



Wage & Investment

Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE)

Grant Application Process Overview

May 5, 2015



What We are Going to Cover

- Grant objectives
- Differences between grants
- Grant cycle time line
- Eligibility requirements
- Highlights of application processes
- Other application considerations



VITA Grant Objectives

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



TCE Grant Objectives

- Provide tax counseling and return preparation to persons 60 years of age or older; and
- Provide training and technical assistance to volunteers who provide free federal income tax assistance within elderly communities across the nation.



Differences between VITA and TCE Grant

VITA

- **Dollar-for-dollar matching required** – cash, third party in-kind contributions, such as equipment, supplies, volunteer time, space, etc.
- **Direct and indirect costs allowed**
- **Salaries allowed for clerical, program or site coordinators, technical support and/or tax law instructor**
- **No limit on administrative costs**
- **Template in VITA Grant Workbook used to provide budget detail explanation**



Differences between VITA and TCE Grant *continued*

TCE

- Limited to non-profits (no government entities)
- 65% of all e-filed returns completed for taxpayers age 60 or over
- Only direct costs allowed
- Salaries limited to administrative and technical personnel
- Administrative costs limited to 30%
- No matching requirement
- Budget is shown on Form 8653



Application Process Timeline and Program Period

VITA and TCE

- Application period – May 1 – June 1
- Review and ranking – June 1 – September 30
- Notification of selection – October 1

VITA

- Program Period – July 1 – June 30

TCE

- Program Period – October 1 – September 30



Key Changes and Important Reminders

VITA and TCE

- 2 CFR Part 200 – centralizes administrative requirements, cost principles, and audit requirements
 - Electronic search available at www.ecfr.gov
- Each publication contains bookmarks to help
 - Path: View >Show/Hide >Navigation Panes >Bookmarks

VITA

- Simplified method for recordkeeping implemented for volunteer return preparation
- Standard Form 424A no longer required



Eligibility Requirements

VITA and TCE

- Qualify as a non-profit organization
- Demonstrate tax compliance with federal tax obligations
- Be eligible to receive federal financial assistance (not be debarred or suspended or have other federal debt)
- Have an OMB Circular A-133 audit when required
- File all required reports timely if a previous grant recipient

VITA

- Non-federal government entities eligible
- Provide matching funds

TCE

- Have experience in coordinating volunteer programs with experience in income tax return preparation



Non-Profit Requirements

VITA and TCE

- A private or public non-profit organization that qualified for and received an IRS determination letter confirming tax exemption under section 501 of the IRC including but not limited to educational institutions, credit unions, or faith based and community organizations
- A federally recognized Indian tribal government

VITA

- A state or local government agency
- A regional, statewide, or local coalition with one lead organization with a substantive role that meets one of the other non-profit eligibility requirements

Submit documentation on the “attachments” file on Grants.gov



Demonstrate Tax Compliance

- Considers federal tax and information reporting and any monies owed
- Contact information on inside front cover of publications to verify IRS status prior to application
 - IRS can only discuss with individual authorized to discuss tax matters in organization
- Applicants did not always know they had not filed a return and/or owed monies to IRS
- IRS tax compliance will be checked prior to award



Other Eligibility Criteria

- System for Award Management (SAM) is the authoritative source for debarment and suspension and for non IRS federal debt
 - IRS reviews SAM.gov for this information at time of application and near award to ensure awards are allowable
- OMB Circular A-133 requires organizations expending \$500,000 in federal funds to have a single or program specific audit
 - IRS reviews the Federal Audit Clearinghouse for information
 - For tax years beginning after December 26, 2014, audit threshold is increased to \$750,000
- For previous grant recipients, required reports must be filed timely



Application – First Steps

- Instructions available electronically on IRS.gov
 - VITA – Publication 4671
 - TCE – Publication 1101
- Take actions early to register, confirm, or update
 - Secure or update DUNS information in Dun & Bradstreet Data Universal Numbering System (DUNS)
 - Register or update System for Award Management (SAM)
 - Confirm users' access and permissions to submit application in Grants.gov
 - Determine whether subject to review by your State under Executive Order 12372



Use of Grants.gov Required

- Locate application in Grants.gov
 - VITA – CFDA 21.009
 - TCE – CFDA 21.006
- Review Grants.gov resources for assistance
- Submit application **before** due date
 - Confirmation screen appears when submission complete
 - Tracking number provided at bottom of screen
 - Record for support if needed from Grants.gov
- Allow time to correct reject errors if they occur
 - Expect two emails from Grants.gov within two business days
 - First confirms receipt of application
 - Second confirms whether submission was successful or rejected
 - Rejected applications must be corrected and resubmitted by due date



Multi-Year Award Instructions

- Requirements for current grant recipients interested in a multi-year award
 - No significant concerns were raised in prior year
 - Successfully met program plan and minimum returns expected as agreed upon in the most recent program period
 - Demonstrated ability to grow and sustain program
- Grant recipients with current multi-year awards in year 1 or 2 are continued based on grant office notification
 - Organizations notified of continued eligibility for continuation of award in late April/early May must file abbreviated application
 - Organizations that finished their 3rd year of award must complete a full application



Completing Your Application

- Review grant instructions (Publications 4671 or 1101)
- Comment on all items requested – *Issue: Did not address each category of the program plan*
- Be as specific as possible – *Issue: Did not provide a thorough response*



