



Low Income  
Taxpayer Clinics

REPRESENTATION • EDUCATION • ADVOCACY

# 2021 Supplemental Application Webinar

# Application Resources

- 2021 Publication 3319, Low Income Taxpayer Clinics (LITC) Grant Application Package and Guidelines
- 2 CFR Parts 200 and 1000, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*
- Internal Revenue Code Section 7526
- Application period is March 15, 2021- April 16, 2021

# LITC Mission Statement

Low Income Taxpayer Clinics (LITCs) ensure the fairness and integrity of the tax system for taxpayers who are low-income or speak English as a second language (ESL) by:

- Providing *pro bono* representation on their behalf in tax disputes with the IRS;
- Educating them about their rights and responsibilities as taxpayers; and
- Identifying and advocating for issues that impact these taxpayers.

# LITC Program Office Responsibilities

- The LITC Program Office is part of the Taxpayer Advocate Service (TAS)
  - TAS is an **independent** organization within the IRS, led by National Taxpayer Advocate Erin Collins
- The LITC Program Office administers the grant program by:
  - Screening applications and assisting with the selection of grantees
  - Administering grant funds
  - Monitoring LITC performance
  - Assisting LITCs in achieving the overall mission of the program by providing guidance and support

# LITC Program Office Leadership

- Tamara Borland, LITC Program Director
- Mike Hutchens, Acting LITC Program Deputy Director
- Tim Shepard, Advocacy Manager
- Alayka Davis, Acting Operations Manager
- Bill Beard, Senior Program Analyst
- Joceline Champagne, Technical Advisor

# Program Requirements

# Program Expectations

LITC grant recipients must:

- Plan and participate in activities supporting all three prongs of the LITC Program mission: **Representation, Education, and Advocacy;**
- Offer LITC services for free or no more than a nominal fee;
- Provide dollar-for-dollar matching funds; and
- Not engage in tax return preparation unless returns are needed to resolve an IRS controversy (i.e., tax liability) or ancillary to an ESL education event.

# 100% Matching Requirement

- Each dollar of federal funding must be “matched” by a dollar of non-federal funding
- Grantee must provide the amount, source, and type of matching funding (Form 13424-J)
- Matching funds must be used in direct support of LITC program activities
- Third-party in-kind contributions are acceptable matching funding
  - Time that an employee of the LITC or sponsoring organization “volunteers” can’t be used as match
  - Valuation depends upon service performed

# Eligible Organizations

Per IRC Section 7526(b)(2), an LITC may be:

