Wage & Investment

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

May 4, 2016

This Session Will Cover

- Grant objectives
- Differences between VITA and TCE grants
- Grant cycle timeline
- Key changes since last year
- 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

- New this year! Period of performance covers two years (August 1, 2016 – July 31, 2018)
- 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 detail explanation 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~~ June 1
- Review and ranking – June 1 – September 10
- Notification of selection – Mid-September
- Program Period – Aug 1, 2016 – Jul 31, 2018

TCE

- Application period – May 1 – ~~May 31~~ June 1
- Review and ranking – June 1 – September 30
- Notification of selection – Early October
- Program Period – Oct 1, 2016 – Sep 30, 2017

Key Changes

VITA

- Application announcements every other year
- Two-year
  - period of performance
  - federal funds request
  - budget detail
- Additional opportunity to submit matching funds documentation for second year
- Two-part award and funding actions
- Initial awards issued in mid-September

Key Changes, *continued*

TCE

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

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

VITA

- Non-federal government entities eligible
- Provide matching funds

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

Submit documentation on the "attachments" file on Grants.gov

Demonstrate Tax Compliance

- Considers federal tax and information reporting and any monies owed
- Important: Contact information is on the inside front cover of publications to verify IRS tax status prior to application
  - IRS can only discuss with individual authorized to discuss tax matters for the organization
- IRS tax compliance checked prior to award

Common Issues identified

- Applicants did not always know they had not filed a required tax return and/or owed monies to IRS

Other Eligibility Criteria

- System for Award Management (SAM) is the authoritative source for debarment, suspension and non-IRS federal debt
  - IRS reviews SAM.gov for this information at the time of application and near award time to ensure awards are allowable
- 2 CFR Part 200, Subpart F- Audit requirements apply to organizations expending $750,000 in federal funds and requiring single or program specific audit
  - 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 or update
  - Secure or update 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 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
    - 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

VITA Multi-Year Award Instructions

- Grant recipients with current multi-year awards who are in year 1 or 2 are continued recipients based on grant office notification
  - Organizations notified they are eligible for continuation of award in late April/early May <u>must</u> file abbreviated application
  - Organizations that finished their 3rd year of award or if they are not eligible for continuation must complete a full application
- No new multi-year awards issued
- All applicants must compete during the 2018 application period

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
  - 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 they are eligible 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 thoroughly
  - **VITA** – Publication 4671
  - **TCE** – Publication 1101
- Comment on 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 and TCE

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

TCE

- Form 14204 (**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 – there’s an option to add an attachment

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

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 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 - Template for budget detail in the VITA Grant Workbook available on IRS.gov
  - TCE - Form 8653
- Review proposed expenditures to ensure they are 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 <u>included with the application</u>
  - 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 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

- 1% 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 but is set by YOU!
  - 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 similar to 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 will not be considered during technical evaluation and could result in lower technical scores

Award Notification and Period Covered

VITA

- Announcement planned for mid-September
- Grant agreement will include the award amount for the first year only
- Award amount for the second year will be communicated via email around August, 2017
- Period covered by grant is August 1, 2016 - July 31, 2018

TCE

- Announcement and grant agreements issued early October
- Period covered is October 1, 2016 - September 30, 2017

Resources

- Research *IRS.gov* 24/7 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

2017 VITA and TCE Grant Application Process Overview
Talk Points

Slide 0 – Main Page

Welcome to the 2017 Volunteer Income Tax Assistance and Tax Counseling for the Elderly Application Process Overview, and thank you for joining us

I'm Sharon Alley, your moderator for today's presentation. I'm also a grant officer for the Atlanta headquarters office.

We are using a new medium, Virtual Webcaster, for this session because it allows more participants to attend. It also features "Ask a Question" which allows participants to submit questions on their computer while listening to a topic. The "Ask a Question" feature is available throughout the presentation. We will address ***general*** questions during the presentation; however, we cannot answer questions on specific case issues during the presentation. We will communicate directly with grantees regarding their specific case issues later.

If you experience connection issues during the presentation, we suggest that you sign off and sign back into the webcast.

The presentation, along with the questions and answers, should be available on the VITA Grant Webpage in the near future.

Go to the materials tab to download the slides.

Slide 1 – This Session Will Cover

Hi I'm (insert name) and I'll be covering the initial information about the grants.

The grant program office had a great year, and we continue to identify improvement opportunities for grant recipients.

We gather feedback formally and informally throughout the year, and we make every effort to give all suggestions due consideration. Unfortunately, we are not able to adopt all recommendations.

Today, we will:

1. Focus on the grant objectives,
2. Briefly discuss the differences between the two grants offered by SPEC,
3. Focus on key changes that have taken place since last year,
4. Look at current grant eligibility requirements,
5. Highlight key segments of the grant application process, and
6. 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 the 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 have limited English proficiency,
- Native Americans and
- Elderly taxpayers.

Please take a few minutes to review the objectives shown on slide 2.

Slide 3 – TCE Grant Objectives

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.

The TCE objectives focus on service to the elderly and on training volunteers to deliver that service.

Slides 4 and 5 – Differences between VITA and TCE

The next two slides highlight the differences between the VITA and TCE Grant programs.

New this year, the ***VITA*** Grant will cover two years – August 1, 2016 through July 31, 2018. More information will be shared on this change later in this presentation.
Please note that the TCE grant will still be only for one year.

The ***VITA*** Grant requires a dollar-for-dollar match. The TCE grant 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, but can include in-kind services, such as volunteer return preparers, quality reviewers and screeners. They can also include the space the site operates in and donated supplies, such as paper, pens, or pencils.

Let's talk more about matching funds.

- Generally the matching funds used for the VITA Grant cannot be used to support or meet the matching funds requirement for any other federal grant.