Components Available on Grants.gov

VITA and TCE

- Standard Form 424 (required)
- Standard Form LLL (optional)
- Attachments (required)

TCE

- Form 14024 (required)
- Form 8653 (required)



Standard Form 424

Application for Federal Financial Assistance

- Some fields are already completed
 - No change necessary if different from instructions
- Required fields are shaded “yellow”
- For fields with limited space - option to add an attachment
- Check DUNS and EIN fields - most often contain errors
- Fields should agree with SAM data - legal name and address



Standard Form LLL

Disclosure of Lobbying Activities

- If applicable to your organization, complete
 - Required fields are shaded “yellow”
- If not applicable, do not complete or submit form
- See “Assurances and Certifications” section in either Publication 4671 or 1101 for additional information



Attachments

- Check the instructions for additional attachments to submit with the application
 - Publication 4671 - Submitting Your Application
 - Publication 1101 - Completion and Submission of Your TCE Grant Application
- Label as directed in the instructions
- Follow Grants.gov guidelines
 - Naming files – *most frequent reason for rejection of submission*
 - Not authorized to submit applications on behalf of organization



TCE Forms 14024 and 8653

- TCE Program Application Checksheet and Contact Sheet
 - Required fields are shaded “yellow”
 - Provides opportunity for confirmation of a complete application
- TCE Program Application Plan
 - Fields that allow input are shaded “light blue”
 - Form will “auto-calculate” sub-totals and totals
 - Ensure administrative expenses do not exceed 30% of total program



Program Plan and Other Narratives

- Keep the reader in mind
- Follow the instructions and application guidance carefully
- Label all sections and number all attachments
- Utilize program coordinator for thorough understanding of processes
- Use templates when provided
- Be brief, concise, and clear
- Be organized and logical
- Combine data
- Carefully proofread the application
- Adhere to limits and formats requested



Budget Formulation

VITA and TCE

- Use the requested formats or forms
 - VITA - Template for budget detail in the VITA Grant Workbook available on [IRS.gov](https://www.irs.gov)
 - TCE - Form 8653
- Review proposed expenditures to ensure allowable, reasonable, and necessary

VITA Only

- Ensure matching funds proposed equal or exceed funds requested



Indirect Costs – VITA Only

- Allowance of indirect costs limited to VITA Grant only
 - Current indirect cost rate agreements (IDCR) should be included with the application
 - Assign indirect cost to VITA if the amount is reasonable, allocable and necessary (may require review)
- Grant Program Office will no longer negotiate an IDCR
 - Option to charge a rate of 10% against its modified total direct costs for VITA without review
- For more information review Publication 4671 section *Indirect Cost Rate Agreement*



Simplified Method for Recordkeeping - VITA

- Targets volunteer return preparation activities – screening, preparing, and quality reviewing
- Values services by multiplying each federal return accepted at traditional VITA sites by the rates paid to paid return preparers in the local labor market
- Reduces need to keep time sheets for documenting the volunteer services match for these activities
- Review questions in Publication 4671 section *Simplified Method for Volunteer Return Preparation Recordkeeping* to see if the simplified method will benefit your organization



Other Considerations

- Return growth expected
- Service delivery options include:
 - Traditional
 - Virtual
 - Facilitated Self-Assistance
- Concurrent application processing



Return Growth Expected

- Successful applicants demonstrate incremental increase in the number of federal tax returns each year
 - For consideration include an explanation for any periods of decline or limited growth
- All grant agreements include the number of federal returns expected to be filed by your organization
- Plan for growth – target 3% over the prior year
unless explanation provided on why slower growth is anticipated



Service Delivery

- Consider how tax return preparation is delivered
 - Traditional – service is provided one-on-one to those that visit a physical site
 - Virtual – service is similar to traditional but uses technology to connect the volunteer and taxpayer
 - Facilitated Self-Assistance – taxpayer prepares their own returns with assistance from trained volunteer as needed
- Consider who you want to reach with the different service delivery methods
- Consider who will support different delivery methods



Facilitated Self-Assistance Return Preparation

- Support preparation and e-filing goals
- Leverage volunteers
- Target assistance to taxpayer comfort level
- Reduce lines and wait time at peak periods
- Increase taxpayer knowledge and skills
- Receive credit for returns filed
 - Use SIDN for software other than MyFreeTaxes
 - Discuss with territory counties targeted and agree upon allocation among other territory partners



Assurances and Certifications

- Authorized organization representatives agree to the certifications and provide assurances by checking “I Agree” in Block 21 of the SF 424.
- List of Assurances and Certifications found in the appendix of each publication covers all assurances and certifications required to receive federal financial assistance
 - All may not be applicable to your organization
 - Many flow through to any sub-recipients provided funds from your grant
 - Be sure this is a component of all sub-award memorandums of understanding or contracts



Concurrent Application Processing

- Technical and Grant Program Office evaluations performed concurrently
- Missing information necessary for technical evaluation may not be identified prior to technical review
- Items determined to be missing and subsequently provided will not be considered during technical evaluation and could result in lower technical scores



Contact information

- Direct questions to our email addresses
 - VITA – Grant.Program.Office@irs.gov
 - TCE – TCE.Grant.Office@irs.gov
- Research IRS.gov 24/7 for answers
 - Program information – Search: Partner in your community
 - Grant specific information – See inside cover of grant publications for links
 - VITA – www.irs.gov/Individuals/IRS-VITA-Grant-Program
 - TCE - www.irs.gov/Individuals/Tax-Counseling-for-the-Elderly

2016 VITA and TCE Grant Application Process Overview

Talk Points

Slide 0 – Main Page

Hello everyone, **my name is Shelia Barnes**, and I will serve as the conference call host today.

