Instruction
Items 1 – 9	PMS automatically completes the information requested in these fields based on the information captured during account registration. Note: If any information is incorrect, the information will need to be corrected prior to report preparation.
Middle Portion of the SF 425	
Item	Instruction
Items 10a – 10c	PMS will display the grants linked to your account. Record information specific to federal cash receipts, cash disbursements, and cash on hand.
10a. Cash Receipts	This information is automatically filled by PMS based on the payments made by PMS.
10b. Cash Disbursements	Enter the cumulative amount of cash and check payments your organization has made for the selected grants as of the reporting period end date. This includes any payments made to sub awardees.  Click “Save” to complete the report at a later time or “Continue” to certify and complete the FFR Cash Transaction Report.
10c. Cash on Hand	PMS will auto-sum this line. Verify that it agrees with your records of cash on hand.
10d – 10o	Entries are not required for these lines when filing the quarterly Federal Cash Transaction Report.
Bottom Portion of the SF 425	
Item	Instruction
Item 13	Once you have finished, double-check to make sure all information input is correct. Scroll to the bottom of the page to enter the signature of the authorized certifying official; enter the official’s name, telephone number and email address in Item 13. Payment Management System Reporting (continued)
Payment Management System (PMS) Action to Certify	
Item	Instruction
Certification	Within the PMS, scroll down and click the “Certify” button to attest to the accuracy and completeness of the report. A “disclaimer” message box will appear after clicking the “Certify” box. Read the disclaimer statement and click “OK” to agree. NOTE: If you do not see the “Certify” button on the screen, you may need to review your PMS access permissions and update them.
Submit	Within the PMS, scroll down and click “Submit” button.
Certification and Submission Confirmation	A screen will appear to confirm that certification is complete “Certify Transaction Complete”



## Verify Accuracy of Quarterly Reporting

If you want to verify the accuracy of the information submitted and/or you manage a large volume of grants on PMS and want to ensure you have input quarterly reports on all, wait until the next business day and log into the system to generate and view a report. Follow the directions below to generate a Summary Grant Data report.

1. After logging into PMS, select “Ad-Hoc Grantee Inquiry” from the main menu.
2. Choose “Summary Grant Data” from the drop down menu.
3. Enter your PMS account number in the “PAN” column.
4. Click “Run Inquiry.”
5. A report will be returned that will show the cumulative disbursements entered and the quarter end date of the most current FFR filed by your organization for that grant.

## Financial Status Report

This final report is required to be filed in the PMS by September 30, which is 90 days after the project period ends (June 30). It will reflect cumulative information for the entire project period – July 1 through June 30. **All grant recipients are required to complete this report regardless of the amount of the award.**

Depending on each individual's permission, certification may require that a second person review the information input. Make sure you understand who can prepare and certify your reports. Once the report is submitted and certified, print a copy for your records. The “Current Report Screen” should show “Report Certified/Pending Agency Approval.” Once we review and approve, the screen will show “Report Approved by Awarding Agency.” If it is not approved, it will be rejected and an e-mail sent explaining why the report was rejected and the corrections that are needed. You can always contact your assigned grant officer with questions during this process. We can assist with the information your organization is reporting. The PMS help desk can be contacted about the functionality of the PMS or your existing permissions to prepare and certify the report.

# UTILIZING THE PAYMENT MANAGEMENT SYSTEM

## Financial Status Report (*continued*)

Financial Status Report	
Item	Instruction
Accessing the Reporting Screen in the Payment Management System	<p>After signing into the Payment Management System (PMS), select “Expand All” to view the menu options:</p> <ul style="list-style-type: none"> <li>• Select “Disbursement”</li> <li>• Select “FFR Financial Status Report”</li> <li>• Enter your PMS account number, e.g., C1234P1</li> <li>• System is preset to default to “All Report Statuses”</li> <li>• Select the “Continue” button</li> </ul>
Current Report Screen	Locate the report date and under the “Action” column, scroll in the “I want to ...” box to “See Workflow.”
Report Workflow Screen	This screen depicts where a report is in the process of completion. When you begin, it will show that the report is available. Select the “Prepare/Certify” button to prepare the report. <b>This is an excellent resource for tracking the progress of your reporting efforts.</b>
Report History Screen	This screen will show you only those reports that are available for completion and its current status/due date. Under the “Action” column, scroll in the “I want to ...” box to “Prepare/Certify.”
Top Portion of the SF 425	
Item	Instruction
Items 1 – 6a	PMS automatically completes the information requested in these fields based on the information captured during account registration. Note: If any information is incorrect, the information will need to be corrected prior to report preparation.
6b. Report Type	Choose “Final”
7. Basis of Accounting	Choose either “Cash” or “Accrual.” Check with your financial department or accountant for the basis of accounting if you do not know.
8. Project/Grant Periods	Complete with the period of your project. It will be 07/01/20XX to 06/30/20XX.
9. Reporting Period End Date	06/30/20XX
Middle Portion of the SF 425	
Item	Instruction
Items 10 – 10o	All information in this section will need to be completed manually. PMS does not prepopulate any item 10 information.
Federal Cash	
10a. Cash receipts	Enter the total amount of federal cash received for the VITA Grant withdrawn through the PMS. This is generally the award amount; however, it may be adjusted during the year because your organization could not use all the funds.
10b. Cash disbursements	Enter the cumulative amount of cash and check payments your organization has made for the selected grants. This includes any payments made to sub awardees.

# UTILIZING THE PAYMENT MANAGEMENT SYSTEM

## Financial Status Report (*continued*)

10c. Cash on hand	Enter the amount of Line 10a minus Line 10b. Since the project period is over, it will generally be zero.
<b>Federal Expenditures and Un-obligated Balance:</b>	
<b>Item</b>	<b>Instruction</b>
10d. Total federal funds authorized	Enter the original grant amount if all funds were used. If your award has been revised through a modification (you returned funds or received additional funds), report the adjusted amount.
10e. Federal share of expenditures	Enter the amount of VITA Grant funds expended. Again for the final report, it will generally be the full award amount but could be different if you have obligations in conjunction with the grant that have not yet been paid.
10f. Federal share of unliquidated obligations	Because this is the final report, this line will most likely be zero because all obligations will have been paid in the three months since the end of the project. If it is not, inform your grant officer why there are unliquidated obligations prior to submitting your report. Unliquidated obligations on a cash basis are obligations incurred, but not yet paid. On an accrual basis, they are obligations incurred, but for which expenditure has not yet been recorded. Enter only the federal portion of unliquidated obligations. Those obligations include direct and indirect expenses incurred but not yet paid or charged to the award, including amounts due to sub recipients and contractors
10g. Total federal share	This screen will show you only those reports that are available for completion and its current status/due date. Under the "Action" column, scroll in the "I want to ..." box to "Prepare/Certify."
10h. Unobligated balance of federal funds	Subtract line 10g from line 10d. Because this is the final report, this line will most likely be zero because all obligations will have been paid in the three months since the end of the project. If it is not, inform your grant officer why there are unliquidated obligations prior to submitting your report.
<b>Recipient Share:</b>	
<b>Item</b>	<b>Instruction</b>
10i. Total recipient share required	Enter the amount of the original grant or adjusted amount of the grant if modified. The VITA Grant requires a 100% match.
10j. Recipient share of expenditures	Enter the recipient's cost share of actual cash disbursements including payments to sub recipients and contractors. This amount may include the value of allowable third party in-kind contributions. It should be equal to or greater than the amount on line 10i.
10k. Remaining recipient share to be provided	Subtract line 10j from line 10i. If the amount in 10j is more than the amount in 10i, record zero.
<b>Program Income (10i – 10o) – The VITA Grant does not allow program income. No entries should be present in these fields. Please note that a systemic problem in PMS may generate an entry on the program income line of the report; be sure to reduce the entry to zero as program income is not allowed in the VITA program</b>	

# UTILIZING THE PAYMENT MANAGEMENT SYSTEM

## Financial Status Report (*continued*)

<b>Indirect Expense (11a-11g) – Complete this section only if your organization was authorized to charge indirect expenses under an indirect cost rate agreement. Indirect expenses incurred without an indirect cost rate agreement should be included in program costs.</b>	
11a. Type of rate	State whether the indirect cost rate is Provisional, Predetermined, Final or Fixed.
11b. Rate	Enter the indirect cost rate in effect during the reporting period.
11c. Period	Enter the beginning and ending effective date of the rate as noted in the indirect cost rate agreement.
11d. Base	Enter the amount of the base against which the rate was applied.
11e. Amount charged	Enter the amount of indirect costs charged during the time period specified.
11f. Federal share	Enter the federal share of the amount in 11e.
11g. Totals	Enter the totals for columns 11d, 11e, and 11f.
<b>Bottom Portion of the SF 425</b>	
Item 13.	Once you have finished, double-check to make sure all information input is correct. Scroll to the bottom of the page to enter the signature of the authorized certifying official; enter the official's name, telephone number and e-mail address in Item 13.
<b>Actions to Certify in Payment Management System (PMS)</b>	
Certification	<p>Within the PMS, scroll down and click the "Certify" button to attest to the accuracy and completeness of the report.</p> <p>A "disclaimer" message box will appear after clicking the "Certify" box. Read the disclaimer statement and click "OK" to agree.</p> <p>NOTE: If you do not see the "Certify" button on the screen, you may need to review your PMS access permissions and update them.</p>
Submit	Within the PMS, scroll down and click "Submit" button.
Certification and Submission Confirmation	A screen will appear to confirm that certification is complete "Certify Transaction Complete."

# UTILIZING THE PAYMENT MANAGEMENT SYSTEM

## Unused Funds

The funds awarded during each year are appropriated for only a short period of time. If they are not used during the appropriation period, they become part of our general fund and may no longer be used for the grant programs. Please notify your assigned grant officer via email by June 30 that all grant funds will be utilized. Be sure to check with your sub recipients as well on whether they will use all the funds sub awarded them. If all funds will not be utilized, provide the amount of funds your organization is releasing along with a brief explanation as to why the funds were not utilized. Reasons for not using all the funds vary by organization but may include such issues as:

- For VITA, your organization may realize after acceptance of the grant that you will not be able to provide the required match.
- Sites may not open reducing your need for supplies and other funding so your organization does not need all the funds.
- If operating a coalition, partners may drop out of the coalition reducing the need for monies to support their activities.
- Projected costs may be considerably less than planned.
- Unexpected monies may be received to support the initiative and reduce the dependency on TCE or VITA grant funds.

In all these instances, please notify your assigned grant officer and discuss your options. The GPO will re-grant any funds you release if sufficient time exists.

## Returning Funds

It is sometimes necessary to return funds that were withdrawn from the Payment Management System. ***It is extremely important that you notify the Grant Program Office when you plan to return funds and provide the method you will use to return the funds. This allows the GPO to track the progress of the funds to ensure your account is properly credited.*** Funds can be returned using one of the three methods:

- ACH Direct Deposit (REX or Remittance Express)
- FedWire
- Check (least preferred)

Payment Management Services prefer that funds be returned using ACH Direct Depot (REX or Remittance Express) or FedWire; however, they are prepared to accept funds by check. Regardless of the method used include:

- PMS Account Number (PAN) – This is the same series of alpha-numeric characters used for payment request purposes, e.g., C1234G1.
- Federal Award Identifier - This is more commonly referred to as the grant file number. This number begins with the last two digits of the filing season the grant covers along with TCEP or VITA depending on the grant program. For example, “YYTCEP” for TCE and “YYVITA” for VITA, and is followed by four digits assigned to the grant. A complete number would look like 16TCEP0075 or 16VITA0350 for an award covering grant year 2016. Some grant file numbers may be followed by additional alpha/ numeric characters.
- Reason for return – Reasons might be excess cash, interest on account, or funds not spent.

Note: On ACH and Fedwire there are fields available in the electronic submission to include the requested information. Please be sure to use these fields so that returned funds are properly credited.

## Return Funds by ACH (Direct Deposit)

Returning funds via ACH (Automated Clearing House) means you will most likely be returning funds in the manner in which they were received at your organization. You will need the following information:

- ACH Routing Number: 051036706
- DFI Accounting Number: 303000
- Bank Name: Credit Gateway - ACH Reciever
- Location: St. Paul, MN

## Return Funds by FEDWIRE

For returning funds via FedWire you will need the following information:

- FEDWIRE Routing Number: **021030004**
- ALC (Agency Location Code): **75010501**
- Bank Name: Federal Reserve Bank, Treas NYC/Funds Transfer Division
- Location: New York, NY



## Return Funds by Check

If you choose to return funding via check, please be sure to use the following information:

- Prepare a letter that provides your organization's contact information, PMS account number, federal grant identifier, and the reason for returning funds.
- Make payable to the Department of Health and Human Services.
- Include your PMS Account Number (PAN) on the check.
- Mail the check and correspondence to:

HHS Program Support Center  
P.O. Box 530231  
Atlanta, GA 30353-0231

## Payment Management System Closeout

In order for IRS to close out your Payment Management System account, all funds must be withdrawn and all PMS reporting completed accurately. Generally, funds should all be drawn down shortly after the project period ends. This will allow your organization to complete the final reporting. Please note that your account could be frozen if funds are not withdrawn within 90 days after the project ends and requiring that IRS provide permission to release the funds. This could delay your receipt of funds.

**Alert!** Notify your assigned grant officer if you realize your organization will not utilize all the Federal funds awarded before your project period ends.

Recipients have up to 90 days after the grant period ends on September 30 (TCE) or June 30 (VITA) to complete close out actions. Please verify your account balance prior to completing the close out actions. Follow the directions below to generate an Account Balance Data report.

1. After logging into PMS, select the "Ad hoc Grantee Inquiry" from the main menu
2. Choose "Account Balance Data"
3. Enter your PMS account number in the "PAN" column
4. Click "Run Inquiry"
5. This report will display all of the withdrawals including cancellations and withdrawals that are currently in-transit, as well as the total balance of the funds remaining.

Any unspent funds must be returned, all reports filed, and any reporting discrepancies resolved. Recipients are required to take timely action to resolve these discrepancies. Failure to assist the Grant Program Office in timely closing the Payment Management System account could result in non-consideration for an award during a subsequent year period.

# MAINTAINING TAX COMPLIANCE

It is one of the terms and conditions that organizations that receive a grant must maintain tax compliance throughout the period of the grant. Each organization is subject to a review shortly before grant awards are finalized.

Organizations should ensure that all required returns are filed and that all federal taxes, penalties, and interest payments are made. We recognize that adjustments are possible during the period of the grant and recommend that your organization keep thorough records of any contested assessments and take immediate action to resolve any monies owed or returns due. If communicating with IRS via phone, be sure to keep thorough records of contact to include:

- The name of the individual the issue was discussed;
- Contact information for the individual; and
- The date and time of the discussion.

Please capture any actions that are required of your organization and the actions the IRS will take along with any expected resolution date. You may even want to request they send you a transcript of your account to verify compliance. If we identify a questionable issue during our review for tax compliance, we will contact your organization for an explanation of the issue identified. Contact is limited to individuals in your organization that are authorized to discuss your organization's tax matters with the IRS. The name and contact information for this individual was provided in the application. If this person changes, please provide an email with contact information on the new individual.

Intentional disregard of tax compliance requirements will result in immediate termination of the grant. Failure to remain tax compliant during the grant reporting period will also impact your consideration for subsequent year grants.

# MULTI-YEAR AWARD STATUS

The TCE and VITA Grants are one year grants; however, prior year VITA or TCE grant recipients meeting certain conditions can apply for multi-year award status to eliminate the need to compete against other applicants every year. The determination for multi-year award status is made during the application process.

Eligibility Requirements for Multi-Year Award Status - The applicant must be in good standing based on the grant program records. In general, a prior year grant recipient is considered to be in good standing if:

1. No significant concerns were raised in prior years during territory office assistance visits, financial reviews, TIGTA reviews, or Grant Program Office administrative reviews in the following areas:
  - a. Accounting and recordkeeping practices
  - b. Accuracy and quality of returns
  - c. Volunteer training
2. Applicant successfully met its program plan and minimum returns expected as agreed upon in the most recent program period.
3. Applicant demonstrated its ability to grow and sustain its program in the areas of returns prepared, e-file percentage, and volunteer resources.

Award Determination for Multi-Year Award Status - Applicants that apply for a multi-year award and meet eligibility must score 90% or better during the technical evaluation to be considered for this award status. Multi-year grant recipients are selected at the discretion of the IRS and IRS reserves the right to impose a limit on the number of multi-year awards and funds awarded to multi-year recipients.

Now that you are a grant recipient you may want to focus on meeting the other eligibility requirements for multi-year award status this year. That way, when the application period is open next year, you can consider the benefits of applying for multiyear award status.

Benefits of Multi-Year Award Status after Initial Multi-Year Award

- Abbreviated application process in years 2 and 3
- Elimination of competitive phase of application processing
- Earlier award notification
- Earlier fund availability

Note: The availability of funds is conditional upon the appropriation of funds by Congress. Funds awarded in a subsequent year may or may not be the same as awarded in the prior year.

## Continuation of Multi-Year Award Status

Grant recipients that received a multi-year award and the multi-year period section of the most recent grant agreement shows either period "1" or "2" may forego certain aspects of the grant application process. If the multi-year period section shows period "3," the grant recipient must reapply for multi-year award status as explained in the grant instructions contained in Publications 1101 (TCE) and 4671 (VITA).

In addition to continuing to meet the eligibility requirements for multi-year award status, grant recipients must achieve 100% of the return goal specified in the grant agreement.

The Grant Program Office will confirm that grant recipients are eligible for continued multi-year consideration in late April. If the notification indicates the applicant is not eligible, the applicant must follow normal application procedures for consideration of a subsequent year grant. Grant recipients that disagree with the notification must submit proof addressing the deficiency. If unforeseen challenges were encountered that prevented achieving the minimum returns expected, explanation must be provided for consideration. If the deficiency is with the number of returns prepared, recipients must provide acceptable documentation to support the claim that our record keeping is incorrect. Acceptable documentation would include reporting system reports by site, including the EFIN and SIDN, that support the number of returns prepared. Any disagreement with the notification should be communicated to the assigned grant officer as instructed in the notification.

# AUDIT REQUIREMENTS

The audit requirements applicable to grant award recipients are described in 2 CFR Part 200 Subpart F - Audit Requirements, applies to organizations that expend \$ 750,000 or more in a year in federal funds. For fiscal years beginning before December 26, 2014, the prior threshold of \$500,000 applies. Organizations must have a single or program-specific audit for all years meeting the established threshold. **If an organization expends less than \$750,000 a year in total federal awards, these audit requirements do not apply.** Total federal awards includes all sources of federal funding, not just the funds received from IRS in support of TCE or VITA. If an organization expends \$750,000 a year in federal funds, you must ensure an audit is performed in compliance with 2 CFR Part 200, Subpart F - Audit Requirements. You must arrange for an audit by an independent auditor in accordance with the Government Auditing Standards developed by the Comptroller General of the United States. The costs of audits performed in compliance with 2 CFR Part 200, Subpart F are allowable expenditures for which grant funds may be used.

Budget Note: For organizations receiving funds from multiple federal programs, the cost of the audit should be allocated among the different federal programs from which funding was received. Rarely should a single program be charged for the full cost of the audit when multiple sources of federal funds are involved. Cost to all federal programs should not exceed the overall cost of the audit.

An audit under 2 CFR Part 200, Subpart F is organization-wide. The auditor must determine whether:

- Your financial statements are a fair representation of your financial position and the results of your operations are in accordance with generally accepted accounting principles;
- You have an internal control structure to provide reasonable assurance that you are managing federal awards in compliance with applicable laws and regulations, and controls that ensure compliance with the laws and regulations that could have a material impact on the financial statements; and
- You have complied with laws and regulations that may have a direct and material effect on your financial statement amounts and on each major federal program.

Financial records, supporting documents, statistical records, and all other records pertinent to an award shall be retained for a period of three years from the date of submission of the final report for the grant cycle, subject to certain exceptions set forth in 2 CFR §200.333.

The audit should be completed and the data collection form and reporting package should be submitted by the earlier date of either 30 days after receipt of the auditor's report or nine months after the end of the fiscal year end date. Reports must be submitted on line at <https://harvester.census.gov/facweb/>. Federal agencies no longer grant extensions to due dates for Single Audit submissions.

The Federal Audit Clearinghouse operates on behalf of the Office of Management and Budget (OMB) and its primary purpose is to disseminate audit information to federal agencies and the public. Detailed information can be obtained from 2 CFR §200.512. The Grant Program Office will review the audit reports located at <https://harvester.census.gov/facweb/>. If an audit report is not available, the GPO may request a copy of the audit report from your organization.

The Grant Program Office reviews the Schedule of Findings and Questioned Costs upon receipt of an application to determine if any concerns exist prior to completing the eligibility review. Serious problems will impact whether an organization will be considered for award. For recipients the information obtained from this review is used to identify whether any specific terms and conditions should be added to the grant agreement.

# OVERSIGHT OF SUB RECIPIENTS

Traditionally the oversight of sub recipients applies to VITA Grant recipients, however, as more organizations become aware of the Tax Counseling for the Elderly program, more coalitions may become involved in operating TCE programs. This section applies to all those organizations that apply for a TCE or VITA grant on behalf of a group of other organizations forming a **coalition**. It is important to understand the relationship between the prime grantee or recipient and those organizations that provide service on its behalf -- subrecipients. The following definitions are included here to assist in understanding the relationships when federal funds are involved.

**Recipient** means a non-Federal entity that receives a Federal award directly from a Federal awarding agency to carry out an activity under a Federal program. The term recipient does not include subrecipients.

**Sub award** means an award provided by a pass-through entity [grant recipient] to a subrecipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

**Sub recipient** means a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program; but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.

**Non-Federal entity** means a state, local government, Indian tribe, institution of higher education, or nonprofit organization that carries out a Federal award as a recipient or subrecipient.