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 AmeriCorps and VISTA provides for CNS cost sharing cannot be used as match for the VITA grant.
You can find an exception to this in the Federal Funds as Match section of Publication 4671.

- Federal funds remain federal funds even if the grantee is a subsequent tier recipient or a pass through entity.

The most common example is funding received 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 ledger once received and documentation should be maintained to support the match.

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

Indirect costs are generally costs shared by all programs operated by the applicant, including:

- Depreciation or use allowances on buildings and equipment;
- Costs to operate and maintain facilities;
- General and administrative expenses; and
- Personnel and accounting administration.

Indirect costs are considered to be within the overall award amount, not in addition to the award amount.

We'll talk more about indirect costs and changes made later in this presentation.

VITA and TCE grants allow funds to be used for salaries. However, 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 who perform clerical duties, such as scheduling and maintaining appointment information, ordering supplies, and maintaining information on equipment, volunteers and operations.

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

Neither program allows funds to be used for screeners, tax return preparers and quality reviewers.

Individuals who perform multiple activities, including any of the three roles previously described must document their time by role 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 may use the entire grant for administrative costs if you choose.

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

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

Budget documents are different between programs even though both 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 older. The primary or secondary taxpayer who is 60 or older meets that requirement when filing a joint return.

Slide 6 –Application Process Timeline and Program Period

Our publications indicate the application period opens May 1 and ends May 31 for both the VITA and TCE grants. However, when scheduling the announcement on Grants.gov, their calendar was full for May 31st and we have extended submission to June 1st.

Any application submitted and validated within Grants.gov by 11:59 p.m. on June 1 will be accepted. However, we appreciate receiving applications earlier so that we can begin work sooner.

Many adjustments are expected for the VITA grant, starting with a shorter review and ranking period, June 1 through September 10. In addition, VITA competitive grant recipients receive earlier notification of being selected. We hope to provide notices to all VITA applicants by mid-September.

Changes to the TCE timeline were also made. TCE recipients are notified of their selection in early October. The review and ranking period remains June through September and the program period lasts one year, October 1, 2016 through September 30, 2017.

Applicants can apply for both VITA and TCE grants.

Slides 7 and 8 – Key Changes

VITA

The biggest change for VITA this year is the decision to go to a two year period of performance.

The transition to a two year grant will eventually allow the Grant Program Office to move toward earlier announcement periods, notification of selection and availability of funding.

As stated, the grant application period is the same as prior years - May 1 to June 1, and the period of performance will start August 1, 2016 and end July 31, 2018.

The two-year period requires two-year funding requests and two-year budget proposals. Organizations may indicate matching funds are to be raised when the application is submitted. Submit committed matching funds documentation to your grant officer by January 31 of each year.

We will issue grant award notifications in mid-September, and they will contain the award amount intended for the first year. Funding for the second year is contingent upon Congressional appropriations. Prior to the start of the second year, an additional award amount is provided to the grant recipients. The award amount for the second year may be increased or decreased depending on the appropriation.

Future changes include shifting the application announcement and closing dates with the next announcement. The shift will give VITA partners more time to concentrate on the application and finalize prior year data. We realize that current year information is a moving target and this shift eliminates the need to report on the current filing season when applying for the grant.

Second year funding will allow you more time to meet the grant objectives, make strategic decisions, and reduce risks associated with opening new sites or trying different delivery methods.

TCE

For TCE, we're adjusting our notification of continuing multi-year applicant's process until early October. Continuing multi-year applicants will receive notification of an award at the same time competitive applicants receive notification.

VITA and TCE

Growth expectation for filing season 2016 is 1% because our programs are transitioning to new IRS provided tax software. For the next filing season, we will encourage partners to keep pursuing an increase in production.

Also, I want to draw your attention to Publication 4671 for VITA and Publication 1101 for TCE. Both publications provide important contact, e-mail, and website information and a notice to

prior year grant applicants that cover key changes and important reminders. Be sure to check these out before starting your application.

Slide 9 - Eligibility Requirements

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

Slide 10 – Non-Profit Requirements

TCE and VITA grant non-profit requirements differ slightly. The TCE Grant is limited to non-profit organizations and Indian Tribal governments; and it does not include government entities. 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 non-profit under section 501 of the Internal Revenue Code of 1986. Organizations interested in applying must already have their determination letter confirming non-profit eligibility. Simply requesting a determination letter is not sufficient. Churches need determination letters.

Organizations should include documentation of their non-profit eligibility as an attachment to their application on Grants.gov.

Slide 11 – Demonstrate Tax Compliance

Organizations must show tax compliance with federal tax obligations. That means an organization 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 only verify compliance for 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.

VITA ***and*** TCE grant application instructions include phone numbers for verifying federal tax compliance. Remember, the IRS will only discuss tax compliance issues with the person officially designated to handle such issues with the IRS. Also, if your organization has a contract with another organization for certain tax responsibilities, such as, payroll taxes, you must ensure they are timely filing returns and making necessary deposits.

With the VITA grant only being announced every other year, don't let tax compliance issues keep you from being considered for a VITA grant. Take time to ensure you're compliant, then remain compliant throughout the application and performance period.

Slide 12 – Other Eligibility Criteria

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

Organizations that expend $750,000 or more in federal funds in a year must have an audit that meets the requirements of 2 CFR 200, Subpart F – Audit Requirements. The Grant Program Office reviews these audits for opinions that demonstrate an organization is financially well managed.

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 13 – Application – First Steps

- Review instructions in Publication 4671 for VITA grants or Publication 1101 for TCE.

- Secure a Data Universal Numbering System 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 which is free of charge.