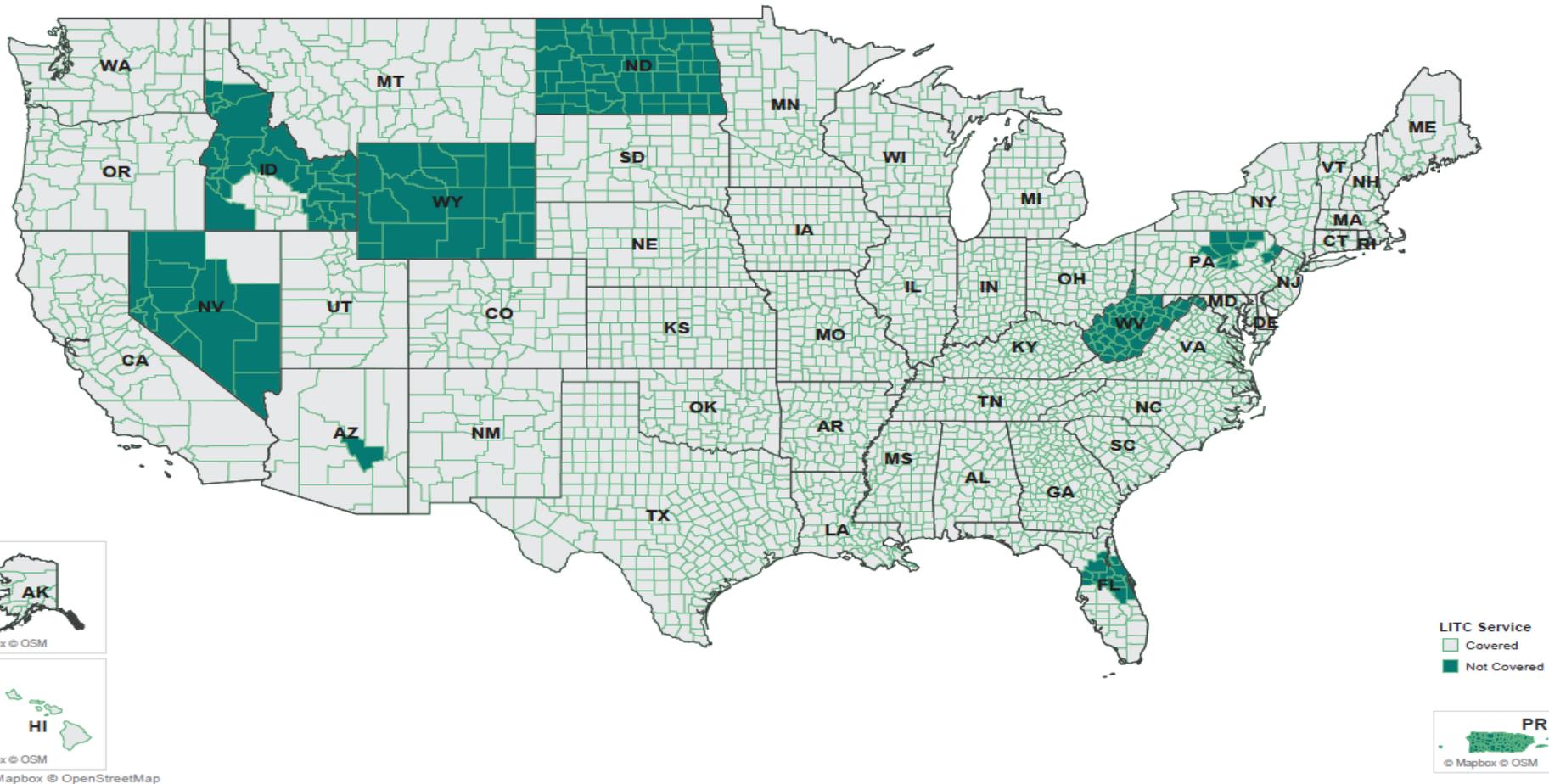
- A clinical program at an accredited law, business, or accounting school in which students represent low-income taxpayers in controversies arising under this title; and
- An organization described in section 501(c) and exempt from tax under section 501(a) which satisfies the requirements of paragraph (1) through representation of taxpayers or referral of taxpayers to qualified representatives.

- 2021 LITC Types:**
- Legal Services/ Legal Aid Programs
  - Academic Clinical Programs
  - Other nonprofit organizations

## Locate Existing Clinics and Read More About the LITC Program

- IRS Publication 4134, Low Income Taxpayer Clinic List
- [Find your local clinic](#) on irs.gov
- IRS Publication 5066, Low Income Taxpayer Clinics (LITC) Program Report

# 2021 Coverage by County



**ARIZONA** (Gila county), **FLORIDA** (Brevard, Citrus, Flagler, Hernando, Lake, Orange, Putnam, Seminole, and Sumter counties), **HAWAII**, **Idaho** (Ada, Adams, Bannock, Bear Lake, Bingham, Boise, Bonneville, Butte, Canyon, Caribou, Clark, Clearwater, Custer, Franklin, Fremont, Gem, Idaho, Jefferson, Latah, Lemhi, Lewis, Madison, Nez Perce, Oneida, Owyhee, Payette, Power, Teton, Washington, Valley), **NEVADA**, **NORTH DAKOTA**, **PENNSYLVANIA** (Bradford, Clinton, Lycoming, Monroe, Northumberland, Pike, Snyder, Sullivan, Susquehanna, Tioga, and Wyoming counties), **PUERTO RICO**, **WEST VIRGINIA**, and **WYOMING**

# Full Grant Application Requirements

The LITC Full Grant Application includes:

- Standard Form 424, Application for Federal Assistance
- IRS Form 13424, Low Income Taxpayer Clinic (LITC) Application Information
- IRS Form 13424-J, Detailed Budget Worksheet and Narrative Explanations
- IRS Form 13424-M, Low Income Taxpayer Clinic (LITC) Application Narrative

# Full Grant Application Requirements

- Attachments Form (used to attach the following):
  - Tax exemption determination letter, if applicable
  - Proof of academic accreditation, if applicable
  - Applicant's most recent audited financial statement if not available on the Federal Audit Clearinghouse
  - If audited financial statement is not available, applicant must submit unaudited statements for its most recent fiscal year and a statement as to why audited financial statements are not available
  - If there are not financial statements, a balance sheet or profit/loss statement is required
  - Indirect cost rate agreement, if applicable

# Full Grant Application Requirements

- Attachments Form (cont.):
  - Documentation which shows that the designated Tax Compliance Officer on Form 13424 is properly authorized to receive federal tax information regarding the applicant/sponsoring organization (e.g., articles of organization or Form 2848, Power of Attorney and Declaration of Representative)
    - Example: In conducting the federal tax compliance check, the Program Office identifies that the applicant has not filed a required federal tax return and owes money to the IRS for a penalty. The Program Office would need to contact the same individual in the applicant's organization with whom the IRS is also authorized to speak regarding the outstanding tax issues.