This call is in “listen only mode” to help keep background noises and interruptions to a minimum.

Slide numbers will be announced to allow you to follow along with the presentation material. If you do not have the slide presentation already:

- Go to IRS.gov
- Using the search box, type in **VITA Grant**
- In the search results, choose **Applying for a VITA Grant** (second in list)
- Scroll down until you see **Additional Resources** section
- The overview is the last selection in this section **VITA/TCE Grant Application Process Overview**

We will open the call up for questions after the presentation. If you must leave the call before our presentation is complete, you may email your questions to the email addresses provided on the last slide.

We will post the talk points and questions within ten days of today’s discussion to IRS.gov. They will be added to the presentation we are discussing.

Introduction of Director, SPEC

Before we begin our session, Dietra Grant, Director, Stakeholder Partnerships, Education and Communication, is interested in sharing comments.

Director, SPEC

Welcome! We are glad we have the opportunity to offer VITA and TCE grants once again and I want to encourage you to consider applying. I also want to say thank you! We had an outstanding year in the VITA and TCE programs.

- Returns prepared increased by almost 3% over last year – over 3.6 million returns prepared (as of 4/20);
- E-filed returns increased by 3/10th of a percent – with 98.5% of the returns e-filed (as of 4/20); and
- Overall quality of returns increased with 95.26% (as of 4/19).

Unfortunately, this year was not without its challenges. Program sponsors faced issues including:

- Downtime – TaxWise On-line users faced problems with accessing on-line preparation; severe weather forced further shut downs and delays
- Implementation of the Affordable Care Act – Though impact was not as high as initially anticipated, additional training and time was necessary to complete returns; and it was further complicated by corrected 1095-A
- Reporting – Changes in how MyFreeTaxes.com returns are credited to program sponsors presented challenges in tracking return filing progress toward goals

Even with these challenges, our partners and especially our grantees rise to the challenge. Early results show many grantees have met their federal returns expected goal.

- 50% of grantees met or exceeded their goal;
- 33% of grantees are at 90% or more of their goal; and overall
- Grantees accomplished 98% of the total returns expected to date.

Studies conducted show that roughly 19 million customers would utilize Volunteer program resources if given the opportunity. Interested applicants should strive for incremental increases in individuals reached each year and balance their portfolio of services offered. Consider using alternative models of return preparation, such as facilitated self assistance and virtual VITA/TCE to grow your programs.

Oversight and Ethical Standards

As a potential grant recipient, you should closely consider the oversight you provide to employees, volunteers and members of your coalition. As a potential grant recipient, you are ultimately responsible for delivery of the program and for all sub-recipients of the grant.

We had a few instances this year where individuals involved in the program completely disregarded our standards of conduct. It's very unfortunate but a few individuals can negatively

impact the work performed day-in and day-out by thousands of conscientious, trustworthy, and dedicated volunteers.

I ask that you be vigilant and ensure your programs establish expectations of its sub-recipients, volunteers and employees, and that the proper amount of oversight is included to eliminate the possibility of this type activity occurring in the future.

Last but not least is grant funding. For the 2016 VITA Grant, \$12 million in funding was approved in this year's budget; TCE funding is unknown at this time.

Slide 1 – What we are going to cover

Hi I'm Wanda Perdue and I'll be covering the initial information about the grants.

The grant programs had a great year and we continue to identify improvement opportunities. Feedback is gathered formally and informally throughout the year and we make every effort to give the suggestions due consideration. Unfortunately, we are not able to adopt all recommendations.

The Grant Program Office has not held a conference call since 2012; but felt one was in order due to changes we have implemented.

We will:

1. Focus on the grant objectives,
2. Briefly discuss the differences between the two grants offered by SPEC,
3. Look at eligibility requirements,
4. Highlight key parts of the application process, and
5. Cover other application considerations.

Slide 2 – VITA Grant Objectives

Although the VITA program began with the Tax Reform Act of 1969, the VITA Grant program did not become a reality until December 2007.

At that time Congress directed IRS to establish and administer a matching grant program for community volunteer income tax assistance.

The grant supports the original VITA program that offers free federal tax return preparation for

- low-to-moderate income individuals,
- persons with a disability,
- individuals who are limited English proficient,
- Native American or
- elderly.

The objectives are:

- 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 the accuracy rate of returns prepared at VITA sites.

Slide 3 – TCE Grant Objectives

Unlike the VITA Grant program, the TCE grant has been around since it was established in 1978. It has operated through the years as a cooperative agreement and does not require the applicant to provide matching funds.

TCE objectives are to:

- Provide tax counseling and return preparation to persons 60 years of age or older; and
- Provide training and technical assistance to volunteers who provide free Federal income tax assistance within elderly communities across the nation.

Slides 4 and 5 – Differences between VITA and TCE

The next two slides highlight the differences between the VITA and TCE Grant programs. The VITA Grant requires a dollar-for-dollar match. TCE does not.