- Register in the System for Award Management. If you're already registered, make sure your registration remains active throughout the grant application period. Be sure to verify 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 day shown is the day the registration has expired. Therefore, if the date is June 1, 2016, 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 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 each individual holds. Depending on your role, you may be able to create an application but may not be able to approve the submission of it. Be sure to check! Based on our experiences, one of the top three reasons applications are rejected is 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 if 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 14 – Use of Grants.gov Required

We have mandated the use of Grants.gov for application submission. We are confident Grants.gov provides sufficient resources to help you submit an application.

Grants.gov offers excellent step-by-step instructions for locating and downloading the application package. Search for the application packages using the CFDA code 21.009 for VITA and 21.006 for TCE. The packages contain the forms you'll need to complete and the form used to add all attachments. Please take advantage of Grants.gov instructions and resources.

Do not wait until June 1 to submit your application. Be sure to give yourself time to correct any reject errors.

Grants.gov will send two emails within two business days of submission to confirm acceptance of the application. The first email confirms receipt of the application and the second email confirms if it is accepted or rejected. You must correct and resubmit rejected applications by, 11:59 p.m. June 1, 2016.

Slide 15 – VITA Multi-Year Award Instructions

Current VITA grant multi-year recipients in the first or second year of the multi-year award who meet the established criteria to continue multi-year status must file an abbreviated application. Current multi-year award recipients will be notified in late April or early May of the year the multi-year status is continued.

Current VITA grant recipients in the third year of the multi-year award must file a full application.

The VITA Grant program will not offer new multi-year awards.

Beginning in calendar year 2018, all applicants will compete for funding by submitting a full application.

Slide 16 – TCE Multi-Year Award Instructions

We will continue to offer multi-year award opportunities ***for TCE only***. Publication 1101 has two multi-year sections, one for organizations interested in a multi-year award and one for current grant recipients awarded a multi-year award in the previous year.

In general, past VITA Grant or TCE recipients with no significant concerns, that met their program plan, and have shown growth may apply for a TCE multi-year award. In the initial year, the applicant files a complete application with added information showing 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.

If an applicant receives a technical ranking score of 90 for TCE, <u>and</u> they are recommended for award, they will <u>most likely</u> be offered a multi-year award. In the past, all organizations that met these conditions were offered multi-year TCE awards. However, we recognize adjustments may be necessary as more eligible applicants indicate interest and meet grant 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 what was previously awarded.

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.

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 meet their performance goals. The Grant Program Office will communicate with these organizations in

early May to let them know where they stand so they may know whether the abbreviated application process can be followed or if they need to submit the full application.

Other things to note:

- If you apply for a multi-year grant and are not selected, 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, submit a full application to be considered for funding.

Slide 17 – Completing Your Application

Please take time to review Publication 4671 or Publication 1101 thoroughly if you plan to apply for a grant. Both publications provide interested applicants with information that make applying easier.

The following may help you submit 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. You must clearly demonstrate a thorough understanding of what is required to increase your chance of receiving a grant.

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

Be specific in your responses. For instance, if you're writing about how your quality review process ensures returns are accurate, you should say more than *we have a quality review process*. Address all of the different aspects of the process and the outcomes associated with your actions. For example: *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.

Electronic submission decreases the chance of submitting an application with missing pages; however, references to an attachment in your application must be properly labeled and included in your submission to help reviewers locate the information you're pointing out.

Slide 18 – Components Available on Grants.gov

Standard Form 424, Application for Federal Assistance, and Standard Form LLL, Disclosure of Lobbying Activities for both programs must be obtained from the Grants.gov electronic application package, and they must be completed when required to help you successfully submit the application on Grants.gov. Samples of these are located in both grant publications.

Also, the attachments document must be included with the Grants.gov application. Other components required to complete your application are attached to this document, such as: the non-profit eligibility confirmation, narratives and budget information. Refer to Publication 4671 and Publication 1101 for the full list of required components and instructions on how they should be labeled.

Slide 19 – Standard Form 424

This is the Application for Federal Financial Assistance. Note that required fields are highlighted in yellow and other fields are already completed.

Grants.gov enters information from the application announcement to pre-populate certain fields. Changes are not required to these pre-filled items even if they differ from the instructions.

Review pre-filled sections to confirm your organization's registration information, such as organization name, EFIN, DUNS, etc., is accurate. **This information should agree with the information in SAM.gov, and you must** take early action to make sure Grants.gov and SAM.gov are in sync.

You may provide additional attachments for fields that will not accommodate all of 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, for instance below block 21 on SF 424, are completed when the application is submitted. Signatures are added based on the information in the Grants.gov system users who have signed into Grants.gov and is submitting the application. Be sure you're approved to submit applications on behalf of your organization.

Slide 20 – 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 you determe if your organization is required to complete and submit the SF LLL.

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

Slide 21 – Attachments

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

Review the instructions about additional information that must be included with your application in the related publications. 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 sections 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 details.

These are only a few examples. 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 22 – TCE Forms 14024 and 8653

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

Slide 23 – Program Plan and Other Narratives

Keep the reader in mind – Don't assume they know anything about you or your program because most likely they don't. To ensure a fair and objective review, technical reviewers assigned to your application are not from the same SPEC area as you are.

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 them.

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

Use a program coordinator to help you understand the process thoroughly. Use someone familiar with 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 their use. 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 anyone 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, and review your submission. Excessive errors can distract the reader, and may result in lowered technical scores.

Adhere to limits and formats requested. Be sure to remain within the page limits and use the spacing and font size indicated. The limit for the VITA program plan is 55 pages. Although attachments do not count toward these limits, they shouldn't be used to circumvent the page limit.

Slide 24 – Budget Formulation

The formats for the VITA and TCE grant programs differ.

