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 Form 13614-C, Intake/Interview & Quality Review Sheet, 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 below in the **Quality Review Checklist** must be addressed:

- Taxpayer (and Spouse’s) identity was verified with a photo ID during the visit
- The volunteer return preparer and quality reviewer are certified to prepare/review this return, and return is within scope of the program
- All questions in Parts I through V are answered and unsure boxes were discussed with the taxpayer and correctly marked yes or no
- All applicable information in the shaded area on Page 1 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 (with or without source documents) checked “yes” in Part III is verified and correct
- All applicable adjustments to income are verified and correct
- Standard or Itemized Deductions are correct
- All eligible credits are correct
- All applicable provisions of ACA were considered for each person named on the tax return and are correct
- Federal Income Tax Withholding and Estimated Tax Payments are correct
- Direct Deposit/Debit and checking/saving account numbers are correct
- SIDN is correct on the return
- During the visit, the taxpayer(s) was advised that they are responsible for the information on their return
- Any errors identified or incomplete 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’s Master Print Set
- TaxSlayer’s Quality Review Print Set
- The step-by-step data entry process used by the preparer
- The Tax Return Summary Page, navigating to specific pages in tax preparation screens when necessary
- A printed copy of the tax return

Whatever method 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 considered a best practice. The method demonstrated uses the TaxSlayer Quality Review Print Set.

TaxSlayer’s Quality Review Print Set

TaxSlayer’s Quality Review Print Set is designed for reviewing a tax return. It includes necessary forms, schedules and worksheets required to verify entries in TaxSlayer and 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 TaxSlayer’s 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 TaxSlayer’s Quality Review Print Set

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

A quick summary is also included in the Quality Review Print Set and contains the total amounts from 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 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 the information on Form 13614-C is accurate, correlates with the supporting documentation, and contains enough information to support what is 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 review, which increases the time needed to complete the Quality Review Process.

If the reviewer identifies an out-of-scope return has been prepared he/she will have to explain to the taxpayer that their return cannot be filed by the site. It is best if out-of-scope issues are identified by the prepare prior to preparing the return therefore saving the time of the taxpayer, preparer and reviewer. In addition, another taxpayer could have been helped during the time the out-of-scope return was prepared.

To determine the scope of the VITA/TCE Programs, use the Scope of Service Chart in Publication 4012, Volunteer Resource Guide.

<table>
<thead>
<tr>
<th>Form 13614-C</th>
<th>Description</th>
<th>Information Reporting Document</th>
<th>Basic</th>
<th>Advanced</th>
</tr>
</thead>
<tbody>
<tr>
<td>Line #</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Single</td>
<td>See Table 1</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Married filing jointly</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Married filing separately</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Head of household</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Qualifying veteran</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Form 13614-C also includes codes identifying the potential certification levels: (B) is Basic, (A) is Advanced, and (M) is Military. The preparer must have the certification(s) level, or higher, required for the preparation of the tax return.

Review Form 13614-C and the tax return to ensure all items included are within scope of the VITA/TCE Programs and within the certification level of the preparer and quality reviewer. This means the preparer and quality reviewer must be at or above the highest checked 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 Form 13614-C is complete. If Form 13614-C is not complete, the quality review will take longer because the same questions must be repeated. A complete Form 13614-C will include:

- The gray-shaded 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 “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 look closely at the Personal, Marital Status and Household Information sections on Form 13614-C, Page 1:

- 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 dependents 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 “Yes” or “No.” Preparer notes for oral statements could also be included. Review all information provided to ensure consistency. For example, if the taxpayer indicates he had three jobs, there should be three W-2 Forms.

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

Review this page very carefully. It is very easy to overlook an unanswered line or a blank field.

The quality reviewer should look closely at Form 13614-C, Page 2:

- “Unsure” responses need to be clarified or updated.
- Unanswered questions must be discussed and answered.

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

Once you determine 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 could be a preparer comment to explain why it is not on the return.

Review all entries on Form 1040, and/or attached forms, schedules, and worksheets included in the Quality Review Print Set, from the first line to the last using the source documents and Form 13614-C. If the taxpayer provided
information verbally during the interview, the preparer could have added that information to Form 13614-C as oral statements. If not, the review will take longer because the same questions must be repeated.

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

Confirm:

- 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 number transpositions),
- Filing status and dependency determinations, and
- The taxpayer’s bank routing and account numbers for direct deposit/ debit were entered correctly. You may decide to review the direct deposit/debit information later in the tax return review. 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 information on the tax return 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 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.

