VITA/TCE Tax Return Quality Review Job Aid

Illustration of a VITA/TCE Tax Return Quality Review
Quality Review Checklist

To promote accuracy, per Quality Site Requirement #2: Intake/Interview & Quality Review Process, all tax returns must be quality reviewed. Every item on the Quality Review Checklist must be addressed while reviewing the Form 13614-C, Intake/Interview & Quality Review Sheet, including all supporting documents, and the completed tax return. The taxpayer must be available to explain any discrepancies the quality reviewer may discover.

There are two acceptable quality review methods:

- **Designated Review** - This preferred quality review method employs a designated quality reviewer, a volunteer who is solely dedicated to reviewing returns prepared by the other volunteers at the site.
- **Peer Review** - When a designated quality reviewer is not available, volunteers can review each other's returns.

All items included in the Quality Review Checklist must be addressed:

- Taxpayer (and Spouse's) identity was verified with a photo ID
- The volunteer return preparer and quality reviewer are certified to prepare/review the return and the return is within scope of the VITA/TCE program
- All questions in Parts I through V are answered and any questions marked as "unsure" were discussed with the taxpayer and correctly marked as a "yes" or "no"
- All applicable information in the “To be completed by Certified Volunteer” shaded section on page one for each potential dependent was completed by the certified volunteer preparer
- Names, addresses, SSNs, ITINs, and EINs, are verified and correct
- Filing status is correct
- Dependency determinations are correct
- All income items (with or without source documents) checked as "yes" in Part III are verified and correct
- All applicable adjustments to income are verified and correct
- Standard deduction or Itemized Deductions are correct
- All eligible credits are correct
- All applicable provisions of the Premium Tax Credit (PTC) were considered for each person named on the tax return and are correct
- Amount of the Economic Income Payment (EIP) received in 2020 was included in computing the Recovery Rebate credit
- Federal Income Tax Withholding and Estimated Tax Payments are correct
- Direct Deposit/Debit and checking/saving routing and account numbers are correct
- SIDN is included and correct on the return
- The taxpayer(s) was advised that they are responsible for the accuracy of the information shown on their return
- Any errors identified or incomplete questions on Form 13614-C are discussed with the preparer
Illustration of a Quality Review on a VITA/TCE Tax Return

Generally, quality reviewers conduct reviews using one of the following methods and/or tools:

- TaxSlayer Master Print Set
- TaxSlayer Quality Review Print Set
- The step-by-step data entry process used by the preparer
- The Tax Return Summary Page and navigating to specific pages in tax preparation screens when necessary
- A printed copy of the tax return

Whichever method is chosen must comply with the quality review process in Publication 5166, IRS Volunteer Quality Site Requirements, and must include a review of all the items listed on the Quality Review Checklist.

This publication provides an illustration of a quality review method that is considered a best practice. The method demonstrated in this publication uses the TaxSlayer Quality Review Print Set.

**TaxSlayer Quality Review Print Set**

The TaxSlayer Quality Review Print Set is designed for reviewing a tax return. It includes the necessary forms, schedules and worksheets required to verify entries in TaxSlayer and the identified tax law determinations. The quality reviewer can either review the PDF onscreen (recommended) or print a hardcopy. A review using the onscreen PDF is recommended and saves paper, especially if an error is found.

**How to access the TaxSlayer Quality Review Print Set**

On the Office Client Sheet, click the arrows next to the printer icon and select QUALITY REVIEW.

This screen will appear.
And then the Quality Review Print Set tax return will open.

Performing a Quality Review Using the TaxSlayer Quality Review Print Set

In addition to the tax return, the Quality Review Print Set includes the worksheets used to complete the tax return.

A quick summary is also included in the Quality Review Print Set and highlights totals from key lines of the tax return. The Quality Review Print Set also contains other pages which can help with your review, including the Client Sheet. The Client Sheet will allow you to determine if the taxpayer, spouse, and dependent information was entered correctly.
For purposes of illustrating the quality review process, a sample tax return is used. The return has a few errors which will be used to highlight how to review the intake sheet, source documents, and tax return.