The ***VITA*** budget template contains information required by the grant office including item categories, computations and funding columns. We've updated it this year to include space for two years, and it's been reformatted to provide specific fields for certain calculations and examples within the template for easy use. If your organization is awarded a grant, columns in the template can be used to capture changes. We encourage you to use the budget detail template to provide budget information. If it is not used, please send a complete narrative to support planned purchases along with calculations.

The TCE Form 8653 is specifically designed to help you meet 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. TCE a*dministrative 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.). These 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 or Form 8654. These forms 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.*

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.

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 or quality reviewers.
- Volunteer recognition items paid with federal funds exceed established limits of $10 per volunteer.
- Volunteer refreshments/food paid with federal funds exceeds established limits of $500 per grant applicant. The food should be for volunteers while working at the sites. Federal funds cannot be used to purchase refreshments/food for training, for feeding taxpayers, or for activities considered entertainment or a social activity.
- Note: These last two limitations apply to each year of the VITA grant. That is, $10 per volunteer can be spent during year 1 and again in year 2. The same goes for food for volunteers at sites. The limitation allows for a maximum of $500 in federal funds ***per year*** for the grant so the total ***for two years*** would be $1,000.

Slide 25 – Indirect Costs – VITA Only

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

If your program has applied for a federal indirect cost rate (ICR) and/or does not have a <u>current</u> indirect cost rate agreement, please do not include it in your proposed budget. Please notify

our office when a federal indirect cost rate is applicable, and include a revised budget to reflect the new rate if resulting changes overall are greater than 25% of the budget.

VITA grant recipients have the option to charge 10% against its modified total direct costs as described in 2 CFR 200 without an indirect cost rate agreement. Your desire to use this rate must be reflected in your proposed budget.

Slide 26 – Simplified Method for Recordkeeping – VITA

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

This method values these services by multiplying each federal return accepted at traditional VITA sites, and reflecting on IRS reports (ELF 1541 and SIDN Workbook reports) by the rates paid to compensated return preparers in the local labor market for the preparation of a tax return. The total will then be accepted as the value of matching funds contributed toward the program by volunteer screeners, preparers and quality reviewers.

Not sure how to determine the rate? Check out the Occupational Employment Statistics program maintained by the Bureau of Labor Statistics. Links and other information on this website are provided in Publication 4671 under valuing volunteer and paid employee time.

In the Publication 4671, we have provided some questions to help you determine if this process would be beneficial to your organization. We also provide additional guidance on issues to consider before choosing this method.

Slide 27 – Other Considerations

As you complete the application, remember:

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

Slide 28 – Return Growth Expected

As stated earlier in this presentation, expected growth this year is 1%. This rate was set in anticipation of the change in IRS provided software. We will continue to consider impediments

encountered in achieving this goal during the performance of the grant and in future grant opportunities.

When completing your application to show historical growth, be sure to explain any periods with declines or limited growth. This is especially important if you're applying on behalf of a coalition and the mix of partners participating has changed or if other impediments resulted in a period of decline or no growth.

You also don't need to wait until the last day to apply because you're waiting for the most up-to-date production figures from this year. Just mention the date your return information covers. IRS considers production captured in IRS systems for the sites in your plan during the evaluation period. This can differ from the returns reported in the application because return preparation activities may still be underway during the time of your application. We'll see these changes and make adjustments.

Also, be sure to provide explanations in your application if you prepare returns that might be considered outside the norm. An example is a program that concentrates on filing prior year or 1040NR returns that can't be e-filed, but still impact the e-file percentage. Generally, VITA programs have extremely high e-file percentages; so one with a rate in the 80% - 90% range would seem odd unless there is an explanation. Remember, your territory office may know this about your program, but to ensure impartiality, evaluators are not from the same area as the applicant.

The grant agreement will include returns expected for the first year of the two-year period only. Growth in the second year is expected. However, the IRS will not dictate the percentage growth. That's up to you.

New this year! We'll include returns used and sources for the returns when providing GPO evaluation feedback to explain how the returns expected figure was determined. Growth is always over returns **achieved** and not over returns planned or expected.

Slide 29 – Service Delivery

If you've always delivered service one-on-one, consider different approaches to reach your audience. You'll note on the slide options for virtual and facilitated self-assistance. Virtual is volunteer assisted preparation with a twist – the preparer and/or quality reviewer and taxpayer are not physically in the same location.

Along with the different method of delivering assistance, consider the hours and days of operation in delivering your services. Some sites have had success with different teams of volunteers working throughout the day to serve different audiences rather than just being open during the day or evening. This provides a valuable service to volunteers and taxpayers alike who have trouble driving after dark or who work different shifts.

Slide 30 – Facilitated Self-Assistance Return Preparation

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 use 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.

If your organization promotes facilitated self-assistance through MyFreeTaxes, have a discussion with your local territory office to ensure your organization is credited for returns filed in the counties where you promote its use.

Consult with your relationship manager to get more information about the methods you're considering including the adoption of new service delivery methods.

Please note, too, that although you may have limited control in encouraging use and/or projecting growth in this service delivery method, FSA returns are a factor in when projecting expected growth. If declines occur in your program due to FSA returns, it is considered during GPO evaluation and corresponding adjustments are made.

Slide 31 – Assurances and Certifications

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 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 32 – Concurrent Application Processing

In previous years, the grant office reviewed applications prior to a technical evaluation to ensure the application was complete, containing all requested information. The technical and

grant office evaluations now occur at the same time. Two copies of the electronic Grants.gov application are made when downloaded. One will be used for the technical evaluation, and the other for the grant office evaluation.

If information is missing from the application when submitted, it may not be identified by the grant office before the technical evaluation. Technical reviews are scheduled to be completed in June. The grant office will not evaluate all applications at the same time. **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 when submitting your application.

Slide 33 – Award Notification and Period Covered

As mentioned earlier, the award announcement for all VITA applicants is planned for mid-September. Our goal is to issue in September to avoid any possible government shut down situation.