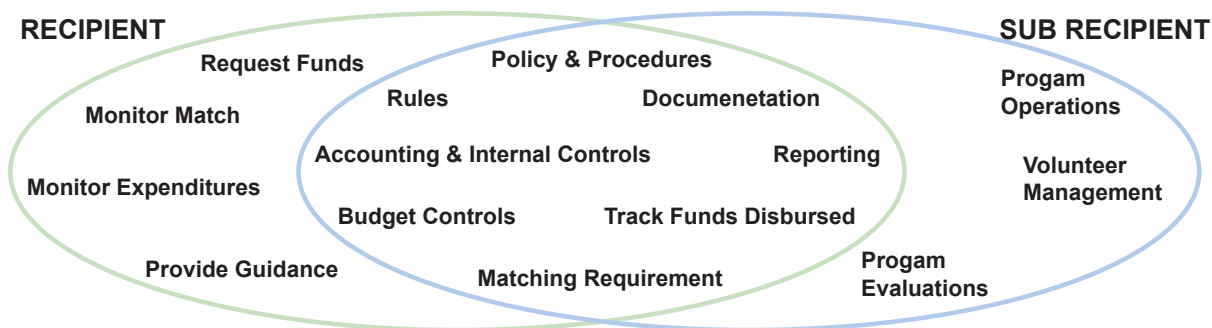
Based on our experience with coalitions receiving the VITA grant, most coalition members responsible for delivery of return preparation are considered subrecipients. However, if you still have questions as to whether your program involves a recipient/subrecipient or recipient/contractor relationship, review 2 CFR §200.330, Subrecipient and contractor determinations for characteristics that support each classification.

**Alert!** The recipient organization retains overall responsibility for meeting the requirements of the grant.

Recipients should:

- Develop written expectations of the sub recipients to ensure your organization will have the information necessary to meet the terms and conditions of the grant including:
  - Accountability of funds including allowable/unallowable uses;
  - Adherence to List of Assurances and Certifications;
  - Documentation of funds including receipts for expenses and/or match;
  - Reporting of activities including volunteers, production, and quality; and
  - Providing acceptable matching documentation especially when volunteers and services are involved as match.
- For a complete list of the information that must be included in the subaward document (e.g., contract, memorandum of understanding), see 2 CFR §200.331(a).
- Ensure understanding of grant terms and conditions, federal laws and regulations that apply to the recipient and to sub recipients.
- Establish consistent reporting guidelines and timeframes.
- Provide training as needed to ensure complete understanding of roles and responsibilities.

More detailed information on requirements for recipients providing subawards are contained in 2 CFR §200.331. The following depicts common overlap of responsibilities when operating a coalition.



We recognize that each coalition operates in a unique manner and it may or may not represent your coalition in all aspects. It is for illustration only. Exhibit 3, Sub Award Agreement, provides information on the development of a agreement between the recipient and sub recipients of funds.



Grant award guidance is covered in 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Recipients should become familiar with this guidance to ensure adherence to program requirements. The Electronic Code of Federal Regulations (e-CFR) is a currently updated version of the Code of Federal Regulations (CFR). It is not an official legal edition of the CFR. The e-CFR is an editorial compilation of CFR material and Federal Register amendments produced by the National Archives and Records Administration's Office of the Federal Register (OFR) and the Government Printing Office. The OFR updates the material in the e-CFR on a daily basis. You can view the e-CFR at [www.ecfr.gov](http://www.ecfr.gov). There are some differences between the TCE and VITA Grant. Initially, this section covers those items that are the same. Following this section are sections that cover the issues unique to TCE and VITA Grant programs.

## Documentation

All grant recipients are expected to keep up-to-date records on expenditures and matching funds for their respective grant. Have a plan. If working with multiple organizations, request that they submit documentation when funding is requested or at specific times throughout the period of performance. Ensure processes are in place to account for direct activities of the grant and for expenditures.

Daily time reporting is required to demonstrate work effort, whether paid or unpaid. Projections submitted with your budget proposal are not acceptable. Final reporting should include actual work effort expended on the grant programs.

The OMB circulars governing grant recipients provide detailed information as to maintaining documentation. Please become familiar with these along with the Generally Accepted Accounting Principles (GAAP) to ensure your organization will have the information necessary to support your financial activities with federal funds. GAAP includes the standards, conventions, and rules accountants follow in recording and summarizing transactions, and in the preparation of financial statements. Documents should include:

- A description of the accounting system and software used to maintain your financial records;
- Most recent audited financial statements and report;
- Most recent audit report as required by 2 CFR Part 200 Subpart F - Audit Requirements, if applicable;
- General Ledger;
- Chart of accounts reflecting all grants, including cost centers.

This includes ensuring internal controls are in place with appropriate policies and procedures for:

- Cash management;
- Purchasing;
- Property management and inventory controls;
- Time sheets, allocation of time to various cost centers and payroll;
- Travel expenses;
- Assets and liabilities;
- Record retention;
- Monitoring sub-grants; and
- Documentation for matching, except TCE grantees.

Some additional items that must be available are:

- Documentation of volunteers including Forms 13615, Volunteer Agreement, Standards of Conduct; signed time records of hours served, training hours and activity performed;
- Indirect costs;
- Indirect cost rates and limitations, when applicable; and
- Monitoring processes or controls for ensuring delivery of services as planned in your program plan.

Overall, your organization must ensure that it can account for the funds it expends and the services it provides for delivering TCE or VITA.

## Allowable Under Cost Principles

Expenses must be allowable. Become familiar with the cost principles that govern allowable costs for your organization. The cost principles are covered in 2 CFR Part 200 Subpart E - Cost Principles.

# BUDGET AND FUNDS ADMINISTRATION

Key features of allowable costs include:

- Treated consistently – Charges should stay consistent among categories. Printer cartridges should not be considered a supply purchase one time and then the next time considered an equipment purchase.
- Conforms to Generally Accepted Accounting Principles (GAAP) – This refers to the standard framework of guidelines for financial accounting.
- Net of applicable credits – Rebates or refunds that reduce the overall cost of an item must be considered. A computer purchased for \$600 but with a \$50 rebate should be charged at \$550.
- Not a cost used to meet matching requirements of another federal grant.
- Not prohibited under federal, state or local laws – Federal funds cannot be used for lobbying.
- Conform to limits or exclusions – For instance, costs associated with outreach or asset building do not directly support VITA and would be excluded as an allowable expense or for matching funds use.
- Be adequately documented - Maintain receipts and in the cases of in-kind contributions, maintain descriptions and explanation of valuation and methods for determining.
- Consistent with recipient's policies, regulations, and procedures – A good example is the reimbursement of expenses. If the organization requires receipts for meals while traveling, it must continue to require receipts for meals if traveling for the VITA Grant program. Another example might be the process where all purchases in the organization over \$500 require a second approval and/or signature. Purchases for the VITA Grant program meeting the criteria would require the second approval and/or signature as well.

## Necessary, Reasonable, and Allocable

A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. Examples of purchases not considered reasonable would include the purchase of a computer costing \$3,000 or a pen that costs \$20. Software requirements for tax return preparation are limited and do not require the latest technology. Pens can be found for much less and still function properly.

When making purchases you must consider perception. For instance, contracting a family member of your organization's president for all publicity could be perceived that the president had undue influence on the decision. Clear documentation comparing comparable services should be completed and only if facts clearly and strongly support the decision should you proceed with the contract for the family member.

A **necessary** expense would be one in which the decision not to purchase would limit your program from delivering its objective if not incurred. For example, computers are necessary to an e-file program; however, the cost must continue to be reasonable. Providing copies of completed tax returns is necessary for the program. However, the purchase of a copier would need to consider the initial cost of the copier; on-going costs to operate and maintain; and the availability of other alternatives for providing the necessary copies.

An **allocable** expense is one that occurs during the grant period and can be directly shown to benefit the VITA program. An expense that benefits more than one program is allocable when it can be distributed. For instance, two computers are purchased to staff a site where return preparation will occur four hours each day. The computers are used six hours each day to teach unemployed individuals new job skills. Forty percent of the cost could be allocated to the VITA grant program based on the intended use.

Exhibit 4, Determining Reasonable, Necessary, and Allocable Expenses, provides information that should be considered when making certain purchases. The examples covered include cell phone, air cards, and technology service plans; and computers and related items or services. This exhibit provides key questions that should be asked and considered prior to making a purchase.

## Examples of Allowable and Unallowable Expenses

Know what is allowable for the TCE or VITA grant programs. Common items that can be purchased include:

- Computers, printers, and related supplies;
- Encryption software;
- Internet connectivity;

# BUDGET AND FUNDS ADMINISTRATION

- Audit services when required by 2 CFR Part 200 Subpart F - Audit Requirements;
- Costs associated with space utilized for tax preparation, such as rent, utilities, insurance, and custodial services;
- Office supplies;
- Miscellaneous services, such as computer repair or courier for delivering program documents to IRS;
- Installation of phone lines necessary to provide electronic transmission of returns or to schedule appointments for tax preparation;
- Travel reimbursement costs to and from the site or other required activities; and
- Costs for interpreter services.

Even if an expense occurs in one of the allowable categories, the funds spent should be considered reasonable and necessary. For instance, buying the latest computer with many extra features would not be an allowable purchase. A computer chosen for either program should not cost over \$1,000 and will often cost less. The program requirements do not justify the purchase of the most expensive technology.

If your organization requests bids for the purchase of computers and finds that they cannot purchase a computer for \$1,000, submit the specifications and bid proposals to your grant officer for review and approval. We recognize that with technology pricing fluctuates and exceptions may be granted.

Expenses should also be allocable. For instance, if you purchase and utilize a copier solely for the TCE or VITA program, it would most likely be an allowable cost providing the expense is reasonable and necessary. Providing taxpayers with a copy of their return is required.

However, the decision to purchase a copier must be justified. If another alternative is available for less, it should be a consideration as well. If, after considering all factors, a copier is purchased; and it is used for other operations outside the TCE or VITA program, the cost would need to be shared among all uses.

**Use of Stipends** – Some organizations will elect to use a stipend in lieu of requiring their volunteers to keep detailed records of mileage or small expenses they incur (purchase of printer paper) in their day-to-day operation of or attendance at a site. Use of stipends is acceptable within the VITA and TCE programs as long as it is not a salary or wage. It cannot be based on the time a volunteer is engaged in volunteer service or used to circumvent a program limitation such as paying an individual for the screening, preparation or quality review of a return or as recognition for overall services provided. Organizations should develop a policy around the use, management and distribution of stipends. At a minimum the policy should answer the following questions:

1. How will you determine the stipend amount? If varying amounts, what influences them? What happens when a requester falls between levels?
2. What expenses are you trying to cover (travel, parking, etc)?
3. Does your policy allow for reimbursement of actual expenses or stipend or both?
4. Is it limited only to volunteers? Volunteers and employees?
5. How frequently will the stipend be disbursed? Are there deadline dates for submission of a request for a stipend? What happens if not met?
6. What form will the stipend take (e.g., pre-paid purchase cards, cash, check)? If pre-paid purchase cards, how frequently do you purchase? How do you ensure no roll-over to next year?
7. What documentation will be used to request? Approve? Disburse?
8. Is adequate separation of duties evident in the approval and disbursement processes?
9. How long will you retain documentation? Where will it be retained?
10. What activities are allowable in order to earn or request the stipends?
11. Who oversees the distribution of the stipends and, if more than one person, their responsibilities?
12. Who is eligible for the stipends and what are their responsibilities?
13. What is the final date that a request will be honored for this grant period?
14. How will you track the distribution of stipends in order to insure what is obligated, what activity is covered, and how much was distributed during the grant period?

The most common unallowable use of funds includes:

- Salaries for tax return preparation, screening or quality review;
- Required match on another federal grant – this includes subsistence for Americorp, VISTA or Senior Corp participants;
- Seminars, such as the IRS Tax Forums;
- Purchase, construction, or repair of any building or space;
- Capital expenditures for improvements to land, buildings or equipment which materially increases their value or useful life.
- Any expenses that are not necessary for the delivery of the TCE or VITA program;
- Goods or services for personal use of program employees;
- Costs outside the program period of the grant;
- Expenses associated with refund anticipation loans;
- Financial education and asset building activities;
- Child care;
- Tax preparation software;
- Cost to prepare or submit a grant application;
- Entertainment;
- Postage to mail individual tax returns to the IRS on behalf of the taxpayer;
- Outreach that is unrelated to tax return preparation; and
- Certain advertising and public relations costs as found in the 2 CFR §200.421(e).

This represents only a few of the items that have generated questions. Do not assume unlisted items are allowable. Check out 2 CFR Part 200 Subpart E - Cost Principles or contact the Grant Program Office if you have questions.

## Areas of Concern Identified by Financial Reviews

The following areas are emphasized here to assist your organization in ensuring sufficient processes and procedures are in place for managing your grant program. These areas of concern are a compilation of the issues previously identified during administrative and financial reviews. All areas apply to both VITA and TCE with the exception of in-kind documentation, which applies solely to the VITA Grant.

**Commingling of Funds** – Although federal regulations do not require physical segregation of cash deposits, the accounting systems of all recipients and sub recipients must ensure that agency funds are not commingled with funds from other federal agencies.

- You must account for each award separately.
- Recipients and sub recipients are prohibited from commingling funds on either a program-by-program or project-by-project basis.
- Funds specifically budgeted and/or received for one project may not be used to support another.

**Federal Financial Reports** – This refers to the Federal Cash Transaction Report required by both VITA and TCE grant programs and the Financial Status Report required by the VITA Grant. Both reports are prepared and certified within the Payment Management System.

- Your organization should have proper documentation in the files to support all information reported in the reports including match.
- All financial reports should be prepared with information that comes directly from the organization's accounting system.
- There should be a review and reconciliation of the information to ensure accuracy prior to report submission.

**Documentation** – All expenditures should contain documentation (i.e., receipts, brief descriptions, agendas, etc.) that support why a transaction is allowable for grant purposes. Accounting records should trace back to source documentation. Documentation should also ensure that costs:

- Conform to grant limitations
- Are treated consistently
- Determined in accordance with Generally Accepted Accounting Principles (GAAP)

**Salary Documentation Examples** – All salaries and wages charged to federal grants must conform to the requirements as provided in 2 CFR §200.430, Compensation - personal services.

- Reflect an after-the-fact distribution of the employee's actual activity
- Account for the total activity of each employee
- Are prepared at least monthly and coincide with one or more pay periods
- Are signed by the employee or supervisor having first hand knowledge of the work performed
- Are supported by source documents, such as quarterly payroll returns, payroll register, personnel file with salary/wage information, employment contract, cancelled checks and/or direct deposit schedule

**Fringe Benefit Documentation Examples** – Fringe benefits are allowable, provided such costs are absorbed by all organization activities in proportion to the relative amount of time or effort actually devoted and included in the organization's policies. See 2 CFR §200.431, Compensation - fringe benefits.

- Organization policy on fringe benefits
- Fringe benefit rate agreement
- Insurance receipts
- Cost allocation plan
- Paid invoices

**Travel Documentation Examples** – Travel costs must not exceed charges normally allowed by the organization in its regular operations based on the organization's written travel policy.

- Authorization/reimbursement requests
- Receipts/invoices
- Per diem rates (applicable for region)
- Mileage calculation
- Reconciliation of advances to payments
- Mileage logs or reimbursement request

#### **Training Documentation Examples**

- Agenda
- Course description, cost
- Sign-in sheet (if in-house)
- Consultant/trainer agreement
- Paid invoices

#### **Property and Equipment Documentation Examples**

- Organization policy on dollar amount equipment is capitalized
- Property records that describe the item, manufacturer, model number, serial or identification number, acquisition date, cost and location of each item; tagged as purchased with federal funds

**Sub recipient Oversight and Monitoring** – As the recipient, you are expected to monitor and ensure sub recipients maintain supporting documentation to demonstrate proper use of federal funds. You should ensure sub recipients maintain documentation and that you periodically review the sub recipient documentation.

- General ledger
- Personnel costs
- Staff time sheets correlate to payroll distributions and reimbursements
- Employees benefits rate (if applicable) is supported by valid calculation
- In-kind contributions are recorded in general ledger
- In-kind contributions value is supported by the appropriate documentation
- Financial reports agree to general ledger
- Financial duties are properly segregated
- Match requirements are being met
- Proper documentation is being retained

# BUDGET AND FUNDS ADMINISTRATION

- Organization is operating within standard policies and procedures
- Organization has appropriate internal controls

**Sub recipient Reporting** – Sub recipients should be asked to report financial information for grant activities to ensure grantee reports are:

- Timely – Ensure all deadlines are met
- Accurate – Use accounting data that has been reviewed
- Complete – Reports should contain all pertinent information relating to reporting period

**Documenting In-Kind Contributions** – Document the donor's basis for determining value of personal services, material, equipment, and space, and supplies. Obtain written acknowledgement from the donor to include:

- Date and location of donation
- Detailed description of item/service
- Estimated value of contribution, how value was determined, who made the determination
- Certification that contribution was not obtained with federal funds
- Name and signature of donor

## TCE Unique Limitations

This section covers areas unique to the TCE program.

- Costs for salaries, wages and benefits are limited to clerical, administrative or technical personnel.
- Costs for installation of a toll-free number are not allowable.
- Costs for volunteer recognition are limited to \$10 per volunteer.
- **No more than 30% of the grant funds may be expended for administrative expenses.**

The limitation on administrative expenses can best be explained by following the instructions on the reverse of Form 8653, *Tax Counseling for the Elderly Application Plan*, or Form 8654, *TCE Program Semi-Annual/Final Program Report*. These forms best explain the items considered administrative expenses under this program. Also reference the Management of Funds section of Publication 1101, *Application Package and Guidelines for Managing a TCE Program*, for more information.

## VITA Grant Unique Limitations

This section covers areas unique to the VITA grant program.

- Use of federal funds to pay salary for screening, tax return preparation, and quality review is not allowed. However, if an organization pays salary using non-federal funds for these activities, it can be used to help meet the matching funds requirement.
- Costs for volunteer recognition are limited to \$10 per volunteer.
- Costs for food for volunteers at volunteer sites are limited to \$500 per program. It is an allowable expense as long as the purchase meets all established criteria (necessary, reasonable, allocable, and allowable). It must be a direct cost (not indirect) and incurred solely in support of the program. Purchase of food for training events is not allowed. Purchase of food for customers is not allowed because it is not in support of the program. Food costs should consider the number of volunteers, days and hours the site operates, length of site session, and type of foods provided. The cost of foods purchased in conjunction with an event considered entertainment or social activity is not allowable.

The Publication 4671 contains other information pertinent to formulating the budget and understanding limitations and/or allowable costs for both federal and non-federal funds.



# MATCHING FUNDS REQUIREMENT – VITA GRANT ONLY

The VITA Grant requires that organizations share in the cost of the program by committing matching funds. Key points of the match requirements include:

- A dollar-for-dollar match;
- Documentation must be maintained;
- Other federal grant funds cannot be used as matching funds; and
- Non-federal funds used to fulfill the requirement of another federal grant cannot be used as matching funds.

The terms **matching** or **cost sharing** are used interchangeably in this document and refers to the portion of project costs not paid by Federal funds (unless otherwise authorized by Federal statute).

At 2 CFR §200.306 Cost sharing or matching all contributions, including cash and third party in-kind, must be accepted as part of the non-Federal entity's cost sharing or matching when such contributions meet all of the following criteria:

1. Are verifiable from the non-Federal entity's records;
2. Are not included as contributions for any other Federal award;
3. Are necessary and reasonable for accomplishment of project or program objectives;
4. Are allowable under Subpart E - Cost Principles of this part;
5. Are not paid by the Federal Government under another Federal award, except where the Federal statute authorizing a program specifically provides that Federal funds made available for such program can be applied to matching or cost sharing requirements of other Federal programs;
6. Are provided for in the approved budget when required by the federal awarding agency;
7. Conform to other provisions of this part, as applicable.

**Third party in-kind contributions**, defined in 2 CFR §200.96, means the value of non-cash contributions (i.e., property or services) that (a) benefit a federally assisted project or program; and (b) are contributed by non-Federal third parties, without charge, to a non-Federal entity under a Federal award. For the VITA Grant program, examples of third party in-kind contributions are computers, printers, space, volunteer time, interpreter services, supplies or advertising.

Most grant recipients must provide documentation for matching funds after award for items categorized as “to be raised” in the matching funds summary chart included with the application. Examples of acceptable statements for common contributions can be found in Exhibit 5, Matching Funds Documentation.

In-kind contributions can only be counted as matching funds when the contribution is an allowable item for the program. For example, the time an individual spends establishing a bank account for a taxpayer is not an allowable match. It does not directly support the VITA program.

There is no prohibition on counting student services for which academic credit is given, nor other services for which service providers receive some benefit from a third party, as a proper basis of meeting the matching fund requirements as a third party in-kind contribution that otherwise complies with 2 CFR §200.306.

The following additional definitions and distinctions will assist in understanding matching funds:

- **Grant recipient or recipient or non-Federal entity** – The organization receiving financial assistance directly from a federal awarding agency to carry out a project or program.
- **Sub recipient** – Legal entity receiving award from a grant recipient and accountable to the grant recipient for use of the funds and delivery of the program.
- **Federal Funds** – Funds provided by the Federal Government; may be in the form of cash, equipment, supplies, goods or services.
- **Non-federal funds or non-federal share** – Funds used to support the program that are not borne by the Federal Government.

## Verifiable from Grantee's Records

Your organization should have sufficient processes and procedures in place to insure that any contributions to the VITA Grant program, whether expenses of your organization or from third parties, are verifiable in **your records**. This means your organization should be able to demonstrate:

1. Any funds expended specifically on the project. This would include such items as receipts for goods and services; time sheets of employees showing amount of time charged to grant activities; and indirect expense determinations when applicable. Additionally, records should include the corresponding payments for these expenses.
2. Any third party in-kind contributions used toward meeting matching requirements. This would include recordation in your ledger of the contribution and its determined value. Along with the recordation, additional documentation is needed to show how the value was determined and the source of the contribution. Exhibit 6, Sample Form Documenting In-Kind Contributions, is provided to assist in insuring thorough documentation is available for match purposes. Other supporting documentation might include:
  - Supply catalog or advertisements for valuing supplies;
  - Department of Labor data for valuing work effort not readily available in your organization; and
  - Rental agreement or other comparables for space.

The most common third party in-kind contribution for the VITA Grant program is **volunteer services**. Volunteer services include individuals that do not receive any compensation for their activities or receive compensation from other than your organization. Most commonly, these individuals are involved in the scheduling of appointments, screening of individuals, or return preparation and quality review of returns. Records would need to include a time sheet (unless the simplified method for recordkeeping was elected) that shows the amount of time provided to **qualified** activities of the program. Exhibit 7, Time Sheet Examples, provides a template for capturing time for an individual and a group of individuals. Additional information would include contact information, agreement to standards of conduct, and training certifications, when applicable.