This means for every federal dollar requested, the applicant will provide the same amount or greater. For example, a request for \$50,000 means a match of \$50,000 is required.

Matching funds are not limited to cash. Matching funds also include in-kind services, such as volunteer return preparers, quality reviewers, and screeners.

Also, matching funds includes the space the site operates in and supplies that are donated, such as paper, pens, or pencils.

Let's pause here for additional characteristics of matching funds

- Generally the matching funds used for the VITA Grant cannot be used to support or provide matching funds for other federal grants.

The AmeriCorps and VISTA program operated by the Corporation for National and Community Services or CNS is an example of this. The individual's time and any monies your organization provides for cost sharing for CNS cannot be used as match for the VITA grant. We realize there are some exceptions. You'll see one in the Publication 4671 in the "Federal Funds as Match" section.

- Federal funds retain identity as federal funds even if you are a subsequent tier recipient or pass through entity.

The most common example is funding you receive from the state or local government. You must be sure any state funds are not from a federal source.

- In-kind contributions used as match must be necessary for the VITA Program.

They must be documented in your books and records. This includes the contribution value.

For instance, if you are using volunteer time as match it should be recorded in your general ledger once received and documentation maintained to support the match.

The VITA Grant allows applicants to use both indirect and direct costs; TCE allows for direct costs only.

Indirect costs are generally costs shared by all programs operated by the applicant. They include:

- Depreciation or use allowances on buildings and equipment;
- Costs of operating and maintaining facilities;
- General and administrative expenses; and
- Personnel and accounting administration.

Indirect costs are considered within the award amount and are not in addition to the award amount.

You'll hear more about indirect costs and changes made later in this presentation.

Both grants allow funds to be used for salaries.

There is a difference in the positions that can be funded with the grant.

VITA allows payment to clerical, tax law instructors, program or site coordinators, interpreters, and technical support personnel.

TCE limits the use of their funds to administrative and technical personnel.

Administrative personnel are individuals performing clerical activities, such as scheduling and maintaining appointment information, ordering supplies, or maintaining information on equipment, volunteers, and operations.

Technical personnel would include those individuals that maintain equipment used in the program, such as installation of software, set up of equipment, system updates, and data backup.

Neither program allows the use of federal funds for screeners, tax return preparers and quality reviewers.

Individuals that perform multiple activities that include any of these three roles must document their time by role in order to show that the individual is not paid with federal funds for these activities.

VITA does not have a limit on administrative costs. Therefore, you are able to use the entire grant for administrative costs.

TCE does have a limit for administrative costs.

TCE has a 30% limit to administrative costs to total program cost.

If applying for a TCE grant, the Form 8653, TCE Program Application Plan, identifies by line item the administrative costs.

The budget documents are different between programs. Both publications provide detailed information on the documents required for budget submission.

And last but not least, the TCE grant requires that at least 65% of all e-filed returns completed must be for taxpayers aged 60 or over for both the primary or secondary taxpayer when filing a joint return.

Slide 6 –Application Process Timeline and Program Period

The application period opens May 1 and remains open through June 1.

We appreciate early submission of applications so that we can begin work sooner; however, any application submitted and validated within Grants.gov by 11:59 p.m. on June 1 will be accepted.

Slides 7 – Key Changes and Important Reminders

You'll note in the front of each of the publications covering the grants, Publication 4671 for VITA and Publication 1101 for TCE, a section of key changes and important reminders. Be sure to check these out before starting your application.

- New guidance issued covering grants and cooperative agreements
- Each publication is only available electronically; using the bookmark feature will help in navigating the publications
- For VITA, we've added information on a simplified method for recordkeeping around volunteer return preparation; you'll hear more about this later in the presentation
- We've eliminated the SF 424A for VITA applications

Slide 8 - Eligibility Requirements

This slide is a snapshot of the eligibility requirements for the VITA and TCE grants. Please ensure your organization meets the basic eligibility requirements before preparing an application.

Slide 9 – Non-Profit Requirements

TCE and VITA eligibility non-profit requirements differ only slightly. The TCE Grant is limited to non-profit organizations and does not include government entities; however, it does include Indian Tribal governments. The VITA Grant extends to non-profit organizations and government entities, such as cities, states, local governments, and Indian Tribal governments.

To be considered eligible from a non-profit standpoint, organizations must be recognized as a non-profit under section 501 of the Internal Revenue Code of 1986. IRS provides determination letters to non-profit organizations when requested; however, requesting a determination letter is not sufficient. Organizations interested in applying must already have their determination letter confirming non-profit eligibility. Determination letters are also required of churches.

Organizations are expected to include documentation of their non-profit eligibility as an “attachment” to their application on Grants.gov.

Slide 10 – Demonstrate Tax Compliance

Organizations must demonstrate tax compliance with federal tax obligations. This means that you must have filed all returns and paid all taxes, penalties and interest due to the IRS. Do not assume that you are tax compliant. Also, do not assume that issues from prior years would have been brought to your attention during an earlier review. We changed the timing of the compliance check, which eliminated our need to verify all applicants’ compliance. We now only verify compliance on organizations that are offered a grant. If you don’t handle the tax responsibilities of your organization, it is well worth the time to check with your financial department to ensure your application will not be rejected due to a tax compliance issue.