# Review and Evaluation of Full Grant Applications



# Application Review Process

Applications received by the LITC Program Office are subject to several layers of review, including:

- Validation by the Program Office (*are applications timely and complete and filled out in accordance with the instructions*)
- Technical Evaluation by a Ranking Panel (*to what extent will the proposed clinic program align with the requirements of the LITC grant*)
- Evaluation by the Program Office (*review of Ranking Panel findings, financial and compliance reviews, past and current performance if current grantee, etc.*)
- National Taxpayer Advocate Review

# Ranking Panel Technical Evaluation

- A panel of TAS employees convened and trained by the LITC Program Office conducts the Technical Evaluation
- The Technical Evaluation:
  - Is based only upon information included in the application form (Form 13424-M)
  - Evaluates the program the applicant is proposing in relation to the expectations and guidelines outlined in Publication 3319
  - Does not include review of clinics' proposed budgets

# Technical Evaluation Scoring

- Ranking Panel members award points to each application in the areas noted below and the points are totaled for an overall score of up to 100 points
- Applicants only move on to the next level of review (Program Office Evaluation) if they receive 50 points or more
- Points Awarded:
  - Experience (up to 13 points)
  - Financial Responsibility (up to 11 points)
  - Program Performance Plan (up to 71 points)
  - Program Coverage (up to 5 points)

# Program Office Evaluation

- Various LITC Program Office staff contribute to or conduct the Program Office Evaluation
  - Applicant information may be subject to verification
- The Evaluation will consider:
  - Quality of the proposed program
  - Soundness of the proposed budget
  - Any significant concerns identified during the Technical Evaluation
  - History of performance under LITC grants in prior years, if applicable

# Other Evaluation Considerations

- Existence of other clinics in the applicant's geographic coverage area assisting the same population of taxpayers
- Scope of services that the clinic will provide
- Number of low-income and ESL taxpayers who the clinic will assist
- Languages in which the clinic will provide taxpayer assistance
- Days and hours of clinic operation

# Other Evaluation Considerations

- Reasonableness of funds sought for the quantity and quality of services to be offered
- Other sources of funding available to the grantee and how it plans to provide matching funds
- Anticipated funding available to the LITC Program
- Any noncompliance with federal tax and nontax obligations, or national policy requirements

# Final Funding Decisions

- The National Taxpayer Advocate makes final funding decisions, unless recused
- In recusal situations, the Deputy National Taxpayer Advocate makes final funding decisions

# Standard Form (SF) 424, Application for Federal Assistance



# SF 424 Reminders

- Prepopulated fields cannot be changed
- Section 8a-8d should match information in SAM.gov
- Section 14 is where to attach list of counties covered
- Section 16a is congressional district where applicant is located
- Section 16b is congressional district(s) clinic covers
- Section 17 is the project period requested for grants: The project period for the supplemental is 06/01/2021-12/31/2022
- Section 18 is amount requested for the 18-month period not to exceed \$100,000
- Electronic signature will appear once submitted

Form 13424-M,  
LITC Application Narrative



# Form 13424-M Overview

Form 13424-M, Low Income Taxpayer Clinic (LITC) Application Narrative, has three main parts and several sub-parts:

- Background Information
  - Experience
  - Financial Responsibility
- Program Performance Plan
  - Program Staff
  - Taxpayer Services
  - Clinic Operations
  - Volunteers
  - Training and Resources
  - Program Monitoring, Evaluation, and Reporting
  - Program Numerical Goals
- Civil Rights Review

# Civil Rights

## Civil Rights Statements to be addressed:

- A list of active lawsuits or complaints naming the applicant which allege discrimination on the basis of race, color, national origin, age, sex, or disability with respect to service or benefits being provided.
- A description of all pending applications for financial assistance and all financial assistance being provided by other federal agencies.
- A summary of all civil rights compliance review activities conducted in the last 3 years.

# Civil Rights, continued

- A description of how the needs of individuals with limited English proficiency or those who may need a reasonable accommodation will be addressed in order to provide services.
- Does the applicant agree to compile and maintain all required records, according to agency guidelines?
- Does the applicant agree to display Publication 4052, IRS Civil Rights Poster?