Additionally, for volunteers that provide services for more than the VITA Grant project, time sheets would need to include the distinction between the programs served. For instance, if an individual answers the phone and provides information on all programs operated, the time sheet would need to show that portion of time attributable to handling calls associated with the VITA Grant program. We realize it may be difficult for volunteers to keep minute-by-minute details on how long they spend on each call. Historical data can be used and time allocated to activities. For instance, if scheduling appointments generally take 10 minutes, time may be attributed at the end of the day based on appointments scheduled. Additional information on valuing and documenting third party in-kind contributions can be found in 2 CFR §200.306.

**Simplified Method for Recordkeeping** is an alternative method for documenting volunteer services used for screening, tax return preparation and quality review of returns. This method uses each federal return accepted at traditional VITA sites and reflected on IRS reporting (ELF 1541 and SIDN Workbook reports) as one hour of time. This number is multiplied by the rate consistent with those paid for similar work in the labor market in which the applicant competes. The total is the amount of matching funds contributed toward the program. The simplified method can be used for all or a portion of the proposed match. Your organization may also continue to utilize time sheets for documenting the volunteer services match.

If using this simplified method, your grant documentation should include the research completed to determine the salary used and a report on the federal returns completed during the grant year for the number of hours as support. This documentation may take many forms. For salary determination, it may be a note showing three firms were consulted that prepare returns to find out what employees are paid or a copy of the research performed on-line using an employment service or BLS information. For federal returns, it could be a report from the software used or from your local SPEC contact or your own internal records that distinguishes returns and whether they were accepted. A line item should be captured in your ledger to record the match at the end of the program period and this same information reflected in the final budget included with the final report. During the filing season, you should check to make sure your organization is on target to achieve the anticipated match or make adjustments to identify other match to meet program requirements.

# MATCHING FUNDS REQUIREMENT – VITA GRANT ONLY

Returns are limited to those filed electronically and accepted at the sites operated based on the electronic filing identification number (EFIN) or site identification number (SIDN) AND paper returns processed by IRS and captured on the SIDN Workbook Report. Though other returns can be counted toward your return production goals, these are the only returns counted for purposes of the simplified method. Multiply the number of **federal returns** shown in the report by the salary rate determined. This is the amount of matching funds provided by your program this year. Use of the simplified method is only an option. Your organization may continue to utilize time sheets for determining the volunteer services match for screening.

We recognize volunteers also provide other services besides screening, return preparation and quality review for your programs. However, due to the many varied ways in which programs are operated, we are unable to provide a simplified method of recordkeeping for all activities. Time sheets for other activities performed by volunteers are still required if utilized as matching funds for the grant. Supporting matching funds explanations should show the calculations that will be used for activities.

IRS Publication 561, *Determining the Value of Donated Property*, may be a useful reference tool.

## Contribution for Other Federally-Assisted Project or Program

Funds used to support another federal program cannot be used for meeting matching requirements on the VITA Grant. If your organization receives other federal grants for delivery of programs that require matching contributions, the contributions (whether expenses or third-party in-kind) cannot be used on both grants unless authorized by federal statute.

Since inception of the VITA Grant program, the most common example of this issue involves use of AmeriCorp and VISTA individuals to support the program. The Corporation for National Community Services (CNS) is responsible for these two federally-assisted programs. Often CNS covers the salary and insurance on an individual, while the organization they provide the service for covers the individual's subsistence costs. The time the individual contributes to the program and the funds provided for subsistence to the individual cannot be counted toward the cost sharing required by the VITA Grant.

Contributions may be prorated or shared between other federally-assisted projects. For instance, if you receive both the VITA Grant and Low Income Tax Clinic grant and utilize the same office for both programs. The costs for the space may be apportioned between the two programs.

## Federal Funds as Match

In general, most funds provided by the federal government may not be used as match for the VITA Grant program. Funds may be other than cash. IRS may provide participants in the programs non-cash funds for delivery of the VITA program. This includes such items as:

- Tax preparation software for electronic preparation and transmission;
- Training materials and/or IRS instructors; and
- Loaned laptops and printers.

None of these items can be counted as match on the VITA Grant.

Federal funds may flow through other entities. This is especially true if your organization receives funds from state and local governments. It is extremely important that organizations understand the source of funds in order to determine whether they are federal or non-federal. Federal funds remain federal funds regardless of the entities they pass through. **Know the source!**

## Federal Funds as Match (continued)

Purchases with federal funds remain a federal resource. That is to say, if computers are purchased one year with VITA Grant funding, they cannot be used in future years as match for the VITA Grant. The computers continue to retain their identity as federal funds. Likewise, if a specific contribution is used as cost share in the prior year, it cannot be used in the current year.

The following table depicts federal funding that we have researched whether it can be used as match. This list is not comprehensive. The determination as to whether a grant can be used as match is statutorily driven. IRS does not make the decision for other grantors.

Federal Funding	Eligible as match for VITA Grant
Self-Determination and Education Assistance Act awards to Indian Tribal governments	Yes
Community Development Block Grants (CDBG)	Yes, with limitations
TCE and Low Income Taxpayer Clinic (LITC)	No
Community Services Block Grant (CSBG)	No

If you receive federal funds through a non-federal source and they tell you they can be used as match for other federal grants, take time to confirm in writing. Contact the federal grantor of the funds and request confirmation in writing. Share the information provided with the Grant Program Office. We will take steps to confirm.

## Budgeted and Approved

Budgeted items that support the VITA program can be categorized broadly as:

- Work effort – This is the time individuals contribute to the program. These can be paid and unpaid staff.
- Travel – Monies expended to cover the cost of travel associated with the program.
- Equipment and technology – Purchase or use of computers, printers, networking, etc. to support electronic return preparation and filing.
- Supplies – Monies expended to cover the purchase of common supplies necessary for the program.
- Space – This can be space paid for or donated to operate a tax preparation site.
- Publicity – Limited to tax preparation activities only.

As always, items must be necessary, reasonable, and allocable to the VITA program.

## Overall Match

There is no requirement that matching contributions agree by category of expense, e.g., personnel, fringe, travel, equipment, etc. Only that total non-federal funds equal or exceed the federal funds awarded. For example, if you use federal funds to pay travel, equipment and supplies totaling \$7,000, the match could be in salaries and equipment. All that matters is that the total matching equals or exceeds the federal funds expended.

Excess non-federal funds should be included in reporting if available. This provides a “safety net” in the event a portion of the funds are disallowed or considered ineligible. For example, if you received \$25,000 in grant funds but have documentation to show you spent or received in-kind contributions totaling \$50,000, report the \$50,000 as non-federal funds expended. In the event the value or allowance of an expenditure using federal funds or an in-kind contribution is questioned, the excess reporting in match can often be shifted to cover any shortfall and eliminate the need to return funds.

# REPORTING REQUIREMENTS

## TCE Reporting Requirements

Along with the quarterly reporting completed in the Payment Management System, the TCE reporting requirements include program and budget narratives, along with Form 8654, *TCE Program Semi-Annual/Annual Program Report*.

Grant Reporting Requirements - A brief summary of all reporting required for the TCE grant is also included in the Form 9661, *Cooperative Agreement*.

## TCE Program Semi-Annual/Annual Program Report

At the end of the program season you are required to submit a final report consisting of Form 8654, *TCE Program Semi-Annual/Annual Program Report* and Final Narrative reports (program and budget) to give us specific information about the methods and procedures used to implement your program. These reports show the actual expenses incurred by you on this program during the period of the Cooperative Agreement. **Failure to timely submit required reports to the TCE Grant Program Office may result in freezing of funds or termination of the grant.**

- If site operations cease on or before April 30, the final report is due 90 days after completion of your program and reporting is required only once.
- If site operations continue beyond April 30, a semi-annual report is required in addition to the final report. The semi-annual report is due June 30. The final report is due December 31 or 90 days after the completion of your program, whichever is earlier.

Documentation of expenses for attending a meeting at the IRS Territory Office or other location (i.e., airline tickets, hotel, meals, etc.) is needed for reimbursement and should be attached to Form 8654. Form 8654 is available on [irs.gov](http://irs.gov).

All reports must be submitted electronically (unless otherwise directed) to the grant officer assigned responsibility for your grant. The grant officer is identified with your award. Due to size restrictions in our email system, the grant sponsor is responsible for confirming the receipt of electronic messages with attachments.

## Form 8654, TCE Program Semi-Annual/Annual Program Report

This form captures information on funds spent along with program results. Detailed instructions for completing each line item are included on the form. The due date is dependent on when site operations ceased as explained in the previous section. It is one of three components of the semi-annual and final report.

## TCE Final Narrative Reports

The final program and budget narratives are the last two components of the semi-annual and final reports. **The narratives must be typed, double-spaced and numbered to correspond with the paragraphs indicated under each narrative section.** Be sure to clearly state, in detail, the actions you took in implementing the TCE Program.

## TCE Program Narrative

1. Briefly describe the overall approach you took in implementing this program and the steps you took to ensure compliance with its rules and administrative guidelines.
2. Describe the methods and resources you used to recruit volunteer assistants, instructors, and coordinators/ administrators.
3. Describe how the training for your volunteers was provided. Specify whether your organization provided the training.
4. Specifically state how program and site publicity were provided.
5. Specifically state how volunteers provided quality service to elderly taxpayers. In detail, describe any onsite quality review procedures, your method of monitoring and any meetings you held to draw the attention of volunteers to problem areas.
6. Describe the steps you took to ensure taxpayer privacy and to maintain the confidentiality of tax returns.
7. Identify the geographic distribution and number of assistance sites; number of electronic filing sites and number of telephone answering sites. If assistance was provided in more than one state, list the number of sites for each state. Share any research done to determine site placement.
8. Describe your electronic filing program and how it assisted the elderly taxpayers in the community. Explain whether you met the minimum returns expected goal included in your cooperative agreement. If not, why?
9. Explain internal procedures you used to monitor and evaluate program activities to ensure that the program was administered in accordance with the cooperative agreement guidelines.
10. If applicable, describe the type of assistance given by telephone and the procedures you used to monitor the quality of the information provided.
11. Provide any feedback or comments you would like to share on our federal agency's administration of the TCE Program or the grant management process for this past year.

## TCE Budget Narrative

1. Describe the method and frequency of reimbursement to volunteers. For example, state whether the volunteers were reimbursed for their actual expenses or whether your organization reimbursed using stipends. Please explain in detail. If stipends were provided, provide your stipend policy, which should include how administered.
2. Describe the personnel in which their salaries or wages were paid using grant funds and what role they played in providing 100% of their time (weekly/bi-weekly or monthly) supporting the TCE Program. Provide a breakdown for each person and the costs charged to the grant.
3. Explain the process within your organization for authorization of expenditures charged to the grant. Is only one person authorized to approve or do multiple persons have to approve?
4. State the cost of travel expenses (including meals and lodging) to attend a meeting with the Territory Office. You are required to provide documentation with your Form 8654.
5. Describe your activities and list the types of expenses and costs charged to the grant in support of electronic filing. As a reminder, these expenses are not considered administrative expenses, but must not exceed your total grant amount. (Refer to Electronic Filing section of Publication 1101 for more information).
6. Explain your recordkeeping system and how the records and receipts for the TCE Program are maintained within your organization.
7. Explain if any grant funds were expended for food. If so, provide an itemized cost listing of the food items that were expended for volunteers at TCE sites. These items should be deemed necessary, reasonable, allocable, and allowable under OMB guidelines. Remember the total expenses for food may not exceed \$500.



## VITA Grant Reporting Requirements

Along with the quarterly reporting and final reporting completed in the Payment Management System, a final report is required for the VITA Grant. The final report (sometimes referred to as year-end report) includes:

### VITA Grant Final Report

1. Narrative
2. Performance Progress Report - Performance Measures, Standard Form PPR-A
3. Budget Detail Explanation
4. Final Site Listing
5. Financial Status Report (filed electronically in the PMS)

The final report must be filed by **September 30**, which is 90 days after the project period ends (June 30). This report should be emailed to your assigned grant officer no later than the due date and you should confirm receipt. **All grantees regardless of the grant amount are required to file all components listed.**

**Narrative** – The narrative should focus on how your organization was able to achieve the following VITA Grant Program objectives:

- Enable the VITA Program to extend services to primary and secondary (the underserved) populations in hardest to reach areas, both urban and non-urban;
- Increase the capacity to file returns electronically;
- Heighten quality control;
- Enhance training of volunteers; and
- Improve the accuracy rate of returns prepared at VITA sites.

**The narrative** is limited to five pages and must be typed, 12 point font, double-spaced. Please label all attachments and limit to the critical few. Please provide any feedback on how IRS administers the VITA Grant Program.

# REPORTING REQUIREMENTS

**Performance Progress Report - Performance Measures, Standard Form PPR-A** – This form is used to report on your organization's performance. The grant requires that you report five measures and the other measures reported are based on the information submitted in your application package and/or required by your organization. This form is available on [irs.gov](http://www.irs.gov/file_source/pub/irs-utl/sf-ppr-a_perf-measures.pdf) at [http://www.irs.gov/file\\_source/pub/irs-utl/sf-ppr-a\\_perf-measures.pdf](http://www.irs.gov/file_source/pub/irs-utl/sf-ppr-a_perf-measures.pdf). It should be saved to your computer, which will enable you to complete and save the form once filled out.

Field	Response
1. Federal Agency and Organization Element to Which Report is Submitted	Enter <b>IRS/Grant Program Office</b>
2. Federal Grant or Other Identifying Number Assigned by Federal Agency	Enter your unique federal award identification number or FAIN found on your grant agreement, e.g., 16VITA0301.
3a. DUNS Number	Self-explanatory
3b. EIN	Self-explanatory
4. Reporting Period End Date	Enter <b>6/30/XXXX</b>
<b>A. Performance Measures</b>	
(1) Measure Number or Label	Specific information is required by your grant for measures A-01 through A-05. SEE NEXT TABLE. If your organization established additional measures, please continue with A-06, A-07, etc.
(2) Objective/Goal Description	Brief description of objective/goal; for the first five objectives/goals A-01 through A-05, guidance is shown in the next table.
(3) Measure	Explanation as to what the goal involves and how it will be measured; for the first five goals A-01 through A-05, guidance is shown in the next table.
(4) Baseline	Use prior year data for each measure if available. <ul style="list-style-type: none"> <li>A-01 baseline is the number of federal tax returns prepared in the prior year and reported in the prior year performance section of the application.</li> <li>A-02 baseline is the percent of e-filed returns reported in the prior year performance section of the application.</li> <li>A-03 baseline is the number of sites operated in the prior year.</li> <li>A-04 and A-05 baselines are applicable to prior year grant recipients and reflect returns prepared with primary and secondary focus characteristics specified in the final report. If your audience changed or your organization was not a prior year grantee, this may be left blank and explanation provided in the appropriate column.</li> </ul>
(5) Target Year	<b>20XX</b>
(6) Project Target	Indicate projected goals. <ul style="list-style-type: none"> <li>A-01 is found in your grant agreement in the minimum federal returns to be accomplished by your program section.</li> <li>A-02 through A-05 should show the information by measure projected with your application.</li> </ul>
(7) Actual To Date	Report the results of your activity.
(8) Explanation	Explain if you did not meet project target or if the measure is left blank. If additional space is needed, include in the narrative. Show calculations when required.

Accurate completion of this form is required for all grant recipients.

# REPORTING REQUIREMENTS

See the following chart for items your organization must report and the measures to be used to compile the information on the Standard Form PPR-A. ORGANIZATIONS MUST REPORT A-01 THROUGH A-05 AS INDICATED BELOW. Do not deviate on how the measure is calculated.

(1) Measure Number or Label	(2) Objective/Goal Description	(3) Measure
A-01	Returns Prepared	Number of federal returns prepared; a return is counted only once.
A-02	Increased E-file	Number of returns e-filed divided by total number of returns prepared. Show the calculation under explanation.
A-03	Sites Opened	Number of sites opened to prepare returns. Do not count sites planned but not opened. For one day events, ad hoc, or mobile sites, each location may be counted. Do not count multiple visits to a site location by a mobile van as different sites. Count it only once.
A-04	Returns Prepared for Primary Focus	Number of returns prepared with primary focus characteristic (low income, elderly, limited English proficient, Native American, rural or persons with disabilities) identified in your application.
A-05	Returns Prepared for Secondary Focus	Number of returns prepared with secondary focus characteristic (low income, elderly, limited English proficient, Native American, rural or persons with disabilities) identified in your application.

The above measures are required, however, additional measures may be added based on the goals/activities your organization proposed to monitor and report upon in the Program Measures section of the application.

**Budget Detail Explanation** – Update your proposed budget detail explanation spreadsheet to reflect actual federal fund expenses and matching funds provided by category. Additional information about use of the workbook can be found in the Publication 4671. The primary difference between this report is that it shows actual expenses and matching funds and not proposed expenses and matching funds. The final budget detail should reflect the actual items and expenses incurred during the program period. It should not have terms like “estimated,” “future,” or “to hire” that were in the original/revised budget detail. Remember to change these terms and descriptions when updating from your original/revised budget. You can use the same spreadsheet as used with your application submission by utilizing the hidden columns in the workbook or adding your own. If you use the hidden columns, formulas are included to sub-total and total.

Examples of descriptions and computations that should not be in the final budget detail include:

- “To Hire” - Generally found in Section A, Personnel. It should be replaced to show number of hires and position.
- “Average hours per week” - Generally found in Section A, Personnel, for donated services. For donated services, it should be replaced to show the actual number of hours worked, the position, and the hourly wage used to value their work. For instance, if individuals preparing returns are valued at \$19.85 per hour and individuals providing information technology support at \$26.15 per hour, two lines should be used to show the number of hours for each position by the value designated. Be sure time sheets support the number of hours and activities performed by the individuals unless you are using the streamlined recordkeeping for screening, tax return preparation and quality review. For this method, include the number of returns completed with the value to determine your matching funds. Remember this only includes those returns tracked by the ELF 1541 and SIDN Workbook reports. It does not include returns prepared through facilitated self assistance.

# REPORTING REQUIREMENTS

- “Estimate based on prior year cost” - Generally found in Section E, Supplies, and should be replaced with actual cost for the purchases made (i.e., marketing, publicity, postage, supplies, etc.).

**Final Site Listing** – Review the revised site listing to ensure all sites shown opened. If additional sites were opened, add to the list; if sites did not open, remove from the list. This is your chance to demonstrate the reach provided to customers. If mobile sites are operated, be sure to list locations visited. Be sure to indicate sites that operated as virtual intake sites and facilitated self-assistance sites.

**Financial Status Report** – The financial status report is required to be completed and submitted within the PMS by September 30, which is 90 days after the project period ends (June 30). It should include cumulative information for the entire project period – July 1 through June 30. **All grant recipients are required to complete this report regardless of the amount of the award.** Please refer to the instructions for completing this report in the section, Financial Status Report, under Payment Management System Reporting.

ALERT: Do not confuse this report with the Federal Cash Transaction Report (FCTR) that is filed quarterly. The Standard Form 425 is used to complete both the FCTR and Financial Status Report but different line items are required for each report.

Please remember to keep a copy of your submissions and documentation to support your final report and to confirm that the report is received by your grant officer. Questions about reporting may be directed to your assigned grant officer.

## TCE and VITA Grant Reporting Requirements

Reporting requirements in this section are applicable to both TCE and VITA grant programs.

## Federal Cash Transaction Report

These reports are required to be filed in the PMS within 30 days after the end of each quarter. Please refer to the instructions for completing this report in the section, Federal Cash Transaction Report, under Payment Management System Reporting.

## Sub award and Executive Compensation Reporting

The Federal Funding Accountability and Transparency Act (FFATA), signed on September 26, 2006, empowers every American with the ability to hold the government accountable for each spending decision. The end result is to reduce wasteful spending in the government. The FFATA legislation requires information on federal awards (federal financial assistance and expenditures) be made available to the public via a single, searchable website, which is [www.USASpending.gov](http://www.USASpending.gov).

To help in understanding this requirement, we recommend you view the FSRs Prime Grant Awardee Training Webinar located on USASpending.gov. Select the NEWS tab at the top of the page and scroll to the bottom. A link is available to the webinar.

There is a term and condition requiring the reporting of sub awards and executive compensation along with a requirement to maintain current registration in the System for Award Management (SAM) and have a unique entity identifier, currently a Dun & Bradstreet Data Universal Numbering System (DUNS) number.

The terms and conditions addendum reads as follows:

### Reporting Sub award and Executive Compensation

#### a. Reporting of first-tier sub awards.

1. Applicability. Unless you are exempt as provided in paragraph d. of this award term, you must report each action that obligates \$25,000 or more in Federal funds that does not include Recovery funds (as defined in section 1512(a)(2) of the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5) for a sub award to an entity (see definitions in paragraph e. of this award term).
2. Where and when to report.

# REPORTING REQUIREMENTS

- i. You must report each obligating action described in paragraph a.1. of this award term to [www.fsrs.gov](http://www.fsrs.gov).
  - ii. For sub award information, report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2010, the obligation must be reported by no later than December 31, 2010.)
3. What to report. You must report the information about each obligating action that the submission instructions posted at [www.fsrs.gov](http://www.fsrs.gov) specify.
- b. Reporting Total Compensation of Recipient Executives.
  1. Applicability and what to report. You must report total compensation for each of your five most highly compensated executives for the preceding completed fiscal year, if--
    - i. the total Federal funding authorized to date under this award is \$25,000 or more;
    - ii. in the preceding fiscal year, you received--
      - (A) 80 percent or more of your annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and
      - (B) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and sub awards); and
    - iii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 USC 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at [www.sec.gov/answers/execomp.htm](http://www.sec.gov/answers/execomp.htm).)
  2. Where and when to report. You must report executive total compensation described in paragraph b.1. of this award term:
    - i. As part of your registration profile at at [www.sam.gov](http://www.sam.gov).
    - ii. By the end of the month following the month in which this award is made, and annually thereafter.
- c. Reporting of Total Compensation of Sub recipient Executives.
  1. Applicability and what to report. Unless you are exempt as provided in paragraph d. of this award term, for each firsttier sub recipient under this award, you shall report the names and total compensation of each of the sub recipient's five most highly compensated executives for the sub recipient's preceding completed fiscal year, if--
    - i. in the sub recipient's preceding fiscal year, the sub recipient received--
      - (A) 80 percent or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and sub awards); and
      - (B) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts), and Federal financial assistance subject to the Transparency Act (and sub awards); and
    - ii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 USC 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at [www.sec.gov/answers/execomp.htm](http://www.sec.gov/answers/execomp.htm).)
  2. Where and when to report. You must report sub recipient executive total compensation described in paragraph c.1. of this award term:
    - i. To the recipient.
    - ii. By the end of the month following the month during which you make the sub award. For example, if a sub award is obligated on any date during the month of October of a given year (i.e., between October 1 and 31), you must report any required compensation information of the sub recipient by November 30 of that year.
- d. Exemptions

# REPORTING REQUIREMENTS

If, in the previous tax year, you had gross income, from all sources, under \$300,000, you are exempt from the requirements to report:

- i. Sub awards,  
and
  - ii. The total compensation of the five most highly compensated executives of any sub recipient.
- e. Definitions. For purposes of this award term:
1. Entity means all of the following, as defined in 2 CFR Part 25:
    - i. A Governmental organization, which is a State, local government, or Indian tribe;
    - ii. A foreign public entity;
    - iii. A domestic or foreign nonprofit organization;
    - iv. A domestic or foreign for-profit organization;
    - v. A Federal agency, but only as a sub recipient under an award or sub award to a non-Federal entity.
  2. Executive means officers, managing partners, or any other employees in management positions.
  3. Sub award:
    - i. This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.
    - ii. The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, see Sec. \_\_ .210 of the attachment to OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations").<sup>1</sup>
    - iii. A sub award may be provided through any legal agreement, including an agreement that you or a sub recipient considers a contract.
  4. Sub recipient means an entity that:
    - i. Receives a sub award from you (the recipient) under this award; and
    - ii. Is accountable to you for the use of the Federal funds provided by the sub award.
  5. Total compensation means the cash and noncash dollar value earned by the executive during the recipient's or sub recipient's preceding fiscal year and includes the following (for more information see 17 CFR 229.402(c)(2)):
    - i. Salary and bonus.
    - ii. Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.
    - iii. Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.
    - iv. Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.
    - v. Above-market earnings on deferred compensation which is not tax-qualified.
    - vi. Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds \$10,000.