Both the VITA and TCE application instructions include phone numbers for verifying federal tax compliance. Remember the Internal Revenue Service will not talk to just anyone at your organization about tax compliance issues. It must be the person designated to handle such issues with the IRS. Also, if your organization contracts out certain portions of your tax responsibilities, for example, payroll taxes, you should make sure they are timely filing returns and making the necessary deposits.

Slide 11 – Other Eligibility Criteria

All interested applicant organizations and key individuals with the organization or listed in the plan are researched against the Excluded Parties List maintained in the System for Award Management or SAM. The organization's status is also reviewed for any federal non-tax debt and for an active registration.

Organizations that expend \$500,000 or more in federal funds in a year must have an audit that meets the requirements of Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. The Grant Program Office reviews these audits for opinions that demonstrate an organization that is managed well financially.

Please note that the threshold for this audits increased to \$750,000 for tax years beginning after December 26, 2014.

Applicants that were prior VITA or TCE grant recipients must have also filed all required reports timely.

And as mentioned earlier, VITA Grant applicants must be prepared to provide matching funds.

Slide 12 – Application – First Steps

- Review the instructions in the two application publications.
- Secure a DUNS number for your organization. If you are planning to sub-award any funds, all entities that you provide sub-awards to must also have a DUNS number. There is no cost for the DUNS number.
- Register in the System for Award Management. If you're already registered, make sure your registration remains active throughout the application period. Be sure to check the individuals registered and their email addresses to ensure you receive reminder emails. Problems identified in late May could make it impossible to submit an application. The date indicated is the day it is expired. So if the date is June 1, 2015, the last day your registration is active is May 31 not June 1. One day could make all the difference in applying for the grant.
- ALL applications must be submitted through Grants.gov. Register early and take advantage of the user guides available to become familiar with the system. If you're already

registered, sign in to make sure passwords are still active. Obtain new passwords and check for the roles individuals hold. Depending on your role, you may be able to create an application but may not be able to approve the submission of it. Check! Based on our experiences, this is one of the top three reasons applications are rejected – the submitter is not approved as an authorized organization representative.

- Applicants should contact the State Single Point of Contact (SPOC) under Federal Executive Order 12372 to determine whether the application is subject to the State intergovernmental review process. Visit the web site listed in the application instructions to determine if your state is participating.

Slide 13 – Use of Grants.gov Required

We have mandated the use of Grants.gov for application submission. Grants.gov has improved in recent years and we are confident it provides sufficient resources to assist you in submitting an application. However, you must use these resources.

Locate the application packages using the CFDA code shown. This package contains the forms you'll need to complete along with the form used to add all attachments. Grants.gov offers excellent step-by-step instructions for locating and downloading the application package. Please take advantage of their instructions.

Be sure to give yourself time to correct any reject errors so don't wait until June 1 to submit your application.

Look for two emails from Grants.gov within two business days of submission to confirm acceptance of the application. The first confirms receipt and the second will confirm whether successful or rejected. Rejected applications must be corrected and resubmitted by the due date.

Slide 14 – Multi-Year Award Instructions

We are continuing to offer multi-year award opportunities. There are two sections – one for organization interested in a multi-year award and one for current grant recipients awarded a multi-year award in the previous year.

Multi-year award status benefits the grant recipient in years 2 and 3 by eliminating the need to compete for an award and by eliminating the need to submit the full application.

In general, an organization that has been a VITA Grant or TCE recipient in the past and had no significant concerns, met their program plan, and demonstrated the ability to grow can elect to apply for a multi-year award. In the initial year the applicant files a complete application and adds information to their application to show plans over a three year period for certain criteria.

For example, the additional information requested for TCE can be found in the Proposed Program/Budget Plan section. For VITA, in the narrative, you'll address certain criteria in the program plan and financial operations sections. We're not looking for detailed information but general information on how you see the program changing over the three year period if awarded a multi-year grant. You don't need to address every aspect of your application but you should address those where you see the most benefit of continued funding.

If an applicant receives a technical ranking score of 90 percent, that is 180 for VITA and 90 for TCE, and they are recommended for award, they will most likely be offered a multi-year award. In the past, all organizations that met these conditions were offered multi-year awards. However, we recognize adjustments may be necessary as more eligible applicants indicate interest and meet the requirements. Another consideration is the availability of funds, which 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.

For applicants that received multi-year award status in the preceding year, an abbreviated application is required as long as the applicant remains in good standing and meets their performance goals. The Grant Program Office will communicate with these organizations in early May to let them know where they stand so that they would know whether the abbreviated application process could be followed or whether they would need to submit the full application.

Other things to note:

- If you apply for a multi-year grant and are not selected for multi-year, you are automatically considered for a one year grant.
- Designation as a multi-year award recipient is shown on the grant agreement.
- In order to continue as a multi-year award recipient and avoid competition in the subsequent year, your organization must meet the criteria for continued consideration.
- If your prior year grant agreement showed your organization was in year 3 of the multi-year award, a full application is required for funding consideration.

Slide 15 – Completing Your Application

Please take time to review the Publication 4671 or 1101 thoroughly if you elect to apply for the grant. Both publications provide interested applicants with information that will make the process easier.