For those applicants receiving a ***VITA*** grant, the award agreement will include only the funds for the first year of the two-year VITA grant period. Around August of 2017, we'll issue an email to share the amount of funds added to your grant for the second year, covered under the period of performance. Generally, this amount will be the same as the first year; but that is ***not*** guaranteed. Appropriations received by the IRS could differ from this year requiring an adjustment in monies awarded.

Remember there will not be another VITA grant announcement for two years.

For those applicants receiving a TCE grant, the award agreements will be sent to both continuing multi-year and competitive applicants in early October. ***TCE*** grants are for one year only.

Slide 34 – Resources

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

Questions and Answers

We've combined similar questions asked and provided answers.

1. **Can an organization apply for both the VITA and TCE grant?**

   Yes. Organizations may apply for and receive both the VITA and TCE grant. A VITA and a TCE application would need to be submitted.

   If an award is received for both, organizations must make sure their records can properly account for the expenses and production under each grant. If you share equipment or space, expenses would need to be allocated between the two different grants.

2. **Can the organization representing the VITA Coalition for a geographic area and specific sites within the area both apply for the VITA grant?**

   Sure. There is no limitation on who can apply although each organization applying must meet eligibility requirements. However, sites can only be in one applicant's plan. If sites are found in more than one applicant's plan, we confer with the territory and applicant to determine who is responsible for the site. Both applicants cannot claim the same production from a site.

   However, depending on the competition within a state, we may not fund programs targeting the same audience in the same area in order to increase service throughout the state. Geographic coverage is a consideration when awarding the grant.

3. **How much funding do you anticipate for VITA and TCE? Are there minimum and maximum awards? How many awards?**

   There are no minimum or maximum awards.

   IRS anticipates awarding a total of $15 million in **VITA** grants this year through this opportunity to between 200 and 260 non-federal entities. Award amounts range from $5,000 to $900,000 with a median range of $40,000. The amount of award is dependent on the applicant's reach and returns expected to be prepared in the program. Funds from next year's appropriation will be awarded next year to organizations selected through this opportunity to fund the second half of the performance period.

   IRS anticipates awarding a total of $6.5 million in **TCE** grants through this opportunity to between 20 and 30 non-federal entities. The amount of award is dependent on reach and returns expected to be prepared in the program. The award instrument for this opportunity is a cooperative agreement. Information on the agencies substantial involvement with the program can be found in IRS Publication 1101.

4. **Can a for profit organization apply for the grant if there are sub-awards planned for non-profit organizations within the grant?**

   No. A for profit organization will not meet eligibility requirements. One of the non-profit organizations would need to apply for the grant.

5. **I'm unsure of how to download a grant or authorize an individual to submit a grant? What if I have questions or problems?**

   Grants.gov provides instructions and help on registering and downloading grant applications packages. If you still have questions after reviewing their instructions, contact them 24/7 (except federal holidays) by email at Support@Grants.gov or phone at 1-800-518-4726.

6. **Do we need letters of support from organizations we are partnering with on this grant?**

   No. Letters of support are not required. However, if awarded a grant, a contract, memorandum of understanding or other such document is required.

7. **For the TCE grant, if service is provided for joint filers, does only one of the individuals need to be 60 years or older to qualify as service to the elderly?**

   Yes. If one of the joint filers is 60 or older, the return is counted toward elderly service.

8. **With the change in the period of performance for the VITA Grant from a begin date of July 1 to August 1, will recipients be able to count returns or expenses in another period?**

   No. Unfortunately, this change results in a one month period that is not be covered by the grant. Organizations should consider delaying any big purchases by one month in order for them to be included in the grant if one is awarded. However, remember any expenses incurred prior to award notification are at the organization's own discretion because a grant is not guaranteed. These expenses would not be reimbursable if an award is not made. This also applies to continuing multi-year recipients.

   This applies to returns as well. We will begin counting returns from or near August 1 toward your production goals if awarded a grant.

9. **For the VITA grant, do I submit a budget for two years?**

   Yes. The VITA Grant Workbook template is a "go-by" you can use for submitting a budget. When you complete the application, provide expenses for both years. Space for each year is included in the workbook along with examples of the information needed for the different types of expenses generally included in the budget. It is pre-set to combine the two years of planned expenses in the total fields.

10. **We are negotiating a Federal indirect rate with the Department of Labor. We are quite far along in the process, but will not likely have an approved Federal indirect rate before June 1. Should we apply for the indirect rate we expect we will receive based on our negotiations even though it is not yet approved?**

    No. We do not recognize indirect cost rate agreements in process. Once finalized and an award is received, your budget may be adjusted accordingly.

11. **As recommended in your tips, I include the questions being answered in my program plan, civil rights and financial operations narrative so that those reviewing the submission clearly understand the information requested. To save space, is it okay to single space these instructions?**

    Yes. If you're concerned about the overall length of your submission, you can also delete this "help" information once approved within your organization. Just be sure to number your responses to agree.

12. **I've always been a sub-recipient of the VITA grant. Can I apply for a grant? How does this affect the organization that normally manages the grant? What happens if I don't receive a grant? Would I be a new recipient?**

    These are all very good questions. Most require discussion with your coalition along with an understanding of the potential impact should a grant not be received. Any qualified organization may apply for the VITA grant. No applicants are guaranteed a grant. Even though you've received monies from the grant as a sub-recipient, if awarded a grant, you'd be considered a new recipient.

    For purposes of this answer, let's refer to you as Partner A and the coalition you participate in as Partner B. Partner A, as a previous participant in the VITA program, would include their sites and production for the three preceding years of participation. Partner B should not include the sites and returns covered by Partner A in their application.