## System for Award Management and Universal Identifier Requirements

- a. Requirement for System for Award Management (SAM)
- Unless you are exempted from this requirement under 2 CFR 25.110, you as the recipient must maintain the currency of your information in the CCR until you submit the final financial report required under this award or receive the final payment, whichever is later. This requires that you review and update the information at least annually after the initial registration, and more frequently if required by changes in your information or another award term.

<sup>1</sup> This guidance is now found at 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, §200.330.



# REPORTING REQUIREMENTS

## b. Requirement for Unique Entity Identifier

If you are authorized to make sub awards under this award, you:

1. Must notify potential sub recipients that no entity (see definition in paragraph c of this award term) may receive a sub award from you unless the entity has provided its unique entity identifier number to you.
2. May not make a sub award to an entity unless the entity has provided its DUNS number to you.

## c. Definitions

For purposes of this award term:

1. System for Award Management (SAM) means the Federal repository into which an entity must provide information required for the conduct of business as a recipient. Additional information about registration procedures may be found at the SAM Internet site (currently at at [www.sam.gov](http://www.sam.gov)).
2. Unique entity identifier means the identifier required for SAM registration to uniquely identify business entities.
3. Entity, as it is used in this award term, means all of the following, as defined at 2 CFR Part 25, subpart C:
  - a. A Governmental organization, which is a State, local government, or Indian Tribe;
  - b. A foreign public entity;
  - c. A domestic or foreign nonprofit organization;
  - d. A domestic or foreign for-profit organization; and
  - e. A Federal agency, but only as a sub recipient under an award or sub award to a non-Federal entity.
4. Sub award:
  - i. This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.
  - ii. The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, see 2 CFR 200.330).
  - iii. A sub award may be provided through any legal agreement, including an agreement that you consider a contract.
5. Sub recipient means an entity that:
  - i. Receives a sub award from you under this award; and
  - ii. Is accountable to you for the use of the Federal funds provided by the sub award.

There are numerous resources available to assist your organization in determining whether your organization is required to report information under this term. Resources are available concerning the use of the FSRs system and the SAM at their respective web sites, [www.fsr.gov](http://www.fsr.gov) and [www.sam.gov](http://www.sam.gov). In addition, [USASpending.gov](http://USASpending.gov) is the central repository for all information and requirements under the Transparency Act. Please take time to review the Frequently Asked Questions and the user guide or other resource guides available on these websites.

To assist you with the most common questions you may have, the following questions and answers are provided.

## Frequently Asked Questions

**Q1. As the grantee, must I have a DUNS number?**

**A1.** Yes. If you are the grantee, your organization must have a DUNS number. This was a requirement to be considered for the grant.

**Q2. If I plan to sub award any funds, are the organizations that I sub award to required to have a DUNS number?**

**A2.** Yes. All entities granted a sub award must now have a DUNS number. See section System for Award Management and Universal Identifier Requirements, c.3., for the definition of entity.

See Publications 1101 or 4671 for information on obtaining a DUNS number.

**Q3. As the prime grantee, must I register in the System for Award Management (SAM)?**

**A3.** Yes. As the prime grantee, you must register in the SAM at [www.sam.gov](http://www.sam.gov).

**Q4. As the grantee, how long must I maintain my SAM registration?**

**A4.** You must maintain your SAM registration until you submit the final financial report required under this award or receive the final payment, whichever is later.

**Q5. As the grantee, must I report executive compensation in the SAM?**

**A5.** It depends. A decision table is provided. Follow the questions and answers to assist in determining whether executive reporting in SAM is required for the grantee.

**Q6. As the grantee, must I report executive compensation in the FSRS system for the sub award recipients?**

**A6.** It depends. A decision table is provided. Follow the questions and answers to assist in determining whether reporting in the FSRS is required for the sub recipient by the grantee.

# REPORTING REQUIREMENTS

## Executive Compensation – Grantee – Decision Table

Use this decision table to assist in determining whether your organization must report executive compensation due to Title 2 CFR Part 170, Reporting Sub award and Executive Compensation Information, in the System for Award Management (SAM) at [www.sam.gov](http://www.sam.gov).

Ask and Answer:	If Yes, then:	If No, then:
1. In the previous year, did your organization have gross income (all sources) under \$300,000.	Go to 2.	Skip to 8.
2. Is this grant for \$25,000 or more?	Skip to 8.	Go to 3.
3. In the preceding fiscal year, was 80% or more of annual gross income from	Go to 4.	Skip to 8.
4. In the preceding fiscal year, did you have \$25,000,000 or more in annual gross revenue from federal contracts and financial assistance?	Go to 5.	Skip to 8.
5. Does the public have access under the Securities Exchange Act of 1934 to compensation of executives?	Skip to 8.	Go to 6.
6. Does the public have access under Section 6104 of the Internal Revenue Code of 1986 to compensation of executives? See note.	Skip to 8.	Go to 7.
7. Reporting required at <a href="http://www.sam.gov">www.sam.gov</a>		
8. Additional reporting is not required at <a href="http://www.sam.gov">www.sam.gov</a>		

Note: If your organization files Form 990, Return of Organization Exempt from Income Tax, with the Internal Revenue Service, compensation information may be reported on the return for certain officers, directors, trustees, key employees, and highest compensated employees. Exempt organization returns may be requested by the public. In addition, exempt organizations must make their returns available for public inspection.

# REPORTING REQUIREMENTS

## Executive Compensation – Sub recipient – Decision Table

Use this decision table to assist in determining whether your organization as the grantee must report executive compensation on the organizations you sub award due to Title 2 CFR Part 170, Reporting Sub award and Executive Compensation Information, in the FSRS.

Ask and Answer:	If Yes, then:	If No, then:
1. In the previous year, did the sub recipient organization have gross income	Skip to 11.	Go to 2.
2. Is this subaward for \$25,000 or more?	Go to 3.	Skip to 11.
3. In the preceding fiscal year for the sub recipient organization, was 80% or more of annual gross income from federal contracts and financial assistance?	Go to 4.	Skip to 8.
4. In the preceding fiscal year for the sub recipient organization, did they have \$25,000,000 or more in annual gross revenue from federal contracts and financial assistance?	Go to 5.	Skip to 8.
5. At <a href="http://www.fsrs.gov">www.fsrs.gov</a> answer “Yes” in the FSRS system when inputting the sub award information about executive compensation on the sub recipient.	Go to 6.	
6. Does the public have access under the Securities Exchange Act of 1934 to compensation of executives?	Skip to 9.	Go to 7.
7. Does the public have access under Section 6104 of the Internal Revenue Code of 1986 to compensation of executives? See note under the Executive Compensation - Grantee - Decision Table	Skip to 9.	Go to 10.
8. At <a href="http://www.fsrs.gov">www.fsrs.gov</a> answer “NO” in the FSRS system when inputting the sub award information about executive compensation on the sub recipient.		
9. At <a href="http://www.fsrs.gov">www.fsrs.gov</a> answer “YES” in the FSRS system when inputting the sub award information about the public having access to executive compensation		
10. At <a href="http://www.fsrs.gov">www.fsrs.gov</a> answer “No” and input the name and amount of the top five individuals at the sub recipient organization into the fields provided.		
11. No reporting required.		

## Reporting Cash Sub Awards of \$1,000 or More

Grant recipients that provide cash of \$1,000 or more to a sub recipient must notify their grant officer within 30 days of the sub award. You must provide specific information – the name of the organization, their DUNS number and amount of the sub award. This requirement will likely affect most grant recipients that applied on behalf of a coalition. The only time it would not apply is when the grant recipient provides non-cash sub awards, such as supplies or equipment. However, if your organization provides a combination of cash and non-cash sub awards, reporting is required once the cash award reaches \$1,000. This also applies to multiple sub awards. For instance, if you award \$500 in January and then \$500 in February, reporting is required within thirty days of the February sub award. A template for reporting the requirement information is provided at Exhibit 8, Reporting Cash Sub Awards of \$1,000 or More. Although its use is not required, all the information requested on the template is required.

## Reporting Related Party Transactions

You are also required to report all related party transactions to your grant officer within 30 days of the transaction. You must include the entity name, an explanation of the transaction and the relationship. There is no dollar limitation involved. A template with key questions we will ask is included in Exhibit 9, Reporting Related Party Transactions. Although its use is not mandatory, all information requested on the template is required.

Now, back to basics. What is a related party transaction?

This is when one party is able to control or substantially influence the actions of the other. Such transactions include, but are not limited to buyer and vendor transactions, lessee and lessor agreements, and client and consultant arrangements. They generally occur between entities under common control through officers, directors, or members; and an organization and a director, trustee, officer, or key employee of the organization or his immediate family.

Some examples might include:

- Renting or leasing space from an officer of the grant recipient organization;
- Hiring a spouse of the program director as a program consultant;
- Purchasing computers from a company where the child of the director is the general manager; or
- Leasing space from another organization under common control through common officers, directors, or members.

If there is any doubt about a related party transaction, ask your grant officer.

## Territory

Each IRS territory assigns a relationship manager to work with organizations in the local area. The relationship manager provides information about program activities. They will assist you with all program related activities, such as:

- Establishing sites;
- Understanding quality site requirements;
- Developing effective training plans;
- Ordering tax software; and
- Ordering products and publications.

If your organization does not have an assigned relationship manager, you may ask the Grant Program Office for the name and contact information for the territory manager that covers your location. Contact with the Territory Manager will result in assignment of a relationship manager. It is important that you (or a member of your organization) stay in contact with the territory office as they are responsible for communicating information specific to program operations.

## Grant Program Office

In addition to the relationship manager, a grant officer is assigned to each grant recipient. Contact information for your assigned grant officer was included in the grant award notification package. The grant officer will assist with:

- Understanding the terms and conditions of the grant;
- Answering questions about allowable and unallowable uses of the grant; and
- Providing guidance on reporting requirements.

Correspondence or questions, whether by phone, mail or email, should be directed to your assigned grant officer. Grant officers are asked to provide you with an additional contact or with the contact information for the general Grant Program Office when they are out of the office.

If immediate assistance is needed, you may contact us via email at [\*\*TCE.Grant.Office@irs.gov\*\*](mailto:TCE.Grant.Office@irs.gov) for TCE or [\*\*Grant.Program.Office@irs.gov\*\*](mailto:Grant.Program.Office@irs.gov) for VITA or by phone at 404.338.7894. Please use these email addresses or phone number only when you're unable to reach your assigned grant officer. Email is the preferred method for all communications. If you prefer to call, contact your assigned grant officer via email to arrange a convenient time for the discussion.



# VISITS AND REVIEWS

Participants in the TCE and VITA programs are subject to visits and reviews by IRS employees. These visits or reviews are performed to ensure operations performed on behalf of IRS follow established guidelines. These reviews include:

- Territory sites visits and quality office reviews - IRS employees perform reviews to ensure sites are operating within established guidelines. Quality office reviews also measure the accuracy of return preparation through a statistically valid sample of sites and reviews of returns prepared at the selected sites.
- Civil Rights Office reviews - The IRS Office of Equity, Diversity, and Inclusion conducts reasonable accommodation reviews as well as investigates taxpayer discrimination complaints. Initially they review all TCE and VITA grant applications to make an initial determination on whether the applicant fulfills its civil rights requirements. On rare occasions, they may contact an applicant before award to seek further information on the application. Once the award is made, the office conducts post-award audits to determine if grant recipients adequately address civil rights reporting requirements and assurances. They also select a few TCE and VITA sites for reviews each year. They provide technical assistance and confirm requirements are in place to provide equal access to programs. Their review evaluates the site's location and space for easy access; required posters; and the ability to receive assistance. These reviews are not limited to grant recipients. Other participants in the program may be visited as well.
- Treasury Inspector General for Tax Administration (TIGTA) reviews - These reviews are most often a review of IRS instead of the grant recipient. As part of their review of our TCE and VITA programs, TIGTA may visit sites operated under the programs and measure return preparation accuracy through return preparation tests.

Additionally, only grant recipients will be subjected to visits by the Grant Program Office (GPO) or a Financial Review.

- Grant Program Office visits - Beginning in 2016, the GPO eliminated administrative reviews and opted to do more education through orientation, just-in-time conference calls, and e-mail communications. We do anticipate that some visits will be conducted on an as-needed basis.
- Financial reviews - These reviews concentrate on adherence to terms and conditions of the grant, recordkeeping and documentation practices. Additional information follows on these reviews.

## Financial Reviews

Within the SPEC organization, there is a group of individuals that perform quality assurance activities. These individuals are not part of the Grant Program Office; however, they will perform a financial review on the recipients of the TCE and/or VITA Grants. The primary purpose of the financial review is to ensure that grant funds are spent in accordance with the grant terms and conditions, grant guidance, federal laws and statutes.

Since they are unable to review all recipients on an annual basis, this process considers certain factors that might indicate higher risk, such as but not limited to:

- Prior financial review or administrative visit results;
- Prior involvement in managing federal grants;
- Amount of all federal funds expended in a given year; and
- Amount of award.

For VITA Grant recipients they also consider whether the grantee sub awards a portion of their grant and the ratio of in-kind match to other match. The Grant Program Office also recommends recipients for review depending on monitoring activities. These reviews are conducted throughout the calendar year.

The financial review process involves a review of financial management systems, policies, records and documentation of the organizations awarded a grant to help assess the recipient's adequacy and compliance with TCE and VITA grant provisions and federal requirements. It is not a single audit as required by 2 CFR Part 200 Subpart F - Audit Requirements. The financial review process consists of three phases:

1. Pre-Visit Phase
2. On-Site Phase
3. Post-Visit Phase

## Pre-Visit Phase

During the pre-visit phase, the financial reviewer contacts the recipient to request an appointment to discuss and view the organization's records pertaining to the IRS grant. The financial reviewers work to find a mutually-agreed upon date for a face-to-face or correspondence review. Although reviews are generally conducted face-to-face, financial reviewers will conduct correspondence reviews where organizations are requested to mail information in to them for review. This is often the case when low dollar grants are involved.

The completion of a VITA/TCE Grants Financial Review Questionnaire is required prior to the or start of a review. Senior management, financial, business, accounting and program officials should be available for discussions at some time during a face-to-face or correspondence review. In addition, the following documents, records, and information should be readily available for the review and discussion:

**General** – Organizational chart showing placement of units and individuals responsible for financial and program matters.

### General Financial Management

- Overall description of financial management/accounting system or software used;
- Financial management policies and procedures dealing with such areas as:
  - Cash management including receipts, drawdown, disbursements and payments;
  - Grant expenditures and documentation;
  - Purchasing and procurement;
  - Time sheets, payroll, and allocation of time to various cost centers;
  - Travel, authorization, approval and documentation of expenses;
  - Check issuance;
  - Documentation and accounting for matching funds;
  - Separation of responsibilities and internal controls;
  - Interest;
  - Accounting for assets and liabilities; and
  - Bank statements
- Most recent audited financial statements and report;
- Most recent audit report prepared to meet requirements of 2 CFR Part 200 Subpart F - Audit Requirements when applicable;
- Ledgers to include general, operating, and project (when applicable); and
- Journals to include cash receipts, cash disbursements, purchase, and payroll.

### Grant Financial Management

- Explanation of who handles financial and fiscal management responsibilities;
- Chart of accounts showing organization grants, cost centers for fund accounting and codes;
- Internal controls and delegations of authorities to commit, prepare, review, approve, sign, issue and record commitment or obligation documents (e.g., purchase orders, contracts, agreements, supplies, equipment, property, travel, sub awards, professional services, and checks);
- Identification of who receives, reviews, approves, and retains vouchers, invoices, and other source documents and how expenses are coded and allocated to organization's grants; and
- Vouchers or invoices showing their coding and allocation to grants along with recordation in financial system and inclusion in periodic reports.

### Records and Reports for Grant Expenditures, Match and Withdrawals

- Financial accounting system reports and records corresponding to the most recent financial status report;
- Documentation on who prepares, reviews, and certifies the financial status report;
- Most recent financial status report;
- Responsibility for and frequency of payment requests and withdrawals;
- Source documentation for entries in the financial accounting system;

- Identification of and reports on cash on hand and use of and reporting on interest bearing accounts.
- Supporting documentation for cash and in-kind match;
- Monitoring documents showing grantee expenditures (current and cumulative) and corresponding to the proposed VITA/TCE grant budget with cumulative expenditures and balances by cost category.

## **Procurement, Contracts, Purchase Orders, and Agreements**

- Policies and procedures for procurement, purchase orders, contracts, sub awards and agreements along with examples;
- Monitoring tools, reports, and payments for sub award agreements;
- Indirect cost rate agreement including limitations; and
- Use of and rates for consultants.

**Time and Effort Reports** – Policy, procedures and samples of completed, signed time sheets, including allocation of time to more than one cost center as necessary, for employees and volunteers, when applicable.

## **Other**

- Documentation of volunteers (Form 13615), training hours and activity records;
- Record retention policies and practices; and
- Property management and inventory controls.

Exhibit 10, Information Document Request (IDR), is sent with the initial letter showing the items needed for the review.

## On-Site Phase

The financial reviewer will conduct an interview, usually with the person(s) most knowledgeable about the organization's activities and operations, and review books and records. Length of the review can vary depending on the grant amount, level of documentation, etc. Following are highlights of the information and guidance used to review program expenses and matching requirements when applicable.

- Review against 2 CFR Part 200 Subpart E - Cost Principles – The cost principles establishes standards for Federal agencies for a uniform approach for determining the allow ability of costs.
- Source documentation - 2 CFR §200.302 - Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation.
- Records, contract and subaward documentation.
- Source documentation for cash contributions - Documentation showing cash received (sources, deposit); cash outlays (payrolls, invoices, cancelled checks); and evidence of volunteer services (time and effort reports).
- Documentation of in-kind contributions – Includes name and signature of donor; detailed description of item/service; date of receipt; value of contribution; how value was determined; who made the determination; and is verifiable from the grantee's records.

## List of Assurances and Certifications

By checking “I Agree” in Block 21 on the SF 424, your organization certified to the statements listed in Exhibit 11, List of Assurances and Certifications. This was in Appendix A of the application publications. It is Exhibit 2 in Publications 1101 and 4671. These assurances and certifications are also applicable to any organization that you sub award and should be included in your contracts or memorandums of understanding when sub awards are involved.

## Civil Rights Compliance Requirements

The SPEC organization has a process in place concerning providing the provision of civil rights assurances to ensure the requirements of Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title IX of the Education Amendments of 1972 (in education programs or activities), Age Discrimination Act of 1975, and Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency. The process applies to all SPEC partners if the partner is involved in a federal program or activity located in the United States that provides a benefit to others and receives federal financial assistance. Federal financial assistance is defined as grants, money, and other non-monetary forms such as the following:

- Loans of computer equipment,
- Loan of IRS personnel,
- Direct training of VITA volunteers,
- Provision of supplies and equipment,
- Use of federal property at reduced or no cost,
- Grants of computer software, and
- Waiver of fees for electronic filing of tax returns.

In general, the IRS must ensure that the recipient of federal financial assistance does not discriminate against potential beneficiaries of the assistance. Also, recipients must prominently display posters explaining civil rights protections and the procedures for filing complaints. Many of the organizations that you may be considering for sub awards may already certify to IRS on civil rights compliance because of non-monetary assistance received.

**Civil Rights Assurance** – A statement of assurance concerning civil rights compliance is incorporated into Publication 4299, *Privacy, Confidentiality, and Civil Rights - A Public Trust*. The assurance is confirmed by signing Form 13533, *Sponsor Agreement*, which reiterates the key principles of privacy, confidentiality, and civil rights. It is required annually. Form 13533 must be submitted annually when returning grant acceptance documents.

# ASSURANCES AND CERTIFICATIONS

**Civil Rights Evaluation of Program** – Exhibit 12, Integrating Civil Rights into Your Volunteer Programs, provides a series of questions to help when assessing, planning, and selecting sites for delivery of your volunteer return program to ensure that civil rights requirements are a priority in your program.

**Civil Rights Notification at Sites** – The civil rights poster should be displayed in English and Spanish at the entrance area of each site. IRS provides Publication 4053, *Your Civil Rights are Protected*, for this purpose. If you are prevented from posting anything at the site, an alternative product is available. Publication 4454, *Your Civil Rights are Protected*, is a brochure in English and Spanish that can be provided to individuals upon arrival at the site.