The following may assist you in submitting a quality application:

Be sure to comment on all requested information. Failure to provide the requested information can prevent an organization from being considered for the grant. It could also lower your chances of receiving a grant because the plans do not clearly demonstrate a thorough understanding of what is required.

You may want to consider copying certain portions of the instructions, especially narrative portions, to a work document. You can use different color fonts to identify your response to the information requested. By having these instructions in the work document, it provides subsequent reviewers the opportunity to ensure all requested information is provided and that it is clear and concise. Before finalizing, you can delete the instructions that you copied into the document.

You also want to be specific in your responses. For instance, if you're writing to your quality review process for ensuring returns are accurate you'll need to say more than "We have a quality review process." You want to speak to the different aspects of the process and the outcomes associated with your actions. An example might include: "We have a designated quality reviewer at all sites. They review all returns, provide one-on-one feedback, share trends with all volunteers, and conduct mini-training sessions when needed."

With electronic submission, submitting an application with missing pages should be greatly reduced; however, you do need to ensure that when you reference an attachment in your application that you've included it with your submission and that it is properly labeled to assist the reviewer in finding the information you're pointing out.

Slide 16 – Components Available on Grants.gov

Copies of the Standard Form 424, Application for Federal Assistance and Standard Form LLL, Disclosure of Lobbying Activities for both programs are available in the application instructions for your reference. These forms are also part of the application package on Grants.gov. It is

the forms within the Grants.gov electronic application that must be completed in order to be able to successfully submit the application on Grants.gov.

There is also an “attachments” document that must be included with the submission and the other components of the application should be added to this document, such as the non-profit eligibility confirmation, narratives, and budget information. See the instruction book for a full list of required components and how they should be labeled.

Slide 17 – Standard Form 424

This is the Application for Federal Financial Assistance. You’ll note that when you download the application package from Grants.gov, and look at the SF 424 some fields have been highlighted in “yellow.” Fields that are “yellow” must be completed or the Grants.gov system will reject.

You’ll also note that some fields are already completed. These fields pulled from the application announcement on Grants.gov and from your organization’s registration on Grants.gov. All organizations submitting an application in Grants.gov must be registered. If these pre-filled items differ from the instructions no change is necessary.

You may provide additional attachments for fields that may be insufficient for the information you wish to provide. Item 14, Areas Affected by Project, and Item 16, Congressional Districts, are two such areas.

It is important to note that forms that require signatures, like below block 21, on the SF 424, are completed when the application is submitted. Signatures are added based on the information contained in the Grants.gov system for the user signed into Grants.gov and submitting the application. Be sure you’re approved to submit applications on behalf of your organization.

Slide 18 – Standard Form LLL

This is the Disclosure of Lobbying Activities. You’ll note that when you pull the application from Grants.gov that the SF LLL is in the optional section. This means that you are only required to submit the form if it applies to your organization. Be sure to review the information provided in the Assurances and Certification section of the publication to help in determining whether your organization is required to complete and submit the SF LLL.

Do not complete or submit if it does not apply to your organization.

Slide 19 – Attachments

You'll note an attachment document in the mandatory section of the Grants.gov application. This is the document you'll use to attach application components that are not part of the application package from Grants.gov.

Full instructions are available in the publications on the additional information that must be submitted with your application. Examples include the:

- Determination letter from IRS to confirm your non-profit eligibility
- Narrative documents – For TCE, this is your background narrative, proposed program and budget plan, and civil rights narrative. For VITA, this is the narrative, which includes section on program, financial operations, and civil rights.
- Budget document – for TCE, this would be the Form 8653, Tax Counseling for the Elderly Application Plan
- VITA Grant Workbook or similar document, which includes site and budget information.

These examples are not all inclusive. Please check out the publications for required documents and how they should be labeled. Choosing an acceptable file name will reduce the chance of your submission rejecting when submitted to Grants.gov.

Slide 20 – TCE Forms 14024 and 8653

The TCE application includes a checksheet for ensuring all components are included. It also includes the Form 8653, which will be discussed later during this presentation.

Slide 21 – Program Plan and Other Narratives

Keep the reader in mind – Don't assume that the reader knows anything about you or your program. Most likely they do not. In order to ensure a fair and objective review, technical reviewers assigned your application are not from the same SPEC area as you.

Follow the instructions and application guidance carefully – We've worked hard to give you complete instructions on proper application completion. They matter. Take time to review and follow.

Label all sections and number all attachments. Use the labeling guidelines included in the publications. If readers have difficulty finding information, they may not find what you're trying to point out.

Utilize a program coordinator for thorough understanding of processes. Use someone that is familiar with the VITA and TCE programs to review your application. This way, they can point out any items not addressed or addressed inaccurately. In the past, an applicant submitted an elaborate training plan but failed to address the actual preparation of returns. Applicant organizations are expected to deliver a full program. It's okay to have different members of a coalition focus on different aspects but the program must deliver returns.

Use templates when provided. Although the templates provided for certain portions of the application are not required applicants should give strong consideration to using. These templates ensure requested information is complete. For instance, the VITA Grant Workbook provides a template for sharing site information. Providing complete site information results in points being awarded during technical evaluation. If the template is not used, applicants may not include the EFIN or SIDN fields so the points awarded during technical evaluation may be lower.

Be brief, concise and clear.

Be organized and logical.