# Background Information: Experience

- Operating an LITC program
- Delivering services to low-income and ESL individuals and families
- Networking and partnering with affiliates and other community-based organizations to reach taxpayers, and providing technical assistance to other organizations
- Supervising staff, students, and volunteers

# Background Information: Financial Responsibility

- Accounting procedures and support staff
- Methodology for ensuring LITC funds are used only for qualifying activities
- Audits and controls
- Financial statements
- Qualified Business Administrator's (QBA) qualifications and relevant expertise with business administration and managing federal funds

# Program Performance Plan: Program Staff - Key Personnel

- Qualifications and expertise of the following required positions:
  - Qualified Tax Expert (QTE)
  - Clinic Director

Tip: If one person will fill both roles, describe what relevant skills, experience, or education qualifies the person to fulfill each role. Do not merely repeat the same information in both places.

# Program Performance Plan: Program Staff - Others Providing Services

- Titles, responsibilities, and qualifications of other LITC staff members
- Students
  - Will the clinic utilize students
  - If so, will the clinic seek student authorization to practice before:
    - IRS
    - U.S. Tax Court

# Program Performance Plan: Program Staff - Authorization to Practice

- Must have a staff member that is authorized to represent taxpayers before the IRS (Attorney, CPA, or Enrolled Agent)
- Must have a staff member or volunteer that is authorized to practice before the U.S. Tax Court
  - Provide each individual's Tax Court bar number!

# Program Performance Plan: Program Staff - Tracking Time

- Time staff and students will devote to the clinic
- Method to be used to track staff and student time
  - See 2 CFR 200.430 (i), Standards for Documentation of Personnel Expenses.

# Program Performance Plan: Taxpayer Services - Taxpayer Eligibility

- Procedures used to ensure clinic properly tracks:
  - 90/250 requirement
  - Amount in controversy limit of \$50,000
    - Policy for exceptions to the amount in controversy limit, if any, including factors considered

# Program Performance Plan: Taxpayer Services

- Geographic area(s) the clinic will serve and demographic information, and the identified population for low-income and ESL taxpayer representation, education, and outreach
- Type of representation services to be provided
- Procedures for intake, assignment, and monitoring of cases
- Consultation services and how they will be made available to taxpayers
- Educational activities
  - Topics covered
  - How they will be made available to taxpayers

# Program Performance Plan: Clinic Operations

- Tracking delivery of services to low-income and ESL taxpayers
- Protecting taxpayer privacy, maintaining confidentiality, and safeguarding client records
- Publicity plan, including potential venues for outreach to low-income and ESL taxpayers
- Dates, days, and hours of clinic operation
- Plans for charging nominal fees, if any, and amount

# Program Performance Plan: Volunteers

- Applicant's *pro bono* panel and how members will be identified and recruited
- Referral process if to a local, state, or national *pro bono* panel
- Procedures used to assign cases to volunteers, monitor case progress, and evaluate services to ensure that taxpayers receive quality assistance
- Method used to track volunteer time

# Program Performance Plan: Training and Resources

- In-house training to be provided to clinic staff, students, and volunteers
- Continuing professional education activities of clinic staff and volunteers
- Tax law library and access to other research sources

# Program Performance Plan: Program Monitoring, Evaluation, Reporting

- Strategy for monitoring and evaluating program results (in short and long-term)
- Method to be used to measure and address client satisfaction

# Program Performance Plan: Program Numerical Goals

- Identify the Program Numerical Goals for the first year in the following areas:
  - New representation cases opened in the calendar year
  - Consultations with low-income and ESL taxpayers
  - Educational activities to low-income and ESL taxpayers
  - Low-income and ESL taxpayers to be reached in educational activities

# Form 13424-J, Detailed Budget Worksheet



# Detailed Budget Worksheet (First Page)

Form **13424-J**  
(May 2018)

Department of the Treasury - Internal Revenue Service

## Detailed Budget Worksheet

OMB Number  
1545-1648

Name of Low Income Taxpayer Clinic

Grant Period

From

To

Expense Categories	Federal	Match	Total
A. Personnel			
B. Fringe Benefits			
C. Travel			
D. Equipment			
E. Supplies			
F. Contractual			
G. Construction			
H. Other Expenses			
I. Total Direct Charges			
J. Indirect Charges			
K. Totals			

# Budget Narrative (Second Page)

- Personnel
  - Name, title, Full Time Equivalent (FTE), wage (salary or hourly)
  - Federal amount, match amount, total
  - Any additional explanation
- Fringe Benefits
- Travel
- Equipment (equals or exceeds \$5,000)
- Supplies
- Contractual
- Other Expenses
- Indirect Charges (Indirect Costs)
- Matching Funds

# Presenting Budget Information

- Be sure to:
  - State your organization's FTE. (A full-time employee at your organization works X hours per week.)
  - The FTE effects calculations:
    - .5 at 37.5 hrs./week = 18.75 hrs. vs.
    - .5 at 40 hrs./week = 20 hrs.
  - Match each budgeted item to the description for that expense category.
  - Be consistent in how you list an item of cost.

