

# NCUA LETTER TO FEDERAL CREDIT UNIONS

**NATIONAL CREDIT UNION ADMINISTRATION**  
**1775 Duke Street, Alexandria, VA 22314**

**DATE:** February 2002

**LETTER NO.:** 02-FCU-02

**TO:** All Federal Credit Unions

**SUBJ:** Partnership Opportunities with IRS

**Dear Manager and Board of Directors:**

The Internal Revenue Service (IRS) has embarked on a nationwide partnership initiative to help families with low to moderate income build assets and increase financial literacy. This partnership is in conjunction with the IRS' well-established Voluntary Income Tax Assistance (VITA) Program initiative.

The VITA Program offers free tax preparation services for individuals and families with low to moderate income. Through VITA, credit unions can assist eligible members to avail themselves of the Earned Income Tax Credit (EITC) or Child Tax Credit (CTC). EITC is a tax credit that is offered for low- to moderate-income families, reducing the tax burden and supplementing wages. Families with two or more children who earn less than \$32,121 during 2001 are eligible for a credit of up to \$4,008. CTC is a federal tax credit up to \$600 per child for the year 2001. Additional information regarding VITA, EITC, and CTC is available at:

<http://www.ncua.gov/org/orgchart/ocud/newsletters/SpecialEdition-IRS.pdf>

VITA sites became operational nationwide last month. Many of the sites will be facilitated by community-based organizations that have entered into a partnership with the IRS. This is an excellent opportunity for credit unions to participate by offering a myriad of services ranging from providing volunteers to prepare the returns, electronically transmitting returns for their members, facilitating financial literacy education workshops, and establishing financial services for taxpayers identified through local VITA sites.

Credit union involvement in the VITA initiative can be rewarding. This opportunity provides goodwill through member benefits, Continuing Professional Education credits for qualified volunteers who receive VITA training, free tax preparation service for members, and free electronic filing with direct deposit options at credit unions.

For further information about participating in this initiative, please contact Beverly Thomas, IRS Senior Program Analyst, via e-mail at [beverly.thomas@irs.gov](mailto:beverly.thomas@irs.gov), or Darrell Lloyd, Chief, Financial Institution Partnerships, at [darrell.lloyd@irs.gov](mailto:darrell.lloyd@irs.gov).

Sincerely,

*/s/*

Dennis Dollar  
Chairman