    Funding decisions consider the plans included in the application. If both partners received a grant, production and expenses should be kept by each recipient separately. If Partner A does not receive a grant, Partner B can decide to include Partner A under their grant after-the-fact; however, the award amount determination would not have considered the additional production or sites and sufficient funding may not exist. Partner B does not have to include Partner A under their grant.

13. **Are applicants that support only facilitated self-assistance (FSA) sites eligible for the VITA grant?**

    Yes, although it is rare. Some consideration should be given prior to submitting an application with only FSA sites proposed. Under the current allocation plan for MyFreeTaxes.gov, a partner may not have control over the number of returns produced making it difficult to project and deliver returns since other organizations in the same area may facilitate this service as well. Also, your organization should seek concurrence with your local territory office on how returns will be allocated prior to submission of an application. The grant office does not determine the allocation of MyFreeTaxes production.

14. **If a college educates students from around the state, how will FSA returns be counted if they use their home address from other counties?**

This is a discussion for your organization to have with the local territory office. Some FSA software allows use of an assigned SIDN. In this instance, it doesn't matter where the student's home is located. However, if you're planning to use MyFreeTaxes, which does not use an assigned SIDN, an allocation method is all that is available. The local territory office may be able to identify a method for allocating a portion of the returns within the state or you might consider developing a method to track use by your students in another way such as a designated computer with sign in log.

15. **When are time sheets required for volunteers?**

Time sheets are required when using volunteer time as a matching requirement and the simplified method is not chosen.

Time sheets require more than just signing in/out. Although this speaks to time worked, it does not provide sufficient information as to activities performed and/or whether those activities were performed for the VITA program. At a minimum, it should also include the activities they worked on and be signed by the site coordinator or other designated individual given responsibility for confirming their actions.

16. **How would we go about valuing the Volunteer's time for purposes of the matching requirement? May I use the IndependentSector.org for the valuation?**

Publication 4671 offers detailed information on valuing volunteer time. Begin reading on page 30 under budget formulation and continue on to page 34 where the simplified method for volunteer return preparation recordkeeping is covered. Both offer methods for valuing volunteer time. Use of the IndependentSector.org is <u>not</u> acceptable. This value does not consider the activity being performed – only that they are a volunteer.

17. **Do I need to have all matching funds available when I submit my application?**

No but you will be expected to provide a dollar for dollar match for all federal funds received. During submission of the application, matching funds can be classified as committed (in-hand) or to be raised. Supporting matching funds documentation should be provided for those sources designated as committed.

For sources designated as to be raised, final documentation is needed by January 31, 2017 for the first year funds and January 31, 2018 for second year funds. For all funds, deposits are not made to your Payment Management System (PMS) account until we're assured the matching funds are available. PMS functions as your bank account where you're able to withdraw funds for reimbursement of expenses already incurred or in 3 days in advance of an expected expense. They cannot all be withdrawn at once if the expenses have not been incurred.

18. **What types of expenses or in-kind contributions qualify as matching funds?**

Publication 4671, *VITA Grant Program Overview and Application Instructions,* provides both the criteria and examples of matching funds used in the program.

The Cost Sharing of Matching Funds section beginning on page 12 provides the criteria an expense or in-kind contribution must meet in order to be used for matching funds. The Budget Information section provides examples of expenses and match as well. Remember, any qualified expense can be used as a match, such as:

- Employees that provide oversight, organization, and planning of VITA activities. Of course, it is limited to the time spent on the VITA program and it can't already be funded through federal funds.
- Instructors that train volunteers.
- Space at a library, community agency, senior center, or other location.
- Volunteer services provided to support the program including site coordinator, clerical, tax return preparation, screening, quality review, and technology assistance are all acceptable.

19. **How do I value donated space for my matching funds?**

It depends. You'll need to do a little work and ask the following questions.

How will the space be used? How frequently? Does the owner of space normally charge a "user" fee? Is a value per day or per hour in line with the fair market rental? What is the fair market rental value of the space?

Check first with the organization that is providing the space. They may already have an established "user fee" for the loan of their space. For a site that you use a few days a season, the per hour or per day valuation may be best; however, for a site that you'll use several days a week every week, the fair market rental value is probably the best method for valuing. You may be able to check with your local real estate professionals for fair market rental value on comparable business spaces.

Remember that you must keep a record of the determination, including the days and times actually used, along with the total valuation. This would include correspondence or research completed to support your determination.

20. **For the matching funds summary change within the VITA Grant Workbook, should I add year one and year two to give a two-year total for amount in-hand or committed?**

You can but it is not required. This worksheet provides the date the resource is expected, which easily shows whether you plan to provide the match for year one or year two.

21. **Do I have to provide an equal amount of match by cost category for my expenses? That is to say, if I need $10,000 for equipment, will I also need to provide $10,000 in equipment match?**

No. Matching funds are based on the overall project costs and not on the individual cost categories (personnel, fringe, travel, supplies, etc.).

22. **Is it advantageous to the applicant to show in the grant application that it has funds/in-kind donations that exceed the required one-to-one match?**

    It is not required; however, it is useful if some of the proposed match is not accepted. Organizations are not awarded additional points for have excess matching funds.

23. **Is the software provided by IRS an acceptable in-kind match for the VITA Grant?**

    No. Software, loaned equipment, or training provided by IRS are not acceptable sources of match for the VITA Grant. Review the criteria for an expense or in-kind contribution to be accepted as match beginning on page 12 of Publication 4671.

24. **Does the Grant Office foresee it being a challenge for sites to grow by 1% next year considering the change in tax preparation software?**

    We recognize this will not be "business as usual." However, we have no method of determining the final impact. We felt setting all recipients at 1% growth over returns prepared in the previous cycle as fair. We will revisit the expectation after the filing season so as not to harm our grant recipients.