**Civil Rights Marketing Notification** – Many grant recipients will develop specialized marketing or publicity materials in both printed and electronic media. The following statements are examples of the language that should be included in this media:

- The [VITA/TCE program name] is a program that receives federal financial assistance from the U.S. Department of the Treasury. We do not discriminate based on race, color, national origin, sex, disability, age, and reprisal .
- [VITA/TCE program name] will make every effort to provide reasonable accommodations to persons with a disability. These accommodations will be provided at no cost to the taxpayer.
- [VITA/TCE program name] will provide language assistance to persons who are limited English proficient at no cost to the taxpayer.
- If you believe you have been discriminated against based on race, color, national origin including limited English proficiency, sex (in education programs and activities), disability, age, and/or reprisal, you may file a complaint with the Operations Director, Civil Rights Division, Internal Revenue Service, Room 2413, 1111 Constitution Ave. NW, Washington, DC 20224 or email [edi.civil.rights.division@irs.gov](mailto:edi.civil.rights.division@irs.gov).

**Other Civil Rights Resources** – In some situations, sites may find using “I Speak” flashcards helpful to identify the primary language of the taxpayer. Publication 4269, *Language Identification Flashcard*, is available on the forms and publications section of the [irs.gov](https://www.irs.gov) website for this purpose.

For other information concerning taxpayer civil rights, review the Fact Sheets and Civil Rights Advisories under the Site Coordinator Corner on the website.

## Lobbying

Federal law generally prohibits recipients of a federal contract, grant, loan, or cooperative agreement from using federal appropriated funds to pay any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, or officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement. 31 USC 1352; 31 CFR Part 21. Persons are required to file a certification form and a disclosure form with each submission that initiates agency consideration of such person for award of a federal contract, grant, or cooperative agreement exceeding \$100,000 or an award of a federal loan or a commitment providing for the United States to insure or guarantee a loan exceeding \$150,000. 31 CFR 21.110. See also 31 CFR 21.110 for additional requirements to revise or update forms. The certification if required is “The Certification for Contracts, Grants, Loans, and Cooperative Agreements” published as Appendix A to 31 CFR Part 21 and reprinted in this Publication as the “Certification Regarding Lobbying” within the List of Assurances and Certifications, Appendix A, Exhibit 2. The disclosure form to be filed, if required, is Standard Form LLL, Disclosure of Lobbying Activities, published as Appendix B to 31 CFR Part 21 and reprinted in Publication 4671 at Appendix A, Exhibit 4.

## Trafficking Victims Protection Act of 2000

The Trafficking Victims Protection Act of 2000, as amended, (22 USC § 7104) requires any agency that awards grants to include a condition authorizing the agency to terminate the grant if the grantee engages in certain activities related to trafficking in persons. As part of the implementation of the Act, the Office of Federal Financial Management has established terms that must be included in every grant agreement. See 2 CFR 175.15. The IRS may terminate the award, without penalty, if the grantee or any subgrantee engages in, or uses labor recruiters, brokers, or other agents who engage in:

- a. Severe forms of trafficking in persons;
- b. The procurement of a commercial sex act during the period of time that the award is in effect;
- c. The use of forced labor in the performance of the award; or
- d. Acts that directly support or advance trafficking in persons, including the following acts:
  - Destroying, concealing, removing, confiscating, or otherwise denying an employee access to that employee's identity or immigration documents.
  - Failing to provide return transportation or pay for return transportation costs to an employee from a country outside the United States to the country from which the employee was recruited upon the end of employment if requested by the employee, unless exempted from the requirement to provide or pay for such return transportation by the Federal department or agency providing or entering into the grant, contract, or cooperative agreement; or the employee is a victim of human trafficking seeking victim services or legal redress in the country of employment or a witness in a human trafficking enforcement action.
  - Soliciting a person for the purpose of employment, or offering employment, by means of materially false or fraudulent pretenses, representations, or promises regarding that employment.
  - Charging recruited employees unreasonable placement or recruitment fees, such as fees equal to or greater than the employee's monthly salary, or recruitment fees that violate the laws of the country from which an employee is recruited.
  - Providing or arranging housing that fails to meet the host country housing and safety standards.
  - The IRS may terminate the award if the grantee has an employee who is determined by the IRS official authorized to terminate the award to have violated a prohibition in items a, b, c, or d above through conduct that is either:
    - Associated with performance under the award; or
    - Imputed to the grantee using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR Part 180, OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Non-Procurement), as implemented by the Department of the Treasury at 31 CFR Part 19.

## Federal Funding Accountability and Transparency Act

The Federal Funding Accountability and Transparency Act (FFATA) of 2006, as amended, is intended to empower Americans with the ability to hold the government accountable for each spending decision. Each applicant must ensure it has the necessary processes and systems in place to comply with the FFATA reporting requirements should it receive funding. OMB has issued guidance to establish requirements for grantees to report information about executive compensation in certain circumstances. For more information, see 2 CFR Part 170.

## Unique Entity Identifier and System for Award Management

Applicants are required to register with the System for Award Management (SAM) prior to submitting a grant application and are required to maintain an active SAM registration with current information at all times during which it has an active federal award or an application under consideration. To remain registered in the SAM database after the initial registration, the applicant is required to review and update on an annual basis from the date of the initial registration or subsequent updates - of its information in the SAM database to ensure it is current, accurate, and complete. Applicants are also required to provide a Data Universal Numbering System (DUNS) number with each application. For more information, see 2 CFR Part 25.



## Corporate Felony Convictions

VITA funds currently may not be awarded to any corporation that was convicted or had an officer or agent of such corporation acting on behalf of the corporation convicted of a felony criminal violation under any federal law within the preceding 24 months, where the IRS is aware of the conviction, unless the IRS has considered suspension or debarment of the corporation, officer, or agent and made a determination that denial of the grant is not necessary to protect the interests of the government. You must certify either that you are not a corporation or that you have disclosed in your application all your felony criminal convictions and all felony criminal convictions of your officers and agents acting on your behalf that occurred under federal law within the preceding 24 months.

To disclose a covered conviction, use the VITA Grant Workbook or similar document to record information specific to the conviction and submit with your application through Grants.gov as an attachment.

## Crimes Involving Fraud, Bribery, or Gratuity

Applicants must disclose all violations of federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the award. Applicants awarded a grant will remain under a duty to disclose these acts and will need to require similar certifications from any grant sub-recipients.

To disclose a covered conviction, use the VITA Grant Workbook or similar document to record information specific to the conviction and submit with your application through Grants.gov as an attachment.

## Other Applicable Laws and Regulations

Federally funded programs are governed by a wide variety of federal laws and regulations. These include, but are not limited to:

- Restrictions on political activities at 18 USC. §§ 595, 598, 600-603;
- The preservation requirements in the National Historic Preservation Act (16 USC § 470 et seq.) and the Archeological and Historic Preservation Act of 1966 (16 USC § 469a-1 et seq.);
- Environmental requirements of the Clean Air Act (42 USC § 7401 et seq.);
- The non-pollution requirement of the Federal Water Pollution Control Provisions (33 USC § 1251 et seq.);
- Whistleblower protections at 41 USC 4712;
- Rules governing allowable costs at 41 USC 4304 and 4310; and
- Drug-free workplace requirements (41 USC 8101 et seq.), adopted by the Department of the Treasury at 31 CFR Part 20.

Note: Federal law prohibits the IRS, recipients or subrecipients of TCE or VITA Grant funds from providing TCE or VITA Grant funds to the Association of Community Organizations for Reform Now (ACORN) or any of its affiliates, subsidiaries, allied organizations, or successors as subgrantees, subcontractors or other subrecipients.

# APPENDIX

## Exhibit 1 - Form 9661, Cooperative Agreement, page 1

Form <b>9661</b> (April 2015)	Department of the Treasury - Internal Revenue Service <b>Cooperative Agreement</b>	<b>TCE</b>
<b>General Federal Award Information</b>		
Recipient name		Federal Award Identifier Number (FAIN)
Recipient address		Federal award date
		Period of performance    October 1, ____ to September 30, ____
City	State	Amount of federal funds obligated
Unique entity identifier (DUNS)		Total amount of federal funds obligated
Indirect cost rate    N/A for TCE		Total amount of federal award
Budget approved		Total cost sharing or matching required    N/A for TCE
Minimum federal returns to be accomplished by your program		Multi-Year award <input type="checkbox"/> Yes <input type="checkbox"/> No
		Multi-Year period <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3
<b>Grant Program Information</b>		
CFDA number and name    21.006 Tax Counseling for the Elderly		
Program source    20-2009		
Federal award description    The Tax Counseling for the Elderly (TCE) Program offers free tax help to individuals who are age 60 or older. Section 163 of the Revenue Act of 1978, Public Law No. 95-600, 92 Stat. 2810, November 6, 1978, authorizes this cooperative agreement. This Act authorizes the Internal Revenue Service (IRS) to enter into agreements with private or public non-profit agencies and organizations, which will provide training and technical assistance to volunteers who provide free tax counseling and assistance to elderly individuals in the preparation of their federal income tax returns.		
<b>Contact Information for IRS Grant Officer</b>		
Name	Lynn Tyler	Telephone number    240-613-6084
Address	Internal Revenue Service 5000 Ellin Road, NCFB C4-110 Lanham, Maryland 20706	Email address    lynn.r.tyler@irs.gov
		Alternate telephone number    404-338-7894
		Alternate email address    tce.grant.office@irs.gov
<p>This <b>Cooperative Agreement</b> is entered into by the Internal Revenue Service, Department of the Treasury, United States of America, hereinafter referred to as IRS, and the recipient shown above and hereinafter referred to as grant recipient.</p> <p><b>Period of Performance:</b> The Cooperative Agreement covers the grant period shown above and is conditional on compliance with terms and conditions as outlined throughout this agreement. Expenses incurred before or after this period are not covered by this grant.</p> <p>No additional expense reimbursements or other payments shall be made by the IRS unless the total amount of federal award set forth above is increased in writing by the Director, Stakeholder Partnerships, Education and Communication, Wage and Investment Division, or their designee.</p> <p>If multi-year award is indicated above, you are an approved multi-year grant recipient. Your grant will be renewed in year two or year three, provided your organization meets the multi-year grant criteria as outlined in the application package for your initial multi-year award. Funding for the subsequent grant cycle may be increased or decreased, depending on the Congressional appropriation for the TCE Program and your organization's performance during the grant cycle covered by this award.</p>		
<b>Approved by an Authorized Representative of the Recipient</b>		<b>Approved for the Internal Revenue Service</b>
Name (print) _____		Name (print) _____
Title (print) _____		Director, Stakeholder Partnerships, Education & Communication
Signature _____ Date _____		Signature _____ Date _____

## Exhibit 1 - Form 9661, Cooperative Agreement, page 2

Page 2

### General Terms and Conditions

#### Administrative and National Policy Requirements

The grant recipient agrees to operate a TCE program as proposed in conformity with the requirements of the following:

1. TCE Grant Program Terms and Conditions
2. Administrative and National Policy Requirements
3. Form 8653, Application Plan
4. Proposed Program/Budget Plan;
5. Publication 1101, Application Package and Guidelines for Managing a TCE Program;
6. Standard Form 424, Application for Federal Assistance;
7. List of Assurances and Certifications;
8. Section 163 of the Revenue Act of 1978, Public Law No. 95-600, 92 Stat. 2810, November 6, 1978;
9. Grant award administrative requirements are set forth in OMB Circulars. The administrative requirements applicable to the TCE Grant are contained in 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and Federal regulations, as applicable;
10. All additional applicable statutory requirements, including the whistleblower protections at 41 U.S.C. 4712 and rules governing allowable costs at 41 U.S.C. 4304 and 4310, and all additional applicable requirements in OMB Circulars, Department of the Treasury Circulars and Federal Management Circulars;
11. The common rule on non-procurement debarment and suspension, adopted by the Department of the Treasury (31 CFR Part 19);
12. The common rule on government-wide requirements for Drug-Free Workplace (Grants), adopted by the Department of the Treasury (31 CFR Part 20);
13. All sub-award and executive compensation reporting, system of award management and universal identifier requirements for grant award recipients and organizations receiving subawards are set forth as items I and II in the Terms and Conditions Addendum to this Grant Agreement; and
14. The Trafficking Victims Protection Act of 2000, as amended at 22 U.S.C. 7104, which prohibits grant award recipients and sub-recipients from engaging in severe forms of trafficking in persons during the period of time that the award is in effect, procuring a commercial sex act during the period of time that the award is in effect, using forced labor in the performance of the award or subawards under the award, or directly supporting or advancing trafficking in persons, as set forth as item III in the Terms and Conditions Addendum to this Cooperative Agreement.

## Exhibit 1 - Form 9661, Cooperative Agreement, page 3

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### TCE Grant Program Terms and Conditions

These special terms and conditions neither restate all the provisions of the applicable statutes and regulations, nor represent an exhaustive listing of all requirements applicable to this award. Rather, they are emphasized by inclusion here because they represent areas where issues were identified in the past.

1. The grant recipient's signature on Form 9661, Cooperative Agreement, signifies the agreement to all terms and conditions.
2. The grant recipient is obligated to provide management and technical direction for their program and adhere to the provisions established by this agreement.
3. The grant recipient and any sub-recipient organizations must adopt and practice a non-discriminatory policy and practice a policy that meets all federal grant requirements.
4. Revisions to the Form 8653, Tax Counseling for the Elderly Program Application Plan, and the Program and Budget Plans must be submitted within twenty (20) calendar days from notification of award to the IRS Grant Program Office electronically and approved by IRS prior to funding being released. In addition, Form 9661, Cooperative Agreement and Form 13533, Sponsor Agreement are also due within 20 calendar days from notification of award as well. Subsequent changes to the budget between object class categories may be made without pre-approval when the change is 10% or less of the total award. Approval of changes greater than 10% must be requested in advance electronically and approved before the change may be made. The maximum award amount does not change.
5. The grant recipient must notify IRS within ten (10) business days when changes in key personnel involved in the program occur. IRS will research the Excluded List System to ensure they are not debarred, suspended, or otherwise excluded from or ineligible for a federal award. You may check this yourself before hiring or designating a change by visiting the Excluded Parties List System at [www.sam.gov](http://www.sam.gov).
6. The grant recipient must utilize the Payment Management Services, Health and Human Services, for withdrawal and reporting of fund expenditures. Advance funds may only be withdrawn for expenditures that will be incurred within three (3) business days of the receipt of the funds. Reimbursement funds may be withdrawn at anytime for allowable, allocable, and necessary expenditures already incurred. It is the responsibility of the grant recipient to notify both the Grant Program Office and HHS with changes in the contact information or banking information for the PMS System.
7. **Timely responses and reporting is required as explained in the Grant Reporting Requirements. The submission of all requested information, as well as timely and accurate reports, is required for future consideration for subsequent year grants.** Extensions for providing the requested information and filing the reports will only be granted in unusual circumstances and only for information or reports due to the Grant Program Office. Recipients may request an extension but it must be submitted in writing at least five (5) business days prior to the due date and the grantee must receive written response confirming the extension **before the due date**. The Grant Program Office cannot grant extensions for the Payment Management System or sub-award reporting.
8. Financial systems must provide for the identification of the source of and application of funds for the TCE Program. Grant recipients must maintain documentation of TCE expenditures for a minimum period of three (3) years from the end of the program.
9. Federal funds may not be used to pay individuals for the preparation of returns, quality review and/or screening taxpayers. Funds may be used for individuals providing technical support, clerical support, and administrative support for the TCE program and grant recipients must document their time accordingly to ensure they are paid for their support.
10. At this time, Federal law prohibits the IRS and all recipients of TCE funds from providing grant funds to the Association of Community Organizations for Reform Now (ACORN) or any of its affiliates, subsidiaries, allied organizations, or successors as sub-grantees, subcontractors or other sub-recipients. This prohibition may be lifted by next fiscal year. Contact the Grant Program Office for up-to-date information about this prohibition.
11. The grant recipient must notify the Grant Program Office of any cash sub-awards of \$1,000 or more. Notification must be within 30 days of the sub-award and include the entity name, DUNS number, and amount of award. Recipients are not required to report non-cash sub-awards to the Grant Program Office, such as when the grantee purchases supplies for the entity. Sub-awards involving both cash and non-cash only need to be reported if the cash award is \$1,000 or greater.

## Exhibit 1 - Form 9661, Cooperative Agreement, page 4

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12. The grant recipient must follow IRS conflict of interest policies for federal awards and must immediately disclose in writing any potential conflict of interest to the Grant Program Office. The grant recipient must require each sub-recipient to follow IRS conflict of interest policies for federal awards and must require each sub-recipient to immediately disclose in writing any potential conflict of interest to the grant recipient. IRS conflict of interest policies are as follows:
  - a. The grant recipient and all sub-recipients must maintain written standards of conduct covering conflicts of interest and governing the performance of its employees, officers, and agents engaged in the selection, award, and administration of sub-awards and contracts as required in 2 CFR 200.318. No employee, officer, or agent of the grant recipient or any sub-recipient may participate in the selection, award, or administration of a sub-award or contract supported by a federal award if he or she has a real or apparent conflict of interest. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by employees, officers, and agents.
  - b. If the grant recipient or sub-recipient has a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe, the grant recipient or sub-recipient must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, the grant recipient or sub-recipient is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization.
13. The grant recipient must timely disclose in writing to the Grant Program Office any violation of federal criminal law involving fraud, bribery, or gratuity that may potentially affect the award. Failure to make required disclosures can result in a number of actions, including withholding of payments, disallowance, and suspension/debarment from future awards. The grant recipient must require each sub-recipient to certify that the sub-recipient has not violated any federal criminal law involving fraud, bribery, or gratuity that may potentially affect the award or disclose in writing to the grant recipient any violation of federal criminal law involving fraud, bribery, or gratuity that may potentially affect the award. The grant recipient must also include in the award documents for all sub-awards a requirement that the sub-recipient timely disclose in writing to the grant recipient any violation of federal criminal law involving fraud, bribery, or gratuity that may potentially affect the award.
14. All contracts made by the grant recipient under the federal award must contain all applicable provisions listed in Appendix II to 2 CFR Part 200.
15. The grant recipient and any sub-recipient organizations must utilize Form 13614-C, *Intake/Interview & Quality Review Sheet* at sites or activities where federal returns are prepared. The grant recipient and any sub-recipient organizations must adhere to all Quality Site Requirements as explained in the Publication 1084, *IRS Volunteer Site Coordinator's Handbook*.
16. The grant recipient agrees to remain tax compliant (file all required federal returns and information reporting documents and pay all federal taxes) during the period of this grant. Any finding or allegation of tax noncompliance may result in the immediate termination of the grant and/or impact eligibility for future funding.
17. It is the intention that all grant recipient organizations electronically file all eligible returns. It is a goal for the TCE program that at least sixty five percent of all electronically filed returns completed are for taxpayers aged 60+. Organizations not meeting this goal may impact their consideration during the subsequent year grant application period.
18. The grant recipient must have a valid Dun & Bradstreet Number System (DUNS) number and maintain current registration through the System for Award Management (SAM) at [www.sam.gov](http://www.sam.gov) throughout the entire grant award cycle.
19. IRS may terminate this agreement for reasons of default or failure of the grant recipient to perform their obligations under this agreement, as well as for malfeasance, illegal conduct, and/or management practices by the grant recipient that jeopardize the ethical operations and implementation of this agreement. In any of the above cases, IRS will notify the grant recipient in writing of its intent to terminate the agreement and the causes for such a decision. IRS will provide seven (7) days for the grant recipient to respond in writing.
20. The grant recipient agrees to comply with the requirements included in the terms and conditions.
21. **GRANT REPORTING REQUIREMENTS** – The grant recipient is responsible for ensuring reports are timely and accurately filed throughout the grant period and until close out of the grant. The following reports and reporting dates apply to the TCE Grant.

# APPENDIX

## Exhibit 1 - Form 9661, Cooperative Agreement, page 5

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Item	Description	Method	Period	Due Date
1.	<b>Grant Notification</b> – In order to establish and fund the grant certain actions must be completed in a timely manner. The grant notification package provides a list of items that must be completed and returned.	Due to IRS	Annually upon notification of grant award	Within 20 calendar days of grant notification
2.	<b>Key Personnel Changes</b> – Notify your assigned grant officer when key program personnel change.	Due to IRS – TCE Grant Program Office	Throughout grant period	Within 10 business days of change
3.	<b>Federal Financial Report (FFR) Cash Transaction Report</b> (Standard Form 425). This report is used for reporting quarterly and final period financial information. Quarterly reports are due within 30 days of end of the quarter. Once all funds are expended and the corresponding FFR completed, future quarterly reporting is not required.	<ul style="list-style-type: none"> <li>File electronically through the DPM</li> <li>Fax copy to DP</li> <li>Fax or email copy to IRS</li> </ul>	Quarterly once funds are deposited in PMS account	January 30 April 30 July 30 October 30
4.	<b>Site Establishment Report</b> – List of all sites opened or planned to open under the grant. Notify the Territory Office if there are any changes made to this list during the filing season.	Due to IRS – SPEC Territory Office; Report on Form 13715	At beginning of filing season and when changes are made throughout the filing season	December 1 Ongoing
5.	<b>Volunteer Agreement</b> – All volunteers must agree to the established standards of conduct and sign prior to assisting at the TCE site.	Maintain at the site or Partner level; Report on Form 13615	Filing Season	Prior to providing assistance at TCE Site
6.	<b>Volunteer Assistance Summary</b> – All partners/site coordinators must provide a list of all volunteers working at a TCE site, the dates the volunteers received certification and their level of training.	Due to IRS – SPEC Territory Office; Report on Form 13206	Filing Season	3 <sup>rd</sup> business day after end of each month
7.	<b>Sub-award Reporting</b> – Applicability includes consideration of award amount, whether your organization sub-awards, and existing reporting of executive compensation. See 2 CFR Part 170, <a href="#">Appendix A</a> for full information.	File electronically at <a href="http://www.fsrs.gov">www.fsrs.gov</a> and <a href="http://www.sam.gov">www.sam.gov</a>	Upon sub award of funds meeting described conditions	By the end of the month following the month during which you make the Sub-award
8.	<b>Form 8654, Tax Counseling for the Elderly Program Semi-Annual/Annual Program Report – Preliminary Report &amp; Narrative</b> (Due ONLY if program is in operation after April 30th; otherwise see Number 9 below)	Due to IRS – TCE Grant Program Office	10/01– 5/31	June 30
9.	<b>Unused Funds Notification</b> – Provide IRS with confirmation that all funds awarded will be utilized; if not, provide amount that can be released.	Due to IRS – TCE Grant Program Office	Annually	June 30
10.	<b>Form 8654, Tax Counseling for the Elderly Program Semi-Annual/Annual Program Report – Final Narrative</b> . This is the final report and covers the entire grant period (10/01 – end of program). It is due 90 days after completion of your program.	Due to IRS – TCE Grant Program Office	10/01– end of program	90 days after grant period ends

Information due to the IRS must be submitted electronically (unless otherwise directed) to the grant analyst assigned responsibility for your grant. Due to size restrictions in our email system, the grant recipient is responsible for confirming the receipt of electronic messages with attachments.