A Complete Form 13614-C, Intake/Interview & Quality Review Sheet

A complete Form 13614-C provides a summary of all information obtained from the taxpayer, including documentation of oral testimony. Any missing or unclarified information must be discussed with the taxpayer and added to Form 13614-C. Preparer notes, when included, are extremely helpful during a quality review.
During the quality review process, the reviewer should confirm that the information on Form 13614-C is accurate, correlates with the supporting documentation, and contains enough information to support the items shown on the tax return. A quality review cannot be conducted if Form 13614-C is incomplete. The quality reviewer must address any missing or unsure answers prior to conducting the return review, which will increase the time needed to complete the quality review process.

If the reviewer identifies that an out-of-scope return has been prepared they will have to explain to the taxpayer that their return cannot be filed by the site. The preparer should identify out-of-scope issues before preparing the return to save the time of the taxpayer, preparer and reviewer. By doing so, another taxpayer could have been helped during the time the out-of-scope return was being prepared.

To determine what topics are in scope for the VITA/TCE programs, use the Scope of Service Chart in Publication 4012, Volunteer Resource Guide.

<table>
<thead>
<tr>
<th>Form 13614</th>
<th>Description</th>
<th>Information Reporting Document</th>
<th>Basic</th>
<th>Advanced</th>
<th>Can Outline Answers: Additions/Issues Tax Law Topics with VITA/TCE Volunteer?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Line #</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Single</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Married filing jointly</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Married filing separately</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Head of household</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Qualifying widower</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Form 13614-C also includes codes that identify the training certification levels required for the income, expense and life event items shown on the form. The codes are; (B) is Basic, (A) is Advanced and (M) is Military. The preparer must at least have the certification(s) level required for the preparation of the tax return.

Review Form 13614-C and the tax return to ensure that all items included are within scope of the VITA/TCE programs and within the training certification level of the preparer and quality reviewer. This means the preparer and quality reviewer must be certified at or above the highest certification levels required to prepare the tax return. In some cases, this may include multiple levels. (See Publication 5166, VITA/TCE Volunteer Quality Site Requirements, for more information.)

During the quality review, the reviewer will also ensure that Form 13614-C is complete. If Form 13614-C is not complete, the quality review will take longer because the incomplete questions must be repeated. A complete Form 13614-C will include:

- The gray shaded “To be completed by Certified Volunteer” area was completed by the preparer, when appropriate.
- All questions in Parts I through V were answered.
- Any items marked “Unsure” or left blank were discussed with the taxpayer and then correctly marked either “Yes” or “No.”
In this example, Form 13614-C is not complete. The unanswered questions are circled. The quality reviewer must have a complete Form 13614-C prior to beginning the quality review. Again, this increases the time needed to complete the quality review because the taxpayer will need to be asked these questions again.

The quality reviewer should carefully review the Personal, Marital Status and Household Information sections on page 1 of Form 13614-C, including:

- U.S. citizen
- Full-time student, disabled, or blind
- Can the taxpayer, or spouse, be claimed as a dependent?
- Has the taxpayer, or spouse, or dependent(s) been a victim of tax-related identity theft or been issued an Identity Protection PIN?
- Clarifying information requested for:
  - Married* (boxes a and b)
  - Divorced* or Legally Separated* (the date field)
  - Widowed (year of spouse’s death) if applicable
- People who lived in the taxpayer’s household
On page 2 of Form 13614-C, any items marked “Unsure” or left blank in Parts III, IV, and V should have been discussed with the taxpayer and then correctly marked as either “Yes” or “No”. Preparer notes for oral statements may also be included on the form. Review all the information provided to ensure consistency. For example, if the taxpayer indicates he had three jobs, there should be three Form W-2s included with the taxpayer’s documents.

In our example, Form 13614-C, Page 2 has several unanswered questions.