25. **You indicated the federal returns expected to be accomplished will be included in the grant agreement sent in September 2016 for the first year. What growth is expected in the second year and how will it be communicated?**

    We will not be setting a specific growth percent for the second year in our communication other than to say that growth is expected. The organization can decide the growth over their prior year production for the second year.

26. **In the Target Audience tab of the VITA grant, should the "returns proposed" numbers reflect one year of returns or should they include total returns expected for both years of the grant period?**

    Only one year of returns should be included in the workbook. As stated above, the second year returns to be completed will be set by the grant recipient and will be from the returns achieved during the first year of the grant.

27. **What returns count toward expected production?**

    This information can be found on page 14 of Publication 4671 under Before Starting Your Application. Returns that are counted toward your program goal include:

    1. Current and prior year returns prepared and electronically filed by VITA volunteers
    2. Paper returns filed by VITA site customers and containing an accurate SIDN
    3. Returns prepared and filed by customers through facilitated self-assistance VITA sites; and
    4. Amended returns
    5. Returns prepared and not mailed by the customer

    Returns required to be filed due to the need to report an advanced premium tax credit would also count as either an electronic or paper return, depending on which method is used.

IRS systems are able to monitor items 1 and 2 during the filing season using assigned EFIN and SIDN identification. If the facilitated self-assistance site in item 3 uses an SIDN, IRS systems can monitor. If using MyFreeTaxes, an allocation method is used and should be agreed upon by the applicant and local territory office. For items 4 and 5, the applicant is required to have processes in place to track these returns if they will be used toward meeting your program goal. For item 5, we recognize that a taxpayer may not always file the return prepared; however, we allow credit for these returns because activity occurred whether they were filed or not. Your organization must be able to demonstrate the activity.

28. **I did not receive a VITA grant last year. What performance information is required to be submitted with the grant?**

    For organizations that have participated in the VITA grant, the program plan section asks for experience with low income and/or return preparation. It includes reporting from the last three years.

29. **Is there any point in applying if our production went down this year compared to last?**

    Although production is one of the criteria considered when an application is technically ranked, it is not the only criteria. It should not be the only consideration when deciding to apply. We regularly fund programs that had temporary set-backs in production because they have an overall strong program and provide a needed service. You should provide the cause of the production decrease in the program narrative section.

30. **For the return preparation performance, are there guidelines of the percentage for e-file, paper file and FSA?**

    Not necessarily. Both grants encourage electronic filing of returns prepared. Most organization awarded a grant e-file well over 95% of their returns. However, we have funded programs with lower e-file percentages in order to assist them in moving closer to the norm. Participation in facilitated self-assistance or virtual assistance programs is up to your organization; however, they do provide a method to balance program delivery when traditional services are not necessarily available.

31. **I am a multi-year recipient. How does the two year change to the VITA Grant impact me?**

    Current multi-year recipients will receive a communication from their assigned grant officer confirming whether qualified to continue as a multi-year recipient. Notices sent in April requested confirmation of our monitoring data and responses were expected by May 6, 2016. Upon receipt of the information, analysts will provide a communication confirming continuation as a multi-year recipient by May 13. Assuming your organization is <u>qualified to continue</u> as a multi-year recipient, the following impact can be expected.

    Multi-year designation that began in grant year 2016 (16VITA) and shows year 1 on your most recent agreement (16VITA) - You can apply following the abbreviated application instructions under the Continuation of Multi-Year Award section in the Publication 4671. An award will cover two years from 8/1/2016 – 7/31/2018. During the next open season, you'll file a full application.

Multi-year designation that began in grant year 2015 (15VITA) and shows year 2 on your most recent agreement (16VITA) – You can apply following the abbreviated application instructions under the Continuation of Multi-Year Award section in the Publication 4671. An award will cover two years from 8/1/2016 – 7/31/2018. During the next open season, you'll file a full application.

Multi-year designation that began in grant year 2014 (14VITA) and shows year 3 on your most recent agreement (16VITA) – You'll apply following the instructions for a full application located in the What to Include in the Application section. An award will cover two years from 8/1/2016 – 7/31/2018. During the next open season, you'll file a full application.

The abbreviated application uses the same Grants.gov application as the full application. The difference is the attachments that are added to the application. The application is due June 1, 2016.

32. **For a multi-year grant recipient in the second year, I understand the narrative only requires "substantive changes" to the previous narrative in the abbreviated version. What qualifies as substantive, and how much detail is expected to be provided?**

Substantive changes would include those items that differ significantly between your previous plan and what you're proposing to do in this application. Although not all inclusive, the following are examples that would qualify to be covered. The details provided should "paint a picture" of what the change entails.

- Change in partners – may increase or decrease sites, area of coverage, etc.
- Change in primary or secondary focus – describe why change needed and provide new audience
- Change in service delivery method - adding more sites that deliver through a particular method is not necessarily substantive; however, if you're changing the mix significantly from traditional VITA to virtual would be substantive

33. **If I am submitting a continuation application, may I increase the funds I am requesting from what was previously awarded?**

Yes. We will consider increases in funds awarded to continuing multi-year applicants. We recognize that over time, expenses and plans change that may necessitate additional funding. This would include changes to the type of expenses covered. Justifiable changes might include such items as:

- Plans to claim indirect costs as expense or match
- Change in partners and/or change in sites operating under plan
- Increase in travel to cover expanded area

34. **What returns count toward expected production?**

This information can be found on page 14 of Publication 4671 under Before Starting Your Application. Returns that are counted toward your program goal include:

1. Current and prior year returns prepared and electronically filed by VITA volunteers
2. Paper returns filed by VITA site customers and containing an accurate SIDN
3. Returns prepared and filed by customers through facilitated self-assistance VITA sites; and
4. Amended returns
5. Returns prepared and not mailed by the customer

IRS systems are able to monitor items 1 and 2 during the filing season using assigned EFIN and SIDN identification. If the facilitated self-assistance site in item 3 uses an SIDN, IRS systems can monitor. If using MyFreeTaxes, an allocation method is used and should be agreed upon by the applicant and local territory office. For items 4 and 5, the applicant is required to have processes in place to track these returns if they will be used toward meeting your program goal.