## Exhibit 1 - Form 9661, Cooperative Agreement, page 6

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**Terms and Conditions Addendum**


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NOTE: The System for Award Management (SAM) has replaced the Central Contractor Registration (CCR) system. All requirements set forth below regarding CCR should be performed in SAM at [www.sam.gov](http://www.sam.gov).

**I. Reporting Sub-awards and Executive Compensation.****a. Reporting of first-tier subawards.**

1. Applicability. Unless you are exempt as provided in paragraph d. of this award term, you must report each action that obligates \$25,000 or more in Federal funds that does not include Recovery funds (as defined in section 1512(a)(2) of the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5) for a subaward to an entity (see definitions in paragraph e. of this award term).
2. Where and when to report.
  - i. You must report each obligating action described in paragraph a.1. of this award term to <http://www.fsrs.gov>.
  - ii. For subaward information, report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2010, the obligation must be reported by no later than December 31, 2010.)
3. What to report. You must report the information about each obligating action that the submission instructions posted at <http://www.fsrs.gov> specify.

**b. Reporting Total Compensation of Recipient Executives.**

1. Applicability and what to report. You must report total compensation for each of your five most highly compensated executives for the preceding completed fiscal year, if--
  - i. the total Federal funding authorized to date under this award is \$25,000 or more;
  - ii. in the preceding fiscal year, you received--
    - (A) 80 percent or more of your annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and
    - (B) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and
  - iii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>.)
2. Where and when to report. You must report executive total compensation described in paragraph b.1. of this award term:
  - i. As part of your registration profile at <https://www.sam.gov>.
  - ii. By the end of the month following the month in which this award is made, and annually thereafter.

**c. Reporting of Total Compensation of Subrecipient Executives.**

1. Applicability and what to report. Unless you are exempt as provided in paragraph d. of this award term, for each first-tier subrecipient under this award, you shall report the names and total compensation of each of the subrecipient's five most highly compensated executives for the subrecipient's preceding completed fiscal year, if--
  - i. in the subrecipient's preceding fiscal year, the subrecipient received--
    - (A) 80 percent or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and
    - (B) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts), and Federal financial assistance subject to the Transparency Act (and subawards); and



## Exhibit 1 - Form 9661, Cooperative Agreement, page 7

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- ii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/excomp.htm>.)
  - 2. Where and when to report. You must report subrecipient executive total compensation described in paragraph c.1. of this award term:
    - i. To the recipient.
    - ii. By the end of the month following the month during which you make the subaward. For example, if a subaward is obligated on any date during the month of October of a given year (i.e., between October 1 and 31), you must report any required compensation information of the subrecipient by November 30 of that year.
  - d. Exemptions
    - 1. If, in the previous tax year, you had gross income, from all sources, under \$300,000, you are exempt from the requirements to report:
      - i. Subawards, and
      - ii. The total compensation of the five most highly compensated executives of any subrecipient.
  - e. Definitions. For purposes of this award term:
    - 1. Entity means all of the following, as defined in 2 CFR part 25:
      - i. A Governmental organization, which is a State, local government, or Indian tribe;
      - ii. A foreign public entity;
      - iii. A domestic or foreign nonprofit organization;
      - iv. A domestic or foreign for-profit organization;
      - v. A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.
    - 2. Executive means officers, managing partners, or any other employees in management positions.
    - 3. Subaward:
      - i. This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.
      - ii. The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, see Sec. \_\_.210 of the attachment to OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations").
      - iii. A subaward may be provided through any legal agreement, including an agreement that you or a subrecipient considers a contract.
    - 4. Subrecipient means an entity that:
      - i. Receives a subaward from you (the recipient) under this award; and
      - ii. Is accountable to you for the use of the Federal funds provided by the subaward.
    - 5. Total compensation means the cash and noncash dollar value earned by the executive during the recipient's or subrecipient's preceding fiscal year and includes the following (for more information see 17 CFR 229.402(c)(2)):
      - i. Salary and bonus.
      - ii. Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.
      - iii. Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.
      - iv. Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.
      - v. Above-market earnings on deferred compensation which is not tax-qualified.
      - vi. Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds \$10,000.

## Exhibit 1 - Form 9661, Cooperative Agreement, page 8

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**II. System of Award Management and Universal Identified Requirements****a. Requirement for System of Award Management**

Unless you are exempted from this requirement under 2 CFR 25.110, you as the recipient must maintain the currency of your information in the SAM until you submit the final financial report required under this award or receive the final payment, whichever is later. This requires that you review and update the information at least annually after the initial registration, and more frequently if required by changes in your information or another award term.

**b. Requirement for unique entity identifier**

If you are authorized to make subawards under this award, you:

1. Must notify potential subrecipients that no entity (see definition in paragraph C of this award term) may receive a subaward from you unless the entity has provided its unique entity identifier to you.
2. May not make a subaward to an entity unless the entity has provided its unique entity identifier to you.

**c. Definitions**

For purposes of this award term:

1. System of Award Management (SAM) means the Federal repository into which an entity must provide information required for the conduct of business as a recipient. Additional information about registration procedures may be found at the SAM Internet site (currently at <http://www.sam.gov>).
2. Unique entity identifier means the identifier required for SAM registration to uniquely identify business entities.
3. Entity, as it is used in this award term, means all of the following, as defined at 2 CFR part 25, subpart C:
  - i. A Governmental organization, which is a State, local government, or Indian Tribe;
  - ii. A foreign public entity;
  - iii. A domestic or foreign nonprofit organization;
  - iv. A domestic or foreign for-profit organization; and
  - v. A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.
4. Subaward:
  - i. This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.
  - ii. The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, see 2 CFR 200.330).
  - iii. A subaward may be provided through any legal agreement, including an agreement that you consider a contract.
5. Subrecipient means an entity that:
  - i. Receives a subaward from you under this award; and
  - ii. Is accountable to you for the use of the Federal funds provided by the subaward.

**III. Trafficking in Persons****a. Provisions applicable to a recipient that is a private entity.**

1. You as the recipient, your employees, sub-recipients under this award, and sub-recipients' employees may not—
  - i. Engage in severe forms of trafficking in persons during the period of time that the award is in effect;
  - ii. Procure a commercial sex act during the period of time that the award is in effect; or
  - iii. Use forced labor in the performance of the award or sub-awards under the award.
2. We as the Federal awarding agency may unilaterally terminate this award, without penalty, if you or a sub-recipient that is a private entity —
  - i. Is determined to have violated a prohibition in paragraph a.1 of this award term; or

## Exhibit 1 - Form 9661, Cooperative Agreement, page 9

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- ii. Has an employee who is determined by the agency official authorized to terminate the award to have violated a prohibition in paragraph a.1 of this award term through conduct that is either--
      - (A) Associated with performance under this award; or
      - (B) Imputed to you or the sub-recipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR part 180, "OMB Guidelines to Agencies on Government-wide Debarment and Suspension (Non-procurement)," as implemented by the Department of Treasury at 31 CFR part 19.
  - b. Provision applicable to a recipient other than a private entity. We as the Federal awarding agency may unilaterally terminate this award, without penalty, if a sub-recipient that is a private entity--
    - 1. Is determined to have violated an applicable prohibition in paragraph a.1 of this award term; or
    - 2. Has an employee who is determined by the agency official authorized to terminate the award to have violated an applicable prohibition in paragraph a.1 of this award term through conduct that is either--
      - i. Associated with performance under this award; or
      - ii. Imputed to the sub-recipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR part 180, "OMB Guidelines to Agencies on Government-wide Debarment and Suspension (Non-procurement)," as implemented by the Department of Treasury at 31 CFR part 19.
  - c. Provisions applicable to any recipient.
    - 1. You must inform us immediately of any information you receive from any source alleging a violation of a prohibition in paragraph a.1 of this award term.
    - 2. Our right to terminate unilaterally that is described in paragraph a.2 or b of this section:
      - i. Implements section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. 7104(g)), and
      - ii. Is in addition to all other remedies for noncompliance that are available to us under this award.
    - 3. You must include the requirements of paragraph a.1 of this award term in any sub-award you make to a private entity.
  - d. Definitions. For purposes of this award term:
    - 1. "Employee" means either:
      - i. An individual employed by you or a sub-recipient who is engaged in the performance of the project or program under this award; or
      - ii. Another person engaged in the performance of the project or program under this award and not compensated by you including, but not limited to, a volunteer or individual whose services are contributed by a third party as an in-kind contribution toward cost sharing or matching requirements.
    - 2. "Forced labor" means labor obtained by any of the following methods: the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.
    - 3. "Private entity":
      - i. Means any entity other than a State, local government, Indian tribe, or foreign public entity, as those terms are defined in 2 CFR 175.25.
      - ii. Includes:
        - (A) A nonprofit organization, including any nonprofit institution of higher education, hospital, or tribal organization other than one included in the definition of Indian tribe at 2 CFR 175.25(b).
        - (B) A for-profit organization.
    - 4. "Severe forms of trafficking in persons," "commercial sex act," and "coercion" have the meanings given at section 103 of the TVPA, as amended (22 U.S.C. 7102).

# APPENDIX

## Exhibit 2 - Form 13981, Grant Agreement, page 1

Form <b>13981</b> (Revised July 2015)	Department of the Treasury - Internal Revenue Service <b>Grant Agreement</b>	<b>VITA</b>
<b>General Federal Award Information</b>		
Recipient name	Minimum federal returns to be accomplished by your program Federal Award Identifier Number (FAIN) Federal award date	
Recipient address	Period of performance July 1, _____ to June 30, _____ Amount of federal funds obligated Total amount of federal funds obligated Total amount of federal award	
Unique Entity Identifier (DUNS)	Total cost sharing or matching required	
Indirect cost rate	Multi-year award <input type="checkbox"/> Yes <input type="checkbox"/> No	
Budget approved	Multi-year period <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3	
<b>Grant Program Information</b>		
CFDA number and name	21.009 Volunteer Income Tax Assistance (VITA) Matching Grant Program	
Program source	20-2009	
Federal award project description	This project enables the Volunteer Income Tax Assistance (VITA) program to extend services to underserved populations in hardest-to-reach areas, both urban and non-urban; increase the capacity to file returns electronically; heighten quality control; enhance training of volunteers; and improve significantly the accuracy rate of returns prepared at VITA sites.	
<b>Contact Information for IRS Grant Officer</b>		
Name (primary)	Phone/Email	
Name (alternate)	Phone/Email	
Address	Internal Revenue Service 401 W. Peachtree St. Stop 402-D Atlanta, Georgia 30308	
	General phone	404-338-7894
	General email	Grant.Program.Office@irs.gov
<p>This <b>Grant Agreement</b> is entered into by the Internal Revenue Service, Department of the Treasury, United States of America, hereinafter referred to as IRS, and the recipient shown above and hereinafter referred to as recipient.</p> <p><b>Period of Performance:</b> The Grant Agreement covers the grant period shown above and is conditional on compliance with terms and conditions as outlined throughout this agreement. Expenses incurred before or after this period are not covered by this grant.</p> <p>No additional expense reimbursements or other payments shall be made by the IRS unless the total amount of federal award set forth above is increased in writing by the Director, Stakeholder Partnerships, Education and Communication, Wage and Investment Division, or their designee.</p> <p>If multi-year award is indicated above, you are an approved multi-year grant recipient. Your grant will be renewed in year two or year three, provided your organization meets the multi-year grant criteria as outlined in the application package for your initial multi-year award. Funding for the subsequent grant cycle may be increased or decreased, depending on the Congressional appropriation for the VITA Grant Program and your organization's performance during the grant cycle covered by this award.</p>		
Approved for the Internal Revenue Service by		Approved by an Authorized Representative of the Recipient
Name		Name <i>(Please Print)</i>
Title		Title <i>(Please Print)</i>
Director, Stakeholder Partnerships, Education & Communication		
Date	Internal Revenue Service Signature	Authorized Representative of the Recipient Signature

## Exhibit 2 - Form 13981, Grant Agreement, page 2

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**General Terms and Conditions**


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**Administrative and National Policy Requirements**

The recipient agrees to operate a VITA program as proposed in conformity with the requirements of the following:

1. VITA Grant Program Terms and Conditions;
2. Administrative and National Policy Requirements;
3. Publication 4671, VITA Grant Program Overview and Application Instructions;
4. The Standard Form 424, List of Assurances and Certifications;
5. Office of Management and Budget (OMB) 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards; and other Federal regulations, as applicable;
6. All additional applicable statutory requirements, including the whistleblower protections at 41 U.S.C. 4712, and rules governing allowable costs at 41 U.S.C. 4304 and 4310, and all additional applicable requirements in OMB Circulars, Department of the Treasury Circulars and Federal Management Circulars;
7. The common rule on non-procurement debarment and suspension, adopted by the Department of the Treasury (31 CFR Part 19);
8. The common rule on government-wide requirements for Drug-Free Workplace (Grants), adopted by the Department of the Treasury (31 CFR Part 20);
9. All sub-award and executive compensation reporting, central contractor registration and universal identifier requirements for grant award recipients and organizations receiving subawards are set forth as items I and II in the Terms and Conditions Addendum to this Grant Agreement; and
10. The Trafficking Victims Protection Act of 2000, as amended at 22 U.S.C. 7104, which prohibits grant award recipients and sub-recipients from engaging in severe forms of trafficking in persons during the period of time that the award is in effect, procuring a commercial sex act during the period of time that the award is in effect, using forced labor in the performance of the award or subawards under the award, or directly supporting or advancing trafficking in persons, as set forth as item III in the Terms and Conditions Addendum to this Grant Agreement.

## Exhibit 2 - Form 13981, Grant Agreement, page 3

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**VITA Grant Program Terms and Conditions**


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These special terms and conditions neither restate all the provisions of the applicable statutes and regulations, nor represent an exhaustive listing of all requirements applicable to this award. Rather, they are emphasized by inclusion here because they represent areas where issues were identified in the past.

1. The Recipient's signature on the Form 13981, Grant Agreement, signifies the agreement to all terms and conditions.
2. The Recipient is obligated to provide management and technical direction for their program and ensure that all sub-recipients adhere to the provisions established by this agreement.
3. The Recipient and all sub-recipients must adopt and practice a non-discriminatory policy and practice a policy that meets all federal grant requirements.
4. Revisions to the program plan and budget must be electronically submitted within 20 calendar days from notification of award to the IRS Grant Program Office. Subsequent changes to the budget between object class categories may be made without pre-approval when the change is 25% or less of the total award. Approval of changes greater than 25% must be requested in advance electronically and approved before the change may be made. The maximum award amount does not change.
5. The Recipient must notify IRS within 10 business days when changes in key personnel involved in the program occur.
6. The Recipient must utilize the Payment Management System (PMS), Division of Payment Management, Health and Human Services, for withdrawal and reporting of fund expenditures. Advance funds may only be withdrawn for expenditures that will be incurred within three (3) business days of the receipt of the funds. Funds may be withdrawn at any time during the period of performance and up to 90 days thereafter for allowable, allocable, and necessary expenditures already incurred. Notification of changes in contact information for the PMS is the responsibility of the Recipient.
7. **The Recipient is responsible for ensuring timely responses to requests for information and accurate reporting as explained in the Grant Reporting Requirements section of this agreement. The submission of all requested information, as well as timely and accurate reports, is required for future consideration for a grant.** Extensions for providing the requested information and filing the reports will only be granted in unusual circumstances and only for information or reports due to the Grant Program Office. Recipients may request an extension but it must be submitted in writing at least five business days prior to the due date and the grantee must receive written response confirming the extension **before the due date**. The Grant Program Office cannot grant extensions for Payment Management System or sub-award reporting.
8. Financial records must identify the source and application of funds used for this program. Recipients must maintain documentation of expenditures, from both federal and matching funds, along with all in-kind contributions from third party or sub-recipient contributors for a minimum period of three years from the end of the program period of this agreement.
  - a. **For recipients that utilize volunteer services as a match, information maintained must include the volunteer's name and contact information (address, phone and/or email) and daily time sheets to demonstrate work completed.** If the volunteer provides services for other than the VITA program, the time must be allocated to identify the time contributed to the VITA program. Recipients using the simplified method for keeping record of volunteer return preparation services must maintain the number of federal returns prepared and the determination of the rates paid to paid return preparers in the local labor market instead of maintaining timesheets for volunteer screening, preparation, and quality review.
  - b. Recipient must also allocate and report time for non-volunteers who perform duties for the VITA program. Time sheets for non-volunteers must clearly delineate the amount of time an individual spends on the VITA program and on other activities. For salaried employees not required to complete timesheets, documentation is required to account for the time spent on the VITA program.
  - c. For recipients that utilize space as a match, information must be maintained on the actual dates and times the space is used and the calculated value of the space. A complete explanation as to how the valuation was determined is required. The use of per day and/or per hour costs should not exceed the fair market rental value of the space.
9. **Federal funds may not be used to pay individuals for the preparation of returns, quality review and/or screening taxpayers.** Individuals performing these duties in addition to site coordination, clerical support, etc. must document their time accordingly to ensure they are not paid for these activities. Where the preparation of a return, quality review and/or screening is ancillary to their paid activities, documentation is not required. For example, quality



## Exhibit 2 - Form 13981, Grant Agreement, page 4

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**VITA Grant Program Terms and Conditions (continued)**

review is ancillary in the case of a site coordinator that is generally not responsible for quality review, reviews returns when the quality reviewer is delayed by traffic during one session until the quality reviewer arrives or a backup is identified. However, it is not ancillary if every Tuesday, the quality reviewer arrives one hour after the site opens, and the site coordinator assumes the role of quality reviewer during the absence each week.

10. The Recipient and all sub-recipients must utilize Form 13614-C, *Intake/Interview & Quality Review Sheet* at sites or events where federal returns are prepared.
11. The Recipient and all sub-recipients must adhere to all Quality Site Requirements as explained in Publication 1084, *IRS Volunteer Site Coordinator's Handbook*.
12. The Recipient agrees to remain tax compliant (file all required federal returns and information reporting documents and pay all federal taxes) during the period of this grant. This does not restrict the Recipient's use of established processes for contesting assessments.
13. The Recipient must notify the Grant Program Office of any cash sub-awards of \$1,000 or more. Notification must be within 30 days of the sub-award and include the entity name, a valid DUNS number, and amount of award. Recipients are not required to report non-cash sub-awards to the Grant Program Office, such as when the grantee purchases supplies for the entity. Sub-awards involving both cash and non-cash only need to be reported if the cash award is \$1,000 or greater.
14. The Recipient must follow IRS conflict of interest policies for federal awards and must immediately disclose in writing any potential conflict of interest to the Grant Program Office. The Recipient must require each sub-recipient to follow IRS conflict of interest policies for federal awards and must require each sub-recipient to immediately disclose in writing any potential conflict of interest to the Recipient. IRS conflict of interest policies are as follows:
  - a. The Recipient and all sub-recipients must maintain written standards of conduct covering conflicts of interest and governing the performance of its employees, officers, and agents engaged in the selection, award, and administration of sub-awards and contracts as required in 2 CFR 200.318. No employee, officer, or agent of the Recipient or any sub-recipient may participate in the selection, award, or administration of a sub-award or contract supported by a federal award if he or she has a real or apparent conflict of interest. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by employees, officers, and agents.
  - b. If the Recipient or sub-recipient has a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe, the Recipient or sub-recipient must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, the Recipient or sub-recipient is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization.
15. All contracts made by the Recipient under the federal award must contain all applicable provisions listed in Appendix II to 2 CFR Part 200.
16. The Recipient must timely disclose in writing to the Grant Program Office any violation of federal criminal law involving fraud, bribery, or gratuity that may potentially affect the award. Failure to make required disclosures can result in a number of actions, including withholding of payments, disallowance, and suspension/debarment from future awards. The Recipient must require each sub-recipient to certify that the sub-recipient has not violated any federal criminal law involving fraud, bribery, or gratuity that may potentially affect the award or disclose in writing to the Recipient any violation of federal criminal law involving fraud, bribery, or gratuity that may potentially affect the award. The Recipient must also include in the award documents for all sub-awards a requirement that the sub-recipient timely disclose in writing to the Recipient any violation of federal criminal law involving fraud, bribery, or gratuity that may potentially affect the award.
17. The Recipient and all sub-recipients are prohibited from providing funds made available by the Internal Revenue Service to the Association of Community Organizations for Reform Now (ACORN) or any of its affiliates, subsidiaries, allied organizations, or successors as sub-grantees, subcontractors or other sub-recipients.
18. IRS may terminate this agreement for reasons of default or failure of the Recipient to perform its obligations under this agreement, as well as for malfeasance, illegal conduct, and/or management practices by the Recipient that jeopardize the ethical operations and implementation of this agreement. In any of the above cases, IRS will notify the Recipient in writing of its intent to terminate the agreement and the causes for such a decision. IRS will provide seven days for the Recipient to respond in writing.



## Exhibit 2 - Form 13981, Grant Agreement, page 5

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**VITA Grant Reporting Requirements Section**

The Recipient is responsible for ensuring requests for information and/or documents are acted upon promptly and responded to by the requested date and to ensure all reports are timely and accurately filed throughout the grant period and until close out of the grant. The following information requests, reports and reporting dates apply to the VITA Grant.