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### Form 13614-C, the Source Documents, and the Tax Return Comparison

Once you determine that Form 13614-C is complete, compare it to the tax return. Every “Yes” entry on Form 13614-C should have a corresponding entry on the tax return, or there should be a preparer comment to explain why it is not included on the return.
Review all entries on Form 1040, and/or the attached forms, schedules, and worksheets included in the Quality Review Print Set, from the first line to the last line using the source documents and Form 13614-C. If the taxpayer provided information verbally during the interview, the preparer may have included that information on Form 13614-C in the “additional comments” section. Verbal information should be included if it is relevant to the preparation of the return.

<table>
<thead>
<tr>
<th>Part I – Your Personal Information (if you are filing a joint return, enter your names in the same order as last year’s return)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Your first name</strong></td>
</tr>
<tr>
<td>John</td>
</tr>
<tr>
<td><strong>2. Your spouse’s first name</strong></td>
</tr>
<tr>
<td>Jane</td>
</tr>
<tr>
<td><strong>3. Mailing address</strong></td>
</tr>
<tr>
<td>301 W Peachtree St</td>
</tr>
<tr>
<td><strong>4. Your Date of Birth</strong></td>
</tr>
<tr>
<td><strong>10. Can anyone claim you or your spouse as a dependent?</strong></td>
</tr>
</tbody>
</table>

Compare the Form 13614-C and the source documents to the information shown on the tax return by using the Client Sheet included with the Quality Review Print Set or Form 1040.

Confirm that:

- Names were spelled correctly (the name matches the name on the Social Security Card or ITIN letter),
- Address was entered correctly (including apartment number, if appropriate),
- Taxpayer(s) and dependent birth dates were entered correctly,
- Social Security Numbers (SSN) or Individual Taxpayer Identification Numbers (ITIN) and Employer Identification Number (EIN) were entered correctly (no numbers were transposed),
- Filing status and dependency determinations are correct, and
- The taxpayer’s bank routing and account numbers for direct deposit/debit were entered correctly. You may also decide to review the direct deposit/debit information later in the tax return review process. It does not matter when it is confirmed, only that the information is confirmed.
You can use Form 1040 and/or the Client Sheet to confirm that the information shown on the tax return is accurate.

In our example, there is an error on the tax return. The apartment number entered on Form 13614-C (MS54) was not entered in the software. This must be corrected prior to the return being e-filed or provided to the taxpayer to mail.

Next look at the filing status shown on the tax return. Ensure the information provided on Form 13614-C supports the filing status used on the tax return.
Then compare the dependents listed on the tax return to the individuals who lived with the taxpayer or whom the taxpayer supported as shown in Part II of Form 13614-C. The tax return should list all qualifying individuals entered in this section who were determined to be dependents as shown on Form 13614-C. Most qualified dependents will be addressed in this manner. However, unusual circumstances will require additional research. See Publication 4012 for additional information.

<table>
<thead>
<tr>
<th>Name</th>
<th>Date of Birth</th>
<th>Relationship to you (for example: son, daughter, parent, name, etc)</th>
<th>Number of months lived in your home last year</th>
<th>US Citizen (yes/no)</th>
<th>Resident of US, Canada, or Mexico last year (yes/no)</th>
<th>Single or Married as of 12/31 (yes/no)</th>
<th>Full-time Student (yes/no)</th>
<th>Total time Totally and Permanently Disabled (yes/no)</th>
<th>Did the taxpayer(s) provide more than 50% of support of this person (yes/no)?</th>
<th>Did this person provide more than 50% of support to the taxpayer(s) (yes/no)?</th>
<th>Did this person have less than $4,000 of income (yes/no)?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ima</td>
<td>08/1/2013</td>
<td>Daughter</td>
<td>12</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Judy</td>
<td>02/12/2014</td>
<td>Daughter</td>
<td>12</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

You can use Form 1040 and/or the Client Sheet to check the accuracy of the dependents listed. If the Form 1040 is used, the reviewer will need to use the Client Sheet to ensure that the birth dates were entered correctly.

