Welcome to the Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) Grant Application Process Overview

This Session Will Cover

- Grant objectives

- Differences between VITA and TCE grants

- Grant cycle timeline

- Key changes

- Eligibility requirements

- Highlights of the 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

- Period of performance covers two years (August 1, 2018 – July 31, 2020)

- Dollar-for-dollar matching required

- 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

- Budget template in VITA Grant Workbook

Differences between VITA and TCE Grant

continued

TCE

- Limited to non-profits (no government entities allowed)

- 65% of all e-filed returns completed for taxpayers aged 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

- One-year performance period

Application Process Timeline and Program Period

VITA

- Application period – May 1 – May 31

- Notification of selection – Early October

- Program Period – Aug 1, 2018 – Jul 31, 2020

TCE

- Application period – May 1 – May 31

- Notification of selection – Early October

- Program Period – Oct 1, 2018 – Sep 30, 2019

Key Changes

VITA

- Standard Form 424 A, Budget Information for Non-Construction Programs – required with application

- Matching Funds documentation - not required with application

- Form 13533, Sponsor Agreement - not required

Key Changes, *continued*

TCE

- All grant agreements, competitive and continuing multi-year, will be issued in October

- Form 13533 – Sponsor Agreement - not required

Eligibility Requirements

VITA and TCE

- Qualify as a non-profit organization

- Demonstrate compliance with federal tax obligations

- Be eligible to receive federal financial assistance (not be debarred, suspended or have other federal debt)

- Have an OMB Circular A-133 audit when required

- Previous grant recipients must file all required reports timely

- Submit documentation on Grants.gov

VITA

- Non-federal government entities eligible

TCE

- Have experience in coordinating volunteer programs with specific 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, 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 that has a substantive role which meets one of the *other non-profit eligibility* requirements

Demonstrate Tax Compliance

- Compliant with filing federal tax, information reporting and paying any monies owed

- Important: Verify IRS tax status prior to submitting application using the Federal Tax Compliance Verification information inside front cover of publications

  - IRS can only discuss tax matters for the organization with specific authorized individuals

- IRS tax compliance checked prior to award

Common Issues identified

- Applicants not aware of unfiled returns or monies owed to the IRS

Other Eligibility Criteria

- Active registration on the System for Award Management (SAM). SAM is the source for debarment, suspension and non-IRS federal debt information
  - IRS reviews SAM.gov at the time of application and near award notification to ensure awards are allowable
- Audit requirement applies to organizations expending $750,000 in federal funds
  - Refer 2 CFR Part 200, Subpart F
  - IRS reviews the Federal Audit Clearinghouse for information
- Timely reports must be filed by previous grant recipients

Application – First Steps

- Instructions available electronically on IRS.gov

    - **VITA** – Publication 4671

    - **TCE** – Publication 1101

- Take actions early to register, confirm, update or access information for

    - Dun & Bradstreet Data Universal Numbering System (DUNS)

    - System for Award Management (SAM)

    - Grants.gov

    - Executive Order 12372 may require a State review – visit www.whitehouse.gov/omb for information

Use of Grants.gov Required

- Locate application on 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

  - Use tracking number when contacting Grants.gov

- Allow time to correct reject errors

  - Expect two emails from Grants.gov within two business days

    - First confirms receipt of application
    - Second confirms if the submission is successful or rejected
    - Correct and resubmit rejected applications by due date

TCE 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

  - Demonstrates ability to grow and sustain program

- Grant recipients with existing multi-year awards currently in years 1 or 2 continue based on grant office notification

  - Organizations notified they are eligible for continuation of award in late April/early May must file abbreviated application

  - Organizations ending their 3rd year of award must complete a full application

Completing Your Application

- Review grant instructions thoroughly
  - **VITA** – Publication 4671
  - **TCE** – Publication 1101
- Address all items requested
- Be as specific as possible

Common Application Issues

- Not addressing each category of the program plan
- Responses not thorough enough

Components Available on Grants.gov

VITA

- Application for Federal Assistance - SF-424

- Budget Information for Non-Construction Programs - SF 424-A

- Disclosure of Lobbying Activities - SF Form LLL (optional)