Item	Description	Method	Frequency	Due
1*	<b>Grant Acceptance</b> – In order to establish and fund the grant certain actions must be completed in a timely manner.	Due to IRS	Annually upon notification of grant award	Within 20 calendar days of grant notification
2	<b>Key Personnel Changes</b> – Notify your assigned grant officer when key program personnel change.	Due to IRS	Variable	Within 10 business days of change
3	<b>Cash Sub-Awards of \$1,000 or more Reporting</b> – See VITA Grant Program Terms and Conditions to determine applicability to your organization.	Due to IRS	Variable	Within 30 days of sub-award
4	<b>Related Party Transaction Reporting</b> – See VITA Grant Program Terms and Conditions to determine applicability to your organization.	Due to IRS	Variable	Within 30 days of transaction
5	<b>Site Establishment Report</b> – List of all sites planned to open (December 1) or opened under the grant (September 30). Update the VITA Target Audience worksheet in the VITA Grant Workbook submitted with your application. If no changes are required to previously submitted information, an email notifying the grant officer that there are no changes is sufficient.	Due to IRS	Before filing season and with final reporting	December 1 September 30
6	Federal Financial Report (FFR) <b>Cash Transaction Report</b> (Standard Form 425) – This report provides quarterly financial information. Reporting continues until all grant funds are withdrawn and reported.	File electronically in the Payment Management System (PMS)	Quarterly once funds are deposited in PMS account	January 30 April 30 July 30 October 30
7*	<b>Matching Funds Documentation</b> – Due if sufficient matching was not already provided in the application.	Due to IRS	Annually	January 31
8	<b>Sub-award Reporting</b> – Applicability includes consideration of award amount, whether your organization sub-awards, and existing reporting of executive compensation. See 2 CFR Part 170, <a href="#">Appendix A</a> for full information.	Electronically filed at <a href="http://www.fsrs.gov">www.fsrs.gov</a> and <a href="http://www.SAM.gov">www.SAM.gov</a>	Upon sub-award of funds meeting described conditions	By the end of the month following the month during which you make the sub-award
9	<b>Minimum Returns Expected Questionnaire</b> – Reconciles returns completed and sites established per IRS data with the organization's data. A communication is generally sent in late April or early May.	Due to IRS	Annually	Within 10 calendar days of receipt of request for response
10	<b>Unused Funds Notification</b> – Provide IRS with confirmation that all funds awarded will be utilized; if not, provide amount that can be released.	Due to IRS	Annually	June 30
11*	<b>Final Report</b> – This report covers the entire grant period. It includes a final program plan narrative, final budget detail explanation, and items 5, 12, and 13. Detailed instructions are provided in Publication 4883, Grant Programs Resource Guide.	Due to IRS	Annually 90 days after end of the grant period	September 30
12*	Standard Form PPR-A, <b>Performance Measures</b> - Detailed instructions are provided in Publication 4883, Grant Programs Resource Guide.	Due to IRS	Annually 90 days after end of the grant period	September 30
13	FFR <b>Financial Status Report</b> – This covers the entire grant period and it is one component of final report.	File electronically in the PMS	Annually 90 days after end of the grant period	September 30

Information due to IRS must be submitted electronically (unless otherwise directed) to the grant officer assigned responsibility for your grant. For those items where an asterisk (\*) is present in the item field, provide the requested information to both the primary and alternate grant officers indicated on page 1 of this agreement. Due to size restrictions in our email system, the grant recipient is responsible for confirming the receipt of electronic messages with attachments.

## Exhibit 2 - Form 13981, Grant Agreement, page 6

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**Terms and Conditions Addendum**


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**I. Reporting Subawards and Executive Compensation.****a. Reporting of first-tier subawards.**

1. Applicability. Unless you are exempt as provided in paragraph d. of this award term, you must report each action that obligates \$25,000 or more in Federal funds that does not include Recovery funds (as defined in section 1512 (a)(2) of the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5) for a subaward to an entity (see definitions in paragraph e. of this award term).
2. Where and when to report.
  - i. You must report each obligating action described in paragraph a.1. of this award term to <http://www.fsrs.gov>.
  - ii. For subaward information, report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2010, the obligation must be reported by no later than December 31, 2010.)
3. What to report. You must report the information about each obligating action that the submission instructions posted at <http://www.fsrs.gov> specify.

**b. Reporting Total Compensation of Recipient Executives.**

1. Applicability and what to report. You must report total compensation for each of your five most highly compensated executives for the preceding completed fiscal year, if--
  - i. The total Federal funding authorized to date under this award is \$25,000 or more;
  - ii. In the preceding fiscal year, you received--
    - (A) 80 percent or more of your annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and
    - (B) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and
  - iii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>.)
2. Where and when to report. You must report executive total compensation described in paragraph b.1. of this award term:
  - i. As part of your registration profile at <http://www.sam.gov>.
  - ii. By the end of the month following the month in which this award is made, and annually thereafter.

**c. Reporting of Total Compensation of Subrecipient Executives.**

1. Applicability and what to report. Unless you are exempt as provided in paragraph d. of this award term, for each first-tier subrecipient under this award, you shall report the names and total compensation of each of the subrecipient's five most highly compensated executives for the subrecipient's preceding completed fiscal year, if--
  - i. In the subrecipient's preceding fiscal year, the subrecipient received--
    - (A) 80 percent or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and
    - (B) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts), and Federal financial assistance subject to the Transparency Act (and subawards); and
  - ii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>.)

## Exhibit 2 - Form 13981, Grant Agreement, page 7

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**Terms and Conditions Addendum (continued)**

2. Where and when to report. You must report subrecipient executive total compensation described in paragraph c.1. of this award term:
  - i. To the recipient.
  - ii. By the end of the month following the month during which you make the subaward. For example, if a subaward is obligated on any date during the month of October of a given year (i.e., between October 1 and 31), you must report any required compensation information of the subrecipient by November 30 of that year.
- d. Exemptions
 

If, in the previous tax year, you had gross income, from all sources, under \$300,000, you are exempt from the requirements to report:

  - i. Subawards, and
  - ii. The total compensation of the five most highly compensated executives of any subrecipient.
- e. Definitions. For purposes of this award term:
  1. Entity means all of the following, as defined in 2 CFR part 25:
    - i. A Governmental organization, which is a State, local government, or Indian tribe;
    - ii. A foreign public entity;
    - iii. A domestic or foreign nonprofit organization;
    - iv. A domestic or foreign for-profit organization;
    - v. A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.
  2. Executive means officers, managing partners, or any other employees in management positions.
  3. Subaward:
    - i. This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.
    - ii. The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, see Sec. \_\_ 210 of the attachment to OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations").
    - iii. A subaward may be provided through any legal agreement, including an agreement that you or a subrecipient considers a contract.
  4. Subrecipient means an entity that:
    - i. Receives a subaward from you (the recipient) under this award; and
    - ii. Is accountable to you for the use of the Federal funds provided by the subaward.
  5. Total compensation means the cash and noncash dollar value earned by the executive during the recipient's or subrecipient's preceding fiscal year and includes the following (for more information see 17 CFR 229.402(c)(2)):
    - i. Salary and bonus.
    - ii. Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.
    - iii. Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.
    - iv. Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.
    - v. Above-market earnings on deferred compensation which is not tax-qualified.
    - vi. Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds \$10,000.

**II. System of Award Management and Universal Identifier Requirements****a. Requirement for System of Award Management**

Unless you are exempted from this requirement under 2 CFR 25.110, you as the recipient must maintain the currency of your information in the SAM until you submit the final financial report required under this award or receive the final payment, whichever is later. This requires that you review and update the information at least annually after the initial registration, and more frequently if required by changes in your information or another award term.

<sup>†</sup>This guidance is now found at 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, Section 200.330.

## Exhibit 3 - Sample Format for Sub Award Agreements

The following information is provided to assist in your development of a sub-award agreement. 2 CFR §200.331 Requirements for pass-through entities provides a comprehensive listing of all the information required to be included in your subaward. Providing a copy of your Form 13981, Grant Agreement, as an attachment to the document you develop will aid in insuring all components are covered. Other suggested sections are shown below.

Suggested Sections to Include in Agreement	
Explanation	Examples of Language
<b>Recipient and Sub recipient Information</b>	
Provide the names of the organizations involved in the agreement along with addresses.	This Agreement is between (name and address of prime recipient) and (name and address).
<b>Period Covered by Agreement</b>	
State the period covered by the agreement	This agreement is effective (date) and continues until (date) unless terminated earlier in accordance with the provisions of this agreement (state location of termination clause).
<b>Services to be Performed</b>	
Include a section that describes the expectations of the agreement. You should include detailed information in this section or provide reference to other parts of the agreement if not all information is covered in this section.	<p>Following are the services to be performed by your organization in conformance with the requirements of the IRS VITA or TCE Programs:</p> <ul style="list-style-type: none"> <li>– Site operation (may include specific site loctions and hours/days operation)</li> <li>– Return preparation (may include expected number and/or audience for which return preparation is targeted)</li> <li>– Marketing and outreach of tax preparation services</li> <li>– Training requirements for participants (include your expectationson level of training if exceeds IRS requirements)</li> <li>– Reporting responsibilities (what and how frequently you want them to report to your organization; at a minimum reporting to finalize the agreement)</li> </ul>
<b>Documentation Requirements for Program Performance</b>	
Include a section that describes your documentation expectations. At a minimum cover the requirement concerning IRS requirements. If you produce and require they survey their clients, be sure to include this as well	<p>Your organization is expected to provide or retain the following information as covered by the Publication 1084 (as applicable):</p> <ul style="list-style-type: none"> <li>– Electronic application to participate in the IRS e-file Program</li> <li>– Civil Rights assurances (Forms 13325 and 13324)</li> <li>– Form 13206, Volunteer Assistance Summary Report</li> <li>– Form 13615, Volunteer Standards of Conduct</li> <li>– Form 13533, VITA/TCE Partner Sponsor Agreement</li> <li>– Consent notices for use and disclosure of information</li> <li>– Property loan agreements</li> <li>– Return information</li> </ul>
<b>Contract Amount, Invoicing and Compensation</b>	
<p>Explain amount of contract, invoicing expectation, and process for payment for services. Be sure to provide guidelines on frequency and documentation requirements in the agreement.</p> <p>Note: Good communication on how funds are to be spent and deadlines for providing feedback on funds used is necessary so that you, as the recipient, can meet your reporting requirements to IRS.</p>	<p>This contract will not exceed (insert negotiate amount of support). Invoicing for services is expected (describe frequency such as weekly, monthly, etc.) and must be supported by invoices and supporting documentations, where necessary. Payment will be made within (insert days) after submisssion of allowable expenses. Documentation of program delivery, expenses and in-kind contributions are to be retained a minimum of three years used is necessary so that you, as the recipient, can</p>

## Exhibit 3 - Sample Format for Sub award Agreements

Suggested Sections to Include in Agreement													
Explanation	Examples of Language												
<b>Required Terms and Conditions</b>													
Be sure to stress that sub recipients are held accountable for all terms and conditions stated in the VITA or TCE Grant Agreements. You may wish to attach a copy of the Terms and Conditions included in your grant agreement along with the List of Assurances and Certifications found in the respective applications or Publication 4883.	As a sub recipient of federal funds, you are responsible for adhering to the terms and conditions established by the VITA Grant or TCE Grant agreements. Information on these requirements can be found in the application publications (IRS Publications 1101 and 4671) and in the IRS Grant Programs Resource Guide, Publication 4883.												
<b>Responsibilities of the Prime Recipient</b>													
If your agreement is structured as a memorandum of understanding, it is typical to add a section that describes the responsibilities of the prime recipient or lead organization.													
<b>Other sections for consideration</b>													
<p>Your organization may already have a standard contract or agreement format. They should be incorporated into the agreement as needed. Such sections may include but are not limited to:</p> <ul style="list-style-type: none"> <li>– Indemnification of liability</li> <li>– State and Federal Taxes</li> <li>– Recognition of sub recipient as a contractor and not employee</li> <li>– Use of organization name, logos or trademarks in advertising or other products</li> </ul>													
<b>Signature</b>													
Include the names of the individuals within the respective organizations that are executing the agreement.	<p>The parties have executed this Agreement on (date).</p> <table> <tr> <td>Sub recipient Name</td><td>Prime Recipient Name</td></tr> <tr> <td>Name of Individual</td><td>Name of Individual</td></tr> <tr> <td>Title</td><td>Title</td></tr> <tr> <td>Signature</td><td>Signature</td></tr> <tr> <td>Taxpayer Identification Number or Social Security Number</td><td></td></tr> <tr> <td>DUNS</td><td></td></tr> </table>	Sub recipient Name	Prime Recipient Name	Name of Individual	Name of Individual	Title	Title	Signature	Signature	Taxpayer Identification Number or Social Security Number		DUNS	
Sub recipient Name	Prime Recipient Name												
Name of Individual	Name of Individual												
Title	Title												
Signature	Signature												
Taxpayer Identification Number or Social Security Number													
DUNS													

This exhibit is an example only. It should be modified to include all information required by your organization and by 2 CFR §200.331.

## Exhibit 4 - Determining Reasonable, Necessary and Allocable Expenses

This exhibit provides information to assist grant recipients in determining whether certain expenses under consideration meet established criteria for purchase. The questions presented here can be applied to almost any purchase; however, we are concentrating on two areas:

- Purchase of cell phones, air cards and technology service plans
- Purchase of equipment and related items or services

**What do you need to know and consider when using federal grant funds to purchase cell phones, air cards and technology service plans?**

### I. Consider whether the expense is reasonable, necessary, and allocable to the VITA or TCE grant programs

Cell phones, air cards and plans for these services are an allowable expense in the VITA and TCE grant programs. However, recipients must remember that the expenses for these items must be reasonable, necessary, and allocable. Ask these questions:

- Reasonable – Is the expense one a prudent person could justify?
- Necessary – Is it necessary that the program provide the phone/service? How frequently will they need to use or have access to a phone? How will the phone be used? Is there another alternative?
- Allocable – Will the phone be used solely for the VITA or TCE program? If not, how can I allocate a portion of the expense to the grant? Is the methodology reasonable? What policy on cell phone use will I implement to ensure I am not paying for personal phone calls? If I make a term commitment, how will I pay for the period of time the phone is not used for the VITA or TCE program?

A prudent person would find it difficult justifying a Smart Phone, iPhone, or the latest Android. Service plans that involve Internet access may also be unreasonable because it isn't a requirement of the program. In addition, service plans that require a two-year commitment are not prudent for a program that operates only a portion of the year.

### II. Review findings by the Internal Revenue Service

Recent budget and financial reviews have identified unnecessary expenses for these items requiring that budgets be adjusted or monies paid back. Examples that did not meet the reasonable, necessary and allocable tests include:

- Service plans that run beyond the program period but were expensed entirely during the project period;
- Air cards for multiple computers when historical data showed only 10 returns were filed between April and December;
- Expensive phone and service plans that were considered unreasonable for the program use identified; and
- Monthly Internet access fees with no program justification.

Protect your organization by making the right decision concerning the expensing of these items on the VITA or TCE grant programs.

**What do you need to know and consider when using federal grant funds to purchase computers and related items or services?**

### I. Equipment or supply item

Confused on whether the purchase of a computer or printer is characterized as a supply or equipment? The Office of Management and Budget (OMB) defines equipment and related acquisitions as follows:

- Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000 2 CFR §200.33.
- Acquisition cost means the cost of the asset including the cost to ready the asset for its intended use.
- Acquisition cost for equipment, for example, means the net invoice price of the equipment, including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Ancillary charges, such as, taxes, duty, protective in-transit insurance freight and installation may be included or excluded from the acquisition cost in accordance with the non-Federal entity's regular accounting practices. 2 CFR §200.2.



Let's look at an example. Your organization defines a capital asset as one with an acquisition cost of \$1,000 or more. As long as the cost of the computer (including any modifications to make it ready for use) is less than \$1,000, it is considered a supply. However, if the cost were \$1,100, then the computer would be considered equipment. If your organization defines capital assets at a higher threshold than \$5,000, the \$5,000 threshold applies.

You must consider the cost of software needed to make the property usable for the purpose for which it was acquired. Operating system software is a must for any laptop purchase and the cost is part of the "acquisition".

## II. Consider whether the expense to purchase the computer is reasonable, necessary, and allocable to the VITA or TCE grant programs

- Reasonable – Is the expense one a prudent person could justify? Did I obtain quotes to know that the price I am paying is fair?
- Necessary – Is it necessary that the program provide the equipment? How frequently will they need to use or have access to the equipment? How will it be used? Is there another alternative?
- Allocable – Will the equipment be used solely for the VITA or TCE program? If not, how can I allocate a portion of the expense to the grant? Is the methodology reasonable? Do I need to institute a policy on use to ensure the VITA or TCE grant program is not paying an unfair share of the cost?
- A prudent person would find it difficult justifying the use of VITA or TCE grant funds to purchase an iPad or similar device because it must be compatible with the tax preparation software provided by IRS. Adding the additional software (Windows 7 or higher) and components that will make it usable for the program can increase the cost beyond the IRS limitation. If using the equipment to support TaxWise Online access (TWO), consideration must still be given to whether it can support the TaxWise alternative service when TWO is not available and it defaults to the solution identified.

## III. Other requirements that should be considered

**Inventory** – Keep a record of, protect, and periodically confirm the location of the equipment.

- Requirements specified in Publication 4299, *Privacy, Confidentiality, and Civil Rights - A Public Trust*, apply to all recipients and requires recording the make, model and serial number of all computers used. Additional requirements pertain if the computer is considered equipment. In addition to recording the make, model and serial number the non-Federal entity must also record the source of funding and who owns; date of acquisition; cost or donation value of property; location, use and condition; and disposition including date and sale price.
- Protect the equipment from theft or damage. This includes protecting the information that is stored on a laptop as agreed to on the Form 13533, *VITA/TCE Partner Sponsor Agreement*.
- Inventory equipment at least once every two years. Know where it is located and key information about the equipment should it get lost or stolen. If not under your control, maintain property receipts showing the individual with responsibility for the equipment.

**Use** – Know how it is used. Equipment purchased with this grant should be used to support the VITA or TCE program. If not used full time, it can also be used to support other federal programs as long as it does not interfere with its use for VITA or TCE.

**Program Limits** – Both grant programs have determined that \$1,000 per unit is sufficient for purchasing computers or laptops for the program. However, if a special need is identified requiring a purchase exceeding the limit, justification must be provided and approved prior to purchase.

**Subsequent Year Use as Match for the VITA Grant** – Remember when an asset is purchased with grant funds and its life exceeds the current year; it may not be used as match for another federal grant in succeeding years.



## Exhibit 5 - Matching Funds Documentation

During the application process, organizations could designate matching funds as in-hand, committed or to be raised. After award, documentation must be provided for all matching that was categorized as “to be raised.” Additional documentation may be needed for in-hand or committed if previously submitted documentation was insufficient. This is communicated in the package received with the grant award. Please note that funds are not released until sufficient matching fund documentation is provided.

In general, matching funds documentation must include:

- A description of the contribution;
- A dollar value and an explanation as to how the valuation was determined, if applicable;
- A current date;
- A signature of an authorized individual that can make the commitment; and
- An organization name on letterhead with contact information.

Examples of acceptable explanation for most common in-kind contributions are shown below:

Contribution	Explanation
Advertising	We will develop and air radio advertisements for twelve weeks daily on our five radio stations. The public service announcements will start the last week in January and will be aired through the first week of April. Estimated value is \$4,200. In addition, our publicity department will visit a tax site for an interview with taxpayers using the service, take pictures of the site and post all the interview materials on each of our web-sites. Estimated advertising value is \$2,100. Total advertising is valued at \$6,300.
Interpreter	We will provide 40 hours of interpreting services to your program this year. Hours will be computed based on arrival and departure from the site and should be scheduled at least one week in advance of required service. I traditionally charge \$28 per hour for my services; therefore, this donation is valued at \$1,128.
Site coordinator	We will provide one bi-lingual site coordinator certified at the advanced level who will commit 60 hours total (15 sessions at 4 hours each) at an estimated value of \$2,240. This is based on \$28 per hour, which is the hourly salary paid for bi-lingual management positions in my organization, multiplied by 60 hours (60 hours x \$28 = \$2,240).
Space and equipment	Space of 2,000 square feet for training and tax preparation that includes 12 computers and workstations with internet access and projection audio and video system. Rental cost per hour is \$187.50, and includes building security and cleaning. Estimate 60 hours use for tax preparation over 14 days and 20 hours use over three days for training volunteers for advanced certification. $(60+20) \times \$187.50 = \$15,000$ .
Supplies	We will provide 10 boxes of printer paper at a retail cost of \$35 per box for a value of \$350. We will provide miscellaneous office supplies to include pens, pencils, staplers, and staples for an estimated value of \$50. We will also provide access to our copier, shredder, fax and filing cabinets. Estimated value 6,000 pages at \$0.05 each for a value of \$300. Total contributions are \$700.
Volunteers to prepare returns	We will provide 10 volunteers at \$15 per hour averaging 10 hour per week each for 15 weeks for a total value of \$22,500. The \$15 per hour is the average hourly wage paid to individuals that prepare tax returns in our area per the Bureau of Labor Statistics. $10 \text{ volunteers} \times \$15/\text{hour} \times 10 \text{ hours per week} \times 15 \text{ weeks} = \$22,500$
Volunteers to prepare returns - Simplified Method	We prepared 2,750 returns last filing season. This amount was confirmed by the territory on the ELF 1541 and SIDN workbook reports. Using the average hourly wage paid for return preparation in our area per the BLS of \$18.50 we anticipate a minimum of \$49,500 in volunteer services using the simplified method for recordkeeping.

## Exhibit 5 - Matching Funds Documentation

Contribution	Explanation
Computers and printers	<p>We are donating 15 used laptops and 5 used printers. Laptops and printers are three years old but in working order. Laptops contain Microsoft XP operating system. We asked a local company to value the equipment and their appraisal is attached with serial numbers and a description of the equipment. They are valued at \$250 each for the laptops and \$100 each for the printers. Total in-kind contribution is \$4,250.</p> <p>We will loan 30 computers and 2 high capacity printers for your use at your super Saturday event on February 1. We value the equipment and set-up/breakdown of equipment at \$2,180. See below for breakdown.</p> <p>30 computers –\$50 per computer - \$1,500  2 printers - \$200 per printer - \$400  Two technicians to set up/breakdown equipment and transfer files – 4 hours each at \$35 per hour - \$280</p>

## Exhibit 6 - Sample Form Documenting In-Kind Contributions

Organizations that utilize in-kind contributions as match should have sufficient documentation in their records to show the receipt and value of the contribution. This serves as an example only and may be used if your organization does not currently have an approved method.

Name of Grant		Grant Number	
Organization Receiving Contributions		Grant Period	
<b>Description and Valuation of In-Kind Contribution</b>			
Date of Contribution			
Detailed Description of Contribution (Item or Service)			
Purpose for Contribution			
Value of Contribution			
Describe how value determined (actual, fair market value, appraisal) and attach supporting documentation as applicable			
Explain who determined value			
Was contribution obtained with or supported by federal funds? If yes, contribution may not be eligible for use as match.			
<b>Contributor's Information</b>			
Name of Contributor			
Address			
Phone			
<b>Signature Section</b>			
Printed Name of Contributor's Representative	Title	Printed Name of Recipient's Representative	Title
Signature of Contributor's Representative	Date	Signature of Recipient's Representative	Date

## Exhibit 7 - Time Sheet Examples

Use of these time sheets is not required; however, they are provided as an example of the information that should be captured on a time sheet for individuals involved in the program.