<table>
<thead>
<tr>
<th>DEPENDENT NAME</th>
<th>BIRTH DATE</th>
<th>AGE</th>
<th>SSN</th>
<th>RELATIONSHIP</th>
<th>MONTHS</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMA J TAXPAYER</td>
<td>08/01/2013</td>
<td>5</td>
<td>005-48-5100</td>
<td>DAUGHTER</td>
<td>12</td>
</tr>
<tr>
<td>JUDY T TAXPAYER</td>
<td>02/12/2014</td>
<td>4</td>
<td>004-48-5100</td>
<td>DAUGHTER</td>
<td>12</td>
</tr>
</tbody>
</table>

The quality reviewer should carefully review the dependency determinations shown on the tax return. Is the taxpayer:

- Claiming someone who is not a dependent?
- Not claiming someone who can be claimed as a dependent?

After confirming taxpayers’ names, address, social security numbers, ITINs, filing status and qualifying dependents, you are ready to review the taxpayers’ income.
Next, look at Form 13614-C, Part III, Income.

The Client Sheet includes a listing of the forms, schedules, and worksheets used in the preparation of the tax return and a quick summary of the information reported on the tax return.

Confirm that all the Form 13614-C “Yes” responses to the income questions in Part III were reported on the tax return. Verify that the income shown on the source documents provided, including oral statements by the taxpayer, were included on the tax return.

For this example, Form 13614-C indicates that this taxpayer received wages, interest/dividends, and unemployment income. However, the tax return and the Client Sheet only includes income that was reported from the Form W-2, wages, and Form 1099- G, unemployment compensation.
After looking at the source documents, you determine that interest income was omitted from the tax return. **This will need to be corrected on the tax return.**

In addition to using the tax return summaries, there are several ways to confirm the income reported on the tax return, including Form 1040 and/or the income forms summary and/or
the Forms W-2 that print with the tax return when using the Quality Review Print Set

For wages, by comparing the Forms W-2 generated from the software to the paper Forms W-2 provided by the taxpayer you can confirm that all of the entries on the paper Forms W-2 were entered into the software, including boxes 12 and 14.

This is John’s Form W-2 that was generated with the Quality Review Print Set. It contains all the entries the volunteer preparer entered in TaxSlayer for the Form W-2.
And this is the paper Form W-2 that John provided as a source document.

In this example, John’s income was correctly reported on the tax return. Using the Forms W-2 included in the Quality Review Print Set allows the reviewer to review all the entries, including boxes 12 and 14, to ensure that the data from the paper Form W-2 was correctly entered into the software.

Now, let’s look at Jane’s W-2.

This is Jane’s W-2 that was generated from the Quality Review Print Set.
And this is the paper Form W-2 that Jane provided as a source document:

When you compare the amount of wages shown on the two Forms W-2, you find that Jane’s wages were entered incorrectly in the software. The wages were overstated by $33 and the Federal Income Tax Withholding was understated by $9 when compared to the paper source document. **This will need to be corrected.**

Pay special attention to:
- Typos and transposed numbers
- EIN not entered correctly
- That entries from Form W-2, Boxes 12 and/or 14 are entered in the software

Once the wages are confirmed we can move on to the other income indicated on the Form 13614-C.
In our example, John also received unemployment income. A comparison of the unemployment compensation and the federal income tax withholding shown on the Form 1099-G to the tax return using the income summary shown below, reveals that $120 in federal income tax withholding was not reported. **This will need to be corrected.**

![Form 1099-G Income Forms Summary](image)

If the taxpayer indicates that they had any other income, review the necessary documentation and ensure the amounts reported on the tax return and/or the forms and worksheets were reported correctly. Other income could include pensions, annuities, social security benefits, self-employment income, rental income, or other miscellaneous income. Remember, there may not always be a document available for income sources.

Next, begin the review of adjustments to gross income and the use of either the standard deduction or itemized deductions by reviewing Part IV of Form 13614-C.

![Form 13614-C Adjustments to Gross Income](image)

A review of the Form 1040 shows an adjustment to income for student loan interest. However, the Form 13614-C did not show this as a possible expense. It is very helpful to the quality reviewer when the preparer corrects errors on the Form 13614-C.
The taxpayer provided the Form 1098-E with $600 in student loan interest paid even though they did not identify the interest on the Form 13614-C. The preparer should have corrected this item on the Form 13614-C.