- Attachments

TCE

- Application for Federal Assistance - SF-424

- Form 14204

- Form 8653

- Disclosure of Lobbying Activities - SF Form LLL (optional)

Application for Federal Financial Assistance - SF424

- Some fields are already completed
  - No change necessary if different from instructions
- Required fields are shaded "yellow"
- Fields with limited space – use the option to add an attachment

Common Errors identified

- Incorrect DUNS and EIN – fields most often containing errors
- Application information does not match SAM - legal name and address fields should be the same

Budget Information for Non-Construction Programs – SF 424A

- **VITA applicants must submit with application**

  - Section A - Budget Summary

  - Section B - Budget Categories

  - Section C – Non-Federal Resources (matching funds)

  - Section D – Forecasted Cash Needs

  - Section E – Budget Estimates of Federal Funds Needed
    - Do not complete – no entries

  - Section F – Other Budget Information
    - Do not complete – no entries

Disclosure of Lobbying Activities - SF LLL

- 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

- Required with VITA and TCE application
- Check the instructions for additional attachments to submit with your application

  - **VITA** Publication 4671 - Submitting Your Application

  - **TCE** Publication 1101 - Completing and Submitting Your TCE Grant Application

- Label as directed in the instructions

- Follow Grants.gov guidelines

Common errors identified

- Naming attached files – *most frequent reason for rejection of submission*

- User is 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

  - Allows 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 costs

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 requested limits and formats

Budget Formulation

VITA and TCE

- Use the requested formats or forms

  - VITA – SF 424 A required with the application

  - TCE - Form 8653

- Review proposed expenditures to ensure they are allowable, reasonable and necessary

Indirect Costs – VITA Only

- Allowance of indirect costs limited to VITA Grant only
  - Current indirect cost rate agreements (IDCR) should be <u>included with the application</u>
  - Assign indirect cost to VITA if the amount is reasonable, allocable and necessary (may require review)
- Indirect Cost Rate Options
  - Charge 10% de minimis rate against the modified total direct costs for VITA without review **or**
  - Submit a proposal if IRS is the cognizant agency
- For more information review Publication 4671 section *Indirect Cost Rate Agreement and 2CFR 200.414*

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 and reflected on IRS reporting (ELF 1541and SIDN Workbook reports) by the rates paid to return preparers in the local labor market

- Reduces need for time sheets that document 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

- Growth expected

- Applicants demonstrate incremental increases in the number of federal tax returns filed

  - Explain any periods of decline or limited growth

  - Explain areas considered outside the norm

- All grant agreements include the number of federal returns expected to be filed by your organization

  - First year growth set by IRS

  - Second year growth expected from first year MRE

  - GPO evaluation feedback includes source of expected returns determination

Service Delivery

- Consider how tax return preparation is delivered
  - Traditional – service is provided one-on-one to those who visit a physical site
  - Virtual – service is like traditional but uses technology to connect volunteers with taxpayers
  - 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 counties targeted with their territory and agree on 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 initially determined to be missing then subsequently provided <u>will not</u> be considered during technical evaluation and could result in lower technical scores

Award Notification and Period Covered

VITA

- Announcement planned for early October

- Grant agreement will include the award amount for the first year only

- Award amount for the second year will be communicated via email around October 2018

- Period covered by grant is August 1, 2018 - July 31, 2020

TCE

- Announcement and grant agreements issued early October

- Period covered is October 1, 2018 - September 30, 2019

Resources

- Research *IRS.gov* for answers

  - Grant specific information – See publications and irs.gov

    - VITA – Publication 4671 and information on irs.gov at: www.irs.gov/Individuals/IRS-VITA-Grant-Program

    - TCE – Publication 1101 and information on irs.gov at: www.irs.gov/Individuals/Tax-Counseling-for-the-Elderly

  - Program information – Search: Partner in your community

- Direct questions to our email addresses if answers not found

  - VITA – Grant.Program.Office@irs.gov

  - TCE – TCE.Grant.Office@irs.gov