<table>
<thead>
<tr>
<th>Name (first, last)</th>
<th>Date of Birth (mm/dd/yyyy)</th>
<th>Relationship to you (for example, son, daughter, parent, etc.)</th>
<th>Number of months lived in your home last year</th>
<th>US Citizen (Y/N)</th>
<th>Resident of US, Canada, or Mexico (Y/N)</th>
<th>Single or Married (Y/N)</th>
<th>Full-time student last year (Y/N)</th>
<th>Totally and Permanently Disabled (Y/N)</th>
<th>Is this person a qualifying relative of any other person? (Y/N)</th>
<th>Did this person provide more than 50% of his/her own support? (Y/N)</th>
<th>Did this person have less than $4,150 of income? (Y/N)</th>
<th>Did this person provide more than 50% of the support for this person? (Y/N)</th>
<th>Did the taxpayer(s) pay more than half the cost of maintaining a home for this person? (Y/N)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ima</td>
<td>08/01/2013</td>
<td>Daughter</td>
<td>12</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Judy</td>
<td>02/12/2014</td>
<td>Daughter</td>
<td>12</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
</tr>
</tbody>
</table>

You can use Form 1040 and/or

<table>
<thead>
<tr>
<th>Dependants (see instructions):</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) First name</td>
</tr>
<tr>
<td>----------------</td>
</tr>
<tr>
<td>IMA J TAXPAYER</td>
</tr>
<tr>
<td>JUDY T TAXPAYER</td>
</tr>
</tbody>
</table>

the Client Sheet to confirm tax return accuracy. If Form 1040 is used, the reviewer will need to use the Client Sheet to ensure birth dates were entered correctly.

<table>
<thead>
<tr>
<th>DEPENDENT NAME</th>
<th>BIRTH DATE (mm/dd/yyyy)</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>008-48-5100</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 look closely at the dependency tax law determinations on the tax return.

Are they:

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

After confirming taxpayers’ names, address, Social Security Numbers, filing status and qualifying dependents, you are ready to review taxpayers’ income.
Next, look at Form 13614-C, Part III, Income.

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

Confirm Form 13614-C “Yes” responses to income sources were reported on the tax return. Verify all income sources provided, including oral statements by the taxpayer, were included on the tax return.

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

In addition to using the return summaries, there are several ways to confirm income reported on the tax return, including Form 1040 and/or

the income summaries and/or
Forms W-2 that print with the tax return when using the Quality Review Print Set.

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

This is John’s Form W-2 generated with the Quality Review Print Set. It contains all the entries the volunteer preparer enter into TaxSlayer for the Form W-2.
And this is the Form W-2 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 data from the paper Form W-2 was correctly entered in the software.

Now, let’s look at Jane’s W-2.

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

When you compare the amount of wages entered on both Forms W-2, you find Jane’s wages were entered incorrectly in the software. Income was overstated by $33. Federal Income Tax Withholding was understated by $9.

This will need to be corrected.

Pay special attention to:

- Typos/transposed numbers
- EIN not entered correctly
- No entries in Form W-2, Boxes 12 and/or 14 entered in the software

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

![Image of Form 1099-G Income Forms Summary](image1)

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 forms and worksheets were reported correctly. Other income could be pensions, annuities, social security benefits, self-employment income, rental income, or other miscellaneous income. Remember, there is not always a document available for income sources.

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

![Image of Form 13614-C](image2)

A review of the 1040 shows an adjustment to income for student loan interest. 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.

![Image of Form 1040](image3)
The taxpayer provided 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 the entry on the Form 13614-C which is helpful to the quality reviewer.

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

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

- 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 above items on the Schedule A and compare them to the taxpayer’s source documents.

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

Form 13614-C, Part IV, Question 5 indicates the taxpayers’ had dependent care expenses and provided the statement shown, indicating they paid $12,000 in child care 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.
Confirm 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 the Child Tax Credit was calculated correctly using the schedules and worksheets provided in the Quality Review Print Set.
The taxpayers were also allowed an Additional Child Tax Credit as their Child Tax Credit was limited to their tax liability.

The taxpayers were entitled to the Earned Income Credit. Review 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 the credits are allowable and the amounts reported on the tax return are correct. Additional credits can include the American Opportunity Credit, Life Time Learning Credit and Retirement Savings Contribution Credit.

Continue through Form 13614-C and the tax return. If the taxpayer indicated any of the items in Part V, Life Events, were applicable to their tax return, you would review the necessary documentation and ensure the amounts reported on the tax return and/or forms and worksheets were calculated correctly.
If the individuals named on the tax return purchased insurance through the Marketplace, review 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 Federal income tax withholding, estimated tax payments, and all other payments are correct.

Concluding the Quality Review

Throughout the quality review, 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 omitted from the intake sheet or tax documents?
- Is the taxpayer eligible for any credits such as Earned Income Tax Credit (EITC), Child Tax Credit (CTC), Additional Child Tax Credit (ACTC), education credits, or the Retirement Savings Contribution Credit?

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

Finally, the reviewer should ask if the taxpayer(s) have any questions prior to printing the return and having the taxpayer(s) sign. The Quality Review Process also includes ensuring the taxpayer knows they are responsible for the information 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 with the completed tax return.

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