Time sheets, in combination with personal data on each individual, provide the required support necessary to account for time contributed to the program. They can be used to calculate volunteer services for matching funds purposes if not paid from grant funds.

Federal funds may not be paid to individuals for the activities of screening, preparing tax returns, or performing quality review of prepared returns.

The time sheets can be adjusted to cover more than one week if service is not provided daily. For example, if service is only provided on Monday, Wednesday and Saturday, a similar time sheet might cover two weeks.

Example of time sheet for one individual:

Name:						Week:				
Activity	Paid?	M	T	W	T	F	S	S	Total	
Quality Review										
Tax Return Preparation										
Clerical										
Screening										
Site Coordinator										
Other										
Non-VITA Activities										
Total										
Individual					Date:					
Signature:										
Site Coordinator					Date:					
Signature:										

APPENDIX

Example of time sheet for more than one volunteer:

Site Name:										Week:		
Individual Name (List name multiple times if more than one activity performed)		Paid?	M	T	W	T	F	S	S	Total	Initials	Activity
Total Time												
Site Coordinator Signature:										Date:		

## APPENDIX

## Exhibit 8 - Template for Reporting Cash Sub awards of \$1,000 or More

[illegible]

## Exhibit 9 - Template for Providing Related Party Transactions

Grant Recipient Name:	
Federal Award Identifier:	
Purpose :	Your grant agreement "Terms and Conditions" require your organization to notify the Grant Program Office of any related party transactions, as defined in the agreement, using grant funds within 30 days of the transaction.
1.	What transaction is involved? Please describe.
2.	Does the transaction propose to use TCE/VITA grant federal funds or designated match? If the answer to this question is no, then this transaction is not reportable under the TCE/VITA Grant terms and conditions.
3.	Who is involved? Provide organization and/or individual names.
4.	What is the relationship? Provide information on how the organizations and/or individuals are related.
5.	Where are the parties located?
6.	When did the transaction occur or is planned to occur?
7.	Who is the contact if additional information is needed?



## Exhibit 10 - Information Document Request

Form <b>14150</b>	Department of the Treasury – Internal Revenue Service <b>Financial Review Information Document Request</b> (IRS VITA/TCE Grant Programs)	
<b>To: Name of Organization (sponsor)</b>		<b>To Be Completed by IRS</b>
		3. Response Due Date
		4. Request Number
1. Responsible Official	5. Dates of previous requests	5a. mm/dd/yyyy
2. e-mail address		5b. mm/dd/yyyy
<b>Documents Required for Review</b>		
6. The following documents, records and information should be readily available for on-site or desk review and discussion.		

7. Information must be faxed or postmarked by:	8. Information should be available for the review on:	
9. Mailing and appointment address	10. IRS Financial Reviewer/contact	11. Fax Number
	12. Employee ID Number	13. Telephone Number

## Exhibit 11 - List of Assurances and Certifications

Signing the certification on SF 424 certifies that the Applicant will comply with the Assurances and Certifications listed below if an award is made. Certain of these Assurances and Certifications may not be applicable to the Applicant. An Applicant may not modify any of the Assurances and Certifications.

### A. Standard Form 424B: Assurances -- Non-Construction Programs

As the duly authorized representative of the Applicant, I certify that the Applicant:

- Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of the project described in this Application.
- Will give the awarding agency, the Comptroller General of the United States, and if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
- Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
- Will initiate and complete the work (activities in Application) within the applicable time frame after receipt of approval of the awarding agency.
- Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. 4728-4763) relating to prescribed standards for merit systems for programs funded under one of the nineteen statutes or regulations specifies in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 CFR 900, Subpart F).
- Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. 1681-1683, 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. 6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) Sections 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. 290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which Application for Federal assistance is being made; and (j) the requirements of any other nondiscrimination statutes which may apply to the Application.
- Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
- Will comply with the provisions of the Hatch Act (5 U.S.C. 1501-1508 & 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
- Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. 276a to 276a-7), the Copeland Act (40 U.S.C. 276c and 18 U.S.C. 874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333), regarding labor standards for federally assisted construction subagreements.
- Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
- Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq.); (f) conformity of Federal actions to State Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as

amended (42 U.S.C. 7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended, (P.L. 93-523); and (h) protection of endangered species under the Endangered Species Act of 1973, as amended, (P.L. 93-205).

- Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. 1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
- Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. 469a-1 et seq.).
- Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
- Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. 2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
- Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4801 et seq.) which prohibits the use of lead based paint in construction or rehabilitation of residence structures.
- Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act of 1984.
- Will comply with all applicable requirements of all other Federal laws, executive orders, regulations and policies governing this program.

### B. Additional Certifications

In addition to the assurances and certifications provided by the Applicant pursuant to OMB Standard Form 424B, the Applicant hereby assures and certifies that:

- It is duly organized and validly existing under the laws of the jurisdiction in which it was incorporated or otherwise established, and is (or within 30 days will be) authorized to do business in any jurisdiction in which it proposes to undertake activities specified in this Application;
- Its Board of Directors (or similar governing body) has by proper resolution or similar action authorized the filing of this Application, including all understandings and assurances contained herein, and directed and authorized the person identified as the authorized representative of the Applicant to act in connection with this Application and to provide such additional information as may be required;
- It will comply, as applicable and appropriate, with the requirements of OMB Circulars (e.g., A-110 and A-133) and any regulations and circulars which are later promulgated to supplement or replace them, including standards for fund control and accountability;
- It has not knowingly and willfully made or used a document or writing containing any false, fictitious or fraudulent statement or entry as part of this Application or any related document, correspondence or communication. (The Applicant and its authorized representative should be aware that, under 18 U.S.C. 1001, whoever knowingly and willfully makes or uses such document or writing shall be fined or imprisoned for not more than five years, or both); and
- The information in this Application, and in these assurances and certifications in support of the Application, is true and correct to the best of the Applicant's knowledge and belief and the filing of this Application has been duly authorized.

### C. Certification Regarding Debarment, Suspension, and Other Responsibility Matters -- Primary Covered Transactions: Instructions for Certification

- By signing and submitting this Application, the prospective primary participant (the Applicant) is providing the certification set out below.
- The inability of a person to provide the certification required below will not necessarily result in the denial of participation in this covered transaction. The prospective Applicant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the Fund's determination whether to enter into this transaction (approval and funding of the Application). However, failure of the Applicant to

## Exhibit 11 - List of Assurances and Certifications

furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. This certification is a material representation of fact upon which reliance is placed when the Fund determines to enter into this transaction. If it is later determined that the Applicant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the Fund may terminate this transaction for cause or default.
4. The Applicant shall provide immediate written notice to the Fund if at any time the Applicant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transactions," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause (certification), have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the Fund for assistance in obtaining a copy of those regulations (31 CFR part 19).
6. The Applicant agrees by submitting this Application that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the Fund.
7. The Applicant further agrees by submitting this Application that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," to be provided by the Fund, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions (see 31 CFR part 19, Appendix B).
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the Fund may terminate this transaction for cause or default.

### D. Certification Regarding Debarment, Suspension, and Other Responsibility Matters -- Primary Covered Transactions

1. The prospective primary participant (the Applicant) certifies to the best of its knowledge and belief, that it and its principals:
  - (a) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
  - (b) have not within a three-year period preceding this Application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
  - (c) are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
  - (d) Have not within a three-year period preceding this Application had one or more public transactions (Federal, State or local) terminated for cause or default.
2. Where the Applicant is unable to certify to any of the statements in this certification, such Applicant shall attach an explanation to this proposal.

### E. Certification Regarding Drug-Free Workplace Requirements

1. The Applicant certifies that it will provide a drug-free workplace by:
  - (a) publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Applicant's workplace and specifying the actions that will be taken against employee for violations of such prohibition;

- (b) establishing a drug-free awareness program to inform employees about:
    - (i) the dangers of drug abuse in the workplace;
    - (ii) the Applicant's policy of maintaining a drug-free workplace;
    - (iii) any available drug counseling, rehabilitation, and employee assistance program;
    - (iv) the penalties that may be imposed upon employees for drug abuse violations occurring in the workplace
  - (c) making it a requirement that each employee to be engaged in the performance of the award be given a copy of the statement required by subparagraph (a);
  - (d) notifying the employee in the statement required by subparagraph (a) that, as a condition of employment in such grant, the employee will:
    - (i) abide by the terms of the statement; and
    - (ii) notify the employer of any criminal drug use statute conviction for a violation occurring in the workplace no later than five calendar days after such conviction;
  - (e) notifying the granting agency in writing, within ten calendar days after receiving notice of a conviction under subparagraph (d) (ii) from an employee or otherwise receiving actual notice of such conviction;
  - (f) taking one of the following actions, within 30 days of receiving notice under subparagraph (d)(ii), with respect to any employee who is so convicted:
    - (i) taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
    - (ii) requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency; and
  - (g) making a good faith effort to continue to maintain a drug-free workplace through implementation of subparagraphs (a), (b), (c), (d), (e), and (f).
2. The Applicant may insert in the space provided below the site(s) for the performance of work (activities carried out by the Applicant) to be done in connection with the award (Place of Performance (Street Address, City, County, State and zip Code)):

Not Applicable

### F. Certification Regarding Lobbying

1. The Applicant certifies, to the best of its knowledge and belief, that:
  - (a) No Federal appropriated funds have been paid or will be paid, by or on behalf of the Applicant, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
  - (b) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Application, the undersigned shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
  - (c) The Applicant shall require that the language of this certification be included in the award documents for all subawards of all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.
2. This certification is a material representation of fact upon which reliance is placed when this transaction is made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

## Exhibit 12 - Integrating Civil Rights into Your Volunteer Program

The following questions will help when assessing, planning, and selecting sites for delivery of your volunteer return program to ensure civil rights requirements are recognized as a priority by your program.

ID	Category	Consideration
1.	Policies	What methods are used to disseminate non-discrimination policy or notices?
2.	Policies	Where is the non-discrimination policy posted?
3.	Policies	Is the non-discrimination policy included in brochures, on websites, in advertisements?
4.	Policies	Does my facility and the planned sites have the IRS poster, Publication 4053, <i>Your Civil Rights Are Protected</i> , displayed? Note: Publication 4454, a brochure, should be provided if the site cannot display a poster.
5.	Policies	How will staff be trained on responding to a civil rights inquiry or complaint and on responding to a request for a reasonable accommodation?
6.	Public Transportation Access	Is the service location convenient to public transit when offered?
7.	Building Access	Does the building have a primary entrance that is accessible?
8.	Building Access	Is there an accessible route from the sidewalk to the building entrance?
9.	Building Access	Are there curb cuts to allow easy access to the sidewalk?
10.	Building Access	Is there signage at entrances directing people to an accessible entrance?
11.	Building Access	Are there clear signs posted with large print and high contrast lettering to inform persons with disabilities of accessible emergency evacuation routes?
12.	Building Access	If the building has more than one floor/level, does it have elevators? Is the elevator accessible to individuals with disabilities? Does the control panel contain Braille markings?
13.	Building Access	If the building has more than one floor/level and it doesn't have an elevator, are ramps available for accessing other floors?
14.	Building Access	Are programs and activities offered in at least one area accessible to people with disabilities?
15.	Restroom Access	Is the entrance to the restroom accessible to a person who uses a wheelchair?
16.	Restroom Access	Is at least one toilet stall wheelchair accessible and maneuverable? Can the person and chair get in and turn around?
17.	Restroom Access	Is there at least one soap dispenser accessible to persons with disabilities?
18.	Restroom Access	Is at least one towel dispenser and sink accessible to persons with disabilities?
19.	Water Fountain Access	Is there a water fountain that is accessible to persons with disabilities?
20.	Work Area	Access Are all work areas the program occupies wheelchair accessible?
21.	Work Area Access	Are any necessary controls and equipment operable by a person who uses a wheelchair?
22.	Work Area Access	Is there enough clear floor space for a person in a wheelchair to pull up close to the equipment?

## Exhibit 12 - Integrating Civil Rights into Your Volunteer Program, page 2

ID	Category	Consideration
23.	Work Area Access	If a telephone is made available for public use, is it accessible to a person in a wheelchair?
24.	Information Access	Is accessibility language/information publicized in promotional materials, announcements, or advertisements?
25.	Information Access	Are alternative products, such as cassette recordings, Braille, or large print, provided?
26.	Reasonable Accommodations	How will you provide accommodations for people with sensory loss? Examples of accommodations include: <ul style="list-style-type: none"> <li>• Note exchange between assistor and taxpayer</li> <li>• Sign language interpretation</li> <li>• Assistive listening system</li> <li>• Open/closed caption film or video</li> <li>• Audio description</li> <li>• Large print/high contrast labeling</li> <li>• TTY/TDD</li> <li>• Tactile tours</li> </ul>
27.	Language Assistance	How do you assess if language assistance services are needed?  Note: The IRS offers Publication 4269, <i>Language Identification Flashcard</i> , for use in identifying 38 unique languages.
28.	Language Assistance	How would you accommodate a taxpayer with limited English proficiency?
29.	Language Assistance	What methods are used to inform limited English proficient persons that language assistance services are available at no cost to the person being served?
30.	Language Assistance	What efforts will be made to serve limited English proficient persons?

For questions that arise concerning civil rights and your VITA program, please contact the IRS Civil Rights Division at 202.317.6925 (not a toll-free number) or [edi.civil.rights.division@irs.gov](mailto:edi.civil.rights.division@irs.gov).



# GLOSSARY OF TERMS AND ACRONYMS

**Acquisition cost** – The cost of the asset including the cost to ready the asset for its intended use. Acquisition cost for equipment, for example, means the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Acquisition costs for software includes those development costs capitalized in accordance with generally accepted accounting principles (GAAP). Ancillary charges, such as taxes, duty, protective in transit insurance, freight, and installation may be included in or excluded from the acquisition cost in accordance with the non-Federal entity's regular accounting practices. 2 CFR §200.2

**Advance payment** – A payment that a Federal awarding agency or pass-through entity makes by any appropriate payment mechanism, including a predetermined payment schedule, before the non-Federal entity disburses the funds for program purposes. 2 CFR §200.3

**Capital expenditures** – Expenditures to acquire capital assets or expenditures to make additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations to capital assets that materially increase their value or useful life.

**Cash contributions** – This is the recipient's cash contribution, including the outlay of money contributed to the recipient by third parties.

**Clerical Support** – A person that performs such activities as: answering the phone, scheduling appointments, copying materials, maintaining information on employees or volunteers, and maintaining timekeeping records.

**Closeout** – The process by which the federal awarding agency determines that all applicable administrative actions and all required work of the federal award have been completed and takes actions as described in 2 CFR §200.343 Closeout.

**Coalition** – A collaboration of community organizations that have a common interest or shared commitment to the overall goal of helping low-income families and/or elderly individuals.

**Cooperative agreement** – A legal instrument of financial assistance that is used to enter into a relationship the principal purpose of which is to transfer anything of value from the Federal awarding agency to the non-Federal entity to carry out a public purpose distinguished from a grant in that it provides for substantial involvement between the federal agency and the sponsoring organization in carrying out the activity covered by the Federal award. See 2 CFR §200.24 for the complete definition.

**Cost sharing or matching** – The portion of project costs not paid by Federal funds (unless otherwise authorized by Federal statute). See 2 CFR §200.29 and §200.306 for more information.

**Counseling** – Providing advice, guidance and assistance regarding questions relating to individual federal income tax returns, but does not include such things as estate planning or representing taxpayers before the IRS or in judicial proceeding. For purposes of this program, it also includes the preparation of individual federal income tax returns.

**Department of Health & Human Services (HHS)** – The United States government's principal agency for protecting the health of all Americans and providing essential human services, especially for those who are least able to help themselves.

**DUNS (Data Universal Numbering System number)** – A nine-digit number established and assigned by Dun and Bradstreet, Inc. (D & B) to uniquely identify business entities. Currently it is used as the unique entity identifier within the System for Award Management (SAM). A DUNS number may be obtained from D & B by telephone (currently 866-705-5711) or by internet (currently at <http://fedgov.dnb.com/webform>).

**Elderly** – An individual age 60 or over. For purposes of return preparation, the individuals must be 60 or over at the close of the taxable year.

**Equipment** – Tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000. 2 CFR §200.33

**Executive Compensation** – Officers, managing partners, or any other employees in management positions. Compensation means the cash and non-cash dollar value earned by the executive during the recipient's or sub-recipient's preceding fiscal year. See Subaward and Executive Compensation Reporting for additional explanation of total compensation.

**Federal award** – Federal financial assistance that provides support or stimulation to accomplish a public purpose. Awards include grants and cooperative agreements in the form of money or property in lieu of money, by the federal government to an eligible recipient.

**Federal Funding Accountability and Transparency Act (FFATA)** – Empowers every American with the ability to hold the government accountable for each spending decision. The act was signed on September 26, 2006.

# GLOSSARY OF TERMS AND ACRONYMS

**FSRS.gov** – FFATA Sub-award Reporting System (FSRS) is the reporting tool federal prime awardees (i.e. prime contractors and prime grants recipients) use to capture and report sub-award and executive compensation data regarding their first-tier sub-awards to meet the FFATA reporting requirements. Prime contract awardees report against subcontracts awarded and prime grant awardees report against sub-grants awarded. The subaward information entered in FSRS is displayed on [www.USASpending.gov](http://www.USASpending.gov) associated with the prime award furthering federal spending transparency.

**Generally Accepted Accounting Principles (GAAP)** – Established accounting rules used to prepare, present, and report financial statements for a wide variety of entities, including publicly-traded and privately-held companies, non-profit organizations and governments.

**Grant** – Federal financial assistance awarded to an organization to carry out a project or program.

**Grantee** – An organization that receives financial assistance directly from a federal awarding agency to carry out a project or program.

**Grant Program Office** – The office in the Internal Revenue Services that coordinates the Tax Counseling for the Elderly and Volunteer Income Tax Assistance (VITA) grant programs.

**Grant recipient** – An organization that receives financial assistance directly from a federal awarding agency to carry out a project or program.

**Grants.gov** – Source to FIND and APPLY for federal grants managed by the U.S. Department of Health and Human Services, an initiative that is having an unparalleled impact on the grant community.

**Intake/Interview & Quality Review Sheet (Form 13614-C)** – This form is required to be used for all returns prepared one-on-one to capture information about the taxpayer's dependents, income, and other issues with potential tax consequence and to document the quality review of the return. It is not required when the taxpayer self-prepares the return.

**Internal Revenue Service (IRS)** – The nation's tax collection agency and administers the Internal Revenue Code enacted by Congress.

**Key Personnel** – The individuals responsible for the overall program operations and financial requirements for which the grant was awarded.

**Low income** – For purposes of the VITA Program, this refers to individuals with adjusted gross income at or below the maximum Earned Income Tax Credit income limit.

**Matching of cost sharing** – The portion of project or program costs not paid by Federal funds (unless otherwise authorized by Federal statute). 2 CFR §§200.29 and 200.306

**Matching grant program** – A program or project that requires recipients to provide non-federal funds in order to obtain federal financial assistance. The VITA Grant is a matching grant program that requires a recipient provide funds on a dollar-for-dollar basis.

**Non-Federal entity** – A State, local government, Indian Tribe, institution of higher education (IHE), or nonprofit organization that carries out a Federal award as a recipient or subrecipient. 2 CFR §200.69

**Non-urban** – A non-metropolitan county. A metropolitan county must contain at least one core urban area with a population of 50,000 or more. The population may live in one county or several connecting counties and is socioeconomically connected to an urban core city (typically by employment, shopping, or other major services). Non-urban is sometimes interchanged with rural.

**Payment Management System (PMS)** – The system used to request and report on grant funds electronically. The system is maintained by the Payment Management Services, which is part of the Department of Health and Human Services.

**Prime grantee** – The organization that receives financial assistance directly from a federal awarding agency to carry out a project or a program.

**Project period** – This refers to the period covered by the grant. For TCE, the project period is October 1 through September 30. For the VITA grant, the project period is July 1 through June 30.

**Quality Reviewer** – A person other than the individual that assisted in the preparation of the return that checks a tax return to ensure its accuracy and completeness.

**Quality Site Requirements (QSR)** – Practices identified by the IRS that must be implemented at the site to ensure taxpayers visiting volunteer sites receive quality service and accurate returns.

**Recipient** – An organization that receives financial assistance directly from a federal awarding agency to carry out a project.

**Site** – A location established to provide free tax preparation and assistance with return filing.

**Site coordinator** – The person responsible for program coordination and various administrative duties associated with managing a site.



# GLOSSARY OF TERMS AND ACRONYMS

**Stakeholder Partnerships, Education and Communication (SPEC)** – The outreach and education division of the Internal Revenue Service that administers the TCE and VITA programs.

**Sponsor** – When this term is used within the Tax Counseling for the Elderly Program, it identifies an organization that receives federal financial assistance directly from a federal awarding agency to carry out a project.

**Subaward** – This term means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to a contractor or payment to an individual that is a beneficiary of a Federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

**Subrecipient** – A non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program; but does not include an individual that is beneficiary of such program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.

**System for Award Management (SAM)** – Federal system that consolidated the capabilities of the Central Contractor Registration (CCR), Federal Agency Registration (Fedreg), Online Representations and Certifications Application (ORCA), and the Excluded Parties List System (EPLS).

**Tax Counseling for the Elderly (TCE)** – A program sponsored by IRS to provide tax counseling and return preparation to persons 60 years of age or older; and provide training and technical assistance to volunteers who serve the elderly community by furnishing free federal income tax assistance.

**Territory Office** – SPEC offices located throughout the United States established to provide assistance with the TCE and VITA programs.

**Third party in-kind contributions** – The value of non-cash contributions that benefit a federally assisted project or program contributed by non-Federal third parties, without charge, to a non-Federal entity under a Federal award. Third party in-kind contributions may be in the form of real property, equipment, supplies and other expendable property, and the value of goods and services directly benefiting and specifically identifiable to the project or program.

**Underserved** – This term encompasses low income taxpayers that may also be limited English proficient, elderly, disabled, Native American, live in rural or urban areas, or other hard to reach areas.

**Volunteer** – Individual under the direction of a sponsor or grant recipient that provides their services without pay to achieve the objectives of the program. Volunteers may be reimbursed for out-of-pocket expenses and remain a volunteer.

**Volunteer Income Tax Assistance (VITA)** – A program sponsored by IRS to provide free income tax preparation for low- to moderate-income people who need assistance in preparing their own tax returns, including the elderly, persons with disabilities, limited English proficient and Native American taxpayers.