# Most Common Errors

- Math Errors– Calculation errors in the narrative section.
- FTE Determination– Number of hours in 1.0 FTE not provided.
- Personnel– Annual salary for salaried employees not provided.
- Inconsistency in Budget Worksheet vs. Narrative- Calculations in the narrative description do not match the amounts provided in the worksheet section (top of Form 13424-J).
- Incorrect Category– Costs for equipment-type items are incorrectly listed in the Equipment category. Only items over \$5K are included in Equipment. If less than that, list in the Supply category.
- Incorrect Category – Volunteer in-kind hours are incorrectly listed in Personnel when they should be included in the Other category.
- Unallowable Expenses – Professional licensing (or Bar Dues) fees for employees or volunteers. See 2 CFR § 200.445.

Grants.gov

# About Grants.gov

Grants.gov is part of the initiative to provide the grant community with a single site to find and apply for grant funding opportunities. It is a web-based system which contains announcements for all kinds of grants. It can be accessed via computer, tablet, and smart phone, and an application can even be tracked with the grants.gov app.

# Registration and System Access

- Must have a Data Universal Numbering System (DUNS) number
- DUNS transitioning to Unique Entity Identifier (UEI) completely in 2022
- Must register DUNS with the System for Award Management (SAM)
- Requirement to register DUNS with SAM to apply is waived due to COVID-19

# Obtain a DUNS Number

All entities applying for funding must have a DUNS number from Dun & Bradstreet (D&B). Applicants must enter the DUNS number in the data entry field labeled "Organizational DUNS" on the Standard Form 424, Application for Federal Assistance. For instructions on obtaining a DUNS Number, refer to: <https://www.grants.gov/web/grants/applicants/organization-registration/step-1-obtain-duns-number.html>

# Register with SAM.gov

All entities applying online through Grants.gov must register with SAM. However, due to COVID-19, the requirement to have an active DUNS registration is being waived. For more detailed instructions for registering, refer to:

**<https://www.grants.gov/web/grants/applicants/organization-registration/step-2-register-with-sam.html>**

# Create a Grants.gov Account

The next step is to register an account with Grants.gov. Follow the on-screen instructions or refer to the detailed instructions here:  
<https://www.grants.gov/web/grants/applicants/registration.html>

# Create and Complete a Workspace

- Creating a workspace allows you to complete the application online and route it through your organization for review before submitting
- All individuals must be added as participants to the workspace to work on the application together, complete all the required forms online, and check for errors before submission

# Submit a Workspace

- Submit the application through the workspace by clicking the Sign and Submit button on the Manage Workspace page, under the Forms tab
- Submit your application package at least 24-48 hours prior to the close of the application period to provide you with time to correct any potential technical issues that may disrupt the application submission process
- Can submit workspace via mobile device

# Electronic Signature

- No live signature is required when applications are submitted through Grants.gov. The name of the organization applicant with the Authorized Official Representative (AOR) role that submitted the application is inserted into the signature line of the application, serving as the electronic signature
- The EBiz POC **must** authorize people who are able to make legally binding commitments on behalf of the organization as a user with the AOR role; **this step is often missed and it is crucial for valid and timely submissions**

# Grants.gov Resources

- For training resources, including video tutorials:  
<https://www.grants.gov/web/grants/applicants/applicant-training.html>
- For workspace information:  
<https://www.grants.gov/web/grants/applicants/workspace-overview.html>
- Applicant support: Grants.gov provides 24/7 support via the toll-free number 1-800-518-4726 and email at [support@grants.gov](mailto:support@grants.gov). For questions related to the specific grant opportunity, contact the number listed in the application package of the grant for which you are applying

# Contact Information

LITC Program Office (general program inquiries)  
[LITCProgramOffice@irs.gov](mailto:LITCProgramOffice@irs.gov)

Bill Beard (Grants.gov and SAM.gov inquiries)  
[Beard.William@irs.gov](mailto:Beard.William@irs.gov)

\*\*\*See Publication 3319 for additional contact information and resources.\*\*\*

# Questions?

Hint: See page iv of Publication 3319 to avoid common errors made in completing and submitting the application!

Thank You

Thank you for your interest in the LITC program!!