35. **What is the simplified method for volunteer returns preparation recordkeeping?**

This method is covered in Publication 4671 beginning on page 34. It provides an opportunity to organizations that use volunteer services for match and do not wish to keep individual time sheets for these volunteers. It equates one return to one hour and using the rates paid to paid return preparers in the local labor market allows for valuing the services. Organizations will want to review the questions concerning use of the method and make a determination of whether it will benefit your organization before using. It may be beneficial to run a dual system, using time sheets and returns, to determine which meets your needs.

36. **May I use the simplified method for volunteer returns preparation if I also pay for returns preparation?**

No. Since you have both paid and unpaid individuals preparing returns, the simplified method does not apply to your organization. Time sheets will be needed to document both the paid and unpaid time.

37. **If the organization is a pass through agency, does the second agency (recipient) need to be a 501(C)(3) non-profit as well?**

No. The entity awarded a sub-award is not required to be a non-profit. For profit organizations often provide access to low-income workers and can be a benefit to coalitions. The organization <u>is required</u> to have a DUNS number and a memorandum of understanding, contract or agreement must be used to show the relationship.

38. **What needs to go into a lead organizations application on behalf of an organization that would be a sub-grantee? Does there need to be a written agreement between organizations?**

At time of application, we do not require completed agreements between the applicant and any organizations they plan to sub-award. However, we do ask for a sample agreement so that we can review it for all required components. Once the agreements are made, the corresponding tab in the VITA Grant Workbook should be updated to show the relationship.

39. **How are assurances provided in the application? If I provided them under another federal grant, will I provide them again?**

Yes. The Publications 4671 and 1101 each contain a list of assurances and certifications in the appendix and by signing and submitting the Standard Form 424 and completing block 21 " I Agree", the applicant organization is certifying to the certifications and assurances. The corporate felony conviction certification requires additional information and a template is provided in the VITA Grant Workbook for providing the required information for this certification. It should be included with the application submission.

40. **When will awards be made?**

Award announcements are planned for mid-September for VITA and early October for TCE grants. All awards will be made at these times. Earlier notification of awards to continuing multi-year recipients is eliminated.

41. **Is the grant money something we get right away or do we track receipts and get reimbursed?**

Both the VITA and TCE grant programs use the Payment Management System (PMS) for distribution of grant funds. PMS is operated by Health and Human Service's Department of Payment Management.

Once the account is established in PMS based on accurately completed documents submitted by the recipients, IRS will fund the account up to the amount of confirmed match. Recipients may request reimbursement of expenses at any time after funding or may request advanced funds for expenses expected to be incurred in a 3 day period of time.

For example, if you expect to take delivery of computers on November 23, 2016, you could request funds on November 18. Funds would be electronically deposited on November 21 for your use to pay for the equipment on November 23. If not advanced, funds could be requested to pay the incurred expense November 23 or after.

42. **How are the grants monitored by the Grant Program? Is the partner audited annually?**

We use internal systems to monitor for program activity and returns prepared under the grant. Sites are also subject to field and quality statistical sampling reviews to ensure they are operating within our guidelines.

As to funds management and usage, we may complete an informal visit or ask the grant recipient to provide certain examples of their record keeping, policies and procedures to ensure they are able to account for the funds after award. Also, another group in the IRS may perform a financial review of the organization. These reviews are conducted in person or via correspondence. They perform a sample review of recipients. This review is not considered an IRS audit; however, it does provide overall assurance that the grant recipient has sufficient controls to manage and utilize their grant funds appropriately.

43. **Are there other guidance documents that will help me with my programs' operation?**

Publication 4883, *Grant Programs Resource Guide*, provides additional information about requirements of and managing the grant. It is recently revised.

Numerous publications and websites provide information on program delivery. Some key resources include:

- Publication 1084, *IRS Volunteer Site Coordinator Handbook*
- *Link & Learn Taxes* is an online training tool, which is accessible through IRS.gov
- Publication 5166, *VITA/TCE Quality Site Requirements*
- Publication 4299, *Privacy, Confidentiality, and Civil Rights – A Public Trust*
- Site Coordinator Corner on irs.gov
- Grant Recipient Information, Payment Management System (PMS)

44. **Is there a listing of VITA or TCE funded grants from prior periods?**

IRS reports its award to USASpending.gov. Individuals can obtain this information through a search of this website.

USASpending.gov houses federal grant and contract information. Follow the simple directions below to view VITA and TCE grant recipient information. You will be able to view and download specific information relating to grant recipients.

1. Access the USASpending.gov site,
2. Click **Advanced Data Search** (found in the upper right corner of the screen),
3. Within the **Search Criteria** section under the Spending Type sub-heading, select Grants,
4. Beneath the **Fiscal Year** sub-heading, select *FY2015* or the year for which you need information,
5. In the **Awarding Agency** section, scroll and select *Department of the Treasury*,
6. In the following **Awarding Bureau** section, scroll and select *Internal Revenue Service*,
7. Go to the **CFDA** sub-heading, scroll and select 21.009-VITA or 21.006-TCE,
8. Click **Submit** (found at the bottom center portion of the screen).

The Results Summary that follows shows the total number of transactions, the total transaction amount and number of grants involved, among other information. Search Results shows specific information for recipients listed in alphabetical order. You may select different pages found at the bottom left section of the screen to see more results. You may also download the results.