Use the Student Loan Interest Deduction Worksheet to determine if the correct amount was included on the tax return.

Based on the interview and the corresponding preparer notes, the preparer correctly used the standard deduction instead of itemized deductions on the return.
If the taxpayer uses itemized deductions, look at the documentation provided for the amounts claimed. Schedule A includes the following items:

- Medical & Dental Expenses
- Taxes You Paid
- Interest You Paid
- Gifts to Charity (Contributions)
- Other Miscellaneous Deductions

If the taxpayer is claiming itemized deductions, the reviewer will need to review all the Schedule A items listed above and compare them to the taxpayer’s source documents.

Next, look at the refundable and non-refundable credits identified by the answers the taxpayer provided in Part IV.

Form 13614-C, Part IV, Question 5, indicates the taxpayers had dependent care expenses and they provided the statement shown below, showing that they paid $12,000 in childcare expenses.

Yourtown Child Care Center

404 W Peachtree Street

Atlanta, GA 30308

55-112233X

John & Jane Taxpayer

Thank you for choosing Yourtown Child Care Center as your child daycare provider. During the year, you paid $12,000 in child care expenses.

Ima $6,000

Judy $6,000

We enjoy having Ima and Judy in our center.
Next, confirm that the Child and Dependent Care Credit was calculated correctly using Form 2441.

The allowable credit from Form 2441 is shown on Schedule 3 and will flow to page 2 of the Form 1040.

Confirm that the Child Tax Credit was calculated correctly using the schedules and worksheets provided in the Quality Review Print Set.
The taxpayers were also eligible for the Additional Child Tax Credit because their Child Tax Credit was limited to their tax liability.

The taxpayers were eligible for the Earned Income Credit. Review the Schedule EIC and the worksheets to ensure the credit was calculated correctly.
If the taxpayer was entitled to additional refundable or non-refundable credits, you would review the credit computations to ensure that the credits are allowable, and the amounts reported on the tax return are correct. Additional credits can include the American Opportunity Credit, Lifetime Learning Credit, Recovery Rebate Credit and Retirement Savings Contribution Credit.

Continue through the Form 13614-C and the tax return. If the taxpayer indicated that any of the items listed in Part V, Life Events, were applicable to their tax return, you should review the necessary documentation and ensure the amounts reported on the tax return and/or the forms and worksheets were calculated correctly.
If the individuals shown on the tax return purchased health insurance through the Marketplace, review the Form(s) 1095-A, Health Insurance Marketplace Statement, and the entries in the software to determine if the Premium Tax Credit or the excess Advanced Premium Tax Credit were calculated accurately.

Next, determine if the federal income tax withholding, estimated tax payments, and all other payments are correct.

Concluding the Quality Review

Throughout the quality review process, ask questions about what information does or does not appear on the tax return:

- Was the correct and the most advantageous filing status used?
- Are the dependency exemptions correct?
- Does the taxpayer have any other income, expense, or federal income tax withholding that was omitted from the intake sheet or tax documents?
- Is the taxpayer eligible for any credits such as the Earned Income Credit (EIC), Child Tax Credit (CTC), Additional Child Tax Credit (ACTC), education credits, Recovery Rebate Credit or the Retirement Savings Contribution Credit?

Once the quality review is complete, all the errors must be corrected. The corrected return must be reviewed by the quality reviewer for a final look to ensure that all errors were addressed. In addition, the quality reviewer should conduct a quick comparison to the prior year’s tax return, if available, to ensure that nothing was overlooked or omitted.

Finally, the quality reviewer should ask if the taxpayer(s) have any questions prior to printing the return and before the taxpayer(s) sign the return. The quality review process also includes ensuring that the taxpayer knows that they are responsible for the accuracy of the information shown on their tax return. If the quality reviewer does not do this, another volunteer at the site must do so prior to the taxpayer(s) leaving the site with the completed tax return.

If any errors are identified or if the Form 13614-C is incomplete it should be discussed with the preparer and thoroughly explained. Remember, this is a learning opportunity, not a “Gotcha” moment.