Combine data. We're looking for combined data from the applicant that is submitting an application on behalf of a coalition. We're not looking for separate plans, budgets or sites. Use the templates provided and combine information.

Carefully proofread the application. Review your submission. Excessive errors distract the reader and may result in lower technical scores.

Adhere to limits and formats requested. Be sure to remain within the page limits and to use the spacing and font size indicated. Although attachments do not count toward these limits, they shouldn't be used to circumvent the page limit.

Slide 22 – Budget Formulation

The formats for the VITA and TCE grant programs differ.

The VITA budget template contains the information required by the grant office. It has item categories, computation and funding columns. We encourage the use of the budget detail template to provide the budget information.

The Form 424A is no longer required with your VITA application.

The TCE Form 8653 is specifically designed to meet the budgetary requirements of the program. The form is designed to calculate your entries. Again, the TCE program limits **administrative expenditures to 30%** of the grant award.

Most organizations base their budgets on prior year records. We recognize these are just projections and if awarded, you'll be able to make adjustments between categories. We're looking at the type of expenses and the proposed funding source to ensure both are allowable and reasonable. Both grant publications provide examples of the most common allowable and unallowable expenses. Be sure to check the applicable publication before developing your budget. All expenses must support the delivery of the program for which you are applying.

First, let me point out that federal funds cannot be used to pay screeners, tax return preparers and quality reviewers.

The most common areas we question include:

- Incorrect computations and explanations. Often the computation does not equal the federal or matching funds entered or the explanation does not justify the proposed expenditure. Be sure to double check computation and explanations.
- Volunteer services are incorrectly recorded as "federal funding." Volunteer services should be recorded as matching funds. Remember federal funds cannot be used to pay screeners, tax return preparers and quality reviewers.
- Volunteer recognition items paid with federal funds exceed established limits. Items for volunteer recognition paid with federal funds are limited to \$10 per volunteer.
- Volunteer refreshments/food paid with federal funds exceeds established limits. Food items purchased for volunteers with federal funds may not exceed \$500 per grant application. The food is for volunteers while working at the sites. Federal funds cannot be used to purchase refreshments/food for training, taxpayers, or activities considered entertainment or a social activity.

Slide 23 – Indirect Costs – VITA Only

Indirect costs represent the expenses necessary for the general operation of the organization to conduct its activities and are not readily identified with a particular grant, contract, project function or activity.

If your program has applied for a federal indirect cost rate (IDCR) and/or does not have a current indirect cost rate, please do not include it in your proposed budget. Please notify our office when a final federal indirect cost rate is agreed upon and also revise the budget to reflect the new rate.

VITA grant recipients have the option to charge 10% against its modified total direct costs as described in the new 2 CFR 200. Your desire to use this rate must be reflected in your proposed budget.

Slide 24 – Simplified Method for Recordkeeping – VITA

For programs that use volunteer match in their budget, the new Simplified Method of Recordkeeping was designed to provide some relief in tracking volunteer time as match.

In the Publication 4671, we have provided some question to assist you in determining if this process would be beneficial to your organization. We also provide additional guidance and issues to consider before choosing this method.

Slide 25 – Other Considerations

As you complete the application keep these items in mind:

- Return growth is expected
- Service delivery methods vary and may add to your program
- Concurrent processing of the application

Slide 26 – Return Growth Expected

As you project the number of returns for your plan, consider how much growth you are projecting. Ask yourself if it is reasonable? Does it show growth?

IRS is looking for a minimum growth of 3% over the prior year production. However, just adding three percent to the prior year production may not be reasonable. You should also consider your:

- Performance from year-to-year
- Program size, and
- Anticipated changes.

For instance, a small program that produced 200 returns during the current filing season and 100 returns during the previous filing season should not propose to produce 206 returns (that's 3%) in the upcoming filing season plan.

It is not reasonable based on the prior year growth of 100%. It may or may not be possible to achieve the same 100% growth. Applicants should also consider changes in delivery and/or resources.

You may also consider letting the Grant Program Office make the determination. Don't. The grant officer reviews the information in the application and compares it to SPEC monitoring systems to determine a fair yet growth minded projection. Be sure to document known changes when discussing your expected returns. Examples of things that may impact your program:

- Changes in coalition participation – Maybe you have the same number of sites but they are operated by different partners than in the prior year.
- Changes in delivery methods – Maybe you're adding a virtual site. Starting a virtual site may not produce the same results as starting a traditional site.
- Impact of known software and tax law changes – A customer may not need to file a federal return in order to file state returns.

Slide 27 – Service Delivery

If you've always delivered service one-on-one consider different approaches to reach your audience.

Slide 28 – Facilitated Self-Assistance Return Preparation

For instance, sites near a college that attract students may be a good choice for a facilitated self-assistance site because students are more familiar with technology and are used to many

delivery approaches for learning. Just be sure to consider all facets of providing service in your decision – the volunteer, the customer, and the message.

Consult with your relationship manager to get more information about the methods you're considering. They have information to consider in adopting new service delivery methods.

Slide 29 – Assurance Certification

There's a section on the assurances in each publication. Be sure to read through this section. It also references the list of assurances and certifications that you're agreeing to when submitting the SF 424, which is found in the appendix.

For those organizations that may be sub-awarding funds many of these assurances should also be included or referenced in all agreements or contracts with sub-recipients.

Slide 30 – Concurrent Application Processing

In previous years, the grant office reviewed the applications prior to the technical evaluation to ensure the application was complete with all requested information provided. The technical and grant office evaluations now occur concurrently. Two copies of the electronic Grants.gov application are made when downloaded. One will be used for the technical evaluation and one for the grant office evaluation.

If information is missing from the application when submitted it may not be identified by the grant office prior to the technical evaluation. Technical reviews are scheduled to be completed in June. The grant office most likely will not evaluate all applications at the same time. **In order to be fair to all applicants, missing information identified after application submission will not be considered during technical evaluation.** This could impact your technical evaluation scoring.

Be sure all requested information is provided at submission.

Slide 31 – Contact Information

Our contact information is provided on the slide and also included in the front of the publications.

Question and Answer Session

1. How do you determine how many grants are given in a state? For example, if there are multiple coalitions, do you have a certain dollar amount allocated per state and is it split between organizations in another manner? *VITA funding is allocated to each state based on low income households. Funds are awarded to continuing multi-year applicants within the state first and then to competitive applicants in descending order of rank score. Funds not used in a particular state are awarded to states showing the lowest coverage rate in ascending order.*
2. Will applications that target geographic areas that encompass a federally designated Promise Zone receive priority or preference for grant funding? *No. The Grant Program Office does not award grants based on federally designated Promise Zones.*
3. Why are applicants required to submit a letter from the IRS in a grant application to the IRS? *The letter provides confirmation of the eligibility requirement for tax-exemption.*
4. Is there a minimum and maximum award amount? *No.*
5. What is the length of the narrative? *No more than 55 pages.*
6. If you are a continuing multi-year recipient, do you need to reply to the new questions for the financial narrative? *Only answer changes to the financial operations section. A full narrative is not required.*
7. Since the VITA Grant Workbook template has changed can we use the old template or is the new template required? *Use the new template. There are changes to the new template on the budget detail tab with hidden columns. If you receive an award, we've added columns for revised and final budget information.*
8. My organization received a multi-year grant previously but did not qualify last year. Are we eligible for another multi-year grant for this year? *Yes, possibly. Other eligibility requirements must also be met.*
9. The TCE grant only allows 30% of their funds for administrative costs. Can you define administrative costs? *Administrative expenses are costs incurred by the grant recipient for salaries/benefits paid for administrative or technical support, supplies, rent, utilities, custodial services, audit of TCE funds, travel by the organization's administrator(s) (paid staff), publicity, sponsor-developed program materials, cost of statistical roll-up report, telephone installation for a "telephone answering site," and other administrative items (e.g., printing, postage, insurance, etc.). Administrative expenses include any amounts paid to volunteers as reimbursement for printing, copying, telephone services, etc. Such payments will not be treated as reimbursement expenses. You can find detailed instruction on the back of Form 8653, Tax Counseling for the Elderly Application Plan, or Form 8654, TCE Program Semi-Annual/Final Program Report. These forms further explain items considered administrative expenses under this Tax Counseling for the Elderly program. Further information can be found in Publication 1101, Management of Funds section.*
10. Can you apply for both VITA and TCE grants? *Yes*
11. How successful is the self-assisted tax sites? *This varies depending on the VITA program operated.*

12. How do you calculate the simplified method vs. the hourly rate for volunteer services as match? *You will actually use the Bureau of Labor Statistics using the hourly rate times the number of federal returns accepted. Please see Publication 4671, page 35 for more details.*
13. My organization's Indirect Cost Rate (ICR) has expired and we are in the process of getting a renewed rate. When I submit the grant application should I use the previously approved ICR or the de minimis rate? *Apply the de minimis rate until the ICR is approved. Submit the approved ICR within 90 days of being awarded.*
14. Is the expected 3% growth target calculated over the prior year goal or number of actual returns? *The number of actual federal returns accepted.*
15. In the past one organization has applied for the grant on behalf of the coalition. The organization has dropped out of the coalition. Can another member of the coalition apply for the grant? *Yes*
16. If the coalition offers MyFreeTaxes services is that considered virtual VITA site or an additional service? *MyFreeTaxes is considered an additional service.*
17. How do we know that the VITA grant workbook is the most current? *The file name seems to always be the same. The new workbook has been posted to the VITA grant webpage. The new workbook contains hidden columns on the budget detail explanation tab between columns D and I. Organizations that receive an award can unhide the columns to reveal columns to report revised and final budget information.*
18. Our organization has formed a rural area coalition and we want to reach out to young adults in the area for support from the college community. Can the VITA grant be used for scholarship money in order to get student participation? *No.*
19. What are other limitations on expenses for the VITA grant? *Publication 4671 and Publication 4883 provides more information on allowable and unallowable expenses.*
20. In publication 4671, page 29, Financial Operations section, the question asks "What is your organization's capitalization level for financial statement purposes?" Can you explain the meaning and intent of the question in order to provide the best response? *The question in the Financial Operations section (item E) concerning your organization's capitalization level for financial statement purposes is attempting to determine the dollar amount your organization uses to record a purchase as an asset, such as property, plant or equipment. For VITA Grant purposes, we want to determine whether purchases of computers or printers will be considered supplies or equipment. Documentation requirements differ based on this determination. 2 CFR § 200.33 defines equipment as 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 [your organization] for financial statement purposes, or \$5,000.*